



TH Plantations Berhad

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

QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ON UNAUDITED QUARTERLY REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Note		RM'000	RM'000	RM'000	RM'000
	Revenue	216,503	219,312	752,027	881,259
	Fair value changes in biological assets	(7,958)	1,420	1,767	(15,513)
	Fair value changes on forestry	3,529	17,371	3,529	17,371
	Cost of sales	(157,696)	(142,374)	(595,885)	(631,433)
	Gross profit	54,378	95,729	161,438	251,684
	Other income	1,679	(3,288)	21,258	10,291
	Administrative expenses	(14,083)	(12,253)	(38,747)	(40,406)
	Other expenses	(5,365)	(17,660)	(8,895)	(26,951)
	Results from operating activities	36,609	62,528	135,054	194,618
	Profit margin income from short-term investments and receivables	1,099	816	3,647	3,432
	Finance cost	(12,748)	(18,930)	(52,794)	(72,242)
	Net finance costs	(11,649)	(18,114)	(49,147)	(68,810)
	Profit before tax	24,960	44,414	85,907	125,808
	Tax expense	(4,685)	(9,162)	(25,811)	(37,872)
	Profit for the period	20,275	35,252	60,096	87,936
	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	6,293	6,543	(802)	3,643
	Changes from post employment benefit	-	-	-	(5)
	Other comprehensive income/(expense), net of tax	6,293	6,543	(802)	3,638
	Total comprehensive income for the year	26,568	41,795	59,294	91,574



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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 2023 (continued)

		UNAUDITED			
		3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
		RM'000	RM'000	RM'000	RM'000
Profit attributable to:	Note				
Owners of the Company		12,279	23,050	46,618	68,771
Non-controlling interests		7,996	12,202	13,478	19,165
Profit for the year		20,275	35,252	60,096	87,936
Total comprehensive income attributable to:					
Owners of the Company		18,435	29,134	46,177	72,156
Non-controlling interests		8,133	12,661	13,117	19,418
Total comprehensive income for the year		26,568	41,795	59,294	91,574
Basic/ Diluted earnings per ordinary share (sen)	31	0.92	2.07	3.29	6.75



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Assets			
Property, plant, and equipment		863,608	832,686
Right-of-use assets		640,677	651,387
Plantation development expenditure	10	35,100	90,983
Forestry	11	42,487	38,958
Other investments		1,825	1,825
Deferred tax assets		38,884	38,979
Total non-current assets		1,622,581	1,654,818
Inventories		11,584	32,988
Biological assets	12	21,940	20,113
Current tax assets		8,891	8,493
Other investments		59,895	27,923
Trade and other receivables		31,545	32,959
Prepayments and other assets		4,226	5,913
Cash and cash equivalents		82,465	116,200
		220,546	244,589
Assets classified as held for sale	13	783,191	781,040
Total current assets		1,003,737	1,025,629
Total assets		2,626,318	2,680,447



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Equity			
Capital and reserve		771,984	772,425
Accumulated losses		(57,753)	(73,566)
Equity attributable to owners of the Company		714,231	698,859
Perpetual sukuk		300,000	300,000
Non-controlling interests		298,932	308,249
Total equity		1,313,163	1,307,108
Liabilities			
Loans and borrowings	28	791,323	824,358
Lease liabilities		74,312	74,730
Employee benefits		25	428
Deferred tax liabilities		191,196	192,810
Trade and other payables		17,881	15,434
Total non-current liabilities		1,074,737	1,107,760
Loans and borrowings	28	36,000	32,000
Lease liabilities		3,178	2,870
Current tax liabilities		2,064	1,519
Trade and other payables		60,553	90,633
		101,795	127,022
Liabilities classified as held for sale	13	136,623	138,557
Total current liabilities		238,418	265,579
Total liabilities		1,313,155	1,373,339
Total equity and liabilities		2,626,318	2,680,447
Net assets per share (RM)		0.81	0.79



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

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

	Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interest RM'000	Total equity RM'000
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
Increase in investment in subsidiary	-	-	-	-	-	-	-	2,682	2,682
Issuance of perpetual Sukuk	-	-	-	-	-	-	300,000	-	300,000
Profit distribution of perpetual Sukuk	-	-	-	-	(9,093)	(9,093)	-	-	(9,093)
<i>Contribution by and distribution to owners of the Company</i>	-	-	-	-	(13,258)	(13,258)	-	(9,683)	(22,941)
Dividends to owners of the Company	-	-	-	-	(13,258)	(13,258)	-	(9,683)	(22,941)
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 CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

