

**Condensed Consolidated Statement of Comprehensive Income  
For The Quarter Ended 31 March 2021**

	31.03.2021 RM'000	Quarter Ended 31.03.2020 RM'000	Changes %	Year-To-Date Ended 31.03.2021 RM'000	31.03.2020 RM'000	Changes %
<b>CONTINUING OPERATIONS</b>						
Revenue	198,717	209,144	-5%	198,717	209,144	-5%
Cost of sales	(129,933)	(139,464)	-7%	(129,933)	(139,464)	-7%
<b>Gross profit</b>	68,784	69,680	-1%	68,784	69,680	-1%
Other operating income	9,954	9,823	1%	9,954	9,823	1%
Other operating expenses	(39,313)	(38,822)	1%	(39,313)	(38,822)	1%
<b>Operating profit</b>	39,425	40,681	-3%	39,425	40,681	-3%
Finance costs	(9,824)	(12,135)	-19%	(9,824)	(12,135)	-19%
Share of profit of an associate, net of tax	1,883	1,701	11%	1,883	1,701	11%
Share of profit of joint ventures, net of tax	1,428	2,236	-36%	1,428	2,236	-36%
<b>Core profit before taxation</b>	32,912	32,483	1%	32,912	32,483	1%
Loss on foreign exchange	(11,889)	(26,283)	-55%	(11,889)	(26,283)	-55%
<b>Profit before taxation</b>	21,023	6,200	239%	21,023	6,200	239%
Taxation	(8,542)	(10,103)	-15%	(8,542)	(10,103)	-15%
<b>Profit/ (Loss) for the period from continuing operations</b>	12,481	(3,903)	nm	12,481	(3,903)	nm
<b>DISCONTINUED OPERATIONS</b>						
Profit for the period from discontinued operations	13,967	11,855	18%	13,967	11,855	18%
<b>Profit for the period</b>	26,448	7,952	233%	26,448	7,952	233%
<b>Other comprehensive loss</b>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	(8,313)	(187,138)	-96%	(8,313)	(187,138)	-96%
<b>Other comprehensive income/ (loss) for the period, net of tax</b>	(8,313)	(187,138)	-96%	(8,313)	(187,138)	-96%
<b>Total comprehensive income/ (loss) for the period</b>	18,135	(179,186)	nm	18,135	(179,186)	nm
<b>Profit attributable to :</b>						
Owners of the Company	20,783	2,254	822%	20,783	2,254	822%
Non-controlling interests	5,665	5,698	-1%	5,665	5,698	-1%
	26,448	7,952	233%	26,448	7,952	233%
<b>Total comprehensive income/ (loss) attributable to :</b>						
Owners of the Company	15,565	(173,869)	nm	15,565	(173,869)	nm
Non-controlling interests	2,570	(5,317)	nm	2,570	(5,317)	nm
	18,135	(179,186)	nm	18,135	(179,186)	nm
<b>Earnings per share attributable to owners of the Company</b>						
Basic (sen)						
- From continuing operations	0.58	(0.62)		0.58	(0.62)	
- From discontinued operations	0.93	0.78		0.93	0.78	
Total	1.51	0.16		1.51	0.16	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020

\*nm = not meaningful

Note

Revenue and profitability for the Q1.2021 would have been higher if not for the revision of Indonesia Export and duty on CPO .

The impact is tabulated below:-

	31.03.2021 RM'000	31.03.2020 RM'000	Variance RM'000
Continuing Operation	31,870	6,246	25,624
Discontinued Operation	20,751	4,039	16,712
Total	52,621	10,285	42,336

