

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

	Quarter Ended			Year-To-Date Ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Revenue	262,652	309,074	-15%	1,024,414	860,569	19%
Cost of sales	(168,028)	(192,914)	-13%	(625,382)	(525,722)	19%
<b>Gross profit</b>	94,624	116,160	-19%	399,032	334,847	19%
Other operating income	43,095	13,976	208%	21,644	25,429	-15%
Other operating expenses	(103,792)	(64,235)	62%	(233,597)	(168,087)	39%
<b>Operating profit</b>	33,927	65,901	-49%	187,079	192,189	-3%
Finance costs	(11,012)	(11,532)	-5%	(27,113)	(32,632)	-17%
Share of profit of an associate, net of tax	3,286	5,305	-38%	16,362	11,687	40%
Share of profit of joint ventures, net of tax	7,804	8,579	-9%	23,190	13,103	77%
<b>Core profit before taxation</b>	34,005	68,253	-50%	199,518	184,347	8%
Loss on foreign exchange	(15,467)	(2,564)	503%	(39,043)	(14,966)	161%
Gain on disposal of property, plant and equipment and right-of-use assets	301,367	-	nm	386,347	-	nm
Impairment of property, plant and equipment	(25,466)	-	nm	(56,067)	-	nm
<b>Profit before taxation</b>	294,439	65,689	348%	490,755	169,381	190%
Taxation	2,004	(11,914)	-117%	(16,447)	(40,959)	-60%
<b>Profit for the period</b>	296,443	53,775	451%	474,308	128,422	269%
<b>Other comprehensive income</b>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	52,227	39,806	31%	74,888	40,588	85%
<b>Other comprehensive income for the period, net of tax</b>	52,227	39,806	31%	74,888	40,588	85%
<b>Total comprehensive income for the period</b>	348,670	93,581	273%	549,196	169,010	225%
<b>Profit attributable to :</b>						
Owners of the Company	258,428	45,078	473%	412,239	105,576	290%
Non-controlling interests	38,015	8,697	337%	62,069	22,846	172%
	296,443	53,775	451%	474,308	128,422	269%
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	305,569	79,341	285%	480,074	139,894	243%
Non-controlling interests	43,101	14,240	203%	69,122	29,116	137%
	348,670	93,581	273%	549,196	169,010	225%
<b>Earnings per share attributable to owners of the Company</b>						
Basic (sen)	18.72	3.27		29.87	7.65	

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

Note

Revenue and profitability for the quarter and year-to-date ended 30 September 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		
	30.09.2022 RM'000	30.09.2021 RM'000	Variance RM'000	30.09.2022 RM'000	30.09.2021 RM'000	Variance RM'000
Indonesia Export Levy and Duty on CPO	69,880	59,714	10,166	216,270	184,568	31,702

