

TSH RESOURCES BERHADRegistration No : 197901005269 (49548-D)
(Incorporated in Malaysia)**Condensed Consolidated Statement of Comprehensive Income
For The Quarter and Year-To-Date Ended 30 June 2024**

	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Revenue	252,517	256,570	-2%	494,905	506,868	-2%
Cost of sales	(154,485)	(163,219)	-5%	(308,432)	(328,779)	-6%
Gross profit	98,032	93,351	5%	186,473	178,089	5%
Other operating income	6,945	9,206	-25%	9,872	17,201	-43%
Other operating expenses	(51,813)	(65,963)	-21%	(105,639)	(117,697)	-10%
Operating profit	53,164	36,594	45%	90,706	77,593	17%
Finance costs	(3,260)	(5,523)	-41%	(6,841)	(10,887)	-37%
Share of profit of an associate, net of tax	3,602	1,823	98%	6,194	3,825	62%
Share of profit/(loss) of joint ventures, net of tax	2,385	1,571	52%	644	(5,272)	nm
Core profit before taxation	55,891	34,465	62%	90,703	65,259	39%
Gain/(Loss) on foreign exchange	2,029	(6,962)	nm	2,244	(11,135)	nm
One-off depreciation adjustment (see Note 4 of Part A)	(21,974)	-	nm	(21,974)	-	nm
Net gain on disposal of assets held for sale	-	-	nm	-	27,604	nm
Profit before taxation	35,946	27,503	31%	70,973	81,728	-13%
Taxation	(10,641)	(10,923)	-3%	(20,491)	(27,215)	-25%
Profit for the period	25,305	16,580	53%	50,482	54,513	-7%
Other comprehensive (loss)/income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	(54,605)	94,576	nm	(53,978)	167,987	nm
Net profit/(loss) on financial assets at fair value through other comprehensive income ("FVOCI")	19	(3)	nm	255	(394)	nm
Cumulative loss/(gain) on financial assets at FVOCI reclassified to profit or loss upon disposal	-	97	nm	(4)	97	nm
<i>Item that will not be reclassified subsequently to profit or loss:</i>						
Remeasurements of net defined benefit liabilities	-	-	nm	258	-	nm
Other comprehensive (loss)/income for the period, net of tax	(54,586)	94,670	nm	(53,469)	167,690	nm
Total comprehensive (loss)/income for the period	(29,281)	111,250	nm	(2,987)	222,203	nm
Profit attributable to :						
Owners of the Company	20,630	10,562	95%	40,703	39,990	2%
Non-controlling interests	4,675	6,018	-22%	9,779	14,523	-33%
	25,305	16,580	53%	50,482	54,513	-7%
Total comprehensive (loss)/ income attributable to :						
Owners of the Company	(23,866)	93,824	nm	(2,687)	187,255	nm
Non-controlling interests	(5,415)	17,426	nm	(300)	34,948	nm
	(29,281)	111,250	nm	(2,987)	222,203	nm
Earnings per share attributable to owners of the Company						
Basic (sen)	1.49	0.77		2.95	2.90	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023

nm = not meaningful

Note

Revenue and profitability for the quarter and year-to-date ended 30 June 2024 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		
	30.06.2024 RM'000	30.06.2023 RM'000	Variance RM'000	30.06.2024 RM'000	30.06.2023 RM'000	Variance RM'000
Indonesia Export Levy and Duty on CPO	21,155	33,765	(12,610)	41,473	59,767	(18,294)

