

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

For the quarter ended 31 March 2017	Current Period		Cumulative Period	
(All figures are stated in RM'000)	2017	2016	2017	2016
Revenue	189,020	136,976	189,020	136,976
Operating cost	(126,977)	(120,018)	(126,977)	(120,018)
Profit from operations	62,043	16,958	62,043	16,958
Gain on disposal of plantation land	-	34,577	-	34,577
Interest income	3,182	3,616	3,182	3,616
Finance cost	(8,989)	(11,022)	(8,989)	(11,022)
Share of results of Associate	850	221	850	221
Profit before taxation	57,086	44,350	57,086	44,350
Taxation	(12,861)	(3,217)	(12,861)	(3,217)
Profit for the period	44,225	41,133	44,225	41,133
Profit/(loss) attributable to:				
Shareholders of the Company	43,676	42,586	43,676	42,586
Non-controlling interests	549	(1,453)	549	(1,453)
Profit for the period	44,225	41,133	44,225	41,133
Total comprehensive income/ (expense) attributable to:				
Shareholders of the Company	43,676	42,586	43,676	42,586
Non-controlling interests	549	(1,453)	549	(1,453)
Total comprehensive income for the period	44,225	41,133	44,225	41,133
Earnings per share - sen				
Basic	2.73	2.66	2.73	2.66

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31 March 2017	Audited As at 31 December 2016
As at 31 March 2017		
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	1,321,978	1,324,444
Biological assets	1,248,585	1,248,585
Prepaid land lease payments	49,265	49,754
Investment in Associate	24,423	30,323
Goodwill on consolidation	2,281	2,281
Deferred tax assets	2,517	2,517
	<u>2,649,049</u>	<u>2,657,904</u>
Current assets		
Inventories	30,058	24,462
Receivables	54,658	88,027
Tax recoverable	2,121	2,438
Cash and bank balances	402,549	424,570
	<u>489,386</u>	<u>539,497</u>
Asset held for sale	60,085	60,085
	<u>549,471</u>	<u>599,582</u>
TOTAL ASSETS	<u>3,198,520</u>	<u>3,257,486</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,422,344	800,000
Reserves	751,033	1,385,701
Shareholders' equity	<u>2,173,377</u>	<u>2,185,701</u>
Non-controlling interests	29,598	29,049
Total equity	<u>2,202,975</u>	<u>2,214,750</u>
Non-current liabilities		
Borrowings	93,750	100,000
Deferred tax liabilities	24,197	24,113
Payables	5,372	5,372
	<u>123,319</u>	<u>129,485</u>
Current liabilities		
Borrowings	716,313	801,152
Payables	142,554	105,362
Taxation	13,359	6,737
	<u>872,226</u>	<u>913,251</u>
Total liabilities	<u>995,545</u>	<u>1,042,736</u>
TOTAL EQUITY AND LIABILITIES	<u>3,198,520</u>	<u>3,257,486</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 2016.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 31 March 2017	← Attributable to Shareholders of the Company →						Non- controlling interests	Total Equity
	Non-distributable		Distributable		Total			
	Share Capital	Share Premium	Other Capital Reserve	Retained Profits				
(All figures are stated in RM'000)								
2017								
Balance at 1 January 2017	800,000	622,344	151	763,206	2,185,701	29,049	2,214,750	
Total comprehensive income for the period	-	-	-	43,676	43,676	549	44,225	
Transactions with owners:								
Dividends	-	-	-	(56,000)	(56,000)	-	(56,000)	
Transition in accordance with section 618(2) of the Companies Act 2016 (Note a)	622,344	(622,344)	-	-	-	-	-	
Balance at 31 March 2017	<u>1,422,344</u>	<u>-</u>	<u>151</u>	<u>750,882</u>	<u>2,173,377</u>	<u>29,598</u>	<u>2,202,975</u>	
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	
Transactions with owners:								
Dividends	-	-	-	(48,000)	(48,000)	-	(48,000)	
Balance at 31 March 2016	<u>800,000</u>	<u>622,344</u>	<u>(143)</u>	<u>754,001</u>	<u>2,176,202</u>	<u>44,995</u>	<u>2,221,197</u>	

Note a:

(i) Pursuant to section 74 of the Companies Act, 2016 ('the Act'), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provision set out in Section 618 of the Act, any amount standing to the credit of the share premium account becomes part of the Company's share capital.

(ii) There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition. During the financial period, the Company has not utilised any of the credit in the share premium account which are now part of share capital.

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 2016.

