



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

The Directors have pleasure in announcing the unaudited consolidated results for the first quarter ended 31 March 2018.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		UNAUDITED FIRST QUARTER	
		CURRENT YEAR	PRECEDING YEAR
		31.03.2018	31.03.2017 (Restated)
		RM'000	RM'000
	Note		
Revenue	26	121,235	165,834
Fair value change in biological assets	17	3,520	(10,919)
Cost of sales		(93,487)	(114,043)
Gross profit		31,268	40,872
Other income	7	3,881	6,697
Administrative expenses	8	(11,976)	(14,692)
Other expenses	9	(980)	(2,809)
Results from operating activities		22,193	30,068
Profit margin income from short-term investments and receivables		423	1,452
Finance cost		(15,251)	(15,754)
Net finance cost		(14,828)	(14,302)
Profit before tax	26	7,365	15,766
Tax expense	31	(3,269)	(2,839)
Profit for the period	26	4,096	12,927
Other comprehensive income, net of tax			
Items that are or may be reclassified subsequently to profit and loss, net of tax			
Foreign currency translation differences for foreign operations		(5,196)	(906)
Total comprehensive (expenses)/ income for the period		(1,100)	12,021



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

	Note	UNAUDITED	
		FIRST QUARTER	
		CURRENT YEAR	PRECEDING YEAR
		31.03.2018	31.03.2017 (Restated)
		RM'000	RM'000
Profit attributable to:			
Owners of the Company		3,232	9,920
Non-controlling interests		864	3,007
Profit for the period		4,096	12,927
Total comprehensive (expense)/ income attributable to:			
Owners of the Company		(1,600)	9,077
Non-controlling interests		500	2,944
Total comprehensive (expense)/ income for the period		(1,100)	12,021
Basic earnings per ordinary share (sen)	39	0.37	1.12
Diluted earnings per ordinary share (sen)	39	0.37	1.12

The Condensed Consolidated Statement Of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2018 (Unaudited) RM'000	As at 31.12.2017 (Unaudited) RM'000	As at 01.01.2017 (Unaudited) RM'000
Assets				
Property, plant and equipment	35	2,672,646	2,610,337	2,614,875
Plantation development expenditure	13	259,385	318,423	326,445
Forestry	14	188,353	187,956	162,470
Intangible asset	15	73,265	73,265	73,265
Other investments	16	1,825	1,825	1,825
Deferred tax assets		109,625	110,606	111,028
Total non-current assets		3,305,099	3,302,412	3,289,908
Inventories		23,993	20,124	17,045
Current tax assets		11,028	8,603	5,366
Biological assets	17	55,625	52,105	77,794
Other investments	16	3,279	3,288	3,520
Trade and other receivables		45,456	41,952	118,475
Prepayments and other assets		6,591	4,620	4,289
Cash and cash equivalents	18	64,637	99,175	163,771
		210,609	229,867	390,260
Assets classified as held for sale	19	30,061	30,142	-
Total current assets		240,670	260,009	390,260
Total assets		3,545,769	3,562,421	3,680,168



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31.03.2018 (Unaudited) RM'000	As at 31.12.2017 (Unaudited) RM'000	As at 01.01.2017 (Unaudited) RM'000
Equity				
Capital and reserve		849,908	773,954	782,408
Retained earnings		557,085	634,639	679,403
Equity attributable to owners of the Company		1,406,993	1,408,593	1,461,811
Non-controlling interests		368,147	367,647	364,807
Total equity		1,775,140	1,776,240	1,826,618
Liabilities				
Loans and borrowings	36	1,190,989	1,196,183	1,175,374
Employee benefits		252	269	-
Deferred tax liabilities		332,815	335,474	343,715
Trade and other payables		65,811	48,318	13,656
Total non-current liabilities		1,589,867	1,580,244	1,532,745
Loans and borrowings	36	45,238	47,857	113,151
Trade and other payables		116,331	138,138	205,446
Current tax liabilities		3,536	4,005	2,208
		165,105	190,000	320,805
Liabilities classified as held for sale	19	15,657	15,937	-
Total current liabilities		180,762	205,937	320,805
Total liabilities		1,770,629	1,786,181	1,853,550
Total equity and liabilities		3,545,769	3,562,421	3,680,168
Net tangible assets per share (RM)		1.51	1.51	1.57

