

STI
2,839.65 ▼ -20.66HANG SENG
20,133.41 ▼ -194.13NIKKEI
10,695.69 ▼ -361.71FTSE 100 (May 5)
5,341.93 ▼ -69.18DJIA (May 5)
10,868.12 ▼ -58.65
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BusinessTimes

TH Plantations eyes more estates here, abroad

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TH PLANTATIONS Bhd, which has 39,159ha of oil palm estates in Malaysia and Indonesia, aims to own 50,000ha by 2012 under its growth strategy.

Its chief executive officer Datuk Zainal Azwar Zainal Aminuddin said the company was on the lookout for strategic sites locally

and overseas. It also has a RM120 million credit line from parent Lembaga Tabung Haji.

TH Plantations is the plantation arm of Tabung Haji, the state-owned manager of Muslim funds.

"We are not talking to any parties just yet and are exploring available opportunities. We plan to buy brownfields instead of greenfields to optimise yields, which include third-party acquisitions and

related-party transactions with Tabung Haji," Zainal Azwar told reporters in Kuala Lumpur yesterday after its shareholder meeting.

Brownfield refers to an existing estate whereas greenfield is land that has yet to be planted.

TH Plantations owns estates in Sarawak and Terengganu and in Indonesia. It also manages Tabung Haji's 118,002ha of oil palm, teak and rubber plantations in Sabah

and Sarawak and in Riau, Indonesia.

Zainal Azwar said that TH Plantations, which aspires to be a formidable medium-sized player in future, achieved its medium-term key performance indicator of owning a 32,000ha landbank a year ahead of schedule.

The current market price for existing plantations starts at around RM30,000 per hectare, while un-

planted land can fetch RM7,000.

TH Plantations also plans to spend RM97 million to build a mill and buy machinery in Sarawak. It already owns five mills in Peninsular Malaysia.

Zainal Azwar said he was bullish on crude palm oil (CPO) prices as support would come from steady world demand, tight supply due to biological tree stress and ongoing replanting.