**Condensed Consolidated Statement of Financial Position**  
**As at 31 March 2021**

	<b>As at 31.03.2021 RM'000</b>	<b>As at 31.12.2020 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,284,771	1,300,073
Biological assets	408,452	407,746
Right-of-use assets	388,375	391,482
Intangible assets	49,028	49,113
Investment in an associate	81,778	84,097
Investments in joint ventures	74,999	73,571
Deferred tax assets	1,287	2,138
Other receivables	44,451	40,438
Investment securities	50	50
	<u>2,333,191</u>	<u>2,348,708</u>
<b>Current assets</b>		
Biological assets	11,569	9,251
Inventories	123,502	113,628
Trade and other receivables	66,645	60,433
Other current assets	3,018	6,050
Tax recoverable	4,428	5,018
Investment securities	10	5
Derivative assets	294	208
Short term funds	3,244	15,302
Cash and bank balances	119,474	147,832
	<u>332,184</u>	<u>357,727</u>
Assets of disposal group held for sale	463,139	465,342
	<u>795,324</u>	<u>823,069</u>
<b>TOTAL ASSETS</b>	<u><u>3,128,514</u></u>	<u><u>3,171,777</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	740,512	740,512
Treasury shares	(1,467)	(1,467)
Other reserves	(243,075)	(237,857)
Retained earnings	973,027	952,244
	<u>1,468,997</u>	<u>1,453,432</u>
<b>Non-controlling interests</b>	146,921	144,351
<b>TOTAL EQUITY</b>	<u>1,615,918</u>	<u>1,597,783</u>
<b>Non-current liabilities</b>		
Loans and Borrowings	587,125	618,984
Retirement benefits	17,424	16,427
Lease liabilities	2,762	4,079
Deferred tax liabilities	128,484	129,149
	<u>735,795</u>	<u>768,639</u>
<b>Current liabilities</b>		
Loans and Borrowings	645,385	690,211
Trade and other payables	93,336	77,734
Derivative liabilities	564	3,361
Lease liabilities	1,943	841
Current tax payable	10,041	8,812
	<u>751,269</u>	<u>780,959</u>
Liabilities of disposal group held for sale	25,532	24,396
	<u>776,801</u>	<u>805,355</u>
<b>TOTAL LIABILITIES</b>	<u>1,512,596</u>	<u>1,573,994</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,128,514</u></u>	<u><u>3,171,777</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 2020**

**Condensed Consolidated Statement of Changes In Equity  
For The Quarter Ended 31 March 2021**

	← Attributable to owners of the Company →								
	← 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	Non-controlling Interests RM'000	Equity Total RM'000
<b>Balance as at 1 January 2021</b>	740,512	(1,467)	9,630	100	(247,587)	952,244	1,453,432	144,351	1,597,783
<b>Profit for the period</b>	-	-	-	-	-	20,783	20,783	5,665	26,448
<b>Other comprehensive loss</b>									
Foreign currency translations	-	-	-	-	(5,218)	-	(5,218)	(3,095)	(8,313)
<b>Other comprehensive loss for the period, net of tax</b>	-	-	-	-	(5,218)	-	(5,218)	(3,095)	(8,313)
<b>Total comprehensive (loss)/ income for the period</b>	-	-	-	-	(5,218)	20,783	15,565	2,570	18,135
<b>Balance as at 31 March 2021</b>	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(252,805)</u>	<u>973,027</u>	<u>1,468,997</u>	<u>146,921</u>	<u>1,615,918</u>
<b>Balance as at 1 January 2020</b>	740,512	(1,467)	9,630	100	(199,825)	890,032	1,438,982	135,738	1,574,720
<b>Profit for the period</b>	-	-	-	-	-	2,254	2,254	5,698	7,952
<b>Other comprehensive loss</b>									
Foreign currency translations	-	-	-	-	(176,123)	-	(176,123)	(11,015)	(187,138)
<b>Other comprehensive loss for the period, net of tax</b>	-	-	-	-	(176,123)	-	(176,123)	(11,015)	(187,138)
<b>Total comprehensive (loss)/ income for the period</b>	-	-	-	-	(176,123)	2,254	(173,869)	(5,317)	(179,186)
<b>Balance as at 31 March 2020</b>	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(375,948)</u>	<u>892,286</u>	<u>1,265,113</u>	<u>130,421</u>	<u>1,395,534</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 2020

