

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 March 2014	Current Period		Cumulative Period	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Revenue	198,570	192,193	198,570	192,193
Operating costs	(143,965)	(158,281)	(143,965)	(158,281)
Profit from operations	54,605	33,912	54,605	33,912
Interest income	1,308	3,628	1,308	3,628
Finance cost	(15,957)	(8,185)	(15,957)	(8,185)
Share of results of Associates	525	23	525	23
Profit before taxation	40,481	29,378	40,481	29,378
Taxation	(9,796)	(8,163)	(9,796)	(8,163)
Profit for the period	30,685	21,215	30,685	21,215
Other comprehensive income, net of tax				
Net changes on fair value of available-for-sale				
financial assets	-	6,719	-	6,719
Other comprehensive income for the period, net of tax	-	6,719	-	6,719
Total comprehensive income for the period	30,685	27,934	30,685	27,934
Profit/Total comprehensive income attributable to:				
Shareholder of the Company	30,127	22,124	30,127	22,124
Non-controlling interests	558	(909)	558	(909)
Profit/Total comprehensive income for the period	30,685	21,215	30,685	21,215
Earnings per share - sen				
Basic	24.19	17.77	24.19	17.77

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at	Audited As at
	31 March 2014	31 December 2013
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,396,946	1,402,711
Biological assets	1,239,198	1,239,495
Prepaid land lease payments	58,763	59,263
Investment in Associates	30,732	32,207
Goodwill on consolidation	2,785	2,687
Deferred tax assets	31,714	32,466
	2,760,138	2,768,829
Current assets		
Inventories	42,334	42,983
Receivables	53,901	414,868
Tax recoverable	-	53
Cash and bank balances	36,515	32,302
	132,750	490,206
TOTAL ASSETS	2,892,888	3,259,035
EQUITY AND LIABILITIES		
Equity attributable to equity holder of the Company		
Share capital	124,521	124,521
Reserves	1,295,475	1,265,348
Shareholders' equity	1,419,996	1,389,869
Non-controlling interests	59,657	59,099
Total equity	1,479,653	1,448,968
Non-current liabilities		
Borrowings	240,000	240,000
Deferred tax liabilities	27,872	27,750
Payables	4,094	4,094
	271,966	271,844
Current liabilities		
Borrowings	679,358	737,355
Payables	455,174	710,864
Taxation	6,737	-
Dividend payable	-	90,004
	1,141,269	1,538,223
Total liabilities	1,413,235	1,810,067
TOTAL EQUITY AND LIABILITIES	2,892,888	3,259,035

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the quarter ended 31 March 2014	← Attributable to Shareholder of the Company →						Non- controlling interests	Total Equity
	Share Capital	Share Premium	Non-Distributable Fair Value Adjustment Reserve	Other Capital Reserve	Distributable Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014								
Balance at 1 January 2014	124,521	177,439	-	192	1,087,717	1,389,869	59,099	1,448,968
Total comprehensive income for the period	-	-	-	-	30,127	30,127	558	30,685
Balance at 31 March 2014	124,521	177,439	-	192	1,117,844	1,419,996	59,657	1,479,653
2013								
Balance at 1 January 2013	124,521	177,439	270,265	192	864,374	1,436,791	61,705	1,498,496
Total comprehensive income for the period	-	-	6,719	-	22,124	28,843	(909)	27,934
Balance at 31 March 2013	124,521	177,439	276,984	192	886,498	1,465,634	60,796	1,526,430

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 March 2014

	2014 RM'000	2013 RM'000
Operating Activities		
Receipts from customers	199,709	160,917
Cash paid to suppliers and employees	<u>(137,642)</u>	<u>(183,040)</u>
	62,067	(22,123)
Tax paid	<u>(2,131)</u>	<u>(6,842)</u>
Net cash generated from/(used in) operating activities	<u>59,936</u>	<u>(28,965)</u>
Investing Activities		
Purchase of property, plant and equipment	(4,051)	(5,384)
Purchase of biological assets	(452)	(512)
Acquisition of a subsidiary	(564,521)	-
Interest received	372	112
Dividend received	-	18,475
Net cash (used in)/generated from investing activities	<u>(568,652)</u>	<u>12,691</u>
Financing Activities		
Transaction with owner	620,000	-
Movement in Related Companies balances, net	8,601	459
(Decrease)/Increase in revolving credits	(58,000)	41,500
Repayment of term loan	-	(6,250)
Interest paid	(11,263)	(6,702)
Dividend paid to unitholders of BREIT	(46,558)	-
Net cash generated from financing activities	<u>512,780</u>	<u>29,007</u>
Net increase in cash and cash equivalents	4,064	12,733
Cash and cash equivalents at beginning of period	<u>29,603</u>	<u>2,494</u>
Cash and cash equivalents at end of period	<u>33,667</u>	<u>15,227</u>
Comprising:		
Cash and bank balances	36,515	21,293
Bank overdrafts	(2,848)	(6,066)
	<u>33,667</u>	<u>15,227</u>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013.

