



TH PLANTATIONS BERHAD (12696-M)

## TH PLANTATIONS REPORTS NET PROFIT OF RM24.58 MILLION FOR FIRST HALF OF FY2017

- Profit Before Tax of RM30.35 million
- EBITDA of RM102.91 million
- Revenue Growth of 45% YoY

**KUALA LUMPUR, 21<sup>st</sup> August 2017** – TH Plantations Berhad (“THP” or the “Group”) announced its first half (“1HFY2017”) and second quarter (“2QFY2017”) financial results today, reporting a **net profit of RM24.58 million** 1HFY2017, against a net profit of RM0.41 million in the same period last year. Its **Profit Before Tax (“PBT”)** came in at **RM30.35 million**, an upsurge of almost RM40 million against a Loss Before Tax of RM9.62 million a year ago.

The improved 1HFY2017 performance by the Group is mainly attributable to stronger revenues and profit margins driven by higher production and prices compared to last year. The Group’s **revenue grew by 45% to RM321.48 million** on the back of a **15% growth in Fresh Fruit Bunches (“FFB”) production**. The Group also reported a concurrent **20% growth in Crude Palm Oil (“CPO”) output** which was partially boosted by the Group’s mill efficiency efforts. Its average realised selling price for CPO was RM2,826 per metric tonne, a 20% increase against the price recorded in the same period last year, while its Palm Kernel (“PK”) average selling price was up by 22% to RM2,542 per metric tonne.

For 2QFY2017, the Group reported a **net profit of RM9.33 million**, attributed to a 17% increase in revenue from the corresponding period last year (“2QFY2016”) while its **PBT** came in at **RM10.04 million**, an increase of 66% against the PBT recorded in 2QFY2016. It also recorded 45% higher **Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) of RM49.54 million** against RM34.23 million last year.

The recovery in production of Fresh Fruit Bunches (“FFB”), driven by improved weather conditions, continued in 2QFY2017 with **13% higher FFB production** recorded while **FFB processed and CPO output grew by 6% and 4% respectively**. The Group also recorded improved selling prices compared to the same period last year, with its **average CPO selling price** for the period coming in at **RM2,664 per metric tonne, a 10% increase from the same period last year**. However, its average PK selling price for 2QFY2017 fell 10% to RM1,987 per metric tonne as the demand for PK normalised in the global markets.

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Commenting on the performance of the Group, Dato' Sri Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said "We are encouraged by the continuous improvement in production. Our plantations in Sarawak have performed beyond our initial estimates while our Peninsular and Sabah estates are catching up."

He continued, "The recovery in production and replenished stock levels throughout the industry have inevitably cause some downward pressure in CPO and PK prices, and we have seen average prices normalising down from their recent highs. However, we remain optimistic that the prices will still remain supported by increased demand for palm oil products, particularly in view of higher soybean oil prices in the United States. The palm oil outlook for the rest of the year seems optimistic, as industry players continuously look for ways to optimise costs, increase efficiency and internalise sustainable practices throughout their operations."

**# 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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