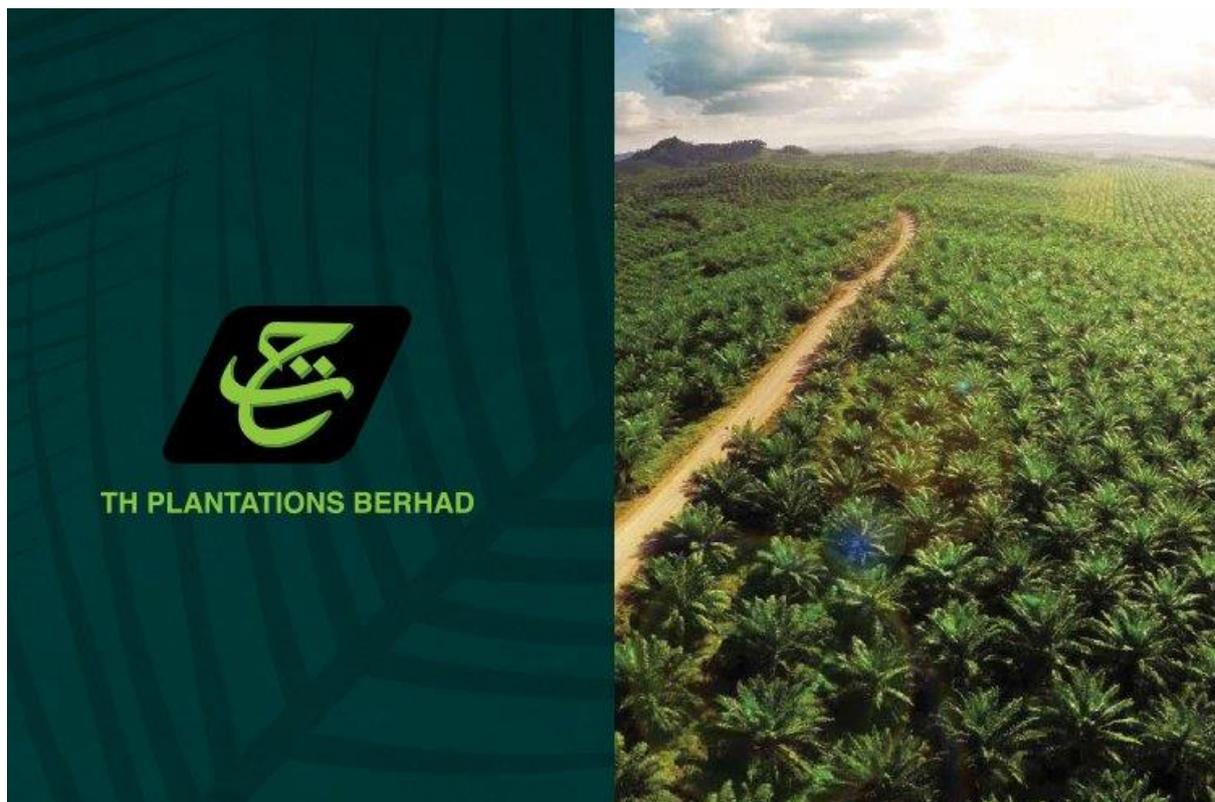


## TH Plantations 3Q net loss up 60% on impairment losses



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KUALA LUMPUR (Nov 26): TH Plantations Bhd's net loss rose 59.6% to RM31.61 million in the third quarter ended Sept 30, 2019 (3QFY19) from RM19.8 million a year ago, largely due to impairment losses of property, plant and equipment amounting to RM53.57 million, lower revenue due to lower average realised prices for crude palm oil (CPO), palm kernel and fresh fruit bunch and higher finance cost by RM14.37 million mainly due to adoption of Malaysian Financial Reporting Standards 16 Leases.

This partly offset by lower operating expenses by RM27.18 million and higher fair value change in biological assets by RM6.34 million.

Loss per share also increased to 3.58 sen for 3QFY19 compared with 2.24 sen for 3QFY18.

Revenue for the quarter slipped 3.5% to RM136.01 million from RM140.91 million a year ago.

In a bourse filing today, TH Plantations, in which Lembaga Tabung Haji holds a 73.8% stake, said excluding the impairment losses, the group's pre-tax loss was RM27.34 million.

The weak quarterly performance dragged the group's net loss for the cumulative nine months (9MFY19) further to RM58.85 million from RM16.37 million a year ago, while revenue dropped 10.8% to RM357.4 million from RM400.7 million in 9MFY18.

On current year prospects, TH Plantations said prices of palm oil commodities have remained low, thus increasing pressure on industry profitability in 9MFY19.

"However, we are optimistic with the prices will be on an increasing trend in line with the global concern on lower supply of CPO arising from adverse weather in Indonesia, poor input of fertiliser and demand in the enforcement of higher biodiesel mandates in Indonesia (B30%) and Malaysia (B20%).

"Besides biodiesel mandates, demand for palm oil from China is also expected to rise due to competitive CPO price against substitute oils and on-going US-China trade war," it added.

TH Plantations anticipates stronger production, as well as improved operational efficiencies in FY19. "However, the group's performance is also highly contingent on palm oil commodity prices, which are expected to remain largely subdued at the current level," it warned.

Shares in TH Plantations fell two sen to close at 50 sen today, bringing a market capitalisation of RM441.93 million.