



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

The Directors have pleasure in announcing the unaudited consolidated results for the second quarter ended 30 June 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED			
		SECOND QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
Note		RM'000	RM'000	RM'000	RM'000
Revenue	26	176,148	127,570	307,391	243,121
Fair value changes on biological Assets	17.1	11,086	23,148	25,980	12,349
Cost of sales		(120,138)	(92,466)	(215,395)	(171,622)
Gross profit		67,096	58,252	117,976	83,848
Other income	7	1,839	342	3,173	1,382
Administrative expenses	8	(8,345)	(8,062)	(15,324)	(16,250)
Other expenses	9	(2,222)	1,281	(5,795)	(17,904)
Results from operating Activities		58,368	51,813	100,030	51,076
Profit margin income from short-term investments and receivables		243	121	456	425
Finance cost	10	(17,049)	(26,503)	(33,547)	(40,558)
Net finance cost		(16,806)	(26,382)	(33,091)	(40,133)
Profit before tax	26	41,562	25,431	66,939	10,943
Tax expense	30	(8,978)	(12,082)	(14,774)	(10,542)
Profit for the period	26	32,584	13,349	52,165	401
Other comprehensive (expense)/ income, net of tax Items that are or may be reclassified subsequently to profit and loss, net of tax					
Foreign currency translation differences for foreign operations		(247)	(8,545)	147	(1,383)
Other comprehensive (expense)/ income, net of tax		(247)	(8,545)	147	(1,383)
Total comprehensive income/ (expense) for the period		32,337	4,804	52,312	(982)



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

		UNAUDITED			
		SECOND QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		30.06.2021	30.06.2020	30.06.2021	30.06.2020
		RM'000	RM'000	RM'000	RM'000
Profit/ (loss) attributable to:	Note				
Owners of the Company		26,567	8,157	41,533	(3,374)
Non-controlling interests		6,017	5,192	10,632	3,775
Profit for the period		32,584	13,349	52,165	401
Total comprehensive income /(expense) attributable to:					
Owners of the Company		26,329	211	41,670	(4,660)
Non-controlling interests		6,008	4,593	10,642	3,678
Total comprehensive income/ (expense) for the period		32,337	4,804	52,312	(982)
Basic earnings/(loss) per ordinary share (sen)	37	3.01	0.92	4.70	(0.38)
Diluted earnings/(loss) per ordinary share (sen)	37	3.01	0.92	4.70	(0.38)

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30.06.2021 RM'000	As at 31.12.2020 RM'000
Assets			
Property, plant and equipment		873,135	858,905
Right-of-use – property, plant and equipment		666,634	676,291
Plantation development expenditure	14	109,551	131,125
Forestry	15	12,111	12,111
Other investments	16	1,825	1,825
Deferred tax assets		38,088	40,008
Total non-current assets		1,701,344	1,720,265
Inventories		22,448	14,244
Current tax assets		4,386	1,837
Biological assets	17	62,995	41,664
Other investments	16	11,123	2,701
Trade and other receivables		39,466	26,086
Prepayments and other assets		6,855	6,752
Cash and cash equivalents	18	371,654	84,481
		518,927	177,765
Assets classified as held for sale	19	774,782	767,187
Total current assets		1,293,709	944,952
Total assets		2,995,053	2,665,217



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 30.06.2021 RM'000	As at 31.12.2020 RM'000
Equity			
Capital and reserve		770,569	770,432
Accumulated losses		(148,619)	(190,152)
Equity attributable to owners of the Company		621,950	580,280
Non-controlling interests		275,723	269,813
Total equity		897,673	850,093
Liabilities			
Loans and borrowings	34	941,810	1,054,467
Lease liabilities		74,634	75,608
Employee benefits		545	545
Deferred tax liabilities		195,597	193,385
Trade and other payables		13,252	12,089
Total non-current liabilities		1,225,838	1,336,094
Loans and borrowings	34	505,000	105,000
Derivative liabilities		-	17,403
Lease liabilities		5,806	6,223
Current tax liabilities		1,103	1,702
Trade and other payables		232,417	213,910
		744,326	344,238
Liabilities classified as held for sale	19	127,216	134,792
Total current liabilities		871,542	479,030
Total liabilities		2,097,380	1,815,124
Total equity and liabilities		2,995,053	2,665,217
Net tangible assets per share (RM)		0.70	0.66

