



TH Plantations Berhad

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

QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

| | | UNAUDITED | | | |
|------|--|----------------|------------|-------------------------------|------------|
| | | 3 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
| | | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Note | | RM'000 | RM'000 | RM'000 | RM'000 |
| | Revenue | 219,312 | 247,547 | 881,259 | 760,804 |
| | Fair value changes in biological assets | 1,420 | (56,590) | (15,513) | (14,058) |
| | Fair value on forestry | 17,371 | 7,489 | 17,371 | 7,489 |
| | Cost of sales | (142,374) | (152,965) | (631,433) | (501,407) |
| | Gross profit | 95,729 | 45,481 | 251,684 | 252,828 |
| | Other income | (3,288) | 3,703 | 10,291 | 11,004 |
| | Administrative expenses | (12,253) | (7,361) | (40,406) | (30,527) |
| | Other expenses | (17,660) | (5,807) | (26,951) | (17,884) |
| | Results from operating activities | 62,528 | 36,016 | 194,618 | 215,421 |
| | Profit margin income from short-term investments and receivables | 816 | 1,353 | 3,432 | 3,120 |
| | Finance cost | (18,930) | (26,134) | (72,242) | (80,672) |
| | Net finance cost | (18,114) | (24,781) | (68,810) | (77,552) |
| | Profit before tax | 44,414 | 11,235 | 125,808 | 137,869 |
| | Tax expense | (9,162) | (1,594) | (37,872) | (36,300) |
| | Profit for the quarter/ year | 35,252 | 9,641 | 87,936 | 101,569 |
| | Other comprehensive income/ (expense), 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 | 6,543 | 132 | 3,643 | (1,497) |
| | Changes from post employment benefit | - | - | (5) | - |
| | Other comprehensive income/ (expense), net of tax | 6,543 | 132 | 3,638 | (1,497) |
| | Total comprehensive income for the quarter/ year | 41,795 | 9,773 | 91,574 | 100,072 |



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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 2022 (continued)

| | | UNAUDITED | | | |
|---|-------------|----------------|--------------|-------------------------------|----------------|
| | | 3 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
| | | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to: | Note | | | | |
| Owners of the Company | | 23,050 | 1,828 | 68,771 | 70,166 |
| Non-controlling interests | | 12,202 | 7,813 | 19,165 | 31,403 |
| Profit for the quarter/ year | | 35,252 | 9,641 | 87,936 | 101,569 |
| Total comprehensive income attributable to: | | | | | |
| Owners of the Company | | 29,134 | 1,951 | 72,156 | 68,774 |
| Non-controlling interests | | 12,661 | 7,822 | 19,418 | 31,298 |
| Total comprehensive income for the quarter/ year | | 41,795 | 9,773 | 91,574 | 100,072 |
| Basic/ Diluted earnings per ordinary share (sen) | 31 | 2.07 | 0.21 | 6.75 | 7.94 |



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | As at 31.12.2022 RM'000 | As at 31.12.2021 RM'000 |
|---|------|-------------------------------|-------------------------------|
| Assets | | | |
| Property, plant, and equipment | | 832,686 | 860,052 |
| Right-of-use – property, plant and equipment | | 651,387 | 663,538 |
| Plantation development expenditure | 10 | 90,983 | 104,097 |
| Forestry | 11 | 38,958 | 21,587 |
| Other investments | | 1,825 | 1,825 |
| Deferred tax assets | | 38,979 | 40,046 |
| Total non-current assets | | 1,654,818 | 1,691,145 |
| Inventories | | 32,988 | 20,113 |
| Current tax assets | | 8,493 | 1,041 |
| Biological assets | 12 | 20,113 | 32,432 |
| Other investments | | 27,923 | 38,335 |
| Trade and other receivables | | 32,959 | 37,046 |
| Prepayments and other assets | | 5,913 | 4,523 |
| Cash and cash equivalents | | 116,200 | 260,219 |
| | | 244,589 | 393,709 |
| Assets classified as held for sale | 13 | 781,040 | 777,052 |
| Total current assets | | 1,025,629 | 1,170,761 |
| Total assets | | 2,680,447 | 2,861,906 |



