



**Annexure A**

**TH PLANTATIONS BERHAD**  
Registration No. 197201001069 (12696-M)

# **ANNUAL GENERAL MEETING**

**23 JUNE 2022**

**PRESENTATION BY CEO**

**MOHAMED ZAINURIN MOHAMED ZAIN**  
**Chief Executive Officer**

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# THP OVERVIEW



TH PLANTATIONS BERHAD

## INDICATORS



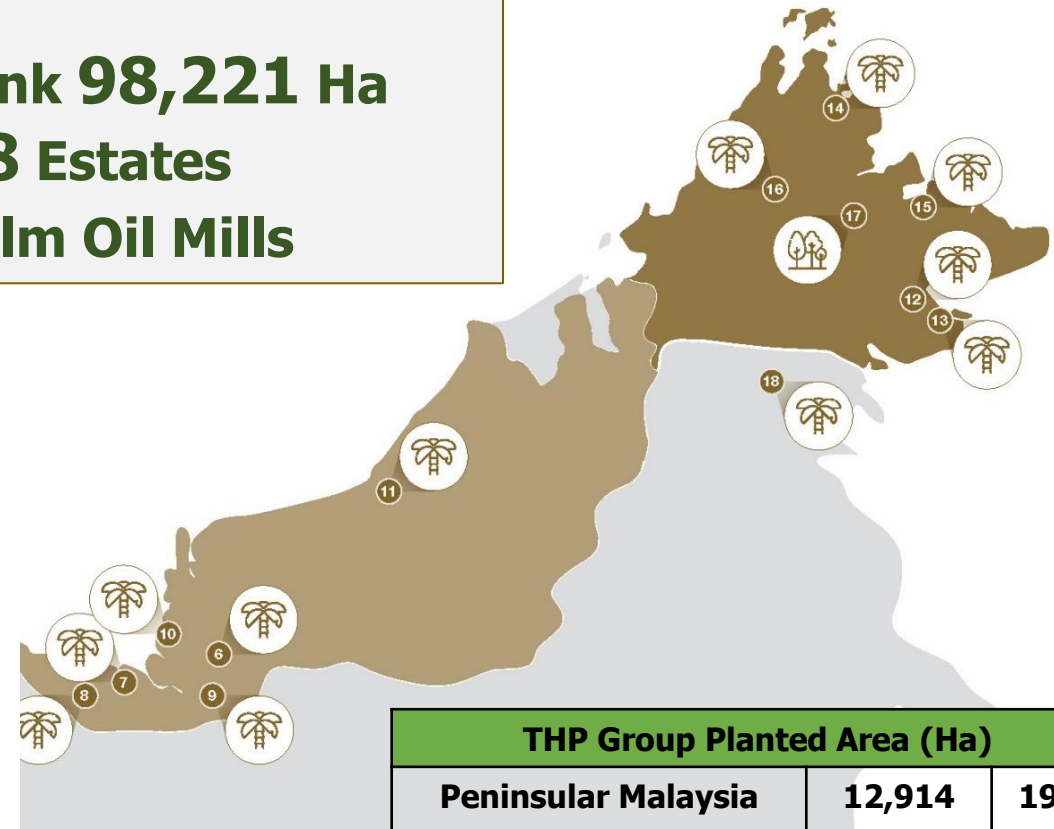
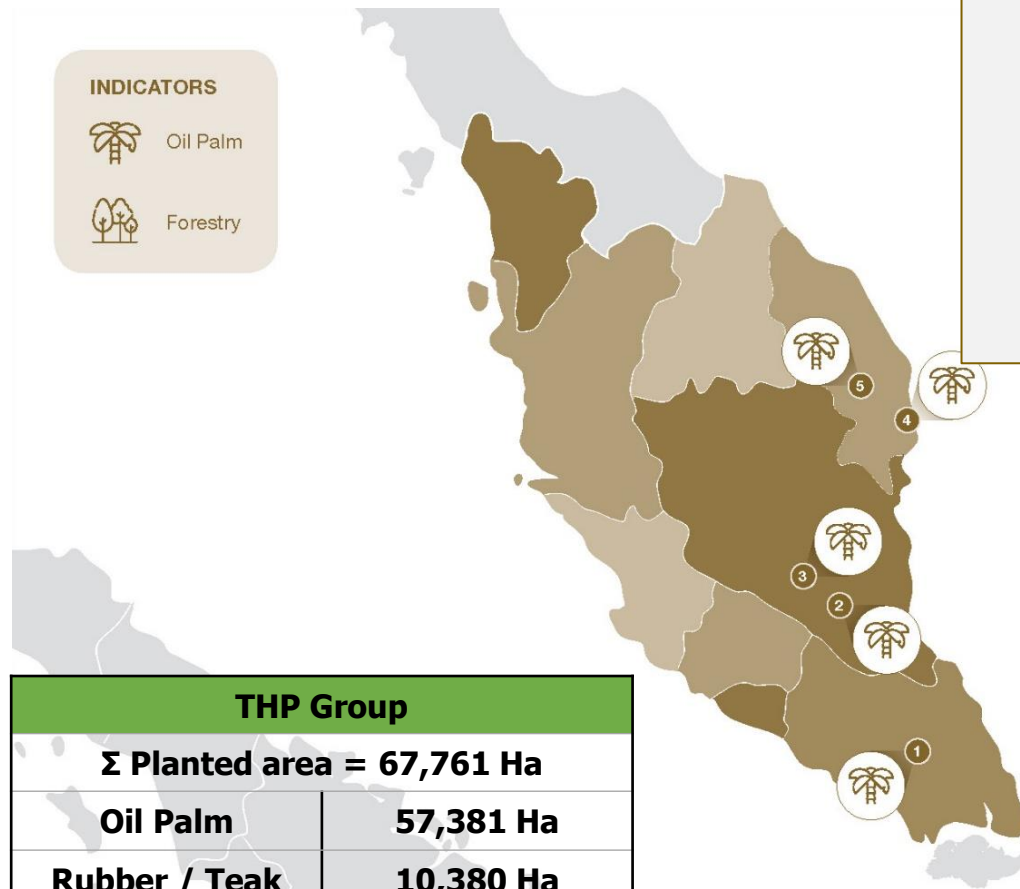
Oil Palm



