



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
Note		RM'000	RM'000	RM'000	RM'000
	Revenue	205,866	167,430	513,257	410,551
	Fair value changes on biological assets	16,552	20,826	42,532	33,175
12.1	Cost of sales	(133,047)	(111,655)	(348,442)	(283,277)
	Gross profit	89,371	76,601	207,347	160,449
	Other income	4,128	10,406	7,301	11,788
	Administrative expenses	(7,842)	(6,853)	(23,166)	(23,103)
	Other expenses	(6,282)	(26,686)	(12,077)	(44,590)
	Results from operating activities	79,375	53,468	179,405	104,544
	Profit margin income from short-term investments and receivables	1,311	208	1,767	633
	Finance cost	(20,991)	(15,900)	(54,538)	(56,458)
	Net finance cost	(19,680)	(15,692)	(52,771)	(55,825)
	Profit before tax	59,695	37,776	126,634	48,719
9	Tax expense	(19,932)	(13,912)	(34,706)	(24,454)
24					
	Profit for the period	39,763	23,864	91,928	24,265
	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	(1,776)	4,990	(1,629)	3,607
	Other comprehensive (expense)/ income, net of tax	(1,776)	4,990	(1,629)	3,607
	Total comprehensive income for the period	37,987	28,854	90,299	27,872



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CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2021 (continued)

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:	Note				
Owners of the Company		26,805	15,772	68,338	12,398
Non-controlling interests		12,958	8,092	23,590	11,867
Profit for the period		39,763	23,864	91,928	24,265
Total comprehensive income attributable to:					
Owners of the Company		25,153	20,412	66,823	15,752
Non-controlling interests		12,834	8,442	23,476	12,120
Total comprehensive income for the period		37,987	28,854	90,299	27,872
Basic/ Diluted earnings per ordinary share (sen)	31	3.03	1.78	7.73	1.40



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Assets			
Property, plant and equipment		861,446	858,905
Right-of-use – property, plant and equipment		662,801	676,291
Plantation development expenditure	10	114,200	131,125
Forestry	11	12,111	12,111
Other investments		1,825	1,825
Deferred tax assets		37,082	40,008
Total non-current assets		1,689,465	1,720,265
Inventories		20,641	14,244
Current tax assets		2,604	1,837
Biological assets	12	74,657	41,664
Other investments		2,768	2,701
Trade and other receivables		47,578	26,086
Prepayments and other assets		4,434	6,752
Cash and cash equivalents		313,689	84,481
		466,371	177,765
Assets classified as held for sale	13	778,067	767,187
Total current assets		1,244,438	944,952
Total assets		2,933,903	2,665,217



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Equity			
Capital and reserve		768,917	770,432
Accumulated losses		(121,814)	(190,152)
Equity attributable to owners of the Company		647,103	580,280
Non-controlling interests		288,010	269,813
Total equity		935,113	850,093
Liabilities			
Loans and borrowings	28	935,372	1,054,467
Lease liabilities		74,111	75,608
Employee benefits		558	545
Deferred tax liabilities		198,736	193,385
Trade and other payables		13,840	12,089
Total non-current liabilities		1,222,617	1,336,094
Loans and borrowings	28	430,000	105,000
Derivative liabilities		-	17,403
Lease liabilities		5,698	6,223
Current tax liabilities		1,032	1,702
Trade and other payables		207,393	213,910
		644,123	344,238
Liabilities classified as held for sale	13	132,050	134,792
Total current liabilities		776,173	479,030
Total liabilities		1,998,790	1,815,124
Total equity and liabilities		2,933,903	2,665,217
Net assets per share (RM)		0.73	0.66



TH Plantations Berhad

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(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

Group	Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable					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	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 non-controlling interests		-	-	-	-	-	-	2,828	2,828
Total transactions with owners of the Company		-	-	-	-	-	-	2,828	2,828
At 31 December 2020		862,752	(80,658)	(11,662)	770,432	(190,152)	580,280	269,813	850,093