TSH RESOURCES BERHAD

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



Condensed Consolidated Statement of Financial Position
As at 30 June 2024

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,401,991	1,277,756
Biological assets	366,056	366,003
Right-of-use assets	257,922	253,435
Intangible assets	43,234	44,319
Investment in an associate	79,323	78,645
Investments in joint ventures	103,734	103,090
Deferred tax assets	283	473
Other receivables	45,652	47,910
Investment securities	27,476	28,094
Derivative assets	748	717
	<u>2,326,419</u>	<u>2,200,442</u>
Current assets		
Biological assets	13,610	14,697
Inventories	95,442	93,718
Trade and other receivables	42,292	36,214
Other current assets	4,984	5,320
Tax recoverable	19,994	17,995
Investment securities	1	1
Derivative assets	1,523	295
Short term funds	2,912	5,349
Cash and bank balances	259,808	250,138
	<u>440,566</u>	<u>423,727</u>
Assets held for sale	-	220,853
	<u>440,566</u>	<u>644,580</u>
TOTAL ASSETS	<u><u>2,766,985</u></u>	<u><u>2,845,022</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	(212,448)	(168,877)
Retained earnings	1,483,231	1,476,805
	<u>2,009,828</u>	<u>2,046,973</u>
Non-controlling interests	<u>255,120</u>	<u>258,308</u>
TOTAL EQUITY	<u><u>2,264,948</u></u>	<u><u>2,305,281</u></u>
Non-current liabilities		
Loans and Borrowings	85,703	110,963
Retirement benefits	24,780	22,982
Lease liabilities	719	955
Deferred tax liabilities	81,350	86,973
	<u>192,552</u>	<u>221,873</u>
Current liabilities		
Loans and Borrowings	181,343	191,157
Trade and other payables	127,468	123,475
Lease liabilities	380	420
Current tax payable	294	2,816
	<u>309,485</u>	<u>317,868</u>
TOTAL LIABILITIES	<u><u>502,037</u></u>	<u><u>539,741</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>2,766,985</u></u>	<u><u>2,845,022</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 2023

TSH RESOURCES BERHAD

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


**Condensed Consolidated Statement of Changes In Equity
For The Year-To-Date Ended 30 June 2024**

	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
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserves RM'000	Share Of Associate Reserves RM'000	Fair Value Reserves RM'000	Foreign Currency Translation Reserves RM'000				
Balance as at 1 January 2024	740,512	(1,467)	9,630	100	(164)	(178,443)	1,476,805	2,046,973	258,308	2,305,281
Profit for the period	-	-	-	-	-	-	40,703	40,703	9,779	50,482
Other comprehensive (loss)/income:										
Foreign currency translations	-	-	-	-	-	(43,822)	-	(43,822)	(10,156)	(53,978)
Net profit on financial assets at FVOCI	-	-	-	-	255	-	-	255	-	255
Cumulative gain on financial assets at FVOCI reclassified to profit or loss upon disposal	-	-	-	-	(4)	-	-	(4)	-	(4)
Remeasurements of net defined benefit liabilities	-	-	-	-	-	-	181	181	77	258
Other comprehensive income for the period, net of tax	-	-	-	-	251	(43,822)	181	(43,390)	(10,079)	(53,469)
Total comprehensive income for the period	-	-	-	-	251	(43,822)	40,884	(2,687)	(300)	(2,987)
Dividends paid to owners of the Company	-	-	-	-	-	-	(34,458)	(34,458)	-	(34,458)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(2,888)	(2,888)
Balance as at 30 June 2024	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>87</u>	<u>(222,265)</u>	<u>1,483,231</u>	<u>2,009,828</u>	<u>255,120</u>	<u>2,264,948</u>
Balance as at 1 January 2023	740,512	(1,467)	9,630	100	-	(264,636)	1,416,700	1,900,839	231,219	2,132,058
Profit for the period	-	-	-	-	-	-	39,990	39,990	14,523	54,513
Other comprehensive income/(loss):										
Foreign currency translations	-	-	-	-	-	147,562	-	147,562	20,425	167,987
Net loss on financial assets at FVOCI	-	-	-	-	(394)	-	-	(394)	-	(394)
Cumulative loss on financial assets at FVOCI reclassified to profit or loss upon disposal	-	-	-	-	97	-	-	97	-	97
Other comprehensive (loss)/income for the period, net of tax	-	-	-	-	(297)	147,562	-	147,265	20,425	167,690
Total comprehensive (loss)/income for the period	-	-	-	-	(297)	147,562	39,990	187,255	34,948	222,203
Additional interest in subsidiaries	-	-	-	-	-	-	-	-	2,736	2,736
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(9,710)	(9,710)
Balance as at 30 June 2023	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(297)</u>	<u>(117,074)</u>	<u>1,456,690</u>	<u>2,088,094</u>	<u>259,193</u>	<u>2,347,287</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 2023

TSH RESOURCES BERHAD

Registration No : 197901005269 (49548-D)

(Incorporated in Malaysia)


