



TH Plantations Berhad

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

QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors have pleasure in announcing the unaudited consolidated results for the year ended 31 December 2020.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED			
		FOURTH QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Note		RM'000	RM'000	RM'000	RM'000
	Revenue	144,546	136,247	555,097	493,650
	Fair value changes on biological Assets	(28,955)	(53,459)	4,220	11,031
	Fair value changes on forestry	5,726	11,031	5,726	(43,215)
	Cost of sales	(104,373)	(105,255)	(387,650)	(414,362)
	Gross profit	16,944	(11,436)	177,393	47,104
	Other income	16,539	13,500	28,327	16,156
	Administrative expenses	(6,581)	(6,399)	(29,684)	(30,085)
	Other expenses	(7,034)	(145,416)	(51,624)	(203,536)
	Results from operating Activities	19,868	(149,751)	124,412	(170,361)
	Profit margin income from short-term investments and receivables	306	313	939	648
	Finance cost	(14,431)	(14,659)	(70,889)	(75,296)
	Net finance cost	(14,125)	(14,346)	(69,950)	(74,648)
	Profit/ (loss) before tax	5,743	(164,097)	54,462	(245,009)
	Tax expense	(2,548)	(37,377)	(27,002)	(28,125)
	Profit/ (loss) for the year	3,195	(201,474)	27,460	(273,134)
	Other comprehensive income, net of tax				
	Items that will not be reclassified subsequently to profit and loss				
	Remeasurement on defined benefit liability/ (asset)	298	25	298	25
	Items that are or may be reclassified subsequently to profit and loss, net of tax				
	Foreign currency translation differences for foreign erations	(1,904)	(3,011)	1,703	(1,566)
	Other comprehensive income, net of tax	(1,606)	(2,986)	2,001	(1,541)
	Total comprehensive income/ (expense) for the year	1,589	(204,460)	29,461	(274,675)



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

		UNAUDITED			
		FOURTH QUARTER		CUMULATIVE QUARTER	
		CURRENT	PRECEDING	CURRENT	PRECEDING
		YEAR	YEAR	YEAR	YEAR
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
		RM'000	RM'000	RM'000	RM'000
Profit/ (loss) attributable to:	Note				
Owners of the Company		1,593	(167,648)	13,991	(226,498)
Non-controlling interests		1,602	(33,826)	13,469	(46,636)
Profit/ (loss) for the year		3,195	(201,474)	27,460	(273,134)
Total comprehensive income					
/(expense) attributable to:					
Owners of the Company		99	(170,425)	15,851	(227,931)
Non-controlling interests		1,490	(34,035)	13,610	(46,744)
Total comprehensive income/					
(expense) for the year		1,589	(204,460)	29,461	(274,675)
Basic earnings/ (loss) per					
ordinary					
share (sen)	39	0.18	(18.97)	1.58	(25.63)
Diluted earnings/ (loss) per					
ordinary					
share (sen)	39	0.18	(18.97)	1.58	(25.63)

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2020	As at 31.12.2019
		RM'000	RM'000
Assets			
Property, plant and equipment		860,407	774,085
Right-of-use		676,291	634,060
Plantation development expenditure	14	131,125	111,410
Forestry	15	12,111	6,385
Intangible asset	16	-	-
Other investments	17	1,825	1,825
Deferred tax assets		40,008	34,295
Total non-current assets		1,721,767	1,562,060
Inventories		14,244	7,902
Current tax assets		1,837	6,744
Biological assets	18	41,664	35,405
Other investments	17	2,701	1,239
Trade and other receivables		26,087	31,375
Prepayments and other assets		6,753	8,022
Cash and cash equivalents	19	84,481	68,953
		177,767	159,640
Assets classified as held for sale	20	765,848	1,014,902
Total current assets		943,615	1,174,542
Total assets		2,665,382	2,736,602



