

# Quarterly rpt on consolidated results for the financial period ended 31 Mar 2024

## TSH RESOURCES BERHAD

Financial Year End 31 Dec 2024  
 Quarter 1 Qtr  
 Quarterly report for the financial period ended 31 Mar 2024  
 The figures have not been audited

### Attachments

[TSH Q1 2024.pdf](#)  
 915.0 kB

<b>Default Currency</b>	<b>Other Currency</b>
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Currency: **Malaysian Ringgit (MYR)**

### SUMMARY OF KEY FINANCIAL INFORMATION 31 Mar 2024

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
	\$\$'000	\$\$'000	\$\$'000	\$\$'000
1 Revenue	242,388	250,298	242,388	250,298
2 Profit/(loss) before tax	35,027	54,225	35,027	54,225
3 Profit/(loss) for the period	25,177	37,933	25,177	37,933
4 Profit/(loss) attributable to ordinary equity holders of the parent	20,073	29,428	20,073	29,428
5 Basic earnings/(loss) per share (Subunit)	1.45	2.13	1.45	2.13
6 Proposed/Declared dividend per share (Subunit)	0.00	0.00	0.00	0.00
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7 Net assets per share attributable		1.4985		1.4831

<b>share attributable to ordinary equity holders of the parent (\$\$)</b>		
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Definition of Subunit:

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit. Example for the subunit as follows:

Country	Base Unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

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**Announcement Info**

<b>Company Name</b>	TSH RESOURCES BERHAD
<b>Stock Name</b>	TSH
<b>Date Announced</b>	20 May 2024
<b>Category</b>	Financial Results
<b>Reference Number</b>	FRA-14052024-00008

**Condensed Consolidated Statement of Comprehensive Income  
For The Quarter and Year-To-Date Ended 31 March 2024**

	Quarter Ended			Year-To-Date Ended		
	31.03.2024 RM'000	31.03.2023 RM'000	Changes %	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Revenue	242,388	250,298	-3%	242,388	250,298	-3%
Cost of sales	<u>(153,947)</u>	<u>(165,560)</u>	-7%	<u>(153,947)</u>	<u>(165,560)</u>	-7%
<b>Gross profit</b>	88,441	84,738	4%	88,441	84,738	4%
Other operating income	5,002	8,004	-38%	5,002	8,004	-38%
Other operating expenses	<u>(55,901)</u>	<u>(51,743)</u>	8%	<u>(55,901)</u>	<u>(51,743)</u>	8%
<b>Operating profit</b>	37,542	40,999	-8%	37,542	40,999	-8%
Finance costs	(3,581)	(5,364)	-33%	(3,581)	(5,364)	-33%
Share of profit of an associate, net of tax	2,592	2,002	29%	2,592	2,002	29%
Share of loss of joint ventures, net of tax	<u>(1,741)</u>	<u>(6,843)</u>	-75%	<u>(1,741)</u>	<u>(6,843)</u>	-75%
<b>Core profit before taxation</b>	34,812	30,794	13%	34,812	30,794	13%
Gain/(Loss) on foreign exchange	215	(4,173)	nm	215	(4,173)	nm
Net gain on disposal of assets held for sale	-	27,604	nm	-	27,604	nm
<b>Profit before taxation</b>	<u>35,027</u>	<u>54,225</u>	-35%	<u>35,027</u>	<u>54,225</u>	-35%
Taxation	<u>(9,850)</u>	<u>(16,292)</u>	-40%	<u>(9,850)</u>	<u>(16,292)</u>	-40%
<b>Profit for the period</b>	<u>25,177</u>	<u>37,933</u>	-34%	<u>25,177</u>	<u>37,933</u>	-34%
<b>Other comprehensive income/(loss)</b> <i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation differences	627	73,411	-99%	627	73,411	-99%
Net profit/(loss) on financial assets at fair value through other comprehensive income ("FVOCI")	236	(391)	nm	236	(391)	nm
Cumulative gain on financial assets at FVOCI reclassified to profit or loss upon disposal	(4)	-	nm	(4)	-	nm
<i>Item that will not be reclassified subsequently to profit or loss:</i>						
Remeasurements of net defined benefit liabilities	258	-	nm	258	-	nm
<b>Other comprehensive income for the period, net of tax</b>	<u>1,117</u>	<u>73,020</u>	-98%	<u>1,117</u>	<u>73,020</u>	-98%
<b>Total comprehensive income for the period</b>	<u>26,294</u>	<u>110,953</u>	-76%	<u>26,294</u>	<u>110,953</u>	-76%
<b>Profit attributable to :</b>						
Owners of the Company	20,073	29,428	-32%	20,073	29,428	-32%
Non-controlling interests	<u>5,104</u>	<u>8,505</u>	-40%	<u>5,104</u>	<u>8,505</u>	-40%
	<u>25,177</u>	<u>37,933</u>	-34%	<u>25,177</u>	<u>37,933</u>	-34%
<b>Total comprehensive income attributable to :</b>						
Owners of the Company	21,179	93,431	-77%	21,179	93,431	-77%
Non-controlling interests	<u>5,115</u>	<u>17,522</u>	-71%	<u>5,115</u>	<u>17,522</u>	-71%
	<u>26,294</u>	<u>110,953</u>	-76%	<u>26,294</u>	<u>110,953</u>	-76%
<b>Earnings per share attributable to owners of the Company</b>						
Basic (sen)	1.45	2.13		1.45	2.13	