Forestry

## THP GROUP

**Land Bank 98,221 Ha**  
**38 Estates**  
**6 Palm Oil Mills**



### THP Group

**Σ Planted area = 67,761 Ha**

**Oil Palm 57,381 Ha**

**Rubber / Teak 10,380 Ha**

**Mills 6 Units**

### Management Agent

**Oil Palm 8,782 Ha**

**Mills 1 Unit**

### THP Group Planted Area (Ha)

<b>Peninsular Malaysia</b>	<b>12,914</b>	<b>19%</b>
<b>Sabah (Oil Palm)</b>	<b>9,099</b>	<b>13%</b>
<b>Sabah (Rubber/Teak)</b>	<b>10,380</b>	<b>15%</b>
<b>Sarawak</b>	<b>33,554</b>	<b>50%</b>
<b>Indonesia</b>	<b>1,814</b>	<b>3%</b>

# CORPORATE OVERVIEW

## Shareholding as at 1Q2022

73.84%



**TABUNG HAJI**  
حي على الفلاح

	MARKET CAP	SHARE PRICE
<b>FY2020</b>	503,795,338	RM0.57
<b>FY2021</b>	530,310,882	RM0.60
<b>31 May 2022</b>	667,307,860	RM0.76

26.16%

**PUBLIC**



TH PLANTATIONS BERHAD

## Current Business Model

Developing & Cultivation of Oil Palm	Processing FFB into CPO & PK	Marketing of CPO, PK & FFB	Managing Agent
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## Workforce



Executive & Above

**239**

**236**



Support  
(Clerical & Non-clerical)

**501**

**497**



Local &  
Foreign Labour

**4,933**

**4,635**

**Σ Workforce =**

**5,673**

**5,368**

Foreign Labour Shortage : 1,269 Harvesters

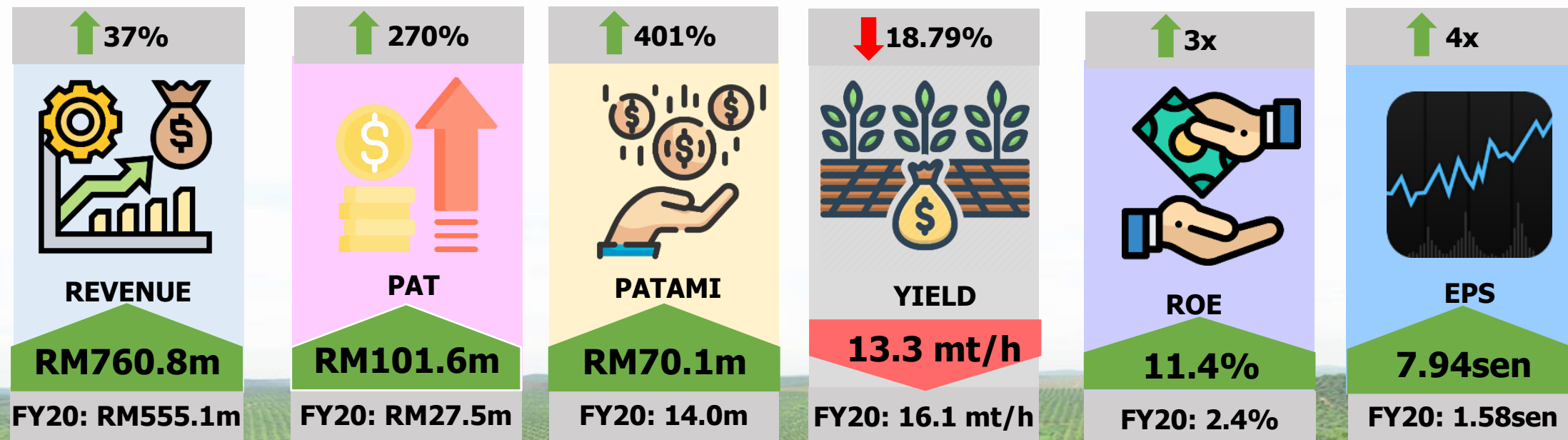
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# THP 2021 FINANCIAL PERFORMANCE