**Condensed Consolidated Statement of Cash Flows**  
**For The Quarter Ended 31 March 2021**

	Quarter Ended	
	31.03.2021 RM'000	31.03.2020 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation		
- From continuing operations	21,023	6,200
- From discontinued operations	17,955	15,193
	38,978	21,393
Adjustments for :-		
Depreciation and amortisation	27,649	24,421
Fair value gain on commodity futures contract	(4,621)	(3,662)
Net unrealised foreign exchange loss	11,821	25,710
Gain on disposal of property, plant and equipment	(201)	(146)
Write back of impairment on trade and other receivables	(4,140)	(428)
Property, plant and equipment written off	837	88
Inventories written down	-	10
Inventories written off	717	-
Fair value (gain)/ loss on investment securities	(6)	4
Gain from fair value adjustment of fresh fruit bunches (FFB)	(2,609)	(614)
Share of profit of joint ventures	(1,428)	(2,236)
Share of profit of an associate	(1,883)	(1,701)
Interest expense	10,714	13,982
Interest income	(2,332)	(1,474)
	73,496	75,347
Operating profit before working capital changes		
Changes in working capital		
(Increase) /decrease in inventories	(11,637)	16,823
Increase in receivables	(7,399)	(14,602)
Increase in payables	18,430	7,200
	72,890	84,768
Cash generated from operations		
Income tax paid	(3,751)	(7,798)
	69,139	76,970
Net cash generated from operating activities		
<b>Cash Flows from Investing Activities</b>		
Addition of right of use assets	(72)	(304)
Withdrawals of deposits with maturity of over 3 months	1,433	-
Withdrawal of pledged deposits	-	512
Purchase of property, plant and equipment	(7,829)	(7,200)
Forest planting expenditure	(942)	(1,005)
Proceeds from disposal of property, plant and equipment	374	180
Interest received	2,332	1,474
Dividends received	4,202	-
	(502)	(6,343)
Net cash used in investing activities		
<b>Cash Flows from Financing Activities</b>		
Net (repayments)/ drawdowns of term loans/medium term notes	(8,374)	13,672
Net repayments in other borrowings	(83,437)	(22,919)
Payments of lease liabilities and lease interest	(273)	(245)
Interest paid	(10,657)	(13,945)
	(102,741)	(23,437)
Net cash used in financing activities		
Net (decrease)/ increase in cash and cash equivalents	(34,104)	47,190
Cash and cash equivalents at beginning of period	168,102	116,954
Effect of exchange rate changes	(26)	(7,933)
<b>Cash and cash equivalents at end of period</b>	133,972	156,211
<b>Cash and cash equivalents transferred to disposal group held for sale</b>	(17,622)	(35,785)
<b>Cash and cash equivalents at end of period</b>	116,350	120,426

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2020

**TSH RESOURCES BERHAD**

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**EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021**

**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 2020.

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 2020.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2020 except for the adoption of the following Amendments to MFRSs during the current financial period.

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>- Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021

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 :

<b>Title</b>	<b>Effective Date</b>
Annual improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment</i> <i>- Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 - <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
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 2020 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.

**4. Unusual items**

There are no unusual items affecting assets, liabilities, equity, net income and cash flows for the financial period ended 31 March 2021.

**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 31 March 2021.

**7. Dividends paid**

There were no dividends paid during the quarter ended 31 March 2021.

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**8. Segmental information**

**i) Business segments**

**Business Segment For Quarter Ended**

-	Palm Product		Others		Total	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>SEGMENT REVENUE</b>						
External Revenue - Continuing	174,724	173,595	23,993	35,549	198,717	209,144
External Revenue - Discontinued operations	45,364	48,244	-	-	45,364	48,244
					244,081	257,388
<b>SEGMENT PROFIT</b>						
Continuing operations	42,296	38,824	677	6,794	42,973	45,618
Discontinued operations	18,848	16,988	-	-	18,848	16,988
					61,821	62,606
Unallocated corporate expenses					(3,548)	(4,937)
Loss on foreign exchange					(11,889)	(26,283)
Finance costs					(9,824)	(12,135)
Profit on discontinued operations					(18,848)	(16,988)
Share of profit of an associate					1,883	1,701
Share of profit of joint ventures					1,428	2,236
Consolidated profit before tax from continuing operations					21,023	6,200

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**8. Segmental information (continued)**

**i) Business segments (cont'd)**

**Business Segment For Year-To-Date Ended**

	Palm Product		Others		Consolidated	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
<b>SEGMENTS ASSETS</b>	1,679,155	2,091,081	716,016	737,466	2,395,171	2,828,547
Investments in joint ventures					74,999	80,647
Investments in an associate					81,778	82,194
Deferred tax assets					1,287	12,351
Tax recoverable					4,428	10,709
Unallocated assets					107,712	88,523
Assets of disposal group held for sale					463,139	-
Consolidated total assets					3,128,514	3,102,971
<b>SEGMENT LIABILITIES</b>	80,881	28,393	31,812	84,018	112,693	119,816
Borrowings					1,232,510	1,445,469
Lease Liabilities					4,705	2,722
Deferred tax liabilities					128,484	129,927
Unallocated liabilities					8,672	9,503
Liabilities of disposal group held for sale					25,532	-
Consolidated total liabilities					1,512,596	1,707,437



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**8. Segmental information (continued)**

**ii) Geographical segments**

	Quarter Ended			
	Total revenue from external customers		Non Current Assets	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	94,719	66,798	1,235,996	1,238,360
Indonesia	136,361	139,465	1,447,044	1,388,310
Europe	266	1,090	-	-
United States of America	5,619	45,461	1	2
Others	7,116	4,573	5	5
<b>Total</b>	<b>244,081</b>	<b>257,388</b>	<b>2,683,046</b>	<b>2,626,777</b>

**9. Changes in composition of the Group**

On 4 January 2021, a new subsidiary known as PT Sejahtera Aman Sejati ('PTSAS') was approved as a legal entity in Indonesia.

