

**Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-to-Date Ended 30 June 2022**

| | Quarter Ended | | | Year-To-Date Ended | | |
|---|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % |
| Revenue | 424,413 | 307,414 | 38% | 761,762 | 551,495 | 38% |
| Cost of sales | (258,775) | (184,546) | 40% | (457,353) | (332,809) | 37% |
| Gross profit | 165,638 | 122,868 | 35% | 304,409 | 218,686 | 39% |
| Other operating income | 10,291 | 9,788 | 5% | 25,292 | 25,971 | -3% |
| Other operating expenses | (87,634) | (64,642) | 36% | (176,542) | (118,370) | 49% |
| Operating profit | 88,295 | 68,014 | 30% | 153,159 | 126,287 | 21% |
| Finance costs | (7,151) | (10,386) | -31% | (16,101) | (21,100) | -24% |
| Share of profit of an associate, net of tax | 6,786 | 4,499 | 51% | 13,075 | 6,383 | 105% |
| Share of profit of joint ventures, net of tax | 10,905 | 3,097 | 252% | 15,386 | 4,525 | 240% |
| Core profit before taxation | 98,835 | 65,224 | 52% | 165,519 | 116,095 | 43% |
| Loss on foreign exchange | (19,516) | (511) | 3718% | (23,577) | (12,402) | 90% |
| Gain on disposal of estates and mill | 31,755 | - | nm | 84,980 | - | nm |
| Impairment of assets on cessation of an operation | (30,607) | - | nm | (30,607) | - | nm |
| Profit before taxation | 80,467 | 64,713 | 24% | 196,315 | 103,693 | 89% |
| Taxation | (9,302) | (16,514) | -44% | (18,451) | (29,045) | -36% |
| Profit for the period | 71,165 | 48,199 | 48% | 177,864 | 74,648 | 138% |
| Other comprehensive income <i>Item that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| Foreign currency translation differences | 16,619 | 9,095 | 83% | 22,661 | 782 | 2797% |
| Other comprehensive income for the period, net of tax | 16,619 | 9,095 | 83% | 22,661 | 782 | 2797% |
| Total comprehensive income for the period | 87,784 | 57,294 | 53% | 200,525 | 75,430 | 166% |
| Profit attributable to : | | | | | | |
| Owners of the Company | 57,335 | 39,715 | 44% | 153,810 | 60,499 | 154% |
| Non-controlling interests | 13,830 | 8,484 | 63% | 24,054 | 14,149 | 70% |
| | 71,165 | 48,199 | 48% | 177,864 | 74,648 | 138% |
| Total comprehensive income attributable to : | | | | | | |
| Owners of the Company | 72,641 | 44,986 | 61% | 174,502 | 60,553 | 188% |
| Non-controlling interests | 15,143 | 12,308 | 23% | 26,023 | 14,877 | 75% |
| | 87,784 | 57,294 | 53% | 200,525 | 75,430 | 166% |
| Earnings per share attributable to owners of the Company | | | | | | |
| Basic (sen) | 4.15 | 2.88 | | 11.14 | 4.38 | |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021

*nm = not meaningful
N/A= not applicable

Note

Revenue and profitability for the quarter and year-to-date ended 30 June 2022 and the corresponding periods last year were impacted by the Indonesia Export Levy and Duty on CPO which is tabulated below:

| | Quarter Ended | | | Year-To-Date Ended | | |
|---------------------------------------|----------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Variance RM'000 | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Variance RM'000 |
| Indonesia Export Levy and Duty on CPO | 100,455 | 72,233 | 28,222 | 146,390 | 124,854 | 21,536 |

