

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

**Condensed consolidated statement of profit or loss**  
**For the third financial quarter ended 31 May 2019**

	Third financial quarter		Nine months	
	31.05.2019 RM'000	31.05.2018 RM'000 (Restated)	31.05.2019 RM'000	31.05.2018 RM'000 (Restated)
Revenue	33,480	39,643	92,065	124,346
Cost of sales	(18,715)	(24,157)	(45,381)	(59,926)
Gross profit	14,765	15,486	46,684	64,420
Interest income	3,048	2,247	7,287	6,166
Dividend income	501	395	880	1,335
Other income	714	18,060	1,360	32,083
Selling expenses	(1,069)	(1,117)	(2,791)	(3,026)
Administrative expenses	(5,509)	(5,356)	(16,990)	(16,526)
Other expenses	(489)	(1,819)	(854)	(5,529)
Share of results of associates	(1,318)	(5,374)	(1,297)	(9,460)
Share of results of a joint venture	(241)	403	(186)	(322)
Profit before tax	10,402	22,925	34,093	69,141
Income tax expense	(2,631)	(2,275)	(8,514)	(11,342)
Profit net of tax	7,771	20,650	25,579	57,799
Earnings per stock unit (sen per stock unit)				
Basic	8.51	22.60	28.00	63.26
Diluted	8.51	22.60	28.00	63.26

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

**Condensed consolidated statement of comprehensive income**  
**For the third financial quarter ended 31 May 2019**

	Third financial quarter		Nine months	
	31.05.2019 RM'000	31.05.2018 RM'000 (Restated)	31.05.2019 RM'000	31.05.2018 RM'000 (Restated)
Profit net of tax	7,771	20,650	25,579	57,799
Other comprehensive (loss)/income:				
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:				
Net loss on fair value changes of investment securities	-	(18,862)	-	(25,306)
Foreign currency translation	(612)	(157)	338	(8,260)
Share of other comprehensive loss of an associate in respect of fair value reserve	-	(9)	-	(14)
Total other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods	(612)	(19,028)	338	(33,580)
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:				
Net loss on fair value changes of investment securities	(3,327)	-	(2,909)	-
Share of other comprehensive (loss)/income of an associate in respect of fair value reserve	(1)	-	6	-
Share of other comprehensive income/(loss) of an associate in respect of employee benefits plan reserve	83	-	119	(156)
Share of other comprehensive income of a joint venture in respect of employee benefits plan reserve	-	-	3	-
Total other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(3,245)	-	(2,781)	(156)
Total other comprehensive loss	(3,857)	(19,028)	(2,443)	(33,736)
Total comprehensive income	3,914	1,622	23,136	24,063

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

**Condensed consolidated statement of financial position**  
**As at 31 May 2019**

	31.05.2019	31.8.2018
	RM'000	RM'000
		(Restated)
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	121,107	117,835
Investments in associates	151,600	148,484
Investment in a joint venture	14,095	10,622
Investment securities	91,101	74,799
	<u>377,903</u>	<u>351,740</u>
<b>Current assets</b>		
Inventories	7,112	3,079
Consumable biological assets	3,513	4,367
Receivables	15,727	17,925
Income tax recoverable	3	334
Cash and bank balances	297,354	310,302
	<u>323,709</u>	<u>336,007</u>
<b>Total assets</b>	<u>701,612</u>	<u>687,747</u>
<b>Equity and liabilities</b>		
<b>Current liabilities</b>		
Payables	9,348	10,473
Income tax payable	178	-
	<u>9,526</u>	<u>10,473</u>
<b>Non-current liability</b>		
Deferred tax liability	<u>22,252</u>	<u>21,440</u>
<b>Total liabilities</b>	<u>31,778</u>	<u>31,913</u>
<b>Equity attributable to owners of the Company</b>		
Share capital	111,017	111,017
Other reserves	2,092	4,969
Retained profits	556,725	539,848
<b>Total equity</b>	<u>669,834</u>	<u>655,834</u>
<b>Total equity and liabilities</b>	<u>701,612</u>	<u>687,747</u>
Net assets per stock unit attributable to owners of the Company (RM)	<u>7.33</u>	<u>7.18</u>