# FINANCIAL PERFORMANCE FY2021

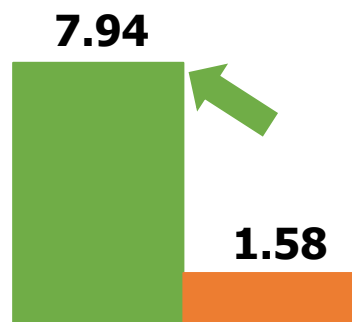
## *Main Factors contributing to the positive performance...*

	2021	2020	YoY
<b>1. HIGHER SELLING PRICES</b>	<b><u>RM/mt</u></b>	<b><u>RM/mt</u></b>	
CPO	3,762	2,538	48%
PK	2,768	1,536	80%
FFB	842	516	63%
<b>2. LOWER SALES QUANTITY</b>			
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	
<b>3. LOWER FV BIOLOGICAL ASSET</b>	(14,058)	4,220	-433%
<b>4. HIGHER COST OF SALES</b>	501,407	387,851	-29%
<b>5. LOWER OTHER EXPENSES</b>	129,083	143,447	10%
<b>6. HIGHER FINANCE COST</b>	(80,672)	(70,889)	14%
<b>7. LOWER OTHER INCOME</b>	14,124	20,716	-32%

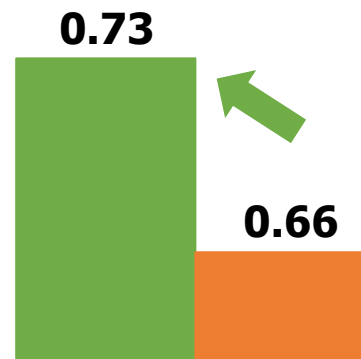
# FINANCIAL PERFORMANCE FY2021

*Positive Financial indicators - towards better business recovery*

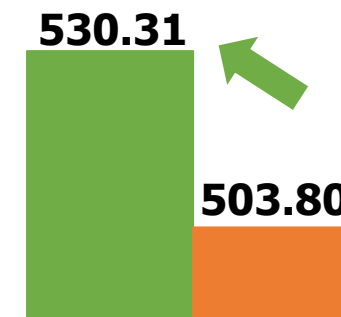
EPS (sen)



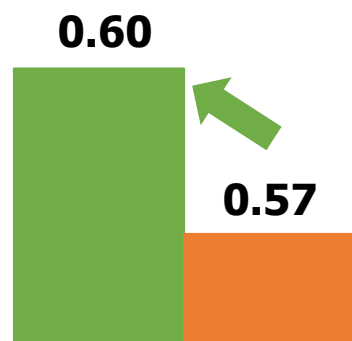
NA/ share (RM)



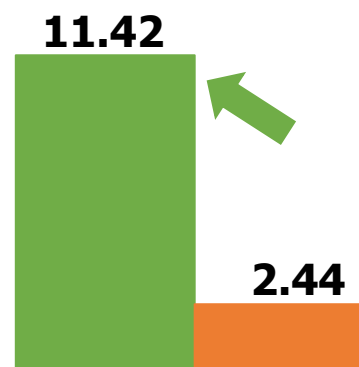
Market cap (RM'M)



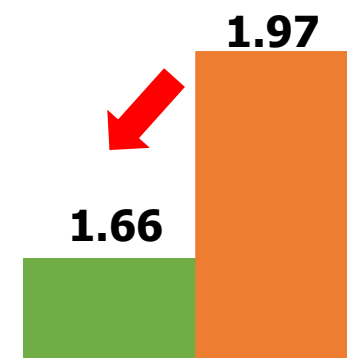
Market price/share (sen)



Return on equity (%)



Current asset ratio (times)