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

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

Group	Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable				Accumulated losses RM'000	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				
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		-	-	(1,515)	(1,515)	-	(1,515)	(114)	(1,629)
Total other comprehensive expense for the period		-	-	(1,515)	(1,515)	-	(1,515)	(114)	(1,629)
Profit for the period		-	-	-	-	68,338	68,338	23,590	91,928
Total comprehensive (expense)/income for the period		-	-	(1,515)	(1,515)	68,338	66,823	23,476	90,299
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to non-controlling interests		-	-	-	-	-	-	(5,279)	(5,279)
Total transactions with owners of the Company		-	-	-	-	-	-	(5,279)	(5,279)
At 30 September 2021		862,752	(80,658)	(13,177)	768,917	(121,814)	647,103	288,010	935,113



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	UNAUDITED 9 MONTHS ENDED	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	126,634	48,719
Adjustment for non-cash items	61,110	80,436
Operating profit before changes in working capital	187,744	129,155
Net changes in working capital	(41,531)	15,688
Cash generated from operations	146,213	144,843
Profit margin income from short-term investments and other receivables	1,767	633
Finance cost	(54,538)	(56,458)
Tax paid	(24,468)	(7,832)
Zakat paid	(570)	-
Tax refund	2	4,648
Net cash generated from operating activities	68,406	85,834
Cash flows from investing activities		
Acquisition of property, plant and equipment	(7,636)	(2,199)
Plantation development expenditure	(12,972)	(17,055)
Forestry	(9,799)	(10,954)
Increase in other investment	(67)	(16)
Proceeds from disposal of property, plant and equipment	6	9
Proceeds from disposal of a subsidiary	-	60,143
Net cash (used in)/ generated from investing activities	(30,468)	29,928



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021 (continued)

	UNAUDITED 9 MONTHS ENDED	
	30.09.2021	30.09.2020
	RM'000	RM'000
Cash flows from financing activities		
(Decrease)/ Increase in amount due to holding corporation	(3,364)	253
Increase/ (decrease) in amount due to related companies	92	(7,226)
Dividends paid to non-controlling interest	(5,279)	(10,300)
Proceeds from drawdown of tradeline	-	66,909
Proceeds from drawdown of Sukuk	300,000	
Loan repayment	(97,500)	(150,930)
Payment of lease liabilities	(2,694)	(2,100)
Net cash generated from/ (used in) financing activities	191,255	(103,394)
Net increase in cash and cash equivalents	229,193	12,368
Cash and cash equivalents at 1 January	84,982	69,384
Cash and cash equivalents at end of the period	314,175	81,752

Note

Cash and cash equivalents comprise:

	UNAUDITED 9 MONTHS ENDED	
	30.09.2021	30.09.2020
	RM'000	RM'000
Deposits	297,912	61,290
Less: Other investments	(2,769)	(1,255)
	295,143	60,035
Cash and bank balances	19,032	21,717
	314,175	81,752
Assets classified as held for sale	(486)	(1,460)
	313,689	80,292

13



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

NOTES PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting*, and appendix 9B (Part A) of the Listing Requirement of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the interim financial statements.

The audited financial statements of the Group for the financial year ended 31 December 2020 were prepared in accordance with MFRS, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2. Significant accounting policies

The significant accounting policies adopted in this interim financial statement are consistent with those adopted in the annual audited financial statement for the financial year ended 31 December 2020, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021 as follows:

- Amendments to MFRS 9, *Financial Instruments*
- MFRS 139, *Financial Instruments: Recognition and Measurement*
- MFRS 7, *Financial Instruments: Disclosures*
- MFRS 4, *Insurance Contracts*
- MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

The adoption of the above did not have any material impact on the financial statements of the Group.

3. Auditors' report on preceding annual financial statements

The report of the auditor on the Group’s financial statements for the financial year ended 31 December 2020 was not subject to any qualification.

4. Seasonal or cyclical factors

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

5. Unusual items

There are no unusual items affecting assets, liabilities, equity and net income or cash flows of the Group during the current quarter under review because of its nature, size and incidence.