Condensed Consolidated Statement of Financial Position
As at 30 June 2022

| | As at 30.06.2022 RM'000 | As at 31.12.2021 RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 1,344,415 | 1,610,212 |
| Biological assets | 401,262 | 400,762 |
| Right-of-use assets | 266,633 | 288,881 |
| Intangible assets | 52,082 | 51,647 |
| Investment in an associate | 82,541 | 82,073 |
| Investments in joint ventures | 104,849 | 89,462 |
| Deferred tax assets | 2,462 | 4,297 |
| Other receivables | 50,519 | 74,798 |
| Investment securities | 50 | 50 |
| | <u>2,304,813</u> | <u>2,602,182</u> |
| Current assets | | |
| Biological assets | 17,962 | 17,346 |
| Inventories | 150,187 | 143,566 |
| Trade and other receivables | 70,730 | 62,988 |
| Other current assets | 3,216 | 25,105 |
| Tax recoverable | 4,844 | 5,132 |
| Investment securities | 1 | 3 |
| Derivative assets | 13,794 | 370 |
| Short term funds | 5,877 | 17,464 |
| Cash and bank balances | 276,867 | 279,728 |
| | <u>543,478</u> | <u>551,702</u> |
| Assets held for sale | 279,437 | 154,152 |
| | <u>822,915</u> | <u>705,854</u> |
| TOTAL ASSETS | <u><u>3,127,728</u></u> | <u><u>3,308,036</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 | (188,201) | (208,893) |
| Retained earnings | 1,223,582 | 1,111,178 |
| | <u>1,774,426</u> | <u>1,641,330</u> |
| Non-controlling interests | <u>196,018</u> | <u>172,258</u> |
| TOTAL EQUITY | <u>1,970,444</u> | <u>1,813,588</u> |
| Non-current liabilities | | |
| Loans and Borrowings | 415,813 | 587,573 |
| Retirement benefits | 21,901 | 19,158 |
| Lease liabilities | 2,737 | 3,188 |
| Deferred tax liabilities | 97,572 | 92,068 |
| | <u>538,023</u> | <u>701,987</u> |
| Current liabilities | | |
| Loans and Borrowings | 424,300 | 521,752 |
| Trade and other payables | 176,300 | 204,661 |
| Derivative liabilities | 14 | 1,914 |
| Lease liabilities | 917 | 939 |
| Current tax payable | 17,730 | 22,642 |
| | <u>619,261</u> | <u>751,908</u> |
| Liabilities associated with assets held for sale | - | 40,553 |
| | <u>619,261</u> | <u>792,461</u> |
| TOTAL LIABILITIES | <u>1,157,284</u> | <u>1,494,448</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>3,127,728</u></u> | <u><u>3,308,036</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 2021

**Condensed Consolidated Statement of Changes In Equity
For The Year-to-Date Ended 30 June 2022**

| | Attributable to owners of the Company | | | | | Retained Earnings RM'000 | Equity attributable to owners of the Company Total RM'000 | Non-controlling Interests RM'000 | Equity Total RM'000 |
|--|---------------------------------------|---------------------------|----------------------------|---------------------------------------|---|-----------------------------|---|-------------------------------------|------------------------|
| | Non-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 | | | | |
| Balance as at 1 January 2022 | 740,512 | (1,467) | 9,630 | 100 | (218,623) | 1,111,178 | 1,641,330 | 172,258 | 1,813,588 |
| Profit for the period | - | - | - | - | - | 153,810 | 153,810 | 24,054 | 177,864 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translations | - | - | - | - | 20,692 | - | 20,692 | 1,969 | 22,661 |
| Other comprehensive income for the period, net of tax | - | - | - | - | 20,692 | - | 20,692 | 1,969 | 22,661 |
| Total comprehensive income for the period | - | - | - | - | 20,692 | 153,810 | 174,502 | 26,023 | 200,525 |
| Dividends paid to owners of the Company | - | - | - | - | - | (41,406) | (41,406) | - | (41,406) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - | - | (2,263) | (2,263) |
| Balance as at 30 June 2022 | <u>740,512</u> | <u>(1,467)</u> | <u>9,630</u> | <u>100</u> | <u>(197,931)</u> | <u>1,223,582</u> | <u>1,774,426</u> | <u>196,018</u> | <u>1,970,444</u> |
| Balance as at 1 January 2021 | 740,512 | (1,467) | 9,630 | 100 | (247,587) | 952,244 | 1,453,432 | 144,351 | 1,597,783 |
| Profit for the period | - | - | - | - | - | 60,499 | 60,499 | 14,149 | 74,648 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translations | - | - | - | - | 54 | - | 54 | 728 | 782 |
| Other comprehensive income for the period, net of tax | - | - | - | - | 54 | - | 54 | 728 | 782 |
| Total comprehensive income for the period | - | - | - | - | 54 | 60,499 | 60,553 | 14,877 | 75,430 |
| Dividends paid to owners of the Company | - | - | - | - | - | (20,703) | (20,703) | - | (20,703) |
| Balance as at 30 June 2021 | <u>740,512</u> | <u>(1,467)</u> | <u>9,630</u> | <u>100</u> | <u>(247,533)</u> | <u>992,040</u> | <u>1,493,282</u> | <u>159,228</u> | <u>1,652,510</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 2021

