

BOUSTEAD PLANTATIONS BERHAD (1245-M)**UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**

For the quarter ended 31 March 2015 (All figures are stated in RM'000)	Current Period		Cumulative Period	
	2015	2014	2015	2014
Revenue	131,885	198,570	131,885	198,570
Operating cost	(118,402)	(143,965)	(118,402)	(143,965)
Profit from operations	13,483	54,605	13,483	54,605
Interest income	3,171	1,308	3,171	1,308
Finance cost	(9,460)	(15,957)	(9,460)	(15,957)
Share of results of Associates	698	525	698	525
Profit before taxation	7,892	40,481	7,892	40,481
Taxation	(2,247)	(9,796)	(2,247)	(9,796)
Profit for the period	5,645	30,685	5,645	30,685
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	5,645	30,685	5,645	30,685
Total comprehensive income/Profit attributable to:				
Shareholders of the Company	7,347	30,127	7,347	30,127
Non-controlling interests	(1,702)	558	(1,702)	558
Total comprehensive income/Profit for the period	5,645	30,685	5,645	30,685
Earnings per share - sen				
Basic	0.46	2.95	0.46	2.95

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31 March 2015	Audited As at 31 December 2014
As at 31 March 2015		
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	1,401,890	1,408,760
Biological assets	1,261,398	1,261,223
Prepaid land lease payments	56,729	57,229
Investment in Associates	30,399	33,452
Goodwill on consolidation	2,785	2,785
Deferred tax assets	24,968	25,001
	2,778,169	2,788,450
Current assets		
Inventories	44,324	32,676
Receivables	74,205	50,728
Cash and bank balances	410,789	430,884
	529,318	514,288
TOTAL ASSETS	3,307,487	3,302,738
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	1,470,229	1,494,882
Shareholders' equity	2,270,229	2,294,882
Non-controlling interests	51,877	53,579
Total equity	2,322,106	2,348,461
Non-current liabilities		
Borrowings	150,000	150,000
Deferred tax liabilities	18,518	18,530
Payables	4,930	4,766
	173,448	173,296
Current liabilities		
Borrowings	709,150	690,915
Payables	100,116	84,021
Taxation	2,667	6,045
	811,933	780,981
Total liabilities	985,381	954,277
TOTAL EQUITY AND LIABILITIES	3,307,487	3,302,738

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended	← Attributable to Shareholders of the Company →						Non-controlling interests	Total Equity
	Non-distributable		Distributable		Total			
	Share Capital	Share Premium	Other Capital Reserve	Retained Profits				
31 March 2015								
(All figures are stated in RM'000)								
2015								
Balance at 1 January 2015	800,000	622,344	(267)	872,805	2,294,882	53,579	2,348,461	
Total comprehensive income for the period	-	-	-	7,347	7,347	(1,702)	5,645	
Total transactions with owners:								
Dividends	-	-	-	(32,000)	(32,000)	-	(32,000)	
Balance at 31 March 2015	800,000	622,344	(267)	848,152	2,270,229	51,877	2,322,106	
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	

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 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 March 2015

(All figures are stated in RM'000)	2015	2014
Operating Activities		
Receipts from customers	126,219	199,709
Cash paid to suppliers and employees	(114,229)	(137,642)
Cash generated from operations	11,990	62,067
Tax paid	(5,604)	(2,131)
Net cash generated from operating activities	6,386	59,936
Investing Activities		
Purchase of property, plant and equipment	(3,375)	(4,051)
Purchase of biological assets	(385)	(452)
Proceeds from disposal of property, plant and equipment and biological assets	2,104	-
Acquisition of Al-Hadharah Boustead REIT	-	(611,079)
Interest received	1,141	372
Net cash used in investing activities	(515)	(615,210)
Financing Activities		
Advance from Immediate Holding Company	-	620,000
Movement in Related Companies balances, net	-	8,601
Increase/(Decrease) in revolving credits	-	(58,000)
Interest paid	(9,617)	(11,263)
Dividend paid	(32,000)	-
Net cash (used in)/generated from financing activities	(41,617)	559,338
Net increase in cash and cash equivalents	(35,746)	4,064
Cash and cash equivalents at beginning of period	429,419	29,603
Cash and cash equivalents at end of period	393,673	33,667
Comprising:		
Cash and bank balances	410,789	36,515
Bank overdrafts	(17,116)	(2,848)
	393,673	33,667

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

Notes to the interim financial report for the quarter ended 31 March 2015

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 2014. 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 2015, the Group adopted the following amended FRS:

- Amendments to FRS 119 Defined Benefits Plans: Employee Contributions
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

