BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 30 June 2016	Current Period		Cumulative Period	
(All figures are stated in RM'000)	2016	2015	2016	2015
Revenue	**174,923**	153,378	**311,899**	285,263
Operating cost	**(150,524)**	(134,469)	**(270,542)**	(252,871)
Profit from operations	**24,399**	18,909	**41,357**	32,392
Gain on disposal of plantation land	**83,174**	39,060	**117,751**	39,060
Interest income	**3,699**	3,803	**7,315**	6,974
Finance cost	**(10,541)**	(9,614)	**(21,563)**	(19,074)
Share of results of Associates	**(278)**	1,101	**(57)**	1,799
Profit before taxation	**100,453**	53,259	**144,803**	61,151
Taxation	**(4,332)**	(6,287)	**(7,549)**	(8,534)
Profit for the period	**96,121**	46,972	**137,254**	52,617
Other comprehensive income				
Share of exchange fluctuation of Associate	**295**	124	**295**	124
Total comprehensive income for the period	**96,416**	47,096	**137,549**	52,741
Profit/(loss) attributable to:				
Shareholders of the Company	**97,549**	48,599	**140,135**	55,946
Non-controlling interests	**(1,428)**	(1,627)	**(2,881)**	(3,329)
Profit for the period	**96,121**	46,972	**137,254**	52,617
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company	**97,844**	48,723	**140,430**	56,070
Non-controlling interests	**(1,428)**	(1,627)	**(2,881)**	(3,329)
Total comprehensive income for the period	**96,416**	47,096	**137,549**	52,741
Earnings per share - sen				
Basic	**6.10**	**3.04**	**8.76**	**3.50**

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

As at 30 June 2016	Unaudited As at 30 June	Audited As at 31 December
(All figures are stated in RM'000)	**2016**	**2015**
ASSETS		
Non-current assets		
Property, plant and equipment	**1,380,237**	1,381,528
Biological assets	**1,287,336**	1,261,382
Prepaid land lease payments	**56,240**	57,271
Investment in Associates	**26,862**	26,624
Goodwill on consolidation	**2,785**	2,785
Deferred tax assets	**23,724**	23,925
	2,777,184	2,753,515
Current assets		
Inventories	**34,261**	44,229
Receivables	**154,296**	63,502
Tax recoverable	**2,097**	2,045
Cash and bank balances	**408,363**	427,258
	599,017	537,034
Asset classified as held for sale	**-**	10,988
	599,017	548,022
TOTAL ASSETS	**3,376,201**	3,301,537
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**800,000**	800,000
Reserves	**1,426,046**	1,381,616
Shareholders' equity	**2,226,046**	2,181,616
Non-controlling interests	**43,567**	46,448
Total equity	**2,269,613**	2,228,064
Non-current liabilities		
Borrowings	**112,500**	125,000
Deferred tax liabilities	**15,955**	18,148
Payables	**4,872**	4,872
	133,327	148,020
Current liabilities		
Borrowings	**827,079**	789,522
Payables	**136,528**	129,400
Taxation	**9,654**	6,531
	973,261	925,453
Total liabilities	**1,106,588**	1,073,473
TOTAL EQUITY AND LIABILITIES	**3,376,201**	3,301,537

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

	← Attributable to Shareholders of the Company →						
		Non-distributable		Distributable			
			Other			Non-	
For the financial period ended	**Share**	**Share**	**Capital**	**Retained**		**controlling**	**Total**
30 June 2016	**Capital**	**Premium**	**Reserve**	**Profits**	**Total**	**interests**	**Equity**
(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	-	-	**295**	**140,135**	**140,430**	**(2,881)**	**137,549**
Dividends	-	-	-	**(96,000)**	**(96,000)**	-	**(96,000)**
Balance at 30 June 2016	**800,000**	**622,344**	**152**	**803,550**	**2,226,046**	**43,567**	**2,269,613**
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	-	-	124	55,946	56,070	(3,329)	52,741
Dividends	-	-	-	(64,000)	(64,000)		(64,000)
Balance at 30 June 2015	800,000	622,344	(143)	864,751	2,286,952	50,250	2,337,202

