

# The Malaysian Reserve

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(From left) TH Plantations CEO Datuk Zainal Anwar Zainal Aminuddin, ED Datuk Dr Abdul Samad and CFO Mohamed Azman Shah Ishak at a briefing yesterday. The company will spend up to RM97 million this year as capital expenditure, particularly in Sarawak.

## TH Plantations budgets RM97m for capex

by JASON NG

TH PLANTATIONS Bhd, the plantation arm of Lembaga Tabung Haji, budgets to spend up to RM97 million this year as capital expenditure particularly in Sarawak.

There is also another RM120 million in standby loans to fund future acquisitions of new land to expand its landbank up to 50,000 ha by 2012, according

to TH Plantations CEO Datuk Zainal Azwar Zainal Aminuddin.

"We will need to build new mill in Sarawak including related infrastructure and machineries as our plantation is maturing there," he said yesterday at a press briefing in Kuala Lumpur.

TH Plantations' current land bank stood at 39,159 ha where some 36,444 ha, or about 93%, has been fully

planted. Out of the planted area, 66% are in various stages of maturity while the remaining 34% is still in the immature stage.

To meet its target of having 50,000 ha by 2012, TH Plantation plans to acquire more land in "strategic locations" either via acquisition or through related party transaction, Zainal said.

"Our focus is to increase the yield profile, so our

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## TH Plantations' net profit shrank 32% in FY09

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preference would be to acquire more brown field to get different age profile from our existing trees," he added.

TH Plantations' net profit shrank 32% to RM57.1 million in fiscal year 2009 after average prices of crude palm oil (CPO) and palm kernel fell in the year.

However, revenue increased 25% to RM304.4 million due to higher sales vol-

ume despite lower price of the commodity.

For the first six months of 2010 at least, TH Plantations expects CPO prices to remain "bullish" supported by rise in global demand amid tight supply due to tree stress and possible weather-related disruption, Zainal said.

"Should the present level of between RM2,500 and RM2,600 per tonne are maintained, it would augur well for us," he said.