

## TH Plantations' 3Q net profit down 46% due to fair value loss on biological assets

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KUALA LUMPUR (Nov 10): TH Plantations Bhd's net profit dropped 46.4% to RM14.37 million for the third quarter ended Sept 30, 2022 (3QFY2022), from RM28.81 million last year, as a result of a fair value loss on biological assets.

According to TH Plantations' filing on Thursday (Nov 10), the oil palm planter logged a fair value loss on biological assets of RM7.24 million, as compared to a fair value gain of RM16.55 million in 3QFY2021. Earnings per share dropped to 1.13 sen from 3.03 sen.

The group's revenue for the quarter rose 3.66% to RM213.39 million versus RM205.87 million on the back of higher average realised prices for crude palm oil (CPO), despite slightly lower production volume.

TH Plantations said average realised prices for CPO rose 9.81% to RM3,997 per tonne from RM3,640 per tonne a year earlier, while the group's CPO sales dropped 3.58% to 43,112 tonnes from 44,711 tonnes.

For the nine months ended Sept 30, 2022 (9MFY2022), TH Plantations posted a net profit of RM45.71 million, down 33.1% from the RM68.34 million reported in the same period a year earlier, on the back of a fair value loss on biological assets of RM16.93 million versus a fair value gain of RM42.53 million.

Cumulative revenue jumped 28.97% to RM661.95 million as compared to RM513.26 million, lifted by higher average realised prices for CPO, palm kernel and fresh fruit bunches, despite recording lower sales volume.

Commenting on its prospects, TH Plantations said palm oil product prices are expected to remain volatile throughout 4QFY2022, in anticipation of higher year-end palm oil stocks, weather uncertainty and the coming low production season.

Meanwhile, the group also said that it has taken "all possible steps" to address its foreign labour shortage, which it expects to ease in 4QFY2022.

"TH Plantations has also stepped up its mechanisation efforts and transformation initiatives in all its estates where possible to improve operational efficiency," it added.

Overall, TH Plantations said it anticipates a satisfactory financial performance for FY2022 as it continues to undertake necessary measures to improve the fundamentals of the group towards strengthening overall efficiency and cost management.

At noon break, shares in TH Plantations stood unchanged at 52 sen, giving the group a market capitalisation of RM459.6 million.