



TH Plantations Berhad

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

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2021

The Directors have pleasure in announcing the unaudited consolidated results for the first quarter ended 31 March 2021.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED	
		FIRST QUARTER	
		CURRENT YEAR	PRECEDING YEAR
		31.03.2021	31.03.2020
		RM'000	RM'000
	Note		
Revenue	26	131,243	115,551
Fair value change in biological assets	17.1	14,894	(10,799)
Cost of sales		(95,257)	(79,156)
Gross profit		50,880	25,596
Other income	7	1,334	1,040
Administrative expenses	8	(6,979)	(8,188)
Other expenses	9	(3,573)	(19,185)
Results from operating activities		41,662	(737)
Profit margin income from short-term investments and receivables		213	304
Finance cost	10	(16,498)	(14,055)
Net finance cost		(16,285)	(13,751)
Profit/ (loss) before tax	26	25,377	(14,488)
Tax (expenses)/ credit	30	(5,796)	1,540
Profit/ (loss) for the period	26	19,581	(12,948)
Other comprehensive 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		394	7,162
Total comprehensive income /(expenses) for the period		19,975	(5,786)



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

	Note	UNAUDITED	
		FIRST QUARTER	
		CURRENT YEAR	PRECEDING YEAR
		31.03.2021	31.03.2020
		RM'000	RM'000
Profit/ (loss) attributable to:			
Owners of the Company		14,966	(11,531)
Non-controlling interests		4,615	(1,417)
Profit/ (loss) for the period		19,581	(12,948)
Total comprehensive income/ (expense) attributable to:			
Owners of the Company		15,341	(4,871)
Non-controlling interests		4,634	(915)
Total comprehensive income/ (expense) for the period		19,975	(5,786)
Basic earnings/ (loss) per ordinary share (sen)	37	1.69	(1.30)
Diluted earnings/ (loss) per ordinary share (sen)	37	1.69	(1.30)

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



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Assets			
Property, plant and equipment		884,054	858,905
Right-of-use – property, plant and equipment		670,063	676,291
Plantation development expenditure	14	102,784	131,125
Forestry	15	12,111	12,111
Other investments	16	1,825	1,825
Deferred tax assets		39,407	40,008
Total non-current assets		1,710,244	1,720,265
Inventories		17,343	14,244
Current tax assets		5,003	1,837
Biological assets	17	55,939	41,664
Other investments	16	2,743	2,701
Trade and other receivables		25,631	26,086
Prepayments and other assets		6,725	6,752
Cash and cash equivalents	18	87,129	84,481
		200,513	177,765
Assets classified as held for sale	19	769,759	767,187
Total current assets		970,272	944,952
Total assets		2,680,516	2,665,217



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31.03.2021 RM'000	As at 31.12.2020 RM'000
Equity			
Capital and reserve		770,807	770,432
Accumulated losses		(175,186)	(190,152)
Equity attributable to owners of the Company		595,621	580,280
Non-controlling interests		274,447	269,813
Total equity		870,068	850,093
Liabilities			
Loans and borrowings	34	1,056,350	1,054,467
Lease liabilities		74,929	75,608
Employee benefits		543	545
Deferred tax liabilities		194,391	193,385
Trade and other payables		12,671	12,089
Total non-current liabilities		1,338,884	1,336,094
Loans and borrowings	34	97,500	105,000
Derivative liabilities		17,343	17,403
Lease liabilities		4,857	6,223
Current tax liabilities		22	1,702
Trade and other payables		221,858	213,910
		341,580	344,238
Liabilities classified as held for sale	19	129,984	134,792
Total current liabilities		471,564	479,030
Total liabilities		1,810,448	1,815,124
Total equity and liabilities		2,680,516	2,665,217
Net tangible assets per share (RM)		0.67	0.66

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021

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



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (continued)