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 31 March 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		
	31.03.2024 RM'000	31.03.2023 RM'000	Variance RM'000	31.03.2024 RM'000	31.03.2023 RM'000	Variance RM'000
Indonesia Export Levy and Duty on CPO	20,318	26,002	(5,684)	20,318	26,002	(5,684)

**TSH RESOURCES BERHAD**

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(Incorporated in Malaysia)



**Condensed Consolidated Statement of Financial Position  
As at 31 March 2024**

	<b>As at 31.03.2024 RM'000</b>	<b>As at 31.12.2023 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,266,814	1,277,756
Biological assets	366,032	366,003
Right-of-use assets	252,034	253,435
Intangible assets	44,319	44,319
Investment in an associate	78,086	78,645
Investments in joint ventures	101,349	103,090
Deferred tax assets	557	473
Other receivables	49,174	47,910
Investment securities	27,619	28,094
Derivative assets	1,100	717
	<u>2,187,084</u>	<u>2,200,442</u>
<b>Current assets</b>		
Biological assets	11,988	14,697
Inventories	94,058	93,718
Trade and other receivables	33,147	36,214
Other current assets	7,889	5,320
Tax recoverable	22,624	17,995
Investment securities	1	1
Derivative assets	1,307	295
Short term funds	2,888	5,349
Cash and bank balances	255,825	250,138
	<u>429,727</u>	<u>423,727</u>
Assets held for sale	222,240	220,853
	<u>651,967</u>	<u>644,580</u>
<b>TOTAL ASSETS</b>	<u><u>2,839,051</u></u>	<u><u>2,845,022</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	(167,952)	(168,877)
Retained earnings	1,497,059	1,476,805
	<u>2,068,152</u>	<u>2,046,973</u>
<b>Non-controlling interests</b>	<u>263,423</u>	<u>258,308</u>
<b>TOTAL EQUITY</b>	<u><u>2,331,575</u></u>	<u><u>2,305,281</u></u>
<b>Non-current liabilities</b>		
Loans and Borrowings	98,779	110,963
Retirement benefits	24,128	22,982
Lease liabilities	807	955
Deferred tax liabilities	85,776	86,973
	<u>209,490</u>	<u>221,873</u>
<b>Current liabilities</b>		
Loans and Borrowings	174,707	191,157
Trade and other payables	120,043	123,475
Lease liabilities	416	420
Current tax payable	2,820	2,816
	<u>297,986</u>	<u>317,868</u>
<b>TOTAL LIABILITIES</b>	<u><u>507,476</u></u>	<u><u>539,741</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>2,839,051</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**

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**Condensed Consolidated Statement of Changes In Equity  
For The Year-To-Date Ended 31 March 2024**