**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2022**

	<b>As at 30.09.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,336,666	1,610,212
Biological assets	367,031	400,762
Right-of-use assets	271,825	288,881
Intangible assets	52,951	51,647
Investment in an associate	78,473	82,073
Investments in joint ventures	112,652	89,462
Deferred tax assets	4,018	4,297
Other receivables	55,884	74,798
Investment securities	50	50
	<u>2,279,550</u>	<u>2,602,182</u>
<b>Current assets</b>		
Biological assets	13,804	17,346
Inventories	149,074	143,566
Trade and other receivables	68,485	62,988
Other current assets	1,407	25,105
Tax recoverable	8,278	5,132
Investment securities	1	3
Derivative assets	1,185	370
Short term funds	6,206	17,464
Cash and bank balances	355,020	279,728
	<u>603,460</u>	<u>551,702</u>
Assets held for sale	222,151	154,152
	<u>825,611</u>	<u>705,854</u>
<b>TOTAL ASSETS</b>	<u><u>3,105,161</u></u>	<u><u>3,308,036</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	(141,058)	(208,893)
Retained earnings	1,482,011	1,111,178
	<u>2,079,998</u>	<u>1,641,330</u>
<b>Non-controlling interests</b>	239,117	172,258
<b>TOTAL EQUITY</b>	<u>2,319,115</u>	<u>1,813,588</u>
<b>Non-current liabilities</b>		
Loans and Borrowings	292,988	587,573
Retirement benefits	23,723	19,158
Lease liabilities	2,905	3,188
Deferred tax liabilities	82,436	92,068
	<u>402,052</u>	<u>701,987</u>
<b>Current liabilities</b>		
Loans and Borrowings	214,704	521,752
Trade and other payables	146,767	204,661
Derivative liabilities	38	1,914
Lease liabilities	1,117	939
Current tax payable	21,368	22,642
	<u>383,994</u>	<u>751,908</u>
Liabilities associated with assets held for sale	-	40,553
	<u>383,994</u>	<u>792,461</u>
<b>TOTAL LIABILITIES</b>	<u>786,046</u>	<u>1,494,448</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>3,105,161</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 September 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				
<b>Balance as at 1 January 2022</b>	740,512	(1,467)	9,630	100	(218,623)	1,111,178	1,641,330	172,258	1,813,588
<b>Profit for the period</b>	-	-	-	-	-	412,239	412,239	62,069	474,308
<b>Other comprehensive income</b>									
Foreign currency translations	-	-	-	-	67,835	-	67,835	7,053	74,888
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	67,835	-	67,835	7,053	74,888
<b>Total comprehensive income for the period</b>	-	-	-	-	67,835	412,239	480,074	69,122	549,196
Dividends paid to owners of the Company	-	-	-	-	-	(41,406)	(41,406)	-	(41,406)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(2,263)	(2,263)
<b>Balance as at 30 September 2022</b>	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(150,788)</u>	<u>1,482,011</u>	<u>2,079,998</u>	<u>239,117</u>	<u>2,319,115</u>
<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>	-	-	-	-	-	105,576	105,576	22,846	128,422
<b>Other comprehensive income</b>									
Foreign currency translations	-	-	-	-	34,318	-	34,318	3,713	38,031
Transactions with non-controlling interests	-	-	-	-	-	-	-	2,557	2,557
<b>Other comprehensive income for the period, net of tax</b>	-	-	-	-	34,318	-	34,318	6,270	40,588
<b>Total comprehensive income for the period</b>	-	-	-	-	34,318	105,576	139,894	29,116	169,010
Dividends paid to owners of the Company	-	-	-	-	-	(20,703)	(20,703)	-	(20,703)
<b>Balance as at 30 September 2021</b>	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(213,269)</u>	<u>1,037,117</u>	<u>1,572,623</u>	<u>173,467</u>	<u>1,746,090</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 September 2022**

	Year-to-Date Ended	
	30.09.2022 RM'000	30.09.2021 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	490,755	169,381
Adjustments for :-		
Depreciation and amortisation	77,187	83,641
Fair value (gain)/loss on commodity futures contract	(2,180)	6,697
Net unrealised foreign exchange losses	30,542	13,676
Gain on disposal of property, plant and equipment ("PPE") and right-of-use assets ("ROU")	(387,248)	(322)
Impairment/(write back of) impairment losses on trade and other receivables	4,698	(6,994)
Impairment of PPE	56,067	-
PPE written off	245	967
Inventories written down	19,074	10,577
Inventories written off	617	1,301
Fair value loss/(gain) on investment securities	2	(2)
Loss on disposal of a subsidiary	-	514
Loss/(gain) from fair value adjustment of fresh fruit bunches ("FFB")	4,107	(3,359)
Loss from fair value adjustment of forest planting expenditure	34,520	-
Bad debts written off	474	2,623
Share of profit of joint ventures	(23,190)	(13,103)
Share of profit of an associate	(16,362)	(11,687)
Interest expense	27,113	32,632
Interest income	(7,444)	(6,565)
Dividend income	(18)	-
	308,959	279,977
Operating cash flows before working capital changes		
Changes in working capital :-		
Increase in inventories	(25,199)	(26,806)
Increase in receivables	(22,530)	(1,190)
(Decrease)/increase in payables	(74,006)	47,352
Cash flows from operations	187,224	299,333
Net income tax paid	(56,375)	(17,627)
Net cash flows from operating activities	130,849	281,706
<b>Cash Flows from Investing Activities</b>		
Addition of right of use assets	(18,409)	(716)
(Placement)/Withdrawals of deposits with maturity of over 3 months	(3)	2,145
Purchases of PPE	(42,389)	(28,113)
Forest planting expenditure	(1,558)	(2,916)
Proceeds from disposal of PPE and ROU	656,111	787
Interest received	7,444	6,565
Dividends received	19,980	14,708
	621,176	(7,540)
Net cash flows from/(used in) investing activities		
<b>Cash Flows from Financing Activities</b>		
Net repayments of term loans/medium term notes	(293,847)	(229,595)
Net (repayments)/drawdown of other borrowings	(328,816)	20,531
Payments of lease liabilities and lease interest	(830)	(821)
Interest paid	(26,979)	(32,467)
Dividends paid to non-controlling interests	(2,263)	-
Dividends paid to owners of the Company	(41,406)	(20,703)
	(694,141)	(263,055)
Net cash flows used in financing activities		
Net increase in cash and cash equivalents	57,884	11,111
Cash and cash equivalents at beginning of period	292,751	168,104
Effects of changes in exchange rates	6,064	2,922
<b>Cash and cash equivalents at end of period</b>	<b>356,699</b>	<b>182,137</b>

