

**Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-To-Date Ended 30 June 2019**

	Quarter Ended			Year-To-Date Ended		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Revenue	186,058	232,922	-20%	393,651	459,058	-14%
Cost of sales	<u>(127,908)</u>	<u>(160,510)</u>	-20%	<u>(276,114)</u>	<u>(306,640)</u>	-10%
Gross profit	58,150	72,412	-20%	117,537	152,418	-23%
Other operating income	12,259	4,254	188%	47,227	15,160	212%
Other operating expenses	<u>(50,665)</u>	<u>(35,803)</u>	42%	<u>(122,271)</u>	<u>(101,382)</u>	21%
Operating profit	19,744	40,863	-52%	42,493	66,196	-36%
Finance costs	(13,495)	(10,893)	24%	(26,986)	(21,353)	26%
Share of (loss)/ profit of an associate	(442)	518	-185%	(1,167)	804	-245%
Share of profit of joint ventures	<u>7,701</u>	<u>668</u>	1053%	<u>11,731</u>	<u>2,545</u>	361%
Core profit before taxation	13,508	31,156	-57%	26,071	48,192	-46%
(Loss)/ Gain on foreign exchange	(3,338)	(13,710)	-76%	635	(2,435)	-126%
Profit before taxation	<u>10,170</u>	<u>17,446</u>	-42%	<u>26,706</u>	<u>45,757</u>	-42%
Taxation	<u>(4,622)</u>	<u>(8,981)</u>	-49%	<u>(7,463)</u>	<u>(18,681)</u>	-60%
Profit for the period	<u>5,548</u>	<u>8,465</u>	-34%	<u>19,243</u>	<u>27,076</u>	-29%
Other Comprehensive Income/ (Loss) <i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	<u>38,440</u>	<u>8,808</u>	336%	<u>31,086</u>	<u>(95,305)</u>	-133%
Other Comprehensive income/ (loss) for the period, net of tax	<u>38,440</u>	<u>8,808</u>	336%	<u>31,086</u>	<u>(95,305)</u>	-133%
Total comprehensive income/ (loss) for the period	<u>43,988</u>	<u>17,273</u>	155%	<u>50,329</u>	<u>(68,229)</u>	-174%
Profit attributable to :						
Owners of the parent	6,049	4,107	47%	19,593	21,934	-11%
Non-controlling interests	<u>(501)</u>	<u>4,358</u>	-111%	<u>(350)</u>	<u>5,142</u>	-107%
	<u>5,548</u>	<u>8,465</u>	-34%	<u>19,243</u>	<u>27,076</u>	-29%
Total comprehensive income/ (loss) attributable to :						
Owners of the parent	42,655	12,871	-231%	48,202	(64,700)	-175%
Non-controlling interests	<u>1,333</u>	<u>4,402</u>	70%	<u>2,127</u>	<u>(3,529)</u>	-160%
	<u>43,988</u>	<u>17,273</u>	-155%	<u>50,329</u>	<u>(68,229)</u>	-174%
Earnings per share attributable to equity holders of the Company						
Basic (sen)	0.44	0.30	47%	1.42	1.59	-11%
Diluted (sen)	0.44	0.30	47%	1.42	1.59	-11%