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

Condensed consolidated statement of changes in equity  
For the third financial quarter ended 31 May 2019

	Non-distributable		Distributable		Non-distributable		
	Equity attributable to owners of the Company, total RM'000	Share capital RM'000	Retained profits RM'000	Other reserves, total RM'000	Foreign currency translation reserve RM'000	Employee benefits plan reserve of an associate and a joint venture RM'000	Fair value adjustment reserve RM'000
At 1 September 2017 (Restated)	658,054	111,017	495,798	51,239	-	606	50,633
Profit for the period	57,799	-	57,799	-	-	-	-
Other comprehensive loss	(33,736)	-	-	(33,736)	(8,260)	(156)	(25,320)
Transaction with owners	(9,136)	-	(9,136)	-	-	-	-
Dividends, representing total transactions with owners	672,981	111,017	544,461	17,503	(8,260)	450	25,313
At 31 May 2018 (Restated)	655,834	111,017	539,848	4,969	(13,153)	476	17,646
At 1 September 2018 (Restated)	25,579	-	25,579	-	-	-	-
Profit for the period	(2,443)	-	-	(2,443)	338	122	(2,903)
Other comprehensive income/(loss)	-	-	434	(434)	-	-	(434)
Transfer of fair value adjustment reserve to retained profits upon disposal of investment securities	(9,136)	-	(9,136)	-	-	-	-
Transaction with owners	669,834	111,017	556,725	2,092	(12,815)	598	14,309
Dividends, representing total transactions with owners							
At 31 May 2019							

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

**Condensed consolidated statement of cash flows**  
**For the third financial quarter ended 31 May 2019**

	Nine months	
	31.05.2019	31.05.2018
	RM'000	RM'000
		(Restated)
<b>Operating activities</b>		
Profit before tax	34,093	69,141
Adjustments for:		
Depreciation for property, plant and equipment	4,350	4,339
Fair value loss of consumable biological assets	854	2,745
Dividend income	(880)	(1,335)
Gain on sale of property, plant and equipment	(15)	(31)
Interest income	(7,287)	(6,166)
Net fair value gain on investment securities (transferred from equity on disposal)	-	(31,854)
Property, plant and equipment written off	-	107
Share of results of associates	1,297	9,460
Share of results of a joint venture	186	322
Unrealised (gain)/loss on foreign exchange	(1,052)	2,673
Total adjustments	(2,547)	(19,740)
Operating cash flows before changes in working capital	31,546	49,401
Changes in working capital		
(Increase)/decrease in:		
inventories	(4,033)	1,125
receivables	1,493	(7,708)
Decrease in payables	(1,125)	(1,806)
Total changes in working capital	(3,665)	(8,389)
Cash flows from operations	27,881	41,012
Taxes paid	(7,193)	(9,472)
Net cash flows generated from operating activities	20,688	31,540
<b>Investing activities</b>		
Changes in deposits with maturity of more than 3 months	(39,251)	(89,819)
Interest received	7,992	7,114
Dividends received from investment securities	829	1,259
Addition of property, plant and equipment	(7,622)	(8,392)
Additional investment in a joint venture	(3,606)	-
Additional investment in an associate	(4,000)	-
Purchase of investment securities	(22,555)	(8,288)
Proceeds from sale of property, plant and equipment	15	31
Proceeds from sale of investment securities	3,395	53,750
Net cash flows used in investing activities	(64,803)	(44,345)
<b>Financing activity</b>		
Dividends paid to owners of the Company, representing total cash flows used in financing activity	(9,136)	(9,136)
<b>Net decrease in cash and cash equivalents</b>	(53,251)	(21,941)
<b>Effects of exchange rate changes on cash and cash equivalents</b>	1,052	(2,673)
<b>Cash and cash equivalents at beginning of period</b>	134,389	108,884
<b>Cash and cash equivalents at end of period</b>	82,190	84,270
Cash and cash equivalents at end of period comprise:		
Cash on hand and at banks	17,463	22,157
Deposits with financial institutions	279,891	298,537
	297,354	320,694
Less: deposits with maturity of more than 3 months	(215,164)	(236,424)
	82,190	84,270

**Notes to the interim financial report - 31 May 2019**

**A Explanatory notes - MFRS 134: Interim Financial Reporting**

**A 1 Basis of preparation**

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the annual audited financial statements for the financial year ended 31 August 2018.