FY2021



FY2020



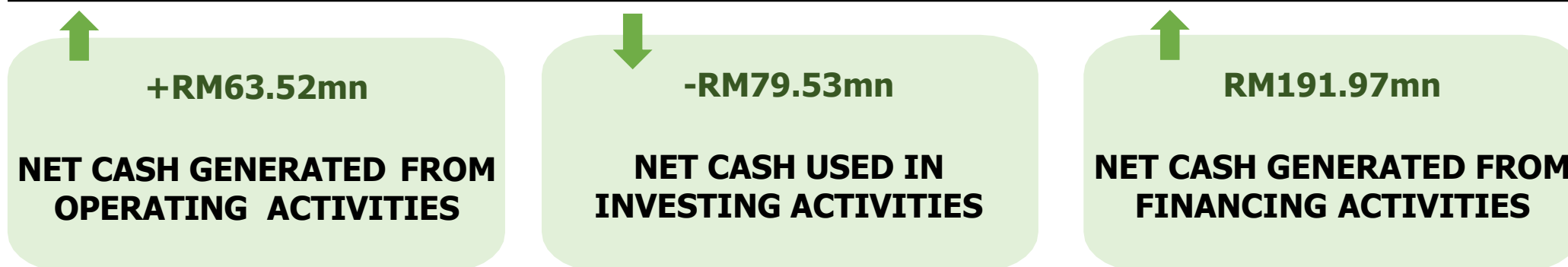
## BORROWINGS & GEARING RATIO

*Liquidity and high debt level still the main issue...*

	FY2021	FY2020	
Net Gearing (times)	1.22	1.36	↓
RM'Mil			
Borrowings	1,372	1,159	↑
Cash and Cash Equivalents	299	87	↑
Net Borrowings	1,073	1,072	↔

**THP is in a positive net cash position from its operating & financial activities.**

**FY2021**



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# LAND BANK & AREA STATEMENT BY REGION FY2021

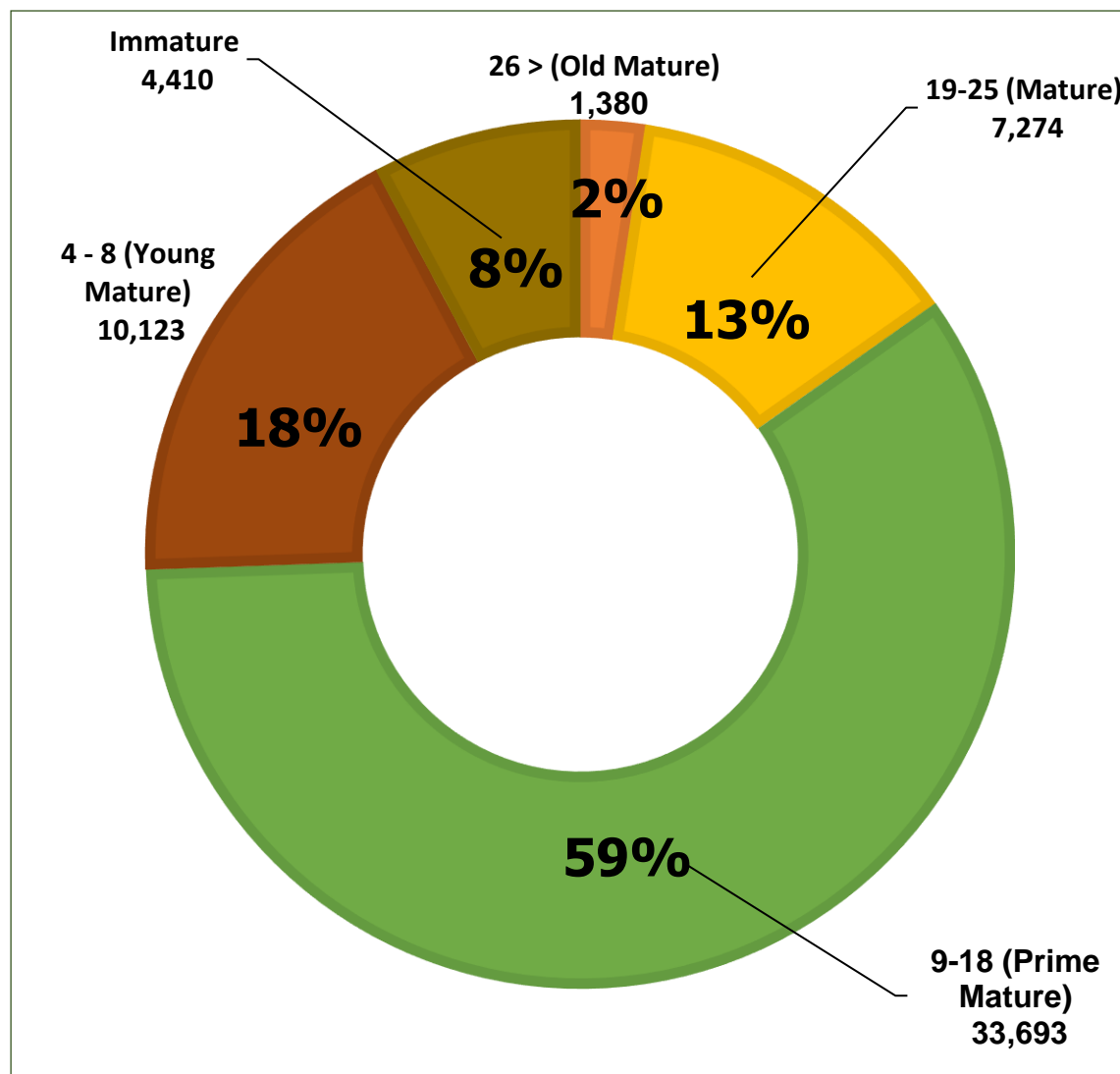
*70% of the land area is planted and generating income ...*