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

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

	Share capital RM'000	Other reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Accumulated losses RM'000	Total RM'000	Perpetual sukuk RM'000	Non-controlling interest RM'000	Total equity RM'000
At 1 January 2023	862,752	(80,663)	(9,664)	772,425	(73,566)	698,859	300,000	308,249	1,307,108
Foreign currency translation differences for foreign operations	-	-	(441)	(441)	-	(441)	-	(361)	(802)
Total other comprehensive expense for the year	-	-	(441)	(441)	-	(441)	-	(361)	(802)
Profit for the year	-	-	-	-	46,618	46,618	-	13,478	60,096
Total comprehensive (expense)/income for the year	-	-	(441)	(441)	46,618	46,177	-	13,117	59,294
Profit distribution of perpetual Sukuk	-	-	-	-	(17,547)	(17,547)	-	-	(17,547)
<i>Contribution by and distribution to owners of the Company</i>									
Dividends to owners of the Company	-	-	-	-	(13,258)	(13,258)	-	(22,434)	(35,692)
At 31 December 2023	862,752	(80,663)	(10,105)	771,984	(57,753)	714,231	300,000	298,932	1,313,163



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	UNAUDITED 12 MONTHS ENDED	
	31.12.2023	31.12.2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	85,907	125,808
Adjustment for non-cash items	108,989	159,968
Operating profit before changes in working capital	194,896	285,776
Net changes in working capital	5,756	(17,267)
Cash generated from operations	200,652	268,509
Profit margin income from short-term investments and other receivables	3,647	3,432
Finance cost	(52,794)	(72,242)
Tax paid	(33,870)	(56,756)
Zakat paid	(1,500)	(1,185)
Tax refund	1,900	712
Net cash generated from operating activities	118,035	142,470
Cash flows from investing activities		
Acquisition of property, plant and equipment	(26,779)	(21,115)
Acquisition of right of use	(536)	(3,787)
Plantation development expenditure	(19,725)	(20,279)
Proceed from disposal of property, plant and equipment	896	-
Proceed from disposal of right of use	3,563	-
Dividend received	109	456
Decrease in other investment	(31,972)	10,412
Net cash used in investing activities	(74,444)	(34,313)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023 (continued)

	UNAUDITED 12 MONTHS ENDED	
	31.12.2023 RM'000	31.12.2022 RM'000
Cash flows from financing activities		
Decrease in amount due to holding corporation	-	(11,948)
Decrease in amount due to related companies	-	(1,728)
Proceeds from drawdown of loans and borrowings	-	708,345
Dividend paid to owners of the Company	(13,204)	(13,144)
Dividend paid to non-controlling interests	(22,434)	(9,683)
Issuance of perpetual Sukuk	-	300,000
Loan repayment	(31,500)	(1,226,067)
Payment of lease liabilities	(8,586)	1,491
Net cash used in financing activities	(75,724)	(252,734)
Net decrease in cash and cash equivalents	(32,133)	(144,577)
Cash and cash equivalents at 1 January	116,369	260,946
Cash and cash equivalents at the end of the year	84,236	116,369

Note

Cash and cash equivalents comprise:

	UNAUDITED 12 MONTHS ENDED	
	31.12.2023 RM'000	31.12.2022 RM'000
Deposits	91,475	114,913
Less: Other investments	(59,895)	(27,923)
	31,580	86,990
Cash and bank balances	52,656	29,379
	84,236	116,369
Assets classified as held for sale	(1,771)	(169)
	82,465	116,200

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NOTES PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134, *Interim Financial Reporting*, and appendix 9B (Part A) of the Listing Requirement of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the Group’s annual audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to the interim financial statements.

The audited financial statements of the Group for the financial year ended 31 December 2022 were prepared in accordance with MFRS, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.

2. Significant accounting policies

The significant accounting policies adopted in this interim financial statement are consistent with those adopted in the annual audited financial statement for the financial year ended 31 December 2022, except the Group adopted the following Amendments to MFRSs effective for annual periods beginning on or after 1 January 2023 as follows:

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

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

3. Auditors' report on preceding annual financial statements

The report of the auditor on the Group’s financial statements for the financial year ended 31 December 2022 was not subject to any qualification.