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
• Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
• Amendments to FRS 101 Presentation of Financial Statements – Disclosure Initiative	1 January 2016
• Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
• FRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
• Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
• Amendments to FRS 127 Equity Method in Separate Financial Statements	1 January 2016
• FRS 9 Financial Instruments	1 January 2018
• Amendments to FRS 7 Financial Instruments Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2018

2. Accounting Policies (cont.)

(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). Adoption of the MFRS Framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2017. When the Group presents its first MFRS financial statements in 1 January 2017, 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

Plantation's result is influenced by both CPO prices and FFB crop production. The cropping pattern for oil palm is influenced by weather conditions. 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 30 March 2015, the Company paid 3rd interim single tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2014 amounting to RM32.0 million.

For the current quarter, the Directors have declared a single tier dividend of 2 sen per share in respect of the year ending 31 December 2015. The dividend will be paid on 30 June 2015 to shareholders registered in the Register of Members at the close of business on 5 June 2015.

8. Segmental Information

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

RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2015				
Revenue	52,203	59,074	20,608	131,885
Reportable segment operating profit	9,329	5,968	(1,814)	13,483
Interest income				3,171
Share of results of Associates				698
Finance cost				(9,460)
Profit before taxation				7,892
Taxation				(2,247)
Profit for the period				5,645

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 results of Associates				525
Finance cost				(15,957)
Profit before taxation				40,481
Taxation				(9,796)
Profit for the period				30,685

9. Debt and Equity Securities

There were no 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 were no subsequent events as at 19 May 2015 that will materially affect the financial statements of the financial period under review.

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

The status of the contingent liabilities is disclosed in Note 34 of the audited financial statements for year ended 31 December 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 2015:

	<u>Cumulative period</u>	
	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>
Capital expenditure		
- Authorised and not contracted for	<u>73,993</u>	<u>58,113</u>
	<u>73,993</u>	<u>58,113</u>

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 2014.

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

16. Performance Review

For the first quarter of 2015, the Group posted an unaudited pre-tax profit of RM7.9 million as compared with the profit for the corresponding quarter last year of RM40.5 million. The reduction in profit was mainly attributable to decline in FFB production and bearish palm product prices. Profit after tax for the quarter was RM5.6 million versus RM30.7 million last year.

FFB production for the three-month period stood at 211,674 MT, down by 16% from the same period last year due largely to effects of last year's dry weather conditions and floods, labour shortages and continuing blockades in certain Sarawak estates. Oil extraction rate (OER), improved to 21.8% from 21.4% in the first quarter of 2014.

CPO registered an average selling price of RM2,236 per MT for the period under review, which fell below the achievement of RM2,629 per MT for the corresponding period last year by RM393 or 15%. PK achieved an average price of RM1,662 per MT as compared with RM1,945 for first quarter of 2014.

Peninsular region

Peninsular region achieved an operating profit of RM9.3 million as compared with profit of RM22.7 million for the three-month period ended 31 March 2014. The decline in profit by 59% was largely on the account of lower CPO and PK production coupled with lower prices. FFB crop registered a 10% decline to 91,579 MT, as a consequence of the spillover effects from the previous year's dry weather conditions and floods in late December.

Sabah region

Sabah region registered an operating profit of RM6.0 million, down by RM21.6 million or 78% from profit for the same period last year. The period's profit was severely impacted by lower prices coupled with lower production. FFB crop fell by 21% to 85,439 MT due to the effects of last year's droughts and shortage of skilled harvesters for the tall palms.

Sarawak region

Sarawak region recorded an operating loss of RM1.8 million as compared with operating profit of RM4.3 million for the same period last year. FFB crop of 34,656 MT was down by 21% due to the smaller area under harvesting and continuing blockade in certain estates.

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

For first quarter 2015, the Group's revenue of RM131.9 million was lower than the immediate preceding quarter revenue of RM167.2 million by 21%. The profit before tax of RM7.9 million was higher than previous quarter's profit of RM7.6 million by 4% on the account of lower operating cost.

The current quarter's revenue was influenced by lower CPO sales volume but compensated to some extent by higher average selling prices. CPO realised an average price of RM2,236 per MT, an increase of RM52 from the immediate preceding quarter. PK price of RM1,662 per MT was better by RM327 from the price achieved for fourth quarter of 2014. FFB production was down by 19% to 211,674 MT.

