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TH PLANTATIONS

TH PLANTATIONS STRENGTHENS OPERATIONAL PERFORMANCE, SUSTAINS FIRST-HALF REVENUE

Kuala Lumpur, 19 August 2026 – TH Plantations Berhad ("THP" or "the Group") maintained stable revenue of RM410.3 million for the six-month period ended 30 June 2026, compared with RM410.0 million in the corresponding period last year, despite a softer commodity price environment.

The Group strengthened its operational performance during the period, with fresh fruit bunches (FFB) production increasing 0.9% to 332,319 metric tonnes (MT) from 329,359 MT. Oil extraction rate (OER) increased to 19.84% from 19.18% and kernel extraction rate (KER) improved to 5.07% from 4.64%.

The improved operational performance helped cushion the impact of lower average realised CPO prices, which declined to RM4,313 per MT from RM4,399 per MT in the corresponding period last year. The Group's ability to sustain revenue despite the softer pricing environment reflects the contribution from higher production volumes and improved extraction performance.

Profit Before Tax and Zakat (PBTZ) stood at RM55.2 million, compared with RM54.5 million in the corresponding period last year. The increase was mainly attributable to the improvement in gross profit, which more than offset the impact of higher unrealised foreign exchange losses and the recognition of an impairment loss during the period.

Profit After Tax (PAT) decreased by 11.2% to RM28.5 million from RM32.1 million, while Profit After Tax and Minority Interest (PATAMI) declined by 29.3% to RM17.4 million from RM24.6 million, mainly due to a higher proportion of the additional profit generated during the period being attributable to non-controlling interests.

For the second quarter ended 30 June 2026, the Group recorded revenue of RM220.8 million, compared with RM226.6 million in the corresponding quarter last year. The decrease was mainly attributable to lower sales volumes of CPO and palm kernel (PK), despite higher average realised selling prices during the quarter. PBTZ for the quarter stood at RM25.6 million, compared with RM29.0 million in the corresponding quarter last year. Despite higher agricultural input costs, particularly fertiliser, arising from the ongoing Middle East conflict, the Group's improved operational performance helped mitigate the impact.

According to Datuk Ts. Borhan Bachi, Chief Executive Officer of THP, the Group remains focused on strengthening operational fundamentals while maintaining disciplined cost and capital management.

"Our first-half performance demonstrates that operational discipline continues to translate into measurable improvements across our estates and mills. The improvement in FFB production, OER and KER provides a stronger operational foundation for the Group. At the same time, our first biogas power plant has been operating well, demonstrating the value of our sustainability initiatives while contributing positively to the Group's broader ESG agenda.

"While commodity prices remain subject to market volatility, our focus is on the areas within our control — improving yields, optimising resource utilisation and maintaining cost discipline. We will continue to build on these operational improvements to strengthen the resilience and sustainability of our earnings."

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Outlook

In the near to medium term, resilient demand and tighter exportable supply are expected to continue supporting the palm oil market. Demand is likely to be driven by the continued implementation of biodiesel mandates, particularly Indonesia's B50 programme, seasonal festive demand, firm crude oil prices and ongoing geopolitical developments in the Middle East.

On the supply side, constrained exportable volumes and evolving palm oil policies in Indonesia may further support market fundamentals. The potential emergence of El Niño towards the end of 2026 and into early 2027 could also heighten supply risks and market volatility.

For TH Plantations, production is expected to improve in the second half of the year, supported by continued improvements in harvesting efficiency, productivity and mill performance. Higher agricultural input and fuel costs arising from the ongoing Middle East conflict may place some temporary pressure on production costs. However, these cost pressures are expected to ease should the conflict not be prolonged.

Accordingly, the Group remains cautiously optimistic about its earnings prospects for the remainder of 2026.

About THP

As the plantation arm of Lembaga Tabung Haji, THP is engaged primarily in the cultivation of oil palm with planted hectarage of more than 55,000 hectares covering 31 estates and 6 mills in the Peninsular Malaysia, Sabah, and Sarawak as well as in Kalimantan, Indonesia. THP was first incorporated in 1972 as Perbadanan Ladang-Ladang Tabung Haji Sendirian Berhad and was listed on the Main Board of Bursa Malaysia Securities Berhad on 27 April 2006.

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