The issued and paid-up capital PTSAS 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 PTSAS for a total subscription consideration of Rupiah 1.625 billion (or equivalent to RM468,000).

Apart from above, there were no significant changes in the composition of the Group for the quarter ended 31 March 2021 including business combination, acquisition or disposal of subsidiaries and long-term investments, and restructuring.

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**10. Discontinued operations**

On 26 August 2020, the Group announced that it had entered into a conditional sale and purchase agreement with Taiko Plantations Pte. Ltd. to dispose the 90% of equity interest in PT Farinda Bersaudara and PT Teguh Swakarsa Sejahtera (“Disposal Companies”) for a total consideration of approximately USD141.093 million subject to adjustments (hereafter collectively referred to as “Proposed Disposal”). The Proposed Disposal is expected to be completed by the 2<sup>nd</sup> quarter of 2021. Upon completion of the Proposed Disposal, the Disposal Companies shall cease to be indirect subsidiaries of TSH and the results of these companies shall not be consolidated with the TSH Group.

The following notes are prepared in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* arising from sale of Disposal Companies to Taiko Plantations Pte. Ltd.

(i) Analysis of profit for the periods from discontinued operations

The results of the discontinued operations included in the Income Statement for the financial period are set out below.

	Quarter Ended		Year-To-Date Ended	
	31.03.2021 RM'000	31.03.2020 RM'000	31.03.2021 RM'000	31.03.2020 RM'000
Revenue	45,364	48,244	45,364	48,244
Expenses	<u>(27,409)</u>	<u>(33,051)</u>	<u>(27,409)</u>	<u>(33,051)</u>
<b>Profit before taxation</b>	17,955	15,193	17,955	15,193
Taxation	<u>(3,988)</u>	<u>(3,338)</u>	<u>(3,988)</u>	<u>(3,338)</u>
<b>Profit for the period</b>	<u>13,967</u>	<u>11,855</u>	<u>13,967</u>	<u>11,855</u>
<b>Profit attributable to :</b>				
Owners of the Company	12,775	10,774	12,775	10,774
Non-controlling interests	<u>1,192</u>	<u>1,081</u>	<u>1,192</u>	<u>1,081</u>
	<u>13,967</u>	<u>11,855</u>	<u>13,967</u>	<u>11,855</u>

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**10. Discontinued operations (continued)**

- (ii) The major classes of assets and liabilities of the Disposal Companies at the end of the reporting period are as follows :

	<b>As at 31.03.2021 RM'000</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	358,211
Right-of-use assets	30,666
Intangible assets	6,766
Deferred tax assets	2,147
Other receivables	26,294
	<u>424,084</u>
<b>Current assets</b>	
Biological assets	3,565
Inventories	15,042
Trade and other receivables	1,167
Other current assets	215
Derivative assets	55
Tax recoverable	1,389
Cash and bank balances	17,622
	<u>39,055</u>
	<u>463,139</u>
<b>Assets of disposal group held for sale</b>	
<b>Non-current liabilities</b>	
Retirement benefits	6,855
Deferred tax liabilities	4,216
	<u>11,071</u>
<b>Current liabilities</b>	
Trade and other payables	14,279
Derivative liabilities	182
	<u>14,461</u>
	<u>25,532</u>
<b>Liabilities of disposal group held for sale</b>	
	<u>437,607</u>
<b>Net assets of the disposal group held for sale</b>	
	<u><u>437,607</u></u>

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**10. Discontinued operations (continued)**

(iii) Cash flows from discontinued operations

	<b>Year-To-Date Ended 31.03.2021</b>	<b>Year-To-Date Ended 31.03.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash flows from/ (used in) operating activities	21,860	15,096
Net cash flows from/ (used in) investing activities	422	(1,468)
Net cash flows used in financing activities	(891)	(1,846)
Net cash inflows/ (outflows)	<u>21,391</u>	<u>11,782</u>

**11. Capital commitments**

The amount of commitments for capital expenditure as at 31 March 2021 is as follows:

	<b>As at 31.03.2021</b>	<b>As at 31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for	25,212	20,336
Approved but not contracted for	38,399	45,819
	<u>63,611</u>	<u>66,155</u>

**12. Changes in contingent liabilities or contingent assets**

There were no material changes in the contingent liabilities and contingent assets since the last annual reporting date.

