

**Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-To-Date Ended 30 June 2020**

	Quarter Ended			Year-To-Date Ended		
	30.06.2020	30.06.2019	Changes	30.06.2020	30.06.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	210,566	186,058	13%	467,954	393,651	19%
Cost of sales	(141,891)	(127,908)	11%	(307,391)	(276,114)	11%
Gross profit	68,675	58,150	18%	160,563	117,537	37%
Other operating income	21,725	12,259	77%	36,172	47,227	-23%
Other operating expenses	(66,975)	(50,665)	32%	(115,641)	(122,271)	-5%
Operating profit	23,425	19,744	19%	81,094	42,493	91%
Finance costs	(12,390)	(13,495)	-8%	(26,372)	(26,986)	-2%
Share of profit/ (loss) of an associate, net of tax	2,198	(442)	nm	3,900	(1,167)	nm
Share of profit of joint ventures, net of tax	8,101	7,701	5%	10,336	11,731	-12%
Core profit before taxation	21,334	13,508	58%	68,958	26,071	164%
Gain/ (Loss) on foreign exchange	6,720	(3,338)	nm	(19,511)	635	nm
Profit before taxation	28,054	10,170	176%	49,447	26,706	85%
Taxation	(6,760)	(4,622)	46%	(20,201)	(7,463)	171%
Profit for the period	21,294	5,548	284%	29,246	19,243	52%
Other comprehensive income						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	218,438	38,440	468%	31,300	31,086	1%
Other comprehensive income for the period, net of tax	218,438	38,440	468%	31,300	31,086	1%
Total comprehensive income for the period	239,732	43,988	445%	60,546	50,329	20%
Profit attributable to :						
Owners of the Company	19,818	6,049	228%	22,072	19,593	13%
Non-controlling interests	1,476	(501)	nm	7,174	(350)	nm
	<u>21,294</u>	<u>5,548</u>	<u>284%</u>	<u>29,246</u>	<u>19,243</u>	<u>52%</u>
Total comprehensive income attributable to :						
Owners of the Company	229,074	42,655	437%	55,204	48,202	15%
Non-controlling interests	10,658	1,333	700%	5,342	2,127	151%
	<u>239,732</u>	<u>43,988</u>	<u>445%</u>	<u>60,546</u>	<u>50,329</u>	<u>20%</u>
Earnings per share attributable to owners of the Company						
Basic (sen)	1.44	0.44	228%	1.60	1.42	13%
Diluted (sen)	N/A	N/A		N/A	N/A	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019

*nm = not meaningful
N/A= not applicable

Condensed Consolidated Statement of Financial Position
As at 30 June 2020

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,753,648	1,755,382
Biological assets	404,032	402,716
Right-of-use assets	433,940	433,736
Intangible assets	57,423	56,880
Investment in an associate	84,392	80,492
Investments in joint ventures	88,748	78,412
Deferred tax assets	13,683	13,838
Other receivables	63,590	59,914
Investment securities	50	50
	<u>2,899,506</u>	<u>2,881,420</u>
Current assets		
Biological assets	6,127	9,304
Inventories	141,282	172,366
Trade and other receivables	66,661	56,810
Other current assets	4,784	5,870
Tax recoverable	11,338	13,338
Investment securities	6	6
Derivative assets	1,430	166
Short term funds	12,000	-
Cash and bank balances	144,469	125,854
	<u>388,097</u>	<u>383,714</u>
TOTAL ASSETS	<u><u>3,287,603</u></u>	<u><u>3,265,134</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	740,512	740,512
Treasury shares	(1,467)	(1,467)
Other reserves	(156,963)	(190,095)
Retained earnings	912,104	890,032
	<u>1,494,186</u>	<u>1,438,982</u>
Non-controlling interests	141,080	135,738
Total equity	<u>1,635,266</u>	<u>1,574,720</u>
Non-current liabilities		
Borrowings	844,134	896,149
Retirement benefits	20,741	18,140
Lease liabilities	3,853	2,038
Deferred tax liabilities	129,956	131,669
	<u>998,684</u>	<u>1,047,996</u>
Current liabilities		
Borrowings	558,659	535,648
Trade and other payables	87,078	99,297
Derivative liabilities	-	5,295
Lease liabilities	1,222	892
Current tax payable	6,694	1,286
	<u>653,653</u>	<u>642,418</u>
Total liabilities	<u>1,652,337</u>	<u>1,690,414</u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,287,603</u></u>	<u><u>3,265,134</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 2019

