

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

For the quarter ended 30 September 2016	Current Period		Cumulative Period	
(All figures are stated in RM'000)	2016	2015	2016	2015
Revenue	199,326	166,554	511,225	451,817
Operating cost	(143,630)	(152,565)	(414,172)	(405,436)
Profit from operations	55,696	13,989	97,053	46,381
Gain on disposal of plantation land	-	18,147	117,751	57,207
Interest income	3,580	3,844	10,895	10,818
Finance cost	(10,542)	(9,454)	(32,105)	(28,528)
Share of results of Associates	1,463	1,067	1,406	2,866
Profit before taxation	50,197	27,593	195,000	88,744
Taxation	(12,269)	(5,129)	(19,818)	(13,663)
Profit for the period	37,928	22,464	175,182	75,081
Other comprehensive income				
Share of exchange fluctuation of Associate	-	-	295	124
Total comprehensive income for the period	37,928	22,464	175,477	75,205
Profit/(loss) attributable to:				
Shareholders of the Company	37,362	23,639	177,497	79,585
Non-controlling interests	566	(1,175)	(2,315)	(4,504)
Profit for the period	37,928	22,464	175,182	75,081
Total comprehensive income/(loss) attributable to:				
Shareholders of the Company	37,362	23,639	177,792	79,709
Non-controlling interests	566	(1,175)	(2,315)	(4,504)
Total comprehensive income for the period	37,928	22,464	175,477	75,205
Earnings per share - sen				
Basic	2.34	1.48	11.09	4.97

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	Audited As at
As at 30 September 2016	30 September	31 December
(All figures are stated in RM'000)	2016	2015
ASSETS		
Non-current assets		
Property, plant and equipment	1,376,314	1,381,528
Biological assets	1,287,814	1,261,382
Prepaid land lease payments	55,719	57,271
Investment in Associates	28,324	26,624
Goodwill on consolidation	2,785	2,785
Deferred tax assets	23,243	23,925
	<u>2,774,199</u>	<u>2,753,515</u>
Current assets		
Inventories	37,658	44,229
Receivables	152,791	63,502
Tax recoverable	1,931	2,045
Cash and bank balances	400,008	427,258
	<u>592,388</u>	<u>537,034</u>
Asset classified as held for sale	-	10,988
	<u>592,388</u>	<u>548,022</u>
TOTAL ASSETS	<u>3,366,587</u>	<u>3,301,537</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	1,415,408	1,381,616
Shareholders' equity	<u>2,215,408</u>	<u>2,181,616</u>
Non-controlling interests	44,133	46,448
Total equity	<u>2,259,541</u>	<u>2,228,064</u>
Non-current liabilities		
Borrowings	106,250	125,000
Deferred tax liabilities	18,134	18,148
Payables	4,872	4,872
	<u>129,256</u>	<u>148,020</u>
Current liabilities		
Borrowings	835,142	789,522
Payables	131,043	129,400
Taxation	11,605	6,531
	<u>977,790</u>	<u>925,453</u>
Total liabilities	<u>1,107,046</u>	<u>1,073,473</u>
TOTAL EQUITY AND LIABILITIES	<u>3,366,587</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 →						Non-controlling interests	Total Equity
	Non-distributable		Distributable		Total			
	Share Capital	Share Premium	Other Capital Reserve	Retained Profits				
30 September 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	-	-	295	177,497	177,792	(2,315)	175,477	
Dividends	-	-	-	(144,000)	(144,000)	-	(144,000)	
Balance at 30 September 2016	800,000	622,344	152	792,912	2,215,408	44,133	2,259,541	
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	79,585	79,709	(4,504)	75,205	
Dividends	-	-	-	(144,000)	(144,000)	-	(144,000)	
Balance at 30 September 2015	800,000	622,344	(143)	808,390	2,230,591	49,075	2,279,666	

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 September 2016

(All figures are stated in RM'000)