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	/-----Attributable to owners of the Company-----/								Non-controlling interest	Total equity
	/-----Non-distributable-----/						Distributable			
	Share capital	Share premium	Other reserve	Share Option reserve	Exchange reserve	Total capital reserve	Retained earnings	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	441,925	420,827	(82,557)	2,213	(533)	781,875	634,486	1,416,361	351,134	1,767,495
Effect of transition to MFRS	-	-	-	-	533	533	(533)	-	-	-
Effect of adopting MFRS 141	-	-	-	-	-	-	45,450	45,450	13,673	59,123
At 1 January 2017 (Restated)	441,925	420,827	(82,557)	2,213	-	782,408	679,403	1,461,811	364,807	1,826,618
Foreign currency translation differences for foreign operations	-	-	-	-	(8,012)	(8,012)	-	(8,012)	(602)	(8,614)
Remeasurement loss on defined benefit liability	-	-	(28)	-	-	(28)	-	(28)	(2)	(30)
Total other comprehensive income for the year	-	-	(28)	-	(8,012)	(8,040)	-	(8,040)	(604)	(8,644)
Profit for the year (Restated)	-	-	-	-	-	-	22,409	22,409	8,821	31,230
Total comprehensive income for the year	-	-	(28)	-	(8,012)	(8,040)	22,409	14,369	8,217	22,586
<i>Contribution by and distribution to owners of the Group</i>										
Adjustment of fair value of ESOS	-	-	-	(2,213)	-	(2,213)	-	(2,213)	-	(2,213)
Fair Value adjustment on initial recognition of financial liabilities	-	-	1,799	-	-	1,799	-	1,799	-	1,799
Dividends to owners of the Company	-	-	-	-	-	-	(67,173)	(67,173)	-	(67,173)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(5,377)	(5,377)
Total transactions with owners of the Group	-	-	1,799	(2,213)	-	(414)	(67,173)	(67,587)	(5,377)	(72,964)
Transition to no-par value regime on 31 January 2017	420,827	(420,827)	-	-	-	-	-	-	-	-
At 31 December 2017	862,752	-	(80,786)	-	(8,012)	773,954	634,639	1,408,593	367,647	1,776,240



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (continued)

Group	Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/						Distributable		Non-controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Share premium RM'000	Other reserve RM'000	Share Option reserve RM'000	Exchange reserve RM'000	Total capital reserve RM'000	Retained earnings RM'000	Total RM'000		
At 1 January 2018		862,752	-	(80,786)	-	(8,012)	773,954	634,639	1,408,593	367,647	1,776,240
Foreign currency translation differences for foreign operations		-	-	-	-	(4,832)	(4,832)	-	(4,832)	(364)	(5,196)
Total other comprehensive income for the year						(4,832)	(4,832)	-	(4,832)	(364)	(5,196)
Profit for the year		-	-	-	-	-	-	3,232	3,232	864	4,096
Total comprehensive income for the year		-	-	-	-	(4,832)	(4,832)	3,232	(1,600)	500	(1,100)
<i>Contribution by and distribution to owners of the Group</i>											
Transfer between reserves		-	-	80,786	-	-	80,786	(80,786)	-	-	-
Dividends to owners of the Company		-	-	-	-	-	-	-	-	-	-
Dividends to non-controlling interests		-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Group		-	-	80,786	-	-	80,786	(80,786)	-	-	-
At 31 March 2018		862,752	-	-	-	(12,844)	849,908	557,085	1,406,993	368,147	1,775,140

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	FOR THE FIRST QUARTER ENDED	
	31.03.2018	31.03.2017
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	7,365	15,766
Adjustment for non-cash items	26,101	36,585
Operating profit before changes in working capital	33,466	52,351
Net changes in working capital	(22,817)	3,215
Cash generated from operations	10,649	55,566
Profit margin income from short-term investments and other receivables	423	1,452
Finance cost	(14,111)	(15,061)
Tax paid	(8,150)	(5,831)
Tax refund	-	182
Net cash (used in)/generated from operating activities	(11,189)	36,308
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,913)	(5,954)
Decrease/(increase) in other investment	9	(12,647)
Plantation development expenditure	(13,109)	(12,459)
Forestry	(397)	(1,804)
Proceeds from disposal of property, plant and equipment	3	-
Net cash used in investing activities	(17,407)	(32,864)



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (continued)

	Note	FOR THE FIRST QUARTER ENDED	
		31.03.2018	31.03.2017
		RM'000	RM'000
Cash flows from financing activities			
Dividends paid to owners of the Company		(383)	(1,675)
Proceeds from drawdown of loans and borrowings		18,535	50,443
Loan repayment		(24,094)	(41,352)
Net cash (used in)/ generated from financing activities		(5,942)	7,416
Net (decrease)/ increase in cash and cash equivalents		(34,538)	10,860
Cash and cash equivalents at 1 January		99,238	163,771
Cash and cash equivalents at end of the period		64,700	174,631

Cash and cash equivalents comprise:

	Note	FOR THE FIRST QUARTER ENDED	
		31.03.2018	31.03.2017
		RM'000	RM'000
Deposits		49,841	174,423
Less: Other investments		(3,279)	(16,167)
	18	46,562	158,256
Cash and bank balances	18	18,138	16,375
		64,700	174,631



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

NOTES PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost basis unless otherwise stated.

The Group has adopted the Malaysian Financial Reporting Standard (MFRS) framework and MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards for the first time in these condensed interim financial statements. The Group has elected 1 January 2017, being the beginning date of the immediate preceding financial period as the date of transition to MFRS accordingly. The impact of the transition to MFRS on the Group's reported financial position, financial performance and cash flows, are disclosed in Note 1(a). The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

a) First-time Adoption of MFRS

Transition from Financial Reporting Standards (FRSs) to MFRS

As provided in MFRS 1, first-time adopter of MFRS can elect optional exemptions from full retrospective application of MFRSs. The Group has elected to apply MFRS 3 – Business Combinations and MFRS 10 – Consolidated Financial Statements prospectively from the date FRS 3 – Business Combinations was adopted and to deem the carrying amount of investment in each subsidiary, joint venture and associate to be the cost of the investment in the separate financial statements as at the date of transition to MFRSs.

