

TH Plantations plans to pay 50% of net profit as dividends 94%

KUALA LUMPUR: TH Plantations Bhd, a subsidiary of Lembaga Tabung Haji, intends to distribute 50% of its net profit as dividend payout per year, managing director Daniel Rasheed Omar said.

According to him, the company expects net profit to exceed RM300 million this year if the crude palm oil (CPO) price remained above RM1,400 per tonne.

The company, going for listing on Bursa

Malaysia, had recorded a net profit of RM11.2m in its financial year ended Dec 31, 2005, based on the CPO price of RM1,150 per tonne. "The current CPO price is about RM1,400 per tonne and we confident that if the price remained at this level, our net profit margin will above what we forecast," Rasheed told reporters after launch of the company's prospectus yesterday.

Rasheed said the company has allocated

RM25 million this year to upgrade its mills. "We hope that after upgrading the mills, our oil extraction rate (OER) will increase to 20.8% from 20.15% currently," he said.

The company has projected its OER to reach 22% to 23% in the next two to three years.

Rasheed also said that the company was in talks with other parties to acquire its landbank in Terengganu, Sarawak and Sabah.

For its listing on the Main Board, TH

Plantations is offering 74.5 million 50 sen shares at an offer price of RM1.25 per share.

From this, a total of 41.1 million shares would be made available for application by Lembaga Tabung Haji depositors, 15.6 million for identified Islamic institutions, up to 4.0 million shares for eligible directors and employees of TH Plantations and Lembaga Tabung Haji, and the balance of 13.8 million shares for the public. — Bernama