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31.12.2020	As at 31.12.2019
		RM'000	RM'000
Equity			
Capital and reserve		770,432	768,571
Accumulated losses		(190,152)	(204,143)
Equity attributable to owners of the Company		580,280	564,428
Non-controlling interests		269,813	253,376
Total equity		850,093	817,804
Liabilities			
Loans and borrowings	36	1,054,467	1,139,644
Lease liabilities		75,608	75,121
Employee benefits		545	730
Deferred tax liabilities		193,683	193,102
Trade and other payables		12,089	9,826
Total non-current liabilities		1,336,392	1,418,423
Loans and borrowings	36	105,000	139,771
Derivatives liabilities		17,403	-
Lease liabilities		6,223	1,605
Trade and other payables		213,910	209,610
Current tax liabilities		1,702	685
Liabilities classified as held for sale	20	134,659	148,704
Total current liabilities		478,897	500,375
Total liabilities		1,815,289	1,918,798
Total equity and liabilities		2,665,382	2,736,602
Net tangible assets per share (RM)		0.66	0.64

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

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 2019		862,752	(80,958)	(11,790)	770,004	22,355	792,359	302,736	1,095,095
Foreign currency translation differences for foreign operations		-	-	(1,456)	(1,456)	-	(1,456)	(110)	(1,566)
Remeasurement loss on defined benefit liability		-	23	-	23	-	23	2	25
Total other comprehensive income for the year		-	23	(1,456)	(1,433)	-	(1,433)	(108)	(1,541)
Loss for the year		-	-	-	-	(226,498)	(226,498)	(46,636)	(273,134)
Total comprehensive income for the year		-	23	(1,456)	(1,433)	(226,498)	(227,931)	(46,744)	(274,675)
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to owners of the Company		-	-	-	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-	-	(2,616)	(2,616)
Total transactions with owners of the Group		-	-	-	-	-	-	(2,616)	(2,616)
At 31 December 2019		862,752	(80,935)	(13,246)	768,571	(204,143)	564,428	253,376	817,804



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020 (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 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		-	-	-	-	-	-	-	-
Disposal of subsidiary		-	-	-	-	-	-	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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	FOR THE YEAR ENDED	
		31.12.2020	31.12.2019
		RM'000	RM'000
Cash flows from operating activities			
Profit/ (loss) before tax		54,462	(245,009)
Adjustment for non-cash items		148,779	377,118
Operating profit before changes in working capital		203,241	132,109
Net changes in working capital		23,673	90,050
		226,914	222,159
Cash generated from operations			
Profit margin income from short-term investments and other receivables		939	648
Finance cost		(70,889)	(75,296)
Tax paid		(22,898)	(14,951)
Tax refund		6,012	1,463
Net cash generated from operating activities		140,078	134,024
Cash flows from investing activities			
Acquisition of property, plant and equipment		(5,133)	(7,859)
Decrease in other investment		(1,462)	649
Plantation development expenditure		(27,339)	(49,065)
Forestry		(14,878)	(11,698)
Proceeds from disposal of property, plant and equipment		1,580	145
Proceeds from disposal of right of use		74	-
Proceeds from disposal of subsidiary	24	60,147	-
Net cash generated from/ (used in) investing activities		12,989	(67,828)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 (continued)

	FOR THE YEAR ENDED	
	31.12.2020	31.12.2019
	RM'000	RM'000
Cash flows from financing activities		
Dividends paid to owners of the Company	-	(155)
Dividends paid to non-controlling interest	(10,300)	(4,314)
Proceeds from drawdown of loans and borrowings	66,909	187,700
Loan repayment	(188,180)	(165,046)
Decrease in amount due to holding corporation	6,149	(1,094)
Decrease in amount due to related companies	(7,113)	(59,997)
Payment of lease liabilities	(4,934)	(4,874)
Net cash used in generated from financing activities	(137,469)	(47,780)
Net increase in cash and cash equivalents	15,598	18,416
Cash and cash equivalents at 1 January	69,384	50,969
Cash and cash equivalents at end of the year	84,982	69,384

Note

Cash and cash equivalents comprise:

	FOR THE YEAR ENDED	
	31.12.2020	31.12.2019
	RM'000	RM'000
Deposits	72,701	59,662
Less: Other investments	(2,701)	(1,239)
Deposits placed with licensed banks	70,000	58,423
Cash and bank balances	14,982	10,961
	84,982	69,384
Assets classified as held for sale	(501)	(431)
	84,481	68,953

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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 2019. 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 2019.