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 30 June 2016

(All figures are stated in RM'000)	2016	2015
Operating Activities		
Receipts from customers	**314,614**	276,614
Cash paid to suppliers and employees	**(244,594)**	(241,119)
Cash generated from operations	**70,020**	35,495
Tax paid	**(6,470)**	(11,428)
Net cash generated from operating activities	**63,550**	24,067
Investing Activities		
Purchase of property, plant and equipment	**(11,585)**	(9,474)
Purchase of biological assets	**(425)**	(641)
Proceeds from disposal of property, plant and equipment and biological assets	**149**	1
Deposits received on land disposals	**-**	16,017
Proceeds from land disposals	**39,603**	40,245
Acquisition of plantation assets	**(29,977)**	-
Interest received	**7,936**	4,874
Dividend received	**-**	3,750
Net cash from investing activities	**5,701**	54,772
Financing Activities		
Increase in revolving credits	**50,000**	-
Repayment of term loan	**(12,500)**	-
Interest paid	**(20,658)**	(19,484)
Dividend paid	**(96,000)**	(64,000)
Net cash used in financing activities	**(79,158)**	(83,484)
Net decrease in cash and cash equivalents	**(9,907)**	(4,645)
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	**402,370**	424,774
Comprising:		
Cash and bank balances	**408,363**	424,846
Bank overdrafts	**(5,993)**	(72)
	402,370	424,774

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 30 June 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
• Amendments to FRS 107 - Disclosure Initiative	1 January 2017
• Amendments to FRS 112 - Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
• 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.

(ii) On 28 June 2016, the Company paid 1st interim single tier dividend of 3.0 sen per share in respect of the current financial year ending 31 December 2016 amounting to RM48.0 million.

For the current quarter, the Directors have declared a dividend of 3.0 sen per share in respect of the year ending 31 December 2016. The dividend will be paid on 20 September 2016 to shareholders registered in the Register of Members at the close of business on 7 September 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	**132,050**	**133,754**	**46,095**	**311,899**
Reportable segment operating profit	**25,609**	**17,669**	**(1,921)**	**41,357**
Gain on disposal of plantation land				**117,751**
Interest income				**7,315**
Finance cost				**(21,563)**
Share of results of Associates				**(57)**
Profit before taxation				**144,803**
Taxation				**(7,549)**
Profit for the period				**137,254**

RM'000	**Peninsular Malaysia**	**Sabah**	**Sarawak**	**Total**
2015				
Revenue	123,047	119,369	42,847	285,263
Reportable segment operating profit	22,542	12,938	(3,088)	32,392
Gain on disposal of plantation land				39,060
Interest income				6,974
Finance cost				(19,074)
Share of results of Associates				1,799
Profit before taxation				61,151
Taxation				(8,534)
Profit for the period				52,617

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 22 August 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 30 June 2016:

	Cumulative period	
	2016	2015
	RM'000	RM'000
Capital expenditure		
- Authorised and not contracted for	52,317	53,437
	52,317	53,437

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 second quarter of 2016, the Group achieved an unaudited pre-tax profit of RM100.4 million. The profit increased by RM47.1 million from the corresponding quarter last year due largely to gains on disposal of land of RM83.2 million.

For the first half-year of 2016, the Group achieved an unaudited pre-tax profit of RM144.8 million which was more than double the performance for the corresponding period in 2015. This included a gain on disposal of land amounting to a total of RM117.8 million. Profit from operations was higher than the corresponding six-month profit for last year due to higher palm product prices.

FFB production for the six-month period of 398,418 MT declined by 17% from the same period last year of 480,853 MT due largely to the extreme dry weather effects of the El-Nino phenomenon, land disputes in Sarawak and labour shortage for tall palms. Average oil extraction rate (OER) of 21.4% and kernel extraction rate (KER) of 4.4% was marginally lower than the same period last year.

CPO achieved an average selling price of RM2,424 per MT for the six-month period this year, an increase of RM218 per MT or 10% from RM2,206 per MT from the corresponding period last year whilst PK achieved an average price of RM2,120 per MT, up by RM527 per MT or 33%.

Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM25.6 million as compared with RM22.5 million for the six-month period ended 30 June 2015. The increase of RM3.1 million or 14% was attributed to higher palm product prices which offset lower FFB crop of 171,306 MT, down from 2015 by 21%.

16. Performance Review (cont.)

Sabah region

Sabah region registered a higher segment profit of RM17.7 million, up 37% from RM12.9 million profit for the corresponding period last year largely due to higher palm product prices and lower operating expenses which more than compensated for the decline in FFB crop by 13% to 164,711 MT.

Sarawak region

Sarawak region's segment loss reduced by RM1.2 million from RM3.1 million for the six-month period ended 30 June 2015 to RM1.9 million for the current period. The lower loss was contributed by better selling prices of palm products and lower operating expenses despite a 17% decline in FFB production to 62,401 MT.

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

For the current quarter, the unaudited profit before tax increased by RM56.0 million to RM100.4 million from the immediate preceding quarter of RM44.4 million. The disproportionate profit between the quarters was mainly due to the gain on disposal of lands of RM83.2 million in the current quarter as against RM34.6 million in the previous quarter. The profit was also contributed by higher palm product prices and higher FFB production achieved in the current quarter.

