



MEDIA RELEASE

**TH PLANTATIONS RECORDS MODEST PERFORMANCE IN 2014
SEES STRONG REVENUE GROWTH IN THE MEDIUM TERM**

- *Group revenue increased by 4%*
- *Production hampered by adverse weather conditions in 2014*
- *Shareholders' approve 2.00 sen dividend, 37% payout of PATAMI*

KUALA LUMPUR, 20th May 2015 – TH Plantations Berhad (“THP” or the “Group”) today at its Annual General Meeting (“AGM”) sought Shareholders’ approval for its proposed Final Ordinary Single Tier Dividend of 2.00 sen per ordinary share for the year ended 31 December 2014 (“FYE14”), translating into a 37% dividend payout of its Profit after Tax and Minority Interests (“PATAMI”).

For FYE2014, the Group’s **CPO production increased 3%** while **FFB production and FFB processed saw a modest increase of 1% and 2% respectively** compared to a year ago. The Group also realised higher average selling prices of Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) prices which were realised at an average of RM2,277 per metric tonne (“MT”) and RM1,651 per MT respectively (2013: CPO price of RM2,199 per MT and RM1,294 per MT).

Consequently, the Group **recorded higher revenue** of RM489 million for FYE2014, **an increase of 4%** compared to RM470 million registered in FYE2013. Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) for the reporting year remained strong at RM170 million, compared to RM171 million recorded a year ago.

Commenting on the performance of the Group for 2014, 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 took 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.”

The Group is confident that the long term fundamentals of the palm oil industry remain intact, and that the demand for palm oil will grow in tandem with the growth of the world population. The Group is focused on cultivating growth and setting the stage to benefit from the higher demand for palm oil with its enlarged land bank. Through a structured development and replanting programme carried out in the past few years, the Group’s area planted with oil palm now spans over 60,000 hectares spread throughout Malaysia, at an average age of 9 years. Approximately 51% of the Group’s mature area is made up of young estates, with more coming into maturity in the near future, promising a steady revenue growth in coming years. The Group’s yield and oil extraction rate improvement programmes are also ongoing, while its consolidation of brownfield acquisitions is progressing well. All these initiatives will collectively deliver strong revenue growth in the medium to longer term, particularly when the young estates in the Group’s portfolio transition into the prime mature age bracket in the next few years.

At the AGM, shareholders also passed seven other resolutions relating to the Group’s audited financial statements, payment of directors’ fees and re-appointment of directors and external auditors.

End



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 8,500 hectares of greenfield land in Kalimantan, Indonesia. To diversify its income stream in coming years, approximately 5,000 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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