**Condensed Consolidated Statement of Changes In Equity
For The Year- To-Date Ended 30 June 2020**

	Attributable to owners of the Company							Non-controlling Interests RM'000	Equity Total RM'000
	Non-distributable			Distributable					
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserves RM'000	Share Of Associate Reserves RM'000	Foreign Currency Translation Reserves RM'000	Retained Earnings RM'000	Equity attributable to owners of the Company Total RM'000		
Balance as at 1 January 2020	740,512	(1,467)	9,630	100	(199,825)	890,032	1,438,982	135,738	1,574,720
Profit for the period	-	-	-	-	-	22,072	22,072	7,174	29,246
Other comprehensive income									
Foreign currency translation	-	-	-	-	33,132	-	33,132	(1,832)	31,300
Other comprehensive income for the period, net of tax	-	-	-	-	33,132	-	33,132	(1,832)	31,300
Total comprehensive income for the period	-	-	-	-	33,132	22,072	55,204	5,342	60,546
Balance as at 30 June 2020	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(166,693)</u>	<u>912,104</u>	<u>1,494,186</u>	<u>141,080</u>	<u>1,635,266</u>
Balance as at 1 January 2019	740,512	(8)	9,630	99	(237,312)	860,195	1,373,116	131,517	1,504,633
- prior year adjustment	-	-	-	-	-	(228)	(228)	-	(228)
- 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)
Balance as at 30 June 2019	<u>740,512</u>	<u>(374)</u>	<u>9,630</u>	<u>99</u>	<u>(208,489)</u>	<u>865,528</u>	<u>1,407,272</u>	<u>133,644</u>	<u>1,540,550</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2019

Condensed Consolidated Statement of Cash Flows
For The Year- To-Date Ended 30 June 2020

	Year-To-Date Ended	
	30.06.2020 RM'000	30.06.2019 RM'000
Cash Flows from Operating Activities		
Profit before taxation	49,447	26,706
Adjustments for :-		
Depreciation and amortisation	51,968	52,262
Fair value gain of the commodity futures contract	(3,872)	(1,521)
Net unrealised foreign exchange loss/(gain)	16,824	(478)
Gain on disposal of property, plant and equipment	(207)	(870)
(Write back of impairment)/ Impairment loss on trade and other receivables	(274)	59
Write back of impairment loss on property, plant and equipment	-	(148)
Property, plant and equipment written off	2,028	4,662
Inventories written down/ (write back)	1,539	(2,348)
Inventories written off	10,718	16,068
Writeback of impairment loss on investment securities	-	(4)
Loss/ (Gain) from changes fair value adjustment of biological assets	3,231	(2,820)
Share of profit of joint ventures	(10,336)	(11,731)
Share of (profit)/ loss of an associate	(3,900)	1,167
Interest expense	26,372	26,986
Interest income	(7,335)	(7,889)
Dividend income	-	(9)
	<u>136,203</u>	<u>100,092</u>
Operating profit before working capital changes		
Changes in working capital		
Decrease/ (increase) in inventories	17,286	(6,424)
Increase in receivables	(10,257)	(27,899)
Decrease in payables	(10,575)	(6,261)
	<u>132,657</u>	<u>59,508</u>
Cash generated from operations		
Income tax paid	(11,404)	(18,925)
	<u>121,253</u>	<u>40,583</u>
Net cash generated from operating activities		
Cash Flows from Investing Activities		
Addition of right of use assets	(1,102)	(9)
Placement of short term investment	(12,000)	-
Withdrawals of deposits with maturity of over 3 months	-	870
Placement of pledged deposits	(83)	-
Purchase of property, plant and equipment	(21,948)	(39,909)
Forest planting expenditure	(1,857)	(2,086)
Proceeds from disposal of property, plant and equipment	248	997
Interest received	7,335	7,889
Dividends received	-	9
	<u>(29,407)</u>	<u>(32,239)</u>
Net cash used in investing activities		
Cash Flows from Financing Activities		
Purchase of treasury shares	-	(366)
Net (repayments)/ drawdowns of term loans/medium term notes	(48,704)	17,655
Net drawdowns/ (repayments) in other borrowings	1,420	(2,149)
Payments of lease liabilities and interest	(526)	(623)
Interest paid	(26,263)	(26,986)
Dividends paid	-	(13,818)
	<u>(74,073)</u>	<u>(26,287)</u>
Net cash used in financing activities		
Net increase/ (decrease) in cash and cash equivalents	17,773	(17,943)
Cash and cash equivalents at beginning of period	116,956	99,843
Effect of exchange rate changes	1,709	1,225
Cash and cash equivalents at end of period	<u><u>136,438</u></u>	<u><u>83,125</u></u>