	2016	2015
Operating Activities		
Receipts from customers	497,457	456,434
Cash paid to suppliers and employees	(370,895)	(388,763)
Cash generated from operations	126,562	67,671
Tax paid	(13,961)	(20,248)
Net cash generated from operating activities	112,601	47,423
Investing Activities		
Purchase of property, plant and equipment	(17,637)	(19,027)
Purchase of biological assets	(840)	(912)
Proceeds from disposal of property, plant and equipment and biological assets	1,247	69,147
Deposits received on land disposals	-	21,713
Proceeds from land disposals	41,924	-
Acquisition of plantation assets	(29,977)	-
Interest received	11,322	8,667
Dividend received	-	8,750
Net cash from investing activities	6,039	88,338
Financing Activities		
Increase in revolving credits	50,000	35,000
Repayment of term loan	(18,750)	-
Interest paid	(30,486)	(28,436)
Dividend paid	(144,000)	(144,000)
Net cash used in financing activities	(143,236)	(137,436)
Net decrease in cash and cash equivalents	(24,596)	(1,675)
Foreign currency translation difference	(134)	-
Cash and cash equivalents at beginning of period	412,244	429,419
Cash and cash equivalents at end of period	387,514	427,744
Comprising:		
Cash and bank balances	400,008	427,839
Bank overdrafts	(12,494)	(95)
	387,514	427,744

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 September 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 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.
- (iii) On 27 September 2016, the Company paid 2nd interim 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 5 sen per share in respect of the year ending 31 December 2016. The dividend will be paid on 14 December 2016 to shareholders registered in the Register of Members at the close of business on 5 December 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	201,911	235,066	74,248	511,225
Reportable segment operating profit	48,739	47,228	1,086	97,053
Gain on disposal of plantation land				117,751
Interest income				10,895
Finance cost				(32,105)
Share of results of Associates				1,406
Profit before taxation				195,000
Taxation				(19,818)
Profit for the period				175,182

RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2015				
Revenue	196,001	187,127	68,689	451,817
Reportable segment operating profit	31,202	18,880	(3,701)	46,381
Gain on disposal of plantation land				57,207
Interest income				10,818
Finance cost				(28,528)
Share of results of Associates				2,866
Profit before taxation				88,744
Taxation				(13,663)
Profit for the period				75,081

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 16 November 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 September 2016:

	Cumulative period	
	2016	2015
	RM'000	RM'000
Capital expenditure		
- Authorised and not contracted for	49,323	48,641
	<u>49,323</u>	<u>48,641</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 third quarter of 2016, the Group achieved an unaudited pre-tax profit of RM50.2 million. The profit was higher by RM22.6 million from the corresponding quarter last year. The positive result was contributed by better palm product prices and lower operating expenditure which compensated for shortfalls in FFB production.

For the first nine months of 2016, the Group's unaudited pre-tax profit of RM195 million was more than doubled the performance of the corresponding period in 2015. The profit was supported by the gain on disposal of plantation land of RM117.8 million (2015: RM57.2 million), better palm product prices and lower operating expenditure.

To date FFB production of 660,497 MT was down by 14% from the same period last year of 772,083 MT. The shortfall in production arose mainly because of the adverse effects of the El-Nino phenomenon particularly on the estates located in northern Peninsular Malaysia, land disputes in Sarawak and labour shortage for tall palms. The average oil extraction rate (OER) of 21.5% and kernel extraction rate (KER) of 4.4% was marginally lower than the same period last year.

For the nine-month period, CPO achieved an average selling price of RM2,475 per MT. This was an increase of RM315 per MT or 15% from RM2,160 per MT from the corresponding period last year. PK achieved an average price of RM2,295 per MT, up by RM790 per MT or 52%.

Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM48.7 million as compared with RM31.2 million for the nine-month period ended 30 September 2015. The increase of RM17.5 million or 56% was attributed to higher palm product prices and lower operating expenditure. FFB crop of 278,491 MT, was down from 2015 by 20%.

16. Performance Review (cont.)

Sabah region

Sabah region registered a segment profit of RM47.2 million which was approximately 2.5 times the profit achieved for the corresponding period last year of RM18.9 million. Higher palm product prices and FFB crop of 281,936 MT, which was down by 6% from last year, largely influenced the region's profit.