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018

Condensed Consolidated Statement of Financial Position
As at 30 June 2019

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,951,081	1,937,077
Biological assets	402,067	400,571
Land use rights	183,617	182,511
Intangible assets	56,713	56,172
Investment in an associate	78,421	79,588
Investments in joint ventures	80,912	69,181
Deferred tax assets	19,142	14,606
Other receivables	87,445	79,081
Investment securities	50	50
	<u>2,859,448</u>	<u>2,818,837</u>
Current assets		
Biological assets	7,508	5,086
Inventories	192,711	200,008
Trade and other receivables	75,166	52,425
Other current assets	16,645	21,113
Tax recoverable	18,691	11,175
Derivative assets	1,553	799
Cash and bank balances	92,912	108,003
	<u>405,186</u>	<u>398,609</u>
TOTAL ASSETS	<u><u>3,264,634</u></u>	<u><u>3,217,446</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	740,512	740,512
Treasury shares	(374)	(8)
Other reserves	(198,760)	(227,583)
Retained earnings	865,528	860,195
	<u>1,406,906</u>	<u>1,373,116</u>
Non-controlling interests	133,644	131,517
Total equity	<u>1,540,550</u>	<u>1,504,633</u>
Non-current liabilities		
Retirement benefits	18,107	16,084
Borrowings	776,401	792,637
Hire purchase payables	86	99
Deferred tax liabilities	137,393	138,202
Lease liabilities	714	-
	<u>932,701</u>	<u>947,022</u>
Current liabilities		
Borrowings	697,009	663,118
Hire purchase payables	31	30
Trade and other payables	90,804	99,088
Derivative liabilities	-	689
Current tax payable	2,512	2,866
Lease liabilities	1,027	-
	<u>791,383</u>	<u>765,791</u>
Total liabilities	<u>1,724,084</u>	<u>1,712,813</u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,264,634</u></u>	<u><u>3,217,446</u></u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018

**Condensed Consolidated Statement of Changes In Equity
For The Year-To-Date Ended 30 June 2019**

	← Attributable to owners of the parent →						Retained Earnings RM'000	Equity attributable to owners of the parent RM'000	Non-controlling Interests RM'000	Equity Total RM'000
	← Non-distributable →			→ Distributable →						
	Share Capital RM'000	Treasury Shares RM'000	Asset Revaluation Reserves RM'000	Capital Reserves RM'000	Share Of Associate Reserves RM'000	Foreign currency Translation Reserves RM'000				
Balance as at 1 January 2019	740,512	(8)	-	9,630	99	(237,312)	860,195	1,373,116	131,517	1,504,633
Effect of adoption of MFRS16	-	-	-	-	-	-	(228)	(228)	-	(228)
As at 1 January 2019, as restated	740,512	(8)	-	9,630	99	(237,312)	859,967	1,372,888	131,517	1,504,405
Profit for the period	-	-	-	-	-	-	19,593	19,593	(350)	19,243
Other comprehensive income										
Foreign currency translation	-	-	-	-	-	28,823	(214)	28,609	2,477	31,086
Other comprehensive income for the period, net of tax	-	-	-	-	-	28,823	(214)	28,609	2,477	31,086
Total comprehensive income for the period	-	-	-	-	-	28,823	19,379	48,202	2,127	50,329
Purchase of treasury shares	-	(366)	-	-	-	-	-	(366)	-	(366)
Dividends paid	-	-	-	-	-	-	(13,818)	(13,818)	-	(13,818)
At 30 June 2019	<u>740,512</u>	<u>(374)</u>	<u>-</u>	<u>9,630</u>	<u>99</u>	<u>(208,489)</u>	<u>865,528</u>	<u>1,406,906</u>	<u>133,644</u>	<u>1,540,550</u>
At 1 January 2018	740,512	(8)	109,440	9,630	215	(50,226)	667,310	1,476,872	130,373	1,607,245
- prior year adjustment	-	-	(109,440)	-	-	(132,232)	139,932	(101,740)	(6,069)	(107,809)
- as restated	740,512	(8)	-	9,630	215	(182,458)	807,242	1,375,132	124,304	1,499,436
Profit for the period	-	-	-	-	-	-	21,934	21,934	5,142	27,076
Other comprehensive income										
Foreign currency translation	-	-	-	-	-	(86,634)	-	(86,634)	(8,671)	(95,305)
Other comprehensive income for the period, net of tax	-	-	-	-	-	(86,634)	-	(86,634)	(8,671)	(95,305)
Total comprehensive income for the period	-	-	-	-	-	(86,634)	21,934	(64,700)	(3,529)	(68,229)
Dividends paid	-	-	-	-	-	-	(27,636)	(27,636)	-	(27,636)
At 30 June 2018	<u>740,512</u>	<u>(8)</u>	<u>-</u>	<u>9,630</u>	<u>215</u>	<u>(269,092)</u>	<u>801,540</u>	<u>1,282,796</u>	<u>120,775</u>	<u>1,403,571</u>