The Group's revenue of RM174.9 million surpassed the immediate preceding quarter of RM137.0 million by 28%. FFB production of 213,213 MT increased by 15% from the immediate preceding quarter. The quarter CPO's average price of RM2,567 per MT was an increase of RM300 from the immediate preceding quarter. PK achieved an average price of RM2,321 per MT, which was an increase of RM414.

18. Prospects for Rest of the Year

The Group's prospects for the second half of 2016 will be much driven by CPO prices and crop production. Nonetheless, the Group expects to achieve reasonable prices for CPO and some improvements in crop production, which is likely to be moderated by unresolved conflicts in certain Sarawak estates.

CPO price reached a peak in the first quarter of 2016 but could not sustain the momentum because of sluggish market demand coupled with the prospective recovery in crop production after El Nino and increase in palm oil inventory. While the likelihood and impact of the oncoming La Nina is uncertain, the concerns over the weak global economy, low crude oil prices and competition from soybean and other oilseeds remain. However, based on the latest report, depleting reserves in China and India coupled with lower than expected inventories in Malaysia and Indonesia should be favourable to the market.

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 2016 RM'000	Cumulative Period 2016 RM'000
Malaysian taxation based on profit for the period:		
- Current	4,212	9,162
- Deferred	(350)	(1,979)
	3,862	7,183
Underprovision of prior years	470	366
	4,332	7,549

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 Utilisation	Actual Utilisation	Intended Timeframe for Utilisation from listing date
	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 22 August 2016.

22. Changes in Material Litigations

As at 22 August 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)	**97,549**	48,599	**140,135**	55,946
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)	**6.10**	3.04	**8.76**	3.50

24. Group Borrowings

Total group borrowings as at 30 June 2016 are as follows:

	30.6.2016 RM'000	31.12.2015 RM'000	1.1.2015 RM'000
Non-Current:			
Unsecured			
Term loan	**112,500**	125,000	150,000
	112,500	125,000	150,000
Current:			
Unsecured			
Bank overdrafts	**5,993**	15,014	1,465
Revolving credits	**745,000**	695,000	645,000
Term loans			
- Denominated in RM	**25,000**	25,000	-
- Denominated in USD	**51,086**	54,508	44,450
	827,079	789,522	690,915
Total borrowings	**939,579**	914,522	840,915

25. Retained Earnings

	30.6.2016 RM'000	31.12.2015 RM'000	1.1.2015 RM'000
Total retained earnings of the Company and Subsidiaries			
- Realised	**375,333**	339,232	437,215
- Unrealised	**4,942**	(471)	10,059
	380,275	338,761	447,274
Total share of retained earnings of Associates			
- Realised	**23,053**	22,433	30,270
- Unrealised	**550**	497	341
	403,878	361,691	477,885
Consolidation adjustments	**399,672**	397,724	394,920
Total retained earnings of the Group as per consolidated accounts	**803,550**	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 351.7 hectares (Ha) of freehold lands in Mukim Kulai, District of Kulaijaya, State of Johor for a total cash consideration of RM203.9 million as follows:

(i) Disposal of 56.3 Ha to Seng Hong Quarry Sdn Bhd for cash consideration of RM29.1 million on 20 May 2015. This disposal was duly completed on 17 June 2015.

(ii) Disposal of 31.9 Ha to Bentara Gemilang Industries Sdn Bhd for cash consideration of RM19.9 million on 19 May 2015. This disposal was duly completed on 17 June 2015.

(iii) Disposal of 57.0 Ha to Sanggul Suria Sdn Bhd for cash consideration of RM12.3 million on 15 June 2015. The disposal was duly completed on 30 June 2016.

(iv) Disposal of 102.1 Ha to Hanson Quarry Products (Segamat) Sdn Bhd for cash consideration of RM81.9 million on 15 June 2015. The disposal was duly completed on 30 June 2016.

(v) Disposal of 104.4 Ha to YTL Cement Berhad for cash consideration of RM60.7 million on 8 September 2015. This disposal was fully completed on 31 March 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	**(10,698)**	(10,287)	**(21,485)**	(20,682)
Foreign exchange gain/(loss)	**(1,276)**	(1,040)	**3,456**	(3,720)

28. Plantation Statistics

	Cumulative Period	
	2016	2015
(a) Crop Production (MT)		
FFB	**398,418**	480,853
(b) Average Selling Prices (RM per MT)		
FFB	**545**	473
CPO	**2,424**	2,206
PK	**2,120**	1,593

(c) Planted areas (hectares)

	At 30 June 2016	At 31 December 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