**13. Material related party transactions**

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

	<b>Year-To-Date Ended 31 March 2021 RM'000</b>
Sales of crude palm oil	68,859
Sales of palm kernel	10,561

**14. Subsequent events**

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

**TSH RESOURCES BERHAD**

 Registration No : 197901005269 (49548-D)  
 (Incorporated in Malaysia)

**PART B - EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES**
**1. Performance review**

The Group's overall revenue for the quarter ended 31 March 2021 ("Q1 2021") from both Continuing and Discontinued operations was RM244.1 million compared with RM257.4 million in the preceding quarter ended 31 March 2020 ("Q1 2020"). The revenue contributions from the respective segments are analysed as follows:

<b>Revenue</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Variance</b>
	RM'000	RM'000	RM'000
Palm Products			
- Continuing Operations	174,724	173,595	1,129
- Discontinued Operations	45,364	48,244	(2,880)
Others	23,993	35,549	(11,556)
Total	244,081	257,388	(13,307)

As shown above the lower revenue was due to a decline in revenue contribution from the Others segment as further elaborated in Section 1.2 below.

In addition, Palm Products revenue was impacted by the increase in export levy and duty in Indonesia as shown below.

<b>Indonesia Export Levy and Duty</b>	<b>Q1 2021</b>	<b>Q1 2020</b>	<b>Variance</b>
	RM'000	RM'000	RM'000
Continuing Operations	31,870	6,246	25,624
Discontinued Operations	20,751	4,039	16,712
Total	52,621	10,285	42,336

Notwithstanding the above impact of RM52.6 million Indonesia export levy and duty, and lower contribution from Other segment particularly cocoa and bio-integration segment, overall profit after tax for Q1 2021 increased 232.6% to RM26.4 million (Q1 2020: RM8.0 million)

Further analysis of the performance of Palm Products segment and Others segment is provided in the sections hereunder.

**1.1 Palm Products Segment**

This segment reported lower revenue of RM220.1 million (from both Continuing and Discontinued Operations) for Q1 2021, compared to RM221.8 million for Q1 2020.

This is mainly due to lower CPO and PK sold partially offset by higher higher average CPO and PK prices. Average price of CPO for Q1 2021 was RM3,010 per MT (Q1 2020:RM2,599 per MT) and average PK price was RM2,113 per MT (Q1 2020:RM1,480 per MT). As for FFB production, the Group achieved 228,188 MT in Q1 2021 compared with 207,727 MT for Q1 2020.

Despite the Indonesia export levy and duty on CPO of RM52.6 million, the segment profit (from both Continuing and Discontinued Operations) for Q1 2021 increased to RM61.1 million compared to RM55.8 million for Q1 2020.

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**1.2 Others Segment**

This segment reported lower revenue and operating profit of RM24.0 million and RM0.7 million respectively for Q1 2021, compared with RM35.5 million and RM6.8 million for Q1 2020 mainly due to lower contribution from the Cocoa division. Cocoa division's result was impacted by the Covid-19 pandemic due to lower consumption of cocoa butter globally.

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

Revenue	Q1 2021	Q4 2020	Variance
	RM'000	RM'000	RM'000
Palm Products			
- Continuing Operations	174,724	176,462	(1,738)
- Discontinued Operations	45,364	45,848	(484)
Others	23,993	18,779	5,214
Total	244,081	241,089	2,992

Overall revenue from both Continuing and Discontinued Operations of RM244.1 million is higher compared with that of Q4 2020 of RM241.1 million despite the impact of the increase in export levy and duty in Indonesia in Palm segment as shown below.

Indonesia Export Levy and Duty	Q1 2021	Q4 2020	Variance
	RM'000	RM'000	RM'000
Continuing Operations	31,870	9,097	22,773
Discontinued Operations	20,751	6,066	14,685
Total	52,621	15,163	37,458

The Palm segment profit increased to RM61.1 million compared with the Q4, 2020 of RM38.7 million due to higher CPO and PK prices notwithstanding the additional Indonesia export levy and duty on CPO of RM37.5 million. Accordingly, the Group registered higher core profit before tax of RM50.9 million compared with RM35.9 million for the Q4,2020.

