

TH Plantations' 1Q net profit falls 9.5% on lower palm oil prices

By Justin Lim / theedgemalaysia.com

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KUALA LUMPUR (May 21): TH Plantations Bhd (KL:[THPLANT](#)) posted a 9.49% decline in first-quarter net profit, weighed down by lower selling prices of palm oil, offsetting stronger sales volume.

Net profit for the quarter ended March 31, 2026 (1QFY2026) dropped to RM11.63 million from RM12.85 million a year earlier, according to the group's Bursa Malaysia filing on Thursday.

Revenue grew 3.3% year-on-year to RM189.48 million from RM183.38 million, driven mainly by higher sales volumes of crude palm oil (CPO) and palm kernel amid improved fresh fruit bunch production.

No dividend was declared for the quarter under review.

CPO sales volume increased 20.2% to 35,247 tonnes from 29,327 tonnes in 1QFY2025, while palm kernel sales volume rose 17.6% to 8,736 tonnes from 7,429 tonnes.

However, average realised CPO prices fell 12.8% to RM4,120 per tonne from RM4,722, while palm kernel prices declined 9.1% to RM3,227 per tonne from RM3,551.

In a statement, TH Plantations chief executive officer Datuk Borhan Bachi said the group will continue to intensify cost optimisation initiatives while enhancing field productivity and harvesting efficiency.

Operating conditions remain challenging

TH Plantations expects operating conditions to remain challenging due to volatility in CPO prices and rising operating costs stemming from geopolitical tensions in West Asia, which have increased fuel, fertiliser and logistics costs.

“These cost pressures are expected to persist in the near term and may continue to weigh on the group's margin performance,” the group said.

Nevertheless, the group said CPO prices are expected to remain supportive and could offset rising operating costs, resulting in a net positive impact on earnings.

The group is engaged primarily in the cultivation of oil palm with planted hectarage of more than 55,000 hectares covering 38 estates and six mills in Peninsular Malaysia, Sabah and Sarawak as well as in Kalimantan, Indonesia.

TH Plantations closed unchanged at 58 sen on Thursday, valuing the group at RM513 million.

Edited ByS Kanagaraju