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 2019.

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 2019.

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 :

(a) **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 review 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 make 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 7.85% 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.

(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 2019 in their report dated 3 June 2020.

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) Gain on disposal of subsidiary
- c) Foreign exchange gain
- d) Reversal of impairment
- e) Sundry income

Note	31.12.2020	31.12.2019
	RM'000	RM'000
	2,042	1,571
24	8,551	-
	-	3,482
	14,021	7,201
	3,713	3,902
	28,327	16,156

8. Administrative expenses

Administrative expenses consist of the followings:

- a) Overhead expenses
- b) Rental of office
- c) Sundry expenses

31.12.2020	31.12.2019
RM'000	RM'000
24,561	24,213
-	4,621
5,123	1,251
29,684	30,085

9. Other expenses

Other expenses consist of the followings:

- a) Head office depreciation
- b) Unrealised foreign exchange loss
- c) Impairment loss on right of use
- d) Impairment loss on property plant and equipment ("PPE")
- e) Impairment loss on plantation Development expenditure ("PDE")
- f) Impairment loss on asset held for sale
- g) Impairment loss of goodwill
- h) Receivables written off
- i) Miscellaneous expenses

31.12.2020	31.12.2019
RM'000	RM'000
3,973	1,196
20,741	-
-	22,819
78	75,845
5,329	20,316
1,792	73,355
-	9,761
16,684	-
3,027	244
51,624	203,536



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10. Finance cost

Finance cost on:

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

31.12.2020	31.12.2019
RM'000	RM'000
59,869	62,810
148	2,210
1,354	1,441
9,518	8,835
70,889	75,296

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

There were no changes in estimates that have a material effect in the financial year todate save as below:

During the financial year ended 31 December 2020, the Group reviewed the annual production yield table to reflect the potential yield production for each estate in the Group.

The effect of these changes on amortisation expenses, recognised in cost of sales, in current and future periods is as follows:

	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000
(Decrease)/ increase in amortisation charge	(8,107)	5,251	7,351	5,792	7,506

12. Changes in Debt and Equity Securities

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

- a) Repayment of RM40.0 million Commodity Murabahah Medium Term Notes at an effective profit margin rate of 5.65%.
- b) Repayment of RM60.0 million Commodity Murabahah Revolving credit-i at an effective profit margin rate of 4.59%.
- c) Repayment of RM11.0 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 year.

13. Dividends

There were no dividends declared nor paid during the year ended 31 December 2020.



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14. Plantation development expenditure

	OIL PALM		TEAK		TOTAL	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	109,423	84,842	1,987	-	111,410	84,842
Additions during the year	27,672	42,783	200	154	27,872	42,937
Addition of nurseries	1,610	1,703	-	-	1,610	1,703
Transfer to property, plant and equipment	(45,441)	(35,904)	-	-	(45,441)	(35,904)
Impairment	(5,129)	(20,316)	(200)	-	(5,329)	(20,316)
Reversal of impairment	-	-	-	1,833	-	1,833
Transfer from assets held for sale	43,152	35,633	-	-	43,152	35,633
Transfer to Assets held for sale	-	(1,928)	-	-	-	(1,928)
Effect of movement in exchange rate	(2,149)	2,610	-	-	(2,149)	2,610
	129,138	109,423	1,987	1,987	131,125	111,410

15. Forestry

	31.12.2020	31.12.2019
	RM'000	RM'000
At 1 January	6,385	49,825
Addition during the year	14,878	25,083
Transfer from nurseries	-	(13,385)
Addition charged to profit and loss	(14,878)	(11,923)
Change in fair value recognised to profit or loss	5,726	(43,215)
	12,111	6,385



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16. Intangible asset

Cost

Goodwill
Transfer from assets held for sale
Impairment

31.12.2020	31.12.2019
RM'000	RM'000
-	-
-	9,761
-	(9,761)
-	-

17. Other investments

Non-current

Available-for-sale financial
assets – stated at cost

Current

Deposits placed with licensed banks (maturity
period more than 3 months)

