



TH PLANTATIONS BERHAD (12696-M)

## TH PLANTATIONS REPORTS NET PROFIT OF RM15.25 MILLION FOR FIRST QUARTER FY2017

- Profit Before Tax of RM20.31 million
- EBITDA of RM53.37 million
- Strong Revenue Growth of 85% YoY

**KUALA LUMPUR, 24<sup>th</sup> May 2017** – TH Plantations Berhad (“THP” or the “Group”) announced its first quarter (“1QFY2017”) financial results today, reporting a 1QFY2017 **net profit of RM15.25 million**, on the back of **RM166.05 million revenue**. Its revenue grew 85% from the corresponding period last year (“1QFY2016”) on the back of a recovery in production of Fresh Fruit Bunches (“FFB”) and Crude Palm Oil (“CPO”) and higher commodity prices.

The Group reported **Profit Before Tax (“PBT”) of RM20.31 million**, a swing of RM35.98 million from the losses recorded in 1QFY2016. Its **Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) also came in strong at RM53.37 million** against RM6.38 million last year.

In terms of production, the Group posted a **17% growth in FFB production** and a **42% increase in CPO production**. The FFB and CPO produced for 1QFY2017 stood at 162,885 metric tonnes and 41,963 metric tonnes respectively. The recovery in production was driven by improved weather conditions as well as initiatives to increase mill utilisation via additional purchase of FFB from external suppliers.

The Group also recorded improved selling prices, supported by stronger commodity prices seen in 1QFY2017. **Its average CPO selling price for the period was RM2,997 per metric tonne, a 14% increase from the same period last year**. Its average Palm Kernel (“PK”) selling price for 1QFY2017 was RM3,139 per metric tonne, a 66% increase from 1QFY2016.

Commenting on the performance of the Group for FY2016, Dato’ Sri Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said “After a prolonged period of challenging operating conditions, we are hopeful that the worst is now over for the industry. We are encouraged to see that the industry has started seeing improved production, THP included, and we hope that the effects of past years’ weather anomalies will completely taper off by the second half of the year.”

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He continued, “The recovery in production and replenished stock levels will inevitably cause some downward pressure in CPO and PK prices, but we are optimistic that the prices will still remain supported by increased demand for palm oil products, particularly in view of the upcoming Ramadhan month, and encouraging currency rates.

The Group continues to be focused on optimising costs, operational efficiency and restoring sustainable production trends to benefit from future demand for palm oil. Through a structured development and replanting programme carried out in the past few years, the Group’s area planted with oil palm now spans almost 60,000 hectares spread throughout Malaysia, at an average mature age of 12 years. Approximately 60% of the Group’s mature area is made up of young and prime estates, with more coming into maturity in the next two to three years, promising a steady revenue growth in coming years. The Group’s yield and oil extraction rate improvement programmes are also ongoing, while its consolidation of brownfield acquisitions is progressing well.

**# 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 8,000 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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