The interim financial report is prepared under the same accounting policies and methods of computation as compared with the annual financial statements for the financial year ended 31 August 2018, except for the adoption of MFRS Framework and MFRS 9: Financial Instruments as follows:

MFRS Framework

On 1 September 2018, the Group has adopted MFRS Framework and this interim financial report is prepared under the framework, in accordance with MFRS 1: First-time Adoption of MFRS. The effective date of transition to MFRS Framework is 1 September 2017.

As required by MFRS 1, the Group has restated its comparative figures in the interim financial report and effects of the MFRS adjustments to the financial statements of the Group are summarised below:

	Previously reported under FRSs RM'000	MFRSs adjustments RM'000	Restated under MFRS RM'000
<u>Statement of profit or loss</u>			
<u>Third financial quarter ended 31 May 2018</u>			
Cost of sales	(19,408)	(4,749)	(24,157)
Replanting expenses	(2,142)	2,142	-
Other expenses	-	(1,819)	(1,819)
Share of results of associates	(5,250)	(124)	(5,374)
Share of results of a joint venture	(467)	870	403
Income tax expense	(2,408)	133	(2,275)
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<u>Nine months ended 31 May 2018</u>			
Cost of sales	(57,129)	(2,797)	(59,926)
Replanting expenses	(6,311)	6,311	-
Other expenses	(2,677)	(2,852)	(5,529)
Share of results of associates	(5,996)	(3,464)	(9,460)
Share of results of a joint venture	(855)	533	(322)
Income tax expense	(10,963)	(379)	(11,342)
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<u>Statement of comprehensive income</u>			
<u>Third financial quarter ended 31 May 2018</u>			
Foreign currency translation	(3,724)	3,567	(157)
Net loss on fair value changes of investment securities	(18,715)	(147)	(18,862)
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<u>Nine months ended 31 May 2018</u>			
Foreign currency translation	(7,628)	(632)	(8,260)
Net loss on fair value changes of investment securities	(24,584)	(722)	(25,306)
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**Notes to the interim financial report - 31 May 2019**

**A 1 Basis of preparation (cont'd.)**

MFRS Framework (cont'd.)

	Previously reported under FRSs RM'000	MFRSs adjustments RM'000	Restated under MFRS RM'000
<u>Statement of financial position</u>			
<u>As at 31 August 2018</u>			
<u>Assets</u>			
Property, plant and equipment	45,808	72,027	117,835
Biological assets	77,043	(77,043)	-
Investments in associates	179,356	(30,872)	148,484
Investment in a joint venture	9,909	713	10,622
Investment securities	70,311	4,488	74,799
Inventories	2,428	651	3,079
Consumable biological assets	-	4,367	4,367
<u>Liabilities</u>			
Deferred tax liabilities	7,479	13,961	21,440
<u>Equity</u>			
Asset revaluation reserve - land and biological assets	15,689	(15,689)	-
Foreign currency translation reserve	(35,294)	22,141	(13,153)
Fair value adjustment reserve	13,158	4,488	17,646
Retained profits	590,417	(50,569)	539,848

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

Prior to transitioning to MFRS Framework, plantation development expenditures consisting of cost incurred on land clearing and upkeep of oil palms are recognised in profit or loss. With the adoption of Amendments to MFRS 141 and MFRS 116, the new planting and replanting expenditures are capitalised under property, plant and equipment and measured at cost less accumulated depreciation.

(b) Consumable biological assets

Biological assets of the Group are fresh fruit bunches prior to harvest. Prior to adoption of MFRS Framework, the fresh fruit bunches are part of the bearer plants and are not recognised separately. With the change under the MFRS Framework, the biological assets are measured at fair value less cost to sell and the changes in fair value less cost to sell are recognised in profit or loss.

(c) Inventories

Cost of inventories of oil palm produce includes cost of consumable biological assets. The Group has previously measured consumable biological assets based on cost of direct materials, direct labour and appropriate production overheads. Upon adoption of MFRS 141 Agriculture, consumable biological assets shall be measured at fair value less costs to sell at the point of harvest. Such measurement is the deemed cost used in measuring oil palm produce.