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EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2020

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 2019.

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 2019.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2019 except for the adoption of the following Amendments to MFRSs during the current financial period.

Title	Effective Date
Amendments to References to the Conceptual Framework in <i>MFRS Standards</i>	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020

The adoption of the above standards did not give rise to significant effects on the financial statements of the Group.

As at the date of authorisation of these interim financial statements, the new and revised MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are :

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2022
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets Between an investor and its Associate or Joint Venture</i>	Deferred

The Group will apply the above MFRSs, Amendments to MFRSs that are applicable when they become effective.

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2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2019 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 01 Jun 2020. As a result, the property, plant and equipment and inventories damaged during the fire amounted to RM12.4 million were fully written off. The assets damaged and consequential loss were 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 current quarter ended 30 June 2020.

5. Changes in estimates

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

6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and year-to-date ended 30 June 2020.

7. Dividends paid

There were no dividends paid during the quarter ended 30 June 2020.

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8. Segmental information

i) Business segments

Business Segment For Quarter Ended

	Palm Product		Others		Eliminations		Consolidated	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
External Revenue	181,977	156,962	28,589	29,096	-	-	210,566	186,058
Inter-Segment	5,453	(4,563)	-	(4,206)	(5,453)	8,769	-	-
TOTAL REVENUE	187,430	152,399	28,589	24,890	(5,453)	8,769	210,566	186,058
SEGMENT RESULTS	19,402	14,249	7,548	9,236			26,950	23,485
Unallocated corporate expenses							(3,525)	(3,741)
Loss on foreign exchange							6,720	(3,338)
Finance costs							(12,390)	(13,495)
Share of profit of an associate, net of tax							2,198	(442)
Share of profit of joint ventures, net of tax							8,101	7,701
Profit before taxation							28,054	10,170
Taxation							(6,760)	(4,622)
Profit for the period							21,294	5,548

Business Segment For Year-To-Date Ended

	Palm Product		Others		Eliminations		Consolidated	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
External Revenue	403,817	337,810	64,137	55,841	-	-	467,954	393,651
Inter-Segment	10,896	11,708	-	-	(10,896)	(11,708)	-	-
TOTAL REVENUE	414,713	349,518	64,137	55,841	(10,896)	(11,708)	467,954	393,651
SEGMENT RESULTS	75,213	31,765	14,344	19,031			89,557	50,796
Unallocated corporate expenses							(8,463)	(8,303)
Loss on foreign exchange							(19,511)	635
Finance costs							(26,372)	(26,986)
Share of profit of an associate, net of tax							3,900	(1,167)
Share of profit of joint ventures, net of tax							10,336	11,731
Profit before taxation							49,447	26,706
Taxation							(20,201)	(7,463)
Profit for the period							29,246	19,243

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8. Segmental information (continued)

i) Business segments (cont'd)

