

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 March 2016 (All figures are stated in RM'000)	Current Period		Cumulative Period	
	2016	2015	2016	2015
Revenue	136,976	131,885	136,976	131,885
Operating cost	(120,018)	(118,402)	(120,018)	(118,402)
Profit from operations	16,958	13,483	16,958	13,483
Gain on disposal of plantation land	34,577	-	34,577	-
Interest income	3,616	3,171	3,616	3,171
Finance cost	(11,022)	(9,460)	(11,022)	(9,460)
Share of results of Associates	221	698	221	698
Profit before taxation	44,350	7,892	44,350	7,892
Taxation	(3,217)	(2,247)	(3,217)	(2,247)
period	41,133	5,645	41,133	5,645
Profit/(loss) attributable to:				
Shareholders of the Company	42,586	7,347	42,586	7,347
Non-controlling interests	(1,453)	(1,702)	(1,453)	(1,702)
Profit for the period	41,133	5,645	41,133	5,645
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company	42,586	7,347	42,586	7,347
Non-controlling interests	(1,453)	(1,702)	(1,453)	(1,702)
Total comprehensive income for the period	41,133	5,645	41,133	5,645
Earnings per share - sen				
Basic	2.66	0.46	2.66	0.46

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31 March 2016	Audited As at 31 December 2015
As at 31 March 2016		
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	1,383,081	1,381,528
Biological assets	1,286,964	1,261,382
Prepaid land lease payments	56,739	57,271
Investment in Associates	26,845	26,624
Goodwill on consolidation	2,785	2,785
Deferred tax assets	23,818	23,925
	<u>2,780,232</u>	<u>2,753,515</u>
Current assets		
Inventories	45,183	44,229
Receivables	106,506	63,502
Tax recoverable	2,361	2,045
Cash and bank balances	407,901	427,258
	<u>561,951</u>	<u>537,034</u>
Asset classified as held for sale	6,598	10,988
	<u>568,549</u>	<u>548,022</u>
TOTAL ASSETS	<u>3,348,781</u>	<u>3,301,537</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	1,376,202	1,381,616
Shareholders' equity	<u>2,176,202</u>	<u>2,181,616</u>
Non-controlling interests	44,995	46,448
Total equity	<u>2,221,197</u>	<u>2,228,064</u>
Non-current liabilities		
Borrowings	118,750	125,000
Deferred tax liabilities	16,411	18,148
Payables	4,872	4,872
	<u>140,033</u>	<u>148,020</u>
Current liabilities		
Borrowings	840,810	789,522
Payables	138,060	129,400
Taxation	8,681	6,531
	<u>987,551</u>	<u>925,453</u>
Total liabilities	<u>1,127,584</u>	<u>1,073,473</u>
TOTAL EQUITY AND LIABILITIES	<u>3,348,781</u>	<u>3,301,537</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended	← Attributable to Shareholders of the Company →						Total Equity
	Non-distributable			Distributable		Non- controlling interests	
	Share Capital	Share Premium	Other Capital Reserve	Retained Profits	Total		
31 March 2016							
(All figures are stated in RM'000)							
2016							
Balance at 1 January 2016	800,000	622,344	(143)	759,415	2,181,616	46,448	2,228,064
Total comprehensive income for the period	-	-	-	42,586	42,586	(1,453)	41,133
Dividends	-	-	-	(48,000)	(48,000)	-	(48,000)
Balance at 31 March 2016	800,000	622,344	(143)	754,001	2,176,202	44,995	2,221,197
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

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 2015.

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

For the quarter ended 31 March 2016

(All figures are stated in RM'000)

	2015	2014
Operating Activities		
Receipts from customers	145,258	126,219
Cash paid to suppliers and employees	(120,054)	(114,229)
Cash generated from operations	25,204	11,990
Tax paid	(3,013)	(5,604)
Net cash generated from operating activities	22,191	6,386
Investing Activities		
Purchase of property, plant and equipment	(4,173)	(3,375)
Purchase of biological assets	(139)	(385)
Proceeds from disposal of property, plant and equipment and biological assets	-	2,104
Acquisition of plantation assets	(29,977)	-
Interest received	1,229	1,141
Net cash used in investing activities	(33,060)	(515)
Financing Activities		
Increase in revolving credits	50,000	-
Repayment of term loan	(6,250)	-
Interest paid	(10,258)	(9,617)
Dividend paid	(48,000)	(32,000)
Net cash used in financing activities	(14,508)	(41,617)
Net decrease in cash and cash equivalents	(25,377)	(35,746)
Foreign currency translation difference	33	-
Cash and cash equivalents at beginning of period	412,244	429,419
Cash and cash equivalents at end of period	386,900	393,673
Comprising:		
Cash and bank balances	407,901	410,789
Bank overdrafts	(21,001)	(17,116)
	386,900	393,673

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

Notes to the interim financial report for the quarter ended 31 March 2016

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 2015. 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 2016, the Group adopted the following amended FRS:

- Amendments to FRS 101 - Presentation of Financial Statements: Disclosure Initiative
- Amendments to FRS 11 - Accounting for Acquisitions of Interests in Joint Operations
- FRS 14 - Regulatory Deferral Accounts
- Amendments to FRS 116 and FRS 138 - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 10, FRS 12 and FRS 128 - Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 127 - Equity Method in Separate Financial Statements
- Annual Improvements to FRSs 2012-2014 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
• 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
• Amendments to FRS 134 - Interim Financial Reporting	1 January 2018
• Amendments to FRS 116 and FRS 141 - Agriculture : Bearer Plants	1 January 2018
• Amendments to FRS 10 and FRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

(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 2018.