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

| | Note | As at 31.12.2022 RM'000 | As at 31.12.2021 RM'000 |
|---|------|-------------------------------|-------------------------------|
| Equity | | | |
| Capital and reserve | | 772,425 | 769,040 |
| Accumulated losses | | (73,566) | (119,986) |
| Equity attributable to owners of the Company | | 698,859 | 649,054 |
| Perpetual Sukuk | | 300,000 | - |
| Non-controlling interests | | 308,249 | 295,832 |
| Total equity | | 1,307,108 | 944,886 |
| Liabilities | | | |
| Loans and borrowings | 28 | 824,358 | 925,131 |
| Lease liabilities | | 74,496 | 77,325 |
| Employee benefits | | 428 | 455 |
| Deferred tax liabilities | | 192,810 | 193,575 |
| Trade and other payables | | 15,434 | 14,620 |
| Total non-current liabilities | | 1,107,526 | 1,211,106 |
| Loans and borrowings | 28 | 32,000 | 446,564 |
| Lease liabilities | | 3,104 | 2,648 |
| Current tax liabilities | | 1,519 | 5,476 |
| Trade and other payables | | 90,633 | 123,648 |
| | | 127,256 | 578,336 |
| Liabilities classified as held for sale | 13 | 138,557 | 127,578 |
| Total current liabilities | | 265,813 | 705,914 |
| Total liabilities | | 1,373,339 | 1,917,020 |
| Total equity and liabilities | | 2,680,447 | 2,861,906 |
| Net assets per share (RM) | | 0.79 | 0.73 |



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

| Group | /-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable | | | | | | | | |
|---|--|-------------------------|----------------------------|---------------------------------|------------------------------|-----------------|---------------------------|------------------------------------|------------------------|
| | Share capital RM'000 | Other reserve RM'000 | Exchange reserve RM'000 | Total capital reserve RM'000 | Accumulated losses RM'000 | Total RM'000 | Perpetual sukuk RM'000 | Non-controlling interest RM'000 | Total equity RM'000 |
| At 1 January 2021 | 862,752 | (80,658) | (11,662) | 770,432 | (190,152) | 580,280 | - | 269,813 | 850,093 |
| Foreign currency translation differences for foreign operations | - | - | (1,392) | (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 |
| Total comprehensive (expense)/ income for the year | - | - | (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) |
| Total transactions with owners of the Company | - | - | - | - | - | - | - | (5,279) | (5,279) |
| At 31 December 2021 | 862,752 | (80,658) | (13,054) | 769,040 | (119,986) | 649,054 | - | 295,832 | 944,886 |



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

| Group | /-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable | | | | | | | | |
|---|--|-------------------------|----------------------------|---------------------------------|------------------------------|-----------------|---------------------------|------------------------------------|------------------------|
| | Share capital RM'000 | Other reserve RM'000 | Exchange reserve RM'000 | Total capital reserve RM'000 | Accumulated losses RM'000 | Total RM'000 | Perpetual sukuk RM'000 | Non-controlling interest RM'000 | Total equity RM'000 |
| At 1 January 2022 | 862,752 | (80,658) | (13,054) | 769,040 | (119,986) | 649,054 | - | 295,832 | 944,886 |
| Foreign currency translation differences for foreign operations | - | - | 3,390 | 3,390 | - | 3,390 | - | 253 | 3,643 |
| Remeasurement loss on defined benefit liability | - | (5) | - | (5) | - | (5) | - | - | (5) |
| Total other comprehensive (expense)/income for the year | - | (5) | 3,390 | 3,385 | - | 3,385 | - | 253 | 3,638 |
| Profit for the year | - | - | - | - | 68,771 | 68,771 | - | 19,165 | 87,936 |
| Total comprehensive (expense)/income for the year | - | (5) | 3,390 | 3,385 | 68,771 | 72,156 | - | 19,418 | 91,574 |
| <i>Contribution by and distribution to owners of the Group</i> | | | | | | | | | |
| Increase in investment in subsidiary | - | - | - | - | - | - | - | 2,682 | 2,682 |
| Issuance of perpetual Sukuk | - | - | - | - | - | - | 300,000 | - | 300,000 |
| Profit margin on perpetual Sukuk | - | - | - | - | (9,093) | (9,093) | - | - | (9,093) |
| Dividends to owners of the Company | - | - | - | - | (13,258) | (13,258) | - | - | (13,258) |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | (9,683) | (9,683) |
| Total transactions with owners of the Company | - | - | - | - | (22,351) | (22,351) | 300,000 | (7,001) | 270,648 |
| At 31 December 2022 | 862,752 | (80,663) | (9,664) | 772,425 | (73,566) | 698,859 | 300,000 | 308,249 | 1,307,108 |