(d) Investment securities

With the adoption of MFRS 9, equity instrument of the Company that is carried at cost for which it does not has a quoted price in an active market for an identical instrument, the instrument will be measured at fair value at the date of initial application.

The difference between the previous carrying amount at cost and the fair value shall be recognised in opening fair value adjustment reserve at the date of initial application.

**Notes to the interim financial report - 31 May 2019**

**A 1 Basis of preparation (cont'd.)**

MFRS Framework (cont'd.)

(e) Exemption for cumulative translation differences

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

Standards issued but not yet effective

The Group has not adopted those new standards, amendments to standards and interpretations that have been issued but not yet effective under the MFRS Framework. The directors expect that the adoption of those new standards, amendments to standards and interpretations will not have a material impact on the financial statements in the period of initial application.

**A 2 Seasonal or cyclical nature of operations**

The revenue and earnings are impacted by the production of fresh fruit bunches and volatility of the selling prices of fresh fruit bunches, crude palm oil and palm kernel.

The production of fresh fruit bunches depends on weather conditions, production cycle of the palms and the age of the palms.

The plantation statistics are as follows:

Average planted area for nine months ended 31 May 2019:

	Hectares			
	31.05.2019	31.05.2018	31.05.2019	31.05.2018
Mature	9,219			
Replanting and immature	1,735			
	<u>10,954</u>			
	Third financial quarter		Nine months	
	31.05.2019	31.05.2018	31.05.2019	31.05.2018
<u>Production (m/t)</u>				
fresh fruit bunches				
- Own	65,883	46,541	176,679	163,474
- Purchase	11,852	11,914	34,752	36,719
	<u>77,735</u>	<u>58,455</u>	<u>211,431</u>	<u>200,193</u>
Crude palm oil	12,492	9,269	34,223	31,843
Palm kernel	3,478	2,623	9,384	8,733
	<u>15,970</u>	<u>11,892</u>	<u>43,607</u>	<u>40,576</u>
<u>Extraction Rate</u>				
Crude palm oil	18.61%	19.09%	18.99%	18.50%
Palm kernel	5.18%	5.40%	5.21%	5.07%



**Notes to the interim financial report - 31 May 2019**

**A 3 Items of unusual nature**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial period.

**A 4 Changes in estimates of amounts reported**

Other than those described in Note A1, there were no changes in estimates of amounts reported in prior interim periods that have a material effect in the current interim period.

**A 5 Changes in debt and equity securities**

There were no issuances, repurchases and repayments of debts and equity securities for the nine months ended 31 May 2019.

**A 6 Fair value changes of financial liabilities**

As at 31 May 2019, the Group did not have any financial liability measured at fair value through profit or loss.

**A 7 Dividends paid**

The amount of dividends paid during the nine months ended 31 May 2019:

In respect of financial year ending 31 August 2019:

A first interim single tier dividend of 8 sen per stock unit paid on 31 January 2019	<b>RM'000</b> 7,309
A special single tier dividend of 2 sen per stock unit paid on 31 January 2019	1,827
	<hr/> <b>9,136</b> <hr/>

**Notes to the interim financial report - 31 May 2019**

**A 8 Segment information**

The chief operating decision-maker has been identified as the Board of Directors. The Board reviews the Group's internal reporting in order to assess performance and allocation of resources. The Group's principal activities involve predominantly the cultivation of oil palms, production and sale of fresh fruits bunches, crude palm oil and palm kernel and is wholly carried out in Malaysia.

The segment information are as follows:

	Third financial quarter		Nine months	
	31.05.2019 RM'000	31.05.2018 RM'000 (Restated)	31.05.2019 RM'000	31.05.2018 RM'000 (Restated)
Revenue from external customers	33,480	39,643	92,065	124,346
Revenue from major customers	26,734	29,698	74,037	98,077
Reportable segment profit	7,789	7,281	26,342	42,211
Reportable segment profit is reconciled as follows:				
Total profit for reportable segment	7,789	7,281	26,342	42,211
Share of results of associates	(1,318)	(5,374)	(1,297)	(9,460)
Share of results of a joint venture	(241)	403	(186)	(322)
Interest income	3,048	2,247	7,287	6,166
Dividend income	501	395	880	1,335
Other income	623	17,973	1,067	31,885
Other expenses	-	-	-	(2,674)
Profit before tax	10,402	22,925	34,093	69,141