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2021

Group	Note	/-----Attributable to owners of the Company-----/					Total RM'000	Non- controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Distributable Retained earnings/ Accumulated losses RM'000			
At 1 January 2020		862,752	(80,935)	(13,246)	768,571	(204,143)	564,428	253,376	817,804
Foreign currency translation differences for foreign operations		-	-	1,584	1,584	-	1,584	119	1,703
Remeasurement loss on defined benefit liability		-	277	-	277	-	277	21	298
Total other comprehensive income for the year		-	277	1,584	1,861	-	1,861	140	2,001
Profit for the year		-	-	-	-	13,991	13,991	13,469	27,460
Total comprehensive income for the year		-	277	1,584	1,861	13,991	15,852	13,609	29,461
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to owners of the Company		-	-	-	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-	-	2,828	2,828
Total transactions with owners of the Group		-	-	-	-	-	-	2,828	2,828
At 31 December 2020		862,752	(80,658)	(11,662)	770,432	(190,152)	580,280	269,813	850,093



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (continued)

Group	Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/					Distributable Retained earnings/ Accumulated losses RM'000	Non- controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Total RM'000			
At 1 January 2021		862,752	(80,658)	(11,662)	770,432	(190,152)	580,280	269,813	850,093
Foreign currency translation differences for foreign operations		-	-	137	137	-	137	10	147
Total other comprehensive income for the period		-	-	137	137	-	137	10	147
Profit for the period		-	-	-	-	41,533	41,533	10,632	52,165
Total comprehensive income for the period		-	-	137	137	41,533	41,670	10,642	52,312
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to owners of the Company		-	-	-	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-	-	(4,732)	(4,732)
Total transactions with owners of the Group		-	-	-	-	-	-	(4,732)	(4,732)
At 30 June 2021		862,752	(80,658)	(11,525)	770,569	(148,619)	621,950	275,723	897,673

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2021

	FOR THE SECOND QUARTER ENDED	
	30.06.2021	30.06.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	66,939	10,943
Adjustment for non-cash items	36,482	70,109
Operating profit before changes in working capital	103,421	81,052
Net changes in working capital	(23,805)	6,041
Cash generated from operations	79,616	87,093
Profit margin income from short-term investments and other receivables	456	425
Finance cost	(33,547)	(40,558)
Tax paid	(14,458)	(5,585)
Tax refund	2	3,275
Net cash generated from operating activities	32,069	44,650
Cash flows from investing activities		
Acquisition of property, plant and equipment	(4,310)	(398)
Plantation development expenditure	(8,195)	(8,649)
Forestry	(6,618)	(6,211)
Increase in other investment	(8,422)	(16)
Proceeds from disposal of property, plant and equipment	6	-
Net cash used in investing activities	(27,539)	(15,274)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2021 (continued)

	Note	FOR THE SECOND QUARTER ENDED	
		30.06.2021	30.06.2020
		RM'000	RM'000
Cash flows from financing activities			
Increase in amount due to holding corporation		252	353
Increase/ (decrease) in amount due to related companies		61	(7,170)
Dividends paid to non-controlling interest		-	(2,616)
Proceeds from drawdown of tradeline		-	62,335
Proceeds from drawdown of Sukuk		300,000	-
Loan repayment		(15,000)	(100,974)
Payment of lease liabilities		(2,665)	-
Net cash generated from/ (used in) financing activities		282,648	(48,072)
Net increase/ (decrease) in cash and cash equivalents		287,178	(18,696)
Cash and cash equivalents at 1 January		84,982	69,384
Cash and cash equivalents at end of the period		372,160	50,688

Cash and cash equivalents comprise:

	Note	FOR THE SECOND QUARTER ENDED	
		30.06.2021	30.06.2020
		RM'000	RM'000
Deposits		367,711	37,755
Less: Other investments		(11,123)	(1,255)
		356,588	36,500
Cash and bank balances		15,572	14,188
	18	372,160	50,688
Assets classified as held for sale	19	(506)	(947)
		371,654	49,741



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NOTES PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost basis unless otherwise stated.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2020.

2. Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2020.

3. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, certain judgements made by management in applying the Group's accounting policies and the key sources of estimation, were the same as those applied to the financial statements as at and for the year ended 31 December 2020.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed below :

(i) **Depreciation of estate**

The rate used to depreciate the estate is based on the general rule of the normal palm oil trees production trend.

(ii) **Recoverable amount of plantation development expenditure ("PDE")**

Management reviews its PDE for objective evidence of impairment at least quarterly. Significant delay in maturity is considered as an indication of impairment. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the performance of the PDE, or whether there have been significant changes with adverse effect in the market environment in which the PDE operates in.



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3. Estimates (continued)

(iii) **Intangible assets-goodwill**

Measurement of recoverable amounts of cash generating units is derived based on value in use of the cash generating unit.

(iv) **Deferred income**

Determination of the fair value of the soft loan received from Government agency for development and maintenance of rubber trees (forestry) were determined using the Group financing rate of 7.76% and the difference between the fair value and nominal value is treated as government grant.

(v) **Forestry**

The fair value of the assets is determined using valuation prepared by external, licensed independent property valuer as at 31 December 2020. The directors of the Group are of the opinion that there is no material change in the fair value of forestry during the quarter.

(vi) **Contingencies**

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

(vii) **Deferred tax**

Estimating the deferred tax assets to be recognised requires a process that involves determining appropriate tax provisions, forecasting future years' taxable income and assessing our ability to utilise tax benefits through future earnings.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors have expressed an unqualified opinion on the Group's statutory consolidated financial statements for the year ended 31 December 2020 in their report dated 15 April 2021.

5. Seasonal or Cyclical Factors

The Group's plantation operations are affected by seasonal crop production and weather conditions.

6. Unusual Items Due To Their Nature, Size or Incidence

There are no unusual items affecting assets, liabilities, equity and net income.



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7. Other income

Other income consist of the following:

- a) Management fees
- b) Realised foreign exchange gain
- c) Sundry income

30.06.2021	30.06.2020
RM'000	RM'000
1,888	778
542	-
743	604
3,173	1,382

8. Administrative expenses

Administrative expenses consist of the followings:

- a) Overhead expenses
- b) Sundry expenses

30.06.2021	30.06.2020
RM'000	RM'000
12,518	11,337
2,806	4,913
15,324	16,250

9. Other expenses

Other expenses consist of the followings:

- a) Head office depreciation
- b) Impairment loss on plantation development expenditure
- c) Unrealised foreign exchange loss
- d) Miscellaneous expenses

30.06.2021	30.06.2020
RM'000	RM'000
2,453	609
140	-
1,512	16,908
1,690	387
5,795	17,904



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10. Finance cost

Finance cost on:

- loans and borrowings
- profit margin expense on related companies
- lease liability

30.06.2021	30.06.2020
RM'000	RM'000
28,927	36,012
-	91
4,620	4,455
33,547	40,558

11. Changes in Estimated Amounts Reported in Prior Period Which Have Effect on the Current Period

There were no changes in estimated amounts reported in prior period.

12. Changes in Debt and Equity Securities

During the period under review, The Group carried out the following:

- a) Drawdown of RM300.0 million of Sukuk Murabahah Medium Term Notes at an effective profit margin rate of 4.50%
- b) Repayment of RM15.0 million Commodity Murabahah Term Financing-i at an effective profit margin rate of 5.83%.

Apart from the above, there were no other issuances, cancellations, repurchases, resale of debt and equity securities during the period.

13. Dividends

There were no dividends declared nor paid during the second quarter ended 30 June 2021.



