

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

	Quarter Ended			Year-To-Date Ended		
	30.09.2019 RM'000	30.09.2018 RM'000	Changes %	30.09.2019 RM'000	30.09.2018 RM'000	Changes %
Revenue	203,805	225,755	-10%	597,456	684,814	-13%
Cost of sales	<u>(139,619)</u>	<u>(142,204)</u>	-2%	<u>(415,733)</u>	<u>(448,845)</u>	-7%
Gross profit	64,186	83,551	-23%	181,723	235,969	-23%
Other operating income	17,172	726	2266%	64,397	15,886	305%
Other operating expenses	<u>(55,593)</u>	<u>(40,323)</u>	38%	<u>(177,863)</u>	<u>(141,705)</u>	26%
Operating profit	25,765	43,954	-41%	68,257	110,150	-38%
Finance costs	(13,213)	(11,596)	14%	(40,199)	(32,950)	22%
Share of profit/ (loss) of an associate	1,033	887	17%	(133)	1,691	-108%
Share of profit of joint ventures	<u>6,788</u>	<u>425</u>	1498%	<u>18,519</u>	<u>2,970</u>	524%
Core profit before taxation	20,373	33,670	-39%	46,444	81,861	-43%
Loss on foreign exchange	(5,331)	(9,571)	-44%	(4,696)	(12,006)	-61%
Profit before taxation	<u>15,042</u>	<u>24,099</u>	-38%	<u>41,748</u>	<u>69,855</u>	-40%
Taxation	<u>(7,273)</u>	<u>(11,063)</u>	-34%	<u>(14,736)</u>	<u>(29,744)</u>	-50%
Profit for the period	<u>7,769</u>	<u>13,036</u>	-40%	<u>27,012</u>	<u>40,111</u>	-33%
Other Comprehensive Income/ (Loss) <i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	<u>10,404</u>	<u>(27,005)</u>	139%	<u>41,490</u>	<u>(122,310)</u>	134%
Other Comprehensive income/ (loss) for the period, net of tax	<u>10,404</u>	<u>(27,005)</u>	139%	<u>41,490</u>	<u>(122,310)</u>	134%
Total comprehensive income/ (loss) for the period	<u>18,173</u>	<u>(13,969)</u>	230%	<u>68,502</u>	<u>(82,199)</u>	183%
Profit attributable to :						
Owners of the parent	6,033	8,118	-26%	25,626	30,052	-15%
Non-controlling interests	<u>1,736</u>	<u>4,918</u>	-65%	<u>1,386</u>	<u>10,059</u>	-86%
	<u>7,769</u>	<u>13,036</u>	-40%	<u>27,012</u>	<u>40,111</u>	-33%
Total comprehensive income/ (loss) attributable to :						
Owners of the parent	15,932	(20,606)	177%	64,134	(85,307)	175%
Non-controlling interests	<u>2,241</u>	<u>6,637</u>	-66%	<u>4,368</u>	<u>3,108</u>	41%
	<u>18,173</u>	<u>(13,969)</u>	230%	<u>68,502</u>	<u>(82,199)</u>	-183%
Earnings per share attributable to equity holders of the Company						
Basic (sen)	0.44	0.59	-26%	1.86	2.17	-15%
Diluted (sen)	0.44	0.59	-26%	1.86	2.17	-15%

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 September 2019

	As at 30.09.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,957,613	1,937,077
Biological assets	403,130	400,571
Land use rights	182,382	182,511
Right-of-use assets	1,452	-
Intangible assets	56,880	56,172
Investment in an associate	78,404	79,588
Investments in joint ventures	83,700	69,181
Deferred tax assets	19,018	14,606
Other receivables	86,979	79,081
Investment securities	50	50
	<u>2,869,608</u>	<u>2,818,837</u>
Current assets		
Biological assets	7,970	5,086
Inventories	182,851	200,008
Trade and other receivables	80,374	52,425
Other current assets	16,651	21,113
Tax recoverable	11,665	11,175
Derivative assets	1,118	799
Cash and bank balances	109,940	108,003
	<u>410,569</u>	<u>398,609</u>
TOTAL ASSETS	<u><u>3,280,177</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	(1,467)	(8)
Other reserves	(188,861)	(227,583)
Retained earnings	871,623	860,195
	<u>1,421,807</u>	<u>1,373,116</u>
Non-controlling interests	135,885	131,517
Total equity	<u><u>1,557,692</u></u>	<u><u>1,504,633</u></u>
Non-current liabilities		
Retirement benefits	19,054	16,084
Borrowings	751,668	792,637
Hire purchase payables	75	99
Deferred tax liabilities	134,881	138,202
Lease liabilities	540	-
	<u>906,218</u>	<u>947,022</u>
Current liabilities		
Borrowings	718,263	663,118
Hire purchase payables	31	30
Trade and other payables	95,326	99,088
Derivative liabilities	-	689
Current tax payable	1,585	2,866
Lease liabilities	1,062	-
	<u>816,267</u>	<u>765,791</u>
Total liabilities	<u><u>1,722,485</u></u>	<u><u>1,712,813</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,280,177</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 September 2019**