	As at 31.05.2019 RM'000	As at 31.8.2018 RM'000
Reportable segment assets	152,351	140,164
Reportable segment liabilities	9,348	10,473

Reportable segment's assets are reconciled as follows:

	As at 31.05.2019 RM'000	As at 31.8.2018 RM'000
Total assets for reportable segment	152,351	140,164
Investments in associates	151,600	148,484
Investment in a joint venture	14,095	10,622
Investment securities	91,101	74,799
Unallocated assets	292,465	313,678
Total assets	701,612	687,747

Reportable segment's liabilities are reconciled as follows:

	As at 31.05.2019 RM'000	As at 31.8.2018 RM'000
Total liabilities for reportable segment	9,348	10,473
Deferred tax liabilities	22,252	21,440
Total liabilities	31,778	31,913

**Notes to the interim financial report - 31 May 2019**

**A 9 Property, plant and equipment**

There were no significant acquisitions and disposals of property, plant and equipment for the nine months ended 31 May 2019.

Capital commitments as at 31 May 2019: -

	<b>RM'000</b>
Approved but not contracted for	13,528
Approved and contracted for	<u>1,101</u>
	<u><u>14,629</u></u>

**A 10 Material events subsequent to third financial quarter**

Other than the declaration of second interim and special dividends as disclosed in Note B10, there were no material events subsequent to the third financial quarter that have not been reflected in the financial statements for the financial quarter ended 31 May 2019.

**A 11 Changes in composition of the Group**

There were no business combinations, acquisition or disposal of subsidiaries and long term investments (other than the purchase and sale of quoted investments), restructurings and discontinued operations.

**A 12 Contingent liabilities and contingent assets**

As at the date of issue of this interim financial report, there were no contingent liabilities and contingent assets that had arisen since 31 August 2018.

**A 13 Related party disclosures**

	<b>Nine months 31.05.2019 RM'000</b>
(a) Company in which certain directors and substantial shareholders have interest: Marketing consultancy fee	<u>153</u>
(b) An associate in which certain directors and substantial shareholders have interest: Management fee	<u>2,194</u>

**Notes to the interim financial report - 31 May 2019**

**B Information as required by the Main Market Listing Requirements (Part A of Appendix 9B) of Bursa Malaysia Securities Berhad**

**B 1 Review of performance**

Current quarter versus preceding year corresponding quarter

Revenue in the current financial quarter under review decreased by 15.55% to RM33,480,000 from RM39,643,000. The average selling prices of ffb, crude palm oil and palm kernel were lower, however the sales volume of ffb, crude palm oil and palm kernel were higher.

Production of ffb was higher, however the purchase of ffb was marginally lower. Overall, the production of crude palm oil and palm kernel were higher.

Other income was substantially lower mainly due to an amount of RM17,450,000 being net fair value gain transferred to profit or loss upon sale of available-for-sale of investment securities recognised in preceding year corresponding quarter.

Overall operating expenses were lower mainly due to decrease in the purchase of ffb and absence of purchase of crude palm oil in current financial quarter under review.

Overall loss from share of results of associates was lower mainly due to a decrease in losses suffered by the investments in oil palm plantations in Indonesia.

As reported previously, the investments in oil palm plantations in Lampung Province, Indonesia encountered a suspension in routine harvesting due to unrest in the villages located in the vicinity of the plantations. The plantations have since commenced harvesting activities and mill operation. Total area accessed increased to approximately 49% of total planted area from 43% as reported previously.

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

Overall, profit net of tax decreased by 62.37% to RM7,771,000 from RM20,650,000 mainly due to the decrease in revenue and other income.

**Notes to the interim financial report - 31 May 2019**

**B Information as required by the Main Market Listing Requirements (Part A of Appendix 9B) of Bursa Malaysia Securities Berhad (cont'd.)**

**B 1 Review of performance (cont'd.)**

Cumulative nine months period ended 31 May 2019

Revenue in the current cumulative nine months period under review decreased by 25.96% to RM92,065,000 from RM124,346,000 a year ago. The average selling prices of ffb, crude palm oil and palm kernel were lower. The sales volume of crude palm oil was lower, however the sales volume of ffb and palm kernel were higher.