Condensed Consolidated Statement of Cash Flows
For The Year-to-Date Ended 30 June 2022

| | Year-to-Date Ended | |
|---|----------------------|----------------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 |
| Cash Flows from Operating Activities | | |
| Profit before taxation | 196,315 | 103,693 |
| Adjustments for :- | | |
| Depreciation and amortisation | 55,093 | 56,410 |
| Fair value gain on commodity futures contract | (14,975) | (9,406) |
| Net unrealised foreign exchange losses | 21,148 | 11,362 |
| Gain on disposal of property, plant and equipment | (85,326) | (243) |
| Impairment/(write back of) impairment losses on trade and other receivables | 4,584 | (3,886) |
| Property, plant and equipment written off | 197 | 893 |
| Inventories written down | 24,993 | 3,470 |
| Inventories written off | 462 | 915 |
| Fair value loss/(gain) on investment securities | 2 | (2) |
| Loss on disposal of a subsidiary | - | 514 |
| Impairment of assets on cessation of an operation | 30,607 | - |
| Gain from fair value adjustment of fresh fruit bunches (FFB) | (404) | (4,050) |
| Bad debts written off | 189 | - |
| Share of profit of joint ventures | (15,386) | (4,525) |
| Share of profit of an associate | (13,075) | (6,383) |
| Interest expense | 16,101 | 21,100 |
| Interest income | (4,404) | (4,370) |
| Dividend income | (18) | - |
| | <hr/> | <hr/> |
| Operating cash flows before working capital changes | 216,103 | 165,492 |
| Changes in working capital :- | | |
| Increase in inventories | (32,077) | (10,867) |
| (Increase)/decrease in receivables | (18,111) | 5,451 |
| Increase/(decrease) in payables | (26,197) | 9,761 |
| Cash flows from operations | <hr/> | <hr/> |
| | 139,718 | 169,837 |
| Net income tax paid | <hr/> | <hr/> |
| | (41,149) | (10,659) |
| Net cash flows from operating activities | <hr/> | <hr/> |
| | 98,569 | 159,178 |
| Cash Flows from Investing Activities | | |
| Addition of right of use assets | - | (378) |
| (Placement)/Withdrawals of deposits with maturity of over 3 months | (3) | 1,430 |
| Purchases of property, plant and equipment | (29,770) | (16,329) |
| Forest planting expenditure | (985) | (1,916) |
| Proceeds from disposal of property, plant and equipment | 249,364 | 623 |
| Interest received | 4,404 | 4,370 |
| Dividends received | 12,625 | 4,202 |
| | <hr/> | <hr/> |
| Net cash flows from/(used in) investing activities | <hr/> | <hr/> |
| | 235,635 | (7,998) |
| Cash Flows from Financing Activities | | |
| Net repayments of term loans/medium term notes | (40,417) | (78,183) |
| Net repayments of other borrowings | (251,209) | (21,993) |
| Payments of lease liabilities and lease interest | (565) | (485) |
| Interest paid | (16,009) | (20,987) |
| Dividends paid to non-controlling interests | (2,263) | - |
| Dividends paid to owners of the Company | (41,406) | (20,703) |
| | <hr/> | <hr/> |
| Net cash flows used in financing activities | <hr/> | <hr/> |
| | (351,869) | (142,351) |
| Net (decrease)/increase in cash and cash equivalents | (17,665) | 8,829 |
| Cash and cash equivalents at beginning of period | 292,751 | 168,104 |
| Effects of changes in exchange rates | <hr/> | <hr/> |
| | 2,177 | 346 |
| Cash and cash equivalents at end of period | <hr/> <hr/> | <hr/> <hr/> |
| | 277,263 | 177,279 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2021

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EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2022

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 statements for the financial year ended 31 December 2021.