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 SEPTEMBER 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.

<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 - 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:

<b>Title</b>	<b>Effective Date</b>
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 of the Group during the current quarter under review except as follows:

- (i) recognition of sales proceeds of RM428.8 million and gain on disposal of RM301.4 million arising from the completion of the disposal of 7,817.37 hectares of certificated land by a subsidiary, PT Bulungan Citra Agro Persada ("BCAP");
- (ii) recognition of impairment loss on the bearer plant of a subsidiary, PT Perkebunan Sentawar Membangun, of RM17.4 million as a result of an impairment review;
- (iii) recognition of impairment loss on the building of a subsidiary, TSH Biotech Sdn Bhd of RM8.1 million as a result of an impairment review.

**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**

During the nine months period ended 30 September 2022, the Group repurchased and redeemed Sukuk Murabahah Medium Term Notes and Sukuk Murabahah Commercial Papers at nominal value of RM60 million and RM50 million, respectively.

**7. Dividends paid**

There were no dividends paid during the quarter ended 30 September 2022.

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**8. Segmental information**

**i) Business segments**

**Business Segment For Quarter Ended**

	Palm Products		Others		Total	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<b>SEGMENT REVENUE</b>	236,236	286,815	26,416	22,259	262,652	309,074
Segment operating profit/(loss)	71,490	71,712	(33,878)	(490)	37,612	71,222
Gain on disposal of PPE and ROU	301,367	-	-	-	301,367	-
Impairment of PPE	(17,414)	-	(8,052)	-	(25,466)	-
<b>SEGMENT PROFIT/ (LOSS)</b>	355,443	71,712	(41,930)	(490)	313,513	71,222
Unallocated corporate expenses					(3,685)	(5,321)
Losses on foreign exchange					(15,467)	(2,564)
Finance costs					(11,012)	(11,532)
Share of profit of an associate					3,286	5,305
Share of profit of joint ventures					7,804	8,579
Consolidated profit before tax					294,439	65,689

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**8. Segmental information (continued)**

**i) Business segments (continued)**

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

	Palm Products		Others		Total	
	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000	30.09.2022 RM'000	30.09.2021 RM'000
<b>SEGMENT REVENUE</b>	945,151	796,552	79,263	64,017	1,024,414	860,569
Segment operating profit/(loss)	243,797	208,631	(39,922)	(1,363)	203,875	207,268
Gain on disposal of PPE and ROU	386,347	-	-	-	386,347	-
Impairment of PPE	(17,414)	-	(38,653)	-	(56,067)	-
<b>SEGMENT PROFIT/ (LOSS)</b>	612,730	208,631	(78,575)	(1,363)	534,155	207,268
Unallocated corporate expenses					(16,796)	(15,079)
Losses on foreign exchange					(39,043)	(14,966)
Finance costs					(27,113)	(32,632)
Share of profit of an associate					16,362	11,687
Share of profit of joint ventures					23,190	13,103
Consolidated profit before tax					490,755	169,381



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**8. Segmental information (continued)**

**i) Business segments (continued)**

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

	Palm Products		Others		Consolidated	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>SEGMENTS ASSETS</b>	2,092,029	2,189,223	625,639	709,919	2,717,668	2,899,142
Investments in joint ventures					112,652	86,675
Investment in an associate					78,473	81,076
Deferred tax assets					4,018	3,797
Tax recoverable					8,278	4,472
Unallocated assets					184,072	122,263
Consolidated total assets					3,105,161	3,197,425
<b>SEGMENT LIABILITIES</b>	149,543	161,716	30,437	27,224	179,980	188,940
Borrowings					507,692	1,117,157
Lease liabilities					4,022	4,680
Deferred tax liabilities					82,436	130,108
Unallocated liabilities					11,916	10,450
Consolidated total liabilities					786,046	1,451,335

