



TH PLANTATIONS BERHAD (12696-M)

## TH PLANTATIONS REPORTS 2QFY2018 PRE-TAX PROFIT OF RM2.24 MILLION

**KUALA LUMPUR, 29<sup>th</sup> AUG 2018** – TH Plantations Berhad (“THP” or the “Group”) announced its second quarter (“2QFY2018”) and first half (“1HFY2018”) financial results today, reporting a **pre-tax profit of RM2.24 million** for 2QFY2018, against a pre-tax profit of RM37.42 million in the same period last year. Its profit after tax for 2QFY2018 stood at RM4.02 million against RM31.31 million in the corresponding period last year.

The lower profits were mainly the result of significantly lower prices of **Crude Palm Oil (“CPO”)** and **Palm Kernel (“PK”)**. The **average realised CPO price** recorded for the quarter was **RM2,275 per metric tonne, a 15% decrease** against the price recorded in the same period last year. The Group’s **average realised PK price was RM1,691 per metric tonne**, also a 15% decrease from the same quarter last year.

Consequently, the Group recorded **lower revenues of RM138.56 million**, a decrease of 11% compared to the corresponding period last year, despite Fresh Fruit Bunches (“FFB”) production being 5% higher.

For 1HFY2018, the Group saw a 9% increase in FFB production. However, average realised CPO prices fell by 18% against last year, while average realised PK prices were lower by 25%. As a result, the Group’s revenue decreased by 19% against the same period last year to RM259.79 million. The Group recorded a pre-tax profit of RM9.60 million and a net profit of RM8.12 million for 1HFY2018.

Commenting on behalf of the Group, Mohamed Azman Shah bin Ishak, Chief Financial Officer of THP, said, “The **5% growth in our FFB production** in 2QFY2018 marks **6 straight quarters of year-on-year increase in production**, certainly a welcome development after the prolonged period of low production seen a couple of years ago. We have also managed to keep our costs in check, where our cost of sales for the

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first half of the year is lower by 10% compared to the same period last year. Unfortunately, we have not benefited from the stronger production nor lower costs as prices continue to face downward pressure from higher supplies and weaker demand for palm oil. Nevertheless, to help cushion this impact of low prices, we will continue to improve efficiency by further optimising costs and internalising sustainable practices throughout our operations.”

He added, “We are now entering the peak production period in the year, and the production outlook is encouraging. We are hopeful that prices remain range-bound, at the very least, relieving the pressure on profit margins.”

**# End #**

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### **About TH Plantations Berhad**

THP is a subsidiary of **TH**, incorporated on the 28 August 1972 and listed on the main board of Bursa Malaysia Securities Berhad on 27 April 2006. Its principal activities are investment holding, cultivation of oil palm, processing of FFB, marketing of CPO, palm kernel and FFB.

The Group has approximately 101,000 hectares of land located in Pahang, Johor, Terengganu, Sabah, Sarawak and Kalimantan, Indonesia of which about 59,000 hectares have been planted with oil palm. To diversify its income stream in coming years, approximately 8,500 hectares of its land bank have been planted with rubber and more are in the course of planting.

The Group also owns and operates six palm oil mills located in Johor, Pahang, Sabah and Sarawak with a total FFB processing capacity of 1,296,000 metric tonnes per annum.

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