Group	Note	/-----Attributable to owners of the Company-----/ /-----Non-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	Distributable Retained earnings/ Accumulated losses 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		-	-	375	375	-	375	19	394
Total other comprehensive income for the period		-	-	375	375	-	375	19	394
Profit for the period		-	-	-	-	14,966	14,966	4,615	19,581
Total comprehensive income for the year		-	-	375	375	14,966	15,341	4,634	19,975
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to owners of the Company		-	-	-	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-	-	-	-
Total transactions with owners of the Group		-	-	-	-	-	-	-	-
At 31 March 2021		862,752	(80,658)	(11,287)	770,807	(175,186)	595,621	274,447	870,068

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



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	FOR THE FIRST QUARTER ENDED	
	31.03.2021	31.03.2020
	RM'000	RM'000
Cash flows from operating activities		
Loss before tax	25,377	(14,488)
Adjustment for non-cash items	15,004	53,444
Operating profit before changes in working capital	40,381	38,956
Net changes in working capital	5,539	(6,779)
Cash generated from operations	45,920	32,177
Profit margin income from short-term investments and other receivables	213	304
Finance cost	(16,498)	(10,016)
Tax paid	(10,026)	(2,800)
Tax refund	-	3,215
Net cash generated from operating activities	19,609	22,880
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,983)	(241)
Plantation development expenditure	(3,955)	(12,652)
Forestry	(3,289)	(3,117)
Increase in other investment	(42)	-
Proceed from disposal of property, plant and equipment	203	-
Net cash used in investing activities	(9,066)	(16,010)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021 (continued)

	Note	FOR THE FIRST QUARTER ENDED	
		31.03.2021	31.03.2020
		RM'000	RM'000
Cash flows from financing activities			
Increase in amount due to holding corporation		168	-
Increase in amount due to related companies		31	-
Proceeds from drawdown of tradeline		-	32,220
Loan repayment		(7,500)	(70,976)
Payment of lease liabilities		(505)	-
Net cash used in financing activities		(7,806)	(38,756)
Net increase/ (decrease) in cash and cash equivalents		2,737	(31,886)
Cash and cash equivalents at 1 January		84,982	69,384
Cash and cash equivalents at end of the period		87,719	37,498

Cash and cash equivalents comprise:

	18	FOR THE FIRST QUARTER ENDED	
		31.03.2021	31.03.2020
		RM'000	RM'000
Deposits		72,678	26,208
Less: Other investments		(2,743)	(1,239)
Cash and bank balances		69,935	24,969
		17,784	12,529
		87,719	37,498
Assets classified as held for sale		(590)	(431)
		87,129	37,067



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NOTES PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

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

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

2. Significant Accounting Policies

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

3. Estimates

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

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

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

(i) **Depreciation of estate**

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

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

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



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3. Estimates (continued)

(iii) **Intangible assets-goodwill**

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

(iv) **Deferred income**

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

(v) **Forestry**

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

(vi) **Contingencies**

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

(vii) **Deferred tax**

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

4. Auditors' Report on Preceding Annual Financial Statements

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

5. Seasonal or Cyclical Factors

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

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

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



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7. Other income

Other income consist of the following:

- a) Management fees
- b) Sundry income

31.03.2021	31.03.2020
RM'000	RM'000
1,114	369
220	671
1,334	1,040

8. Administrative expenses

Administrative expenses consist of the followings:

- a) Overhead expenses
- b) Sundry expenses

31.03.2021	31.03.2020
RM'000	RM'000
5,699	5,609
1,280	2,579
6,979	8,188

9. Other expenses

Other expenses consist of the followings:

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

31.03.2021	31.03.2020
RM'000	RM'000
959	304
91	137
1,967	18,413
556	331
3,573	19,185



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10. Finance cost

Finance cost on:

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

31.03.2021	31.03.2020
RM'000	RM'000
14,158	11,766
30	62
2,310	2,227
16,498	14,055

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

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

12. Changes in Debt and Equity Securities

During the period under review, The Group has made a principal repayment of RM7.5 million Commodity Murabahah Term Financing-i at an effective profit margin rate of 5.83%.