*BREIT denotes Al-Hadharah Boustead REIT.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

Notes to the interim financial report for the quarter ended 31 March 2014

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2013. All figures are stated in RM'000, unless otherwise stated.

2. Accounting Policies

(i) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2014, the Group adopted the following amended FRS:

- Amendments to FRS10, FRS 12 and FRS 127 - Investment Entities
- Amendments to FRS 132 - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 7 Financial Instruments Disclosures: Mandatory Dates of FRS 9 and Transition Disclosures
- Amendments to FRS 136 - Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139 - Novation of Derivatives and Continuation of Hedge Accounting

Adoption of the above amendments did not have any material effect on the financial statements of the Group.

(ii) Standards Issued but not yet Effective

The Group has not early adopted the following amended FRS that are not yet effective:

	Effective Date
• Amendments to FRS 119 Defined Benefits Plans: Employee Contributions	1 July 2014
• Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
• Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
• FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced by MASB
• FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced by MASB

(iii) MFRS Framework

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities). On 7 August 2013, MASB announced that it will permit agriculture and real estate companies to defer the adoption of MFRS for an additional year, until annual periods beginning on or after 1 January 2015.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2015. When the Group presents its first MFRS financial statements in 1 January 2015, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained profits.

3. Auditor's Report on Preceding Annual Financial Statements

The audit report of the preceding audited financial statements was not qualified.

4. Comments about Seasonal or Cyclical Factors

The cropping pattern for oil palm is influenced by weather conditions. Fresh fruit bunches ("FFB") production normally starts with a trough and thereafter increases gradually to reach a peak in the second half year.

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review.

6. Change in Estimates

There were no material changes in estimates of amounts reported in previous financial year.

7. Dividends

On 15 January 2014, the Company paid interim single tier dividend of 72.28 sen per share in respect of the previous financial year ended 31 December 2013 amounting to RM90.0 million.

No dividends were declared during the current quarter.

8. Segmental Information

Segment information for the cumulative period is presented in respect of the Group's operations by geographical location set out as follows:

RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2014				
Revenue	74,858	85,540	38,172	198,570
Reportable segment operating profit	22,653	27,604	4,348	54,605
Interest income				1,308
Share of result of Associate				525
Finance cost				(15,957)
Profit before taxation				40,481
Taxation				(9,796)
Profit for the period				30,685

RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2013				
Revenue				
Third parties	78,608	70,551	24,559	173,718
Dividend income	18,475	-	-	18,475
Total revenue	97,083	70,551	24,559	192,193
Reportable segment operating profit	25,315	8,222	375	33,912
Interest income				3,628
Share of result of Associate				23
Finance cost				(8,185)
Profit before taxation				29,378
Taxation				(8,163)
Profit for the period				21,215

9. Debt and Equity Securities

Other than the share issues as described in Note 21, there were no other issuances and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

11. Subsequent Events

There was no other material subsequent events except as reported in Note 21.

12. Changes in Group Composition

There were no changes in the Group composition during the period under review.

13. Changes in Contingent Liabilities and Contingent Assets

Other than changes in the material litigations as described in Note 22, the status of the contingent liabilities disclosed in financial year 2013 annual financial statements remained unchanged as at 24 June 2014. No other contingent liability has arisen since the previous financial year end.

14. Capital Commitments

The Group has the following commitments as at 31 March 2014:

	Cumulative period	
	2014	2013
	RM'000	RM'000
Capital expenditure		
- Authorised and not contracted for	58,113	59,599

15. Financial Risk Management

All aspects of the Group financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2013.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

16. Performance Review

For the quarter ended 31 March 2014, the Group profit before tax of RM40.5 million represented an improvement of 38% over the corresponding period last year (Q1 2013) of RM29.4 million. The positive swing in earnings was contributed by higher palm oil and palm kernel prices. Palm oil realised an average selling price of RM2,629 per MT (Q1 2013: RM2,335) while palm kernel achieved RM1,945 per MT (Q1 2013: RM1,111). FFB production of 253,108 MT was comparable with Q1 2013 of 252,230 MT.