Business Segment For Year-To-Date Ended

	Palm Product		Others		Eliminations		Consolidated	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
OTHER INFORMATION								
SEGMENTS ASSETS	2,252,015	2,212,038	732,508	772,839			2,984,523	2,984,877
Investments in joint ventures							88,748	80,912
Investment in an associate							84,392	78,421
Deferred tax assets							13,683	19,142
Tax recoverable							11,338	18,691
Unallocated assets							104,919	82,591
Total assets							3,287,603	3,264,634
SEGMENT LIABILITIES	70,790	20,444	33,659	79,097			104,449	99,541
Borrowings							1,402,793	1,473,410
Lease Liabilities							5,075	1,741
Deferred tax liabilities							129,956	137,393
Unallocated liabilities							10,064	11,999
Total liabilities							1,652,337	1,724,084

ii) Geographical segments

	Quarter Ended Q2 2020		Year-To-Date Ended			
	Total revenue from external customers		Total revenue from external customers		Segment Assets	
	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000	30.06.2020 RM'000	30.06.2019 RM'000
Malaysia	113,196	90,607	179,994	189,286	1,477,927	1,451,335
Indonesia	102,959	76,381	242,424	168,441	1,808,775	1,805,180
Europe	107	1,120	1,197	1,493	180	4,917
United States of America	(9,627)	14,784	35,835	29,953	70	2,079
Others	3,931	3,166	8,504	4,478	651	1,123
Total	210,566	186,058	467,954	393,651	3,287,603	3,264,634

9. Changes in composition of the Group

There were no significant changes in the composition of the Group for the quarter including business combination, acquisition or disposal of subsidiaries and long-term investments, and restructuring.

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10. Discontinued operation

There was no discontinued operation during the quarter ended 30 June 2020.

11. Capital commitments

The amount of commitments for capital expenditure as at 30 June 2020 is as follows:

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Approved and contracted for	19,378	8,905
Approved but not contracted for	36,405	42,484
	55,783	51,389

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 as at 30 June 2020.

13. Material related party transactions

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

	Year-To-Date ended 30 June 2020 RM'000
Sales of crude palm oil	133,942
Sales of palm kernel	20,050

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 June 2020 ("Q2 2020") and the six months ended 30 June 2020 ("6M 2020") were RM210.6 million and RM468.0 million respectively, compared to RM186.1 million and RM393.7 million for the corresponding periods last year. The higher revenues were mainly attributable to higher average Crude Palm Oil ("CPO") and Palm Kernel ("PK") selling prices and higher FFB production.

The Group's core profits before taxation for Q2 2020 and 6M 2020 increased to RM21.3 million and RM69.0 million respectively from RM13.5 million and RM26.1 million in the preceding year corresponding periods mainly due to higher average CPO and PK prices in the palm products segment.

Profit before taxation for Q2 2020 and 6M 2020 also increased to RM28.1 million and RM49.4 million respectively from RM10.2 million and RM26.7 million in the preceding year corresponding periods mainly due to the higher contribution from palm product segment.

1.1 Palm Products

This segment reported higher revenue of RM182.0 million and RM403.8 million for the Q2 2020 and 6M 2020 respectively, compared to RM157.0 million and RM337.8 million for the corresponding periods in the preceding year mainly due to higher CPO and PK price. Accordingly, segment profits for Q2 2020 and 6M 2020 were also higher at RM19.4 million and RM75.2 million respectively compared to RM14.2 million and RM31.8 million for the corresponding periods in the preceding year.

Average CPO prices for Q2 2020 and 6M 2020 were RM2,099 per MT and RM2,350 per MT respectively, compared to RM1,901 per MT and RM1,906 per MT for the corresponding periods in the preceding year. As for FFB production, the Group achieved 219,082 MT and 426,809 MT in Q2 2019 and 6M 2019 respectively compared to 201,018 MT and 405,572 MT in the corresponding periods prior year.

1.2 Others

This segment reported slightly lower revenues of RM28.6 million for the Q2 2020 compared to RM29.1 million for the corresponding periods in the preceding year. The lower revenues was mainly due to lower contribution from the bio-integration division. However, the revenue 6M 2020 of RM64.1 million was higher compared to RM55.8 million in the corresponding periods in preceding year mainly due to higher revenue from cocoa division and wood division.