The following optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 July 2015 and throughout all periods presented in the financial statements.

i) Exemption for cumulative translation differences

The Group have elected to reset the exchange reserve to zero. The exchange reserve of RM0.53 million as at 1 January 2017 was reclassified to retained earnings.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

a) First-time Adoption of MFRS(continued)

ii) Effects of MFRS 141

Prior to the adoption of MFRS 141 Agriculture: Bearer Plants (Amendments to MFRS 116 and MFRS 141), produce growing on bearer plants were not recognised. Following the adoption, these biological assets are measured at fair value less cost to sell. Changes in fair value less costs to sell are recognised in profit or loss.

iii) Reconciliation of profit and loss

Quarter ended 31 March 2017				
	Note	Previously stated under FRS RM'000	Effect of transition to MFRS and reclassification RM'000	Restated under MFRS RM'000
Revenue	26	166,053	(219)	165,834
Fair value change in biological assets	17	-	(10,919)	(10,919)
Cost of sales	26	(126,637)	12,594	(114,043)
Gross profit		39,416	1,456	40,872
Other income	7	7,930	(1,233)	6,697
Administrative expenses	8	(4,030)	(10,662)	(14,692)
Other expenses	9	(9,291)	6,482	(2,809)
Results from operating activities		34,025	(3,957)	30,068
Profit margin income from short-term investments and receivables		-	1,452	1,452
Finance costs		(13,716)	(2,038)	(15,754)
Net finance costs		(13,716)	(586)	(14,302)
Profit before tax	26	20,309	(4,543)	15,766
Tax expense	31	(5,060)	2,221	(2,839)
Profit for the period	26	15,249	(2,322)	12,927
Other comprehensive income, net of tax				
Items that are or may be reclassified subsequently to profit and loss, net of tax				
Foreign currency translation differences for foreign operations		13	(919)	(906)
Total comprehensive / income for the period		15,262	(3,241)	12,021



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

(a) First-time Adoption of MFRS(continued)

(iii) Reconciliation of profit and loss (continued)

Quarter ended 31 March 2017			
Note	Previously stated under FRS RM'000	Effect of transition to MFRS and reclassification RM'000	Restated under MFRS RM'000
Profit attributable to:			
Owners of the Company	11,200	(1,280)	9,920
Non-controlling interests	4,049	(1,042)	3,007
Profit for the period	15,249	(2,322)	12,927
Total comprehensive income attributable to:			
Owners of the Company	11,212	(2,135)	9,077
Non-controlling interests	4,050	(1,106)	2,944
Total comprehensive income for the period	15,262	(3,241)	12,021
Basic earnings per ordinary share (sen)	39 1.27	-	1.12
Diluted earnings per ordinary share (sen)	39 1.27	-	1.12



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

a) First-time Adoption of MFRS (continued)

iv) Reconciliation of statement of financial position

		As at 31 December 2017			As at 1 January 2017		
	Note	Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS	Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Assets							
Property, plant and equipment	35	2,610,337	-	2,610,337	2,614,875	-	2,614,875
Plantation development expenditure	13	318,423	-	318,423	326,445	-	326,445
Forestry	14	187,956	-	187,956	162,470	-	162,470
Intangible asset	15	73,265	-	73,265	73,265	-	73,265
Other investments	16	1,825	-	1,825	1,825	-	1,825
Deferred tax assets		114,375	(3,769)	110,606	117,771	(6,743)	111,028
Total non-current assets		3,306,181	(3,769)	3,302,412	3,296,651	(6,743)	3,289,908
Inventories		20,124	-	20,124	17,045	-	17,045
Current tax assets		8,603	-	8,603	5,366	-	5,366
Biological assets	17	-	52,105	52,105	-	77,794	77,794
Other investments	16	3,288	-	3,288	3,520	-	3,520
Trade and other receivables		41,952	-	41,952	118,475	-	118,475
Prepayments and other assets		4,620	-	4,620	4,289	-	4,289
Cash and cash equivalents	18	99,175	-	99,175	163,771	-	163,771
		177,762	52,105	229,867	312,466	77,794	390,260
Assets classified as held for sale	19	30,142	-	30,142	-	-	-
Total current assets		207,904	52,105	260,009	312,466	77,794	390,260
Total assets		3,514,085	48,336	3,562,421	3,609,117	71,051	3,680,168



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

b) First-time Adoption of MFRS (continued)

iv) Reconciliation of statement of financial position (continued)

