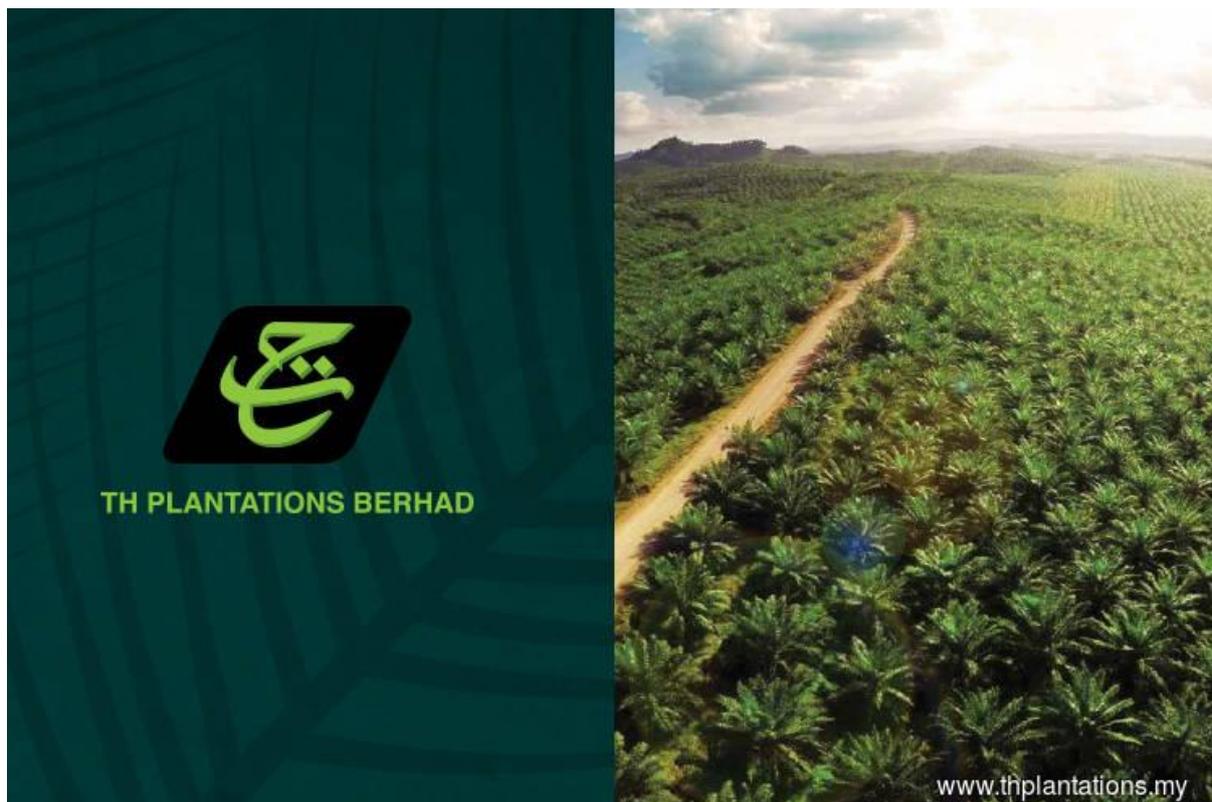


TH Plantations in the red for fourth consecutive quarter



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KUALA LUMPUR (Aug 29): TH Plantations Bhd (THP) reported a net loss of RM19.15 million in its second quarter ended June 30, 2019 (2QFY19), marking its fourth consecutive quarter of losses since it fell into the red in the third quarter of last year.

In 2QFY18, the group posted net profit of RM200,000, on a revenue of RM138.56 million. In 2QFY19, revenue retreated 23% to RM106.11 million.

"The weaker performance was largely the result of significantly lower prices of crude palm oil (CPO) and palm kernel (PK) and higher finance cost," said THP in a statement.

The group said the average realised CPO price recorded for the quarter was RM1,905 per tonne, 16% lower against the price recorded in the same period last year, while the average realised PK price was 37% lower year-on-year at RM1,062 per metric tonne.

Fresh fruit bunches (FFB) production for the quarter fell 3% to 205,953 metric tonnes versus the previous year, while total FFB processed increased 1% to 226,786 metric tonnes.

CPO sales quantity stood 4% lower while PK sales quantity increased 2%.

For the six months ended June 30, the group posted a net loss of RM27.24 million, compared with a net profit of RM3.43 million in the previous year's corresponding period. Cumulative revenue fell 15% to RM221.4 million from RM259.79 million.

"The palm oil industry is still facing a challenging and volatile business environment but we are expecting CPO and PK prices to improve in the second half of 2019, supported by better exports and higher biodiesel demand in Indonesia and Malaysia," it said.

It added that production is expected to be stronger, although the group said its performance is highly contingent on palm oil commodity prices.

THP shares fell 0.5 sen or 1.27% to close at 39 sen, giving a market capitalisation of RM344.7 million.