31.12.2020	31.12.2019
RM'000	RM'000
1,825	1,825
2,701	1,239
4,526	3,064

18. Biological assets

At 1 January
Change in fair value recognised to profit or loss

Transfer from asset held for sale
Transfer to assets held for sale

31.12.2020	31.12.2019
RM'000	RM'000
35,405	35,658
3,197	7,405
38,602	43,063
3,062	1,417
-	(9,075)
41,664	35,405



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18. Biological assets (continued)

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

	31.12.2020	31.12.2019
	RM'000	RM'000
Biological asset	3,197	7,405
Biological asset Classified as asset held for sale	1,023	3,626
	4,220	11,031

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.

19. Cash and cash equivalents

	31.12.2020	31.12.2019
	RM'000	RM'000
Deposits placed with licensed banks	70,000	58,423
Cash and bank balances	14,467	10,708
	84,467	69,131
Transfer from assets held for sale	14	26
Transfer to assets held for sale	-	(204)
	84,481	68,953



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20. 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

		31.12.2020
		RM'000
Property, plant and equipment (“PPE”)	Note a	516,102
Right-of-use	b	198,386
Plantation development expenditure (“PDE”)		11,312
Deferred tax assets		14,615
Biological assets		13,957
Inventories		3,706
Current tax assets		571
Trade and other receivables		6,660
Prepayment and Other assets		38
Cash and cash equivalents		501
		765,848

Liabilities classified as held for sale

		31.12.2020
		RM'000
Lease liabilities		34,901
Deferred tax liability		80,544
Payables and accruals		17,629
Current tax payable		1,585
		134,659



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20. Group assets held for sale (continued)

Note

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

	31.12.2020
	RM'000
Cost	712,549
Accumulated depreciation	(196,447)
	516,102

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

	31.12.2020
	RM'000
Cost	289,257
Accumulated depreciation	(90,871)
	198,386



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21. Operating segments

	Oil palm Plantation	Forestry	Consolidated
	RM'000	RM'000	RM'000
RESULTS FOR 3 MONTHS ENDED			
31 DECEMBER 2020			
External operating revenue	144,546	-	144,546
Fair value change in biological assets	(28,955)	-	(28,955)
Fair value change in forestry	-	5,726	5,726
Other income	16,243	602	16,845
	131,834	6,328	138,162
Operating expenses	(106,000)	1,627	(104,373)
Segment results	25,834	7,955	33,789
Other expenses	(13,481)	(134)	(13,615)
Finance cost	(10,779)	(3,652)	(14,431)
Profit/ (loss) before tax	1,574	4,169	5,743
RESULTS FOR 3 MONTHS ENDED			
31 DECEMBER 2019			
External operating revenue	136,247	-	136,247
Fair value change in biological assets	787	-	787
Fair value change in forestry	-	(43,215)	(43,215)
Other income	13,748	65	13,813
	150,782	(43,150)	107,632
Operating expenses	(102,357)	(2,898)	(105,255)
Segment results	48,425	(46,048)	2,377
Other expenses	(151,666)	(149)	(151,815)
Finance cost	(11,669)	(2,990)	(14,659)
Loss before tax	(114,910)	(49,187)	(164,097)



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21. Operating segments (continued)

	Oil palm Plantation	Forestry	Consolidated
	RM'000	RM'000	RM'000
RESULTS FOR THE YEAR ENDED			
31 DECEMBER 2020			
External operating revenue	555,097	-	555,097
Fair value change in biological assets	4,220	-	4,220
Fair value change in forestry	-	5,726	5,726
Other income	28,565	701	29,266
	587,882	6,427	594,309
Operating expenses	(385,185)	(2,465)	(387,650)
Segment results	202,697	3,962	206,659
Other expenses	(80,967)	(341)	(81,308)
Finance cost	(58,686)	(12,203)	(70,889)
Profit/ (loss) before tax	63,044	(8,582)	54,462
RESULTS FOR THE YEAR ENDED			
31 DECEMBER 2019			
External operating revenue	493,650	-	493,650
Fair value change in biological assets	11,031	-	11,031
Fair value change in forestry	-	(43,215)	(43,215)
Other income	16,717	87	16,804
	521,398	(43,128)	478,270
Operating expenses	(408,728)	(5,634)	(414,362)
Segment results	112,670	(48,762)	63,908
Other expenses	(233,223)	(398)	(233,621)
Finance cost	(63,715)	(11,581)	(75,296)
Loss before tax	(184,268)	(60,741)	(245,009)