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

13. Dividends

There were no dividends declared nor paid during the first quarter ended 31 March 2021.



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14. Plantation development expenditure

	OIL PALM		TEAK		TOTAL	
	31.03.2021	31.12.2020	31.03.2021	31.12.2020	31.03.2021	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	5,821	27,671	91	200	5,912	27,871
Addition of nurseries	164	1,610	-	-	164	1,610
Transfer to property, plant and equipment	(34,150)	(45,441)	-	-	(34,150)	(45,441)
Impairment	-	(5,129)	(91)	(200)	(91)	(5,329)
Transfer from assets held for sale	-	43,152	-	-	-	43,152
Transfer to Assets held for sale	-	-	-	-	-	-
Effect of movement in exchange rate	(176)	(2,148)	-	-	(176)	(2,148)
	100,797	129,138	1,987	1,987	102,784	131,125

15. Forestry

	31.03.2021	31.12.2020
	RM'000	RM'000
At 1 January	12,111	6,385
Addition during the year	3,289	14,878
Addition charged to profit and loss	(3,289)	(14,878)
Change in fair value recognised to profit or loss	-	5,726
	12,111	12,111



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16. Other investments

	31.03.2021	31.12.2020
	RM'000	RM'000
Non-current		
Available-for-sale financial assets – stated at cost	1,825	1,825
Current		
Deposits placed with licensed banks (maturity period more than 3 months)	2,743	2,701
	4,568	4,526

17. Biological assets

	31.03.2021	31.12.2020
	RM'000	RM'000
At 1 January	41,664	35,405
Change in fair value recognised to profit or loss	14,278	3,197
	55,942	38,602
Transfer from asset held for sale	-	3,062
Effect of movement in exchange rate	(3)	-
	55,939	41,664

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

	31.03.2021	31.12.2020
	RM'000	RM'000
Biological asset	14,278	3,197
Biological asset Classified as asset held for sale	616	1,023
	14,894	4,220

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

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



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18. Cash and cash equivalents

	31.03.2021	31.12.2020
	RM'000	RM'000
Deposits placed with licensed banks	69,935	71,549
Cash and bank balances	17,194	12,918
	87,129	84,467
Transfer from assets held for sale	-	14
	87,129	84,481

19. Group assets held for sale

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

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

Group

Assets classified as held for sale

		31.03.2021
	Note	RM'000
Property, plant and equipment ("PPE")	a	523,198
Right-of-use – PPE	b	198,386
Plantation development expenditure ("PDE")		7,292
Deferred tax assets		14,815
Biological assets		14,573
Inventories		2,476
Current tax assets		989
Trade and other receivables		7,395
Prepayment and Other assets		45
Cash and cash equivalents		590
		769,759

Liabilities classified as held for sale

	31.03.2021
	RM'000
Lease liabilities	35,617
Deferred tax liability	80,514
Payables and accruals	12,389
Current tax payable	1,464
	129,984



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19. Group assets held for sale (continued)

