

**TSH RESOURCES BERHAD**

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



**Condensed Consolidated Statement of Comprehensive Income  
For The Quarter and Year-to-Date Ended 30 September 2023**

	30.09.2023 RM'000	Quarter Ended 30.09.2022 RM'000	Changes %	30.09.2023 RM'000	Year-To-Date Ended 30.09.2022 RM'000	Changes %
Revenue	298,720	262,652	14%	805,588	1,024,414	-21%
Cost of sales	(175,210)	(168,028)	4%	(503,989)	(625,382)	-19%
<b>Gross profit</b>	123,510	94,624	31%	301,599	399,032	-24%
Other operating income	8,084	43,095	-81%	23,564	21,644	9%
Other operating expenses	(69,613)	(103,792)	-33%	(185,589)	(233,597)	-21%
<b>Operating profit</b>	61,981	33,927	83%	139,574	187,079	-25%
Finance costs	(4,903)	(11,012)	-55%	(15,790)	(27,113)	-42%
Share of profit of an associate, net of tax	3,715	3,286	13%	7,540	16,362	-54%
Share of (loss)/profit of joint ventures, net of tax	(688)	7,804	nm	(5,960)	23,190	nm
<b>Core profit before taxation</b>	60,105	34,005	77%	125,364	199,518	-37%
Gain/(Loss) on foreign exchange	3,187	(15,467)	nm	(7,948)	(39,043)	-80%
Gain on disposal of assets held for sale and property, plant and equipment ("PPE")	-	301,367	nm	27,604	386,347	-93%
Impairment of PPE	-	(25,466)	nm	-	(56,067)	nm
Expenses in relation to secondary listing	(5,786)	-	nm	(5,786)	-	nm
<b>Profit before taxation</b>	57,506	294,439	-80%	139,234	490,755	-72%
Taxation	(18,262)	2,004	nm	(45,476)	(16,447)	177%
<b>Profit for the period</b>	39,244	296,443	-87%	93,758	474,308	-80%
<b>Other comprehensive (loss)/ income</b>						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	(39,922)	52,227	nm	128,065	74,888	71%
Net loss on financial assets at fair value through other comprehensive income ("FVOCI")	(237)	-	nm	(631)	-	nm
Cumulative loss on financial assets at FVOCI reclassified to profit or loss upon disposal	-	-	nm	97	-	nm
<b>Other comprehensive (loss)/ income for the period, net of tax</b>	(40,159)	52,227	nm	127,531	74,888	70%
<b>Total comprehensive (loss)/income for the period</b>	(915)	348,670	nm	221,289	549,196	-60%
<b>Profit attributable to :</b>						
Owners of the Company	29,542	258,428	-89%	69,533	412,239	-83%
Non-controlling interests	9,702	38,015	-74%	24,225	62,069	-61%
	39,244	296,443	-87%	93,758	474,308	-80%
<b>Total comprehensive (loss)/ income attributable to :</b>						
Owners of the Company	(5,341)	305,569	nm	181,915	480,074	-62%
Non-controlling interests	4,426	43,101	-90%	39,374	69,122	-43%
	(915)	348,670	nm	221,289	549,196	-60%
<b>Earnings per share attributable to owners of the Company</b>						
Basic (sen)	2.14	18.72		5.04	29.87	

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the year ended 31 December 2022

\*nm = not meaningful

Note

Revenue and profitability for the quarter and year-to-date ended 30 September 2023 and the corresponding periods last year were impacted by the Indonesia Export Levy and Duty on CPO which is tabulated below:

	30.09.2023 RM'000	Quarter Ended 30.09.2022 RM'000	Variance RM'000	30.09.2023 RM'000	Year-To-Date Ended 30.09.2022 RM'000	Variance RM'000
Indonesia Export Levy and Duty on CPO	26,922	69,880	(42,958)	86,689	216,270	(129,581)

**TSH RESOURCES BERHAD**

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**Condensed Consolidated Statement of Financial Position**  
**As at 30 September 2023**

