



TH PLANTATIONS BERHAD (12696-M)

TH PLANTATIONS REPORTS FY2017 NET PROFIT OF RM50.75 MILLION

- FFB Production Growth of 21%
- Revenue Growth of 23% YoY
- Core Profit Before Tax up by 139% to RM76.94 million
- Proposed Final Dividend of 2.0 sen per share

KUALA LUMPUR, 28th February 2018 – TH Plantations Berhad (“THP” or the “Group”) announced its full year 2017 (“FY2017”) and fourth quarter (“4QFY2017”) financial results today, reporting a **net profit of RM50.75 million** for FY2017, against a net profit of RM150.47 million in the same period last year. The Group also recorded **Profit Before Tax (“PBT”) of RM86.69 million** for FY2017, against a PBT of RM127.30 million a year ago. Its FY2017 **Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”)** came in at RM228.10 million. In the financial year of 2016 (“FY2016”), the Group had recognised an extraordinary gain of RM112.58 million from its disposal of THP Gemas Sdn Bhd in the final quarter of 2016, which helped boost its FY2016 bottom line. **Excluding the effect of this extraordinary gain, the Group’s FY2017 core pre-tax profit more than doubled to RM76.94 million compared to RM32.20 million last year.**

Fresh Fruit Bunches (“FFB”) production for the full year grew by **21%** against a year ago to **887,015 metric tonnes**, and its **Crude Palm Oil (“CPO”) output** concurrently increased by **12%** against the same period last year to **193,979 metric tonnes**. The improved production, coupled with stronger CPO and Palm Kernel (“PK”) prices, helped in **boosting revenue by 23% to RM689.22 million**. Its **average traded price for CPO was RM2,769 per metric tonne, an 8% increase** against the traded price recorded in the same period last year, while its PK average traded price was up by 1% to RM2,439 per metric tonne.

For 4QFY2017, the Group reported a **net profit of RM12.02 million**, attributed to a 5% increase in revenue from the corresponding period last year. It also recorded **PBT of RM33.95 million**, and **EBITDA of RM58.48 million**.

Although FFB production peaked in 3QFY2017, the Group’s production continued on its path of full recovery in 4QFY2017. Its FFB production increased by 40% compared to the same period last year, while CPO production was up by 4% compared to 4QFY2016. Average **CPO traded price** for the period was **RM2,634 per metric tonne, a 5% decrease from the same period last year**. Concurrently, its average PK traded price for 4QFY2017 fell 9% to RM2,499 per metric tonne in tandem with the

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market. The lower prices recorded were in line with industry trends, which saw palm oil product prices fall in the second half of 2017 following recovery in production and higher stockpiles.

Dato' Sri Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said, "**We are pleased to report a stronger core pre-tax profit of RM76.94 million, a growth of almost 140% compared to RM32.20 million last year.** This was made possible by the 21% growth in our FFB production, as well as higher average prices of CPO and PK realised in FY2017. Of course, in FY2016 we recognised an extraordinary gain of RM112.58 million from the disposal of THP Gemas. Excluding the effect of this gain, the Group has shown good improvement in its FY2017 financial performance."

He added, "We are pleased to propose a **final dividend of 2.0 sen per share**, subject to shareholders' approval at the upcoming Annual General Meeting, which shall bring our **full-year dividend to 3.6 sen per share**. This translates into a **payout of 86% of our FY2017 PATAMI**, higher than our dividend policy of paying out 50% from PATAMI. This is our way of rewarding loyal shareholders who remain steadfast in supporting the Group throughout the years and we are optimistic that we will be able to deliver more value to our shareholders in future."

He further continued, "The outlook for 2018 is encouraging, as production is expected to fully recover this year. Prices, on the other hand, while they have moderated from recent year highs, have remained steady at current levels and are expected to remain range-bound this year. We expect another good year for the Group and the industry, barring any unforeseen circumstances."

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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