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14. Plantation development expenditure

	OIL PALM		TEAK		TOTAL	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	129,138	109,423	1,987	1,987	131,125	111,410
Additions during the year	12,207	27,671	140	200	12,347	27,871
Addition of nurseries	374	1,610	-	-	374	1,610
Transfer to property, plant and equipment	(34,150)	(45,441)	-	-	(34,150)	(45,441)
Impairment	-	(5,129)	(140)	(200)	(140)	(5,329)
Transfer from assets held for sale	-	43,152	-	-	-	43,152
Transfer to Assets held for sale	-	-	-	-	-	-
Effect of movement in exchange rate	(5)	(2,148)	-	-	(5)	(2,148)
	107,564	129,138	1,987	1,987	109,551	131,125

15. Forestry

	30.06.2021	31.12.2020
	RM'000	RM'000
At 1 January	12,111	6,385
Addition during the year	6,618	14,878
Addition charged to profit and loss	(6,618)	(14,878)
Change in fair value recognised to profit or loss	-	5,726
	12,111	12,111



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16. Other investments

	30.06.2021	31.12.2020
	RM'000	RM'000
Non-current		
Available-for-sale financial assets – stated at cost	1,825	1,825
Current		
Deposits placed with licensed banks (maturity period more than 3 months)	11,123	2,701
	12,948	4,526

17. Biological assets

	30.06.2021	31.12.2020
	RM'000	RM'000
At 1 January	41,664	35,405
Change in fair value recognised to profit or loss	21,333	3,197
	62,997	38,602
Transfer from asset held for sale	-	3,062
Effect of movement in exchange rate	(2)	-
	62,995	41,664

17.1 Breakdown of changes in fair value of biological assets recognised in profit or loss for the year, are as follows:

	30.06.2021	31.12.2020
	RM'000	RM'000
Biological asset	21,333	3,197
Biological asset Classified as asset held for sale	4,647	1,023
	25,980	4,220

Biological assets comprise of produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets for bearer plants that are expected to be harvested.



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18. Cash and cash equivalents

	30.06.2021	31.12.2020
	RM'000	RM'000
Deposits placed with licensed banks	356,588	71,549
Cash and bank balances	15,572	12,918
	372,160	84,467
Transfer from assets held for sale	(506)	14
	371,654	84,481

19. Group assets held for sale

Investment in TH PELITA Meludam Sdn. Bhd. ("THPMel"), investment in TH PELITA Beladin Sdn Bhd ("THPBel"), investment in TH PELITA Simunjan Sdn Bhd. ("THPSim"), investment in TH PELITA Gedong Sdn. Bhd. ("THPGed") and investment in TH PELITA Sadong Sdn. Bhd. ("THPSad") are presented as assets held for sale. Efforts to sell have commenced, and sale is expected to be completed within twelve (12) months.

Assets and liabilities classified as held for sale are as below:

Group

Assets classified as held for sale

	Note	30.06.2021
		RM'000
Property, plant and equipment ("PPE")	a	523,260
Right-of-use – PPE	b	198,386
Plantation development expenditure ("PDE")		7,494
Deferred tax assets		15,294
Biological assets		18,603
Inventories		2,381
Current tax assets		1,579
Trade and other receivables		7,235
Prepayment and Other assets		44
Cash and cash equivalents		506
		774,782

Liabilities classified as held for sale

	30.06.2021
	RM'000
Lease liabilities	35,114
Deferred tax liability	81,318
Payables and accruals	8,786
Current tax payable	1,998
	127,216



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19. Group assets held for sale (continued)

Note

a) Property, plant and equipment held for sale comprise the following:

	30.06.2021
	RM'000
Cost	723,565
Accumulated depreciation	(200,305)
	523,260

b) Right-of-use-PPE held for sale comprise the following:

	30.06.2021
	RM'000
Cost	289,257
Accumulated depreciation	(90,871)
	198,386



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20. Operating segments

	Oil palm Plantation	Forestry	Consolidated
	RM'000	RM'000	RM'000
RESULTS FOR 3 MONTHS ENDED			
30 JUNE 2021			
External operating revenue	176,148	-	176,148
Fair value change in biological assets	11,086	-	11,086
Other income	2,070	12	2,082
	189,304	12	189,316
Operating expenses	(118,773)	(1,365)	(120,138)
Segment results	70,531	(1,353)	69,178
Other expenses	(10,507)	(60)	(10,567)
Finance cost	(14,173)	(2,876)	(17,049)
Profit/ (loss) before tax	45,851	(4,289)	41,562
RESULTS FOR 3 MONTHS ENDED			
30 JUNE 2020			
External operating revenue	127,570		127,570
Fair value change in biological assets	23,148		23,148
Other income	436	27	463
	151,154	27	151,181
Operating expenses	(90,732)	(1,734)	(92,466)
Segment results	60,422	(1,707)	58,715
Other expenses	(6,727)	(54)	(6,781)
Finance cost	(23,537)	(2,966)	(26,503)
Profit/ (Loss) before tax	30,158	(4,727)	25,431



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20. Operating segments (continued)

	Oil palm Plantation	Forestry	Consolidated
	RM'000	RM'000	RM'000
RESULTS FOR SECOND QUARTER ENDED			
30 JUNE 2021			
External operating revenue	307,391	-	307,391
Fair value change in biological assets	25,980	-	25,980
Other income	3,617	12	3,629
	336,988	12	337,000
Operating expenses	(212,868)	(2,527)	(215,395)
Segment results	124,120	(2,515)	121,605
Other expenses	(21,007)	(112)	(21,119)
Finance cost	(27,861)	(5,686)	(33,547)
Profit/ (loss) before tax	75,252	(8,313)	66,939
RESULTS FOR SECOND QUARTER ENDED			
30 JUNE 2020			
External operating revenue	243,121		243,121
Fair value change in biological assets	12,349		12,349
Other income	1,708	99	1,807
	257,178	99	257,277
Operating expenses	(169,133)	(2,489)	(171,622)
Segment results	88,045	(2,390)	85,655
Other expenses	(34,026)	(128)	(34,154)
Finance cost	(34,642)	(5,916)	(40,558)
Profit/ (loss) before tax	19,377	(8,434)	10,943



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20. Operating segments (continued)

	Oil palm Plantation	Forestry	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2021				
Assets that belong to the Group	4,533,231	28,544	(1,566,722)	2,995,053
Total Assets	4,533,231	28,544	(1,566,722)	2,995,053
Liabilities that belong to the Group	3,754,907	230,837	(1,888,364)	2,097,380
Total liabilities	3,754,907	230,837	(1,888,364)	2,097,380
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020				
Assets that belong to the Group	4,266,289	28,712	(1,629,784)	2,665,217
Total Assets	4,266,289	28,712	(1,629,784)	2,665,217
Liabilities that belong to the Group	4,484,118	223,025	(2,892,019)	1,815,124
Total liabilities	4,484,118	223,025	(2,892,019)	1,815,124



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21. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment during the current quarter under review.

22. Material Event Subsequent to the Balance Sheet Date

There is no material event which occurred subsequent to the balance sheet date of this announcement.

23. Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which may have a material impact on the financial position and business of the Group as at 25 August 2021.

24. Capital and Other Commitments Outstanding Not Provided For In the Interim Financial Report

Approved and contracted for
Approved but not contracted for

30.06.2021
RM'000
-
63,065
63,065

25. Material Related Party Transactions

			For the second quarter ended 30.06.2021
Transacting Parties	Relationship	Nature of transactions	RM'000
Transactions with THP Lembaga Tabung Haji	Holding Corporation	Lease of land	1,464
Transactions with THP Group Deru Semangat Sdn Bhd	Related Company	Management fees	8

Save as the above, there are no other material related party transactions.