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(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

6. Changes in estimates

There were no material change in financial estimates made in prior financial year that could materially affect the current interim results.

7. Changes in debt and equity securities

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

- Drawdown of RM300.0 million of Sukuk Murabahah Medium Term Notes at an effective profit margin rate of 4.50%;
- Repayment of RM75.0 million Sukuk Murabahah Medium Term Notes; and
- Repayment of RM22.5 million Commodity Murabahah Term Financing-i.

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

8. Dividends

There were no dividends declared nor paid during the current quarter ended 30 September 2021.

9. Profit before tax

Profit before tax is stated after (crediting)/ charging the following items:

	3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM'000	RM'000	RM'000	RM'000
Finance income	(1,311)	(208)	(1,767)	(633)
Realised foreign exchange loss/ (gain)	19	(62)	(523)	(119)
Unrealised foreign exchange gain	(2,927)	-	(1,415)	-
Finance costs	20,991	15,900	54,538	56,458
Depreciation	15,263	13,422	38,954	33,938
Amortisation	2,358	4,830	8,325	8,873
Impairment loss on plantation development expenditure	5,096	-	5,236	-
Impairment loss on other receivables	-	16,684	-	16,684
Unrealised foreign exchange loss	-	6,538	-	23,446



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10. Plantation development expenditure

	OIL PALM		TEAK		TOTAL	
	30.09.2021	31.12.2020	30.09.2021	31.12.2020	30.09.2021	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*	18,129	27,671	171	200	18,300	27,871
Addition of nurseries	2,981	1,610	-	-	2,981	1,610
Transfer to property, plant and equipment	(34,150)	(45,441)	-	-	(34,150)	(45,441)
Impairment	(5,065)	(5,129)	(171)	(200)	(5,236)	(5,329)
Transfer from assets held for sale	-	43,152	-	-	-	43,152
Transfer to Assets held for sale	-	-	-	-	-	-
Effect of movement in exchange rate	1,180	(2,148)	-	-	1,180	(2,148)
	112,213	129,138	1,987	1,987	114,200	131,125

*Additions during the year consist of non-cash items amounting to RM5.33 million.

11. Forestry

	30.09.2021	31.12.2020
	RM'000	RM'000
At 1 January	12,111	6,385
Addition during the year	9,799	14,878
Addition charged to profit and loss	(9,799)	(14,878)
Change in fair value recognised to profit or loss	-	5,726
	12,111	12,111

The fair value of forestry is determined by an external, independent professional valuer on an annual basis.

The fair value measurement of the Group's forestry is categorised within Level 3 of the fair value hierarchy.



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(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

12. Biological assets

	30.09.2021	31.12.2020
	RM'000	RM'000
At 1 January	41,664	35,405
Change in fair value recognised to profit or loss	32,991	3,197
	74,655	38,602
Transfer from asset held for sale	-	3,062
Effect of movement in exchange rate	2	-
	74,657	41,664

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

	30.09.2021	31.12.2020
	RM'000	RM'000
Biological asset	32,991	3,197
Biological asset classified as asset held for sale	9,541	1,023
	42,532	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 the 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.

The fair value measurement of the Group's biological assets is categorised within Level 3 of the fair value hierarchy.



TH Plantations Berhad

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(Incorporated in Malaysia)

13. 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

		30.09.2021
	Note	RM'000
Property, plant and equipment (“PPE”)	a	523,400
Right-of-use – PPE	b	198,386
Plantation development expenditure (“PDE”)		7,642
Deferred tax assets		12,295
Biological assets		23,498
Inventories		2,693
Current tax assets		2,165
Trade and other receivables		7,462
Prepayment and other assets		40
Cash and cash equivalents		486
		778,067

Liabilities classified as held for sale

	30.09.2021
	RM'000
Lease liabilities	35,829
Deferred tax liability	82,188
Payables and accruals	11,643
Current tax payable	2,390
	132,050



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(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