	MATURE	IMMATURE	IN-COURSE OF PLANTING	PLANTED AREA	OTHERS/ IDLE LANDS	TOTAL LAND BANK
<b>REGION</b>	<b>OIL PALM (Ha)</b>					
<b>Semenanjung</b>	11,547	1,367	-	12,914	539	13,453
<b>Sabah</b>	6,843	1,756	500	9,099	832	9,931
<b>Sarawak</b>	33,078	476	-	33,554	18,642	52,196
<b>Indonesia</b>	1,002	812	-	1,814	5,114	6,928
<b>Total</b>	52,470	4,411	500	57,381	25,127	82,508
	<b>RUBBER &amp; TEAK (Ha)</b>					
<b>Sabah</b>	-	10,380		10,380	5,333	15,713
<b>Total</b>	-	10,380		10,380	5,333	15,713
<b>Total Land bank</b>	<b>52,470 (54%)</b>	<b>14,791 (16%)</b>	<b>500 (0.1%)</b>	<b>67,761 (70%)</b>	<b>30,460 (30%)</b>	<b>98,221 (100%)</b>

# AGE PROFILE



TH PLANTATIONS BERHAD



Oil Palm Age Profile /Ha	2021	1Q2022
Immature	4,910 (8%)	3,491
Young Mature (4-8 years)	10,123 (18%)	9,525
Prime Mature (9-18 years)	33,693 (59%)	34,685
Mature (19-25 years)	7,274 (13%)	7,245
Old Mature (26 > years)	1,380 (2%)	1,201
<b>Total Planted Area</b>	<b>57,381 (100%)</b>	<b>56,147</b>

# 1<sup>st</sup> year harvesting – 1,403 ha  
 2<sup>nd</sup> year harvesting – 1,571 ha

} 2,974 ha or 7%  
 of mature area



# OPERATIONAL PERFORMANCE VS MPOB

Better Yield in Peninsular Malaysia and Sabah despite overall lower yield...

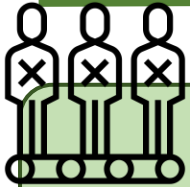
	THP						MPOB					
	FFB Yield		OER (%)		KER (%)		FFB Yield		OER (%)		KER (%)	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Peninsular Malaysia	↑ 18.02	19.47	19.75	19.79	4.93	4.98	16.24	17.76	19.83	19.69	5.23	5.28
Sabah	↑ 18.74	18.15	20.85	21.47	4.15	4.42	15.77	16.84	20.55	20.74	4.51	4.66
Sarawak	↓ 11.03	14.79	19.17	18.75	4.75	4.23	13.94	14.99	19.88	19.62	4.39	4.17
Average	13.36	16.11	19.71	19.54	4.72	4.53	15.47	16.73	20.01	19.92	4.88	4.9

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# CHALLENGES - OPERATIONS



## LABOUR SHORTAGE

- ❑ Closure of borders and ongoing negotiations on foreign workers affected the arrival of new foreign workers and re-entry of legalised workers
- ❑ Cost to recruit labour increases due to new requirements and obligations
- ❑ THP Worker Ratio per hectare is 1:16 compared to an ideal ratio of 1:10
- ❑ Harvesters ratio per hectare is 1:50 compared to an ideal ratio of 1:20

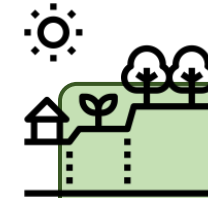
- ❑ **Implement strategies to reduce dependency on labour by expanding on mechanisation**
- ❑ **Outsourcing of Harvesting Operations**



## COVID-19 PANDEMIC

- ❑ Operational Challenges – THP adheres strictly and support all Government's initiatives to control the Covid-19 pandemic
- ❑ Movement Control Order - delay due short supply and logistics issues

- ❑ **All estates and mills have been successful in managing the pandemic challenges**
- ❑ **Frequent monitoring and coordination with suppliers to minimise disruption**



## CONSTRAINT ON LAND UTILISATION

- ❑ To maximise the value of our land
- ❑ Immature Rubber and Teak Plantation

- ❑ **Identifying new partnership to optimise immature Rubber and Teak trees to generate immediate cashflow**
- ❑ **Explore new project partnership to turn suitable idle lands into other crop planting business**
- ❑ **Incorporating idle plantable reserved area into the scheduled replanting programme**

