



# TH Plantations Berhad

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

## QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
Note		RM'000	RM'000	RM'000	RM'000
	<b>Revenue</b>	216,639	213,392	535,524	661,947
	Fair value changes in biological assets	2,527	(7,237)	9,725	(16,933)
	Cost of sales	(164,818)	(164,366)	(438,189)	(489,059)
	<b>Gross profit</b>	54,348	41,789	107,060	155,955
	Other income	(3,613)	7,266	19,579	13,579
	Administrative expenses	(8,849)	(9,687)	(24,664)	(28,153)
	Other expenses	(965)	(2,325)	(3,530)	(9,291)
	<b>Results from operating activities</b>	40,921	37,043	98,445	132,090
	Profit margin income from short-term investments and receivables	820	778	2,548	2,616
	Finance cost	(13,193)	(13,940)	(40,046)	(53,312)
	<b>Net finance cost</b>	(12,373)	(13,162)	(37,498)	(50,696)
	<b>Profit before tax</b>	28,548	23,881	60,947	81,394
	Tax expense	(7,493)	(7,737)	(21,126)	(28,710)
	<b>Profit for the period</b>	21,055	16,144	39,821	52,684
	<b>Other comprehensive expense, net of tax</b>				
	<b>Items that are or may be reclassified subsequently to profit and loss, net of tax</b>				
	Foreign currency translation differences for foreign operations	2,675	(2,018)	(7,095)	(2,900)
	Changes from post employment benefit	-	-	-	(5)
	<b>Other comprehensive expense, net of tax</b>	2,675	(2,018)	(7,095)	(2,905)
	<b>Total comprehensive income for the period</b>	23,730	14,126	32,726	49,779



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## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (continued)

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
		RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to:</b>	<b>Note</b>				
Owners of the Company		17,553	14,367	34,339	45,721
Non-controlling interests		3,502	1,777	5,482	6,963
<b>Profit for the period</b>		<b>21,055</b>	<b>16,144</b>	<b>39,821</b>	<b>52,684</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		20,042	12,489	27,742	43,022
Non-controlling interests		3,688	1,637	4,984	6,757
<b>Total comprehensive income for the period</b>		<b>23,730</b>	<b>14,126</b>	<b>32,726</b>	<b>49,779</b>
<b>Basic/ Diluted earnings per ordinary share (sen)</b>	<b>31</b>	<b>1.50</b>	<b>1.13</b>	<b>2.37</b>	<b>4.68</b>



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
<b>Assets</b>			
Property, plant, and equipment		881,689	832,686
Right-of-use assets		644,147	651,387
Plantation development expenditure	10	26,309	90,983
Forestry	11	38,958	38,958
Other investments		1,825	1,825
Deferred tax assets		38,751	38,979
<b>Total non-current assets</b>		<b>1,631,679</b>	<b>1,654,818</b>
Inventories		21,686	32,988
Current tax assets		15,901	8,493
Biological assets	12	27,438	20,113
Other investments		15,801	27,923
Trade and other receivables		38,996	32,959
Prepayments and other assets		4,852	5,913
Cash and cash equivalents		95,487	116,200
		220,161	244,589
Assets classified as held for sale	13	782,389	781,040
<b>Total current assets</b>		<b>1,002,550</b>	<b>1,025,629</b>
<b>Total assets</b>		<b>2,634,229</b>	<b>2,680,447</b>



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 30.09.2023 RM'000	As at 31.12.2022 RM'000
<b>Equity</b>			
Capital and reserve		765,828	772,425
Accumulated losses		(65,903)	(73,566)
<b>Equity attributable to owners of the Company</b>		699,925	698,859
Perpetual Sukuk		300,000	300,000
Non-controlling interests		302,928	308,249
<b>Total equity</b>		1,302,853	1,307,108
<b>Liabilities</b>			
Loans and borrowings	28	798,706	824,358
Lease liabilities		74,457	74,730
Employee benefits		31	428
Deferred tax liabilities		195,735	192,810
Trade and other payables		17,313	15,434
<b>Total non-current liabilities</b>		1,086,242	1,107,760
Loans and borrowings	28	36,000	32,000
Lease liabilities		3,751	2,870
Current tax liabilities		270	1,519
Trade and other payables		59,346	90,633
		99,367	127,022
Liabilities classified as held for sale	13	145,767	138,557
<b>Total current liabilities</b>		245,134	265,579
<b>Total liabilities</b>		1,331,376	1,373,339
<b>Total equity and liabilities</b>		2,634,229	2,680,447
<b>Net assets per share (RM)</b>		0.79	0.79



