



# TH Plantations Berhad

(Registration No. 197201001069 (12696-M))

(Incorporated in Malaysia)

## QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
	Note	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>		247,547	144,546	760,804	555,097
Fair value changes on biological assets*	12	(56,590)	(28,955)	(14,058)	4,220
Fair value changes on forestry	11	7,489	5,726	7,489	5,726
Cost of sales		(152,965)	(104,573)	(501,407)	(387,850)
<b>Gross profit</b>		45,481	16,744	252,828	177,193
Other income		3,703	7,989	11,004	19,777
Administrative expenses		(7,361)	(6,581)	(30,527)	(29,684)
Other expenses		(5,807)	1,716	(17,884)	(42,874)
<b>Results from operating activities</b>		36,016	19,868	215,421	124,412
Profit margin income from short-term investments and receivables		1,353	306	3,120	939
Finance cost		(26,134)	(14,431)	(80,672)	(70,889)
<b>Net finance cost</b>		(24,781)	(14,125)	(77,552)	(69,950)
<b>Profit before tax</b>	9	11,235	5,743	137,869	54,462
Tax expense	24	(1,594)	(2,548)	(36,300)	(27,002)
<b>Profit for the quarter/ year</b>		9,641	3,195	101,569	27,460
<b>Other comprehensive income, net of tax</b>					
<b>Items that will not be reclassified subsequently to profit and loss</b>					
Remeasurement on defined benefit liability		-	298	-	298
<b>Items that are or may be reclassified subsequently to profit and loss, net of tax</b>					
Foreign currency translation differences for foreign operations		132	(1,904)	(1,497)	1,703
<b>Other comprehensive income/ (expense), net of tax</b>		132	(1,606)	(1,497)	2,001
<b>Total comprehensive income for the year</b>		9,773	1,589	100,072	29,461

\*There is a change of estimate in relation to the fair value of biological assets during the current quarter. Please refer to Note 12 for the financial impact resulting from the change in estimate.



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## CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
		RM'000	RM'000	RM'000	RM'000
<b>Profit attributable to:</b>	<b>Note</b>				
Owners of the Company		1,828	1,593	70,166	13,991
Non-controlling interests		7,813	1,602	31,403	13,469
<b>Profit for the year</b>		<b>9,641</b>	<b>3,195</b>	<b>101,569</b>	<b>27,460</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		1,951	99	68,774	15,852
Non-controlling interests		7,822	1,490	31,298	13,609
<b>Total comprehensive income for the year</b>		<b>9,773</b>	<b>1,589</b>	<b>100,072</b>	<b>29,461</b>
<b>Basic/ Diluted earnings per ordinary share (sen)</b>	<b>31</b>	<b>0.21</b>	<b>0.18</b>	<b>7.94</b>	<b>1.58</b>



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
<b>Assets</b>			
Property, plant, and equipment		860,052	858,905
Right-of-use – property, plant and equipment		663,538	676,291
Plantation development expenditure	10	104,097	129,138
Forestry	11	21,587	14,098
Other investments		1,825	1,825
Deferred tax assets		40,046	40,008
<b>Total non-current assets</b>		<b>1,691,145</b>	<b>1,720,265</b>
Inventories		20,113	14,244
Current tax assets		1,041	1,837
Biological assets	12	32,432	41,664
Other investments		38,335	2,701
Trade and other receivables		37,046	26,086
Prepayments and other assets		4,523	6,752
Cash and cash equivalents		260,219	84,481
		393,709	177,765
Assets classified as held for sale	13	777,052	767,187
<b>Total current assets</b>		<b>1,170,761</b>	<b>944,952</b>
<b>Total assets</b>		<b>2,861,906</b>	<b>2,665,217</b>