# OUTLOOK - ECONOMY & THE INDUSTRY (FY2022)

*Demand for Palm Oil is expected to remain strong in the future ...*

## BULLISH FACTORS

- **Elevated prices of palm products due to :**
  - ✓ Tight global supply of palm and other vegetable oils
  - ✓ Stronger palm oil demand from China, India and Europe
  - ✓ Lower output of other edible oils due to weather uncertainties
  - ✓ Increase of world population and higher food consumption

## CRITICAL ISSUES

- **Acute Labour Shortage** – impending foreign workers entrance permit and low uptake of vacancies locally.
- **Higher Input Cost** - lower supply and procurement disruptions of fertilisers
- **Economic Impact** arising from Ukrainian conflict and Russian sanction



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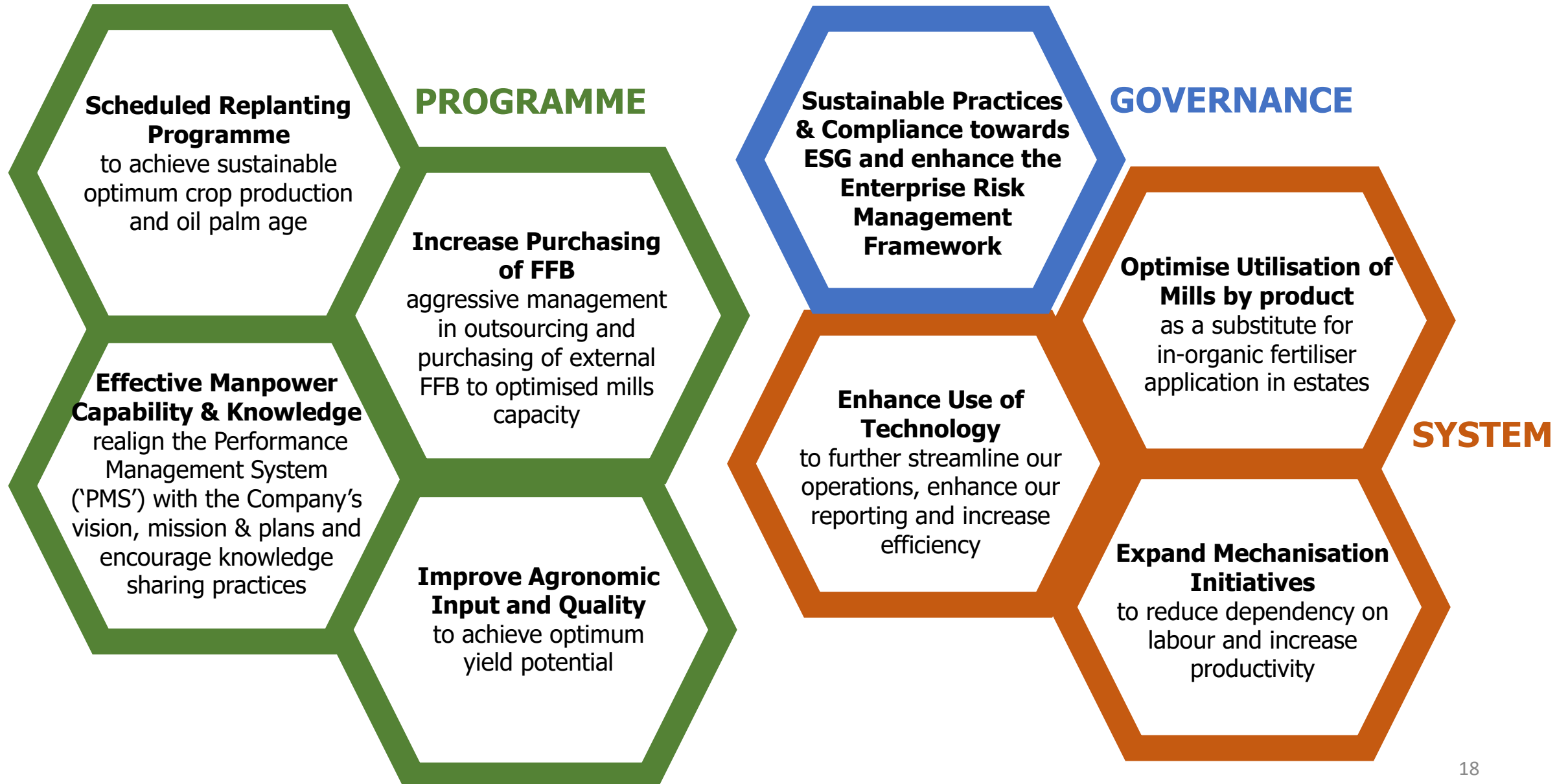
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# TRANSFORMATION PLAN: OPERATIONAL EFFICIENCY



TH PLANTATIONS BERHAD



## Mechanisation Pilot Initiatives – to increase productivity amid labour shortage

Increase 62% of **Mechanical Buffalo (Badang)** for in-field collection work in Peninsular Malaysia and Sabah from 52 Units to 138 Units.