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

/-----Attributable to owners of the Company-----/  
 /-----Non-distributable-----/    Distributable

	Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 January 2022</b>	862,752	(80,658)	(13,054)	769,040	(119,986)	649,054	-	295,832	944,886
Foreign currency translation differences for foreign operations	-	-	3,390	3,390	-	3,390	-	253	3,643
Remeasurement loss on defined benefit liability	-	(5)	-	(5)	-	(5)	-	-	(5)
Total other comprehensive (expense)/income for the year	-	(5)	3,390	3,385	-	3,385	-	253	3,638
Profit for the year	-	-	-	-	68,771	68,771	-	19,165	87,936
<b>Total comprehensive (expense)/income for the year</b>	-	(5)	3,390	3,385	68,771	72,156	-	19,418	91,574
Increase in investment in subsidiary	-	-	-	-	-	-	-	2,682	2,682
Issuance of perpetual Sukuk	-	-	-	-	-	-	300,000	-	300,000
Profit distribution of perpetual Sukuk	-	-	-	-	(9,093)	(9,093)	-	-	(9,093)
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to owners of the Company	-	-	-	-	(13,258)	(13,258)	-	(9,683)	(22,941)
<b>At 31 December 2022</b>	862,752	(80,663)	(9,664)	772,425	(73,566)	698,859	300,000	308,249	1,307,108



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (continued)

/-----Attributable to owners of the Company-----/  
/-----Non-distributable-----/     Distributable

	Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 January 2023</b>	862,752	(80,663)	(9,664)	772,425	(73,566)	698,859	300,000	308,249	1,307,108
Foreign currency translation differences for foreign operations	-	-	(6,597)	(6,597)	-	(6,597)	-	(498)	(7,095)
Total other comprehensive expense for the period	-	-	(6,597)	(6,597)	-	(6,597)	-	(498)	(7,095)
Profit for the period	-	-	-	-	34,339	34,339	-	5,482	39,821
<b>Total comprehensive (expense)/income for the period</b>	-	-	(6,597)	(6,597)	34,339	27,742	-	4,984	32,726
Profit distribution of perpetual Sukuk	-	-	-	-	(13,418)	(13,418)	-	-	(13,418)
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to owners of the Company	-	-	-	-	(13,258)	(13,258)	-	(10,305)	(23,563)
<b>At 30 September 2023</b>	862,752	(80,663)	(16,261)	765,828	(65,903)	699,925	300,000	302,928	1,302,853



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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023

	<b>UNAUDITED 9 MONTHS ENDED</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	60,947	81,394
Adjustment for non-cash items	71,890	115,205
<b>Operating profit before changes in working capital</b>	<b>132,837</b>	<b>196,599</b>
Net changes in working capital	(22,838)	(20)
<b>Cash generated from operations</b>	<b>109,999</b>	<b>196,579</b>
Profit margin income from short-term investments and other receivables	2,548	2,616
Finance cost	(40,046)	(53,312)
Tax paid	(22,215)	(43,427)
Zakat paid	(158)	(82)
Tax refund	1,639	42
<b>Net cash generated from operating activities</b>	<b>51,767</b>	<b>102,416</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(12,304)	(13,157)
Acquisition of right of use	(536)	-
Plantation development expenditure	(16,517)	(12,035)
Proceed from disposal of property, plant and equipment	-	128
Dividend received	201	256
Decrease in other investment	12,122	23,486
<b>Net cash used in investing activities</b>	<b>(17,034)</b>	<b>(1,322)</b>



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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (continued)