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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
<b>Equity</b>			
Capital and reserve		769,040	770,432
Accumulated losses		(119,986)	(190,152)
<b>Equity attributable to owners of the Company</b>		649,054	580,280
<b>Non-controlling interests</b>		295,832	269,813
<b>Total equity</b>		944,886	850,093
<b>Liabilities</b>			
Loans and borrowings	28	925,131	1,054,467
Lease liabilities		77,325	75,608
Employee benefits		455	545
Deferred tax liabilities		193,575	193,385
Trade and other payables		14,620	12,089
<b>Total non-current liabilities</b>		1,211,106	1,336,094
Loans and borrowings	28	446,564	105,000
Derivative liabilities		-	17,403
Lease liabilities		2,648	6,223
Current tax liabilities		5,476	1,702
Trade and other payables		123,648	213,910
		578,336	344,238
Liabilities classified as held for sale	13	127,578	134,792
<b>Total current liabilities</b>		705,914	479,030
<b>Total liabilities</b>		1,917,020	1,815,124
<b>Total equity and liabilities</b>		2,861,906	2,665,217
<b>Net assets per share (RM)</b>		0.73	0.66



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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

/-----Attributable to owners of the Company-----/

/-----Non-distributable-----/     Distributable

Group	Note	Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 January 2020</b>		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
<b>Total comprehensive income for the year</b>		-	277	1,584	1,861	13,991	15,852	13,609	29,461
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to non-controlling interests		-	-	-	-	-	-	2,828	2,828
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	-	2,828	2,828
<b>At 31 December 2020</b>		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 YEAR ENDED 31 DECEMBER 2021 (continued)

Group	Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable				Accumulated losses RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000				
<b>At 1 January 2021</b>		862,752	(80,658)	(11,662)	770,432	(190,152)	580,280	269,813	850,093
Foreign currency translation differences for foreign operations		-	-	(1,392)	(1,392)	-	(1,392)	(105)	(1,497)
Total other comprehensive expense for the year		-	-	(1,392)	(1,392)	-	(1,392)	(105)	(1,497)
Profit for the year		-	-	-	-	70,166	70,166	31,403	101,569
<b>Total comprehensive (expense)/income for the year</b>		-	-	(1,392)	(1,392)	70,166	68,774	31,298	100,072
<i>Contribution by and distribution to owners of the Group</i>									
Dividends to non-controlling interests		-	-	-	-	-	-	(5,279)	(5,279)
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	-	(5,279)	(5,279)
<b>At 31 December 2021</b>		<b>862,752</b>	<b>(80,658)</b>	<b>(13,054)</b>	<b>769,040</b>	<b>(119,986)</b>	<b>649,054</b>	<b>295,832</b>	<b>944,886</b>



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	<b>UNAUDITED 12 MONTHS ENDED</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	137,869	54,462
Adjustment for non-cash items	160,266	131,124
<b>Operating profit before changes in working capital</b>	<b>298,135</b>	<b>185,586</b>
Net changes in working capital	(117,828)	25,824
<b>Cash generated from operations</b>	<b>180,307</b>	<b>211,410</b>
Profit margin income from short-term investments and other receivables	3,120	939
Finance cost	(80,672)	(70,889)
Tax paid	(38,667)	(22,898)
Zakat paid	(570)	-
Tax refund	3	6,012
<b>Net cash generated from operating activities</b>	<b>63,521</b>	<b>124,574</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(14,867)	(5,133)
Acquisition of right of use	(3,957)	
Plantation development expenditure	(25,564)	(36,576)
Dividend received	182	-
Increase in other investment	(35,634)	(1,462)
Proceeds from disposal of property, plant and equipment	6	1,579
Proceeds from disposal of right of use	306	75
Proceeds from disposal of a subsidiary	-	69,147
<b>Net cash (used in)/generated from investing activities</b>	<b>(79,528)</b>	<b>27,630</b>



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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021 (continued)