		As at 31 December 2017			As at 1 January 2017		
Note		Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS	Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Equity							
	Capital and reserve	773,421	533	773,954	781,875	533	782,408
	Retained earnings	604,044	30,595	634,639	634,486	44,917	679,403
	Equity attributable to owners of the Company	1,377,465	31,128	1,408,593	1,416,361	45,450	1,461,811
	Non-controlling interests	359,175	8,472	367,647	351,134	13,673	364,807
	Total equity	1,736,640	39,600	1,776,240	1,767,495	59,123	1,826,618
Liabilities							
	Loans and borrowings	1,196,183	-	1,196,183	1,175,374	-	1,175,374
	Employee benefits	269	-	269	-	-	-
	Deferred tax liabilities	326,738	8,736	335,474	331,787	11,928	343,715
	Trade and other payables	48,318	-	48,318	13,656	-	13,656
	Total non-current liabilities	1,571,508	8,736	1,580,244	1,520,817	11,928	1,532,745
	Loans and borrowings	47,857	-	47,857	113,151	-	113,151
	Trade and other payables	138,138	-	138,138	205,446	-	205,446
	Current tax liabilities	4,005	-	4,005	2,208	-	2,208
		190,000	-	190,000	320,805	-	320,805



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

a) First-time Adoption of MFRS (continued)

iv) Reconciliation of statement of financial position (continued)

		As at 31 December 2017			As at 1 January 2017		
Note		Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS	Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Liabilities classified as held for sale	15,937	-	15,937	-	-	-
	Total current liabilities	205,937	-	205,937	320,805	-	320,805
	Total liabilities	1,777,445	8,736	1,786,181	1,841,622	11,928	1,853,550
	Total equity and liabilities	3,514,085	48,336	3,562,421	3,609,117	71,051	3,680,168
	Net tangible assets per share (RM)	1.48		1.51	1.52		1.57



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

(a) First-time Adoption of MFRS (continued)

v) Reconciliation of statement of cash flow for the quarter ended 31 March 2017

Quarter ended 31 March 2017		
Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS
RM'000		RM'000
Cash flows from operating activities		
Profit before tax	(4,543)	15,766
Adjustment for non-cash flow items	4,543	36,585
Operating profit before changes in working capital	-	52,351
Net changes in working capital		3,215
Cash generated from operations	-	55,566
Profit margin income from short-term investments and other receivables	-	1,452
Finance cost	-	(15,061)
Tax paid	-	(5,831)
Tax refund	-	182
Net cash generated from operating activities	-	36,308
Cash flows from investing activities		
Acquisition of property, plant and equipment	-	(5,954)
Decrease in other investment	-	(12,647)
Plantation development expenditure	-	(12,459)
Forestry	-	(1,804)
Net cash used in investing activities	-	(32,864)



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

1. Basis of preparation (continued)

(a) First-time Adoption of MFRS (continued)

- v) Reconciliation of statement of cash flow for the quarter ended 31 March 2017

Quarter ended 31 March 2017		
Previously stated under FRS	Effect of transition to MFRS	Restated under MFRS
RM'000	RM'000	RM'000
Cash flows from financing activities		
Dividends paid to owners of the Company	-	(1,675)
Proceeds from drawdown of loans and borrowings	-	50,443
Loan repayment	-	(41,352)
Net cash generated from financing activities	-	7,416
Net increase in cash and cash equivalents	-	10,860
Cash and cash equivalents at 1 January	-	163,771
Cash and cash equivalents at 31 March	-	174,631

2. Significant Accounting Policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial statements as at and for the year ended 31 December 2017 unless otherwise stated.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

3. Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, certain judgements made by management in applying the Group's accounting policies and the key sources of estimation, were the same as those applied to the financial statements as at and for the year ended 31 December 2017.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than as disclosed below :

(i) **Depreciation of estate**

The rate used to depreciate the estate is based on the general rule of the normal palm oil trees production trend.

(ii) **Recoverable amount of plantation development expenditure ("PDE")**

Management reviews its PDE for objective evidence of impairment at least quarterly. Significant delay in maturity is considered as an indication of impairment. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the performance of the PDE, or whether there have been significant changes with adverse effect in the market environment in which the PDE operates in.

(iii) **Intangible assets-goodwill**

Measurement of recoverable amounts of cash generating units is derived based on value in use of the cash generating unit.

(iv) **Deferred income**

Determination of the fair value of the soft loan received from Government agency for development and maintenance of rubber trees (forestry) were determined using the Group financing rate of 7.85% and the difference between the fair value and nominal value is treated as government grant.

(v) **Forestry**

The fair value of the assets is determined using valuation prepared by external, licensed independent property valuer as at 31 December 2017. The directors of the Group are on the opinion that there is no material change in the fair value of forestry during the quarter.

(vi) **Contingencies**

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

3. Estimates (continued)

(vii) **Deferred tax**

Estimating the deferred tax assets to be recognised requires a process that involves determining appropriate tax provisions, forecasting future years' taxable income and assessing our ability to utilise tax benefits through future earnings.

(viii) **Inventories**

Determination of the allocation cost of CPO and PK is based on the extraction rate of CPO and PK respectively.

