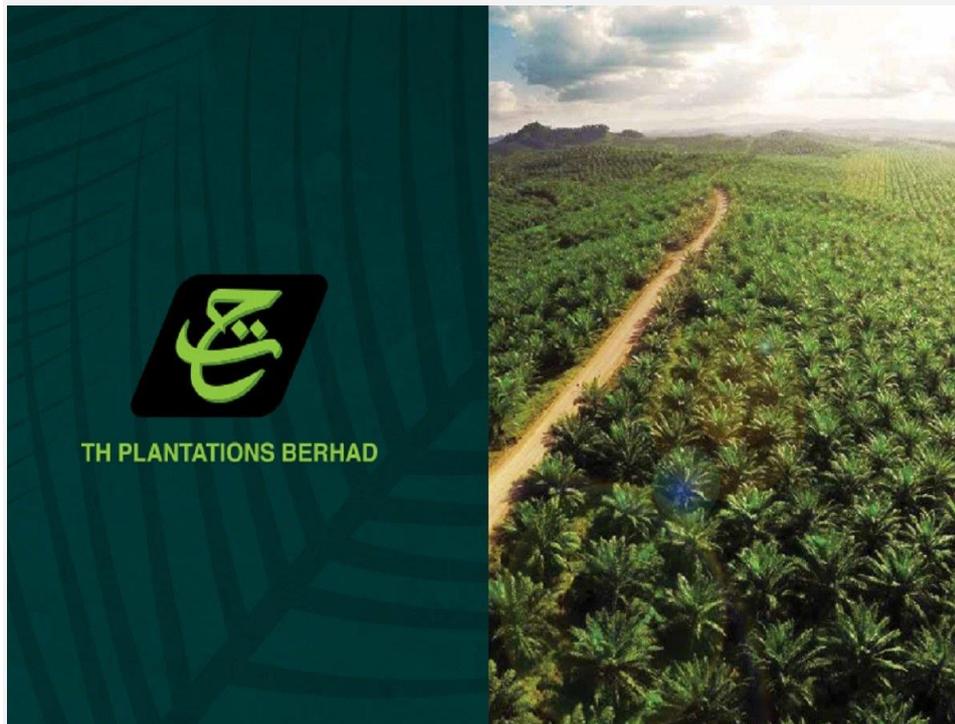


TH Plantations returns to black in 3Q with net profit of RM16m

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KUALA LUMPUR (Nov 26): TH Plantations Bhd returned to the black with a net profit of RM15.77 million or 1.78 sen per share in the third quarter ended Sept 30, 2020 (3QFY20), from a net loss of RM31.61 million or 3.58 sen a year ago, thanks to higher average selling prices for palm products and fair value change on its biological assets amounting to RM20.83 million.

The group's revenue rose 23.1% to RM167.43 million, from RM136 million, its filing to Bursa Malaysia showed.

The group said in a statement that the average selling price for crude palm oil (CPO), fresh fruit bunches (FFB) and palm kernel (PK) for the current quarter improved against the corresponding period last year by 32.59% to

RM2,540.09 per tonne, 46.35% to RM505.62 per tonne, and 28.45% to RM1,419.61 per tonne respectively.

If compared to the preceding quarter, the group's net profit surged 93.36% from RM8.16 million, while its revenue jumped 31.25% from RM127.57 million.

The increases were mainly due to higher sales volume and average realised prices for CPO, PK and FFB, it said.

For the nine months ended Sept 30, 2020 (9MFY20), the group also posted a net profit of RM12.4 million or 1.40 sen per share, against a net loss of RM58.85 million or 6.66 sen per share a year earlier. Its revenue climbed 14.87% to RM410.55 million, from RM357.4 million a year earlier.

The group said the outlook for the group's overall financial performance for the financial year ending Dec 31, 2020 will largely depend on the movement of palm products prices and the progress of its Strategic Recovery Plan.

"The Covid 19 pandemic and closure of Malaysian borders since the first quarter has made operating conditions challenging and restrictions on new foreign workers recruitment continue to affect the plantation's production in the current quarter. The production of FFB declined by 4.14% against the same quarter last year.

"TH Plantations 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," it said.

TH Plantations fell 1 sen or 0.93% to 53 sen today, valuing the group at RM468.44 million.