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NOTES PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

26. Review of Group's Financial Performance

	UNAUDITED SECOND QUARTER		VARIANCE	
	CURRENT YEAR	PRECEDING YEAR		
	30.06.2021	30.06.2020	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	307,391	243,121	64,270	26.44
Fair value change on biological assets	25,980	12,349	13,631	110.38
Operating profit	117,976	83,848	34,128	40.70
Profit Before Interest and Tax ("PBIT")	100,030	51,076	48,954	95.85
Profit Before Tax ("PBT")	66,939	10,943	55,996	511.71
Profit After Tax ("PAT")	52,165	401	51,764	12,908.73
Profit/ (Loss) attributable to owners of the Company ("PATAMI"/ ("LATAMI"))	41,533	(3,374)	44,907	1,330.97

	SECOND QUARTER		VARIANCE	
	2021	2020		
	MT	MT	MT	%
Sales volume				
Crude palm oil ("CPO")	66,739	81,130	(14,391)	(17.74)
Palm kernel ("PK")	15,573	17,955	(2,382)	(13.27)
Fresh Fruit Bunches ("FFB")	58,826	50,411	8,415	16.69

	SECOND QUARTER		VARIANCE	
	2021	2020		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	3,369	2,388	981	41.08
Palm kernel	2,455	1,463	992	67.81
FFB	753	459	294	64.05



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26. Review of Group's Financial Performance (continued)

Overall

The Group's revenue for the second quarter ended 2021 (2Q21) higher by 26.44% to RM307.39 million due to higher average realised prices for CPO, PK and FFB despite of lower sales volume for CPO and PK. The Group recorded higher PBT of RM66.94 million as compared to PBT of RM10.94 million in 2Q20 mainly due to:

- a) Higher revenue by RM64.27 million.
- b) Higher fair value change on biological asset by RM13.63 million.
- c) Lower unrealised foreign exchange loss by RM15.40 million.

However, it was partly offset by higher cost of sales by RM43.77 million mainly due to higher estate production cost and FFB purchases by RM11.52 million and RM30.99 million respectively.

Plantation sector

In 2Q21, Plantations sectors has registered a higher revenue by 26.44 % due to higher average realised prices for CPO, PK and FFB despite of lower sales volume for CPO and PK. Plantation sector recorded PBT of RM75.25 million as compared to RM19.38 million in the corresponding quarter in previous year mainly due to:

- a) Higher revenue by RM64.27 million.
- b) Higher changes in the fair value of biological assets by RM13.63 million.
- c) Lower unrealised foreign exchange loss by RM15.40 million.

However, it was partly offset by higher cost of sales by RM43.74 million mainly due to higher estate production cost and FFB purchases by RM11.52 million and RM30.99 million respectively.

Forestry sector

For 2Q21, the forestry sector recorded a lower LBT of RM8.31 million, as compared to RM8.43 million in 2Q20.



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27. Material Changes in the Quarterly Results Compared To the Preceding Quarter

	2021	2021	VARIANCE	
	Quarter 2	Quarter 1	RM'000	%
Revenue	176,148	131,243	44,905	34.22
Fair value change on biological assets	11,086	14,894	(3,808)	(25.57)
Operating profit	67,096	50,880	16,216	31.87
Profit Before Interest and Tax ("PBIT")	58,368	41,662	16,706	40.10
Profit Before Tax ("PBT")	41,562	25,377	16,185	63.78
Profit After Tax ("PAT")	32,584	19,581	13,003	66.41
Profit attributable to owners of the Company ("PATAMI")	26,567	14,966	11,601	77.52

	2021	2021	VARIANCE	
	Quarter 2	Quarter 1	MT	%
Sales volume				
Crude palm oil	40,673	26,066	14,607	56.04
Palm kernel	9,510	6,063	3,447	56.85
FFB	15,257	43,569	(28,312)	(64.98)

	2021	2021	VARIANCE	
	Quarter 2	Quarter 1	RM/MT	%
Average realised prices				
Crude palm oil	3,424	3,283	141	4.29
Palm kernel	2,503	2,382	121	5.08
FFB	857	717	140	19.53



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27. Material Changes in the Quarterly Results Compared To the Preceding Quarter (continued)

Overall

The Group's revenue increased by 34.22% to RM176.15 million compared to the preceding quarter mainly due to higher average realised prices for CPO, PK and FFB as well as higher sales volume for CPO and PK. The Group has recorded a higher PBT by 63.78 % as compared to 1Q21 mainly due to:

- a) Higher revenue by RM44.91 million.
- b) However, it was partly offset by:
 - i) lower fair value changes on biological assets by RM3.81 million
 - ii) Higher FFB purchases by RM8.37 million.
 - iii) Higher estate production cost by RM9.78 million.