	UNAUDITED 12 MONTHS ENDED	
	31.12.2021 RM'000	31.12.2020 RM'000
<b>Cash flows from financing activities</b>		
(Decrease)/ Increase in amount due to holding corporation	(6,293)	6,149
Increase/ (decrease) in amount due to related companies	122	(7,113)
Dividends paid to non-controlling interest	(5,279)	(10,300)
Proceeds from drawdown of tradeline	17,476	66,909
Proceeds from drawdown of Sukuk	300,000	-
Loan repayment	(111,750)	(188,180)
Payment of lease liabilities	(2,305)	(4,071)
<b>Net cash generated from/ (used in) financing activities</b>	<b>191,971</b>	<b>(136,606)</b>
<b>Net increase in cash and cash equivalents</b>	<b>175,964</b>	<b>15,598</b>
Cash and cash equivalents at 1 January	84,982	69,384
<b>Cash and cash equivalents at the end of the year</b>	<b>260,946</b>	<b>84,982</b>

Note

#### Cash and cash equivalents comprise:

	UNAUDITED 12 MONTHS ENDED	
	31.12.2021 RM'000	31.12.2020 RM'000
Deposits	294,718	74,250
Less: Other investments	(38,335)	(2,701)
	256,383	71,549
Cash and bank balances	4,563	13,433
	260,946	84,982
Assets classified as held for sale	(727)	(501)
	260,219	84,481

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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 2020 and the accompanying explanatory notes attached to the interim financial statements.

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

### **2. Significant accounting policies**

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

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

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

### **3. Auditors' report on preceding annual financial statements**

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

### **4. Seasonal or cyclical factors**

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

### **5. Unusual items**

There are no unusual items affecting assets, liabilities, equity, and net income or cash flows of the Group during the current quarter under review because of its nature, size, and incidence except the changes in the estimate as disclosed in Note 6.

### **6. Changes in estimates**

During the quarter ended 31 December 2021, the Group has revised the estimate in relation to the timing of biological transformation of the Fresh Fruit Bunches (“FFB”) to be in line with industry practice. The Group has accrued for the oil content in the three (3) months prior to the harvesting in the prior year. During the quarter ended 31 December 2021, the Group accrued the oil content in one (1) month prior to the harvesting. The impact of change in estimate to the current quarter and current financial year are as disclosed in notes 12.



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### 7. Changes in debt and equity securities

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

- Drawdown of RM300.0 million of Sukuk Murabahah Medium Term Notes at an effective profit margin rate of 4.50%;
- Drawdown of RM17.48 million of Islamic Trade Financing-i at an effective profit margin rate of 2.30%;
- Repayment of RM75.0 million Sukuk Murabahah Medium Term Notes;
- Repayment of RM33.75 million Commodity Murabahah Term Financing-i; and
- Repayment of RM3.0 million Islamic Trade Financing-i.

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

### 8. Dividends

There were no dividends declared nor paid during the current quarter ended 31 December 2021.

### 9. Profit before tax

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

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Finance income	(1,353)	(306)	(3,120)	(939)
Realised foreign exchange loss/ (gain)	-	119	(523)	-
Unrealised foreign exchange gain	(227)	-	(1,642)	-
Reversal of impairment loss	(949)	(15,982)	(949)	(15,982)
Change in fair value of forestry	(7,489)	(5,726)	(7,489)	(5,726)
Change in fair value of biological assets	(56,590)	(28,955)	14,058	(4,220)
Finance costs	26,134	14,431	80,672	70,889
Depreciation	26,921	19,889	65,875	53,827
Amortisation	4,360	4,146	12,685	13,019
Impairment loss on plantation development expenditure	-	5,129	-	5,129
Unrealised foreign exchange loss	-	(2,732)	-	20,714



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### 10. Plantation development expenditure

	OIL PALM		TEAK		TOTAL	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	129,138	109,423	-	1,987	129,138	111,410
Reclassification to forestry	-	-	-	(1,987)	-	(1,987)
Additions during the year	23,616	27,671	-	-	23,616	27,671
Addition of nurseries	2,392	1,610	-	-	2,392	1,610
Transfer to property, plant and equipment	(51,980)	(45,441)	-	-	(51,980)	(45,441)
Impairment	-	(5,129)	-	-	-	(5,129)
Transfer from assets held for sale	-	43,152	-	-	-	43,152
Effect of movement in exchange rate	931	(2,148)	-	-	931	(2,148)
	104,097	129,138	-	-	104,097	129,138