	← Attributable to owners of the parent →						→ Distributable			
	← Non-distributable			Share Of Associate Reserves RM'000	Foreign currency Translation Reserves RM'000	Retained Earnings RM'000	Equity attributable to owners of the parent Total RM'000	Non-controlling Interests RM'000	Equity Total RM'000	
	Share Capital RM'000	Treasury Shares RM'000	Asset Revaluation Reserves RM'000	Capital 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	-	-	-	-	-	-	(166)	(166)	-	(166)
As at 1 January 2019, as restated	740,512	(8)	-	9,630	99	(237,312)	860,029	1,372,950	131,517	1,504,467
Profit for the period	-	-	-	-	-	-	25,626	25,626	1,386	27,012
Other comprehensive income										
Foreign currency translation	-	-	-	-	-	38,722	(214)	38,508	2,982	41,490
Other comprehensive income for the period, net of tax	-	-	-	-	-	38,722	(214)	38,508	2,982	41,490
Total comprehensive income for the period	-	-	-	-	-	38,722	25,412	64,134	4,368	68,502
Purchase of treasury shares	-	(1,459)	-	-	-	-	-	(1,459)	-	(1,459)
Dividends paid	-	-	-	-	-	-	(13,818)	(13,818)	-	(13,818)
At 30 September 2019	<u>740,512</u>	<u>(1,467)</u>	<u>-</u>	<u>9,630</u>	<u>99</u>	<u>(198,590)</u>	<u>871,623</u>	<u>1,421,807</u>	<u>135,885</u>	<u>1,557,692</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	(101,741)	(6,069)	(107,810)
- as restated	740,512	(8)	-	9,630	215	(182,458)	807,242	1,375,131	124,304	1,499,435
Profit for the period	-	-	-	-	-	-	30,052	30,052	10,059	40,111
Other comprehensive losses										
Foreign currency translation	-	-	-	-	-	(115,359)	-	(115,359)	(6,951)	(122,310)
Other comprehensive loss for the period, net of tax	-	-	-	-	-	(115,359)	-	(115,359)	(6,951)	(122,310)
Total comprehensive loss for the period	-	-	-	-	-	(115,359)	30,052	(85,307)	3,108	(82,199)
Dividends paid	-	-	-	-	-	-	(27,636)	(27,636)	-	(27,636)
Dividends paid to non controlling interests	-	-	-	-	-	-	-	-	(980)	(980)
At 30 September 2018	<u>740,512</u>	<u>(8)</u>	<u>-</u>	<u>9,630</u>	<u>215</u>	<u>(297,819)</u>	<u>809,658</u>	<u>1,262,188</u>	<u>126,432</u>	<u>1,388,620</u>

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

	Year-To-Date Ended	
	30.09.2019 RM'000	30.09.2018 RM'000
Cash Flows from Operating Activities		
Profit before taxation	41,748	69,855
Adjustments for :-		
Depreciation and amortisation	74,544	63,201
Fair value (gain)/ loss of the commodity futures contract	(802)	1,308
Net unrealised foreign exchange loss	4,674	12,662
Gain on disposal of property, plant and equipment	(987)	(502)
Impairment loss/ (Write back of impairment) on trade and other receivables	2,109	(322)
(Write back of impairment)/ Impairment loss on property, plant and equipment	(148)	39
Property, plant and equipment written off	4,913	535
Writeback of impairment on inventories	(2,360)	-
Inventories written off	16,111	73
Impairment loss on inventories	6,387	-
(Write back of impairment)/ Impairment loss on investment securities	(4)	10
Net loss on redemption of short-term funds	-	101
Net gain from fair value adjustment of FFB	(3,246)	-
Share of profit of joint ventures	(18,519)	(2,970)
Share of loss/(profit) of an associate	133	(1,691)
Interest expense	40,199	32,950
Interest income	(9,058)	(6,753)
Dividend income	(9)	(159)
Operating profit before working capital changes	<u>155,685</u>	<u>168,337</u>
Changes in working capital		
Increase in inventories	(2,985)	(8,535)
Increase in receivables	(33,790)	(5,275)
Decrease in payables	(789)	(15,414)
Cash generated from operations	118,121	139,113
Income tax paid	<u>(23,829)</u>	<u>(38,874)</u>
Net cash generated from operating activities	<u>94,292</u>	<u>100,239</u>
Cash Flows from Investing Activities		
Placements of short-term funds	-	(1,594)
Withdrawals/ (Placements) of deposits with maturity of over 3 months	833	(1,765)
Placements of pledged deposits	-	(903)
Purchase of property, plant and equipment	(58,168)	(114,857)
Payment of land use rights	(9)	-
Payment of forest planting expenditure	(3,444)	(4,989)
Proceeds from disposal of property, plant and equipment	1,177	743
Interest received	9,058	6,753
Dividends received	9	159
Dividends received from an associate & joint ventures	5,051	8,152
Net cash used in investing activities	<u>(45,493)</u>	<u>(108,301)</u>
Cash Flows from Financing Activities		
Purchase of treasury shares	(1,459)	-
Net drawdowns/ (repayments) of term loans/medium term notes	14,175	(32,002)
Net (repayments)/ drawdowns in other borrowings	(7,157)	60,108
Net repayments of hire purchase payables	(23)	(21)
Net repayments of lease liabilities	(939)	-
Interest paid	(40,199)	(32,950)
Dividends paid to non-controlling interests	-	(980)
Dividends paid	<u>(13,818)</u>	<u>(27,636)</u>
Net cash used in financing activities	<u>(49,420)</u>	<u>(33,481)</u>
Net decrease in cash and cash equivalents	(621)	(41,543)
Cash and cash equivalents at beginning of period	99,843	127,904
Effect of exchange rate changes	1,729	(3,864)
Cash and cash equivalents at end of period	<u><u>100,951</u></u>	<u><u>82,497</u></u>