**Condensed Consolidated Statement of Cash Flows
For The Year-To-Date Ended 30 June 2019**

	Year-To-Date Ended	
	30.06.2019 RM'000	30.06.2018 RM'000
Cash Flows from Operating Activities		
Profit before taxation	26,706	45,757
Adjustments for :-		
Depreciation and amortisation	52,262	42,582
Property, plant and equipment written off	4,662	452
(Writeback)/ impairment loss on property, plant and equipment	(148)	39
Inventories written off/ (written back)	16,068	(45)
Writeback on impairment loss on inventory	(2,348)	-
(Write back)/impairment loss on investment securities	(4)	10
Net gain on disposal of property, plant and equipment	(870)	(363)
Impairment loss on trade and other receivables	59	172
Net loss on redemption of short -term funds	-	98
Net gain from fair value adjustment of FFB	(2,820)	-
Net unrealised foreign exchange loss/ (gain)	(478)	3,036
Fair value (gain)/ loss of the commodity future contract	(1,521)	3,991
Share of profit of joint ventures	(11,731)	(2,545)
Share of loss/(profit) of an associate	1,167	(806)
Interest expense	26,986	21,353
Interest income	(7,889)	(5,948)
Dividend income	(9)	(145)
Operating profit before working capital changes	100,092	107,638
Changes in working capital		
Inventories	(6,424)	(12,218)
Receivables	(27,899)	(19,366)
Payables	(6,261)	(17,783)
Cash generated from operations	59,508	58,271
Income tax paid	(18,925)	(24,645)
Net cash generated from operating activities	40,583	33,626
Cash Flows from Investing Activities		
Placements of short-term funds	-	(3,098)
Withdrawals/ (Placements) of deposits with maturity of over 3 months	870	(1,999)
Placements of pledged deposits	-	(916)
Purchase of property, plant and equipment	(39,909)	(83,846)
Purchase of land use rights	(9)	(86)
Payment of forest planting expenditure	(2,086)	(3,091)
Proceeds from disposal of property, plant and equipment	997	530
Interest received	7,889	5,948
Net Dividends received	9	145
Dividends received from an associate & jointly controlled entity	-	8,152
Net cash used in investing activities	(32,239)	(78,261)
Cash Flows from Financing Activities		
Purchase of treasury shares	(366)	-
Net drawdowns/ (repayments) of term loans/commercial papers/medium term notes	17,655	(28,929)
Net (repayments)/ drawdowns in other borrowings	(2,149)	57,625
Net repayments of hire purchase payables	(13)	(14)
Net repayments of lease liabilities	(610)	-
Interest paid	(26,986)	(21,353)
Dividends paid	(13,818)	(27,636)
Net cash used in financing activities	(26,287)	(20,307)
Net decrease in cash and cash equivalents	(17,943)	(64,942)
Cash and cash equivalents at beginning of period	99,843	127,904
Effect of exchange rate changes	1,225	5,771
Cash and cash equivalents at end of period	83,125	68,734

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2018

TSH RESOURCES BERHAD (49548-D)

(Incorporated in Malaysia)

EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019

PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statement for the financial year ended 31 December 2018.

These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2018 except for the following Amendments to MFRSs and Annual improvement which take effect from 1 January 2019:

i) Adoption of MFRS 16

MFRS 16 'Leases' replaces MFRS 117 'Leases' and its related interpretations. MFRS 16 introduces a single lessee accounting model and eliminates the classification of leases by the lessee as either finance leases (on-balance sheet) or operating leases (off-balance sheet).

Lessee

At the commencement date of a lease, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 'Property, Plant and Equipment' and the lease liability is accreted over time with interest expense recognised in the profit or loss.

Lessor

Lessor accounting under MFRS 16 is substantially similar as the accounting under MFRS 117. Lessor will continue to classify leases using the same classification principle as in MFRS 117 namely, operating and finance leases.

The changes in accounting policies have been applied retrospectively from 1 January 2019. In accordance with the transition requirements, the comparatives are not restated.