Note

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

	31.03.2021
	RM'000
Cost	723,503
Accumulated depreciation	(200,305)
	523,198

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

	31.03.2021
	RM'000
Cost	289,257
Accumulated depreciation	(90,871)
	198,386



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20. Operating segments

	Oil palm Plantation	Forestry	Consolidated
	RM'000	RM'000	RM'000
RESULTS FOR FIRST QUARTER ENDED			
31 MARCH 2021			
External operating revenue	131,243	-	131,243
Fair value change in biological assets	14,894	-	14,894
Other income	1,547	-	1,547
	147,684	-	147,684
Operating expenses	(94,095)	(1,162)	(95,257)
Segment results	53,589	(1,162)	52,427
Other expenses	(10,500)	(52)	(10,552)
Finance cost	(13,688)	(2,810)	(16,498)
Profit/ (loss) before tax	29,401	(4,024)	25,377
RESULTS FOR FIRST QUARTER ENDED			
31 MARCH 2020			
External operating revenue	115,551	-	115,551
Fair value change in biological assets	(10,799)	-	(10,799)
Other income	1,272	72	1,344
	106,024	72	106,096
Operating expenses	(78,401)	(755)	(79,156)
Segment results	27,623	(683)	26,940
Other expenses	(27,299)	(74)	(27,373)
Finance cost	(11,105)	(2,950)	(14,055)
Loss before tax	(10,781)	(3,707)	(14,488)



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20. Operating segments (continued)

	Oil palm Plantation	Forestry	Elimination	Consolidated
	RM'000	RM'000	RM'000	RM'000
ASSETS AND LIABILITIES AS AT 31 MARCH 2021				
Assets that belong to the Group	4,192,212	28,508	(1,540,204)	2,680,516
Total Assets	4,192,212	28,508	(1,540,204)	2,680,516
Liabilities that belong to the Group	3,318,263	226,929	(1,734,744)	1,810,448
Total liabilities	3,318,263	226,929	(1,734,744)	1,810,448
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020				
Assets that belong to the Group	4,266,289	28,712	(1,629,784)	2,665,217
Total Assets	4,266,289	28,712	(1,629,784)	2,665,217
Liabilities that belong to the Group	4,484,118	223,025	(2,892,019)	1,815,124
Total liabilities	4,484,118	223,025	(2,892,019)	1,815,124



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21. Valuation of Property, Plant and Equipment

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

22. Material Event Subsequent to the Balance Sheet Date

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

23. Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which may have a material impact on the financial position and business of the Group as at 27 May 2021.

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

Approved and contracted for
Approved but not contracted for

31.03.2021
RM'000
50
73,069
73,119

25. Material Related Party Transactions

			For the first quarter ended 31.03.2021
Transacting Parties	Relationship	Nature of transactions	RM'000
Transactions with THP Lembaga Tabung Haji	Holding Corporation	Lease of land	732
Transactions with THP Group Deru Semangat Sdn Bhd	Related Company	Management fees	9

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



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

26. Review of Group's Financial Performance

	UNAUDITED FIRST QUARTER		VARIANCE	
	CURRENT YEAR	PRECEDING YEAR		
	31.03.2021	31.03.2020	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	131,243	115,551	15,692	13.58
Fair value change in biological assets	14,894	(10,799)	25,693	237.92
Operating profit	50,880	25,596	25,284	98.78
Profit/ (loss) Before Interest and Tax ("PBIT"/ ("LBIT"))	41,662	(737)	42,399	5752.92
Profit/ (Loss) Before Tax ("PBT"/("LBT"))	25,377	(14,488)	39,865	275.16
Profit/ (Loss) After Tax ("PAT"/("LAT"))	19,581	(12,948)	32,529	251.23
Profit/ (Loss) attributable to owners of the Company ("PATAMI"/ ("LATAMI"))	14,966	(11,531)	26,497	229.79

	FIRST QUARTER		VARIANCE	
	2021	2020		
	MT	MT	MT	%
Sales volume				
Crude palm oil ("CPO")	26,066	35,732	(9,666)	(27.05)
Palm kernel ("PK")	6,063	7,798	(1,735)	(22.25)
Fresh Fruit Bunches ("FFB")	43,569	20,156	23,413	116.16

	FIRST QUARTER		VARIANCE	
	2021	2020		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	3,283	2,580	703	27.25
Palm kernel	2,382	1,668	714	42.81
FFB	717	513	204	39.77



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

Overall

The Group's revenue for the first quarter ended 2021 (1Q21) higher by 13.58% to RM131.24 million due to higher average realised prices for CPO, PK and FFB despite of lower sales volume for CPO and PK. The Group recorded higher PBT of RM25.38 million as compared to LBT of RM14.49 million in 1Q20 mainly due to:

- a) Higher revenue by RM15.69 million
- b) Lower unrealised foreign exchange loss by RM16.45 million.