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 2021.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2021 except for the adoption of the following Amendments to MFRSs during the current financial period.

| Title | Effective Date |
|--|-----------------------|
| 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 - Proceeds before Intended Use</i> | 1 January 2022 |
| Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i> | 1 January 2022 |

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 |
|---|-----------------------|
| 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 17 <i>Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 – Comparative Information)</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 112 <i>Deferred Tax related to Assets and Liabilities Arising from a Single Transaction</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 |

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1. Basis of preparation (continued)

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

2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2021 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 were no unusual items affecting assets, liabilities, equity, net income and cash flows for the financial period ended 30 June 2022 except for those as disclosed in Note 7 of Part B and the cessation of an operation which is engaged in hiring business.

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 2022.

7. Dividends paid

During the quarter ended 30 June 2022, a final single tier dividend of 3.0 sen per ordinary share for the year ended 31 December 2021 amounted to RM41.4 million was paid on 15 April 2022.

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8. Segmental information

i) Business segments

Business Segment For Quarter Ended

| | Palm Products | | Others | | Total | |
|---|---------------|------------|------------|------------|------------|------------|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| SEGMENT REVENUE | 396,651 | 289,649 | 27,762 | 17,765 | 424,413 | 307,414 |
| Segment operating profit/(loss) | 96,122 | 75,775 | (1,733) | (1,550) | 94,389 | 74,225 |
| Gain on disposal of an estate | 31,755 | - | - | - | 31,755 | - |
| Impairment of assets on cessation of an operation | - | - | (30,607) | - | (30,607) | - |
| SEGMENT PROFIT/ (LOSS) | 127,877 | 75,775 | (32,340) | (1,550) | 95,537 | 74,225 |
| Unallocated corporate expenses | | | | | (6,094) | (6,211) |
| Losses on foreign exchange | | | | | (19,516) | (511) |
| Finance costs | | | | | (7,151) | (10,386) |
| Share of profit of an associate | | | | | 6,786 | 4,499 |
| Share of profit of joint ventures | | | | | 10,905 | 3,097 |
| Consolidated profit before tax | | | | | 80,467 | 64,713 |

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8. Segmental information (continued)

i) Business segments (continued)

Business Segment For Year-To-Date Ended

| | Palm Products | | Others | | Total | |
|---|---------------|------------|------------|------------|------------|------------|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| SEGMENT REVENUE | 708,915 | 509,737 | 52,847 | 41,758 | 761,762 | 551,495 |
| Segment operating profit/(loss) | 172,307 | 136,919 | (6,037) | (873) | 166,270 | 136,046 |
| Gain on disposal of estates and mill | 84,980 | - | - | - | 84,980 | - |
| Impairment of assets on cessation of an operation | - | - | (30,607) | - | (30,607) | - |
| SEGMENT PROFIT/ (LOSS) | 257,287 | 136,919 | (36,644) | (873) | 220,643 | 136,046 |
| Unallocated corporate expenses | | | | | (13,111) | (9,759) |
| Losses on foreign exchange | | | | | (23,577) | (12,402) |
| Finance costs | | | | | (16,101) | (21,100) |
| Share of profit of an associate | | | | | 13,075 | 6,383 |
| Share of profit of joint ventures | | | | | 15,386 | 4,525 |
| Consolidated profit before tax | | | | | 196,315 | 103,693 |

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8. Segmental information (continued)

i) Business segments (continued)