	UNAUDITED 9 MONTHS ENDED	
	30.09.2023 RM'000	30.09.2022 RM'000
<b>Cash flows from financing activities</b>		
Decrease in amount due to holding corporation	-	(5,879)
Decrease in amount due to related companies	-	(1,729)
Proceeds from drawdown of loans and borrowings	-	58,345
Dividend paid to owners of the Company	(13,197)	-
Dividend paid to non-controlling interests	(10,305)	(9,113)
Issuance of perpetual Sukuk		300,000
Loan repayment	(23,500)	(538,567)
Payment of lease liabilities	(5,356)	(4,507)
<b>Net cash used in financing activities</b>	<b>(52,358)</b>	<b>(201,450)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(17,625)</b>	<b>(100,356)</b>
Cash and cash equivalents at 1 January	116,369	260,946
<b>Cash and cash equivalents at the end of the period</b>	<b>98,744</b>	<b>160,590</b>

Cash and cash equivalents comprise:

	UNAUDITED 9 MONTHS ENDED	
	30.09.2023 RM'000	30.09.2022 RM'000
Deposits	99,811	158,026
Less: Other investments	(15,801)	(14,849)
Cash and bank balances	84,010	143,177
	14,734	17,413
	98,744	160,590
Assets classified as held for sale	(3,257)	(478)
	95,487	160,112

Note

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## **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 2022 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 2022 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 2022, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023 as follows:

- *Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Policies*
- *Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- *Amendments to MFRS 112, Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 2022 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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### 6. 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 2022.

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.

### 7. Changes in debt and equity securities

During the period under review, the Group has made a principal repayment of RM23.50 million Commodity Murabahah Term Financing-i.

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

### 8. Dividends

There was no dividend declared nor paid during the current quarter ended 30 September 2023.

### 9. Profit before tax

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

	3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation	19,122	29,408	45,846	71,537
Amortisation	3,064	5,397	7,319	12,831
Unrealised foreign exchange loss/(gain)	4,801	(4,808)	(14,595)	(6,582)



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### 10. Plantation development expenditure

#### Cost

At 1 January	157,530	167,804
Additions during the period/year	15,935	19,597
Addition of nurseries	731	790
Transfer to property, plant and equipment	(90,033)	(29,199)
Effect of movement in exchange rate	2,453	(1,462)
	<b>86,616</b>	<b>157,530</b>

	30.09.2023	31.12.2022
	RM'000	RM'000
At 1 January	157,530	167,804
Additions during the period/year	15,935	19,597
Addition of nurseries	731	790
Transfer to property, plant and equipment	(90,033)	(29,199)
Effect of movement in exchange rate	2,453	(1,462)
	<b>86,616</b>	<b>157,530</b>

#### Accumulated impairment loss

At 1 January	66,547	63,707
Impairment loss on nursery	-	2,840
Transfer to property, plant, and equipment	(6,240)	-
	<b>60,307</b>	<b>66,547</b>

At 1 January	66,547	63,707
Impairment loss on nursery	-	2,840
Transfer to property, plant, and equipment	(6,240)	-
	<b>60,307</b>	<b>66,547</b>

#### Carrying amount

At 30 September/ 31 December	26,309	90,983
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At 30 September/ 31 December	26,309	90,983
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### 11. Forestry

At 1 January	38,958	21,587
Addition during the period/ year	11,219	16,400
Addition charged to profit and loss	(11,219)	(16,400)
Change in fair value recognised to profit or loss	-	17,371
	<b>38,958</b>	<b>38,958</b>

	30.09.2023	31.12.2022
	RM'000	RM'000
At 1 January	38,958	21,587
Addition during the period/ year	11,219	16,400
Addition charged to profit and loss	(11,219)	(16,400)
Change in fair value recognised to profit or loss	-	17,371
	<b>38,958</b>	<b>38,958</b>

An external, independent professional valuer determines the fair value of forestry on an annual basis except for RM1,987,000, which is determined based on an offer from a market participant at as it is basis.

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



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### 12. Biological assets

	30.09.2023	31.12.2022
	RM'000	RM'000
At 1 January	20,113	32,432
Change in fair value recognised to profit or loss	7,313	(12,313)
	27,426	20,119
Effect of movement in exchange rate	12	(6)
	27,438	20,113

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

	30.09.2023	31.12.2022
	RM'000	RM'000
Biological asset	7,313	(12,313)
Biological asset classified as asset held for sale	2,412	(3,200)
	9,725	(15,513)

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 expected to be harvested.