	Attributable to owners of the Company					Equity attributable to owners of the Company		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	Retained Earnings RM'000		Non-controlling Interests RM'000
<b>Balance as at 1 January 2024</b>	740,512	(1,467)	9,630	100	(164)	(178,443)	1,476,805	258,308	2,305,281
<b>Profit for the period</b>	-	-	-	-	-	-	20,073	5,104	25,177
<b>Other comprehensive income/(loss):</b>									
Foreign currency translations	-	-	-	-	-	693	-	(66)	627
Net profit on financial assets at FVOCI	-	-	-	-	236	-	-	-	236
Cumulative gain on financial assets at FVOCI reclassified to profit or loss upon disposal	-	-	-	-	(4)	-	-	-	(4)
Remeasurements of net defined benefit liabilities	-	-	-	-	-	-	181	77	258
<b>Other comprehensive income for the period, net of tax</b>							181	11	1,117
<b>Total comprehensive income for the period, net of tax</b>							20,254	5,115	26,294
<b>Balance as at 31 March 2024</b>	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>68</u>	<u>(177,750)</u>	<u>1,497,059</u>	<u>263,423</u>	<u>2,331,575</u>
<b>Balance as at 1 January 2023</b>	740,512	(1,467)	9,630	100	-	(264,636)	1,416,700	231,219	2,132,058
<b>Profit for the period</b>	-	-	-	-	-	-	29,428	8,505	37,933
<b>Other comprehensive (loss)/income:</b>									
Foreign currency translations	-	-	-	-	-	64,394	-	9,017	73,411
Net loss on financial assets at FVOCI	-	-	-	-	(391)	-	-	-	(391)
<b>Other comprehensive (loss)/income for the period, net of tax</b>							-	9,017	73,020
<b>Total comprehensive (loss)/income for the period</b>							29,428	17,522	110,953
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,960)	(1,960)
<b>Balance as at 31 March 2023</b>	<u>740,512</u>	<u>(1,467)</u>	<u>9,630</u>	<u>100</u>	<u>(391)</u>	<u>(200,242)</u>	<u>1,446,128</u>	<u>246,781</u>	<u>2,241,051</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

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**Condensed Consolidated Statement of Cash Flows  
For The Quarter Ended 31 March 2024**

	Quarter Ended	
	31.3.2024 RM'000	31.3.2023 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	35,027	54,225
Adjustments for :-		
Depreciation and amortisation	26,421	24,568
Fair value loss/(gain) on commodity futures contract	134	(15)
Net unrealised foreign exchange (gain)/loss	(230)	3,625
Net gain on disposal of property, plant and equipment ("PPE") and assets held for sale	(112)	(27,548)
Impairment losses on other receivables	72	-
PPE written off	32	20
Inventories written down/(Writeback of inventories written down)	255	(1,566)
Inventories written off	2	404
Gain on redemption of financial assets	6	-
Loss/(gain) from fair value adjustment of fresh fruit bunches ("FFB")	2,748	(1,920)
Gain on lease reassessments	(5)	-
Share of loss of joint ventures	1,741	6,843
Share of profit of an associate	(2,592)	(2,002)
Interest expense	3,581	5,364
Interest income	(3,118)	(2,662)
Operating cash flows before working capital changes	63,962	59,336
Changes in working capital :-		
Increase in inventories	(597)	(5,875)
Decrease/(increase) in receivables	1,855	(15,235)
(Decrease)/Increase in payables	(1,935)	22,875
Cash flows from operations	63,285	61,101
Net income tax paid	(15,892)	(14,030)
Net cash flows from operating activities	47,393	47,071
<b>Cash Flows from Investing Activities</b>		
Addition of right-of-use assets	(2,539)	(536)
Withdrawal of deposits with maturity of over 3 months	496	-
Purchases of PPE	(12,564)	(9,928)
Purchases of financial assets at FVOCI	-	(24,525)
Redemption of financial assets	881	-
Forest planting expenditure	(324)	(559)
Proceeds from disposal of PPE and assets held for sale	112	28,914
Interest received	3,118	2,662
Dividends received	3,152	2,627
Net cash flows used in from investing activities	(7,668)	(1,345)
<b>Cash Flows from Financing Activities</b>		
Net repayments of term loans	(17,857)	(26,658)
Net repayments of other borrowings	(13,289)	(94,805)
Payments of lease liabilities and lease interest	(112)	(319)
Interest paid	(3,567)	(5,345)
Dividends paid to non-controlling interests	-	(1,960)
Net cash flows used in financing activities	(34,825)	(129,087)
Net increase/(decrease) in cash and cash equivalents	4,900	(83,361)
Cash and cash equivalents at beginning of period	251,034	376,231
Effects of changes in exchange rates	(2,156)	10,056
<b>Cash and cash equivalents at end of period</b>	<b>253,778</b>	<b>302,926</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 2023

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

<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

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 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 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

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

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**2. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 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 ended 31 March 2024.