4. Seasonal or cyclical factors

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

5. Unusual items

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



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6. Estimates

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

In preparing these condensed consolidated interim financial statements, certain judgements made by management in applying the Group's accounting policies and the key sources of estimation, were the same as those applied to the financial statements as at and for the year ended 31 December 2022.

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

7. Changes in debt and equity securities

During the year under review, the Group has made a principal repayment of RM31.50 million Commodity Murabahah Term Financing-i.

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

8. Dividends

The Directors have declared a final single tier ordinary dividend of 2.00 sen per share amounting to RM17.68 million in respect of the year ended 31 December 2023. The dividend will be paid on 2 May 2024 to shareholders registered in the Register of Members at the close of business on 8 April 2024.

9. Profit before tax

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

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation	19,630	825	65,476	68,909
Amortisation	3,436	(2,481)	10,755	10,361
Unrealised foreign exchange loss/(gain)	2,883	14,259	(11,712)	7,677
Impairment loss on plantation nursery	-	2,840	-	2,840
Property, plant and equipment write off	1,221	3,969	1,221	3,969



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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

31.12.2023	31.12.2022
RM'000	RM'000
157,530	167,804
18,622	19,597
1,657	790
(90,101)	(29,199)
2,538	(1,462)
90,246	157,530

Accumulated impairment loss

At 1 January
Impairment loss on nursery
Transfer to property, plant, and equipment

66,547	63,707
-	2,840
(11,401)	-
55,146	66,547

Carrying amount

At 31 December

35,100	90,983
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11. Forestry

At 1 January
Addition during the year
Addition charged to profit and loss
Change in fair value recognised to profit or loss

31.12.2023	31.12.2022
RM'000	RM'000
38,958	21,587
15,156	16,400
(15,156)	(16,400)
3,529	17,371
42,487	38,958

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

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



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12. Biological assets

	31.12.2023	31.12.2022
	RM'000	RM'000
At 1 January	20,113	32,432
Change in fair value recognised to profit or loss	1,819	(12,313)
	21,932	20,119
Effect of movement in exchange rate	8	(6)
	21,940	20,113

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

	31.12.2023	31.12.2022
	RM'000	RM'000
Biological asset	1,819	(12,313)
Biological asset classified as asset held for sale	(52)	(3,200)
	1,767	(15,513)

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

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

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



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13. Group assets held for sale

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

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

Group

Assets classified as held for sale

		31.12.2023
		RM'000
Property, plant, and equipment (“PPE”)	a	539,866
Right-of-use – ROU	b	204,163
Plantation development expenditure (“PDE”)		-
Deferred tax assets		30,180
Biological assets		5,880
Inventories		1,254
Trade and other receivables		63
Prepayment and other assets		14
Cash and cash equivalents		1,771
		783,191

Liabilities classified as held for sale

	31.12.2023
	RM'000
Lease liabilities	35,426
Deferred tax liabilities	79,439
Payables and accruals	20,581
Current tax liabilities	1,177
	136,623

Note

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

	31.12.2023
	RM'000
Cost	736,880
Accumulated depreciation	(197,014)
	539,866

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

	31.12.2023
	RM'000
Cost	295,029
Accumulated depreciation	(90,866)
	204,163



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14. Operating segments

The Group's segmental reporting for the financial year ended 31 December 2023 is as follows:

	Oil palm Plantation	Forestry	Total	Elimination	Total
	RM'000	RM'000	RM'000		
Segment profit	236,511	1,158	237,669	(151,762)	85,907
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	751,918	-	751,918	-	751,918
Change in fair value of biological assets	1,767	-	1,767	-	1,767
Change in fair value of forestry	-	3,529	3,529	-	3,529
<i>Not included in the measure of segment profit but provided to Group's Chief Executive Officer</i>					
Depreciation and amortisation	(75,744)	(487)	(76,231)	-	(76,231)
Finance costs	(136,293)	(14,984)	(151,277)	98,483	(52,794)
Profit margin income from short term investments and receivables	65,300	19	65,319	(61,672)	3,647
Segments assets	4,486,772	1,921	4,488,693	(1,862,375)	2,626,318
Additions to non-current assets other than financial instrument and deferred tax assets	29,821	-	29,821	-	29,821



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14. Operating segments (continued)

The Group's segmental reporting for the financial 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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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 28 February 2024.

