

TH Plantations Bhd (THP) reported a net profit of RM18.8 million for its first half ended June 30, 2023 (1HFY2023) financial results

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KUALA LUMPUR: TH Plantations Bhd (THP) reported a net profit of RM18.8 million for its first half ended June 30, 2023 (1HFY2023) financial results, against RM36.5 million in the previous corresponding period.

The group recorded a revenue of RM318.9 million in 1HFY2023, a decrease of 28.9 per cent compared with the same period a year ago.

The lower earnings were primarily due to lower average realised prices of Crude Palm Oil (CPO) and Palm Kernel (PK) which fell 30.1 per cent and 50.8 per cent respectively in the same period despite both recording higher sales volume.

On a positive note, the group's fresh fruit bunches (FFB) production and processing for the period grew by 7.1 per cent and 10.1 per cent respectively.

Concurrently, the group's CPO output and sales volume increased by 8.8 per cent and 10.4 per cent.

Similarly, the PK output and sales volume showed an increment of 13.7 per cent and 17.6 per cent respectively against the same period last year.

"Operationally, the group continues to improve on its production and sales volume, as we expand on our unique Strategic Bumiputra Smallholder's Partnership Programme to secure crops and increase mill's capacity.

"Our mechanisation programme improved the harvesting turnaround time, increase accessibility and coverage.

"Moving forward, we will remain focused on effective cost management and sustainability initiatives to further enhance our overall efficiency," THP chief executive officer Mohamed Zainurin Mohamed Zain said in a statement.

The group anticipates the palm oil prices to remain supported in the 2HFY2023 despite worldwide sentiment of weaker economic forecast due to political tensions, inflationary pressures from high food and energy prices and uncertain weather conditions that are expected to affect supply and demands.

THP is optimistic and remains focused on its well-established strategies to mitigate the challenging operational conditions.

Barring any unforeseen circumstances, the Group anticipates a satisfactory financial performance for the financial year 2023.