Sarawak region

Sarawak region posted a segment profit of RM1.1 million for the current period, a turnaround from loss of RM3.7 million for the nine-month period ended 30 September 2015. The region recorded better selling prices for palm products but FFB production fell by 19% to 100,070 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 of RM50.2 million was 50% lower from the immediate preceding quarter of RM100.4 million. While better prices and FFB production contributed to profit for the current quarter, the drop in profit was mainly due to the gain on disposal of lands amounting to RM83.2 million recognised in the immediate preceding quarter.

The Group's revenue of RM199.3 million surpassed the immediate preceding quarter of RM174.9 million by 14%. FFB production of 262,078 MT increased by 23% from the immediate preceding quarter while CPO's average price of RM2,559 per MT declined marginally from the average price of RM2,567 per MT for second quarter. PK increased by RM256 per MT to an average price of RM2,577 per MT for the quarter.

18. Prospects for Rest of the Year

The Group's prospects for the rest of the year will be much driven by CPO prices and crop production. CPO and PK prices are expected to remain favourable while the blockades in the Sarawak estates and the lingering moisture stress effects of El-Nino will affect crop production.

CPO price reached a new high in September 2016 on the back of higher than expected surge in market demand coupled with the continuing dampened crop production after El Nino. The prevailing weak global economy and adverse effects of El Nino on production is expected to remain while demand could be affected by further release of rapeseed oil reserves in China and weaker Renminbi currency against the greenback. Nonetheless, CPO prices are expected to remain encouraging thus allaying concerns and contributing towards a positive outlook.

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>2016</u>	<u>2016</u>
	<u>RM'000</u>	<u>RM'000</u>
Malaysian taxation based on profit for the period:		
- Current	9,609	18,771
- Deferred	2,660	681
	<u>12,269</u>	<u>19,452</u>
Underprovision of prior years	-	366
	<u>12,269</u>	<u>19,818</u>

The Group's effective tax rate for the cumulative quarter is lower than the statutory tax rate due mainly to certain income which is taxable based on RPGT rate of tax, while certain expenses are non-deductible for tax purposes and non-availability of group relief for losses of certain Subsidiaries.

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 16 November 2016.

22. Changes in Material Litigations

As at 16 November 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)	37,362	23,639	177,497	79,585
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)	2.34	1.48	11.09	4.97

24. Group Borrowings

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

	30.9.2016 RM'000	31.12.2015 RM'000	1.1.2015 RM'000
Non-Current:			
<u>Unsecured</u>			
Term loan	106,250	125,000	150,000
	106,250	125,000	150,000
Current:			
<u>Unsecured</u>			
Bank overdrafts	12,494	15,014	1,465
Revolving credits	745,000	695,000	645,000
Term loans			
- Denominated in RM	25,000	25,000	-
- Denominated in USD	52,648	54,508	44,450
	835,142	789,522	690,915
Total borrowings	941,392	914,522	840,915

25. Retained Earnings

	30.9.2016 RM'000	31.12.2015 RM'000	1.1.2015 RM'000
Total retained earnings of the Company and Subsidiaries			
- Realised	381,594	339,232	437,215
- Unrealised	721	(471)	10,059
	382,315	338,761	447,274
Total share of retained earnings of Associates			
- Realised	24,515	22,433	30,270
- Unrealised	550	497	341
	407,380	361,691	477,885
Consolidation adjustments	385,532	397,724	394,920
Total retained earnings of the Group as per consolidated accounts	792,912	759,415	872,805

26. 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	(10,658)	(10,209)	(32,143)	(30,891)
Foreign exchange gain/(loss)	(1,729)	(8,370)	1,727	(12,090)

27. Plantation Statistics

	Cumulative Period	
	2016	2015
(a) Crop Production (MT)		
FFB	660,497	772,083
(b) Average Selling Prices (RM per MT)		
FFB	570	458
CPO	2,475	2,160
PK	2,295	1,505
(c) Planted areas (hectares)		
	At	At
	30 September	31 December
	2016	2015
Oil palm - past prime	12,234	13,138
- prime mature	34,395	33,533
- young mature	11,640	12,387
- immature	7,097	6,622
	65,366	65,680