(ix) **Biological assets**

Fair value of biological assets is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

4. Auditors' Report on Preceding Annual Financial Statements

The auditors have expressed an unqualified opinion on the Group's statutory consolidated financial statements for the year ended 31 December 2017 in their report dated 2 April 2018.

5. Seasonal or Cyclical Factors

The Group's plantation operations are affected by seasonal crop production and weather conditions.

6. Unusual Items Due To Their Nature, Size or Incidence

There are no unusual items affecting assets, liabilities, equity and net income.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

7. Other income

Other income consist of the following:

- a) Fair value on government grant
- b) Management fees
- c) Sundry income

#

	31.03.2018 RM'000	31.03.2017 RM'000
	2,309	6,180
	725	219
	847	298
	3,881	6,697

8. Administrative expenses

Administrative expenses consist of the followings:

- a) Overhead expenses
- b) Rental of office
- c) Lease of land
- d) Sundry expenses

#

	31.03.2018 RM'000	31.03.2017 RM'000
	7,112	10,661
	1,180	483
	732	732
	2,952	2,816
	11,976	14,692

#Due to changes in business trend, income from management fees derived from external parties has significantly reduced, making composition of income from management fees between external and within the Group at 5:95. The Board has decided to reclassify the income from management fees as other income; hence the corresponding cost, i.e. overhead cost, will be reclassified as administrative expenses.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

9. Other expenses

Other expenses consist of the followings:

- a) Head Office Depreciation
- b) Impairment on management fees
- c) Miscellaneous expenses

31.03.2018 RM'000	31.03.2017 RM'000
406	298
-	1,180
574	1,331
980	2,809

10. Changes in Estimated Amounts Reported in Prior Period Which Have Effect on the Current Period

There were no changes in estimated amounts reported in prior period.

11. Changes in Debt and Equity Securities

The Group has drawdown RM4.56 million of soft loan at an effective profit margin rate of 3.00%.

Apart from the above, there were no other issuances, cancellations, repurchases, resale of debt and equity securities in the period.

12. Dividends

There were no dividends declared nor paid during the first quarter ended 31 March 2018.

13. Plantation development expenditure

At 1 January
Additions during the year
Addition of nurseries
Transfer to property, plant and equipment
Write off
Impairment of plantation development expenditure
Effect of movement in exchange rate

31.03.2018 RM'000	31.12.2017 RM'000
318,423	326,445
16,628	75,419
781	5,151
(70,666)	(77,152)
-	(1,193)
-	(929)
(5,781)	(9,318)
259,385	318,423



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

14. Forestry

	31.03.2018 RM'000	31.12.2017 RM'000
At 1 January	187,956	162,470
Addition during the year	5,031	11,903
Additions of nurseries	397	837
Addition charged to profit and loss	(5,031)	(12,740)
Change in fair value recognised to profit or loss	-	25,486
	188,353	187,956

15. Intangible asset

	31.03.2018 RM'000	31.12.2017 RM'000
Cost		
Goodwill	73,265	73,265

16. Other investments

	31.03.2018 RM'000	31.12.2017 RM'000
Non-current		
Available-for-sale financial assets – stated at cost	1,825	1,825
Less: Impairment loss	-	-
	1,825	1,825
Current		
Deposits placed with licensed banks (maturity period more than 3 months)	3,279	3,288
	5,104	5,113



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

17. Biological assets

	31.03.2018 RM'000	31.12.2017 RM'000
At 1 January	52,105	77,794
Change in fair value recognised to profit or loss	3,520	(25,689)
	55,625	52,105

Biological assets comprised of produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets for bearer plants that are expected to be harvested.

During the 1Q18, the Group harvested approximately 186,062 metric tonnes (MT) of fresh fruit bunches (FFB). As at 31 March 2018, the unharvested FFB, used in the calculation of fair value were 211,730 MT. Management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 3 months prior to harvest, FFB that are to be harvested in more than 3 months are excluded from the valuation as their fair values are considered negligible. The fair value of FFB is calculated based on income approach which considers the net present value of all directly attributable net cashflows. The assumptions are as below:

- 1) Estimated production for May and June are derived from black bunches census ("BBC"), that was carried out by the Group in April 2018.
- 2) Average price was derived from the following factors:
 - i) Crude palm oil ("CPO") and palm kernel ("PK")-future price from Bloomberg
 - ii) Oil extraction rate ("OER) and kernel extraction rate ("KER")- actual rate of respective estates as at 30 April 2018 discounted based on biological transformation factor.