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EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	(166)	860,029
<u>Non-current liabilities</u>			
Lease liabilities	-	1,383	1,383
Deferred tax liabilities	138,202	(62)	138,140
<u>Current liabilities</u>			
Lease liabilities	-	882	882

The Group has also adopted the following amendments to MFRS 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 have been fully written off. The aforesaid damage and insurance claims are disclosed in note 5, Part B. Apart from the above, there were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the nine months ended 30 September 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 September 2019 is as follows:

	No. of shares '000	Amount (RM'000)
Balance as at 1 January 2019	4	8
Add : Purchase of treasury shares	1,625	1,459
Balance as at 30 September 2019	1,629	1,467

7. Dividends paid

There were no dividends paid during the quarter ended 30 September 2019.

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8. Segmental information

i) Business segments

Year-To-Date ended 30 September 2019

	Palm Product RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
External Revenue	511,676	85,780	-	597,456
Inter-Segment	24,132	-	(24,132)	-
TOTAL REVENUE	535,808	85,780	(24,132)	597,456
SEGMENT RESULTS	57,297	25,519		82,816
Unallocated corporate expenses				(14,559)
Loss on foreign exchange				(4,696)
Finance costs				(40,199)
Share of loss of an associate				(133)
Share of profit of joint ventures				18,519
Profit before taxation				41,748
Income taxes				(14,736)
Cumulative profit up to 30 September 2019				27,012
OTHER INFORMATION				
SEGMENTS ASSETS	2,260,529	767,765		3,028,294
Investments in joint ventures				83,700
Investment in an associate				78,404
Unallocated assets				89,779
Consolidated total assets				3,280,177
SEGMENT LIABILITIES	24,628	80,637		105,265
Borrowings				1,469,931
Deferred tax liabilities				134,881
Unallocated liabilities				12,408
Consolidated total liabilities				1,722,485

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8. Segmental information (continued)

ii) Geographical segments

	Total revenue from external customers RM'000	Segment Assets RM'000
Malaysia	268,971	1,449,368
Indonesia	270,720	1,823,073
Europe	3,865	4,768
United States of America	45,759	2,130
Others	8,141	838
Total	597,456	3,280,177

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 nine months ended 30 September 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 September 2019.

11. Commitments

Capital commitments

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

	As at 30.09.2019 RM'000	As at 31.12.2018 RM'000
Approved and contracted for	5,157	10,811
Approved but not contracted for	30,254	25,678
	<u>35,411</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 September 2019 RM'000
Sales of crude palm oil	203,859
Sales of palm kernel	26,757

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 revenue for the quarter ended 30 September 2019 ("Q3 2019") and the nine months ended 30 September 2019 ("9M 2019") were RM203.8 million and RM597.5 million respectively, compared to RM225.8 million and RM684.8 million for the corresponding periods last year. The lower revenue were mainly attributable to lower average Crude Palm Oil ("CPO") and Palm Kernel ("PK") selling prices.

In line with the decline in revenue, the Group registered lower core profit and profit before tax for Q3 2019 and 9M 2019 compared with the corresponding periods in 2018. The Group's core profit for Q3 2019 and 9M 2019 declined to RM20.4 million and RM46.4 million respectively from RM33.7 million and RM81.9 million in the corresponding periods last year.