13. Group assets held for sale (continued)

Note

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

	30.09.2021
	RM'000
Cost	722,968
Accumulated depreciation	(199,568)
	523,400

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

	30.09.2021
	RM'000
Cost	289,257
Accumulated depreciation	(90,871)
	198,386



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14. Operating segments

The Group's segmental reporting for the financial period ended 30 September 2021 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
Segment profit/ (loss)	258,663	(1,881)	256,782	(130,148)	126,634
<i>Included in the measure of segment profit/ (loss) are:</i>					
Revenue from external customers	513,257	-	513,257	-	513,257
Fair value gain on biological assets	42,532	-	42,532	-	42,532
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(46,937)	(342)	(47,279)	-	(47,279)
Finance costs	(101,072)	(9,062)	(110,134)	55,596	(54,538)
Profit margin income from short term investments and receivables	54,929	12	54,941	(53,174)	1,767
Segments assets	4,301,283	28,541	4,329,824	(1,395,921)	2,933,903
Additions to non-current assets other than financial instrument and deferred tax assets	26,737	9,799	36,536	-	36,536



TH Plantations Berhad

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14. Operating segments (continued)

The Group's segmental reporting for the financial period ended 30 September 2020 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
Segment profit/ (loss)	278,510	(3,733)	274,777	(226,058)	48,719
<i>Included in the measure of segment profit/ (loss) are:</i>					
Revenue from external customers	410,551	-	410,551	-	410,551
Fair value gain on biological assets	33,175	-	33,175	-	33,175
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(42,452)	(359)	(42,811)	-	(42,811)
Finance costs	(100,494)	(8,551)	(109,045)	52,587	(56,458)
Profit margin income from short term investments and receivables	51,140	16	51,156	(50,523)	633
Segments assets	4,303,704	23,372	4,327,076	(1,635,093)	2,691,983
Additions to non-current assets other than financial instrument and deferred tax assets	17,291	11,211	28,502	-	28,502



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15. Valuation of property, plant and equipment

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

16. Material event subsequent to the balance sheet date

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

17. 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 24 November 2021.

18. Capital and other commitments outstanding not provided for in the interim financial report

Approved and contracted for
Approved but not contracted for

30.09.2021
RM'000
580
48,570
49,150

19. Related party transactions

			For the third quarter ended 30.09.2021
Transacting Parties	Relationship	Nature of transactions	RM'000
Transactions with THP Lembaga Tabung Haji	Holding Corporation	Lease of land	2,196
Transactions with THP Group Deru Semangat Sdn. Bhd. TH Indopalm Sdn. Bhd. TH Indo Industries Sdn. Bhd.	Related Company Related Company Related Company	Management fees Management fees Management fees	8 150 150

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

20. Review of financial performance

Quarter 3, 2021 vs Quarter 3, 2020

	3 MONTHS ENDED		VARIANCE	
	30.09.2021	30.09.2020		
	RM'000	RM'000	RM'000	%
Revenue	205,866	167,430	38,436	22.96
Fair value change on biological assets	16,552	20,826	(4,274)	(20.52)
Operating profit	89,371	76,601	12,770	16.67
Profit Before Interest and Tax ("PBIT")	79,375	53,468	25,907	48.45
Profit Before Tax ("PBT")	59,695	37,776	21,919	58.02
Profit After Tax ("PAT")	39,763	23,864	15,899	66.62
Profit attributable to owners of the Company ("PATAMI")	26,805	15,772	11,033	69.95

	3 MONTHS ENDED		VARIANCE	
	30.09.2021	30.09.2020		
	MT	MT	MT	%
Sales volume				
Crude Palm Oil ("CPO")	44,711	51,120	(6,409)	(12.54)
Palm Kernel ("PK")	11,078	12,075	(997)	(8.26)
Fresh Fruit Bunches ("FFB")	17,456	40,421	(22,965)	(56.81)

	3 MONTHS ENDED		VARIANCE	
	30.09.2021	30.09.2020		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
CPO	3,640	2,540	1,100	43.31
PK	2,453	1,420	1,033	72.75
FFB	912	506	406	80.24

For the quarter ended 30 September 2021, the Group recorded RM205.87 million in revenue, an increase of 22.96% from RM167.43 million reported in the corresponding quarter ended 30 September 2020, primarily due to higher revenue from oil palm plantations on the back of a higher average realised prices for CPO, PK, and FFB despite lower sales volume for CPO, PK, and FFB.