Business Segment For Year-To-Date Ended

| | Palm Products | | Others | | Consolidated | |
|--------------------------------|---------------|------------|------------|------------|--------------|------------|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| SEGMENTS ASSETS | 2,128,553 | 2,175,037 | 664,297 | 718,309 | 2,792,850 | 2,893,346 |
| Investments in joint ventures | | | | | 104,849 | 78,096 |
| Investment in an associate | | | | | 82,541 | 86,277 |
| Deferred tax assets | | | | | 2,462 | 2,752 |
| Tax recoverable | | | | | 4,844 | 4,503 |
| Unallocated assets | | | | | 140,182 | 86,918 |
| Consolidated total assets | | | | | 3,127,728 | 3,151,892 |
| SEGMENT LIABILITIES | 171,606 | 100,942 | 33,480 | 28,292 | 205,086 | 129,234 |
| Borrowings | | | | | 840,113 | 1,222,400 |
| Lease liabilities | | | | | 3,654 | 4,549 |
| Deferred tax liabilities | | | | | 97,572 | 133,828 |
| Unallocated liabilities | | | | | 10,859 | 9,371 |
| Consolidated total liabilities | | | | | 1,157,284 | 1,499,382 |

ii) Geographical segments

| | Quarter Ended | | Year-To-Date Ended | | | |
|--------------------------|---------------------------------------|----------------|---------------------------------------|----------------|--------------------|------------------|
| | Total revenue from external customers | | Total revenue from external customers | | Non-Current Assets | |
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 130,192 | 130,304 | 264,325 | 225,023 | 1,062,556 | 1,238,888 |
| Indonesia | 271,812 | 166,931 | 456,292 | 303,292 | 1,441,658 | 1,437,720 |
| United States of America | 10,970 | 2,055 | 22,172 | 7,674 | 1 | 1 |
| South West Pacific | 7,376 | 4,954 | 12,251 | 10,552 | 0 | 0 |
| Others | 4,063 | 3,170 | 6,722 | 4,954 | 5 | 5 |
| Total | 424,413 | 307,414 | 761,762 | 551,495 | 2,504,220 | 2,676,614 |

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9. Changes in composition of the Group

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

10. Capital commitments

The amount of commitments for capital expenditure as at 30 June 2022 is as follows:

| | As at 30.06.2022 RM'000 | As at 31.12.2021 RM'000 |
|---------------------------------|--|--|
| Approved and contracted for | 15,120 | 20,031 |
| Approved but not contracted for | 40,575 | 61,058 |
| | <u>55,695</u> | <u>81,089</u> |

11. 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.

12. Material related party transactions

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

| | Year-To-Date Ended 30 June 2022 RM'000 |
|-------------------------|---|
| Sales of crude palm oil | 201,825 |
| Sales of palm kernel | 35,918 |

13. Subsequent event

There was no material event subsequent to the end of this reporting except for those as disclosed in Note 7 of Part B.

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

| | Quarter Ended | | | Year-to-Date Ended | | |
|------------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % |
| Revenue | 424,413 | 307,414 | 38% | 761,762 | 551,495 | 38% |
| Profit before taxation | 80,467 | 64,713 | 24% | 196,315 | 103,693 | 89% |

Group revenue for the quarter ended 30 June 2022 (“Q2 2022”) increased 38% to RM424.4 million compared with RM307.4 million for the corresponding period last year. Profit before taxation (“PBT”) for Q2 2022 improved by 24% to RM80.5 million compared with RM64.7 million for the corresponding period last year. On year-to-date basis, revenue for the six months period ended 30 June 2022 (“6M 2022”) also increased 38% to RM761.8 million from RM551.5 million achieved for the corresponding period last year. The PBT reported for 6M 2022 was RM196.3 million, which is 89% higher than the PBT for 6M 2021 of RM103.7 million.

These improvements in the quarterly and year-to-date PBT were due to higher profit contributions from Palm Products segment, associated company, and joint ventures, as reflected in the respective increases in the core PBT. Core PBT for Q2 2022 and 6M 2022 increased 52% and 43%, respectively to RM98.8 million and RM165.5 million. Gains on disposals of assets (namely RM31.8 million on the disposal of an estate for Q2 2022 and RM85.0 million on the disposals of estates and mill for 6M 2022) partially offset by impairment of assets of RM30.6 million on cessation of an operation also contributed to the PBT.