Plantation sector

The Plantation sector registered a higher PBT of RM45.85 million in the current quarter compared to RM29.41 million in the preceding quarter. The increase was attributable to:

- a) Higher revenue by RM44.91 million.
- b) However, it was partly offset by:
 - i) lower fair value changes in the fair value of biological assets by RM3.81 million.
 - ii) Higher operating expenses by RM24.68 million especially for FFB purchases and estate production cost.

Forestry sector

For 2Q21, the forestry sector registered LBT of RM4.29 million compared to RM4.02 million in preceding quarter.



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28. Current Year Prospects

The outlook for the Group's overall performance for the financial year ending 31 December 2021 will largely depend on the palm oil commodity prices, the COVID-19 pandemic related issues and the on-going progress of our Strategic Recovery Plan to strengthen our operations and finances. The acute shortage of workers due to low local employment take up and continued restrictions on foreign workers movement remains a serious concern to the Group and Palm Oil Industry.

The palm oil prices are expected to remain favourable throughout the year given the overall low inventory level in Malaysia, increase demand, tight global edible oils supplies and the good price spread between RBD Palm Olein and Soy Oil.

Overall production of CPO for the industry is relatively lower in the second quarter of 2021 compared to the same quarter in 2020, as the industry has not fully recovered from the general cyclical low production season, weather effect and ongoing labour shortage issues.

29. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast for the current quarter under review.

30. Taxation

	SECOND QUARTER		CUMULATIVE QUARTER	
	Current year RM000	Preceding year RM000	Current year RM000	Preceding year RM000
Current	(6,054)	(6,513)	(10,694)	(10,607)
Deferred	(2,924)	(5,569)	(4,080)	65
	(8,978)	(12,082)	(14,774)	(10,542)

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the quarter.

Current year tax for 2Q21 was higher compared to same period last year due to higher deferred tax liabilities recognised during the quarter.

31. Unquoted Investments and /or Properties

There were no purchases or disposals of unquoted investments for the current quarter under review.



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32. Quoted Investments

There were no purchases of quoted investments for the current quarter under review.

33. Status of Corporate Proposals

There are no other corporate proposals announced but not completed as at end of period review.

34. Group Borrowings

As at 30 June 2021, total borrowings are as follows:

	Note	As at	As at
		30.06.2021	31.12.2020
		RM'000	RM'000
Non-current			
Secured			
Commodity Murahabah Term Financing-i (THPS)		174,226	189,144
Commodity Murahabah Term Financing-i (PTPKP)		46,762	45,502
Unsecured			
SUKUK Murahabah			
Medium Term Notes		680,000	780,000
Term Financing		40,822	39,821
		941,810	1,054,467
Current			
Secured			
Commodity Murahabah Term Financing-i (THPS)		30,000	30,000
Unsecured			
SUKUK Murahabah			
Medium Term Notes		475,000	75,000
		505,000	105,000
		1,446,810	1,159,467



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34. Group Borrowings (continued)

Maturity analysis

Tenure	Year of maturity	SUKUK	Other Financial Instruments	TOTAL	Foreign Currency denominated loan
		RM'000	RM'000	RM'000	USD'000
Within 1 years	2021	75,000	18,750	93,750	-
1-2 years	2022	400,000	30,000	430,000	1,000
2-3 years	2023	105,000	32,000	137,000	2,000
3-4 years	2024	110,000	36,000	146,000	2,000
4-5 years	2025	120,000	39,000	159,000	2,000
5-6 years	2026	145,000	48,476	193,476	4,279
6-7 years	2027	200,000	-	200,000	-
7-8 years	2028	-	-	-	-
8-9 years	2029	-	40,822	40,822	-
		1,155,000	245,048	1,400,048	11,279

Total borrowings

Local currency denominated loan
Foreign currency denominated loan (USD 11.28 million)

30.06.2021
RM'000
1,400,048
46,762
1,446,810

35. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.