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

For the quarter ended 31 March 2017

(All figures are stated in RM'000)	2017	2016
Operating Activities		
Receipts from customers	213,173	145,258
Cash paid to suppliers and employees	(119,384)	(120,054)
Cash generated from operations	93,789	25,204
Tax paid	(5,837)	(3,013)
Net cash generated from operating activities	87,952	22,191
Investing Activities		
Purchase of property, plant and equipment	(7,944)	(4,173)
Purchase of biological assets	-	(139)
Acquisition of plantation assets	-	(29,977)
Deposits received on disposal of land	43,409	-
Interest received	3,230	1,229
Dividend received	6,750	-
Net cash generated from/ (used in) investing activities	45,445	(33,060)
Financing Activities		
(Decrease)/Increase in revolving credits	(80,000)	50,000
Repayment of term loan	(6,250)	(6,250)
Interest paid	(9,136)	(10,258)
Dividend paid	(56,000)	(48,000)
Net cash used in financing activities	(151,386)	(14,508)
Net decrease in cash and cash equivalents	(17,989)	(25,377)
Foreign currency translation difference	-	33
Cash and cash equivalents at beginning of period	420,441	412,244
Cash and cash equivalents at end of period	402,452	386,900
Comprising:		
Cash and bank balances	402,549	407,901
Bank overdrafts	(97)	(21,001)
	402,452	386,900

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

Notes to the interim financial report for the quarter ended 31 March 2017

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 2016. 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 2017, the Group adopted the following new and amended FRS:

- Amendments to FRS 107 - Statement of Cash Flows: Disclosure Initiative
- Amendments to FRS 112 - Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
- Annual Improvements to 2014-2016 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 2 - Classification and Measurement of Share-based Payment Transactions	1 January 2018
• Amendments to FRS 4 - Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts	1 January 2018
• Amendments to FRS 140 - Transfer of Investment Property	1 January 2018
• IC Interpretation 22 - Foreign Currency Transactions and Advance Consideration	1 January 2018
• Annual Improvements to 2014-2016 Cycle	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 16 March 2017, the Company paid 4th interim single tier dividend of 3.5 sen per share in respect of the financial year ended 31 December 2016 amounting to RM56.0 million.

For the current quarter, the Directors have declared a dividend of 2.5 sen per share in respect of the year ending 31 December 2017. The dividend will be paid on 16 June 2017 to shareholders registered in the Register of Members at the close of business on 7 June 2017.

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
2017				
Revenue	79,898	77,269	31,853	189,020
Reportable segment operating profit	30,059	23,568	7,606	61,233
Unrealised gain on foreign exchange				810
Interest income				3,182
Finance cost				(8,989)
Share of results of Associate				850
Profit before taxation				57,086
Taxation				(12,861)
Profit for the period				44,225
RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2016				
Revenue	58,727	55,333	22,916	136,976
Reportable segment operating profit	7,765	5,503	(1,009)	12,259
Unrealised gain on foreign exchange				4,699
Gain on disposal of plantation land				34,577
Interest income				3,616
Finance cost				(11,022)
Share of results of Associate				221
Profit before taxation				44,350
Taxation				(3,217)
Profit for the period				41,133

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 23 May 2017 that will materially affect the financial statements for 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

No contingent liability has arisen since the previous financial year end.

14. Capital Commitments

The Group has the following commitments as at 31 March 2017:

	Cumulative period	
	2017	2016
	RM'000	RM'000
Capital expenditure		
- Authorised but not contracted for	52,429	54,818
	<u>52,429</u>	<u>54,818</u>

15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2016.

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

16. Performance Review

For the first quarter of 2017, the Group achieved an unaudited pre-tax profit of RM57.1 million compared with RM44.4 million for the corresponding quarter last year. The profit increased by 29% from the corresponding quarter last year, driven mainly by the buoyant palm product prices and to some extent, better crop production. However, the profit would have reflected an improvement of 483% by excluding the gain on disposal of land of RM34.6 million from the comparative profit achieved for the first quarter of 2016.

FFB production for the three-month period increased by 13% to 209,526 MT from 185,205 MT achieved for same period last year. The crop uptrend was largely attributed to improvement in yields as the palms recover from the effects of El-Nino. OER averaged at 20.7% as compared with 21.5% for first quarter of 2016. The average KER of 4.3% was also lower than same period last year's rate of 4.5%.

CPO achieved an average selling price of RM3,166 per MT, up by RM899 or 40% from the corresponding period last year whilst PK ended the quarter with RM3,204 per MT, which was RM1,297 or 68% better.

Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM30.0 million as compared with RM7.8 million for the three-month period ended 31 March 2016. The increase in profit of RM22.2 million or 285% was mainly attributed to improved selling prices of palm products. The region's FFB crop of 90,626 MT was up from 2016 by 15%.

Sabah region

Sabah region achieved a higher segment profit of RM23.6 million, reflecting a fourfold increase from RM5.5 million profit for the corresponding period last year. FFB crop increased by 14% to 84,188 MT due to crop uptrend despite the shortage of skilled harvesters for tall palms and unfavourable weather.

