



MEDIA RELEASE

TH PLANTATIONS REPORTS FY2014 PROFIT AFTER TAX OF RM59.58 MILLION

Final dividend of 2 sen per share recommended

Kuala Lumpur, 20 February 2015 – TH Plantations Berhad (“THP” or “the Group”) today announced its fourth quarter (“4Q2014”) and Full Year (“FY2014”) financial results for the period ended 31 December 2014, reporting a 4% higher revenue of RM488.92 million, and a FY2014 profit after tax of RM59.58 million.

For FY14, the Group recorded a modest 1% growth in production of Fresh Fruit Bunches (“FFB”) and a 3% growth in Crude Palm Oil (“CPO”) production. Although its mature area increased by 17% in FY14 compared to the year before, the Group’s FFB production was severely affected by the prolonged dry spell experienced in 1H14. In addition, a significant percentage of the Group’s FFB production was contributed by newly-matured areas, yields of which are lower than the average FFB yield per hectare for prime-aged plantations.

As such, despite the 4% increase in CPO average selling price to RM2,277 per metric tonne, the Group recorded smaller profit margins for the year, reporting a profit before tax of RM58.21 million, 18% lower than the year before. In line with the full year results, the Board of Directors of the Group has recommended a final dividend of 2 sen per share, subject to shareholders’ approval at the upcoming Annual General Meeting.

Commenting on the performance of the Group, Dato’ Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said “The abnormally dry weather in the first half of 2014 has taken a toll on our production, and our FFB production showed a marked slowdown in the second half of the year, particularly in 4Q14. Coupled with the adverse effects of the wet weather and floods in November and December, and weaker CPO prices in the second half of the year, 2014 was indeed a challenging year for us and the industry as a whole. Nevertheless, we managed to cushion the impact of these challenges by increasing our productivity, as well as implementing austerity measures throughout our operations. We have also adjusted our marketing strategies to respond swiftly to changes in the CPO prices and seize opportunities to trade at more favourable prices as and when they arise.”

He added, “We expect the operating conditions to remain challenging for the palm oil sector in 2015. To date, the industry is already observing subdued production and commodity prices are still lacklustre. To mitigate this, efficiency and productivity initiatives will continue to be carried out, and we are committed to optimising our cost structure to be at par with industry best practices.”



“Nevertheless, we are confident that the long term fundamentals of the palm oil industry remain intact, thus we are focused on pursuing our development strategies. We have been aggressively optimising the average age of our plantations with new planting and replanting initiatives, and we should be able to realise the full potential of our enlarged land bank in the medium to longer term,” he concluded.

For 4Q2014, the Group recorded RM98.77 million in revenue and a profit after tax of RM8.24 million. The Group’s FFB production contracted by 11% for the quarter, while CPO production decreased by 25%. The decline of commodity prices in 4Q2014 translated into a lower average CPO selling price of RM2,041/metric tonne, 12% lower compared to the levels recorded in 4Q2013. As a result, the Group recorded smaller profit margins for this quarter as compared to the same period last year.

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 December 2014, the Group has approximately 98,000 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 10,500 hectares of greenfield land in Kalimantan, Indonesia. To diversify its income stream in coming years, 4,000 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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