Revenue contributions from the respective segments are analysed as follows:

| Revenue | Quarter Ended | | | Year-to-Date Ended | | |
|---------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % |
| Palm Products | 396,651 | 289,649 | 37% | 708,915 | 509,737 | 39% |
| Others | 27,762 | 17,765 | 56% | 52,847 | 41,758 | 27% |
| Total | 424,413 | 307,414 | 38% | 761,762 | 551,495 | 38% |

As shown in the table above, revenues for Q2 2022 and 6M 2022 were higher compared with the corresponding periods last year mainly due to higher revenue contributions from both the Palm Products segment and Others segment.

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1. Performance review (Continued)

Revenue and profit for Palm Products segment improved for Q2 2022 and 6M 2022 compared with the corresponding periods last year despite impacted by the increase in Indonesia Export Levy and Duty on CPO as shown below:

| | Quarter Ended | | | Year-to-Date Ended | | |
|---------------------------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % |
| Indonesia Export Levy and Duty on CPO | 100,455 | 72,233 | 39% | 146,390 | 124,854 | 17% |

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

1.1 Palm Products Segment

| Palm Products Segment | Quarter Ended | | | Year-to-Date Ended | | |
|-----------------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % | 30.06.2022 RM'000 | 30.06.2021 RM'000 | Changes % |
| Operating profit | 96,122 | 75,775 | 27% | 172,307 | 136,919 | 26% |

This segment reported higher operating profits of RM96.1 million and RM172.3 million for Q2 2022 and 6M 2022 respectively, compared with RM75.8 million and RM136.9 million for the corresponding periods last year.

This is due to significantly higher average selling prices of Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) (as shown in the table below) partially offset by lower sales volume achieved for Q2 2022 and 6M 2022 as compared with the corresponding periods last year.

| Average selling prices | Quarter Ended | | | Year-to-Date Ended | | |
|------------------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
| | 30.06.2022 RM/MT | 30.06.2021 RM/MT | Changes % | 30.06.2022 RM/MT | 30.06.2021 RM/MT | Changes % |
| CPO | 5,076 | 3,441 | 48% | 4,941 | 3,242 | 52% |
| PK | 3,290 | 2,277 | 44% | 3,586 | 2,204 | 63% |

FFB production for Q2 2022 and 6M 2022 were lower compared with the corresponding periods last year (as shown in the table below) mainly due to ongoing replanting and wet weather conditions in early of the year in Indonesia:

| | Quarter Ended | | | Year-to-Date Ended | | |
|----------------|------------------|------------------|--------------|--------------------|------------------|--------------|
| | 30.06.2022 MT | 30.06.2021 MT | Changes % | 30.06.2022 MT | 30.06.2021 MT | Changes % |
| FFB production | 239,398 | 255,151 | (6%) | 437,345 | 483,339 | (10%) |

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1. Performance review (Continued)
1.2 Others Segment

| Others Segment | Quarter Ended | | | Year-to-Date Ended | | |
|------------------|---------------|------------|---------|--------------------|------------|---------|
| | 30.06.2022 | 30.06.2021 | Changes | 30.06.2022 | 30.06.2021 | Changes |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Operating losses | (1,733) | (1,550) | 12% | (6,037) | (873) | 592% |

This segment reported a higher operating loss of RM1.7 million and RM6.0 million respectively, for Q2 2022 and 6M 2022 compared with loss of RM1.6 million and RM0.9 million for the corresponding periods last year.

Loss for the six months period ended 30 June 2022 is higher compared with the corresponding period last year is partly because the sale of electricity generated by the bio-mass power plant was discontinued since Q3 2021, following the expiry of the erstwhile power purchase agreement. A new power purchase agreement was executed subsequently and the supply of electricity by the bio-mass plant has recommenced in March 2022. For Q2 2022, marginally higher loss was due to shut down of the power plant for maintenance purpose resulting in lesser operating days.

