

TH Plantations' assets disposal to finish in 12 months

KUALA LUMPUR: TH Plantations Bhd has commenced efforts to sell its group's assets within 12 months, citing challenging operating conditions amid the Covid-19 pandemic.

In a filing with Bursa Malaysia Thursday, it said investment in Bumi Suria Ventures, Maju Warisanmas, TH PELITA Meludam, TH PELITA Beladin, TH PELITA Simunjan, TH PELITA Gedong, and TH PELITA has been presented as assets held for sale and targets the initiative to be completed within one year.

"The pandemic and the closure of Malaysian borders since the first quarter have made operating conditions challenging. "Restrictions on new foreign workers recruitment continue to affect the plantation's production in the current quarter," TH Plantations said in a statement Thursday.

The disposal of 70 per cent equity interest in THP-YT Plantation Sdn Bhd was completed in the third quarter of 2020, with a RM7.94 million net loss incurred.

The plantation company recorded a net profit of RM15.77 in the third quarter ended Sept 30, 2020, from a net loss of RM31.61 million in the same period a year ago. Revenue rose to RM167.43 million from RM136.01 million previously.

It said the better earnings in the quarter were mainly due to higher average selling price for palm products and fair value change on biological assets amounting to RM20.83 million.

It added that the average selling price for crude palm oil (CPO), fresh fruit bunches (FFB) and palm kernel (PK) improved by 32.59 per cent at RM2,540.09 per tonne, 46.35 per cent at RM505.62 per tonne, and 28.45 per cent at RM1,419.61 per tonne, respectively.

However, the production of FFB dropped 4.14 per cent against the same quarter last year.

Meanwhile, the group continues to perform better on the operational level.

"Notwithstanding improvement at the operational level, the progress of the group's Strategic Recovery Plan, which include the rationalisation of assets, remain key to the long term sustainability of TH Plantations," it noted.

The company believes that the current level of selling prices for palm products will be maintained throughout the remainder of the year amid the low production season, labour shortages, and low inventory levels of palm oil in the country. - Bernama