



MEDIA RELEASE

TH PLANTATIONS RECORDS RM5.1 MILLION PROFIT AFTER TAX IN 1Q2015

KUALA LUMPUR, 27th May 2015 – TH Plantations Berhad (“THP” or the “Group”) today announced its first quarter for the year 2015 (“1Q2015”) financial results, reporting a **Profit After Tax (“PAT”) of RM5.1 million** on the back of **RM82.3 million revenue**. Both the PAT and revenue declined by 39% and 34% respectively, compared to the corresponding quarter last year.

Commenting on the performance of the Group for 1Q15, Dato’ Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said “The prolonged dry weather experienced in the first half of last year and the adverse wet weather at the end of 2014 have brought upon deeper effects on production than initially expected. In addition, commodity prices continued to remain subdued, further impacting the overall earnings of the Group. To cushion the impact of the anticipated softer earnings, the Group had instituted comprehensive austerity measures throughout its operations, and will continue with these measures in the near term.”

For the quarter under review, THP recorded **Fresh Fruit Bunches (“FFB”) production of 137,988 metric tonnes**, translating into a 20% decline from the same period last year. THP’s Crude Palm Oil (“CPO”) production declined by 22% to 31,052 metric tonnes. **Its average realised prices for CPO for 1Q15 was RM2,162 per metric tonnes** versus RM2,507 in the corresponding quarter last year. The Group’s production was further impacted by the large proportion of younger estates, which yield lower FFB compared to prime mature estates. Nevertheless, the Group’s production showed signs of recovery towards the end of 1Q15 and the Group is cautiously optimistic that production will continue to build up in subsequent quarters.

Dato’ Zainal Azwar added, “Although production is now showing signs of recovery, we do not discount the possibility of El Niño materialising in the coming months. We are already observing intense weather changes in some parts of the world, which may be strong indicators of the El Niño phenomenon. The El Niño phenomenon is not to be taken lightly compared to other normal weather anomalies, as the effects brought upon by the El Niño can be substantial, particularly on the crop production levels in the immediate, medium and longer terms.”

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



TH PLANTATIONS BERHAD (12696-M)

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 31 March 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.

For further information, please contact:

Aizzura Ab Rahim

Investor Relations

TH Plantations Berhad

Tel: +603 2687 6687

Email: aizzura@thplantations.com