**Condensed Consolidated Statement of Cash Flows
For The Year-To-Date Ended 30 June 2024**

	Year-To-Date Ended	
	30.6.2024	30.6.2023
	RM'000	RM'000
Cash Flows from Operating Activities		
Profit before taxation	70,973	81,728
Adjustments for :-		
Depreciation	74,199	50,076
Fair value loss/(gain) on commodity futures contract	134	(6)
Net unrealised foreign exchange (gain)/loss	(2,780)	11,096
Net gain on disposal of property, plant and equipment ("PPE") and assets held for sale	(242)	(27,568)
Impairment losses/(Writeback of impairment losses) on other receivables	72	(145)
PPE written off	42	230
Inventories written down/(Inventories written back)	78	(3,675)
Inventories written off	11	980
Loss on redemption/disposal of financial assets	6	188
Loss/(gain) from fair value adjustment of fresh fruit bunches ("FFB")	673	(2,580)
Gain on lease reassessments	(5)	-
Bad debts written off	-	22
Share of (profit)/loss of joint ventures	(644)	5,272
Share of profit of an associate	(6,194)	(3,825)
Interest expense	6,841	10,887
Interest income	(6,242)	(6,325)
Dividend income	(1)	-
Operating cash flows before working capital changes	136,921	116,355
Changes in working capital :-		
(Increase)/Decrease in inventories	(1,813)	16,853
Increase in receivables	(1,230)	(12,728)
Increase in payables	6,044	3,695
Cash flows from operations	139,922	124,175
Net income tax paid	(30,699)	(46,399)
Net cash flows from operating activities	109,223	77,776
Cash Flows from Investing Activities		
Addition of right-of-use assets	(3,132)	(3,372)
Withdrawal/(Placement) of deposits with maturity of over 3 months	496	(3)
Purchases of PPE	(23,741)	(22,217)
Investment in financial assets at FVOCI	-	(29,261)
Proceeds from disposal of financial assets at FVOCI	-	2,040
Redemption of financial assets	878	-
Forest planting expenditure	(643)	(1,176)
Proceeds from disposal of PPE and assets held for sale	912	29,114
Interest received	6,242	6,325
Dividends received	5,516	4,728
Net cash flows used in from investing activities	(13,472)	(13,822)
Cash Flows from Financing Activities		
Net repayments of term loans	(30,713)	(144,498)
Net repayments of other borrowings	(6,192)	(39,628)
Proceeds from issuance of preference shares to non-controlling interests	-	2,736
Payments of lease liabilities and lease interest	(235)	(448)
Interest paid	(6,813)	(10,850)
Dividends paid to non-controlling interests	(2,888)	(9,710)
Dividends paid to owners of the Company	(34,458)	-
Net cash flows used in financing activities	(81,299)	(202,398)
Net increase/(decrease) in cash and cash equivalents	14,452	(138,444)
Cash and cash equivalents at beginning of period	251,034	376,231
Effects of changes in exchange rates	(7,113)	22,485
Cash and cash equivalents at end of period	258,373	260,272

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2023

TSH RESOURCES BERHAD

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

EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2024
PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134
1. Basis of preparation

The condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting, IAS 34: 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 2023.

These explanatory notes attached to the Condensed Report 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 2023.

The material accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2023 except for the adoption of the following Amendments to MFRSs during the current financial period.

Title	Effective Date
Amendments to MFRS 16 <i>Lease liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

The adoption of the above Amendments to MFRSs 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 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 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
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 and Amendments to MFRSs that are applicable when they become effective.

TSH RESOURCES BERHAD

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

2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2023 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 for the current quarter and year-to-date ended 30 June 2024, except for a one-off depreciation adjustment in respect of PPE and right-of-use assets (hereinafter collectively referred to as the "Said Assets"). This was because PT Kawasan Industri Kalimantan Indonesia ("KIKI"), PT Kalimantan Industrial Park Indonesia ("KIPI") and our subsidiary, PT Bulungan Citra Agro Persada ("BCAP") had on 7 August 2024, mutually agreed to terminate the disposal of the remaining 5,397.54 Ha of certificated land (hereinafter collectively referred to as the "Remaining Land").

The termination has resulted in the recognition of prior periods depreciation charges of approximately RM22.0 million on the Said Assets in accordance with MFRS 5. The Said Assets which were previously classified as Assets Held for Sale have now been reclassified back to PPE and right-of-use assets.

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 2024.