The fair value measurement of the Group's biological assets are categorised within Level 3 of the fair value hierarchy. If the selling price of the FFB changes by 10%, profit or loss of the Group would increase or decrease by approximately RM5.62 million.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

18. Cash and cash equivalents

	31.03.2018 RM'000	31.12.2017 RM'000
Deposits placed with licensed banks	46,562	76,061
Cash and bank balances	18,138	23,177
	64,700	99,238
Transfer to assets held for sale	(63)	(63)
	64,637	99,175

19. Group assets held for sale

Ladang Jati Keningau Sdn Bhd

Investment in subsidiary, Ladang Jati Keningau Sdn. Bhd. is presented as an asset held for sale following the approval of Board of Directors to sell the whole investment in Ladang Jati Keningau Sdn. Bhd. on 20 December 2017. Efforts to sell the asset have commenced, and a sale is expected to be completed within twelve (12 months) from the approval date. Asset classified as held for sale is as below:

Group

Assets classified as held for sale

	Note	31.03.2018 RM'000
Property, plant and equipment	a	29,995
Trade and other receivables		3
Cash and cash equivalents		63
		<u>30,061</u>

Liabilities classified as held for sale

Deferred tax liability	8,907
Payables and accruals	6,750
	<u>15,657</u>

Note a

Property, plant and equipment held for sale comprise the following:

Group	RM'000
Cost	30,067
Accumulated depreciation	(72)
	<u>29,995</u>



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

20. Operating segments

	Oil palm Plantation	Management Services	Forestry	Elimination	Consolidated
RESULTS FOR FIRST QUARTER ENDED	RM'000	RM'000	RM'000	RM'000	RM'000
31 MARCH 2018					
External operating revenue	121,235	-	-	-	121,235
Inter-segment revenue	14,492	-	-	(14,492)	-
Total operating revenue	135,727	-	-	(14,492)	121,235
Fair value change in biological assets	3,520	-	-	-	3,520
Other income	18,198	5,124	2,309	(21,327)	4,304
	157,445	5,124	2,309	(35,819)	129,059
Operating expenses	(98,932)	-	(5,031)	10,476	(93,487)
Segment results	58,513	5,124	(2,722)	(25,343)	35,572
Other expenses	(15,305)	(9,101)	(107)	11,557	(12,956)
Finance cost	(27,840)	-	(2,193)	14,782	(15,251)
Profit before tax	15,368	(3,977)	(5,022)	996	7,365
RESULTS FOR FIRST QUARTER ENDED					
31 MARCH 2017					
External operating revenue	165,834	-	-	-	165,834
Inter-segment revenue	23,039	-	-	(23,039)	-
Total operating revenue	188,873	-	-	(23,039)	165,834
Fair value change in biological assets	(10,919)	-	-	-	(10,919)
Other income	20,970	219	6,180	(19,220)	8,149
	198,924	219	6,180	(42,259)	163,064
Operating expenses	(128,656)	-	(3,575)	18,188	(114,043)
Segment results	70,268	219	2,605	(24,071)	49,021
Other expenses	(9,773)	(12,904)	(283)	5,459	(17,501)
Finance cost	(31,703)	-	(2,038)	17,987	(15,754)
Profit before tax	28,792	(12,685)	284	(625)	15,766



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

20. Operating segments (continued)

	Oil palm Plantation	Management Services	Forestry	Elimination	Consolidated
ASSETS AND LIABILITIES AS AT 31 MARCH 2018	RM'000	RM'000	RM'000	RM'000	RM'000
Assets that belong to the Group	5,456,882	26,853	226,426	(2,164,392)	3,545,769
Total Assets	5,456,882	26,853	226,426	(2,164,392)	3,545,769
Liabilities that belong to the Group	2,775,347	85,107	174,297	(1,264,122)	1,770,629
Total liabilities	2,775,347	85,107	174,297	(1,264,122)	1,770,629
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2017					
Assets that belong to the Group	5,544,123	224,737	26,943	(2,233,382)	3,562,421
Total Assets	5,544,123	224,737	26,943	(2,233,382)	3,562,421
Liabilities that belong to the Group	2,859,333	167,586	81,221	(1,321,959)	1,786,181
Total liabilities	2,859,333	167,586	81,221	(1,321,959)	1,786,181



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

21. Valuation of Property, Plant And Equipment

There was no valuation of property, plant and equipment during the current quarter under review except as disclosed in Note 13.

22. Material Event Subsequent to the Balance Sheet Date

There is no material event which occurred subsequent to the balance sheet date of this announcement.

23. Contingent Liabilities

The Directors are of the opinion that the Group has no contingent liabilities which may have a material impact on the financial position and business of the Group as at 28 May 2018.

24. Capital and Other Commitments Outstanding Not Provided For In The Interim Financial Report

Approved and contracted for
Approved but not contracted for

31.03.2018 RM'000
4,176
153,342
157,518

25. Material Related Party Transactions

			For the first quarter ended 31.03.2018
Transacting Parties	Relationship	Nature of transactions	RM'000
Transactions with THP			
Lembaga Tabung Haji	Holding Corporation	Lease of land	732
Lembaga Tabung Haji	Holding Corporation	Rental of office	1,180
Transactions with THP Group			
Syarikat Takaful Malaysia	Related Company	Insurance premium	2,918
TH Travel Services Sdn Bhd	Related Company	Purchase of flight tickets	323
Deru Semangat Sdn Bhd	Related Company	Management fees	62
TH Estates (Holdings) Sdn Bhd	Related Company	Management fees	663

Save as the above, there are no other material related party transactions.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