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

| | UNAUDITED 12 MONTHS ENDED | |
|--|--------------------------------------|-------------------|
| | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 125,808 | 137,869 |
| Adjustment for non-cash items | 162,047 | 160,266 |
| Operating profit before changes in working capital | 287,855 | 298,135 |
| Net changes in working capital | (15,613) | (117,824) |
| Cash generated from operations | 272,242 | 180,311 |
| Profit margin income from short-term investments and other receivables | 3,432 | 3,120 |
| Finance cost | (72,242) | (80,672) |
| Tax paid | (56,756) | (38,667) |
| Zakat paid | (1,185) | (570) |
| Tax refund | 712 | 3 |
| Net cash generated from operating activities | 146,203 | 63,525 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (21,115) | (14,867) |
| Acquisition of right of use | (3,787) | (3,957) |
| Plantation development expenditure | (20,279) | (25,568) |
| Dividend received | 456 | 182 |
| Decrease/ (increase) in other investment | 10,412 | (35,634) |
| Proceeds from disposal of property, plant and equipment | 127 | 6 |
| Proceeds from disposal of right of use | 7 | 306 |
| Net cash used in investing activities | (34,179) | (79,532) |



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022 (continued)

| | UNAUDITED 12 MONTHS ENDED | |
|--|------------------------------|----------------------|
| | 31.12.2022 RM'000 | 31.12.2021 RM'000 |
| Cash flows from financing activities | | |
| Decrease in amount due to holding corporation | (11,948) | (6,293) |
| (Decrease)/ Increase in amount due to related Companies | (1,728) | 122 |
| Proceeds from the drawdown of loans and borrowings | 708,345 | 317,476 |
| Issuance of perpetual Sukuk | 300,000 | - |
| Loan repayment | (1,226,067) | (111,750) |
| Dividends paid to owners of the Company | (13,144) | - |
| Dividends paid to non-controlling interests | (9,683) | (5,279) |
| Payment of lease liabilities | (2,376) | (2,305) |
| Net cash (used in)/ generated from financing activities | (256,601) | 191,971 |
| Net (decrease)/ increase in cash and cash equivalents | (144,577) | 175,964 |
| Cash and cash equivalents at 1 January | 260,946 | 84,982 |
| Cash and cash equivalents at the end of the year | 116,369 | 260,946 |

Cash and cash equivalents comprise:

| | UNAUDITED 12 MONTHS ENDED | |
|------------------------------------|------------------------------|----------------------|
| | 31.12.2022 RM'000 | 31.12.2021 RM'000 |
| Deposits | 114,913 | 294,718 |
| Less: Other investments | (27,923) | (38,335) |
| Cash and bank balances | 86,990 | 256,383 |
| | 29,379 | 4,563 |
| | 116,369 | 260,946 |
| Assets classified as held for sale | (169) | (727) |
| | 116,200 | 260,219 |

Note

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NOTES PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting*, and appendix 9B (Part A) of the Listing Requirement of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2021 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 2021 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 2021, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2022 as follows:

- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 3, *Business Combinations-Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (annual Improvements to MFRS Standards 2018-2020)*
- Amendments to Illustrative Example accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment-Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent- Assets-Onerous Contracts-Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

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 2021 was not subject to any qualification.