**5. Changes in estimates**

There were no changes in estimates that have had a material impact in the current quarter results.

**6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities for the current quarter and year-to-date ended 31 March 2024.

**7. Dividends paid**

There were no dividends paid during the quarter and year-to-date ended 31 March 2024.



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**8. Segmental information**

**i) Business segments**

**Business Segment For Quarter Ended**

	Palm Products		Others		Total	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>SEGMENT REVENUE</b>	231,772	233,124	10,616	17,174	242,388	250,298
Segment operating profit/(loss)	46,156	50,524	(3,832)	(3,263)	42,324	47,261
Gain on disposal of assets held for sale	-	27,604	-	-	-	27,604
<b>SEGMENT PROFIT/ (LOSS)</b>	46,156	78,128	(3,832)	(3,263)	42,324	74,865
Unallocated corporate expenses					(4,782)	(6,262)
Gain/(loss) on foreign exchange					215	(4,173)
Finance costs					(3,581)	(5,364)
Share of profit of an associate					2,592	2,002
Share of loss of joint ventures					(1,741)	(6,843)
Consolidated profit before tax					35,027	54,225

**TSH RESOURCES BERHAD**

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**8. Segmental information (Continued)**

**i) Business segments (Continued)**

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

	Palm Products		Others		Consolidated	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>SEGMENTS ASSETS</b>	1,964,027	2,085,154	587,066	610,958	2,551,093	2,696,112
Investments in joint ventures					101,349	99,241
Investment in an associate					78,086	76,813
Deferred tax assets					557	506
Tax recoverable					22,624	11,215
Unallocated assets					85,342	84,276
Consolidated total assets					2,839,051	2,968,163
<b>SEGMENT LIABILITIES</b>	119,417	160,511	18,348	29,332	137,765	189,843
Borrowings					273,486	437,730
Lease liabilities					1,223	1,631
Deferred tax liabilities					85,776	86,099
Unallocated liabilities					9,226	11,809
Consolidated total liabilities					507,476	727,112

**ii) Geographical segments**

	Quarter Ended			
	Total revenue from external customers		Non-Current Assets	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	69,585	74,683	991,947	998,114
Indonesia	167,887	163,102	1,116,687	1,142,920
United States of America	1,932	5,619	-	-
South West Pacific	1,601	4,987	-	-
Others	1,383	1,907	-	-
<b>Total</b>	<b>242,388</b>	<b>250,298</b>	<b>2,108,634</b>	<b>2,141,034</b>

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

On 5 April 2024, PT Sejahtera Aman Sejati (“PTSAS”), a 65% owned subsidiary of TSH Resources Berhad had on even date received a notification from the Ministry of Law and Human Rights, Republic of Indonesia that PT SAS had been successfully wound up on 24 January 2024. The members’ voluntary winding up of PT SAS 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 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 31 March 2024 is as follows:

	<b>As at 31.03.2024</b>	<b>As at 31.12.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for	6,495	13,707
Approved but not contracted for	77,225	48,593
	<u>83,720</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 reporting date.

**12. Material related party transactions**

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

	<b>Year-To-Date Ended 31 March 2024 RM'000</b>
Sales of crude palm oil	52,406
Sales of palm kernel	7,749

**13. Subsequent event**

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

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**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 31 March 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
<b>Financial Assets:</b>				
<b>Non-current assets:</b>				
Financial assets at fair value through profit or loss:				
• Investment securities (Unquoted)	-	-	50	50
• Derivative assets	-	1,100	-	1,100
Financial assets at fair value through other comprehensive income:				
• Investment securities (Unquoted)	-	27,569	-	27,569
<b>Current assets:</b>				
Financial assets at fair value through profit or loss:				
• Investment securities (Quoted in Malaysia)	1	-	-	1
• Derivative assets	-	1,307	-	1,307
• Short term funds	2,888	-	-	2,888

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

**1. Performance review**

	Quarter Ended		
	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Revenue	242,388	250,298	(3%)
Core profit before taxation	34,812	30,794	13%
Profit before taxation ("PBT")	35,027	54,225	(35%)

The Group's revenue for the quarter ended 31 March 2024 ("Q1 2024") decreased 3% from RM250.3 million to RM242.4 million compared with the corresponding period last year ("Q1 2023"), which was mainly attributable to lower revenue registered by wood division (refer section 1.1 below).