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1. Basis of preparation(continued)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows :

Condensed Consolidated Statement of Financial Position

(RM'000)	31.12.2018	Effects On Adoption of MFRS 16	01.01.2019
<u>Non-current assets</u>			
Property, plant & equipment	1,937,077	2,037	1,939,114
<u>Equity</u>			
Retained earnings	860,195	(228)	859,967
<u>Non-current liabilities</u>			
Lease liabilities	-	1,383	1,383
<u>Current liabilities</u>			
Lease liabilities	-	882	882

The Group has also adopted the following amendments to MFRS and that came into effect which did not have any significant impact on the unaudited condensed consolidated financial statements upon their initial application.

Title	Effective Date
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015- 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015- 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015- 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015- 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

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1. Basis of preparation (*continued*)

At the date of authorisation of these interim financial statements, the following MFRS, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been applied by Group :

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>MFRS 17 Insurance Contracts</i>	1 January 2021
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2018 was unmodified.

3. Comments on seasonal or cyclical factors

The effects of seasonal or cyclical fluctuations, if any, are explained under Paragraphs 1 and 2 of Part B i.e. Explanatory Notes pursuant to Appendix 9B of the Main Market Listing Requirements of Bursa Securities below.

4. Unusual items

A fire occurred at a factory of our subsidiary, Ekowood International Berhad on 18 Feb 2019. As a result, the property, plant and equipment and inventories damaged during the fire amounting to RM20.6 million have been fully written off. The assets damaged and consequential loss are covered by insurance. Apart from the aforesaid and insurance claims as disclosed in note 5, Part B , there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the six months ended 30 June 2019.

5. Changes in estimates

There were no changes in estimates that have had a material impact in the current quarter results.

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6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities except for the following:

Treasury shares

The cumulative shares bought back are currently held as treasury shares. The number of treasury shares held as at 30 June 2019 is as follows:

	No. of shares	Amount (RM)
Balance as at 1 January 2019	4,000	8,607
Add : Purchase of treasury shares	405,000	366,163
Balance as at 30 June 2019	409,000	374,770

7. Dividends paid

During the quarter ended 30 June 2019, a final single tier dividend of 1.00 sen per ordinary share for the year ended 31 December 2018 amounted to RM 13,818,485 was paid on 20 June, 2019.

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8. Segmental information

i) Business segments

Year-To-Date ended 30 June 2019

	Palm Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
External Revenue	337,810	55,841	-	393,651
Inter-Segment	11,708	-	(11,708)	-
TOTAL REVENUE	349,518	55,841	(11,708)	393,651
SEGMENT RESULTS	31,765	19,031		50,796
Unallocated corporate expenses				(8,303)
Gain on foreign exchange				635
Finance costs				(26,986)
Share of loss of an associate				(1,167)
Share of profit of joint ventures				11,731
Profit before taxation				26,706
Income taxes				(7,463)
Cumulative profit up to 30 June 2019				19,243
OTHER INFORMATION				
SEGMENTS ASSETS	2,249,211	773,482		3,022,693
Investments in joint ventures				80,912
Investment in an associate				78,421
Unallocated assets				82,608
Consolidated total assets				3,264,634
SEGMENT LIABILITIES	21,424	79,858		101,282
Borrowings				1,473,410
Deferred tax liabilities				137,393
Unallocated liabilities				11,999
Consolidated total liabilities				1,724,084

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8. Segmental information (continued)

ii) Geographical segments

	Total revenue from external customers RM'000	Segment Assets RM'000
Malaysia	189,286	1,451,335
Indonesia	168,441	1,805,180
Europe	1,493	4,917
United States of America	29,953	2,079
Others	4,478	1,123
Total	393,651	3,264,634

9. Changes in composition of the Group

On 7 February 2019, the Company incorporated a new subsidiary known as PT Aman Mulia Gemilang ('PTAMG') in Indonesia.

The issued and paid-up capital PTAMG is Rupiah 2.5 billion, divided into 2,500 shares of Rupiah 1.0 million each. TSH has subscribed for a total 1,625 shares, representing 65% of the entire issued and paid-up capital of PTAMG for a total subscription consideration of Rupiah 1.625 billion (or equivalent to RM473,000).

Apart from above, there were no significant changes in the composition of the Group for the six months ended 30 June 2019 including business combination, acquisition or disposal of subsidiaries and long-term investments, and restructuring.