	<b>As at 30.09.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,305,384	1,256,556
Biological assets	365,865	364,842
Right-of-use assets	258,453	255,082
Intangible assets	50,460	50,350
Investment in an associate	77,886	77,437
Investments in joint ventures	100,124	106,083
Deferred tax assets	1,190	6,026
Other receivables	52,209	53,946
Investment securities	27,430	50
	<u>2,239,001</u>	<u>2,170,372</u>
<b>Current assets</b>		
Biological assets	15,410	13,531
Inventories	105,450	132,923
Trade and other receivables	39,291	39,725
Other current assets	7,179	6,432
Tax recoverable	14,508	8,789
Investment securities	1	1
Derivative assets	1,509	30
Short term funds	5,304	6,385
Cash and bank balances	322,988	375,580
	<u>511,640</u>	<u>583,396</u>
Assets held for sale	225,214	205,510
	<u>736,854</u>	<u>788,906</u>
<b>TOTAL ASSETS</b>	<u>2,975,855</u>	<u>2,959,278</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	(142,524)	(254,906)
Retained earnings	1,451,728	1,416,700
	<u>2,048,249</u>	<u>1,900,839</u>
<b>Non-controlling interests</b>	260,569	231,219
<b>TOTAL EQUITY</b>	<u>2,308,818</u>	<u>2,132,058</u>
<b>Non-current liabilities</b>		
Loans and Borrowings	124,678	164,860
Retirement benefits	22,427	17,324
Lease liabilities	1,021	1,320
Deferred tax liabilities	86,325	86,555
	<u>234,451</u>	<u>270,059</u>
<b>Current liabilities</b>		
Loans and Borrowings	289,854	394,251
Trade and other payables	139,385	142,158
Derivative liabilities	-	3,282
Lease liabilities	395	615
Current tax payable	2,952	16,855
	<u>432,586</u>	<u>557,161</u>
<b>TOTAL LIABILITIES</b>	<u>667,037</u>	<u>827,220</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>2,975,855</u>	<u>2,959,278</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 2022

**TSH RESOURCES BERHAD**

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**Condensed Consolidated Statement of Changes In Equity  
For The Year-to-Date Ended 30 September 2023**

	Attributable to owners of the Company									
	Non-distributable									
	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	Retained Earnings RM'000	Equity attributable to owners of the Company Total RM'000	Non-controlling Interests RM'000	Equity Total RM'000
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	-	-	-	-	-	-	69,533	69,533	24,225	93,758
Other comprehensive income:										
Foreign currency translations	-	-	-	-	-	112,916	-	112,916	15,149	128,065
Net loss on financial assets at FVOCI	-	-	-	-	(631)	-	-	(631)	-	(631)
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	-	-	-	-	(534)	112,916	-	112,382	15,149	127,531
Total comprehensive (loss)/income for the period	-	-	-	-	(534)	112,916	69,533	181,915	39,374	221,289
Additional interest in subsidiaries	-	-	-	-	-	-	-	-	2,736	2,736
Dividends paid to owners of the Company	-	-	-	-	-	-	(34,505)	(34,505)	-	(34,505)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(12,760)	(12,760)
Balance as at 30 September 2023	740,512	(1,467)	9,630	100	(534)	(151,720)	1,451,728	2,048,249	260,569	2,308,818
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	-	-	-	-	-	-	412,239	412,239	62,069	474,308
Other comprehensive income:										
Foreign currency translations	-	-	-	-	-	67,835	-	67,835	7,053	74,888
Other comprehensive income for the period, net of tax	-	-	-	-	-	67,835	-	67,835	7,053	74,888
Total comprehensive income for the period	-	-	-	-	-	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)
Balance as at 30 September 2022	740,512	(1,467)	9,630	100	-	(150,788)	1,482,011	2,079,998	239,117	2,319,115

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 2022

**TSH RESOURCES BERHAD**

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**Condensed Consolidated Statement of Cash Flows  
For The Year-to-Date Ended 30 September 2023**

