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TH Plantations revenue up, net profit down

KUALA LUMPUR: TH Plantations Bhd registered a lower net profit of RM15.4 million for the third quarter ended Sept 30 of 2013 financial year (3QFY13), a decrease of 19.7% from RM19.2 million recorded a year ago.

However, its revenue increased 58.1% year-on-year to RM130.1 million from RM82.3 million previously. The group attributed the better revenue to higher sales volume of crude palm oil (CPO) and palm kernel despite lower average commodity prices realised.

The palm oil firm said in a note to Bursa Malaysia yesterday that the lower net profit was due to higher depreciation and amortisation by RM26.71 million, of which RM17.77 million was due to the amortisation of fair value of the net assets acquired.

The company also attributed the lower net profit to higher administrative costs due to professional and processing fees and other in-



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TH Plantations expects commodity prices to remain volatile for the remaining quarter.

cidental expenses incurred in relation to acquisitions of subsidiaries.

It also incurred higher finance cost due to the issuance of additional Murabahah sukuk amount-

ing to RM430 million, of which RM336.11 million was related to the acquisitions of new subsidiaries.

Earnings per share was at 1.75 sen compared with 3.7 sen a year ago.

For the nine-month period ended Sept 30, TH posted a net profit of RM25.7 million, which was half of the RM52.2 million registered a year earlier. Its revenue came in at RM315.4 million, an increase of 14% year-on-year from RM276.7 million previously. The higher revenue was also due to higher sales volume despite lower average commodity prices realised.

Moving forward, TH said it expected commodity prices to remain volatile for the remaining quarter. "However, we are optimistic about achieving our targeted yields and controlling production costs.

"We are also en route to achieving our targeted return on equity of 6.5% for the year."

In another announcement to Bursa Malaysia, the company said for the month of October, its fresh fruit bunch stood at 76,326 tonnes while CPO and palm kernel were at 17,875 tonnes and 4,447 tonnes respectively. — by Charlotte Chong