The Group recorded a higher PBT of RM59.70 million, an increase of 58.02% from RM37.78 million reported in the corresponding quarter ended 30 September 2020, mainly contributed by higher revenue and lower unrealised foreign exchange losses from oil palm plantations segment.



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

20. Review of financial performance (continued)

9 months ended 2021 vs 9 months ended 2020

	CUMULATIVE 9 MONTHS ENDED		VARIANCE	
	30.09.2021	30.09.2020		
	RM'000	RM'000	RM'000	%
Revenue	513,257	410,551	102,706	25.02
Fair value change on biological assets	42,532	33,175	9,357	28.20
Operating profit	207,347	160,449	46,898	29.23
Profit Before Interest and Tax ("PBIT")	179,405	104,544	74,861	71.61
Profit Before Tax ("PBT")	126,634	48,719	77,915	159.93
Profit After Tax ("PAT")	91,928	24,265	67,663	278.85
Profit attributable to owners of the Company ("PATAMI")	68,338	12,398	55,940	451.20

	CUMULATIVE 9 MONTHS ENDED		VARIANCE	
	30.09.2021	30.09.2020		
	MT	MT	MT	%
Sales volume				
Crude palm oil ("CPO")	111,450	132,250	(20,800)	(15.73)
Palm kernel ("PK")	26,651	30,030	(3,379)	(11.25)
Fresh Fruit Bunches ("FFB")	76,282	90,832	(14,550)	(16.02)

	CUMULATIVE 9 MONTHS ENDED		VARIANCE	
	30.09.2021	30.09.2020		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	3,478	2,447	1,031	42.13
Palm kernel	2,454	1,446	1,008	69.71
FFB	790	480	310	64.58

For the financial period ended 30 September 2021, the Group's recorded RM513.26 million in revenue, an increase of 25.02% from RM410.55 million reported in the preceding period, primarily due to higher revenue recorded from oil palm plantations on the back of higher average realised prices for CPO, PK, and FFB despite lower sales volume for CPO, PK, and FFB.

The Group recorded a higher PBT of RM126.63 million, an increase of 159.93% from RM48.72 million in the preceding period, primarily attributed to higher revenue from oil palm plantations segment.



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

21. Material changes in the quarterly results compared to the preceding quarter

	2021	2021	VARIANCE	
	Quarter 3	Quarter 2		
	RM'000	RM'000	RM'000	%
Revenue	205,866	176,148	29,718	16.87
Fair value change on biological assets	16,552	11,086	5,466	49.31
Operating profit	89,371	67,096	22,275	33.20
Profit Before Interest and Tax ("PBIT")	79,375	58,368	21,007	35.99
Profit Before Tax ("PBT")	59,695	41,562	18,133	43.63
Profit After Tax ("PAT")	39,763	32,584	7,179	22.03
Profit attributable to owners of the Company ("PATAMI")	26,805	26,567	238	0.90

	2021	2021	VARIANCE	
	Quarter 3	Quarter 2		
	MT	MT	MT	%
Sales volume				
Crude palm oil	44,711	40,673	4,038	9.93
Palm kernel	11,078	9,510	1,568	16.49
FFB	17,456	15,257	2,199	14.41

	2021	2021	VARIANCE	
	Quarter 3	Quarter 2		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	3,640	3,424	216	6.31
Palm kernel	2,453	2,503	(50)	(2.00)
FFB	912	857	55	6.42

Quarter 3, 2021 vs Quarter 2, 2021

The Group's revenue increased by 16.87% to RM205.87 million compared to the preceding quarter mainly due to higher contribution from oil palm plantations as a result of higher average realised prices for CPO and FFB as well as higher sales volume for CPO, PK, and FFB.