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21. Operating segments (continued)

	Oil palm Plantation	Forestry	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020				
Assets that belong to the Group	4,266,454	28,712	(1,629,784)	2,665,382
Total Assets	4,266,454	28,712	(1,629,784)	2,665,382
Liabilities that belong to the Group	4,484,283	223,025	(2,892,019)	1,815,289
Total liabilities	4,484,283	223,025	(2,892,019)	1,815,289
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2019				
Assets that belong to the Group	3,595,066	23,297	(881,761)	2,736,602
Total Assets	3,595,066	23,297	(881,761)	2,736,602
Liabilities that belong to the Group	2,594,856	206,596	(882,654)	1,918,798
Total liabilities	2,594,856	206,596	(882,654)	1,918,798



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22. Valuation of Property, Plant and Equipment

During the year, certain assets of the Group has been valued by Independent professional's valuers.

23. Material Event Subsequent to the Balance Sheet Date

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

24. Changes In The Composition Of The Group

On 31 July 2020, the Group had completed the Share Purchase Agreement ("SPA") in relation to the disposal of 70% equity interests in THPYT.

Effect of disposal on the financial position of the Group

	Note	RM'000
Property, plant and equipment ("PPE")		59,877
Right-of-use		4,676
Plantation development expenditure ("PDE")		250
Deferred tax assets		7,522
Biological assets		1,880
Inventories		9
Trade and other receivables		1,159
Prepayment and Other assets		66
Cash and cash equivalents		650
Trade and other payables		(26,671)
		49,418
Non-controlling interest		2,828
		52,246
Gain on disposal	7	8,551
Consideration received		60,797
Less: Cash and bank balances		(650)
Net cash inflow		60,147



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25. 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 23 March 2021.

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

Approved and contracted for
Approved but not contracted for

31.12.2020
RM'000
-
53,818
53,818

27. Material Related Party Transactions

			For the year ended 31.12.2020
Transacting Parties	Relationship	Nature of transactions	RM'000
Transactions with THP Lembaga Tabung Haji	Holding Corporation	Lease of land	2,928
Transactions with THP Group TH Travel Sdn Bhd Deru Semangat Sdn Bhd	Related Company Related Company	Purchase of flight ticket Management fees	70 261

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

28. Review of Group's Financial Performance

	UNAUDITED YEAR TODATE		VARIANCE	
	CURRENT YEAR	PRECEDING YEAR		
	31.12.2020	31.12.2019	RM'000	%
Revenue	555,097	493,650	61,447	12.45
Fair value change on biological assets	4,220	11,031	(6,811)	(61.74)
Fair value change on forestry	5,726	(43,215)	48,941	113.25
Operating profit	177,393	47,104	130,289	276.60
Profit / (Loss) Before Interest and Tax ("PBIT/ (LBIT)")	124,412	(170,361)	294,773	173.03
Profit/ (loss) Before Tax ("PBT/(LBT)")	54,462	(245,009)	299,773	122.23
Profit/ (loss) After Tax ("PAT/(LAT)")	27,460	(273,134)	300,594	110.05
Profit/ (Loss) attributable to owners of the Company ("PATAMI/ (LATAMI)")	13,991	(226,498)	240,489	106.18

	YEAR TODATE		VARIANCE	
	2020	2019		
	MT	MT	MT	%
Sales volume				
Crude palm oil ("CPO")	169,843	194,477	(24,634)	(12.67)
Palm kernel ("PK")	39,250	43,236	(3,986)	(9.22)
Fresh Fruit Bunches ("FFB")	123,326	159,652	(36,326)	(22.75)

	YEAR TODATE		VARIANCE	
	2020	2019		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	2,538	1,968	570	28.96
Palm kernel	1,536	1,172	364	31.06
FFB	516	377	139	36.87