7. Dividends paid

During the quarter and year-to-date ended 30 June 2024, a first and final single-tier dividend of 2.5 sen per ordinary share for the year ended 31 December 2023 amounted to RM34.5 million was paid on 17 May 2024.

TSH RESOURCES BERHAD

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

8. Segmental information
i) Business segments
Business Segment For Quarter Ended

	Palm Products		Others		Total	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENT REVENUE	235,928	240,509	16,589	16,061	252,517	256,570
Segment operating profit/(loss)	59,263	51,382	(1,730)	(1,977)	57,533	49,405
One-off depreciation adjustment (see Note 4 of Part A)	(21,974)	-	-	-	(21,974)	-
SEGMENT PROFIT/ (LOSS)	37,289	51,382	(1,730)	(1,977)	35,559	49,405
Unallocated corporate expenses					(4,369)	(12,811)
Gain/(loss) on foreign exchange					2,029	(6,962)
Finance costs					(3,260)	(5,523)
Share of profit of an associate					3,602	1,823
Share of profit of joint ventures					2,385	1,571
Consolidated profit before tax					35,946	27,503

TSH RESOURCES BERHAD

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

8. Segmental information (Continued)
i) Business segments (Continued)
Business Segment For Year-To-Date Ended

	Palm Products		Others		Total	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
SEGMENT REVENUE	467,700	473,633	27,205	33,235	494,905	506,868
Segment operating profit/(loss)	105,419	101,906	(5,562)	(5,241)	99,857	96,665
One-off depreciation adjustment (see Note 4 of Part A)	(21,974)	-	-	-	(21,974)	-
Gain on disposal of assets held for sale	-	27,604	-	-	-	27,604
SEGMENT PROFIT/ (LOSS)	83,445	129,510	(5,562)	(5,241)	77,883	124,269
Unallocated corporate expenses					(9,151)	(19,072)
Gain/(loss) on foreign exchange					2,244	(11,135)
Finance costs					(6,841)	(10,887)
Share of profit of an associate					6,194	3,825
Share of profit/(loss) of joint ventures					644	(5,272)
Consolidated profit before tax					70,973	81,728

TSH RESOURCES BERHAD

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

8. Segmental information (Continued)
i) Business segments (Continued)
Business Segment For Year-To-Date Ended

	Palm Products		Others		Consolidated	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
SEGMENTS ASSETS	1,903,782	2,101,693	586,272	603,487	2,490,054	2,705,180
Investments in joint ventures					103,734	100,812
Investment in an associate					79,323	76,534
Deferred tax assets					283	854
Tax recoverable					19,994	16,522
Unallocated assets					73,597	77,589
Consolidated total assets					2,766,985	2,977,491
SEGMENT LIABILITIES	124,542	130,471	17,695	21,011	142,237	151,482
Borrowings					267,046	380,712
Lease liabilities					1,099	1,534
Deferred tax liabilities					81,350	85,744
Unallocated liabilities					10,305	10,732
Consolidated total liabilities					502,037	630,204

ii) Geographical segments

	Quarter Ended		Year-To-Date Ended			
	Total revenue from external customers		Total revenue from external customers		Non-Current Assets	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	82,843	75,161	152,428	149,844	993,231	998,861
Indonesia	160,535	172,809	328,422	335,911	1,259,029	1,194,952
United States of America	6,041	5,205	7,973	10,824	-	-
South West Pacific	2,303	2,048	3,904	7,035	-	-
Others	795	1,347	2,178	3,254	-	-
Total	252,517	256,570	494,905	506,868	2,252,260	2,193,813

TSH RESOURCES BERHAD

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

9. Changes in composition of the Group

On 5 April 2024, TSH Timber Industries Sdn. Bhd. (“TSHTI”), a wholly-owned subsidiary of the Company had received a notification from the Companies Commission of Malaysia that TSHTI had been duly struck off. The striking off of TSHTI did not have any material impact on the net assets and earnings per share of the Group.

Apart from the above, there were no other 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 2024 is as follows:

	As at 30.06.2024 RM'000	As at 31.12.2023 RM'000
Approved and contracted for	15,075	13,707
Approved but not contracted for	64,945	48,593
	<u>80,020</u>	<u>62,300</u>

11. Changes in contingent liabilities or contingent assets

Contingent tax expenses pending outcome of court cases were disclosed in the last annual reporting period. In addition, there are also ongoing objections with the local tax authority on certain disputed tax assessments, which the Group is of the view that it has valid explanations to justify.