10. Discontinued operation

There was no discontinued operation during the quarter ended 30 June 2019.

11. Commitments

Capital commitments

The amount of commitments for capital expenditure as at 30 June 2019 is as follows:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Approved and contracted for	8,567	10,811
Approved but not contracted for	32,101	25,678
	<u>40,668</u>	<u>36,489</u>

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12. Changes in contingent liabilities or contingent assets

As at the date of issue of this interim financial report, there were no contingent liabilities and contingent assets that had arisen since 31 December 2018.

13. Material related party transactions

Significant transactions between the Group and its joint ventures are as follows:

	Year-To-Date ended 30 June 2019 RM'000
Sales of crude palm oil	143,661
Sales of palm kernel	20,187

14. Subsequent events

There was no material subsequent event to the end of this reporting.

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PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

1. Performance review

The Group's revenues for the quarter ended 30 June 2019 ("Q2 2019") and the six months ended 30 June 2019 ("6M 2019") were RM186.1 million and RM393.7 million respectively, compared to RM232.9 million and RM459.1 million for the corresponding periods prior year. The lower revenues were mainly attributable to lower average Crude Palm Oil ("CPO") and Palm Kernel ("PK") selling prices.

The Group's core profits before taxation for Q2 2019 and 6M 2019 declined to RM13.5 million and RM26.1 million respectively from RM31.2 million and RM48.2 million in the preceding year corresponding periods mainly due to lower CPO price in the palm products segment.

Profit before taxation for Q2 2019 and 6M 2019 also reduced to RM10.2 million and RM26.7 million respectively from RM17.4 million and RM45.8 million in the preceding year corresponding periods mainly due to the lower contribution from palm product segment.

1.1 Palm Products

This segment reported lower revenues of RM157.0 million and RM337.8 million for the Q2 2019 and 6M 2019 respectively, compared to RM200.1 million and RM394.3 million for the corresponding periods in the preceding year mainly due to lower CPO price. Accordingly, segment profits for Q2 2019 and 6M 2019 were also lower at RM14.2 million and RM31.8 million respectively compared to RM38.7 million and RM67.0 million for the corresponding periods in the preceding year.

Average CPO prices for Q2 2019 and 6M 2019 were RM1,901 per MT and RM1,906 per MT respectively, compared to RM2,283 per MT and RM2,299 per MT for the corresponding periods in the preceding year. As for FFB production, the Group achieved 201,018 MT and 405,572 MT in Q2 2019 and 6M 2019 respectively compared to 220,483 MT and 401,723 MT in the corresponding periods prior year.

1.2 Others

This segment reported lower revenues of RM29.1 million and RM55.8 million for the Q2 2019 and 6M 2019 respectively, compared to RM32.8 million and RM64.8 million for the corresponding periods in the preceding year. The lower revenues were mainly due to lower contribution from the wood division as its production was impacted by a fire at its factory in February 2019.

However, operating profits for Q2 2019 and 6M 2019 of RM9.2 million and RM19.0 million respectively were higher compared to RM7.1 million and RM10.8 million in the corresponding periods in preceding year mainly due to higher profit contribution from cocoa division and bio-integration division.

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2. Material changes in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter

For Q2 2019, the Group registered revenue of RM186.1 million which was lower compared with the revenue for the immediate preceding quarter of RM207.6 million mainly due to lower CPO and PK revenue.

The Group registered marginally higher core profit before taxation of RM13.5 million for Q2 2019 against RM12.6 million for the preceding quarter mainly due to higher profit contribution from cocoa division and higher share of profit of joint ventures.

However, profit before tax for Q2 2019 of RM10.2 million was lower due to a net foreign exchange loss of RM3.3 million compared against a net foreign exchange gain of RM3.9 million in previous quarter.

3. Commentary on the prospects

The Group expects FFB crop production for the coming quarter to improve after the seasonally low crop in Q2. Crop for current year is forecasted to further improve vis a vis prior year due to better age profile and with more planted areas coming into maturity and harvesting.

