



TH PLANTATIONS BERHAD (12696-M)

TH PLANTATIONS REPORTS 1QFY2018 PRE-TAX PROFIT OF RM7.37 MILLION

KUALA LUMPUR, 30th May 2018 – TH Plantations Berhad (“THP” or the “Group”) announced its first quarter (“1QFY2018”) financial results today, reporting a **pre-tax profit of RM7.37 million** for 1QFY2018, against a pre-tax profit of RM15.78 million in the same period last year. The Group recorded **lower revenue of RM121.24 million**, a decrease of 27% compared to the corresponding period last year, amidst **lower selling prices of palm oil products**. For 1QFY2018, the Group’s **average traded price for Crude Palm Oil (“CPO”) was RM2,443 per metric tonne, a 22% decrease** against the traded price of RM3,119 per metric tonne recorded in the same period last year. The Group’s **Palm Kernel (“PK”) average traded price was down by 33%** to RM2,093 per metric tonne. The Group reported a **net profit of RM4.10 million**, and **EBITDA of RM36.78 million**, down 68% and 20% respectively from the corresponding quarter a year ago.

Dato’ Sri Zainal Azwar bin Zainal Aminuddin, Chief Executive Officer and Executive Director of THP, said, “We achieved **14% growth in our Fresh Fruit Bunches production** in 1QFY2018, marking **5 straight quarters of year-on-year increase in production**. However, stronger production has not translated into higher revenues, mainly due to lower commodity prices. The industry has seen continued downward pressure on palm oil product prices, stemming from higher production and weaker demand for palm oil, exacerbated by the stronger Ringgit in the early part of this year. Most industry players are impacted by the fall in prices and TH Plantations has not been spared.”

The Group’s Fresh Fruit Bunches (“FFB”) production for the quarter increased to 186,062 metric tonnes, while its Crude Palm Oil (“CPO”) output decreased by 12% against the same period last year to 36,842 metric tonnes.

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Dato' Sri Zainal Azwar bin Zainal Aminuddin added, "Our production outlook for 2018 is encouraging, given better weather conditions and the improved age distribution of our planted area. Even in the first quarter, when production is normally the lowest, we see that production has been good. Production in the second half of the year is expected to be more robust, as the second half is cyclically better for local palm oil producers."

"Prices, on the other hand, are expected to face further pressure, particularly with the expectations of higher production and high levels of stock. However, we are hopeful that prices would at least remain range-bound for the year, supported by higher crude oil prices and demand for biodiesel." he concluded.

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 8,500 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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