



## MEDIA RELEASE

### TH PLANTATIONS REPORTS NET PROFIT OF RM9.85 MILLION FOR SECOND QUARTER FY2016

- Revenue increases 20%
- CPO and PK average sales prices increase by 16% and 44% respectively
- Stronger recovery anticipated in coming quarters

**KUALA LUMPUR, 26<sup>th</sup> August 2016** – TH Plantations Berhad (“THP” or the “Group”) announced its second quarter (“2QFY2016”) financial results today, reporting a 2QFY2016 net profit of RM9.85 million, an increase of 51% from the corresponding period last year, underpinned by higher revenue of RM132.41 million.

Revenue strengthened by 20% compared to the same period last year, mainly driven by stronger realised sales prices of Crude Palm Oil (“CPO”) at RM2,429 per metric tonne and Palm Kernel (“PK”) at RM2,220 per metric tonne, which were higher by 16% and 44% respectively. Despite slightly lower Fresh Fruit Bunches (“FFB”) production for the quarter, CPO sales volumes were up by 1%, contributing to the higher revenues.

“We are encouraged by significantly better commodity prices, which have helped support the Group’s performance. After a prolonged period of weather anomalies, the Group’s FFB and CPO production are showing signs of gradual recovery. Compared to the previous quarter of this year, our FFB production in 2QFY2016 grew by 29% quarter-on-quarter, and we are optimistic that production will show even more significant recovery in the coming quarters of this year. If CPO and PK prices continue to trade at supportive levels, we expect third quarter performance to be stronger as we enter our period of peak production for the year,” said Dato’ Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP.

For the first half of the year ended 30 June 2016 (“1HFY2016”), the Group reported a net profit of RM0.41 million and revenue of RM221.92 million. The Group’s FFB production decreased by 3% compared to the same period last year to 318,235 metric tonnes, but average selling prices of CPO and PK increased by 11% and 26% from last year to RM2,349 and RM2,078 per metric tonne respectively, contributing to the Group’s improved gross profit margins.

He added, “The industry was disheartened by poor performance in the previous few quarters, particularly the first quarter of this year, but I am pleased to see that most industry players, THP included, have managed to remain resilient and withstand the challenges faced. We hope that the worst is over for the palm oil sector, and that the industry will continue to be buoyed by the positive recovery seen in both production and commodity



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prices. Nevertheless, amidst the recovery, we should continue to be mindful of keeping our costs in check to ensure our margins improve sustainably. ”

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 10 years. Approximately 60% 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.

# 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.

As at 30 June 2016, the Group has approximately 97,000 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 8,000 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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