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

Overall

The Group's revenue for the financial year ended 31 December 2020 (FY20) higher by 12.45% to RM555.10 million due to higher average realised prices for CPO, PK and FFB despite of lower sales volume for CPO, PK and FFB. At operating level, the Group has recorded a higher operating profit by 276.60% as compared to FY19. The Group registered a PBT of RM54.46 million as compared to LBT of RM245.01 million in previous year mainly due to:

- a) Higher revenue by RM61.45 million.
- b) Higher fair value change in forestry by RM48.94 million.
- c) Lower cost of sales by RM26.71 million.
- d) Lower other expenses by RM151.91 million due lower impairment in the current year.
- e) Higher other income by RM12.17 million mainly due to gain on disposal of subsidiary recognised amounting to RM8.55 million and higher reversal of impairment on assets by RM6.82 million.

Plantation sector

In FY20, Plantation sector has registered a higher revenue by 12.45% due to higher average realised prices for CPO, PK and FFB despite of lower sales volume for CPO, PK and FFB. Plantation sector recorded PBT of RM63.04 million as compared to LBT of RM184.27 million in previous year mainly due to:

- a) Higher revenue by RM61.45.
- b) Lower cost of sales by RM23.54 million.
- c) Lower other expenses by RM151.91 million due lower impairment in the current year.
- d) Higher other income by RM12.17 million mainly due to gain on disposal of subsidiary recognised amounting to RM8.55 million and higher reversal of impairment on assets by RM6.82 million.

Forestry sector

For FY20, the forestry sector recorded a lower LBT of RM8.58 million, as compared to RM60.74 million in FY19. This is a result of higher fair value change in forestry by RM48.94 million.



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

	2020	2020	VARIANCE	
	Quarter 4	Quarter 3	RM'000	%
Revenue	144,546	167,430	(22,884)	(13.67)
Fair value change in biological assets	(28,955)	20,826	(49,781)	(239.03)
Fair value change in forestry	5,726	-	5,726	100.00
Operating profit	16,944	76,601	(59,657)	(77.88)
Profit Before Interest and Tax ("PBIT")	19,868	53,468	(33,600)	(62.84)
Profit Before Tax ("PBT")	5,743	37,776	(32,033)	(84.80)
Profit After Tax ("PAT")	3,195	23,864	(20,669)	(86.61)
Profit attributable to owners of the Company ("PATAMI")	1,593	15,772	(14,179)	(89.90)

	2020	2020	VARIANCE	
	Quarter 4	Quarter 3	MT	%
Sales volume				
Crude palm oil	37,593	51,120	(13,527)	(26.46)
Palm kernel	9,220	12,075	(2,855)	(23.64)
FFB	32,493	40,421	(7,928)	(19.61)

	2020	2020	VARIANCE	
	Quarter 4	Quarter 3	RM/MT	%
Average realised prices				
Crude palm oil	2,859	2,540	319	12.56
Palm kernel	1,832	1,420	412	29.01
FFB	616	506	110	21.74



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

Overall

The Group's revenue decreased by 13.67% to RM144.55 million compared to the preceding quarter mainly due to lower sales volume despite of higher average realised prices for CPO, PK and FFB. The Group registered a PBT of RM5.74 million in 4Q20 as compared to RM37.78 million in 3Q20 mainly due to lower revenue by RM22.88 million and lower fair value change in biological assets by RM49.78 million. However, it was partly offset by lower other expenses by RM19.98 million and higher other income by RM6.23 million.

Plantation sector

The Plantation sector registered a PBT of RM1.57 million in the current quarter compared to RM43.14 million in the preceding quarter mainly due to lower revenue by RM22.88 and lower fair value change in biological assets by RM49.78 million. However, it was partly offset by lower other expenses by RM19.92 million and higher other income by RM5.63 million.

Forestry sector

For 4Q20, the forestry sector registered a PBT of RM4.17 million compared to LBT of RM5.36 million in preceding quarter. This is due to higher fair value change in forestry by RM5.73 million as compared to the preceding quarter.