**Mechanical Buffalo (Badang)**

Increase 39% of **Mechanical Spreaders** for manuring activities in Peninsular Malaysia and Sabah from 14 Units to 23 Units.

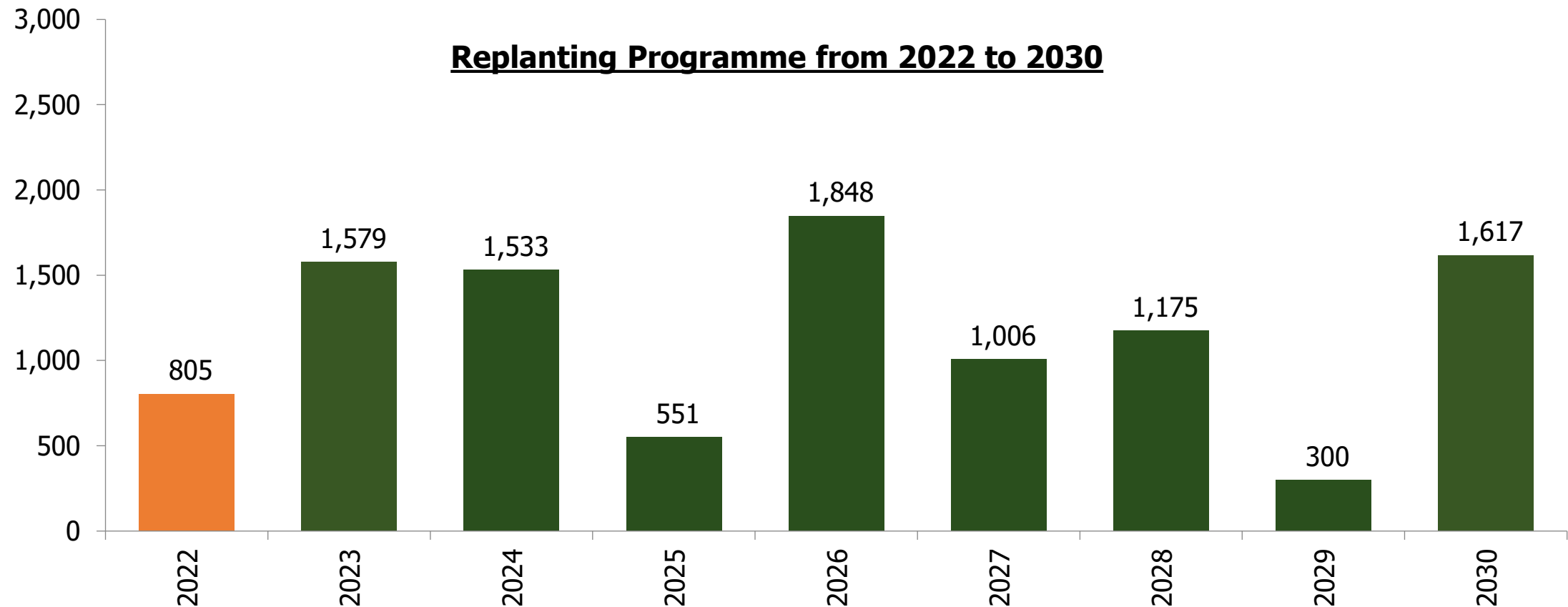


**Mechanical Spreaders**



## Scheduled Replanting Programme to ensure optimum age profile

**Replanting Policy** : 5% of the total planted area annually  
: Maintaining an immature area of approx. 15%





# TRANSFORMATION PLAN

The replanting in 2021 proceeded smoothly with 100% completion in Bukit Belian and Bukit Gold.

Estate	Actual (Ha)	Estimate (Ha)	Progress (%)	Completion Date
Bukit Gold	280	280	100%	March 2022
Bukit Belian	220	220	100%	December 2021
<b>Total</b>	<b>396</b>	<b>500</b>	<b>100%</b>	