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

Approved but not contracted for

31.12.2023
RM'000
110,927
110,927

19. Related party transactions

Transacting Parties	Relationship	Nature of transactions	For the period ended 31.12.2023 RM'000
Transactions with THP			
Lembaga Tabung Haji	Holding Corporation	Lease of land	3,221
Syarikat Takaful Malaysia	Related company	Purchase of insurance	3,736
TH Travel & Services Sdn. Bhd.	Related company	Purchase of flight tickets	709

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, 2023 vs Quarter 4, 2022

	3 MONTHS ENDED		VARIANCE	
	31.12.2023	31.12.2022		
	RM'000	RM'000	RM'000	%
Revenue	216,503	219,312	(2,809)	(1.28)
Fair value change on biological assets	(7,958)	1,420	(9,378)	(660.42)
Fair value change on forestry	3,529	17,371	(13,842)	(79.68)
Operating profit	54,378	95,729	(41,351)	(43.20)
Profit Before Interest and Tax ("PBIT")	36,609	62,528	(25,919)	(41.45)
Profit Before Tax ("PBT")	24,960	44,414	(19,454)	(43.80)
Profit After Tax ("PAT")	20,275	35,252	(14,977)	(42.49)
Profit attributable to owners of the Company ("PATAMI")	12,279	23,050	(10,771)	(46.73%)

	3 MONTHS ENDED		VARIANCE	
	31.12.2023	31.12.2022		
	MT	MT	MT	%
Sales volume				
Crude Palm Oil ("CPO")	41,778	47,999	(6,221)	(12.96)
Palm Kernel ("PK")	10,711	12,183	(1,472)	(12.08)
Fresh Fruit Bunches ("FFB")	73,429	17,955	55,474	308.96

	3 MONTHS ENDED		VARIANCE	
	31.12.2023	31.12.2022		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
CPO	3,548	3,764	(216)	(5.75)
PK	1,937	2,036	(99)	(4.84)
FFB	647	761	(114)	(14.92)

For the fourth quarter ended 31 December 2023, the Group recorded RM216.50 million in revenue, a decrease of 1.28% from RM219.31 million reported in the corresponding quarter ended 31 December 2022, primarily due to lower revenue from oil palm plantations contributed by lower sales volume of CPO and PK, moderated by higher sales volume of FFB.

The Group recorded a lower PBT of RM24.96 million, a decrease of 43.80% from RM44.41 million reported in the corresponding quarter ended 31 December 2022, as a result of lower operating profit and lower fair value fair value gain on forestry and biological assets.



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20. Review of financial performance (continued)

12 months ended 2023 vs 12 months ended 2022

	CUMULATIVE 12 MONTHS ENDED		VARIANCE	
	31.12.2023	31.12.2022		
	RM'000	RM'000	RM'000	%
Revenue	752,027	881,259	(129,232)	(14.66)
Fair value change on biological assets	1,767	(15,513)	17,280	111.39
Fair value change on forestry	3,529	17,371	(13,842)	(79.68)
Operating profit	161,438	251,684	(90,246)	(35.86)
PBIT	135,054	194,618	(59,564)	(30.61)
PBT	85,907	125,808	(39,901)	(31.72)
PAT	60,096	87,936	(27,840)	(31.66)
PATAMI	46,618	68,771	(22,153)	(32.21)

	CUMULATIVE 12 MONTHS ENDED		VARIANCE	
	31.12.2023	31.12.2022		
	MT	MT	MT	%
Sales volume				
CPO	153,728	154,204	(476)	(0.31)
PK	39,502	38,465	1,037	2.70
FFB	163,704	78,039	85,665	109.77

	CUMULATIVE 12 MONTHS ENDED		VARIANCE	
	31.12.2023	31.12.2022		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
CPO	3,669	4,476	(807)	(18.03)
PK	1,948	2,884	(936)	(32.47)
FFB	678	1,023	(345)	(33.75)

For the financial year ended 31 December 2023, the Group's recorded RM752.03 million in revenue, a decrease of 14.66% from RM881.26 million reported in the corresponding year ended 31 December 2022, primarily due to lower revenue recorded from oil palm plantations as a result of lower average realised prices for CPO, PK, and FFB despite higher sales volume for FFB.

The Group recorded a lower PBT of RM85.91 million, a decrease of 31.72% from RM125.81 million in the corresponding year, primarily attributed to lower operating profit. However, it was partly moderated by higher other income and lower finance cost.