For first quarter of 2015, CPO market remained under pressure from plentiful global edible oil supplies and slowing demand. The demand for vegetable oils for fuel suffered pronouncedly in recent months owing to the growing disparity between prices of fossil diesel and biodiesel. The outlook remains challenging in the near term amid expectations of increasing CPO production in South East Asia as well as good soybean harvest in USA and South America. El Nino has recently been predicted to arrive in June. The El Nino phenomenon has historically resulted in below-average rainfall in palm oil regions which led to higher CPO prices.

18. Prospects for Rest of the Year

The Group's prospects are largely influenced by crop production and palm product prices. Unresolved conflicts in certain Sarawak estates and the effects of dry weather conditions experienced in the previous year are likely to pose challenges to FFB production for current year. The key influences for 2015 will be Indonesia's biodiesel demand, weather developments, Brent crude oil prices and US dollar versus Malaysian Ringgit exchange rates.

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

	Current Period	Cumulative Period
	2015	2015
	RM'000	RM'000
Malaysian taxation based on profit for the period:		
- Current	2,527	2,527
Overprovision of prior years	(280)	(280)
	<u>2,247</u>	<u>2,247</u>

21. Status of Corporate Proposals

On 26 June 2014, the Company raised RM928 million from its Initial Public Offering (IPO) exercise and listed its entire issued and paid up capital on the Main Market of Bursa Securities. The status of utilisation of proceeds raised from the IPO is as follows:

Purpose	Proposed	Actual	Intended Timeframe for Utilisation from listing date
	Utilisation	Utilisation	
	RM'000	RM'000	
Acquisitions of plantation lands	420,000	30,500	Within 36 months
Replanting and capital expenditure	96,000	86,194	Within 12 months
Repayment to Immediate Holding Company	390,000	390,000	Within 6 months
IPO and Listing expenses	22,000	21,046	Within 6 months
Total gross proceeds	928,000	527,740	

There were no other corporate proposals announced or pending completion as at 19 May 2015.

22. Changes in Material Litigations

As at 19 May 2015, there was no change in material litigation disclosed in the audited financial statements for year ended 31 December 2014.

23. Earnings Per Share - Basic

	Current period		Cumulative period	
	2015	2014	2015	2014
Net Profit for the period (RM'000)	7,347	30,127	7,347	30,127
Weighted average number of ordinary shares in issue ('000)	1,600,000	1,020,000	1,600,000	1,020,000
Basic earnings per ordinary share (Sen)	0.46	2.95	0.46	2.95

24. Group Borrowings

Total group borrowings as at 31 March 2015 are as follows:

	31.3.2015	31.12.2014	1.1.2014
	RM'000	RM'000	RM'000
Non-Current:			
<u>Unsecured</u>			
Term loan	150,000	150,000	150,000
<u>Secured</u>			
Term loan	-	-	90,000
	150,000	150,000	240,000

24. Group Borrowings (cont'd)

	31.3.2015	31.12.2014	1.1.2014
	RM'000	RM'000	RM'000
Current:			
<u>Unsecured</u>			
Bank overdrafts	17,116	1,465	2,699
Revolving credits	645,000	645,000	143,000
Term loans			
- Denominated in RM	-	-	450,000
- Denominated in USD	47,034	44,450	41,656
<u>Secured</u>			
Revolving credits	-	-	100,000
	709,150	690,915	737,355
Total borrowings	859,150	840,915	977,355

25. Retained Earnings

	31.3.2015	31.12.2014	1.1.2014
	RM'000	RM'000	RM'000
Total retained earnings of the Company and Subsidiaries			
- Realised	418,981	437,215	921,216
- Unrealised	7,454	10,059	11,128
	426,435	447,274	932,344
Total share of retained earnings of Associates			
- Realised	27,553	30,270	28,681
- Unrealised	494	341	196
	454,482	477,885	961,221
Consolidation adjustments	393,670	394,920	126,496
Total retained earnings of the Group as per consolidated accounts	848,152	872,805	1,087,717

26. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	10,395	11,005	10,395	11,005
Reversal of impairment loss of other receivables	(25)	(45)	(25)	(45)
Gain on compulsory land acquisitions	1,483	-	1,483	-
Foreign exchange loss/(gain)	2,680	(146)	2,680	(146)

27. Plantation Statistics

	Cumulative Period	
	2015	2014
(a) Planted areas (hectares)		
Oil palm - past prime	14,226	11,839
- prime mature	36,149	41,430
- young mature	12,389	11,750
- immature	6,622	5,257
	69,386	70,276
	Cumulative Period	
	2015	2014
(b) Crop Production (MT)		
FFB	211,674	253,108
(c) Average Selling Prices (RM per MT)		
FFB	495	586
CPO	2,236	2,629
PK	1,662	1,945