# TRANSFORMATION PLAN

## Replanting Program 2022

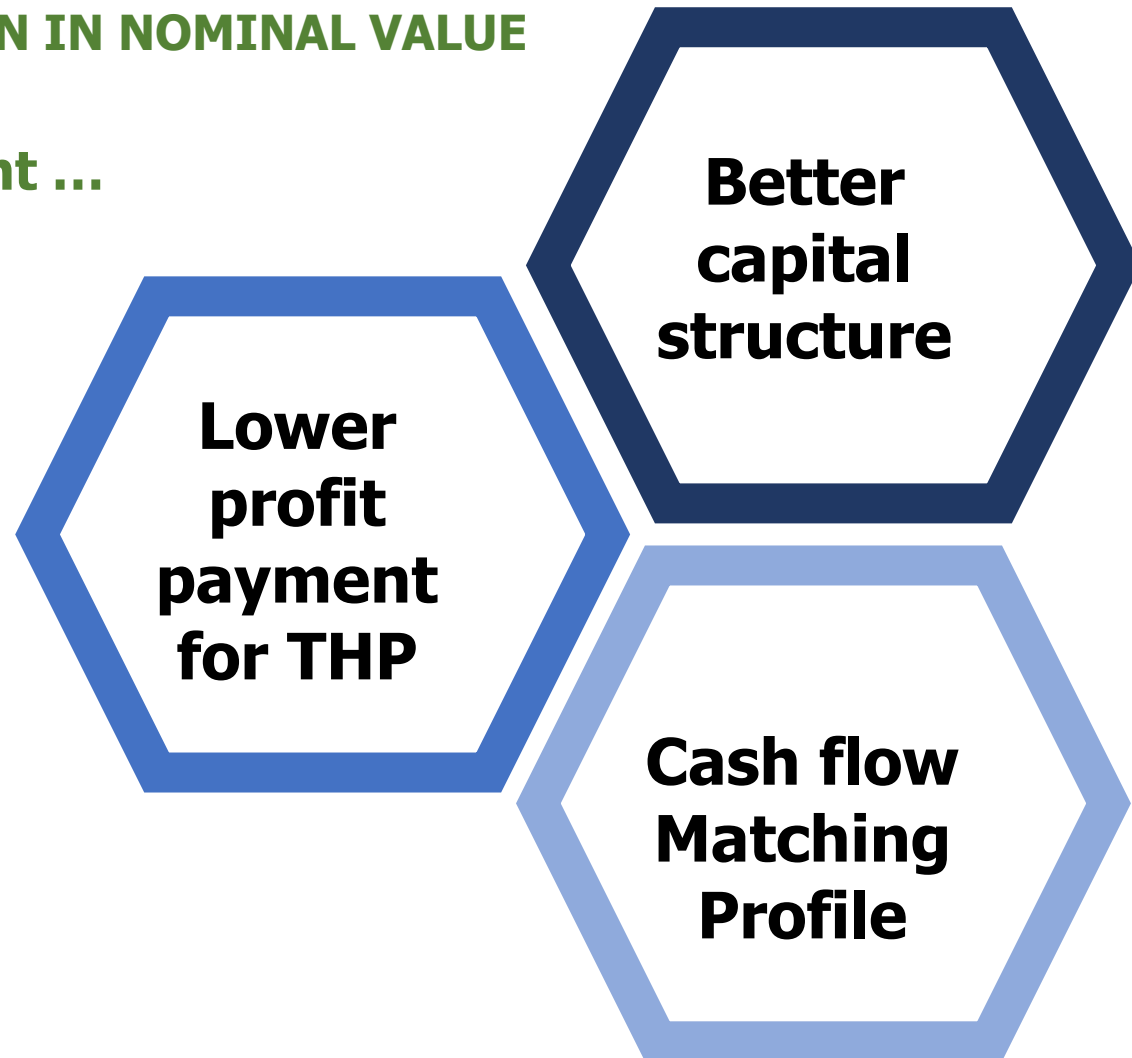
Region	Company	Estate	Estimate (Ha)
Peninsular Malaysia	THP Kota Bahagia Sdn Bhd	Sungai Mengah	305
Sabah	THP Sabaco Sdn Bhd	Bukit Gold	280
	THP Bukit Belian Sdn Bhd	Bukit Belian	220
		Total	805

# ESTABLISHMENT OF NEW SUKUK

## PROPOSED UNRATED ISLAMIC MEDIUM TERM NOTES PROGRAMME OF UP TO RM1.08 BILLION IN NOMINAL VALUE

### Objective of the sukuk establishment ...

- ❑ The Group has on 17 June 2022 completed the lodgement of the Sukuk Wakalah Programme with the Securities Commission Malaysia
- ❑ New proposed sukuk programme shall be unrated, non-transferable and non-tradable.



## Striving For Operational Excellence In Managing A Sustainable Business By Creating Opportunities with Positive Growth And Impact



Improving operational efficiency by adopting Good Agriculture Practices & Good Manufacturing Practices in achieving and delivering Best Quality Products

Delivering optimal returns to Shareholders, Practicing Fair Trade and Conducive Working Environment

Building a Sustainable Business by Development of Human Capital, Marketing, Technology and Financial Management

Continuous commitment on Environmental Demands, Social Engagement whilst upholding high standard of Governance & Integrity (ESG)



### **THP Performed better in 2021 despite a challenging operating year.**



**Positive Financial Indicators shows THP is on the right track to be a respectable company through its Transformation Plan**



**Improving Operational Efficiency remains key to ensure THP's growth, impact and sustainability**



**THP strives to maximise the returns to Shareholders**



**We thank you all shareholders for your continuous support to THP and look forward to a better year in 2022**



**Management would like to record our appreciation to THP's Board Members for their support in executing the Transformation Plan.**



**The Board's leadership and valuable inputs played a vital role in achieving THP's positive results and is essential towards a sustainable business and value.**



TH PLANTATIONS BERHAD

# THANK YOU

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