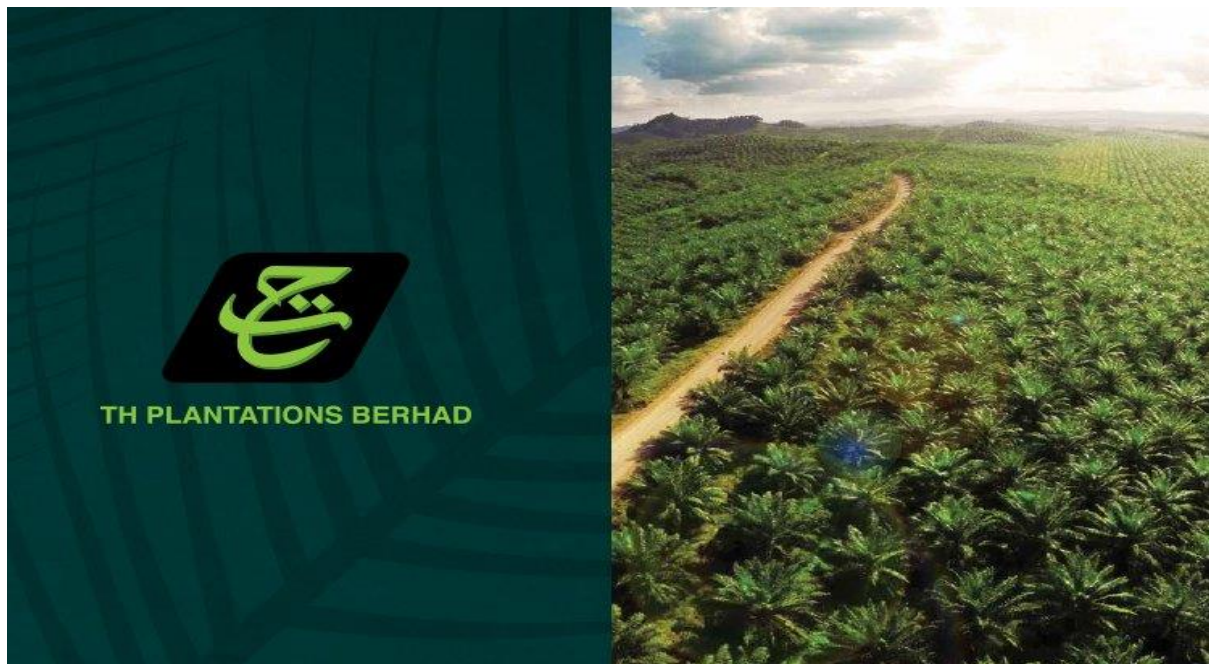


TH Plantations to dispose of two Sarawak units for RM170mil



Friday, 06 Dec 2019

KUALA LUMPUR: TH Plantations Bhd is disposing of its 100% equity interests in Bumi Suria Ventures Sdn Bhd and Maju Warison Sdn Bhd to Tamaco Plantation Sdn Bhd for RM170mil.

Together, the two units own 6,513.9 hectares of oil palm plantation in Bintulu and Sibul in Sarawak.

According to TH Plantations, the disposal was owing to the poor performance of the companies against their projected production of fresh fruit bunches.

"THP, given its current financial constraints, takes the view that it is not in the position to continue with the plantation operations of the companies," it said.

Upon completion of the disposal, the group is expected to improve its gearing ratio from 1.09 times to 0.94 times and reduce its profit margin expenses by about RM9.41mil per annum.

It said it would still own 94,462.08 hectares of oil palm and rubber plantation post-disposal.

TH Plantations is undergoing a rationalisation plan via the divestment of assets to reduce borrowing and improve operational efficiency.

The group has undertaken a tender exercise managed by an appointed advisor.