Plantation sector

In 1Q21, Plantations sectors has registered a higher revenue by 13.58 % due to higher average realised prices for CPO, PK and FFB despite of lower sales volume for CPO and PK. Plantation sector recorded PBT of RM29.40 million as compared to LBT of RM10.78 million in the corresponding quarter in previous year mainly due to:

- a) Higher revenue by RM15.69 million.
- b) Lower unrealised foreign exchange loss by RM16.45 million.

Forestry sector

For 1Q21, the forestry sector recorded a higher LBT of RM4.02 million, as compared to RM3.71 million in 1Q20. This is a result of higher amortisation cost in 1Q21.



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

	2021	2020	VARIANCE	
	Quarter 1	Quarter 4		
	RM'000	RM'000	RM'000	%
Revenue	131,243	144,546	(13,303)	(9.20)
Fair value change in biological assets	14,894	(28,955)	43,849	151.44
Fair value change in forestry	-	5,726	(5,726)	(100.00)
Operating profit	50,880	16,944	33,936	200.28
Profit Before Interest and Tax ("PBIT")	41,662	19,868	21,794	109.69
Profit Before Tax ("PBT")	25,377	5,743	19,634	341.88
Profit After Tax ("PAT")	19,581	3,195	16,386	512.86
Profit attributable to owners of the Company ("PATAMI")	14,966	1,593	13,373	839.49

	2021	2020	VARIANCE	
	Quarter 1	Quarter 4		
	MT	MT	MT	%
Sales volume				
Crude palm oil	26,066	37,593	(11,527)	(30.66)
Palm kernel	6,063	9,220	(3,157)	(34.24)
FFB	43,569	32,493	11,076	34.09

	2021	2020	VARIANCE	
	Quarter 1	Quarter 4		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	3,283	2,859	424	14.83
Palm kernel	2,382	1,832	550	30.02
FFB	717	616	101	16.40



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

Overall

The Group's revenue decreased by 9.20% to RM131.24 million compared to the preceding quarter mainly due to lower sales volume for CPO and PK despite of higher average realised prices for CPO, PK and FFB. The Group has recorded a higher PBT by 341.88 % as compared to 4Q20 mainly due to:

- a) Higher changes in the fair value of biological assets by RM43.85 million
- b) Lower impairment of assets by RM8.60 million
- c) Lower other operating expenses by RM11.91
- d) However, it was partly offset by:
 - i) lower fair value changes in the fair value of forestry by RM5.73 million
 - ii) lower other income by RM15.30 million.
 - iii) Lower revenue by RM13.30 million

Plantation sector

The Plantation sector registered a higher PBT of RM29.40 million in the current quarter compared to RM1.57 million in the preceding quarter. A few factors contributed to the significant change in results, as follows:

- a) Higher changes in the fair value of biological assets by RM43.85 million
- b) Lower impairment of assets by RM8.60 million
- c) Lower other operating expenses by RM11.91
- d) However, it was partly offset by:
 - i) lower fair value changes in the fair value of forestry by RM5.73 million
 - ii) lower other income by RM14.70 million.
 - iii) Lower revenue by RM13.30 million

Forestry sector

For 1Q21, the forestry sector registered LBT of RM4.02 million compared to PBT of RM4.17 million in preceding quarter. This is due to the fact that the Group had recognised a change in fair value of forestry amounting to RM5.73 million in 4Q20. As disclosed in Note 3 (v), the fair value of forestry is assessed annually during the fourth quarter.



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28. Current Year Prospects

The outlook for the Group's overall performance for the financial year ending 31 December 2021 will largely depend on the palm oil commodity prices, the COVID-19 pandemic related issues and the on-going progress of our Strategic Recovery Plan to strengthen our operations and finances.