4. Seasonal or cyclical factors

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

5. Unusual items

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



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6. Estimates

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

In preparing these condensed consolidated interim financial statements, certain judgements made by management in applying the Group's accounting policies and the key sources of estimation, were the same as those applied to the financial statements as at and for the year ended 31 December 2021.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

7. Changes in debt and equity securities

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

- a) Drawdown of RM58.35 million of Islamic Trade Financing-i at an effective profit margin rate of 2.30%;
- b) Repayment of RM1,080.00 million Sukuk Murabahah Medium Term Notes;
- c) Early redemption of RM47.00 million Commodity Murabahah Term Financing-i (USD);
- d) Repayment of RM26.25 million Commodity Murabahah Term Financing-i;
- e) Repayment of RM72.82 million Islamic Trade Financing-i;
- f) Issuance of RM300.0 million in nominal value of perpetual Sukuk Wakalah at a profit margin rate of 5.98% per annum; and
- g) Issuance of RM650.0 million in nominal value of senior Sukuk Wakalah at an average profit margin of 5.19% per annum.

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

8. Dividends

The Directors have declared a final single tier ordinary dividend of 1.50 sen per share amounting to RM13.26 million in respect of the year ended 31 December 2022. The dividends will be paid on 9 June 2023 to shareholders registered in the Register of Members at the close of business on 23 May 2023.



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9. Profit before tax

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

| | 3 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
|--|----------------|------------|-------------------------------|------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation | 825 | 26,291 | 68,909 | 65,875 |
| Amortisation | (2,481) | 4,360 | 10,361 | 12,685 |
| Unrealised foreign exchange loss/ (gain) | 14,259 | (3,154) | 7,677 | (1,642) |
| Impairment loss on plantation development expenditure | 2,840 | - | 2,840 | - |
| Property, plant and equipment written off | 3,969 | - | 3,969 | 723 |

10. Plantation development expenditure

Cost

At 1 January
Additions during the year
Addition of nurseries
Transfer to property, plant and equipment
Effect of movement in exchange rate

| | 31.12.2022 | 31.12.2021 |
|---|------------|------------|
| | RM'000 | RM'000 |
| At 1 January | 167,804 | 197,974 |
| Additions during the year | 19,597 | 23,616 |
| Addition of nurseries | 790 | 2,392 |
| Transfer to property, plant and equipment | (29,199) | (57,109) |
| Effect of movement in exchange rate | (1,462) | 931 |
| | 157,530 | 167,804 |

Accumulated impairment loss

At 1 January
Impairment loss on plantation development expenditure
Transfer to property, plant, and equipment

| | | |
|---|--------|---------|
| At 1 January | 63,707 | 68,836 |
| Impairment loss on plantation development expenditure | 2,840 | - |
| Transfer to property, plant, and equipment | - | (5,129) |
| | 66,547 | 63,707 |

Carrying amount

At 31 December

| | | |
|----------------|--------|---------|
| At 31 December | 90,983 | 104,097 |
|----------------|--------|---------|



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11. Forestry

| | 31.12.2022 | 31.12.2021 |
|---|------------|------------|
| | RM'000 | RM'000 |
| At 1 January | 21,587 | 14,098 |
| Addition during the year | 16,400 | 13,079 |
| Addition charged to profit and loss | (16,400) | (13,079) |
| Change in fair value recognised to profit or loss | 17,371 | 7,489 |
| | 38,958 | 21,587 |

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

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

12. Biological assets

| | 31.12.2022 | 31.12.2021 |
|---|---------------|-------------|
| | RM'000 | RM'000 |
| At 1 January | 32,432 | 41,664 |
| Change in fair value recognised to profit or loss | (12,313) | (9,234) |
| Effect of movement in exchange rate | 20,119 (6) | 32,430 2 |
| | 20,113 | 32,432 |