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30. Current Year Prospects

The Group's overall positive financial performance for the financial year ended 31 December 2020 was largely due to the strong prices of palm products and the on-going progress of our Strategic Recovery Plan.

Overall production for the industry in 2020 was lower by 3.6% in comparison to 2019 as the result of non-optimal application of fertilizers, continuous labour shortages and unfavourable weather conditions.

The Group expects the palm oil prices to remain favourable for the medium term given the above conditions and the overall low inventory level in Malaysia at the end of 2020.

31. Variance of Actual Profit from Forecast Profit

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

32. Taxation

	FOURTH QUARTER		CUMULATIVE QUARTER	
	Current year RM000	Preceding year RM000	Current year RM000	Preceding year RM000
Current	(8,471)	(5,975)	(28,392)	(14,025)
Deferred	5,923	(31,402)	1,390	(14,100)
	(2,548)	(37,377)	(27,002)	(28,125)

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

Current year tax was higher compared to previous year due to lower deferred tax assets recognised during the year.



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33. Unquoted Investments and /or Properties

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

34. Quoted Investments

There were no purchases of quoted investments during the year under review.

35. Status of Corporate Proposals

- a) On 5 December 2019, the company had entered into A Conditional Sale and Purchase of Shares Agreement with Tamaco Plantation Sdn. Bhd. to dispose 100% equity interests in BSV and MWM for a total consideration of RM170 million.
- b) On 3 March 2020, THP had entered into a SPA with TDM Berhad ("TDM") to dispose 70% equity interests in THPYT for a cash consideration of RM7.0 million and settlement of RM62.0 million being part of the inter-company advances by THPYT to THP Suria Mekar Sdn. Bhd., a wholly-owned subsidiary of the Company.

As at announcement date, proposal (a) has yet to be completed. However, proposal (b) was completed on 31 July 2020.

Save as disclosed above, there are no other corporate proposals announced but not completed as at end of period review.



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36. Group Borrowings

As at 31 December 2020, total borrowings are as follows:

	Note	As at	As at
		31.12.2020	31.12.2019
		RM'000	RM'000
Non-current			
Secured			
Commodity Murahabah Term Financing-i (THPS)		189,144	200,482
Commodity Murahabah Term Financing-i (PTPKP)		45,502	46,254
Unsecured			
SUKUK Murabahah		780,000	855,000
Medium Term Notes		39,821	37,908
Term Financing			
		1,054,467	1,139,644
Current			
Secured			
Commodity Murabahah Revolving credit-i		-	60,000
Commodity Murahabah Term Financing-i (THPS)		30,000	29,500
Unsecured			
SUKUK Murabahah		75,000	40,000
Medium Term Notes		-	10,271
Islamic Trade Financing-i			
		105,000	139,771
		1,159,467	1,279,415



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36. 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
1-2 years	2021	75,000	30,000	105,000	-
2-3 years	2022	100,000	30,000	130,000	500
3-4 years	2023	105,000	32,000	137,000	2,000
4-5 years	2024	110,000	36,000	146,000	2,000
5-6 years	2025	120,000	39,000	159,000	2,000
6-7 years	2026	145,000	52,144	197,144	3,500
7-8 years	2027	200,000	-	200,000	1,279
8-9 years	2028	-	-	-	-
9-10 years	2029	-	39,821	39,821	-
		855,000	258,965	1,113,965	11,279

Total borrowings

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

31.12.2020
RM'000

1,113,965

45,502

1,159,467

37. 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.

38. Material Litigation

There are no material litigations as at the date of this report.



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39. Earnings Per Share

		UNAUDITED FOURTH QUARTER		UNAUDITED CUMULATIVE	
		Current Year	Preceding Year	Current Year	Preceding Year
Basic earnings per share					
Profit/ (Loss) attributable to shareholders	RM'000	1,593	(167,648)	13,991	(226,498)
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Basic earnings/ (loss) per share	sen	0.18	(18.97)	1.58	(25.63)
Diluted earnings per share					
Profit / (Loss) attributable to shareholders	RM'000	1,593	(167,648)	13,991	(226,498)
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	0.18	(18.97)	1.58	(25.63)

40. 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 23 March 2021.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
23 March 2021