However, the profit after tax for Q1 2021 of RM26.5 million was lower compared to RM34.0 million in Q4 2020. This was mainly due to higher foreign exchange loss of RM11.9 million in Q1 2021 compared with foreign exchange gains of RM12.5 million in the Q4 2020.

**3. Commentary on the prospects**

Palm oil prices have been trading above the RM4,000 per MT in recent weeks boosted by stronger soybean oil prices and concerns about weak CPO production. Barring unforeseen circumstances, the Group is optimistic of achieving a satisfactory performance for 2021.

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 88% of the revenue for the Group will remain the core contributor to the Group profit.

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**4. Profit forecast or profit guarantee**

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

**5. Profit Before Tax**

Profits before tax was arrived at after charging/ (crediting) the following items:

	<b>Quarter Ended 31.03.2021 <u>RM'000</u></b>	<b>Year-To- Date Ended 31.03.2021 <u>RM'000</u></b>
Interest income	(2,332)	(2,332)
Interest expense	10,714	10,714
Rental income	(268)	(268)
Depreciation and amortization	27,649	27,649
Fair value loss/(gain) on derivatives		
- Forward currency contracts	198	198
- Commodity futures contracts	(4,621)	(4,621)
Gains from fair value adjustment of fresh fruit bunches	(2,609)	(2,609)
Inventories written off	717	717
Loss on commodity futures contracts	7,956	7,956
Net foreign exchange loss		
- Realised	71	71
- Unrealised	11,622	11,622
Property, plant and equipment written off	837	837
Write back of impairment on trade and other receivables	(4,140)	(4,140)

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**6. Taxation**

Continuing Operations

	<b>Quarter Ended 31.03.2021 <u>RM'000</u></b>	<b>Year-To-Date Ended 31.03.2021 <u>RM'000</u></b>
Current tax:		
Malaysian income tax	1,697	1,697
Foreign tax	6,594	6,594
Under provision in prior years:		
Malaysia income tax	1	1
Foreign tax	20	20
Deferred tax:		
Relating to origination of temporary differences	230	230
	<u>8,542</u>	<u>8,542</u>

The effective tax rate of the Group for the year-to-date ended 31 March 2021 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.

**7. Corporate proposals**

Apart from those disclosed in Note 10 of Part A, there was no corporate proposal announced and not completed at the date of this quarterly report.

**8. Group Borrowings and Debt Securities**

Continuing Operations

Comprised:

	<b>As at 31.03.2021</b>					
	<b>Short term</b>		<b>Long term</b>		<b>Total</b>	
	<b>Foreign denomination RM'000</b>	<b>RM denomination RM'000</b>	<b>Foreign denomination RM'000</b>	<b>RM denomination RM'000</b>	<b>Foreign denomination RM'000</b>	<b>RM denomination RM'000</b>
Secured	34,826	10,200	282,666	20,012	317,492	30,212
Unsecured	113,238	487,121	19,953	264,494	133,191	751,615
<b>Total</b>	<b>148,064</b>	<b>497,321</b>	<b>302,619</b>	<b>284,506</b>	<b>450,683</b>	<b>781,827</b>



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**9. Derivatives**

Continuing Operations

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 31 March 2021, the values and maturity analysis of the outstanding derivatives were as follows:-

	<b>Contract/notional amount RM'000</b>	<b>Assets RM'000</b>	<b>Liabilities RM'000</b>	<b>Maturity Profile</b>
<b>Group</b>				
<b>Non-hedging derivatives :</b>				
<b>Current</b>				
Forward currency contracts	16,186	-	(376)	Less than 1 year
Commodity futures contracts	37,447	294	(188)	Less than 1 year
	<b>53,633</b>	<b>294</b>	<b>(564)</b>	

**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 31 March, 2021.

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**12. Earnings per share**

**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to ordinary shareholders of owners of the Company 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>31.03.2021</u>	<u>31.03.2020</u>	<u>31.03.2021</u>	<u>31.03.2020</u>
Net profit attributable to Shareholder (RM'000)				
From continuing operations	8,009	(8,520)	8,009	(8,520)
From discontinued operations	12,775	10,774	512,774	10,774
Weighted average number of ordinary shares in issue ('000)	1,380,174	1,380,174	1,380,174	1,380,174
Basic earnings per ordinary share (sen)				
From continuing operations	0.58	(0.62)	0.58	(0.62)
From discontinued operations	0.93	0.78	0.93	0.78
Total	<u>1.51</u>	<u>0.16</u>	<u>1.51</u>	<u>0.16</u>

**(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 May 2021.