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

| | 31.12.2022 | 31.12.2021 |
|--|------------|------------|
| | RM'000 | RM'000 |
| Biological asset | (12,313) | (9,234) |
| Biological asset classified as asset held for sale | (3,200) | (4,824) |
| | (15,513) | (14,058) |

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

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

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



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13. Group assets held for sale

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

| | | 31.12.2022 |
|--|----------|-------------------|
| | | RM'000 |
| Property, plant, and equipment (“PPE”) | a | 525,509 |
| Right-of-use – ROU | b | 203,633 |
| Plantation development expenditure (“PDE”) | | 7,184 |
| Deferred tax assets | | 23,808 |
| Biological assets | | 5,932 |
| Inventories | | 6,715 |
| Current tax assets | | 1,719 |
| Trade and other receivables | | 6,355 |
| Prepayment and other assets | | 16 |
| Cash and cash equivalents | | 169 |
| | | 781,040 |

Liabilities classified as held for sale

| | 31.12.2022 |
|------------------------|-------------------|
| | RM'000 |
| Lease liabilities | 34,963 |
| Deferred tax liability | 79,111 |
| Payables and accruals | 23,082 |
| Current tax payable | 1,401 |
| | 138,557 |

Note

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

| | 31.12.2022 |
|--------------------------|-------------------|
| | RM'000 |
| Cost | 723,755 |
| Accumulated depreciation | (198,246) |
| | 525,509 |

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

| | 31.12.2022 |
|--------------------------|-------------------|
| | RM'000 |
| Cost | 294,501 |
| Accumulated depreciation | (90,868) |
| | 203,633 |



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14. Operating segments

The Group's segmental reporting for the financial year ended 31 December 2022 is as follows:

| | Oil palm Plantation | Forestry | Total | Elimination | Total |
|--|------------------------|----------|-----------|-------------|-----------|
| | RM'000 | RM'000 | RM'000 | | |
| Segment profit | 316,944 | 14,720 | 331,664 | (205,856) | 125,808 |
| <i>Included in the measure of segment profit are:</i> | | | | | |
| Revenue from external customers | 881,058 | - | 881,058 | - | 881,058 |
| Change in fair value of biological assets | (15,513) | - | (15,513) | - | (15,513) |
| Change in fair value of forestry | - | 17,371 | 17,371 | - | 17,371 |
| <i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i> | | | | | |
| Depreciation and amortisation | (79,462) | (518) | (79,980) | - | (79,980) |
| Finance costs | (145,322) | (15,433) | (160,755) | 88,513 | (72,242) |
| Profit margin income from short term investments and receivables | 44,442 | 10 | 44,452 | (41,020) | 3,432 |
| Segments assets | 4,258,419 | 57,372 | 4,315,791 | (1,635,344) | 2,680,447 |
| Additions to non-current assets other than financial instrument and deferred tax assets | 42,892 | 16,400 | 59,292 | - | 59,292 |



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14. Operating segments (continued)

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

| | Oil palm Plantation | Forestry | Total | Elimination | Total |
|--|------------------------|----------|-----------|-------------|-----------|
| | RM'000 | RM'000 | RM'000 | | |
| Segment profit | 326,732 | 4,596 | 331,328 | (193,459) | 137,869 |
| <i>Included in the measure of segment profit 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 | - | 7,489 |
| <i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i> | | | | | |
| Depreciation and amortisation | (78,928) | (520) | (79,448) | - | (79,448) |
| Finance costs | (138,296) | (15,171) | (153,467) | 72,795 | (80,672) |
| Profit margin income from short term investments and receivables | 49,733 | 37 | 49,770 | (46,650) | 3,120 |
| Segments assets | 4,110,568 | 40,522 | 4,151,090 | (1,289,184) | 2,861,906 |
| Additions to non-current assets other than financial instrument and deferred tax assets | 41,733 | 13,079 | 54,812 | - | 54,812 |



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15. Valuation of property, plant and equipment

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

16. Material event subsequent to the balance sheet date

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

17. Contingent liabilities

The Directors are of the opinion that the Group has no contingent liabilities which may have a material impact on the financial position and business of the Group as at 27 February 2023.