2. Accounting Policies (cont.)

(iii) MFRS Framework (cont.)

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2018. When the Group presents its first MFRS financial statements in 1 January 2018, 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 Group's operating 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 during 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

- (i) On 25 March 2016, the Company paid 4th interim single tier dividend of 3.0 sen per share in respect of the financial year ended 31 December 2015 amounting to RM48.0 million.

For the current quarter, the Directors have declared a dividend of 3 sen per share in respect of the year ending 31 December 2016. The dividend will be paid on 28 June 2016 to shareholders registered in the Register of Members at the close of business on 8 June 2016.

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
2016				
Revenue	58,727	55,333	22,916	136,976
Reportable segment operating profit	12,464	5,503	(1,009)	16,958
Gain on disposal of plantation land				34,577
Interest income				3,616
Finance cost				(11,022)
Share of results of Associates				221
Profit before taxation				44,350
Taxation				(3,217)
Profit for the period				41,133

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
Finance cost				(9,460)
Share of results of Associates				698
Profit before taxation				7,892
Taxation				(2,247)
Profit for the period				5,645

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 17 May 2016 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

- i) The status of the contingent liabilities is disclosed in Note 33 of the audited financial statements for year ended 31 December 2015. 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 2016:

	Cumulative period	
	2016	2015
	RM'000	RM'000
Capital expenditure		
- Authorised and not contracted for	54,818	73,993
	<u>54,818</u>	<u>73,993</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 2015.

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

16. Performance Review

For the first quarter of 2016, the Group achieved an unaudited pre-tax profit of RM44.4 million. The profit increased by RM36.5 million from the corresponding quarter last year due largely to the gains on disposal of land of RM34.6 million.

FFB production for the three-month period of 185,205 MT was down by 13% from the same period last year of 211,674 MT due largely to the extremely dry weather resulting from the effects of El-Nino, continuing land disputes in Sarawak and labour shortage for tall palms. Average oil extraction rate (OER) of 21.5% and kernel extraction rate (KER) of 4.5% was marginally lower than the same period last year.

CPO registered an average selling price of RM2,267 per MT for the period under review, an increase from RM2,236 per MT from the corresponding period last year whilst PK achieved an average price of RM1,907 per MT, up by RM245 per MT or 15%.

Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM12.5 million as compared with RM9.3 million for the three-month period ended 31 March 2015. The increase of RM3.2 million or 34% was attributed to foreign exchange gain on the USD loan and lower operating expenses. The region's FFB crop of 78,555 MT was down from 2015 by 14% due to the effects of El-Nino dry weather conditions.

16. Performance Review (cont.)

Sabah region

Sabah region registered a lower segment profit of RM5.5 million, down 8% from RM6.0 million profit for the corresponding period last year. FFB crop fell by 13% to 73,935 MT due to crop downtrend and shortage of skilled harvesters for tall palms.

Sarawak region

Sarawak region's segment loss reduced by RM0.8 million from RM1.8 million for the three-month period ended 31 March 2015 to RM1.0 million for the current period. The lower loss was contributed by better selling prices of palm products. The region produced 32,715 MT of FFB which was down by 6% from the same period last year.

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

For the current quarter, the unaudited profit before tax of RM44.4 million increased by RM38 million from the immediate preceding quarter of RM6.4 million. The disproportionate profit between the quarters was mainly due to the gain on disposal of lands of RM34.6 million recognised in the current quarter. The operating performance reflected lower operating expenditure but was slightly impacted by weaker FFB production.

The Group's revenue of RM137.0 million was lower than the immediate preceding quarter of RM163.4 million by 16%. FFB production of 185,205 MT declined by 30% from the immediate preceding quarter. The quarter CPO's average price of RM2,267 per MT was an increase of RM152 from the immediate preceding quarter. PK achieved an average price of RM1,907 per MT, which was an increase of RM302.

18. Prospects for Rest of the Year

The Group's profitability for the year is dependent on the price direction for CPO and crop production. Given the extreme weather experienced during the first quarter as a result of El Nino and coupled with uncertainties pertaining to the enforcement of the Group's rights over certain estates in Sarawak, the Group's crop production is expected to be impacted to some extent for the year.