	<b>Year-to-Date Ended</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	139,234	490,755
Adjustments for :-		
Depreciation and amortisation	75,743	77,187
Fair value gain on commodity futures contract	(16)	(2,180)
Net unrealised foreign exchange loss	6,277	30,542
Net gain on disposal of assets held for sale and PPE	(27,683)	(387,248)
Impairment loss on goodwill	2,279	-
Impairment losses on trade and other receivables	3,173	4,698
Impairment of PPE	-	56,067
PPE written off	387	245
(Inventories written back)/Inventories written down	(5,537)	19,074
Loss on disposal of financial assets at FVOCI	230	-
Inventories written off	6,065	617
Fair value loss on investment securities	-	2
(Gain)/Loss from fair value adjustment of fresh fruit bunches ("FFB")	(859)	4,107
Loss from fair value adjustment of forest planting expenditure	-	34,520
Bad debts written off	50	474
Share of loss/(profit) of joint ventures	5,960	(23,190)
Share of profit of an associate	(7,540)	(16,362)
Interest expense	15,790	27,113
Interest income	(9,947)	(7,444)
Dividend income	(2)	(18)
Operating cash flows before working capital changes	203,604	308,959
Changes in working capital :-		
Decrease/(Increase) in inventories	26,944	(25,199)
Increase in receivables	(8,308)	(22,530)
Increase/(Decrease) in payables	6,871	(74,006)
Cash flows from operations	229,111	187,224
Net income tax paid	(62,576)	(56,375)
Net cash flows from operating activities	166,535	130,849
<b>Cash Flows from Investing Activities</b>		
Addition of right of use assets	(3,981)	(18,409)
Placement of deposits with maturity of over 3 months	(3)	(3)
Purchases of PPE	(41,227)	(42,389)
Purchases of financial assets at FVOCI	(29,261)	-
Proceeds from disposal of financial assets at FVOCI	2,040	-
Forest planting expenditure	(1,869)	(1,558)
Proceeds from disposal of assets held for sale and PPE	29,575	656,111
Interest received	9,947	7,444
Dividends received	7,094	19,980
Net cash flows (used in)/from investing activities	(27,685)	621,176
<b>Cash Flows from Financing Activities</b>		
Net repayments of term loans/medium term notes	(160,996)	(293,847)
Net drawdown/(repayments) of other borrowings	12,319	(328,816)
Proceeds from issuance of preference shares to non-controlling interests	2,736	-
Payments of lease liabilities and lease interest	(591)	(830)
Interest paid	(15,737)	(26,979)
Dividends paid to non-controlling interests	(12,760)	(2,263)
Dividends paid to owners of the Company	(34,505)	(41,406)
Net cash flows used in financing activities	(209,534)	(694,141)
Net (decrease)/increase in cash and cash equivalents	(70,684)	57,884
Cash and cash equivalents at beginning of period	376,231	292,751
Effects of changes in exchange rates	17,083	6,064
<b>Cash and cash equivalents at end of period</b>	<b>322,630</b>	<b>356,699</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 2022**

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**EXPLANATORY NOTES FOR CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023**
**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 2022.

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 2022.

The material accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2022 except for the adoption of the following Amendments to MFRSs during the current financial period.

<b>Title</b>	<b>Effective Date</b>
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>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

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 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
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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 2022 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 September 2023, except as follows:

- (i) recognition of gain on disposal of RM27.6 million arising from the completion of the disposal of 574.56 hectares of land by a subsidiary, PT Bulungan Citra Agro Persada ("BCAP") on 18 January 2023 with reference to Note 7(a) of Part B;
- (ii) recognition of expenses of RM5.8 million incurred in relation to the secondary listing of the Company on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") with reference to Note 7(b) of Part B.

**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 year-to-date ended 30 September 2023, the Group redeemed Sukuk Murabahah Medium Term Notes at nominal value of RM90 million.

Apart from the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and year-to-date ended 30 September 2023.

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### 7. Dividends paid

During the quarter and year-to-date ended 30 September 2023, a final single tier dividend of 2.5 sen per ordinary share for the year ended 31 December 2022 amounted to RM34.5 million was paid on 14 July 2023.

### 8. Segmental information

#### i) Business segments

##### Business Segment For Quarter Ended

	Palm Products		Others		Total	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<b>SEGMENT REVENUE</b>	279,258	236,236	19,462	26,416	298,720	262,652
Segment operating profit/(loss)	71,589	71,490	(3,755)	(33,878)	67,834	37,612
Gain on disposal of assets held for sale	-	301,367	-	-	-	301,367
Impairment of assets	-	(17,414)	-	(8,052)	-	(25,466)
<b>SEGMENT PROFIT/ (LOSS)</b>	71,589	355,443	(3,755)	(41,930)	67,834	313,513
Unallocated corporate expenses					(5,853)	(3,685)
Expenses in relation to secondary listing					(5,786)	-
Gain/(Loss) on foreign exchange					3,187	(15,467)
Finance costs					(4,903)	(11,012)
Share of profit of an associate					3,715	3,286
Share of (loss)/ profit of joint ventures					(688)	7,804
Consolidated profit before tax					57,506	294,439