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

Approved but not contracted for

| |
|-------------------|
| 31.12.2022 |
| RM'000 |
| 103,727 |
| 103,727 |

19. Related party transactions

| | | | For the year ended 31.12.2022 |
|------------------------------|---------------------|----------------------------|----------------------------------|
| Transacting Parties | Relationship | Nature of transactions | RM'000 |
| Transactions with THP | | | |
| Lembaga Tabung Haji | Holding Corporation | Lease of land | 2,928 |
| TH Travel Services Sdn Bhd | Related Company | Purchase of flight tickets | 392 |

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, 2022 vs Quarter 4, 2021

| | 3 MONTHS ENDED | | VARIANCE | |
|---|----------------|------------|----------|----------|
| | 31.12.2022 | 31.12.2021 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 219,312 | 247,547 | (28,235) | (11.41) |
| Fair value change on biological assets | 1,420 | (56,590) | 58,010 | 102.51 |
| Fair value change on forestry | 17,371 | 7,489 | 9,882 | 131.95 |
| Operating profit | 95,729 | 45,481 | 50,248 | 110.48 |
| Profit Before Interest and Tax ("PBIT") | 62,528 | 36,016 | 26,512 | 73.61 |
| Profit Before Tax ("PBT") | 44,414 | 11,235 | 33,179 | 295.32 |
| Profit After Tax ("PAT") | 35,252 | 9,641 | 25,611 | 265.65 |
| Profit attributable to owners of the Company ("PATAMI") | 23,050 | 1,828 | 21,222 | 1,160.94 |

| | 3 MONTHS ENDED | | VARIANCE | |
|-----------------------------|----------------|------------|----------|-------|
| | 31.12.2022 | 31.12.2021 | | |
| | MT | MT | MT | % |
| Sales volume | | | | |
| Crude Palm Oil ("CPO") | 47,999 | 42,576 | 5,423 | 12.74 |
| Palm Kernel ("PK") | 12,183 | 10,280 | 1,903 | 18.51 |
| Fresh Fruit Bunches ("FFB") | 17,955 | 17,282 | 673 | 3.89 |

| | 3 MONTHS ENDED | | VARIANCE | |
|--------------------------------|----------------|------------|----------|---------|
| | 31.12.2022 | 31.12.2021 | | |
| | RM/MT | RM/MT | RM/MT | % |
| Average realised prices | | | | |
| CPO | 3,764 | 4,508 | (744) | (16.50) |
| PK | 2,036 | 3,581 | (1,545) | (43.14) |
| FFB | 761 | 1,075 | (314) | (29.21) |

For the quarter ended 31 December 2022, the Group recorded RM219.31 million in revenue, a decrease of 11.41% from RM247.55 million reported in the corresponding quarter ended 31 December 2021, primarily due to lower revenue from oil palm plantations contributed by lower average realised prices for CPO, PK and FFB.

The Group recorded a higher PBT of RM44.41 million, an increase of 295.32% from RM11.24 million reported in the corresponding quarter ended 31 December 2021, as a result of higher fair value change on biological assets and forestry.



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20. Review of financial performance (continued)

12 months ended 2022 vs 12 months ended 2021

| | CUMULATIVE 12 MONTHS ENDED | | VARIANCE | |
|---|-------------------------------|------------|----------|---------|
| | 31.12.2022 | 31.12.2021 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 881,259 | 760,804 | 120,455 | 15.83 |
| Fair value change on biological assets | (15,513) | (14,058) | (1,455) | (10.35) |
| Fair value change on forestry | 17,371 | 7,489 | 9,882 | 131.95 |
| Operating profit | 251,684 | 252,828 | (1,144) | (0.45) |
| Profit Before Interest and Tax ("PBIT") | 194,618 | 215,421 | (20,803) | (9.66) |
| Profit Before Tax ("PBT") | 125,808 | 137,869 | (12,061) | (8.75) |
| Profit After Tax ("PAT") | 87,936 | 101,569 | (13,633) | (13.42) |
| Profit attributable to owners of the Company ("PATAMI") | 68,771 | 70,166 | (1,395) | (1.99) |