NOTES PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

26. Review of Group's Financial Performance

(i) Current quarter

	UNAUDITED FIRST QUARTER		VARIANCE	
	CURRENT YEAR	PRECEDING YEAR		
	31.03.2018	31.03.2017	RM'000	%
Revenue	121,235	165,834	(44,599)	(26.89)
Fair value change in biological assets	3,520	(10,919)	14,439	132.24
Operating profit	31,268	40,872	(9,604)	(23.50)
Profit Before Interest and Tax ("PBIT")	22,193	30,068	(7,875)	(26.19)
Profit Before Tax ("PBT")	7,365	15,766	(8,401)	(53.29)
Profit after Tax ("PAT")	4,096	12,927	(8,831)	(68.31)
Profit attributable to owners of the Company ("PATAMI")	3,232	9,920	(6,688)	(67.42)

(a) Revenue

For the current quarter ended 31 March 2018 ("1Q18"), the Group's revenue stood at RM121.24 million (1Q17: RM165.83 million), a decrease of 27% compared to the same period last year. This decrease was mainly due to lower sales volume of CPO and PK as well as lower average realised prices of CPO, PK and FFB.

	FIRST QUARTER		VARIANCE	
	2018	2017		
	MT	MT	MT	%
Sales volume				
Crude palm oil	37,390	41,505	(4,115)	(9.91)
Palm kernel	8,374	9,298	(924)	(9.94)
FFB	33,214	20,455	12,759	62.38

	FIRST QUARTER		VARIANCE	
	2018	2017		
	RM/MT	RM/MT	RM/MT	%
Average realised prices				
Crude palm oil	2,355	2,997	(642)	(21.42)
Palm kernel	2,140	3,139	(999)	(31.83)
FFB	459	600	(141)	(23.50)



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

(b) **Operating profit**

Operating profit for 1Q18 was lower by RM9.60 million (23.50%) due to the decrease in revenue. However, the effect of lower revenue was slightly offset by the inclusion of fair value on biological assets (RM14.44 million) and lower cost of FFB purchases (volume and cost per MT of FFB).

(c) **PBIT**

PBIT for 1Q18 was lower by RM7.88 million or 26.19% compared to 1Q17. In addition to the factors mentioned above, the lower PBIT was due to:

- a) Lower other income by RM3.87 million due to lower fair value on government grant recognised during the quarter.
- b) Lower profit margin income on investment by RM1.03 million due to lower fixed deposit placement during 1Q 2018.

(d) **PBT**

For 1Q18, PBT was lower by RM8.40million or 53.29% compared to 1Q17 due to lower PBIT as profit margin expenses remain unchanged.

(d) **PAT**

PAT for 1Q18 was lower by RM8.83 million compared to 1Q17 due to lower PBT and higher effective tax rate for the Group.

(d) **PATAMI**

For 1Q18, PATAMI was lower by RM6.69 million as compared to 1Q17 due to lower PAT as mentioned above.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

27. Material Changes in the Quarterly Results Compared To the Preceding Quarter

	2018	2017	VARIANCE	
	Quarter 1	Quarter 4 (restated)	RM'000	%
Revenue	121,235	177,708	(56,473)	(31.78)
Fair value change in biological assets	3,520	(31,485)	35,005	111.18
Fair value change in forestry	-	15,485	(15,485)	(100.00)
Operating profit	31,268	29,152	2,116	7.26
Profit/ (Loss) Before Interest and Tax ("PBIT")	22,193	(1,651)	23,844	1,444.22
Profit/ (Loss) Before Tax ("PBT")	7,365	(17,611)	24,976	141.82
Profit/ (Loss) after Tax ("PAT")	4,096	(30,804)	34,900	113.30
Profit/ (Loss) attributable to owners of the Company ("PATAMI")	3,232	(28,146)	31,378	111.48

	2018	2017	VARIANCE	
	Quarter 1	Quarter 4	MT	%
Sales volume				
Crude palm oil	37,390	50,360	(12,970)	(25.75)
Palm kernel	8,374	11,922	(3,548)	(29.76)
FFB	33,214	38,139	(4,925)	(12.91)

	2018	2017	VARIANCE	
	Quarter 1	Quarter 4	RM/MT	%
Average realised prices				
Crude palm oil	2,355	2,529	(174)	(6.88)
Palm kernel	2,140	2,529	(389)	(15.38)
FFB	459	529	(70)	(13.23)

(a) Revenue

Lower sales volume of CPO and PK coupled with lower average realised prices for CPO, PK and FFB have resulted in 32% lower revenue for 1Q18 compared to the preceding quarter.

(b) Operating profit

Operating profit of RM31.27 million was higher by RM2.12 million (7.26%) due to the following:

- The changes in the fair value of biological asset between 1Q18 and 4Q17 by RM35.01 million.
- Lower amortisation cost especially for mature estates by RM11.27 million due to lower rate based on annual production yield table used for 1Q18.
- Lower estate production cost by RM16.83 million (26.62%) operating profit was higher by 2.12 million (7.26%)



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

(c) **PBIT**

PBIT for 1Q18 was higher by RM23.84 million (1,444.22%) as compared to preceding quarter due to:

- a) Higher operating profit by RM2.12 million
- b) Lower other expenses due lower impairment of other receivables by RM11.20 million.
- c) Lower overhead cost by RM8.5 million.