**ii) Geographical segments**

	Quarter Ended		Year-To-Date Ended			
	Total revenue from external customers		Total revenue from external customers		Non-Current Assets	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	92,520	110,700	356,844	335,723	1,021,103	1,088,780
Indonesia	150,645	182,069	606,938	485,361	1,420,641	1,460,106
United States of America	9,523	9,649	31,695	17,323	-	-
South West Pacific	8,095	4,371	20,346	14,923	-	-
Others	1,869	2,285	8,591	7,239	5	5
<b>Total</b>	<b>262,652</b>	<b>309,074</b>	<b>1,024,414</b>	<b>860,569</b>	<b>2,441,749</b>	<b>2,548,891</b>

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

On 24 October 2022, PT Sejahtera Aman Sejati (“PTSAS”), a 65% owned subsidiary of the Group commenced the members’ voluntary liquidation process. PTSAS has not commenced operation since its date of incorporation. The members’ voluntary liquidation of PTSAS will not have any material impact on the net assets and earnings per share of the Group.

Apart from the above, there were no significant changes in the composition of the Group for the quarter ended 30 September 2022 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 September 2022 is as follows:

	<b>As at 30.09.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
Approved and contracted for	14,673	20,031
Approved but not contracted for	37,369	61,058
	<u>52,042</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:

	<b>Year-To-Date Ended 30 September 2022 RM'000</b>
Sales of crude palm oil	274,271
Sales of palm kernel	46,893

**13. Subsequent event**

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

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

The Group recorded a profit before taxation of RM294.4 million for the quarter ended 30 September 2022 (“Q3 2022”) and RM490.8 million for the nine months period ended 30 September 2022 (“9M 2022”) which was 348% and 190% higher as compared with RM65.7 million and RM169.4 million for the corresponding periods last year. The sharp improvement is primarily contributed by earnings from the Palm Products segment and gain on disposal of assets partially offset by impairment of some assets and foreign exchange losses.

In line with the Group’s profitability, total equity of the Group as at 30 September 2022 increased to RM2.32 billion from RM1.81 billion at the beginning of the year. Coupled with the repayment of borrowings from cash flow generated during the financial period, the net gearing ratio of the Group has declined to 0.06x as at 30 September 2022 from 0.45x as at the beginning of the year.

	Quarter Ended			Year-to-Date Ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Revenue	262,652	309,074	(15%)	1,024,414	860,569	19%
Core profit before taxation	34,005	68,253	(50%)	199,518	184,347	8%
Profit before taxation	294,439	65,689	348%	490,755	169,381	190%

Group revenue for the quarter ended 30 September 2022 (“Q3 2022”) decreased 15% to RM262.7 million compared with RM309.1 million for the corresponding period last year (“Q3 2021”) due to lower average Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) prices. Conversely, revenue for the nine months period ended 30 September 2022 (“9M 2022”) increased 19% to RM1,024.4 million from RM860.6 million achieved for the corresponding period last year (“9M 2021”) due to higher average CPO and PK prices.

The core profit for Q3 2022 of RM34.0 million was lower compared with RM68.3 million for Q3 2021 mainly due to fair value loss on forest planting expenditure of RM34.5 million under Others segment. Notwithstanding that, profit before tax (“PBT”) for Q3 2022 was 348% higher mainly due to the gain on disposal of land by BCAP of RM301.4 million, partially offset by impairments of bearer plant and building of RM25.5 million, and higher losses on foreign exchange.

For 9M 2022, core profit increased by 8% to RM199.5 million compared with 9M 2021 of RM184.3 million despite the fair value loss on forest planting expenditure. Taking into account the gain on disposal of land by BCAP and previously completed disposals of Ladang Ong Yah Ho, Ladang Gomantong and Lahad Datu Palm Oil Mill of RM386.3 million, partially offset by impairment of PPE of RM56.1 million and higher losses on foreign exchange, PBT for 9M 2022 increased significantly to RM490.8 million from RM169.4 million registered for 9M 2021.