| | CUMULATIVE 12 MONTHS ENDED | | VARIANCE | |
|-----------------------------|-------------------------------|------------|----------|---------|
| | 31.12.2022 | 31.12.2021 | | |
| | MT | MT | MT | % |
| Sales volume | | | | |
| Crude palm oil ("CPO") | 154,204 | 154,026 | 178 | 0.12 |
| Palm kernel ("PK") | 38,465 | 36,931 | 1,534 | 4.15 |
| Fresh Fruit Bunches ("FFB") | 78,039 | 93,565 | (15,526) | (16.59) |

| | CUMULATIVE 12 MONTHS ENDED | | VARIANCE | |
|--------------------------------|-------------------------------|------------|----------|-------|
| | 31.12.2022 | 31.12.2021 | | |
| | RM/MT | RM/MT | RM/MT | % |
| Average realised prices | | | | |
| Crude palm oil | 4,476 | 3,762 | 714 | 18.98 |
| Palm kernel | 2,884 | 2,768 | 116 | 4.19 |
| FFB | 1,023 | 842 | 181 | 21.50 |

For the financial year ended 31 December 2022, the Group's recorded RM881.26 million in revenue, an increase of 15.83% from RM760.80 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 as well as higher sales volume for CPO and PK.

The Group recorded a lower PBT of RM125.81 million, a decrease of 8.75% from RM137.87 million in the preceding period, as the result of higher other expenses.



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

| | 2022 | 2022 | VARIANCE | |
|---|-----------|-----------|----------|--------|
| | Quarter 4 | Quarter 3 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 219,312 | 213,392 | 5,920 | 2.77 |
| Fair value change on biological assets | 1,420 | (7,237) | 8,657 | 119.62 |
| Fair value change on forestry | 17,371 | - | 17,371 | 100.00 |
| Operating profit | 95,729 | 41,789 | 53,940 | 129.08 |
| Profit Before Interest and Tax ("PBIT") | 62,528 | 37,043 | 25,485 | 68.80 |
| Profit Before Tax ("PBT") | 44,414 | 23,881 | 20,533 | 85.98 |
| Profit After Tax ("PAT") | 35,252 | 16,144 | 19,108 | 118.36 |
| Profit attributable to owners of the Company ("PATAMI") | 23,050 | 14,367 | 8,683 | 60.44 |

| | 2022 | 2022 | VARIANCE | |
|---------------------|-----------|-----------|----------|--------|
| | Quarter 4 | Quarter 3 | MT | % |
| | MT | MT | MT | % |
| Sales volume | | | | |
| Crude palm oil | 47,999 | 43,112 | 4,887 | 11.34 |
| Palm kernel | 12,183 | 11,196 | 987 | 8.82 |
| FFB | 17,955 | 18,698 | (743) | (3.97) |

| | 2022 | 2022 | VARIANCE | |
|--------------------------------|-----------|-----------|----------|---------|
| | Quarter 4 | Quarter 3 | RM/MT | % |
| | RM/MT | RM/MT | RM/MT | % |
| Average realised prices | | | | |
| Crude palm oil | 3,764 | 3,997 | (233) | (5.83) |
| Palm kernel | 2,036 | 2,356 | (320) | (13.58) |
| FFB | 761 | 786 | (25) | (3.18) |

Quarter 4, 2022 vs Quarter 3, 2022

The Group's revenue increased by 2.77% to RM219.31 million compared to the preceding quarter mainly due to higher sales volume for CPO and PK despite lower average realised prices for CPO, PK and FFB.

The Group has recorded a higher PBT by 85.98% compared to 3Q22 primarily attributable to higher fair value change on forestry.