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



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### 13. Group assets held for sale

Investments in TH PELITA Meludam Sdn. Bhd. (“THPMel”), TH PELITA Beladin Sdn. Bhd. (“THPBel”), TH PELITA Simunjan Sdn. Bhd. (“THPSim”), TH PELITA Gedong Sdn. Bhd. (“THPGed”) and 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

		<b>30.09.2023</b>
		<b>RM'000</b>
Property, plant, and equipment (“PPE”)	<b>a</b>	535,819
Right-of-use – ROU	<b>b</b>	204,169
Plantation development expenditure (“PDE”)		316
Deferred tax assets		25,927
Biological assets		8,345
Inventories		3,964
Trade and other receivables		502
Prepayment and other assets		90
Cash and cash equivalents		3,257
		<b>782,389</b>

##### Liabilities classified as held for sale

	<b>30.09.2023</b>
	<b>RM'000</b>
Lease liabilities	36,206
Deferred tax liabilities	79,223
Payables and accruals	29,366
Current tax liabilities	972
	<b>145,767</b>

#### Note

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

	<b>30.09.2023</b>
	<b>RM'000</b>
Cost	733,720
Accumulated depreciation	(197,901)
	<b>535,819</b>

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

	<b>30.09.2023</b>
	<b>RM'000</b>
Cost	295,037
Accumulated depreciation	(90,868)
	<b>204,169</b>



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### 14. Operating segments

The Group's segmental reporting for the financial period ended 30 September 2023 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
<b>Segment profit</b>	161,567	(1,342)	160,225	(99,278)	60,947
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	535,415	-	535,415	-	535,415
Change in fair value of biological assets	9,725	-	9,725	-	9,725
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(52,800)	(365)	(53,165)	-	(53,165)
Finance costs	(116,922)	(11,223)	(128,145)	88,099	(40,046)
Profit margin income from short term investments and receivables	76,200	6	76,206	(73,658)	2,548
<b>Segments assets</b>	1,918,309	1,893	1,920,202	714,027	2,634,229
Additions to non-current assets other than financial instrument and deferred tax assets	29,821	-	29,821	-	29,821



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### 14. Operating segments (continued)

The Group's segmental reporting for the financial period ended 30 September 2022 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
<b>Segment profit</b>	241,384	(1,649)	239,735	(158,341)	81,394
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	661,947	-	661,947	-	661,947
Change in fair value of biological assets	(16,933)	-	(16,933)	-	(16,933)
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(83,392)	(388)	(83,780)	-	(83,780)
Finance costs	(103,693)	(10,566)	(114,259)	60,947	(53,312)
Profit margin income from short term investments and receivables	59,220	4	59,224	(56,608)	2,616
<b>Segments assets</b>	1,372,662	2,001	1,374,663	1,320,048	2,694,711
Additions to non-current assets other than financial instrument and deferred tax assets	25,669	10,952	36,621	-	36,621



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### 15. Valuation of property, plant and equipment

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

### 16. Material event subsequent to the balance sheet date

There is no material event that 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 27 November 2023.

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

Approved but not contracted for

<b>30.09.2023</b>
<b>RM'000</b>
78,100
78,100

### 19. Related party transactions

Transacting Parties	Relationship	Nature of transactions	For the period ended 30.09.2023 RM'000
<b>Transactions with THP</b>			
Lembaga Tabung Haji	Holding Corporation	Lease of land	2,415
Syarikat Takaful Malaysia	Related company	Purchase of insurance	3,700
TH Travel & Services Sdn. Bhd.	Related company	Purchase of flight tickets	374