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**8. Segmental information**

**i) Business segments**

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

	Palm Products		Others		Total	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<b>SEGMENT REVENUE</b>	752,890	945,151	52,698	79,263	805,588	1,024,414
Segment operating profit/(loss)	173,495	243,797	(8,996)	(39,922)	164,499	203,875
Gain on disposal of assets held for sale and PPE	27,604	386,347	-	-	27,604	386,347
Impairment of assets	-	(17,414)	-	(38,653)	-	(56,067)
<b>SEGMENT PROFIT/ (LOSS)</b>	201,099	612,730	(8,996)	(78,575)	192,103	534,155
Unallocated corporate expenses					(24,925)	(16,796)
Expenses in relation to secondary listing					(5,786)	-
Loss on foreign exchange					(7,948)	(39,043)
Finance costs					(15,790)	(27,113)
Share of profit of an associate					7,540	16,362
Share of (loss)/profit of joint ventures					(5,960)	23,190
Consolidated profit before tax					139,234	490,755



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## **8. Segmental information (Continued)**

### **i) Business segments (Continued)**

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

	Palm Products		Others		Consolidated	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
<b>SEGMENTS ASSETS</b>	2,066,654	2,092,029	598,958	625,639	2,665,612	2,717,668
Investments in joint ventures					100,124	112,652
Investment in an associate					77,886	78,473
Deferred tax assets					1,190	4,018
Tax recoverable					14,508	8,278
Unallocated assets					116,535	184,072
Consolidated total assets					2,975,855	3,105,161
<b>SEGMENT LIABILITIES</b>	129,392	149,543	19,800	30,437	149,192	179,980
Borrowings					414,532	507,692
Lease liabilities					1,416	4,022
Deferred tax liabilities					86,325	82,436
Unallocated liabilities					15,572	11,916
Consolidated total liabilities					667,037	786,046

### **ii) Geographical segments**

	Quarter Ended		Year-To-Date Ended			
	Total revenue from external customers		Total revenue from external customers		Non-Current Assets	
	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000	30.09.2023 RM'000	30.09.2022 RM'000
Malaysia	79,264	92,520	229,108	356,844	998,693	1,021,103
Indonesia	213,070	150,645	548,981	606,938	1,384,693	1,420,641
United States of America	3,012	9,523	13,836	31,695	-	-
South West Pacific	2,236	8,095	9,270	20,346	-	-
Others	1,138	1,869	4,393	8,591	-	5
<b>Total</b>	<b>298,720</b>	<b>262,652</b>	<b>805,588</b>	<b>1,024,414</b>	<b>2,383,386</b>	<b>2,441,749</b>

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

On 3 July 2023, Ekowood Iberica S.L (“Ekowood Iberica”), a 99.96% owned subsidiary of Ekowood International Berhad, which in turn is a wholly-owned subsidiary of TSH Resources Berhad, has received a notification from the liquidator informing that Ekowood Iberica has been duly liquidated. The members’ voluntary liquidation of Ekowood Iberica did 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 2023 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 2023 is as follows:

	<b>As at 30.09.2023 RM'000</b>	<b>As at 31.12.2022 RM'000</b>
Approved and contracted for	14,966	13,580
Approved but not contracted for	54,520	31,719
	<u>69,486</u>	<u>45,299</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.

In June 2023, PT Teguh Swakarsa Sejahtera (“PT TSS”), a subsidiary of the Group, has submitted a tax appeal to the Local Tax Court on Tax Loss Carry Forward amounting to approximately RM9.2 million for fiscal year 2019. Based on consultation with our tax consultants, our Group is of the opinion that PT TSS has a valid defence against the said assessments by the relevant tax office.

In August 2023, PT FDB submitted a tax appeal to the local Tax Court on Corporate Income Tax, Value Added Tax and Withholding Tax Articles 4(2) amounting to approximately RM12.1 million (including penalty and interest) for fiscal year 2020. Based on consultation with our tax consultants, our Group is of the opinion that PT FDB has a valid defence against the said assessments by the relevant tax office.