The Group has recorded a higher PBT by 43.63% as compared to 2Q21 primarily attributable to higher revenue from oil palm plantations.



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

22. Current year prospects

The outlook for the Group's overall financial performance for the financial year ending 31 December 2021 will largely depend on the movement of palm products prices and the progress of our ongoing Strategic Recovery Plans.

Markets are expected to remain favourable until December 2021 as the result of overall low commodity inventory level in Malaysia.

Overall production of CPO for the Industry and the Group increases in the third quarter of 2021, however it is still relatively lower compared to FY2020 as the industry has not fully recovered from labour shortage issues and general cyclical low production.

However, we remain cautious on the influence of post Covid-19 pandemic on the world's economy and the palm oil markets.

23. Profit forecast or profit guarantee

The Group did not issue any profit forecast or profit guarantee for the current quarter.

24. Tax expense

	3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
	30.09.2021	30.09.2020	30.09.2021	30.09.2020
	RM000	RM000	RM000	RM000
Current tax expense	(11,557)	(9,314)	(22,251)	(19,921)
Deferred tax expense	(8,375)	(4,598)	(12,455)	(4,533)
	(19,932)	(13,912)	(34,706)	(24,454)

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

The Group's effective tax rate for the current period was higher than the statutory income tax rate mainly due to certain expenses not deductible for tax purposes.

25. Unquoted investments and /or properties

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



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

26. Quoted investments

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

27. Status of corporate proposals

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

28. Group borrowings

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

	As at 30.09.2021	As at 31.12.2020
	RM'000	RM'000
Non-current		
Secured		
Commodity Murahabah Term Financing-i	166,767	189,144
Commodity Murahabah Term Financing-i ("USD")	47,283	45,502
Unsecured		
SUKUK Murahabah		
Medium Term Notes	680,000	780,000
Term Financing	41,322	39,821
	935,372	1,054,467
Current		
Secured		
Commodity Murahabah Term Financing-i	30,000	30,000
Unsecured		
SUKUK Murahabah		
Medium Term Notes	400,000	75,000
	430,000	105,000
	1,365,372	1,159,467



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

28. 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	-	18,750	18,750	-
1-2 years	2022	400,000	30,000	430,000	500
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	41,017	186,017	3500
6-7 years	2027	200,000	-	200,000	1,279
7-8 years	2028	-	-	-	-
8-9 years	2029	-	41,322	41,322	-
		1,080,000	238,089	1,318,089	11,279

The breakdown of Group borrowings by currency is as follows:

Total borrowings

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

30.09.2021 RM'000
1,318,089
47,283
1,365,372

29. 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.



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

30. Changes in 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”)**

At the case management held on 26 August 2021, the Court had directed as follows in relation to THP’s application under Order 14A of the Rules of Court:-

- i. Tamaco to file its Affidavit in Reply by 9 September 2021;
- ii. THP to file its Affidavit in Reply by 23 September 2021;
- iii. Submissions are to be filed by 7 October 2021;
- iv. Submissions in reply are to be filed by 21 October 2021; and
- v. The hearing will take place on 11 November 2021.

Tamaco has requested for an adjournment of the hearing of THP's application under Order 14A of the Rules of Court which was originally scheduled on 11 November 2021.

In view of the above, the Court has now rescheduled the hearing date to 25 January 2022.

A further case management has been fixed on 10 December 2021 for parties to update the Court on the progress of the settlement.

- (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 Court had postponed the fixing of a hearing date for the JR Application proceedings from 7 October 2021 to 14 December 2021.



TH Plantations Berhad

(Registration No. 197201001069 (12696-M))
(Incorporated in Malaysia)

31. Earnings per share

		3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
		30.09.2021	30.09.2020	30.09.2021	30.09.2020
Basic/ Diluted earnings per share					
Profit attributable to shareholders	RM'000	26,805	15,772	68,338	12,398
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Basic/ Diluted earnings per share	sen	3.03	1.78	7.73	1.40

32. 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 24 November 2021.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
24 November 2021