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, 2023 vs Quarter 3, 2022

	3 MONTHS ENDED		VARIANCE	
	30.09.2023	30.09.2022		
	RM'000	RM'000	RM'000	%
Revenue	216,639	213,392	3,247	1.52
Fair value change on biological assets	2,527	(7,237)	9,764	134.92
Operating profit	54,348	41,789	12,559	30.05
Profit Before Interest and Tax ("PBIT")	40,921	37,043	3,878	10.47
Profit Before Tax ("PBT")	28,548	23,881	4,667	19.54
Profit After Tax ("PAT")	21,055	16,144	4,911	30.42
Profit attributable to owners of the Company ("PATAMI")	17,553	14,367	3,186	22.18

	3 MONTHS ENDED		VARIANCE	
	30.09.2023	30.09.2022		
	MT	MT	MT	%
<b>Sales volume</b>				
Crude Palm Oil ("CPO")	42,313	43,112	(799)	(1.85)
Palm Kernel ("PK")	11,052	11,196	(144)	(1.29)
Fresh Fruit Bunches ("FFB")	58,188	18,698	39,490	211.20

	3 MONTHS ENDED		VARIANCE	
	30.09.2023	30.09.2022		
	RM/MT	RM/MT	RM/MT	%
<b>Average realised prices</b>				
CPO	3,676	3,997	(321)	(8.03)
PK	1,955	2,356	(401)	(17.02)
FFB	677	786	(109)	(13.87)

For the third quarter ended 30 September 2023, the Group recorded RM216.64 million in revenue, an increase of 1.52% from RM213.39 million reported in the corresponding quarter ended 30 September 2022, primarily due to higher revenue from oil palm plantations contributed by higher sales volume of FFB.

The Group recorded a higher PBT of RM28.55 million, an increase of 19.54% from RM23.88 million reported in the corresponding quarter ended 30 September 2022, as a result of higher operating profit and partly moderated by lower other income.



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### 20. Review of financial performance (continued)

#### 9 months ended 2023 vs 9 months ended 2022

	CUMULATIVE 9 MONTHS ENDED		VARIANCE	
	30.09.2023	30.09.2022		
	RM'000	RM'000	RM'000	%
Revenue	535,524	661,947	(126,423)	(19.10)
Fair value change on biological assets	9,725	(16,933)	26,658	157.43
Operating profit	107,060	155,955	(48,895)	(31.35)
PBIT	98,445	132,090	(33,645)	(25.47)
PBT	60,947	81,394	(20,447)	(25.12)
PAT	39,821	52,684	(12,863)	(24.42)
PATAMI	34,339	45,721	(11,382)	(24.89)

	CUMULATIVE 9 MONTHS ENDED		VARIANCE	
	30.09.2023	30.09.2022		
	MT	MT	MT	%
<b>Sales volume</b>				
CPO	111,951	106,205	5,746	5.41
PK	28,791	26,282	2,509	9.55
FFB	90,275	60,084	30,191	50.25

	CUMULATIVE 9 MONTHS ENDED		VARIANCE	
	30.09.2023	30.09.2022		
	RM/MT	RM/MT	RM/MT	%
<b>Average realised prices</b>				
CPO	3,714	4,799	(1,085)	(22.61)
PK	1,951	3,277	(1,326)	(40.46)
FFB	702	1,102	(400)	(36.30)

For the financial period ended 30 September 2023, the Group's recorded RM535.52 million in revenue, a decrease of 19.10% from RM661.95 million reported in the corresponding period ended 30 September 2022, primarily due to lower revenue recorded from oil palm plantations as a result of lower average realised prices for CPO, PK, and FFB despite higher sales volume for CPO, PK and FFB.

The Group recorded a lower PBT of RM60.95 million, a decrease of 25.12% from RM81.39 million in the corresponding period, primarily attributed to lower operating profit. However, it was partly moderated by higher other income and lower finance cost.