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

12. Material related party transactions

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

	Year-To-Date Ended 30 June 2024 RM'000
Sales of crude palm oil	115,782
Sales of palm kernel	16,642

TSH RESOURCES BERHAD

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

13. Subsequent event

There was no material event subsequent to the end of this reporting period except for the termination of the disposal of the Remaining Land by BCAP, which is also referred to in Note 4 of Part A and Note 7 of Part B.

14. Fair Value of Financial Instruments

The Group uses the following hierarchy in determining the fair value of all financial instruments carried at fair value:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Unobservable inputs for the asset or liability.

As at 30 June 2024, the Group held the following financial instruments that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial Assets:				
Non-current assets:				
Financial assets at fair value through profit or loss:				
• Investment securities (Unquoted)	-	-	50	50
• Derivative assets	-	748	-	748
Financial assets at fair value through other comprehensive income:				
• Investment securities (Unquoted)	-	27,426	-	27,426
Current assets:				
Financial assets at fair value through profit or loss:				
• Investment securities (Quoted in Malaysia)	1	-	-	1
• Derivative assets	-	1,523	-	1,523
• Short term funds	2,912	-	-	2,912

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

	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Revenue	252,517	256,570	(2%)	494,905	506,868	(2%)
Core profit before taxation	55,891	34,465	62%	90,703	65,259	39%
Profit before taxation ("PBT")	35,946	27,503	31%	70,973	81,728	(13%)

The Group's registered revenue of RM252.5 million for the quarter ended 30 June 2024 ("Q2 2024") compared with RM256.6 million for the corresponding period last year ("Q2 2023"). On year-to-date basis, revenue for the six months period ended 30 June 2024 ("6M 2024") was RM494.9 million compared with RM506.9 million achieved for the corresponding period last year ("6M 2023"). The marginal change in revenue for Q2 2024 and 6M 2024 was mainly due to lower volume of FFB and CPO sold despite higher average CPO and PK prices.

Core profit before taxation for Q2 2024 and 6M 2024 have improved by 62% and 39% respectively, compared to the corresponding periods mainly due to higher profit from Palm Products segment, lower corporate expenses and finance costs, coupled with increased profit contribution from the associate and joint ventures.

As disclosed in Note 4 of Part A, a one-off prior periods depreciation charge amounting to RM22.0 million was recognised in the current quarter following termination of the disposal of the Remaining Land. Notwithstanding this adjustment, PBT for Q2 2024 of RM35.9 million was still higher compared with Q2 2023 of RM27.5 million due to a gain on foreign exchange of RM2.0 million registered in Q2 2024 (2023: loss of RM7.0 million). On year-to-date basis, the PBT of RM71.0 million was lower compared with 6M 2023 of RM81.7 million mainly attributable to the above said one-off depreciation adjustment in Q2 2024, as well as the recognition of a gain of RM27.6 million in respect of the disposal of 574.56 hectares of uncertificated land in Kalimantan, partially offset by a foreign exchange loss of RM11.1 million, in the corresponding period last year.

1.1 Segmental Revenue

Revenue from the respective segments are analysed as follows:

Revenue	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Palm Products	235,928	240,509	(2%)	467,700	473,633	(1%)
Others	16,589	16,061	3%	27,205	33,235	(18%)
Total	252,517	256,570	(2%)	494,905	506,868	(2%)

TSH RESOURCES BERHAD

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

1. Performance review (Continued)
1.1 Segmental Revenue (Continued)

Despite lower volume of CPO sold (as shown in the table below), revenue for Palm Products Segment for Q2 2024 and 6M 2024 was only marginally lower compared with Q2 2023 and 6M 2023 due to better palm products prices.

Volume	Quarter Ended			Year-To-Date Ended		
	30.06.2024 MT	30.06.2023 MT	Changes %	30.06.2024 MT	30.06.2023 MT	Changes %
CPO Sold	51,418	57,024	(10%)	104,216	111,052	(6%)

For Q2 2024, Others Segment registered higher revenue from the increased sales of rubber, log timber and wood products. Nevertheless, poor demand from export market for wood products has contributed to lower revenue for 6M 2024.

