

# THP back to black in Q3, posts better revenue on higher palm products ASP

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KUALA LUMPUR: TH Plantations Bhd (THP) has returned to the black in the third quarter (Q3) ended September 30, 2020 posting a net profit of RM15.77 million from a net loss of RM31.61 million.

In a statement today, THP said the better earnings registered in the Q3 were mainly due to higher average selling price (ASP) for the palm products and fair value change on biological assets amounting to RM20.83 million.

It said the ASP for crude palm oil (CPO), fresh fruit bunches (FFB) and palm kernel (PK) improved against the corresponding period last year 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.

THP's revenue in the Q3 increased 23.1 per cent to RM167.43 million from RM136 million.

At operational level, the group continues to perform better, reporting a gross profit of RM76.6 million for the Q3 compared to RM32.7 million recorded in the same period a year ago.

"Notwithstanding improvement at the operational level, the progress of the group's strategic recovery plan which include the rationalisation of its assets, remain key to the long term sustainability of THP," it said.

For the nine-month period, THP registered a net profit of RM12.39 million from a net loss of RM58.85 million, while revenue grew 14.8 per cent to RM410.55 million from RM357.4 million.

THP said the Covid-19 pandemic and closure of Malaysian borders since the Q1 has made operating conditions challenging and restrictions on new foreign workers recruitment continue to affect the plantation's production in the current quarter.

That has impacted production of FFB which declined by 4.14 per cent against the same quarter last year.

Moving forward, THP said it is optimistic that the current level of selling prices for palm products will be maintained throughout the remainder of the year due to low production season, labour shortage, as well as low inventory level of palm oil in Malaysia.

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