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

	2023	2023	VARIANCE	
	Quarter 4	Quarter 3	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	216,503	216,639	(136)	(0.06)
Fair value change on biological assets	(7,958)	2,527	(10,485)	(414.92)
Fair value change on forestry	3,529	-	3,529	100.00
Operating profit	54,378	54,348	30	0.06
PBIT	36,609	40,921	(4,312)	(10.54)
PBT	24,960	28,548	(3,588)	(12.57)
PAT	20,275	21,055	(780)	(3.70)
PATAMI	12,279	17,553	(5,274)	(30.05)

	2023	2023	VARIANCE	
	Quarter 4	Quarter 3	MT	%
	MT	MT	MT	%
Sales volume				
CPO	41,778	42,313	(535)	(1.27)
PK	10,711	11,052	(341)	(3.08)
FFB	73,429	58,188	15,241	26.19

	2023	2023	VARIANCE	
	Quarter 4	Quarter 3	RM/MT	%
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
CPO	3,548	3,676	(128)	(3.49)
PK	1,937	1,955	(18)	(0.90)
FFB	647	677	(30)	(4.43)

Quarter 4, 2023 vs Quarter 3, 2023

The Group's revenue slightly decrease by 0.06% to RM216.50 million compared to the preceding quarter of RM216.64 million mainly due to lower average realised prices and lower sales volume of CPO and PK, moderated by higher sales volume for FFB.

The Group has recorded a lower PBT by 12.57% compared to the preceding quarter primarily attributable to higher other expenses.



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22. Prospects

The Group's overall positive performance for the financial year ended 31 December 2023 was largely supported by the progress of our Transformation Plan, which helped compensate for the lower prices of palm products. Crude palm oil prices decreased by 25% and remained rangebound throughout 2023 due to the impact of lower prices for other vegetable oils and the lackluster demand from both India and China.

For the past few years, the Group has consistently achieved positive results, motivating the group to strive for better performance, moving forward. The Group continues to emphasize strengthening its operations and sustainability, focusing on operational efficiency, effective cost management, good agronomic practices, rehabilitation, replanting, and mechanisation programs to mitigate the on-going challenges in the operating environment.

The Group is now embarking on a new 5-year Strategic Business Plan 2024 - 2028: "Al Falah 22/22", striving towards operational excellence and a sustainable business by fostering growth and impact while protecting and preserving the environment.

Barring any unforeseen circumstances, the Group expects palm oil prices to remain firm in the first quarter of 2024 due to the tightness in supply and demand given the forecasted slower global economic growth and widespread recession among world's leading economies.

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM000	RM000	RM000	RM000
Current tax expense	(15,215)	(8,864)	(33,374)	(43,729)
Deferred tax expense	10,530	(298)	7,563	5,857
	(4,685)	(9,162)	(25,811)	(37,872)

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.



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25. Unquoted investments and /or properties

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

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 under review.

28. Group borrowings

As at 31 December 2023, total borrowings are as follows:

	As at 31.12.2023	As at 31.12.2022
	RM'000	RM'000
Non-current		
Secured		
Commodity Murahabah Term Financing-i SUKUK Wakalah Medium Term Notes	92,134 650,000	127,471 650,000
Unsecured		
Term Financing	49,189	46,887
	791,323	824,358
Current		
Secured		
Commodity Murahabah Term Financing-i	36,000	32,000
	36,000	32,000
	827,323	856,358



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28. Group borrowings (continued) Maturity analysis

Tenure	SUKUK Murabahah Medium Term Notes	Other Financial Instruments	TOTAL
	RM'000	RM'000	RM'000
Under 1 year	-	36,000	36,000
1-2 years	-	34,250	34,250
3-5 years	260,000	57,884	317,884
More than 5 years	390,000	49,189	439,189
	650,000	177,323	827,323

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	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Basic/ Diluted earnings per share					
Profit attributable to shareholders	RM'000	12,279	23,050	46,618	68,771
Profit distribution of perpetual sukuk	RM'000	(4,129)	(4,726)	(17,547)	(9,093)
	RM'000	8,150	18,324	29,071	59,678
Weighted average number of ordinary shares in issue	000	883,851	883,851	883,851	883,851
Basic/ Diluted earnings per share	sen	0.92	2.07	3.29	6.75



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32. Authorisation for issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 28 February 2024.

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

**Kuala Lumpur
28 February 2024**