Peninsular region contributed to profit RM22.7 million as compared with Q1 2013 of RM25.3 million. The decline in profit was mainly due to lower production and sales volume. Plantation revenue of RM74.9 million was behind Q1 2013 of RM78.6 million by RM3.7 million or 5%. FFB production of 101,781 MT was 96% of Q1 2013.

Sabah region's profit contribution of RM27.6 million was higher than corresponding period last year of RM8.2 million by RM19.4 million. The profit was supported by contribution from a newly acquired estate and lower operating expenditure. Revenue of RM85.5 million was better than Q1 2013 of RM70.5 million by 21%. FFB production of 107,555 MT was better than Q1 2013 by 11%.

Sarawak region's contribution improved by RM4.0 million to RM4.3 million for the quarter. The increase was attributed to selling prices. FFB production of 43,772 MT was 90% of the corresponding period last year.

17. Material Changes in Quarterly Results Compared to the Results of the Immediate Preceding Quarter

The Group's pre-tax profit for the quarter declined by 87% to RM40.5 million from the immediate preceding quarter's pre-tax profit of RM180.7 million. The immediate preceding quarter's profit was not comparable with the current quarter mainly because of the gain realised from partial disposal of Balau Estate of RM92.8 million and special dividend from BREIT of RM53.7 million.

18. Prospects for the Coming Year

The outlook for the year remains challenging as dry weather and the operating conditions in Sarawak may affect FFB production. Nonetheless, the Group expects CPO prices to improve from the previous financial year as biodiesel programmes in Indonesia and Malaysia are expected to drive demand while drought conditions in the early part of this year will probably affect supplies towards the end of year.

19. Notes on Variance in Actual Profit and Shortfall in Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and shortfall in profit guarantee are not applicable.

20. Taxation

	<u>Current Period</u>	<u>Cumulative Period</u>
	<u>2014</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>
Malaysian taxation based on profit for the period:		
- Current	8,800	8,800
- Deferred	814	814
	<u>9,614</u>	9,614
Under provision of prior years	<u>182</u>	182
	<u><u>9,796</u></u>	<u><u>9,796</u></u>

21. Status of Corporate Proposals

The status in relation to Boustead Holdings Berhad's (BHB) proposal to list the Company on the Main Market of Bursa Securities are summarised as follows:

- (i) The privatisation of BREIT to enable the corporate intergration of BREIT with the Group.

Amended Trust Deed

On 5 December 2013, the trust deed of BREIT was amended to enable the implementation of SUR Exercise in order to convert BREIT to a private property trust and subsequently to withdraw BREIT's listing from the Official List of Bursa Securities.

Special Dividend

On 28 January 2014, the proposed special gross dividend of RM0.16 per unit paid to all unit holders of BREIT, amounted to RM46,558,000 to all unit holders and RM53,746,320 to the Company.

SUR Exercise

On 29 January 2014, the redemption of all Units held by Unit Holders of BREIT (except the Company) at RM1.94 for each unit, amounted to RM564,520,600.

On 30 January 2014, BREIT was converted to a private property trust with the Company being its sole beneficiary and on 19 February 2014, the Units were removed from the Official List of Bursa Securities. As a private property trust, BREIT is no longer a collective investment scheme and hence is not regulated under the Capital Markets and Services Act, 2007 and the Guidelines for Islamic Real Estate Investment Trusts, issued by Securities Commission Malaysia (SC).

- (ii) On 21 January 2014, the Ministry of International Trade and Industry approved the Listing (as defined herein).
- (iii) On 21 March 2014, SC approved the Listing pursuant to sub section 214 (1) of the Capital Markets and Services Act, 2007.
- (iv) On 7 April 2014, the Company undertook the following corporate exercises:

(a) Share Split

A share split exercise involving the subdivision of every existing ordinary share of RM1.00 each held in the Company into two Shares of RM0.50 each ("Shares") to be credited as fully paid-up ("Share Split").

The Shares resulting from the Share Split ranks pari passu in all respect with the existing shares of the Company prior to the Share Split including voting rights and rights to all dividends and other distributions that may be declared, subsequent to the date of allotment thereof.

After the Share Split, the resultant issued and paid up share capital of the Company is RM124,521,383 comprising 249,042,766 subdivided shares.

21. Status of Corporate Proposals (cont.)

(b) Bonus Issue

A bonus issue involving the issuance of 770,957,234 Shares after the Share Split ("Bonus Shares") credited as fully paid-up, on the basis of approximately 3.1 Bonus Shares for every one share ("Bonus Issue") held after the Share Split.