Overall production of CPO for the industry is relatively lower in the first quarter of 2021 compared to the same quarter in 2020, as the industry has not fully recovered from the general cyclical low production season coupled with the impact of bad weather condition early in the year and continuous foreign labour shortage issues. We expect our production for 2021 would be better due to good agronomic practices.

The Group expects palm oil prices to remain favourable for the first half of the year given the overall low inventory level in Malaysia, tight global edible oils supplies and unpredictable weather conditions around the world. We remain cautious on the recurring rise of the pandemic case numbers that may result in reduced demand.

29. Variance of Actual Profit from Forecast Profit

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

30. Taxation

	UNAUDITED FIRST QUARTER	
	Current year RM000	Preceding year RM000
Current	(4,640)	(4,094)
Deferred	(1,156)	5,634
	(5,796)	1,540

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

Current year tax for 1Q21 was higher compared to same period last year due to higher deferred tax liabilities recognised during the quarter.

31. Unquoted Investments and /or Properties

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



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32. Quoted Investments

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

33. Status of Corporate Proposals

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

34. Group Borrowings

As at 31 March 2021, total borrowings are as follows:

	Note	As at	As at
		31.03.2021	31.12.2020
		RM'000	RM'000
Non-current			
Secured			
Commodity Murahabah Term Financing-i (THPS)		189,185	189,144
Commodity Murahabah Term Financing-i (PTPKP)		46,843	45,502
Unsecured			
SUKUK Murahabah			
Medium Term Notes		780,000	780,000
Term Financing		40,322	39,821
		1,056,350	1,054,467
Current			
Secured			
Commodity Murahabah Term Financing-i (THPS)		22,500	30,000
Unsecured			
SUKUK Murahabah			
Medium Term Notes		75,000	75,000
		97,500	105,000
		1,153,850	1,159,467



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34. Group Borrowings (continued)

Maturity analysis

Tenure	Year of maturity	SUKUK	Other Financial Instruments	TOTAL	Foreign Currency denominated loan
		RM'000	RM'000	RM'000	USD'000
Within 1 years	2021	75,000	22,500	97,500	-
1-2 years	2022	100,000	30,000	130,000	1,000
2-3 years	2023	105,000	32,000	137,000	2,000
3-4 years	2024	110,000	36,000	146,000	2,000
4-5 years	2025	120,000	39,000	159,000	2,000
5-6 years	2026	145,000	52,185	197,185	4,279
6-7 years	2027	200,000	-	200,000	-
7-8 years	2028	-	-	-	-
8-9 years	2029	-	40,322	40,322	-
		855,000	252,007	1,107,007	11,279

Total borrowings

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

31.03.2021
RM'000
1,107,007
46,843
1,153,850

35. Off Balance Sheet Financial Instruments

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



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36. Material Litigation

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

On 30 March 2021, THP had been served with a sealed copy of a Writ of Summons dated 29 March 2021 from the Plaintiff.

The brief facts of the case are as follows:

On 5 December 2019, THP had entered into a Share Purchase Agreement with the Plaintiff to dispose its entire equity interests in Bumi Suria Ventures Sdn. Bhd. and Maju Warisanmas Sdn. Bhd. (“SPA”). On 24 November 2020, the last conditions precedent to be fulfilled i.e. Economic Planning Unit of the Prime Minister’s Office (“EPU”) approval was obtained. However, on 4 December 2020, the said EPU approval was withdrawn by EPU.

The Long Stop Date of the SPA to satisfy the conditions precedent expires on 31 March 2021. The Plaintiff has requested for a further extension of the Long Stop Date. However, THP has decided not to extend the Long Stop Date.

Consequent thereto, the Plaintiff has initiated a Writ of Summons against THP.

