



BUSINESS

TH Plantations to build palm oil refinery in Sarawak

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KUALA LUMPUR, May 20 – TH Plantations Bhd, which already operates six oil palm mills in Peninsular Malaysia, plans to set up its first palm oil refinery in Sarawak, says Executive Officer Datuk Zainal Azwar Zainal Aminuddin.

Construction of the refinery will begin at year-end and will have a capacity to process 1,500 tonnes of fresh fruit bunches per day when its begins operations in two years.

The new refinery would be financed by a RM2.5 billion sukuk which was raised last year, of which, RM830 million has been utilised, he told reporters after the company's annual general meeting.

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Zainal Azwar also said TH Plantations Bhd aimed to produce one million tonnes of oil palm fresh fruit bunches by the end of next year against an output of 823,825 tonnes estimated this year.

He said the company also intended to increase its plantation size to 130,000 hectares by 2015 from its present 97,592 hectares.

“We are in the midst of completing the acquisition of PT Persada Kencana Prima,” he said, adding that the deal which involved 11,837 hectares of land in Kalimantan, Indonesia, will be completed next month.

On its dividend policy, Zainal Azwar said the company would maintain its dividend policy of 50 per cent of net profits annually.

Meanwhile, TH Plantations Chairman Tan Sri Dr Yusof Basiron said palm oil prices would recover and hover between RM2,600 and RM2,800 a tonne towards the second half of the year from RM2,300 a tonne, at present.

He said the price should recover as world consumption, globally, continued to increase and supply

was not expanding fast enough to meet demand.

TH Plantations, the plantation arm of the Pilgrimage Fund Board of Malaysia, is engaged in the business of oil palm and rubber plantations in Sabah. – Bernama

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