The operating profits for Q2 2020 and 6M 2020 of RM7.5 million and RM14.3 million respectively were lower compared to RM9.2 million and RM19.0 million in the corresponding periods in preceding year mainly due to lower profit contribution from bio-integration division as its production was impacted by lower supplies of raw material.

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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 2020, the Group registered revenue of RM210.6 million which was lower compared with the revenue for the immediate preceding quarter of RM257.4 million mainly due to lower CPO and PK prices.

The Group registered lower core profit before taxation of RM21.3 million for Q2 2020 against RM47.6 million for the preceding quarter mainly due to lower profit contribution from palm division.

Profit before taxation for Q2 2020 of RM28.1 million was higher compared to RM21.4 million in Q1 2020 due to gain on foreign exchange for Q2 2020 against foreign exchange loss of RM26.2 million in Q1 2020.

3. Commentary on the prospects

Palm oil prices have seen some recovery from the year-to-date low in May 2020 of approximately RM2,000 per MT to current levels of around RM2,800 per MT. This is primarily attributable to the increase in demand due to stock replenishment, lower palm stockpile in both Malaysia and Indonesia as well increase in soybean oil price. However, globally the COVID-19 pandemic is still evolving and remains uncertain in the short-term. As such, we are cautious in our outlook for 2020.

However, the Board remains optimistic on the long term prospect of the palm oil industry. Global population and per capita income growth as well as the many health qualities of palm oil are expected to drive greater demand for palm products. This augurs well for the Group as palm products segment which accounts for approximately 86% of the revenue for the Group will remain the core contributor to the Group profit.

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. Profit Before Tax

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

	Quarter Ended 30.06.2020 <u>RM'000</u>	Year-To-Date Ended 30.06.2020 <u>RM'000</u>
Insurance claim	(13,072)	(13,207)
Interest income	(5,861)	(7,335)
Interest expense	12,390	26,372
Rental Income	(321)	(649)
Depreciation and amortization	27,547	51,968
Fair value gain on derivatives		
- Forward currency contracts	(402)	(1,147)
- Commodity futures contracts	(210)	(3,872)
Inventories written down	1,529	1,539
Inventories written off	10,718	10,718
Net foreign exchange loss/ (Gain)		
- Realised	2,334	2,688
- Unrealised	(8,652)	17,970
Property, plant and equipment written off	1,939	2,028

6. Taxation

	Quarter Ended 30.06.2020 <u>RM'000</u>	Year-To-Date Ended 30.06.2020 <u>RM'000</u>
Current tax:		
Malaysian income tax	3,483	6,581
Foreign tax	3,645	15,054
Deferred tax:		
Relating to origination/ (reversal) of temporary differences	(327)	(1,393)
Overprovided in prior year	(41)	(41)
	<u>6,760</u>	<u>20,201</u>

The effective tax rate of the Group for the current quarter ended 30 June 2020 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.

7. Corporate proposals

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

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8. Group Borrowings and Debt Securities

Comprised:

	As at 30.06.2020					
	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	48,392	19,280	248,385	18,582	296,777	37,862
Unsecured	146,793	344,194	26,230	550,937	173,023	895,131
Total	195,185	363,474	274,615	569,519	469,800	932,993

9. Derivatives

The forward currency 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 June 2020, the values and maturity analysis of the outstanding derivatives were as follows:-

	Contract/notional amount RM'000	Assets RM'000	Maturity Profile
Group			
Non-hedging derivatives :			
Current			
Forward currency contracts	21,529	555	Less than 1 year
Commodity futures contracts	47,836	875	Less than 1 year
	69,365	1,430	

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.

11. Proposed Dividend

The Company did not declare any interim dividend for the current quarter ended 30 June, 2020.

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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>30.06.2020</u>	<u>30.06.2019</u>	<u>30.06.2020</u>	<u>30.06.2019</u>
Net profit (RM'000)	19,818	6,049	22,072	19,593
Weighted average number of ordinary shares in issue ('000)	1,380,174	1,381,745	1,380,174	1,381,772
Basic earnings per ordinary share (sen)	1.44	0.44	1.60	1.42

(b) Diluted earnings per share

This is not applicable as there are no dilutive securities currently issued by the Company.

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 19 August 2020.