Despite the decrease in revenue, core profit before taxation for Q1 2024 of RM34.8 million increased 13% compared with RM30.8 million for Q1 2023 mainly due to a RM5.1 million reduction in share of loss from joint ventures and lower finance cost.

However, PBT for Q1 2024 of RM35.0 million was lower compared with Q1 2023 of RM54.2 million mainly due to a gain of RM27.6 million in respect of the disposal of 574.56 hectares of land in Kalimantan in Q1 2023, whereas no such gain was recorded for Q1 2024. Nevertheless, the gain on disposal of land was partially offset by a loss on foreign exchange of RM4.2 million registered in Q1 2023.

**1.1 Segmental Revenue**

Revenue from the respective segments are analysed as follows:

Revenue	Quarter Ended		
	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Palm Products	231,772	233,124	(1%)
Others	10,616	17,174	(38%)
<b>Total</b>	<b>242,388</b>	<b>250,298</b>	<b>(3%)</b>

Revenue for Q1 2024 was lower compared with Q1 2023 mainly attributable to lower revenue contribution from the Wood division as a result of poor demand from export market.

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

Revenue contribution from Palm Products segment slipped marginally by 1% to RM231.8 million compared with RM233.1 million for Q1 2023 mainly due to lower volume of FFB Production and CPO sold despite higher CPO and PK selling prices as shown in the table below.

Volume	Quarter Ended		
	31.03.2024 MT	31.03.2023 MT	Changes %
FFB Production	196,566	199,334	(1%)
CPO Sold	52,798	54,028	(2%)

Average selling prices	Quarter Ended		
	31.03.2024 RM/MT	31.03.2023 RM/MT	Changes %
CPO	3,587	3,555	1%
PK	1,930	1,770	9%

**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		
	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Operating profit	46,156	50,524	(9%)

Palm Products segment registered lower operating profit for Q1 2024 compared with the Q1 2023. However, after eliminating the impact of negative movement in fair value adjustment of FFB amounting to RM4.7 million, Palm Products segment's contribution was about the same as the comparative period despite lower revenue due to lower production cost.

The segment's revenue and profit for Q1 2024 and Q1 2023 were both impacted by the Indonesia Export Levy and Duty on CPO as shown below:

	Quarter Ended		
	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Indonesia Export Levy and Duty on CPO	20,318	26,002	(22%)

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**1. Performance review (Continued)**

**1.2 Segmental Profit or Loss (Continued)**

**1.2.2 Others Segment**

Others Segment	Quarter Ended		
	31.03.2024 RM'000	31.03.2023 RM'000	Changes %
Operating loss	(3,832)	(3,263)	(17%)

Others segment reported operating loss of RM3.8 million for Q1 2024 compared with RM3.3 million for Q1 2023 in tandem with lower revenue from wood division.

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

	Q1 2024 RM'000	Q4 2023 RM'000	Changes RM'000
<b>Revenue:</b>	<b>242,388</b>	<b>260,928</b>	<b>(18,540)</b>
Palm Products	231,772	245,189	(13,417)
Others	10,616	15,739	(5,123)
<b>Core profit before taxation</b>	<b>34,812</b>	<b>56,976</b>	<b>(22,164)</b>
<b>PBT</b>	<b>35,027</b>	<b>58,602</b>	<b>(23,575)</b>

Group revenue for Q1 2024 of RM242.4 million was lower compared with Q4 2023 of RM260.9 million. This was mainly attributable to lower revenue from the Palm Products segment as a result of seasonally lower FFB production and lower volume of CPO and PK sold despite higher average CPO and PK prices.

A lower core profit of RM34.8 million was registered for Q1 2024 compared with RM57.0 million for Q4 2023 in line with lower FFB production and lower volume of CPO and PK sold and lower contributions from associate and joint ventures. Apart from that, there was also a reclassification of withholding taxes paid on foreign-sourced dividend income of RM 7.1 million from core profit to income tax expense in Q4 2023, which further increased the core profit for Q4 2023 after the reclassification.

