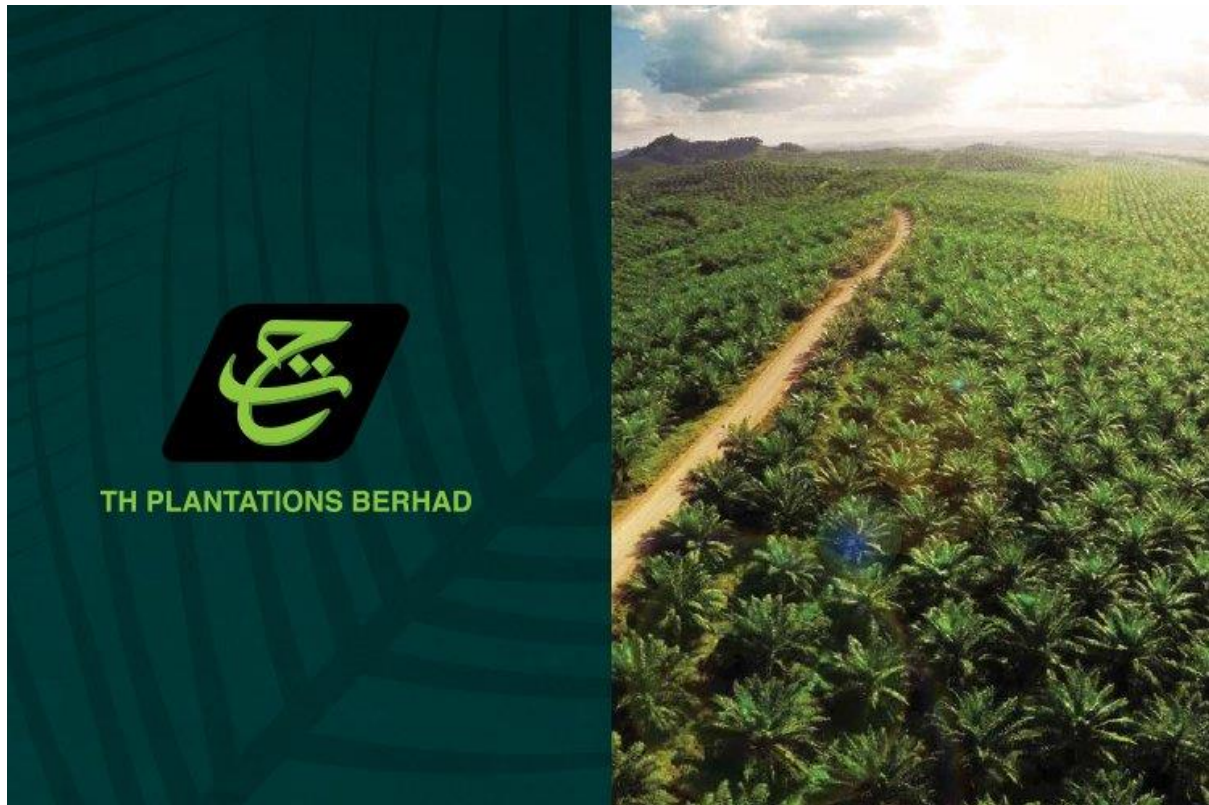


## Sale of two TH Plantations unit to Tamaco for RM170m under review



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KUALA LUMPUR (July 21): The Prime Minister's Department via the Economic Planning Unit (EPU) is reviewing the proposed sale of two TH Plantations Bhd subsidiaries owning 6,514ha of land for RM170 million.

TH Plantations announced on Dec 6, 2019 that it is planning to dispose of the two subsidiaries — Bumi Suria Ventures Sdn Bhd and Maju Warisan Sdn Bhd — to Tamaco Plantations Sdn Bhd.

The review, said Deputy Minister in the Prime Minister's Department (Religious Affairs) Ahmad Marzuk Shaary, is considering, among others, the proposed transaction price, which is lower than the market valuation by independent valuers, he told the Dewan Rakyat today.

“It is not impossible the government will rule to cancel the sale,” said Ahmad Marzuk [PAS-Pengkalan Chepa].

“Valuation by C H Williams in December 2018 [valued the two companies] at RM280 million.

“Valuation by JPPH (the Valuation and Property Services Department) in April 2020 was RM224 million, before TH Plantations requested for a revaluation and the figure was reduced to RM198 million,” said Ahmad Marzuk.

“The proposed selling price is lower than the valuation by both C H Williams and JPPH,” he added.

Ahmad Marzuk was responding to questions from Tan Sri Noh Omar [BN-Tanjong Karang] and Datuk Seri Mujahid Yusof Rawa [Amanah-Parit Buntar] on the proposed transactions.

Responding to further questions, Ahmad Marzuk acknowledged that the landbank under the two subsidiaries are unplanted.

However, based on the review, the value of the proposed transaction is RM4,500 per ha which is “too cheap”, he said.

Sale of the two TH Plantations subsidiaries to Tamaco requires the approval of the EPU, as Tamaco is a non-Bumiputera company. The sale to Tamaco is pending approval on whether the transaction is at market price, and whether it will impact the long-term strategy of TH Plantations and its profitability, added the deputy minister.

On a related matter, Ahmad Marzuk said TH Plantations' sale of 70% equity disposal in THP-YT Plantation Sdn Bhd to TDM Bhd is being finalised.

THP-YT owns three parcels of plantation land measuring 2,594.50 ha in Setiu, Terengganu. The transaction price is RM7 million.

As part of the acquisition, TDM and TH Plantations also agreed to the proposed settlement of part of the inter-company advances by THP-YT to THP Suria Mekar Sdn Bhd, a wholly-owned subsidiary of TH Plantations, amounting to RM78.68 million.