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

	2023	2023	VARIANCE	
	Quarter 3	Quarter 2	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	216,639	172,514	44,125	25.58
Fair value change on biological assets	2,527	3,926	(1,399)	(35.63)
Operating profit	54,348	21,670	32,678	150.80
PBIT	40,921	25,517	15,404	60.37
PBT	28,548	12,990	15,558	119.77
PAT	21,055	5,062	15,993	315.94
PATAMI	17,553	5,310	12,243	230.56

Sales volume	2023	2023	VARIANCE	
	Quarter 3	Quarter 2	MT	%
	MT	MT	MT	%
CPO	42,313	38,658	3,655	9.45
PK	11,052	9,872	1,180	11.95
FFB	58,188	15,927	42,261	265.34

Average realised prices	2023	2023	VARIANCE	
	Quarter 3	Quarter 2	RM/MT	%
	RM/MT	RM/MT	RM/MT	%
CPO	3,676	3,669	7	0.19
PK	1,955	1,918	37	1.93
FFB	677	737	(60)	(8.14)

#### Quarter 3, 2023 vs Quarter 2, 2023

The Group's revenue increased by 25.58% to RM216.64 million compared to the preceding quarter mainly due to higher sales volume for CPO, PK and FFB.

The Group has recorded a higher PBT of 119.77% compared to the preceding quarter primarily attributable to higher operating profit and partly moderated by lower other income.



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### 22. Prospects

The various uncertainties such as slower global economic growth, tighter monetary policies as well as bumper production from other vegetable oils and reduced usage of edible oils for biodiesel purposes are impacting the demand for edible oils in major consuming countries.

The palm oil product prices are expected to remain stable at current levels throughout 4Q2023 due to strong local consumption in Malaysia and Indonesia, as well as dry weather concern in Brazil and Indonesia, despite the lackluster demand and higher stock in Malaysia.

The performance of the Group would continue to be driven by the FFB production and global world edible oil price movement. Overall production of FFB and CPO are expected to increase in the 4Q2023.

Barring any unforeseen circumstances, the Group expects to perform satisfactorily in FY2023.

### 23. Profit forecast or profit guarantee

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

### 24. Tax expense

	3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
	30.09.2023	30.09.2022	30.09.2023	30.09.2022
	RM000	RM000	RM000	RM000
Current tax expense	(7,756)	(11,031)	(18,159)	(34,865)
Deferred tax expense	263	3,294	(2,967)	6,155
	(7,493)	(7,737)	(21,126)	(28,710)

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 quarter was higher than the statutory income tax rate mainly due to certain expenses which are not deductible for tax purposes.

### 25. Unquoted investments and /or properties

There were no purchases or disposals of unquoted investments during the period under review.



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### 26. Quoted investments

There were no purchases of quoted investments during the period 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 2023, total borrowings are as follows:

	As at 30.09.2023	As at 31.12.2022
	RM'000	RM'000
<b>Non-current</b>		
<b>Secured</b>		
Commodity Murahabah Term Financing-i	100,093	127,471
SUKUK Wakalah Medium Term Notes	650,000	650,000
<b>Unsecured</b>		
Term Financing	48,613	46,887
	798,706	824,358
<b>Current</b>		
<b>Secured</b>		
Commodity Murahabah Term Financing-i	36,000	32,000
	36,000	32,000
	834,706	856,358



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### 28. Group borrowings (continued) Maturity analysis

Tenure	SUKUK Murabahah Medium Term Notes	Other Financial Instruments	TOTAL
	RM'000	RM'000	RM'000
Under 1 year	-	24,500	24,500
1-2 years	-	75,000	75,000
3-5 years	160,000	36,593	196,593
More than 5 years	490,000	48,613	538,613
	650,000	184,706	834,706

### 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.

### 30. Changes in material litigation

As at to date, the Group and Company are not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant and the Directors of the Company have no knowledge of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

### 31. Earnings per share

		3 MONTHS ENDED		CUMULATIVE 9 MONTHS ENDED	
		30.09.2023	30.09.2022	30.09.2023	30.09.2022
<b>Basic/ Diluted earnings per share</b>					
Profit attributable to shareholders	RM'000	17,553	14,367	34,339	45,721
Profit distribution of perpetual sukuk	RM'000	(4,325)	(4,367)	(13,418)	(4,367)
	RM'000	13,228	10,000	20,921	41,354
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Basic/ Diluted earnings per share	sen	1.50	1.13	2.37	4.68



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### **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 28 November 2023.

**By Order of the Board  
Aliatun binti Mahmud  
LS0008841  
Secretary**

**Kuala Lumpur  
28 November 2023**