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

| Revenue | Q2 2022 RM'000 | Q1 2022 RM'000 | Changes RM'000 |
|---------------|-------------------|-------------------|-------------------|
| Palm Products | 396,651 | 312,264 | 84,387 |
| Others | 27,762 | 25,085 | 2,677 |
| Total | 424,413 | 337,349 | 87,064 |

Group revenue for Q2 2022 of RM424.4 million was higher compared with Q1 2022 of RM337.3 million. This is mainly attributable to higher revenue contributions from Palm Products segment and Wood division.

A higher core PBT of RM98.8 million was registered for Q2 2022 compared with RM66.7 million for Q1 2022 mainly arising from higher average selling price of CPO as well as higher sales volume for the quarter. Profit contributions from associate and joint ventures were also higher at RM17.7 million for Q2 2022 against contributions of RM10.8 million for Q1 2022. In addition, the Group also registered a net gain on commodity futures contracts of RM5.5 million for Q2 2022 against a net loss of RM25.6 million for Q1 2022.

Higher Indonesia Export Levy and Duty on CPO of RM100.5 million for Q2 2022 compared with RM45.9 million for Q1 2022 contributed to a lower PBT of RM80.5 million for Q2 2022 compared with RM115.8 million for Q1 2022. Other factors contributing to lower PBT were lower gain from disposal of assets and an impairment of assets of RM30.6 million as a result of cessation of an operation engaged in hiring business, as well as higher loss on foreign exchange of RM19.5 million for Q2 2022 against loss of RM4.1 million for Q1 2022.

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3. Commentary on the prospects

CPO price has fallen sharply since May 2022 following Indonesia’s decision to remove the ban on palm oil export and market concern over rising palm oil stockpiles. However, it appears to have stabilise in recent times and is currently hovering at around RM4,000+ per MT. It is anticipated that the CPO price will remain supported at current levels on the back of supply concerns arising from the prolonged Russia-Ukraine conflict and softer production outlook for soybean due to the return of La Nina in late 2022 and early 2023. Barring any unforeseen circumstances, the Group is optimistic of achieving satisfactory performance for year 2022.

The Board also remains optimistic on the long term prospect of the palm oil industry. Restrained hectareage growth in oil palm planting over the last few years due to RSPO regulations and Indonesian Government’s moratorium on deforestation will have an impact over the global palm oil supply. 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 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.

5. Profit Before Taxation

Profit before taxation was arrived at after charging/(crediting) the following items:

| | Quarter Ended 30.06.2022 RM’000 | Year-To- Date Ended 30.06.2022 RM’000 |
|---|--|--|
| Depreciation and amortisation | 27,962 | 55,093 |
| Realised loss on commodity futures contracts | 8,560 | 35,063 |
| Inventories written down | 16,826 | 24,993 |
| Interest expense | 7,151 | 16,101 |
| Interest income | (2,189) | (4,404) |
| Gain on disposal of property, plant and equipment | (31,963) | (85,326) |
| Impairment of assets on cessation of an operation | 30,607 | 30,607 |
| Loss/(Gain) from fair value adjustment of FFB | 8,452 | (404) |
| Fair value gain on derivatives: | | |
| - Forward currency contracts | (139) | (347) |
| - Commodity futures contracts | (14,076) | (14,975) |
| Net foreign exchange loss: | | |
| - Realised | 2,496 | 2,429 |
| - Unrealised | 17,159 | 21,495 |
| Impairment losses on trade and other receivables | 5,006 | 4,584 |
| Rental income | (223) | (433) |

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6. Taxation

| | Quarter Ended 30.06.2022 RM'000 | Year-To-Date Ended 30.06.2022 RM'000 |
|---|--|---|
| Current tax: | | |
| Malaysian income tax | 876 | 5,661 |
| Foreign tax | 18,225 | 31,166 |
| Under/(Over) provision in prior years: | | |
| Foreign tax | 5 | (58) |
| Malaysian income tax | (20) | (20) |
| Deferred tax: | | |
| Relating to reversal of temporary differences | (11,566) | (33,400) |
| Real Property Gain Tax ("RPGT") | 1,782 | 15,102 |
| | 9,302 | 18,451 |

The effective tax rate of the Group for the year-to-date ended 30 June 2022 is lower than the statutory tax rate mainly due to reversal of temporary differences arising from disposal of assets during the quarter, and effects of utilisation of deferred tax assets previously not recognised, partially offset by the non-deductibility of certain expenses for taxation purpose.