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**1. Performance review (Continued)**
**1.1 Segmental analysis**

Revenue contributions from the respective segments are analysed as follows:

Revenue	Quarter Ended			Year-to-Date Ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Palm Products	236,236	286,815	(18%)	945,151	796,552	19%
Others	26,416	22,259	19%	79,263	64,017	24%
<b>Total</b>	<b>262,652</b>	<b>309,074</b>	<b>(15%)</b>	<b>1,024,414</b>	<b>860,569</b>	<b>19%</b>

As shown in the table above, revenue for Q3 2022 was lower compared with Q3 2021 mainly due to decline in revenue contributions from Palm Products segment attributable to lower average selling prices of CPO and PK. On year-to-date basis, the revenue was higher compared with 9M 2021 mainly due to higher average selling prices of CPO and PK.

Further comments on the segment results for Q3 2022 and 9M 2022 are as follows:

**1.1.1 Palm Products Segment**

Palm Products Segment	Quarter Ended			Year-to-Date Ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Operating profit	71,490	71,712	0%	243,797	208,631	17%

The profit for Palm Products segment for Q3 2022 was impacted by the increase in Indonesia Export Levy and Duty on CPO. Nevertheless, profit for 9M 2022 advanced compared with 9M 2021 despite higher Indonesia Export Levy and Duty on CPO as shown below:

	Quarter Ended			Year-to-Date Ended		
	30.09.2022 RM'000	30.09.2021 RM'000	Changes %	30.09.2022 RM'000	30.09.2021 RM'000	Changes %
Indonesia Export Levy and Duty on CPO	69,880	59,714	17%	216,270	184,568	17%

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**1. Performance review (Continued)**
**1.1 Segmental analysis (Continued)**
**1.1.1 Palm Products Segment (Continued)**

Despite higher volume of CPO and PK sold, this segment's operating profits for Q3 2022 was just about in line compared with Q3 2021 due to lower average selling prices for CPO and PK (as shown in the table below). For 9M 2022, this segment reported higher operating profits of RM243.8 million compared with RM208.6 million for 9M 2021. This is due to higher average selling prices of CPO and PK partially offset by lower sales volume achieved for 9M 2022 as compared with 9M 2021.

Average selling prices	Quarter Ended			Year-to-Date Ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	RM/MT	RM/MT	%	RM/MT	RM/MT	%
CPO	3,234	3,586	(10%)	4,286	3,357	28%
PK	1,849	2,055	(10%)	2,967	2,152	38%

FFB production for Q3 2022 was higher while 9M 2022 was lower compared with the corresponding period last year (as shown in the table below). Lower FFB production for 9M 2022 compared with 9M 2021 was due to disposals of Ladang Ong Yah Ho and Ladang Gomantong.

	Quarter Ended			Year-to-Date Ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	MT	MT	%	MT	MT	%
FFB production	263,838	239,222	10%	701,183	722,561	(3%)

**1.1.2 Others Segment**

Others Segment	Quarter Ended			Year-to-Date Ended		
	30.09.2022	30.09.2021	Changes	30.09.2022	30.09.2021	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Operating loss	(33,878)	(490)	(6814%)	(39,922)	(1,363)	(2829%)

This segment reported a higher operating loss of RM33.9 million and RM39.9 million respectively, for Q3 2022 and 9M 2022 compared with loss of RM0.5 million and RM1.4 million for the corresponding periods last year. This is mainly due to fair value loss on forest planting expenditure of RM34.5 million.

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

<b>Revenue</b>	<b>Q3 2022 RM'000</b>	<b>Q2 2022 RM'000</b>	<b>Changes RM'000</b>
Palm Products	236,236	396,651	(160,415)
Others	26,416	27,762	(1,346)
<b>Total</b>	<b>262,652</b>	<b>424,413</b>	<b>(161,761)</b>

Group revenue for Q3 2022 of RM262.7 million was lower compared with Q2 2022 of RM424.4 million. This is mainly attributable to lower revenue contributions from Palm Products segment due to lower average CPO and PK prices despite higher FFB production.

A lower core PBT of RM34.0 million was registered for Q3 2022 compared with RM98.8 million for Q2 2022, due to the decline in revenue and the impact of fair value loss on forest planting expenditure of RM34.5 million. Profit contributions from associate and joint ventures were also lower at RM11.1 million for Q3 2022 against contributions of RM17.7 million for Q2 2022.

The PBT for Q3 2022 was however higher at RM294.4 million compared with RM80.5 million for Q2 2022 mainly due to the gain on disposal of land by BCAP of RM301.4 million partially offset by the impairments of bearer plant and building of RM25.5 million.