The Board remains optimistic on the long term prospect of the palm oil industry due to the higher per capital income, many health qualities of palm oil and population growth, which will drive greater demand. Palm products segment which accounts for approximately 85% of the revenue for the Group will remain the core contributor to the Group profit. Management will continue its focus on the productivity and efficiency improvement to reduce unit cost of production.

4. Profit forecast or profit guarantee

The Group is not involved in any profit guarantee arrangement or providing any forecast profit.

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5. Profits Before Tax

The following (gain)/loss have been included in arriving at profit before tax:

	Quarter Ended 30.06.2019 <u>RM'000</u>	Year-To-Date Ended 30.06.2019 <u>RM'000</u>
Insurance claims	(2,562)	(26,247)
Interest income	(5,702)	(7,889)
Interest expense	13,495	26,986
Dividend income	-	(9)
Rental income	(250)	(554)
Depreciation and amortization	25,881	52,262
Fair value (gain)/ loss on derivatives		
- Forward currency contracts	(549)	78
- Commodity future contracts	(135)	(1,521)
Net foreign exchange (gain)/ loss		
- Realised	(136)	(157)
- Unrealised	4,022	(556)
Net impairment loss on trade and other receivables	7	59
Write back of impairment loss of inventories	(27)	(2,348)
Writeback impairment loss on property, plant and equipment	-	(148)
Net gain on disposal of property, plant and equipment	(516)	(870)
Property, plant and equipment written off	16	4,662
Inventories written off	485	16,068

6. Income Tax Expense

	Quarter Ended 30.06.2019 <u>RM'000</u>	Year-To-Date Ended 30.06.2019 <u>RM'000</u>
Current tax:		
Malaysian income tax	2,971	7,022
Foreign tax	4,234	6,812
Under/ (Over) provision in prior years		
Malaysian income tax	40	(2,415)
Foreign tax	-	(1)
Deferred tax:		
Relating to reversal of temporary differences	(3,120)	(3,708)
Under/ (Over) provision in prior years	497	(247)
	<u>4,622</u>	<u>7,463</u>

The effective tax rate of the Group for the current quarter ended 30 June 2019 before the adjustment of the taxation in respect of prior years, is higher than the statutory rate mainly due to deferred tax assets not recognised for certain subsidiaries coupled with non-deductability of certain expenses for taxation purpose.

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7. Corporate proposals

There was no corporate proposal announced and not completed at the date of this quarterly report.

8. Group Borrowings and Debt Securities

Comprised:

	As at 30.06.2019					
	Short term		Long term		Total	
	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000	Foreign denomination RM'000	RM denomination RM'000
Secured	23,974	-	-	-	23,974	-
Unsecured	283,856	389,179	106,231	670,170	390,087	1,059,349
Total	307,830	389,179	106,231	670,170	414,061	1,059,349

9. Derivatives

The forward foreign exchange contracts are entered into by the Group as hedges for committed sales and purchases denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on receipts and payments. The commodity future contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the CPO and cocoa commodities.

As at 30 June 2019, the values and maturity analysis of the outstanding derivatives are as follows:-

	Contract/notional amount RM'000	Assets RM'000	Maturity Profile
Group			
Non-hedging derivatives :			
Current			
Forward currency contracts	38,143	609	Less than 1 year
Commodity futures contracts	9,071	944	Less than 1 year
	47,214	1,553	

10. Changes in material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings which might materially affect the Group for the current financial year.

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11. Proposed Dividend

The Company did not declare any interim dividend for the current quarter ended 30 June, 2019.

12. Earnings per share

(a) Basic earnings per share

Basic earnings per share amounts is calculated by dividing profit for the period attributable to ordinary shareholders of TSH Resources Berhad by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	Quarter Ended		Year-To-Date Ended	
	<u>30.06.2019</u>	<u>30.06.2018</u>	<u>30.06.2019</u>	<u>30.06.2018</u>
Net profit for the quarter (RM'000)	6,049	4,107	19,593	21,934
Weighted average number of ordinary shares in issue ('000)	1,381,745	1,381,799	1,381,772	1,381,799
Basic earnings per ordinary share (sen)	0.44	0.30	1.42	1.59

(b) Diluted earnings per share

This is not applicable to the Group.

13. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 August 2019.