Production of ffb was higher, however the purchase of ffb was lower. Overall, the production of crude palm oil and palm kernel were higher.

Other income was substantially lower mainly due to an amount of RM31,854,000 being net fair value gain transferred to profit or loss upon sale of available-for-sale of investment securities recognised in preceding year corresponding cumulative nine months period.

In accordance with MFRS 9: Financial Instruments ('MFRS 9'), the cumulative net fair value gains in respect of the sale of investment securities of RM434,000 during the nine months period under review was transferred within equity, i.e. transferred from fair value adjustment reserve to retained profits. As allowed by the transitional provision of MFRS 9, the Group has elected not to restate the comparatives.

Overall operating expenses were lower mainly due to decrease in the purchase of ffb and absence of purchase of crude palm oil in nine months period under review.

Overall loss from share of results of associates was lower mainly due to a higher profit contributed by an associate engaged in property development and a decrease in losses suffered by the investments in oil palm plantations in Indonesia.

As reported previously, the investments in oil palm plantations in Lampung Province, Indonesia encountered a suspension in routine harvesting due to unrest in the villages located in the vicinity of the plantations. The plantations have since commenced harvesting activities and mill operation. Total area accessed increased to approximately 49% of total planted area from 43% as reported previously.

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

Overall, profit net of tax decreased by 55.74% to RM25,579,000 from RM57,799,000 mainly due to the decrease in revenue and other income.

**Notes to the interim financial report - 31 May 2019**

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

	<b>Third financial quarter 31.05.2019 RM'000</b>	<b>Second financial quarter 28.02.2019 RM'000</b>
Revenue	33,480	29,438
Cost of sales	(18,715)	(12,399)
Gross profit	<u>14,765</u>	<u>17,039</u>
Interest income	3,048	1,818
Dividend income	501	91
Other income	714	36
Selling expenses	(1,069)	(882)
Administrative expenses	(5,509)	(6,491)
Other expenses	(489)	(1,075)
Share of results of associates	(1,318)	328
Share of results of a joint venture	(241)	358
Profit before tax	<u>10,402</u>	<u>11,222</u>

Revenue in the third financial quarter increased by 13.73% to RM33,480,000 from RM29,438,000 when compared with the immediate preceding financial quarter. The sales volume of ffb, crude palm oil and palm kernel were higher, however the average selling prices of ffb, crude palm oil and palm kernel were lower.

Production of ffb was higher, however the purchase of ffb was lower. Overall, the production of crude palm oil and palm kernel were higher.

Other income was higher mainly due to a gain on foreign currency translation in current financial quarter under review.

Overall operating expenses were higher mainly due to an increase in fertiliser expense as a result of active application of fertilisers and an increase in opening inventories in the current financial quarter under review.

Share of results of associates reversed from an overall profit to an overall loss mainly due to an increase in losses suffered by the investments in oil palm plantations in Indonesia and a decrease in profit contributed by an associate engaged in property development.

As reported previously, harvesting of mature fields in the oil palm plantation of the joint venture located in South Sumatera Province, Indonesia has been delayed due to unrest in the villages neighbouring the estate. Commencement of harvesting is pending clearance by the relevant authorities. This has resulted in the joint venture suffering losses. In the immediate preceding quarter, the Group recorded a profit in its share of result of the joint venture mainly due to gain on foreign currency translation.

Overall, profit before tax decreased by 7.31% to RM10,402,000 from RM11,222,000 mainly due to reasons mentioned above.

**B 3 Prospects for financial year ending 31 August 2019**

The average selling prices of crude palm oil are expected to remain weak and this would have a corresponding effect on the financial performance for the financial year ending 31 August 2019.