In October 2023, PT AAI has won the appeal of Value Added Tax in respect of fiscal year 2019. The tax court has granted PT AAI the Value Added Tax amounting to RM1.0 million which will be refunded by the tax office.

Apart from the above, there were no other material changes in the contingent liabilities and contingent assets since the last reporting date.

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**12. Material related party transactions**

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

	<b>Year-To-Date Ended 30 September 2023 RM'000</b>
Sales of crude palm oil	172,368
Sales of palm kernel	24,114

**13. Subsequent event**

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

**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 September 2023, the Group held the following financial instruments that are measured at fair value:

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Financial Assets:</b>				
<b>Non-current assets:</b>				
Financial assets at fair value through profit or loss:				
• Investment securities (Unquoted)	-	-	50	50
Financial assets at fair value through other comprehensive income:				
• Investment securities (Unquoted)	-	27,380	-	27,380
<b>Current assets:</b>				
Financial assets at fair value through profit or loss:				
• Investment securities (Quoted in Malaysia)	1	-	-	1
• Derivative assets	2	1,507	-	1,509
• Short term funds	5,304	-	-	5,304

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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		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Revenue	298,720	262,652	14%	805,588	1,024,414	(21%)
Core profit before taxation	60,105	34,005	77%	125,364	199,518	(37%)
Profit before taxation ("PBT")	57,506	294,439	(80%)	139,234	490,755	(72%)

The Group's revenue for the quarter ended 30 September 2023 ("Q3 2023") increased 14% to RM298.7 million compared with RM262.7 million for the corresponding period last year ("Q3 2022"). Conversely, revenue for the nine month period ended 30 September 2023 ("9M 2023") decreased 21% to RM805.6 million from RM1,024.4 million achieved for the corresponding period last year ("9M 2022"). The variance in revenue for Q3 2023 and 9M 2023 were mainly attributable to Palm Products segment (refer section 1.1 below).

Core profit before taxation for Q3 2023 of RM60.1 million was 77% higher compared with RM34.0 million for Q3 2022 in tandem with the increase in revenue. For 9M 2023, core PBT decreased 37% to RM125.4 million in line with the decrease in revenue and lower profit contribution from an associate. In addition, the Group's joint ventures collectively registered a loss for 9M 2023 versus a profit for 9M 2022.

PBT for Q3 2023 and 9M 2023 of RM57.5 million and RM139.2 million respectively, were lower compared with the corresponding periods last year of RM294.4 million and RM490.8 million. Other than the factors as explained above, the variances in PBT were also impacted by the factors as analysed below.

	Quarter Ended			Year-to-Date Ended		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Gain/(Loss) on foreign exchange	3,187	(15,467)	nm	(7,948)	(39,043)	80%
Gain on disposal of assets held for sale and PPE	-	301,367	nm	27,604	386,347	(93%)
Impairment of PPE	-	(25,466)	nm	-	(56,067)	nm
Expenses in relation to secondary listing	(5,786)	-	nm	(5,786)	-	nm

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

Revenue from the respective segments are analysed as follows:

Revenue	Quarter Ended			Year-to-Date Ended		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Palm Products	279,258	236,236	18%	752,890	945,151	(20%)
Others	19,462	26,416	(26%)	52,698	79,263	(34%)
<b>Total</b>	<b>298,720</b>	<b>262,652</b>	<b>14%</b>	<b>805,588</b>	<b>1,024,414</b>	<b>(21%)</b>

Revenue for Q3 2023 was higher compared with Q3 2022 mainly due to increase in revenue from Palm Products segment attributable to higher average selling prices of CPO and higher volume of CPO sold. On year-to-date basis, revenue for 9M 2023 was lower compared with 9M 2022 as average selling prices of CPO and PK was significantly higher in the first half of the year 2022, as shown in the table below.

Average selling prices	Quarter Ended			Year-to-Date Ended		
	30.09.2023 RM/MT	30.09.2022 RM/MT	Changes %	30.09.2023 RM/MT	30.09.2022 RM/MT	Changes %
CPO	3,371	3,234	4%	3,465	4,286	(19%)
PK	1,664	1,849	(10%)	1,731	2,967	(42%)

**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		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Operating profit	71,589	71,490	0%	173,495	243,797	(29%)

Despite the increase in revenue by 18% as shown in section 1.1 above, the profit for Palm Products segment for Q3 2023 was only marginally higher compared with Q3 2022. This was attributable to lower gain on commodity futures contracts. On year-to-date basis, Palm Products Segment reported lower operating profits of RM173.5 million compared with RM243.8 million for 9M 2022 due to lower average selling prices of CPO and PK.