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36. Material Litigation

- (1) **TH Plantations Berhad – Kuala Lumpur High Court Writ of Summons dated 29 March 2021 No. WA-22NCC-144-03-2021 - Tamaco Plantation Sdn. Bhd. (Company No. 45922-D) (referred to as “Plaintiff”) vs TH Plantations Berhad (“THP” or “the Company”) (referred to as “Defendant”)**

Tamaco’s application for interlocutory injunction (to injunct THP from terminating/giving effect to any automatic termination of the SPA) was heard on 3 June 2021. The Court had decided as follows:

- i. There was a serious issue to be tried as found from the facts of the case, in particular, the conduct of parties under the SPA from the time it was signed up to the final extension of the condition precedent, i.e. the EPU Approval;
- ii. Damages are not adequate as the assets of the two companies are the actual subject matter of the transaction that the parties entered into; and
- iii. Balance of convenience required status quo to be maintained.

THP is allowed to appeal against the Court’s decision within 30 days from 3 June 2021.

The case management for the Civil Suit, initially to be on 16 June 2021 was deferred to 24 June 2021. At the case management on 24 June 2021, the Court had fixed for a further case management to be on 26 July 2021 for the parties to:

- i. File any interlocutory applications;
- ii. Update the Court on any potential settlement between the parties, if any; and
- iii. Notify the Court on the estimated number of witnesses for the trial.

At the case management held on 26 July 2021, the Court had notified the parties that any interlocutory applications should be filed before 26 August 2021.

The next case management has been fixed on 26 August 2021.



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36. Material Litigation (continued)

- (2) **In the High Court of Malaya at Kuala Lumpur in the Federal Territory of Malaysia (Special Powers Division)**
Application for Judicial Review No. WA-25-71-03/2021
- Tamaco Plantation Sdn. Bhd. (Company No. 45922-D) (“Applicant” or “Tamaco”) and
- 1. Ketua Pengarah Unit Perancang Ekonomi Di Jabatan Perdana Menteri**
 - 2. TH Plantations Berhad (No. Syarikat 12696-M) (“THP” or “the Company”)**
- (both referred as “Respondents”)**

The case management for the JR Application, initially to be on 21 June 2021 was deferred to 28 June 2021. At the case management on 28 June 2021, the Court has directed as follows:

- i) the EPU and THP are to file their respective Affidavits in Reply in relation to Tamaco’s discovery application within 2 weeks after the lifting of the Movement Control Order (“MCO”); and
- ii) Tamaco is to file its Affidavit in Reply in relation to the JR Application within 2 weeks after the lifting of the MCO.

A further case management has been fixed on 2 August 2021 for the Court to monitor the above timelines.

The case management for the JR Application was held on 2 August 2021. At the said case management, the court has directed as follows:-

- i) That Tamaco to reply to the Respondent’ Affidavits in Reply by 23 August 2021; and
- ii) On 7 October 2021, the hearing date for the JR Application proceedings will be fixed.



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37. Earnings Per Share

		UNAUDITED SECOND QUARTER		UNAUDITED CUMULATIVE	
		Current Year	Preceding Year	Current Year	Preceding Year
Basic earnings per share					
Profit/ (Loss) attributable to shareholders	RM'000	26,567	8,157	41,533	(3,374)
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Basic earnings/ (loss) per share	sen	3.01	0.92	4.70	(0.38)
Diluted earnings per share					
Profit / (Loss) attributable to shareholders	RM'000	26,567	8,157	41,533	(3,374)
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Effect of dilution		-	-	-	-
Adjusted weighted average of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Diluted earnings/ (loss) per share	sen	3.01	0.92	4.70	(0.38)

38. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 25 August 2021.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
25 August 2021