### 11. Forestry

	31.12.2021	31.12.2020
	RM'000	RM'000
At 1 January	14,098	6,385
Reclassification from plantation development expenditure	-	1,987
Addition during the year	13,079	14,878
Addition charged to profit and loss	(13,079)	(14,878)
Change in fair value recognised to profit or loss	7,489	5,726
	21,587	14,098

The fair value of forestry is determined by an external, independent professional valuer 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

	3 MONTHS ENDED		CUMULATIVE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
At 1 October /At 1 January	74,657	58,158	41,664	35,405
Change in fair value recognised to profit or loss	(42,227)	(19,556)	(9,234)	3,197
Transfer from asset held for sale	-	3,062	-	3,062
Effect of movement in exchange rate	2	-	2	-
	32,432	41,664	32,432	41,664

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

	3 MONTHS ENDED		CUMULATIVE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Biological asset	(42,227)	(19,556)	(9,234)	3,197
Biological asset classified as asset held for sale	(14,363)	(9,399)	(4,824)	1,023
	(56,590)	(28,955)	(14,058)	4,220

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

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

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

### 12.2 Change in estimate

During the financial year ended 31 December 2021, the Group has revised the estimate in relation to the timing of the biological transformation of the FFB to be in line with industry practice. The Group has accrued for the oil content in the three (3) months prior to the harvesting in the prior year. During the financial year ended 31 December 2021, the Group has accrued for the oil content in one (1) month prior to the harvesting.



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### 12. Biological assets (continued)

#### 12.2 Change in estimate (continued)

##### 12.2.1 Impact of change in estimate

The effect of the changes on the fair value of the biological asset, recognised in the income statement, in the current quarter and for the current financial year is a decrease in the Group's gross profit amounting to RM64.10 million.

### 13. Group assets held for sale

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

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

#### Group Assets classified as held for sale

		<b>31.12.2021</b>
		<b>RM'000</b>
Property, plant and equipment ("PPE")	<b>Note</b>	522,858
Right-of-use – PPE	<b>a</b>	202,276
Plantation development expenditure ("PDE")	<b>b</b>	6,581
Deferred tax assets		17,917
Biological assets		9,132
Inventories		2,009
Current tax assets		502
Trade and other receivables		14,981
Prepayment and other assets		69
Cash and cash equivalents		727
		<b>777,052</b>

#### Liabilities classified as held for sale

	<b>31.12.2021</b>
	<b>RM'000</b>
Lease liabilities	34,792
Deferred tax liability	79,379
Payables and accruals	11,979
Current tax payable	1,428
	<b>127,578</b>



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### 13. Group assets held for sale (continued)

#### Note

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

	<b>31.12.2021</b>
	<b>RM'000</b>
Cost	722,420
Accumulated depreciation	(199,562)
	<b>522,858</b>

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

	<b>31.12.2021</b>
	<b>RM'000</b>
Cost	293,145
Accumulated depreciation	(90,869)
	<b>202,276</b>



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### 14. Operating segments

The Group's segmental reporting for the financial period ended 31 December 2021 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
<b>Segment profit</b>	331,881	4,596	336,477	(198,608)	137,869
<i>Included in the measure of segment profit/ (loss) are:</i>					
Revenue from external customers	760,549	-	760,549	-	760,549
Change in fair value of biological assets	(14,058)	-	(14,058)	-	(14,058)
Change in fair value of forestry	-	7,489		-	7,489
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(78,040)	(520)	(78,560)	-	(78,560)
Finance costs	(138,296)	(15,172)	(153,468)	72,796	(80,672)
Profit margin income from short term investments and receivables	50,804	37	50,841	(47,721)	3,120
<b>Segments assets</b>	4,116,834	40,522	4,157,356	(1,295,450)	2,861,906
Additions to non-current assets other than financial instrument and deferred tax assets	36,855	13,079	49,934	-	49,934