The relief sought under the Writ of Summons, amongst others, are as follows:-

- a. A declaration that the Plaintiff and the Defendant are entitled to continue to complete the SPA;
- b. A declaration that the time to complete the SPA and/or long-stop date is independent (at large);
- c. A declaration that the Defendant was estopped by its own conduct to terminate the SPA;
- d. A permanent injunction order be granted to the Plaintiff against the Defendant to prohibit the Defendant from terminating the SPA;
- e. A specific performance order be given to the Plaintiff against the Defendant to perform the SPA; and
- f. General, exemplary and aggravated damages.



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36. Material Litigation (continued)

The ex-parte Notice of Application has been required by the Court to be heard inter parte on 31 March 2021. This application seeks an interlocutory injunction to restrain the Company from terminating the SPA whilst awaiting the determination of the Writ of Summons.

The outcome of the inter-parte hearing of the Notice Application were as follows:

- i. The Court granted the Plaintiff an ad interim injunction against THP, which injunction will remain effective until the next hearing fixed on 5 May 2021;
- ii. THP is restrained from giving effect to Clause 3.4 of the SPA i.e. that the SPA will automatically terminate if the conditions precedent are not met by the expiry of the Long Stop Date; and
- iii. The case management is fixed on 12 April 2021 for directions on the Writ of Summons.

At the case management heard on 12 April 2021, the following directions were given by the Deputy Registrar of the Kuala Lumpur High Court:

- i. THP is required to file its Defence by 26 April 2021;
- ii. Plaintiff is required to file its Reply by 10 May 2021; and
- iii. A case management is fixed on 20 May 2021 and any interlocutory application should be filed by the said date.

At the hearing held on 5 May 2021, the Court heard the Plaintiff's application for the interlocutory injunction against THP.

After hearing submissions from both parties, the Court reserved its decision to 3 June 2021.



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36. Material Litigation (continued)

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

On 31 March 2021, THP had been served with a copy of a draft Order from the High Court of Kuala Lumpur granting as follows:

- i. Leave to commence Judicial Review proceedings to quash the decision of the Ketua Pengarah Unit Perancang Ekonomi di Jabatan Perdana Menteri (“EPU”) in withdrawing their letter of approval dated 24 November 2020 on 4 December 2020 in relation to the proposed disposal of THP’s entire equity interest in Bumi Suria Ventures Sdn. Bhd. and Maju Warisanmas Sdn. Bhd. to Tamaco pursuant to the Share Purchase Agreement dated 5 December 2019; and
- ii. An ad interim stay order in relation to the decision of the EPU in withdrawing their said letter of approval until 12 April 2021, being the date of the hearing of the inter partes application for a further stay of the said decision of the EPU until final disposal of the Judicial Review proceedings.

THP and the EPU have been named as Respondents in the Judicial Review proceedings.

At the hearing held on 12 April 2021, the High Court Judge has decided as follows:-

- i. The ad interim stay order should continue until the outcome of the Judicial Review proceedings to quash the decision of the EPU;
- ii. Both Respondents are to file their respective Affidavits in Reply by 12 May 2021;
- ii. The Applicant is to file its Affidavit by 14 June 2021; and
- iv. The Judicial Review application has been fixed for case management on 21 June 2021



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37. Earnings Per Share

		UNAUDITED FIRST QUARTER	
		Current Year	Preceding Year
Basic earnings/ (loss) per share			
Profit/ (loss) attributable to shareholders	RM'000	14,966	(11,531)
Weighted average number of ordinary shares in issue	000	883,851	883,851
Basic earnings/ (loss) per share	sen	1.69	(1.30)
Diluted earnings/ (loss) per share			
Profit/ (loss) attributable to shareholders	RM'000	14,966	(11,531)
Weighted average number of ordinary shares in issue	000	883,851	883,851
Effect of dilution		-	-
Adjusted weighted average of ordinary shares in issue	000	883,851	883,851
Diluted earnings/ (loss) per share	sen	1.69	(1.30)

38. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 27 May 2021.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
27 May 2021