The Group is encouraged by the bullish price trend during the first four months of the year. The uptrend is predicted to continue as CPO output are curbed by the El-Nino dry weather conditions. However, the effects of higher prices are expected to be moderated by low mineral crude oil prices which may curtail the use of CPO for biodiesel production. Windfall levy on CPO prices above threshold price and CPO export taxes are amongst the factors that is likely to counter the effects of higher prices to some extent.

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
	2016	2016
	RM'000	RM'000
Malaysian taxation based on profit for the period:		
- Current	4,950	4,950
- Deferred	(1,629)	(1,629)
	3,321	3,321
Overprovision of prior years	(104)	(104)
	3,217	3,217

21. Status of Corporate Proposals

i) Utilisation of Proceeds from Initial Public Offering (IPO)

On 26 June 2014, the Company raised RM928 million from its 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	63,808	Within 36 months
Replanting and capital expenditure	96,000	96,000	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	570,854	

There were no other corporate proposals announced or pending completion as at 17 May 2016.

22. Changes in Material Litigations

As at 17 May 2016, there was no change in material litigation disclosed in the audited financial statements for year ended 31 December 2015.

23. Earnings Per Share - Basic

	Current period		Cumulative period	
	2016	2015	2016	2015
Net profit for the period (RM'000)	42,586	7,347	42,586	7,347
Weighted average number of ordinary shares in issue ('000)	1,600,000	1,600,000	1,600,000	1,600,000
Basic earnings per ordinary share (Sen)	2.66	0.46	2.66	0.46

24. Group Borrowings

Total group borrowings as at 31 March 2016 are as follows:

	31.3.2016 RM'000	31.12.2015 RM'000	1.1.2015 RM'000
Non-Current:			
<u>Unsecured</u>			
Term loan	118,750	125,000	150,000
	118,750	125,000	150,000
Current:			
<u>Unsecured</u>			
Bank overdrafts	21,001	15,014	1,465
Revolving credits	745,000	695,000	645,000
Term loans			
- Denominated in RM	25,000	25,000	-
- Denominated in USD	49,809	54,508	44,450
	840,810	789,522	690,915
Total borrowings	959,560	914,522	840,915

25. Retained Earnings

	31.3.2016 RM'000	31.12.2015 RM'000	1.1.2015 RM'000
Total retained earnings of the Company and Subsidiaries			
- Realised	322,180	339,232	437,215
- Unrealised	5,857	(471)	10,059
	328,037	338,761	447,274
Total share of retained earnings of Associates			
- Realised	23,384	22,433	30,270
- Unrealised	497	497	341
	351,918	361,691	477,885
Consolidation adjustments	402,083	397,724	394,920
Total retained earnings of the Group as per consolidated accounts	754,001	759,415	872,805

26. Proposed Land Disposals

- (a) The Company through its trustee, CIMB Islamic Trustee Berhad (“CIMB Trustee”) and Boustead Sungai Manar Sdn Bhd, a wholly owned subsidiary have separately entered into sales and purchase agreements (“SPA”) with various parties for disposals of 351.72 hectares (Ha) of freehold lands in Mukim Kulai, District of Kulajaya, State of Johor for a total cash consideration of RM203.89 million as follows:
- (i) 56.3 Ha to Seng Hong Quarry Sdn Bhd (SHQ) for RM29.1 million on 19 May 2015;
 - (ii) 31.87 Ha to Bentara Gemilang Industries Sdn Bhd (BGI) for RM19.9 million on 19 May 2015;
 - (iii) 57.03 Ha to Sanggul Suria Sdn Bhd (SSSB) for RM12.27 million on 15 June 2015;
 - (iv) 102.12 Ha to Hanson Quarry Products (Segamat) Sdn Bhd (HQP) for RM81.94 million on 15 June 2015; and
 - (v) 104.4 Ha to YTL Cement Berhad (YTL) for RM60.67 million on 8 September 2015.
- (b) The disposals of SHQ, BGI and YTL covering a total of 192.57 Ha have been completed.
- (c) During the quarter, a gain on disposal of 34.6 million was recognised in profit or loss, bringing cumulative gain on disposal to RM91.73 million.
- (d) The proposed disposals to SSSB and HQP are expected to be completed during the second quarter of 2016.

27. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Depreciation and amortisation	(10,787)	(10,395)	(10,787)	(10,395)
Foreign exchange gain/(loss)	4,732	(2,680)	4,732	(2,680)

28. Plantation Statistics

	Cumulative Period	
	2016	2015
(a) Crop Production (MT)		
FFB	185,205	211,674
(b) Average Selling Prices (RM per MT)		
FFB	535	495
CPO	2,267	2,236
PK	1,907	1,662
(c) Planted areas (hectares)		
	At	At
	31 March	31 December
	2016	2015
Oil palm - past prime	12,234	13,138
- prime mature	34,407	33,533
- young mature	11,645	12,387
- immature	7,104	6,622
	65,390	65,680