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### 14. Operating segments (continued)

The Group's segmental reporting for the financial period ended 31 December 2020 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
<b>Segment profit</b>	242,644	1,038	243,682	(189,220)	54,462
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	554,915	-	554,915	-	554,915
Change in fair value of biological assets	4,220	-	4,220	-	4,220
Change in fair value of forestry	-	5,726	5,726	-	5,726
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(65,810)	(480)	(66,290)	-	(66,290)
Finance costs	(130,447)	(11,617)	(142,064)	71,175	(70,889)
Profit margin income from short term investments and receivables	69,863	32	69,895	(68,956)	939
<b>Segments assets</b>	4,264,385	28,440	4,292,825	(1,627,608)	2,665,217
Additions to non-current assets other than financial instrument and deferred tax assets	42,824	14,878	57,702	-	57,702





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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 22 February 2022.

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

Approved but not contracted for

<b>30.12.2021</b>
<b>RM'000</b>
85,503
85,503

### 19. Related party transactions

			<b>For the year ended 31.12.2021</b>
<b>Transacting Parties</b>	<b>Relationship</b>	<b>Nature of transactions</b>	<b>RM'000</b>
<b>Transactions with THP</b> Lembaga Tabung Haji	Holding Corporation	Lease of land	2,928
<b>Transactions with THP Group</b> Deru Semangat Sdn. Bhd. TH Indopalm Sdn. Bhd. TH Indo Industries Sdn. Bhd.	Related Company Related Company Related Company	Management fees Management fees Management fees	8 150 150

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



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

#### 20. Review of financial performance

##### Quarter 4, 2021 vs Quarter 4, 2020

	3 MONTHS ENDED		VARIANCE	
	31.12.2021	31.12.2020		
	RM'000	RM'000	RM'000	%
Revenue	247,547	144,546	103,001	71.26
Fair value change on biological assets	(56,590)	(28,955)	(27,635)	(95.44)
Fair value change on forestry	7,489	5,726	1,763	30.79
Operating profit	45,481	16,744	28,737	171.63
Profit Before Interest and Tax ("PBIT")	36,016	19,868	16,148	81.28
Profit Before Tax ("PBT")	11,235	5,743	5,492	95.63
Profit After Tax ("PAT")	9,641	3,195	6,446	201.75
Profit attributable to owners of the Company ("PATAMI")	1,828	1,593	235	14.75

	3 MONTHS ENDED		VARIANCE	
	31.12.2021	31.12.2020		
	MT	MT	MT	%
<b>Sales volume</b>				
Crude Palm Oil ("CPO")	42,576	37,593	4,983	13.26
Palm Kernel ("PK")	10,280	9,220	1,060	11.50
Fresh Fruit Bunches ("FFB")	17,282	32,493	(15,211)	(46.81)

	3 MONTHS ENDED		VARIANCE	
	31.12.2021	31.12.2020		
	RM/MT	RM/MT	RM/MT	%
<b>Average realised prices</b>				
CPO	4,508	2,859	1,649	57.68
PK	3,581	1,832	1,749	95.47
FFB	1,075	616	459	74.51

For the quarter ended 31 December 2021, the Group recorded RM247.55 million in revenue, an increase of 71.26% from RM144.55 million reported in the corresponding quarter ended 31 December 2020, primarily due to higher revenue from oil palm plantations on the back of a higher average realised prices for CPO, PK, and FFB as well as higher sales volume for CPO and PK.

The Group recorded a higher PBT of RM11.24 million, an increase of 95.63% from RM5.74 million reported in the corresponding quarter ended 31 December 2020, mainly contributed by higher revenue.



