TH PLANTATIONS BERHAD (12696-M)

MEDIA RELEASE

TH PLANTATIONS REGISTERS 9MFY2015 PRE-TAX PROFIT OF RM24.53 MILLION

KUALA LUMPUR, 27th November 2015 – TH Plantations Berhad ("THP" or the "Group") announced its third quarter ("3QFY2015") and cumulative nine-month period ending 30 September 2015 ("9MFY2015") financial results, reporting a 9MFY2015 Profit Before Tax ("PBT") of RM24.53 million on the back of RM325.98 revenue.

The Group's Fresh Fruit Bunches ("FFB") production for the first nine months of the year stood at 578,788 metric tonnes, 3% lower than the same period last year, and Crude Palm Oil ("CPO") production decreased by 2% to 126,530 metric tonnes compared to the corresponding period last year. For 3QFY2015, FFB production improved by 7% year-on-year to 215,190 metric tonnes, while CPO production increased by 4% to 53,874 metric tonnes compared to the same period last year.

Although production expectedly improved in the third quarter, the improvement was not adequate to arrest the slide in commodity prices. The Group's average selling prices for CPO in 3QFY2015 was RM2,036 per metric tonne, compared to RM2,106 per metric tonne in the same period last year. For 3QFY2015, the Group registered a PBT of RM14.97 million, representing a decline of 20% against the same period last year, on the back of revenue of RM133.49 million.

Commenting on the performance of the Group, Dato' Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said "2015 has turned out to be even more challenging for the palm oil sector than anticipated. Commodity prices staged a short-lived rally in the past few weeks and a more substantial improvement in prices may be limited by the high amount of CPO stock, which reportedly is at the highest levels in 15 years. Slower demand from the biggest consumers of palm oil products, particularly China, and stiff competition from other vegetable oils also do not augur well for the recovery of palm oil products' prices."

He added, "In terms of production, adverse weather conditions have brought upon deeper effects than initially expected. Production improved in the third quarter but weak production in the first half of the year has significantly impacted our overall earnings. We are also bracing ourselves for the effects of El Nino, which will only materialise after 18 months, as well as the anticipated wet weather in the final quarter of the year."

He further added, "Undeniably, most of the challenges faced by the sector are due to factors that are beyond our control, hence we can only hope that the industry's downward cycle is bottoming out and things will turn for the positive in the medium term. In the meantime, we are doing our best to mitigate all these challenges, particularly those that are within our control, as best as we can. We are tightening our belts and have implemented comprehensive cost control measures throughout our operations. Although these may not be enough to negate the impact of the current operating and economic challenges, they will at least help us cushion the effects."

Despite the headwinds faced by the palm oil sector currently, the Group is confident that the long term fundamentals of the industry remain intact, and that the demand for palm oil will grow in tandem with the growth of the world population. The Group is focused on cultivating growth and setting the stage to benefit from the higher demand for palm oil with its enlarged land bank. Through a structured development and replanting programme carried out in the past few years, the Group's area planted with oil palm now spans over 60,000 hectares spread throughout Malaysia, at an average age of 9 years. Approximately 59% of the Group's mature area is made up of young estates, with more coming into maturity in the near future, 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. All these initiatives will collectively deliver strong revenue growth in the medium to longer term, particularly when the young estates in the Group's portfolio transition into the prime mature age bracket in the next few years.

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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.

As at 30 September 2015, the Group has approximately 96,000 hectares of land located in Pahang, Johor, Negeri Sembilan, Terengganu, Sabah and Sarawak, of which about 60,000 hectares have been planted with oil palm. Additionally, the Group owns about 8,400 hectares of greenfield land in Kalimantan, Indonesia. To diversify its income stream in coming years, approximately 6,000 hectares of its land bank have been planted with rubber and more are in the course of planting.

The Group also owns and operates seven palm oil mills located in Johor, Pahang, Negeri Sembilan, Sabah and Sarawak with a total FFB processing capacity of 1,350,000 metric tonnes per annum.

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