1.2 Segmental Profit or Loss

Further comments on the segment profit or loss are as follows:

1.2.1 Palm Products Segment

Palm Products Segment	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Operating profit	59,263	51,382	15%	105,419	101,906	3%

Contribution from the Palm Products segment has improved as compared to the comparative periods due to higher average CPO and PK prices despite FFB production was lower (as shown in the table below) in line with production trend in Indonesia.

Volume	Quarter Ended			Year-To-Date Ended		
	30.06.2024 MT	30.06.2023 MT	Changes %	30.06.2024 MT	30.06.2023 MT	Changes %
FFB Production	205,097	222,119	(8%)	401,663	421,453	(5%)

Average selling prices	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM/MT	30.06.2023 RM/MT	Changes %	30.06.2024 RM/MT	30.06.2023 RM/MT	Changes %
CPO	3,704	3,493	6%	3,645	3,523	3%
PK	2,250	1,785	26%	2,088	1,778	17%

TSH RESOURCES BERHAD

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

1. Performance review (Continued)
1.2 Segmental Profit or Loss (Continued)
1.2.1 Palm Products Segment (Continued)

Both the segment revenue and profit for Q2 2024 and 6M 2024 and the corresponding periods last year were impacted by the Indonesia Export Levy and Duty on CPO as shown below:

	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Indonesia Export Levy and Duty on CPO	21,155	33,765	(37%)	41,473	59,767	(31%)

1.2.2 Others Segment

Others Segment	Quarter Ended			Year-To-Date Ended		
	30.06.2024 RM'000	30.06.2023 RM'000	Changes %	30.06.2024 RM'000	30.06.2023 RM'000	Changes %
Operating loss	(1,730)	(1,977)	12%	(5,562)	(5,241)	(6%)

Others segment reported a lower operating loss of RM1.7 million for Q2 2024 compared with RM2.0 million for Q2 2023 in line with higher revenue.

However, loss for 6M 2024 was higher compared with the corresponding period last year, attributable to higher production cost and major maintenance of the bio-mass power plant as a result of longer shut down of the plant for annual inspection in Q1 2024.

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

	Q2 2024 RM'000	Q1 2024 RM'000	Changes RM'000
Revenue:	252,517	242,388	10,129
Palm Products	235,928	231,772	4,156
Others	16,589	10,616	5,973
Core profit before taxation	55,891	34,812	21,079
PBT	35,946	35,027	919

TSH RESOURCES BERHAD

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

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

The Group's revenue for Q2 2024 of RM252.5 million was higher compared with Q1 2024 of RM242.4 million. This was partly attributable to higher revenue from the Palm Products segment as a result of higher average CPO and PK prices, despite lower CPO and PK sold. The increase is further contributed by Others Segment mainly from Wood division due to increase in demand from export market.

Accordingly, the Group's core profit before taxation for Q2 2024 increased 61% to RM55.9 million from RM34.8 million in Q1 2024 in line with increase in revenue of the Palm Products Segment and bio-mass division, as well as increased profit contribution from the associate and joint ventures.

Despite the one-off depreciation of RM22.0 million recognised following termination of the disposal of the Remaining Land, PBT for Q2 2024 was also higher at RM35.9 million compared with RM35.0 million for Q1 2024 mainly attributable to a gain on foreign exchange of RM2.0 million registered in Q2 2024 as compared to RM0.2 million in Q1 2024.

3. Commentary on the prospects

The Malaysia palm oil stocks went down as July export surged driven by increased shipments to the major palm oil import countries despite achieving highest monthly CPO production for the year to date. At the point of reporting, CPO spot prices remain stable and traded at tight range around RM3,800 to RM4,000 per MT tracking the price movements of rival vegetable oils. However, the future CPO price will continue to be influenced by various factors, including supply and demand shifts and stock levels variations.

Moving forward, the Group is confident to continue its growth trajectory underpinned by its healthy cashflow and robust balance sheet with a net asset per share of RM1.46 and zero net gearing as at 30 June 2024. The Group will undertake new planting at a steady pace on its unplanted land bank over the next few years to progressively expand its planted hectareage. The Group will continue to seek strategic opportunities within the green/sustainable segment to complement its long-term shareholder value enhancement initiatives.

Barring any unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory performance for 2024.