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

#### 12 months ended 2021 vs 12 months ended 2020

	CUMULATIVE 12 MONTHS ENDED		VARIANCE	
	31.12.2021	31.12.2020		
	RM'000	RM'000	RM'000	%
Revenue	760,804	555,097	205,707	37.06
Fair value change on biological assets	(14,058)	4,220	(18,278)	(433.13)
Fair value change on forestry	7,489	5,726	1,763	30.79
Operating profit	252,828	177,193	75,635	42.69
Profit Before Interest and Tax ("PBIT")	215,421	124,412	91,009	73.15
Profit Before Tax ("PBT")	137,869	54,462	83,407	153.15
Profit After Tax ("PAT")	101,569	27,460	74,109	269.88
Profit attributable to owners of the Company ("PATAMI")	70,166	13,991	56,175	401.51

	CUMULATIVE 12 MONTHS ENDED		VARIANCE	
	31.12.2021	31.12.2020		
	MT	MT	MT	%
<b>Sales volume</b>				
Crude palm oil ("CPO")	154,026	169,843	(15,817)	(9.31)
Palm kernel ("PK")	36,931	39,250	(2,319)	(5.91)
Fresh Fruit Bunches ("FFB")	93,565	123,326	(29,761)	(24.13)

	CUMULATIVE 12 MONTHS ENDED		VARIANCE	
	31.12.2021	31.12.2020		
	RM/MT	RM/MT	RM/MT	%
<b>Average realised prices</b>				
Crude palm oil	3,762	2,538	1,224	48.23
Palm kernel	2,768	1,536	1,232	80.21
FFB	842	516	326	63.18

For the financial period ended 31 December 2021, the Group's recorded RM760.80 million in revenue, an increase of 37.06% from RM555.10 million reported in the preceding period, primarily due to higher revenue recorded from oil palm plantations on the back of higher average realised prices for CPO, PK, and FFB despite lower sales volume for CPO, PK, and FFB.

The Group recorded a higher PBT of RM137.87 million, an increase of 153.15% from RM54.46 million in the preceding period, primarily attributed to higher revenue from oil palm plantations segment.



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

	2021	2021	VARIANCE	
	Quarter 4	Quarter 3	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	247,547	205,866	41,681	20.25
Fair value change on biological assets	(56,590)	16,552	(73,142)	(441.89)
Fair value change on forestry	7,489	-	7,489	100.00
Operating profit	45,481	89,371	(43,890)	(49.11)
Profit Before Interest and Tax ("PBIT")	36,016	79,375	(43,359)	(54.63)
Profit Before Tax ("PBT")	11,235	59,695	(48,460)	(81.18)
Profit After Tax ("PAT")	9,641	39,763	(30,122)	(75.75)
Profit attributable to owners of the Company ("PATAMI")	1,828	26,805	(24,977)	(93.18)

	2021	2021	VARIANCE	
	Quarter 4	Quarter 3	MT	%
	MT	MT	MT	%
<b>Sales volume</b>				
Crude palm oil	42,576	44,711	(2,135)	(4.78)
Palm kernel	10,280	11,078	(798)	(7.20)
FFB	17,282	17,456	(174)	(1.00)

	2021	2021	VARIANCE	
	Quarter 4	Quarter 3	RM/MT	%
	RM/MT	RM/MT	RM/MT	%
<b>Average realised prices</b>				
Crude palm oil	4,508	3,640	868	23.85
Palm kernel	3,581	2,453	1,128	45.98
FFB	1,075	912	163	17.87

#### Quarter 4, 2021 vs Quarter 3, 2021

The Group's revenue increased by 20.25% to RM247.55 million compared to the preceding quarter mainly due to higher contribution from oil palm plantations as a result of higher average realised prices for CPO and FFB despite lower sales volume for CPO, PK, and FFB.

The Group has recorded a lower PBT by 81.18% compared to 3Q21 primarily attributable to lower fair value change on biological assets due to change in estimate as explained in Note 12.