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**1. Performance review (Continued)**
**1.2.1 Palm Products Segment (Continued)**

FFB production (as shown in the table below) for Q3 2023 was slightly lower compared with Q3 2022 mainly due to the dry weather in Indonesia. On year-to-date basis, the Group reported lower FFB production compared with the corresponding period last year due to the disposals of two estates in Sabah in the first half of the previous financial year.

	Quarter Ended			Year-to-Date Ended		
	30.09.2023 MT	30.09.2022 MT	Changes %	30.09.2023 MT	30.09.2022 MT	Changes %
FFB production	257,578	263,838	(2%)	679,031	701,183	(3%)

Both the segment revenue and profit for Q3 2023 and 9M 2023 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		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Indonesia Export Levy and Duty on CPO	26,922	69,880	(61%)	86,689	216,270	(60%)

**1.2.2 Others Segment**

Others Segment	Quarter Ended			Year-to-Date Ended		
	30.09.2023 RM'000	30.09.2022 RM'000	Changes %	30.09.2023 RM'000	30.09.2022 RM'000	Changes %
Operating loss	(3,755)	(33,878)	89%	(8,996)	(39,922)	77%

Others segment reported a lower operating loss of RM3.8 million and RM9.0 million for Q3 2023 and 9M 2023 respectively, compared with loss of RM33.9 million and RM39.9 million for the corresponding periods last year. This was mainly due to fair value loss on forest planting expenditure of RM34.5 million registered in Q3 2022.

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

	Q3 2023 RM'000	Q2 2023 RM'000	Changes RM'000
<b>Revenue:</b>	<b>298,720</b>	<b>256,570</b>	<b>42,150</b>
Palm Products	279,258	240,509	38,749
Others	19,462	16,061	3,401
<b>Core profit before taxation</b>	<b>60,105</b>	<b>34,465</b>	<b>25,640</b>
<b>PBT</b>	<b>57,506</b>	<b>27,503</b>	<b>30,003</b>

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

Group revenue for Q3 2023 of RM298.7 million was higher compared with Q2 2023 of RM256.6 million. This was mainly attributable to higher revenue from the Palm Products segment as a result of seasonally higher FFB production and higher volume of CPO and PK sold.

Consequently, a 74% higher core profit of RM60.1 million was registered for Q3 2023 compared with RM34.5 million for Q2 2023 in line with higher profit contribution from Palm Products segment.

PBT for Q3 2023 was higher at RM57.5 million compared with RM27.5 million for Q2 2023 in line with higher profit contribution from Palm Products segment as explained above despite a one off secondary listing expenses of RM5.8 million in Q3 2023. In addition, the Group registered a gain on foreign exchange of RM3.2 million as opposed to loss of RM7.0 million in Q2 2023.

**3. Commentary on the prospects**

CPO price traded mainly within a narrow price range of RM3,600 to RM3,700 per MT in October 2023 amidst the surge in crude oil prices arising from tension in the middle east countered by the build up of palm oil inventories in Malaysia due to the seasonally high production period. However, CPO price has been trending up since November 2023. It recently breached the RM3,800 level, supported by the expanding price gap between palm oil and other vegetable oils as well as the expectation that palm oil production has peaked in October 2023.

Barring any unforeseen circumstances, we expect CPO price to be supported at around the current price level underpinned by dry weather condition in South America which threatens soybean production. The start of the monsoon season in Malaysia and Indonesia in November is also expected to see a slowdown in palm oil production which may help to ease the palm oil stockpile. All in all, the Group is cautiously optimistic of achieving satisfactory performance for 2023.

The Group is on strong financial footing with a net asset per share of RM1.48 and net gearing of 0.04 times as at 30 September 2023. Underpinned by its strong financial position and a relatively young weighted average age of its palm oil trees at approximately 12 years, the Group is well positioned to embark on a sustainable growth journey. The Group remains optimistic on the long-term prospects of the palm oil industry. In the coming years, it will undertake new planting at a steady pace to progressively expand its planted hectareage. Another key focus moving forward will be institutionalisation of ESG principles in the way the Group operates to support long term sustainable growth.