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22. Prospects

The Group's overall positive performance for the financial year ended 31 December 2022 was largely supported by the favourable prices of palm products and the on-going progress of our Transformation Plan.

The impact of the pandemic and the Russia-Ukraine conflict continue to influence world commodities, economic conditions, and inflation. Crude palm oil prices reached record high in March but remained volatile throughout 2022. The favourable prices throughout 2022 helped to compensate the impact of labour shortage and higher operating cost.

The Group continues to give emphasis on strengthening its operations and sustainability, focusing on operational efficiency, effective cost management, good agronomic practices, rehabilitation, replanting, and mechanisation programs in mitigating the on-going challenging operating environment.

Barring any unforeseen circumstances, the Group expects the palm oil prices to remain favourable in the first quarter 2023 given the shortage of edible oils around the world and the impact of unresolved labour shortage .

23. Profit forecast or profit guarantee

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

24. Tax expense

| | 3 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
|----------------------|----------------|------------|-------------------------------|------------|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| | RM000 | RM000 | RM000 | RM000 |
| Current tax expense | (8,864) | (18,664) | (43,729) | (40,915) |
| Deferred tax expense | (298) | 17,070 | 5,857 | 4,615 |
| | (9,162) | (1,594) | (37,872) | (36,300) |

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

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

25. Unquoted investments and /or properties

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



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26. Quoted investments

There were no purchases of quoted investments during the year 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 2022, total borrowings are as follows:

| | As at 31.12.2022 | As at 31.12.2021 |
|--|---------------------|---------------------|
| | RM'000 | RM'000 |
| Non-current | | |
| Secured | | |
| Commodity Murahabah Term Financing-i | 127,471 | 155,558 |
| Commodity Murahabah Term Financing-i ("USD") | - | 44,908 |
| SUKUK Wakalah Medium Term Notes | 650,000 | - |
| Unsecured | | |
| SUKUK Murabahah Medium Term Notes | - | 680,000 |
| Term Financing | 46,887 | 44,665 |
| | 824,358 | 925,131 |
| Current | | |
| Secured | | |
| Commodity Murahabah Term Financing-i | 32,000 | 30,000 |
| Commodity Murahabah Term Financing-i ("USD") | - | 2,088 |
| Unsecured | | |
| SUKUK Murabahah Medium Term Notes | - | 400,000 |
| Islamic Trade Financing-i | - | 14,476 |
| | 32,000 | 446,564 |
| | 856,358 | 1,371,695 |



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28. Group borrowings (continued) Maturity analysis

| Tenure | SUKUK Murabahah Medium Term Notes | Other Financial Instruments | TOTAL |
|-------------------|--|--------------------------------|---------|
| | RM'000 | RM'000 | RM'000 |
| Under 1 year | - | 32,000 | 32,000 |
| 1-2 years | - | 43,500 | 43,500 |
| 3-5 years | 160,000 | 83,971 | 243,971 |
| More than 5 years | 490,000 | 46,887 | 536,887 |
| | 650,000 | 206,358 | 856,358 |

29. Off balance sheet financial instruments

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

30. Changes in material litigation

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

31. Earnings per share

| | | 3 MONTHS ENDED | | CUMULATIVE 12 MONTHS ENDED | |
|---|--------|----------------|------------|-------------------------------|------------|
| | | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Basic/ Diluted earnings per share | | | | | |
| Profit attributable to shareholders | RM'000 | 23,050 | 1,828 | 68,771 | 70,166 |
| Profit margin on perpetual sukuk | RM'000 | (4,726) | - | (9,093) | - |
| | RM'000 | 18,324 | 1,828 | 59,678 | 70,166 |
| Weighted average number of ordinary shares in issue | 000 | 883,851 | 883,851 | 883,851 | 883,851 |
| Basic/ Diluted earnings per share | sen | 2.07 | 0.21 | 6.75 | 7.94 |



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32. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 27 February 2023.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
27 February 2023