Profit before taxation for Q3 2019 and 9M 2019 reduced to RM15.0 million and RM41.7 million respectively from RM24.1 million and RM69.9 million in the corresponding comparative periods.

1.1 Palm Products

This segment reported lower revenue of RM173.9 million and RM511.7 million for the Q3 2019 and 9M 2019 respectively, compared with RM191.7 million and RM585.9 million for the corresponding periods last year mainly due to lower CPO price. Accordingly, the segment profit for Q3 2019 and 9M 2019 were also lower at RM25.3 million and RM57.3 million respectively compared to RM39.6 million and RM106.5 million for the corresponding periods in 2018.

Average CPO prices for Q3 2019 and 9M 2019 were RM1,905 per MT and RM1,906 per MT respectively, compared with RM2,037 per MT and RM2,205 per MT for the corresponding periods last year. As for FFB production, the Group achieved 247,576 MT and 653,148 MT in Q3 2019 and 9M 2019 respectively compared with 250,204 MT and 651,927 MT in the corresponding periods last year.

1.2 Others

This segment reported lower revenue of RM29.9 million and RM85.8 million for the Q3 2019 and 9M 2019 respectively, compared with RM34.1 million and RM98.9 million for the corresponding periods last year. The lower revenue was mainly due to lower contribution from the wood division as its production was impacted by a fire at its factory in February 2019.

The operating profit for Q3 2019 of RM6.5 million was lower compared with RM10.4 million in the corresponding period last year mainly due to lower profit contribution from cocoa division and bio-integration division. However, operating profit for 9M 2019 increased to RM25.5 million from RM20.8 million registered in 9M 2018 due to higher profit contribution from 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 Q3 2019, the Group registered revenue of RM203.8 million which was higher compared with the revenue for the immediate preceding quarter of RM186.1 million mainly due to higher CPO and PK revenue.

The Group registered higher core profit and profit before tax of RM20.4 million and RM15 million respectively, compared with RM13.5 million and RM10.2 million for the preceding quarter mainly due to higher profit contribution from palm division.

3. Commentary on the prospects

The market has seen a recent surge in the CPO prices. If the price recovery is sustained, and barring any unforeseen circumstances, the Board anticipates the performance for the coming quarter to be satisfactory.

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 30.09.2019 <u>RM'000</u>	Year-To-Date Ended 30.09.2019 <u>RM'000</u>
Insurance claims	(15,339)	(41,586)
Interest income	(1,169)	(9,058)
Interest expense	13,213	40,199
Dividend income	-	(9)
Rental income	(292)	(846)
Depreciation and amortization	22,278	74,544
Fair value (gain)/ loss on derivatives		
- Forward currency contracts	(279)	(201)
- Commodity futures contracts	719	(802)
Net foreign exchange (gain)/ loss		
- Realised	(56)	22
- Unrealised	5,431	4,875
Gain on disposal of property, plant and equipment	(117)	(987)
Impairment loss on trade and other receivables	2,050	2,109
Writeback of impairment on property, plant and equipment	-	(148)
Property, plant and equipment written off	251	4,913
Writeback of impairment on inventories	(12)	(2,360)
Inventories written off	42	16,111
Impairment loss on inventories	6,387	6,387

6. Income Tax Expense

	Quarter Ended 30.09.2019 <u>RM'000</u>	Year-To-Date Ended 30.09.2019 <u>RM'000</u>
Current tax:		
Malaysian income tax	3,214	10,236
Foreign tax	5,376	12,188
Under/ (Over) provision in prior years		
Malaysian income tax	1,945	(470)
Foreign tax	86	85
Deferred tax:		
Relating to reversal of temporary differences	(3,347)	(7,055)
Over provision in prior years	(1)	(248)
	<u>7,273</u>	<u>14,736</u>

The effective tax rate of the Group for the current quarter ended 30 September 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-deductibility 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 30.09.2019					
	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	24,302	-	95,742	-	120,044	-
Unsecured	298,337	395,624	79,330	576,596	377,667	972,220
Total	322,639	395,624	175,072	576,596	497,711	972,220

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 futures 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 September 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	36,838	888	Less than 1 year
Commodity futures contracts	6,268	230	Less than 1 year
	43,106	1,118	

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 September, 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>30.09.2019</u>	<u>30.09.2018</u>	<u>30.09.2019</u>	<u>30.09.2018</u>
Net profit for the quarter (RM'000)	6,033	8,118	25,626	30,052
Weighted average number of ordinary shares in issue ('000)	1,380,706	1,381,799	1,381,413	1,381,799
Basic earnings per ordinary share (sen)	0.44	0.59	1.86	2.17

(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 25 November 2019.