(d) **PBT**

PBT was higher by RM24.98 million (141.82%) compared to preceding quarter due to higher PBIT .

(e) **PAT**

PAT for 1Q18 was higher by RM34.90 million compared to 4Q17 due to higher PBT and PBIT.

(f) **PATAMI**

PATAMI for 1Q18 was higher by RM31.38 million as compared to preceding quarter due to higher PAT.

28. **Review of operating segments**

Oil Palm Plantation

Despite higher FFB production by 14%, the Oil Palm Plantation segment recorded a decrease of RM11.76 million in its operating profit due to lower sales volume of CPO and PK as well as lower average realised prices. PBT decreased by 46.62% compared to 1Q17 mainly attributed to lower revenue for the current quarter.

Forestry

The forestry segment recorded a LBT of RM5.02 million in 1Q18, as compared to a profit of RM0.28 million in 1Q17. This is a result of a lower fair value on government grant recognised during the quarter.

Management services

Management services recorded a loss before tax of RM3.98 million in 1Q18 as compared to a loss before tax of RM12.69 million in 1Q17 due to lower impairment of receivables in 2018.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

29. Current Year Prospects

The Group expects an uptrend in FFB production for the year. However, we are mindful of the movement in palm oil prices should there be a bumper crop industry-wide. Accordingly, the Group will continue to improve efficiency by optimising costs and internalising sustainable practices throughout its operations.

30. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast for the current quarter.

31. Taxation

	FIRST QUARTER	
	Current year RM000	Preceding Year RM000
Current	5,256	7,883
Deferred	(1,987)	(5,044)
	3,269	2,839

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the quarter.

The effective tax rate of the Group for the year under review is higher than its statutory rate as a result of lower deferred tax asset recognised.

32. Unquoted Investments and /or Properties

There were no purchases or disposals of unquoted investments for the current quarter under review.

33. Quoted Investments

There were no purchases of quoted investments for the current quarter under review.

34. Status of Corporate Proposals

There are no other corporate proposals announced for the current quarter under review.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

35. Property, Plant and Equipment ("PPE")

For the year 2018, an additional 1,958.24 hectares of oil palm estates have reached maturity and reclassified as PPE.

36. Group Borrowings

As at 31 March 2018, total secured borrowings, which are denominated in Ringgit Malaysia, are as follows:

	As at 31.03.2018 RM'000	As at 31.12.2017 RM'000
Non-current		
Secured		
Flexi Term Financing-i	9,215	13,715
Commodity Murahabah Term Financing-i	253,697	256,656
Unsecured		
SUKUK Murahabah		
Medium Term Notes	895,000	895,000
Term Financing	33,077	30,812
	1,190,989	1,196,183
Current		
Secured		
Flexi Term Financing-i	18,000	17,000
Ijarah Term Financing-i		
Facility	-	-
Commodity Murahabah Term Financing-i	24,000	27,000
Unsecured		
SUKUK Murahabah		
Medium Term Notes	-	-
Islamic Trade Financing-i	3,238	3,857
	45,238	47,857
	1,236,227	1,244,040



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

36. Group Borrowings (continued) *Maturity analysis*

Tenure	Year of maturity	SUKUK	Other Financial Instruments	TOTAL
		RM000	RM000	RM000
Below 1 year	2018	-	34,738	34,738
1-2 years	2019	-	40,715	40,715
2-3 years	2020	40,000	29,500	69,500
3-4 years	2021	75,000	30,000	105,000
4-5 years	2022	100,000	30,000	130,000
5-6 years	2023	105,000	33,000	138,000
6-7 years	2024	110,000	37,000	147,000
7-8 years	2025	120,000	39,500	159,500
8-9 years	2026	145,000	33,696	178,696
9-10 years	2027	200,000	-	200,000
10-11 years	2028	-	-	-
11-12 years	2029	-	33,078	33,078
		895,000	341,227	1,236,227

37. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this announcement.

38. Material Litigation

There are no material litigations as at the date of this report.



TH Plantations Berhad

(Company No. 12696-M)
(Incorporated in Malaysia)

39. Earnings Per Share

		UNAUDITED FIRST QUARTER	
		Current Year	Preceding Year
Basic earnings per share			
Profit attributable to shareholders	RM'000	3,232	9,920
Weighted average number of ordinary shares in issue	000	883,851	883,851
Basic earnings per share	sen	0.37	1.12
Diluted earnings per share			
Profit attributable to shareholders	RM'000	3,232	9,920
Weighted average number of ordinary shares in issue	000	883,851	883,851
Effect of dilution		-	-
Adjusted weighted average of ordinary shares in issue	000	883,851	883,851
Diluted earnings per share	sen	0.37	1.12

40. Authorisation For Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 30 May 2018.

By Order of the Board
Aliatun binti Mahmud
LS0008841
Secretary

Kuala Lumpur
30 May 2018