The Bonus Issue was effected by way of capitalisation of approximately RM208,038,992 out of the Company's retained earnings account and RM177,439,625 out of share premium account.

The Bonus Shares rank pari passu in all respect with the existing Shares, including voting rights and rights to all dividends and other distributions that may be declared, subsequent to the date of allotment thereof.

After the Bonus Issue, the issued and paid up share capital has increased to RM510,000,000 comprising 1,020,000,000 Shares.

- (v) On 25 April 2014, the Shariah Advisory Council of the SC classified the Shares as Shariah-compliant based on the Company's latest audited financial statements for financial year ended 31 December 2013.
- (vi) On 29 April 2014, Bursa Securities granted its approval for the Company's admission to the official list and the listing and quotation of the entire issued and paid up share capital of the Company of RM800,000,000 comprising 1,600,000,000 ordinary shares on the Main Market of Bursa Securities ("Listing").
- (vii) The Company will undertake an initial public offering of up to 656,000,000 Shares, comprising an offer for sale of up to 76,000,000 Shares by BHB and a public issue of 580,000,000 new Shares to retail and institutional investors ("IPO"), details of which has been disclosed in the Company's Prospectus dated 27 May 2014. The Listing is expected to be completed by the end of the second quarter of 2014.

22. Changes in Material Litigations

As at 24 June 2014, there were no other changes in material litigation, including the status of pending material litigation since the date of the last annual statement of financial position as at 31 December 2013.

23. Earnings Per Share - Basic

	Current period		Cumulative period	
	2014	2013	2014	2013
Net Profit for the period (RM'000)	30,127	22,124	30,127	22,124
Weighted average number of ordinary shares in issue ('000)	124,521	124,521	124,521	124,521
Basic earnings per ordinary share (Sen)	24.19	17.77	24.19	17.77

24. Group Borrowings

Total group borrowings as at 31 March 2014 are as follows:

	31.3.2014	31.12.2013	1.1.2013
	RM'000	RM'000	RM'000
Non-Current:			
<u>Unsecured</u>			
Term loans	150,000	150,000	-
<u>Secured</u>			
Term loans	90,000	90,000	-
	240,000	240,000	-

24. Group Borrowings (cont.)

Current:

Unsecured

Bank overdrafts	2,848	2,699	5,020
Revolving credits	85,000	143,000	173,391
Term loans			
- Denominated in RM	450,000	450,000	461,774
- Denominated in USD	41,510	41,656	38,862

Secured

Revolving credits	100,000	100,000	-
	<u>679,358</u>	<u>737,355</u>	<u>679,047</u>
Total borrowings	<u>919,358</u>	<u>977,355</u>	<u>679,047</u>

25. Retained Earnings

	31.3.2014	31.12.2013	1.1.2013
	RM'000	RM'000	RM'000
Total retained earnings of Boustead Plantations Berhad and its Subsidiaries			
Realised	957,107	921,215	479,898
Unrealised	<u>10,592</u>	<u>11,128</u>	<u>(22,222)</u>
	967,699	932,343	457,676
Total share of retained earnings of Associates			
Realised	27,207	28,682	23,447
Unrealised	<u>196</u>	<u>196</u>	<u>196</u>
	995,102	961,221	481,319
Consolidation adjustments	<u>122,742</u>	<u>126,496</u>	<u>383,055</u>
Total retained earnings of the Group as per consolidated accounts	<u>1,117,844</u>	<u>1,087,717</u>	<u>864,374</u>

26. Additional Disclosures

The Group's profit before taxation is stated after (crediting)/deducting the following:

	Current Quarter		Cumulative Quarter	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	11,005	7,682	11,005	7,682
Reversal of impairment loss of other receivables	(45)	(16)	(45)	(16)
Foreign exchange (gain)/loss	(146)	362	(146)	362
Net fair value (gain)/loss on derivatives	-	(35)	-	(35)

27. Plantation Statistics

	Cumulative Period	
	2014	2013
(a) Planted areas (hectares)		
Oil palm - past prime	11,860	11,156
- prime mature	42,123	38,982
- young mature	11,750	11,834
- immature	<u>5,257</u>	<u>5,459</u>
	<u>70,990</u>	<u>67,431</u>

*For financial period ended 2013, planted hectares included 19,945 hectares leased from Al Hadharah Boustead REIT.

	Cumulative Period	
	2014	2013
(b) Crop Production (MT)		
FFB	253,108	252,230
(c) Average Selling Prices (RM per MT)		
FFB	586	462
Palm oil	2,629	2,334
Palm kernel	1,945	1,111