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### 22. Prospects

Crude palm oil prices reached record highs in 2021 and are expected to remain elevated at least at the end of the first quarter of 2022. The high prices will help compensate for the impact of labour shortages in oil palm plantations.

In order to mitigate the impact of the shortage of labour, the Group has introduced the mechanisation program to increase productivity.

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

### 23. Profit forecast or profit guarantee

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

### 24. Tax expense

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM000	RM000	RM000	RM000
Current tax expense	(18,664)	(8,471)	(40,915)	(28,392)
Deferred tax expense	17,070	5,923	4,615	1,390
	(1,594)	(2,548)	(36,300)	(27,002)

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

### 25. Unquoted investments and /or properties

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



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### 26. Quoted investments

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

### 27. Status of corporate proposals

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

### 28. Group borrowings

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

	<b>As at 31.12.2021</b>	<b>As at 31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current</b>		
<b>Secured</b>		
Commodity Murahabah Term Financing-i	155,558	189,144
Commodity Murahabah Term Financing-i ("USD")	44,908	45,502
<b>Unsecured</b>		
SUKUK Murabahah		
Medium Term Notes	680,000	780,000
Term Financing	44,665	39,821
	<b>925,131</b>	<b>1,054,467</b>
<b>Current</b>		
<b>Secured</b>		
Commodity Murahabah Term Financing-i	30,000	30,000
Commodity Murahabah Term Financing-i ("USD")	2,088	-
<b>Unsecured</b>		
SUKUK Murabahah		
Medium Term Notes	400,000	75,000
Islamic Trade Financing-i	14,476	
	<b>446,564</b>	<b>105,000</b>
	<b>1,371,695</b>	<b>1,159,467</b>



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### 28. Group borrowings (continued)

#### Maturity analysis

Tenure	Year of maturity	SUKUK	Other Financial Instruments	TOTAL	Foreign Currency denominated loan
		RM'000	RM'000	RM'000	USD'000
1-2 years	2022	400,000	44,476	444,476	500
2-3 years	2023	105,000	32,000	137,000	2,000
3-4 years	2024	110,000	36,000	146,000	2,000
4-5 years	2025	120,000	39,000	159,000	2,000
5-6 years	2026	145,000	48,558	193,558	3500
6-7 years	2027	200,000	-	200,000	1,279
7-8 years	2028	-	-	-	-
8-9 years	2029	-	44,665	44,665	-
		1,080,000	244,699	1,324,699	11,279

The breakdown of Group borrowings by currency is as follows:

#### Total borrowings

Local currency denominated loan

Foreign currency denominated loan (USD 11.28 million)

**31.12.2021**  
**RM'000**

1,324,699

46,996

1,371,695

### 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.



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### **30. Changes in material litigation**

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

At the case management on 10 December 2021, the Civil Suit was withdrawn without liberty to file afresh on the following agreements:-

- i. That the withdrawal of the Civil Suit will be effected with no order as to costs;
- ii. That the parties have no further claims against each other in relation to or arising from or in connection with the SPA dated 5 December 2019; and
- iii. That the interlocutory injunction dated 3 June 2021 will consequently fall.

As such, this matter is closed.

- (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”)**

At the hearing on 14 December 2021, the JR Application proceedings were withdrawn by Tamaco’s solicitors without liberty to file afresh on the following agreements:-

- i. that the withdrawal of the JR Application proceedings will be effected with no order as to costs; and
- ii. that the Order of the Court dated 12 April 2021 on the stay of the EPU’s decision dated 4 December 2020 in withdrawing their letter of approval dated 24 November 2020 will consequently fall.

As such, this matter is closed.





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### 31. Earnings per share

		3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Basic/ Diluted earnings per share					
Profit attributable to shareholders	RM'000	1,828	1,593	70,166	13,991
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Basic/ Diluted earnings per share	sen	0.21	0.18	7.94	1.58

### 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 22 February 2022.

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

**Kuala Lumpur**  
**22 February 2022**