7. Corporate proposals

- a. On 6 July 2021, the Group announced that it had entered into sale and purchase agreements with Sharikat Keratong Sdn. Bhd. for the proposed disposal of two oil palm estates (namely Ladang Gomantong and Ladang Ong Yah Ho) and one palm oil mill (namely Lahad Datu Palm Oil Mill) in Sabah for a total cash consideration of RM248.0 million.

The disposals of Ladang Ong Yah Ho and Lahad Datu Palm Oil Mill were completed on 25 March 2022 whereas the disposal of Ladang Gomantong was completed on 6 May 2022.

As at 30 June 2022, the status of the utilisation of proceeds was as follows:

| Details of Utilisation | Proposed utilisation RM'000 | Actual utilisation RM'000 | Deviation: Surplus/ (Deficit) RM'000 | Balance RM'000 |
|--|-----------------------------------|---------------------------------|---|-------------------|
| Repayment of bank borrowings | 231,500 | 231,179 | 321 | - |
| Estimated expenses relating to the disposals | 16,500 | 16,821 | (321) | - |
| | 248,000 | 248,000 | - | - |

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7. Corporate proposals (Continued)

- b. On 4 April 2022, PT Bulungan Citra Agro Persada (“BCAP”), PT Kawasan Industri Kalimantan Indonesia (“KIKI”) and PT Kalimantan Industrial Park Indonesia (“KIPI”) had entered into a conditional sale, purchase and compensation of land agreement for the proposed disposal by BCAP of 13,214.90 hectares of certificated land together with the 683.36 hectares of uncertified land adjoining thereto (collectively referred to as “the Sale Land”) for a total cash consideration of IDR 2,428.86 billion (or equivalent to approximately RM731.09 million).

On 8 August 2022, the disposal of 7,817.37 hectares of certificated land was completed.

The proposed disposal of the remaining balance of the Sale Land is expected to be completed by the 1st quarter of 2023.

Apart from the above, there was no other corporate proposal announced and not completed as at the date of this quarterly report.

8. Group Borrowings and Debt Securities

Comprised:

| | As at 30.06.2022 | | | | | |
|--------------|--------------------------------|---------------------------|--------------------------------|---------------------------|--------------------------------|---------------------------|
| | 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 | 96,456 | 26,462 | 197,650 | 76,000 | 294,106 | 102,462 |
| Unsecured | 91,466 | 209,916 | 11,571 | 130,592 | 103,037 | 340,508 |
| Total | 187,922 | 236,378 | 209,221 | 206,592 | 397,143 | 442,970 |

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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 2022 the values and maturity analysis of the outstanding derivatives were as follows:-

Group

| | RM'000 | Assets RM'000 | Liabilities RM'000 | |
|---------------------------------|---------|------------------|-----------------------|------------------|
| Non-hedging derivatives: | | | | |
| Current | | | | |
| Forward currency contracts | 17,430 | 717 | - | Less than 1 year |
| Commodity futures contracts | 98,754 | 13,077 | (14) | Less than 1 year |
| | 116,184 | 13,794 | (14) | |

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 2022.

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12. Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing profit for the quarter and year-to-date ended attributable to 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 | |
|--|---------------|------------|--------------|------------|
| | 30.06.2022 | 30.06.2021 | 30.06.2022 | 30.06.2021 |
| Net profit attributable to owners of the Company (RM'000) | 57,335 | 39,715 | 153,810 | 60,499 |
| 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) | 4.15 | 2.88 | 11.14 | 4.38 |

(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 22 August 2022.