Accordingly, PBT for Q1 2024 was lower at RM35.0 million compared with RM58.6 million for Q4 2023 in line with lower core profit.

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**3. Commentary on the prospects**

CPO prices have traded sideways around RM3,800 per MT after easing from the height of RM4,500 level in early April due to falling oil export, rising CPO stockpile and ample supply of competing vegetable oil. Since end of April, soybean prices have widened its premium against the CPO as devastating flooding in far southern Brazil dampened the expectation of good soybean crop production. In view of this, CPO price is likely to find reasonable support at current level.

The Group acknowledges the impact of the climate change, the uncertainties of the global economy, geopolitical tension, trade protectionism and discrimination on the demand for oil palm products. However, the Group is confident that global population and per capita income growth and the push for the expansion of biodiesel programme will drive greater demand for oil palm products in the longer term.

Underpinned by its healthy cashflow and robust balance sheet with a net asset per share of RM1.50 and net gearing of 0.01 times as at 31 March 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. In addition, the Group will strive to improve its processes through mechanisation and automation to improve efficiency and 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.

**5. Profit Before Taxation**

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

	<b>Quarter Ended 31.03.2024 <u>RM'000</u></b>	<b>Year-To-Date Ended 31.03.2024 <u>RM'000</u></b>
Depreciation and amortisation	26,421	26,421
Fair value (gain)/loss on derivatives:		
- Forward currency contracts	(1,529)	(1,529)
- Commodity futures contracts	134	134
Impairment losses on other receivables	72	72
Interest expense	3,581	3,581
Interest income	(3,118)	(3,118)
Insurance claims	(284)	(284)



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**5. Profit Before Taxation (Continued)**

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

	<b>Quarter Ended 31.03.2024 <u>RM'000</u></b>	<b>Year-To-Date Ended 31.03.2024 <u>RM'000</u></b>
Inventories written down	255	255
Inventories written off	2	2
Loss from fair value adjustment of FFB	2,748	2,748
Net foreign exchange loss:		
- Realised	15	15
- Unrealised	1,299	1,299
Net gain on disposal of PPE	(112)	(112)
PPE written off	32	32
Rental income	(294)	(294)

**6. Taxation**

	<b>Quarter Ended 31.03.2024 <u>RM'000</u></b>	<b>Year-To-Date Ended 31.03.2024 <u>RM'000</u></b>
Current tax:		
Foreign tax	10,320	10,320
Malaysian income tax	812	812
Under/(Over) provision in prior years:		
Foreign tax	75	75
Malaysian income tax	(1)	(1)
Deferred tax:		
Relating to reversal of temporary differences	(1,356)	(1,356)
	<u>9,850</u>	<u>9,850</u>

The effective tax rate of the Group for the year-to-date ended 31 March 2024 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.

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**7. Corporate proposals**

On 4 April 2022, PT Bulungan Citra Agro Persada (“BCAP”), PT Kawasan Industri Kalimantan Indonesia (“KIKI”) and PT Kalimantan Industrial Park Indonesia (“KIPI”) had entered into a conditional sale, purchase and compensation of land agreement (“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 31 March 2024, 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
	<u>731,087</u>	<u>457,499</u>	<u>273,588</u>

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

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**8. Group Borrowings and Debt Securities**

Comprised:

	As at 31.03.2024					
	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	31,155	22,000	24,311	74,468	55,466	96,468
Unsecured	-	121,552	-	-	-	121,552
<b>Total</b>	<b>31,155</b>	<b>143,552</b>	<b>24,311</b>	<b>74,468</b>	<b>55,466</b>	<b>218,020</b>

**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 31 March 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	
<b>Non-hedging derivatives:</b>				
Forward currency contracts	22,610	1,100	-	Between 1 – 3 years
Forward currency contracts	29,527	1,307	-	Less than 1 year
		<u>2,417</u>	<u>-</u>	

**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 31 March 2024.

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**12. Earnings per share**

**(a) Basic earnings per share**

Basic earnings per share is calculated by dividing profit for the quarter and year-to-date ended attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	Quarter Ended		Year-To-Date Ended	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Net profit attributable to owners of the Company (RM'000)	20,073	29,428	20,073	29,428
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)	1.45	2.13	1.45	2.13

**(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 20 May 2024.