**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.

**Notes to the interim financial report - 31 May 2019**

**B 5 Income tax expense**

	<b>Third financial quarter 31.05.2019 RM'000</b>	<b>Nine months 31.05.2019 RM'000</b>
Income tax:		
Current provision	2,497	7,657
Overprovision in prior year	45	45
	<hr/> 2,542	<hr/> 7,702
Deferred income tax	89	812
	<hr/> 2,631	<hr/> 8,514

The effective tax rate for the third financial quarter was slightly higher than the statutory tax rate mainly due to the effect of share of results of associates and a joint venture. Excluding the share of results of associates and a joint venture, the effective tax rate is lower mainly due to certain income not assessable for tax purpose.

The effective tax rate for the nine months period ended 31 May 2019 was slightly higher than the statutory tax rate mainly due to the effect of share of results of associates and a joint venture.

**B 6 Borrowings and debt securities**

As at 31 May 2019, there were no borrowings and debt securities.

**B 7 Status of corporate proposals**

On 10 April 2006, the Company entered into a conditional joint venture and shareholders agreement with Negri Sembilan Oil Palms Berhad ('NSOP'), Timor Oil Palm Plantation Berhad, a 58.0% owned subsidiary of NSOP, Eng Thye Plantations Berhad, an 83.3% owned subsidiary of NSOP, Seong Thye Plantations Sdn Bhd and Chin Thye Investment Pte Ltd ('Singapore JVSA') to participate in a joint venture project for the development of an oil palm plantation in Indonesia with P.T. Lampung Karya Indah. ('Proposed Joint Venture'), the details of which are set out in the Circular to Shareholders dated 11 May 2006.

The approval of the Shareholders of the Company was obtained at the Extraordinary General Meeting of the Company held on 26 May 2006.

The conditions precedent as set out in the Singapore JVSA have been fulfilled and the necessary approvals required for the subscription of shares in Chin Thye Investment Pte Ltd have been obtained.

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

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

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

	<b>31.05.2019 RM'000</b>
Remaining capital and investment outlay	<hr/> 19,209

**B 8 Derivatives financial instruments**

There were no derivatives financial instruments transacted during the nine months period ended 31 May 2019.

**B 9 Material litigation**

There were no material litigations as at 31 August 2018 and at the date of issue of this interim financial report.

**Notes to the interim financial report - 31 May 2019**

**B 10 Dividends**

- (i) A second 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 2019 have been declared by the Board of Directors.
- (ii) The amount per stock unit: 10 sen, single tier.
- (iii) The date payable for the second interim single tier dividend of 8 sen per stock unit and a special single tier dividend of 2 sen per stock unit: 30 August 2019
- (iv) In respect of the deposited securities, entitlement to the second interim single tier dividend of 8 sen per stock unit and special single tier dividend of 2 sen per stock unit will be determined on the basis of the record of depositors as at 19 August 2019.
- (v) The total dividends for the current financial year ending 31 August 2019:-

Type of dividend	sen per stock unit
First interim, single tier	8.00
Second interim, single tier	8.00
Special, single tier	4.00
	20.00

- (vi) The total dividends for the previous financial year ended 31 August 2018:-

Type of dividend	sen per stock unit
First interim, single tier	10.00
Second interim, single tier	10.00
Special, single tier	10.00
	30.00

**B 11 Earnings per stock unit**

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

	Third financial quarter		Nine months	
	31.05.2019	31.05.2018 (Restated)	31.05.2019	31.05.2018 (Restated)
Profit attributable to owners of the Company (RM'000)	7,771	20,650	25,579	57,799
Weighted average number of stock units ('000)	91,363	91,363	91,363	91,363
Earnings per stock unit (sen)				
Basic	8.51	22.60	28.00	63.26
Diluted	8.51	22.60	28.00	63.26

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.



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

**Notes to the interim financial report - 31 May 2019**

**B 12 Notes to condensed statement of comprehensive income**

	<b>Third financial quarter 31.05.2019 RM'000</b>	<b>Nine months 31.05.2019 RM'000</b>
Interest income	3,048	7,287
Other income including investment income	501	880
Depreciation	(1,513)	(4,350)
Gain on disposal of property, plant and equipment	-	15
Net fair value gain on investment securities (transfer of fair value adjustment reserve to retained profits upon disposal)	120	434
Unrealised foreign exchange gain	623	1,052

**B 13 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the financial year ended 31 August 2018 was not qualified.

By Order of the Board

Gan Kok Tiong  
Company Secretary  
31 July 2019