4. Profit forecast or profit guarantee

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

TSH RESOURCES BERHAD

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

5. Profit Before Taxation

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

	Quarter Ended 30.06.2024 <u>RM'000</u>	Year-To-Date Ended 30.06.2024 <u>RM'000</u>
Depreciation	47,778	74,199
Fair value loss/(gain) on derivatives:		
- Forward currency contracts	136	(1,393)
- Commodity futures contracts	-	134
Interest expense	3,260	6,841
Interest income	(3,124)	(6,242)
(Gain)/Loss from fair value adjustment of FFB	(2,075)	673
Net foreign exchange loss:		
- Realised	521	536
- Unrealised	(2,686)	(1,387)
Net gain on disposal of PPE	(130)	(242)
Rental income	(269)	(563)

6. Taxation

	Quarter Ended 30.06.2024 <u>RM'000</u>	Year-To-Date Ended 30.06.2024 <u>RM'000</u>
Current tax:		
Foreign tax	10,814	21,134
Malaysian income tax	656	1,468
Under provision in prior years:		
Foreign tax	114	189
Malaysian income tax	135	134
Deferred tax:		
Relating to reversal of temporary differences	(3,723)	(5,079)
Withholding tax	2,645	2,645
	<u>10,641</u>	<u>20,491</u>

The effective tax rate of the Group for the year-to-date ended 30 June 2024 is higher than the statutory tax rate mainly due to withholding tax on dividend from foreign subsidiary, non-deductibility of certain expenses for taxation purpose and non-recognition of deferred tax assets for certain subsidiaries.

TSH RESOURCES BERHAD

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

7. Corporate proposals

On 4 April 2022, BCAP, KIKI and KIPI had entered into a CSPA 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 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 7,817.36 hectares of certificated land was completed.

On 18 January 2023, the disposal of 574.56 hectares of uncertified land was completed.

On 4 July 2023, KIKI and KIPI had respectively exercised their options to grant BCAP an Extended Long Stop Date period of the CSPA of 12 months from 4 July 2023 to 4 July 2024.

On 8 August 2024, the Group announced that KIKI, KIPI and BCAP had on 7 August 2024, mutually agreed to terminate the acquisitions of the Remaining Land. The reason for the termination is due to the non-fulfilment of a condition precedent namely, the signing of the Minutes of Clean and Clear by KIKI or KIPI, as the case may be, and BCAP by the Extended Long Stop Date and the inability of the Parties to mutually agree upon an alternative measure for the closing of the Remaining Land within 30 days from the expiry of the Extended Long Stop Date.

As at the date of termination, total proceeds raised from the disposal was RM457.5 million, which were fully utilised by the Group as follows:

Details of Utilisation	Proposed utilisation* RM'000	Actual utilisation** RM'000
Partial repayment of interest-bearing borrowings	550,000	400,304
New planting and replanting of oil palm	45,000	593
Infrastructure works and capital expenditure	47,000	9,204
General working capital	68,944	34,093
Defray estimated expenses relating to the disposals	20,143	13,305
	731,087	457,499

* This is based on the exchange rate of Rp 1.00: RM0.000301 as disclosed in the Circular

** This is based on the spot exchange rates upon utilisation of the disposal proceeds

The actual utilisation was within the limits of the respective categories of the Proposed Utilisation. Following the termination, BCAP has refunded to KIKI and KIPI their respective Down Payments for the Remaining Land totalling IDR59.21 billion, free of interest.

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

TSH RESOURCES BERHAD

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

8. Group Borrowings and Debt Securities

Comprised:

	As at 30.06.2024					
	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	31,149	22,000	16,518	69,185	47,667	91,185
Unsecured	-	128,194	-	-	-	128,194
Total	31,149	150,194	16,518	69,185	47,667	219,379

9. Derivatives

The forward currency contracts are entered into by the Group as hedges for committed loans and borrowings denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group to fluctuations in foreign exchange on payments.

As at 30 June 2024, the values and maturity analysis of the outstanding derivatives were as follows:

Group

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	
Non-hedging derivatives:				
Forward currency contracts	15,355	748	-	Between 1 – 3 years
Forward currency contracts	29,262	1,523	-	Less than 1 year
		2,271	-	

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 except as disclosed in Note 11 of Part A.

11. Dividend Payable

The Company did not declare any interim dividend for the current quarter ended 30 June 2024.

TSH RESOURCES BERHAD

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

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 Ended	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
Net profit attributable to owners of the Company (RM'000)	20,630	10,562	40,703	39,990
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)	1.49	0.77	2.95	2.90

(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 2024.