Sarawak region

Sarawak region registered a segment profit of RM7.6 million compared with a loss of RM1.0 million for the three-month period ended 31 March 2016. The turnaround in the results was mainly contributed by better selling prices of palm products. The region produced 34,712 MT of FFB which was a 6% increase 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 RM57.1 million, declined by RM24.0 million from the immediate preceding quarter of RM81.1 million. The disproportionate profit between the quarters was mainly due to the gain on disposal of subsidiary and land of RM33.4 million and RM6.4 million respectively, which was recognised in the immediate preceding quarter. The current quarter's performance was largely influenced by better selling prices as well as lower operating expenditure and crop production.

The Group's revenue of RM189.0 million was lower than the immediate preceding quarter of RM196.7 million by 4%. CPO average price of RM3,166 per MT increased by RM283 from the immediate preceding quarter while PK price of RM3,204 per MT was better by RM313. FFB production of 209,526 MT declined by 16% from the immediate preceding quarter.

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. FFB yields have improved since the damaging effects of El Nino and the uptrend is anticipated to continue. However, crop recovery from the Sarawak estates with land issues is uncertain.

The buoyant CPO prices enjoyed during the quarter has somewhat softened amid bearish news of bumper soybean crop in the United States and South America. This together with growing pressures over supplies of biodiesel to USA and Europe as well as low crude oil prices has led to a less optimistic price outlook for palm oil. The Group is of the view that market is expected to remain volatile in the second half of the year on expectations of improved CPO production and the build up in inventories.

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
	2017	2017
	RM'000	RM'000
Malaysian taxation based on profit for the period:		
- Current	12,996	12,996
- Deferred	84	84
	13,080	13,080
Overprovision of prior years	(219)	(219)
	<u>12,861</u>	<u>12,861</u>

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	

(ii) Proposed Land Disposal

On 22 December 2016, CIMB Islamic Trustee Berhad ("CITB"), acting as trustee for the Company and Setia Recreation Sdn. Bhd. ("SRSB") entered into a sale and purchase agreement for the disposal of 677.78 hectares of freehold land situated in Mukim 6, Daerah Seberang Perai Utara, Pulau Pinang by the Company to SRSB for cash consideration of approximately RM620 million. The Company has received a 7% deposit for the proposed sale. The disposal is pending the approval of the Estate Land Board and Economic Planning Unit (if applicable). Completion of the disposal is expected in the third quarter 2017.

There were no other corporate proposals announced or pending completion as at 23 May 2017.

22. Changes in Material Litigations

As at 23 May 2017, there was no change in material litigation disclosed in the audited financial statements for year ended 31 December 2016.

23. Earnings Per Share - Basic

	Current period		Cumulative period	
	2017	2016	2017	2016
Net profit for the period (RM'000)	43,676	42,586	43,676	42,586
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)	2.73	2.66	2.73	2.66

24. Group Borrowings

Total group borrowings as at 31 March 2017 are as follows:

	31.3.2017 RM'000	31.12.2016 RM'000	1.1.2016 RM'000
Non-Current:			
<u>Unsecured</u>			
Term loan	93,750	100,000	125,000
	93,750	100,000	125,000
Current:			
<u>Unsecured</u>			
Bank overdrafts	97	4,129	15,014
Revolving credits	635,000	715,000	695,000
Term loans			
- Denominated in RM	25,000	25,000	25,000
- Denominated in USD	56,216	57,023	54,508
	716,313	801,152	789,522
Total borrowings	810,063	901,152	914,522

25. Retained Earnings

	31.3.2017 RM'000	31.12.2016 RM'000	1.1.2016 RM'000
Total retained earnings of the Company and Subsidiaries			
- Realised	330,090	356,581	339,232
- Unrealised	(29,636)	(30,359)	(471)
	300,454	326,222	338,761
Total share of retained earnings of Associate			
- Realised	20,614	26,514	22,433
- Unrealised	550	550	497
	321,618	353,286	361,691
Consolidation adjustments	429,264	409,920	397,724
Total retained earnings of the Group as per consolidated accounts	750,882	763,206	759,415

26. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	(10,899)	(10,787)	(10,899)	(10,787)
Foreign exchange gain	822	4,732	822	4,732

27. Plantation Statistics

	Cumulative Period	
	2017	2016
(a) Crop Production (MT)		
FFB	209,526	185,205
(b) Average Selling Prices (RM per MT)		
FFB	712	535
CPO	3,166	2,267
PK	3,204	1,907
(c) Planted areas (hectares)		
	At	At
	31 March	31 December
	2017	2016
Oil palm - past prime	13,353	12,234
- prime mature	32,596	33,199
- young mature	12,480	11,964
- immature	5,970	7,071
	64,399	64,468