**4. Profit forecast or profit guarantee**

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

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### 5. Profit Before Taxation

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

	<b>Quarter Ended 30.09.2023 RM'000</b>	<b>Year-To- Date Ended 30.09.2023 RM'000</b>
Depreciation and amortisation	25,667	75,743
Fair value gain on derivatives:		
- Forward currency contracts	(2,049)	(4,745)
- Commodity futures contracts	(10)	(16)
Impairment losses on:		
- Goodwill	2,279	2,279
- Trade and other receivables	3,318	3,173
Interest expense	4,903	15,790
Interest income	(3,622)	(9,947)
Inventories written back	(1,862)	(5,537)
Inventories written off	5,085	6,065
Loss/(Gain) from fair value adjustment of FFB	1,721	(859)
Loss on disposal of financial assets at FVOCI	42	230
Net foreign exchange loss/(gain):		
- Realised	1,632	1,671
- Unrealised	(2,770)	11,022
Net gain on disposal of assets held for sale and PPE	(115)	(27,683)
Rental income	(290)	(811)

### 6. Taxation

	<b>Quarter Ended 30.09.2023 RM'000</b>	<b>Year-To-Date Ended 30.09.2023 RM'000</b>
Current tax:		
Malaysian income tax	860	2,608
Foreign tax	16,640	39,073
Over/(under) provision in prior year:		
Foreign tax	1	(40)
Malaysian income tax	83	83
Deferred tax:		
Relating to origination and reversal of temporary differences	675	3,382
Under provision in prior year	3	370
	<b>18,262</b>	<b>45,476</b>



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### 6. Taxation (Continued)

The effective tax rate of the Group for the year-to-date ended 30 September 2023 is higher than the statutory tax rate mainly due to non-deductibility of certain expenses for taxation purpose and non-recognition of deferred tax assets for certain subsidiaries.

### 7. Corporate proposals

- a) 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 (“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.

As at 30 September 2023, 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	Balance RM'000
Partial repayment of interest-bearing borrowings	550,000	400,304	149,696
New planting and replanting of oil palm	45,000	593	44,407
Infrastructure works and capital expenditure	47,000	9,204	37,796
General working capital	68,944	34,093	34,851
Defray estimated expenses relating to the disposals	20,143	13,305	6,838
	731,087	457,499	273,588

- b) On 21 July 2023, the Company announced its intention to undertake the followings:
- (i) a secondary listing of and quotation for its entire issued ordinary shares on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) by way of introduction (“Proposed Secondary Listing”); and
  - (ii) amendments to the Constitution of the Company (“Proposed Amendments”).

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**7. Corporate proposals (Continued)**

On 26 September 2023, the Secondary Listing was completed following the listing of and quotation for the entire issued share capital of the Company on the Main Board of the SGX-ST. The shares are and will continue to be listed on the Main Market of Bursa Securities, which will remain as the primary stock exchange on which the shares are listed.

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 30.09.2023					
	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	30,967	22,000	39,647	85,031	70,614	107,031
Unsecured	-	236,887	-	-	-	236,887
<b>Total</b>	<b>30,967</b>	<b>258,887</b>	<b>39,647</b>	<b>85,031</b>	<b>70,614</b>	<b>343,918</b>

**9. Derivatives**

The forward currency contracts are entered into by the Group as hedges for committed sales, purchases and 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 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.

As at 30 September 2023, the values and maturity analysis of the outstanding derivatives were as follows:

**Group**

	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	
<b>Non-hedging derivatives:</b>				
<b>Current</b>				
Forward currency contracts	67,380	1,507	-	Less than 1 year
Commodity futures contracts	3,783	2	-	Less than 1 year
		<u>1,509</u>	<u>-</u>	

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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 except as disclosed in Note 11 of Part A.

### **11. Proposed Dividend**

The Company did not declare any interim dividend for the current quarter ended 30 September 2023.

### **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.

	<b>Quarter Ended</b>		<b>Year-To-Date</b>	
	<b>30.09.2023</b>	<b>30.09.2022</b>	<b>30.09.2023</b>	<b>30.09.2022</b>
Net profit attributable to owners of the Company (RM'000)	29,542	258,428	69,533	412,239
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)	2.14	18.72	5.04	29.87

#### **(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 2023.