**3. Commentary on the prospects**

CPO price declined to around RM3,300 per MT at third quarter end and have since stabilised in recent times and is currently trading at around RM4,000+ per MT. However, CPO price outlook is uncertain, weighed down by concerns over global economic slowdown and the strict COVID-19 measures in major importer, China, while at the same time buttressed by high energy prices. Raw materials price inflationary pressure mainly caused by the Russia-Ukraine war is also a serious challenge for the oil palm industry. Barring any unforeseen circumstances, the Group is optimistic of achieving satisfactory performance for year 2022.

Moreover, underpinned by its strong financial position, the Group is confident to weather through the headwinds and challenges in the years ahead.

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.

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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 Taxation**

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

	<b>Quarter Ended 30.09.2022 <u>RM'000</u></b>	<b>Year-To- Date Ended 30.09.2022 <u>RM'000</u></b>
Depreciation and amortisation	22,094	77,187
Interest expense	11,012	27,113
Interest income	(3,040)	(7,444)
(Write-back)/Inventories written down	(5,919)	19,074
Impairment losses on trade and other receivables	114	4,698
Loss from fair value adjustment of FFB	4,511	4,107
Fair value (gain)/loss on derivatives:		
- Forward currency contracts	(161)	(509)
- Commodity futures contracts	12,795	(2,180)
Net foreign exchange loss:		
- Realised	6,072	8,501
- Unrealised	9,556	31,051
Rental income	(285)	(718)
Realised (gain)/loss on commodity futures contracts	(26,304)	8,760
Gain on disposal of PPE and ROU	(301,922)	(387,248)
Impairment of PPE	25,466	56,067
Loss from fair value adjustment of forest planting expenditure	34,520	34,520

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**6. Taxation**

	<b>Quarter Ended 30.09.2022 <u>RM'000</u></b>	<b>Year-To-Date Ended 30.09.2022 <u>RM'000</u></b>
Current tax:		
Malaysian income tax	1,187	6,848
Foreign tax	14,025	45,191
Over provision in prior year:		
Foreign tax	-	(58)
Malaysian income tax	(196)	(216)
Deferred tax:		
Relating to reversal of temporary differences	(17,035)	(50,435)
Under provision in prior year	15	15
Real Property Gain Tax ("RPGT")	-	15,102
	<u>(2,004)</u>	<u>16,447</u>

The effective tax rate of the Group for the year-to-date ended 30 September 2022 is lower than the statutory tax rate mainly due to gain on disposal of assets and reversal of temporary differences, as well as effects of utilisation of deferred tax assets previously not recognised, partially offset by 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.



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**7. Corporate proposals (Continued)**

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	-	-

- b. On 4 April 2022, 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.

As at 30 September 2022, total proceeds raised from the disposal was RM428.8 million. RM358.4 million was utilised by the Group as follows:

Details of Utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Balance
			RM'000
Partial repayment of interest-bearing borrowings	550,000	322,253	227,747
New planting and replanting of oil palm	45,000	-	45,000
Infrastructure works of and capital expenditure	47,000	-	47,000
General working capital	68,944	23,708	45,236
Defray estimated expenses relating to the disposals	20,143	12,392	7,751
	731,087	358,353	372,734

The remaining balance of RM70.4 million was retained in deposits with licensed financial institutions.

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**7. Corporate proposals (Continued)**

The proposed disposal of the remaining balance of the Sale Land is expected to be completed by the 1<sup>st</sup> 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 30.09.2022					
	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	51,854	22,000	156,676	70,500	208,530	92,500
Unsecured	-	140,850	-	65,812	-	206,662
<b>Total</b>	<b>51,854</b>	<b>162,850</b>	<b>156,676</b>	<b>136,312</b>	<b>208,530</b>	<b>299,162</b>

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

**Group**

	RM'000	Assets RM'000	Liabilities RM'000	
<b>Non-hedging derivatives:</b>				
<b>Current</b>				
Forward currency contracts	17,754	879	-	Less than 1 year
Commodity futures contracts	4,186	306	(38)	Less than 1 year
	<b>21,940</b>	<b>1,185</b>	<b>(38)</b>	

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**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 Board of Directors proposed a first interim dividend of 8.0 sen per ordinary share for the financial year ending 31 December 2022.

**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	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
Net profit attributable to owners of the Company (RM'000)	258,428	45,078	412,239	105,576
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)	18.72	3.27	29.87	7.65

**(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 23 November 2022.