BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 30 June 2018	Current Period		Cumulative Period	
(All figures are stated in RM'000)	**2018**	**2017**	**2018**	**2017**
Revenue	**141,752**	169,487	**296,356**	358,507
Operating cost	**(161,415)**	(148,137)	**(307,219)**	(289,764)
(Loss)/ Profit from operations	**(19,663)**	21,350	**(10,863)**	68,743
Interest income	**678**	3,480	**937**	6,662
Finance cost	**(8,284)**	(9,010)	**(10,088)**	(17,999)
Share of results of Associate	**1,045**	1,149	**1,606**	1,999
(Loss)/ Profit before taxation	**(26,224)**	16,969	**(18,408)**	59,405
Taxation	**(214)**	(8,535)	**(5,684)**	(21,890)
(Loss)/ Profit for the period	**(26,438)**	8,434	**(24,092)**	37,515
Other comprehensive (expense)/ income				
Share of exchange fluctuation of Associate	**(384)**	222	**(384)**	222
Total comprehensive (expense)/ income for the period	**(26,822)**	8,656	**(24,476)**	37,737
(Loss)/ Profit attributable to:				
Shareholders of the Company	**(22,239)**	10,781	**(16,980)**	40,341
Non-controlling interests	**(4,199)**	(2,347)	**(7,112)**	(2,826)
(Loss)/ Profit for the period	**(26,438)**	8,434	**(24,092)**	37,515
Total comprehensive (expense)/ income attributable to:				
Shareholders of the Company	**(22,623)**	11,003	**(17,364)**	40,563
Non-controlling interests	**(4,199)**	(2,347)	**(7,112)**	(2,826)
Total comprehensive (expense)/ income for the period	**(26,822)**	8,656	**(24,476)**	37,737
(Loss)/ Earnings per share - sen				
Basic	**(0.99)**	**0.48**	**(0.76)**	**1.80**

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.

BOUSTEAD PLANTATIONS BERHAD (1245-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2018 (All figures are stated in RM'000)	As at 30 June 2018	As at 31 December 2017	As at 1 January 2017
ASSETS			
Non-current assets			
Property, plant and equipment	**3,861,156**	3,120,060	3,188,988
Prepaid land lease payments	**46,817**	47,796	49,754
Investment in Associate	**25,585**	28,363	30,323
Goodwill on consolidation	**2,281**	2,281	2,281
Deferred tax assets	**2,990**	2,990	2,517
	3,938,829	3,201,490	3,273,863
Current assets			
Inventories	**28,488**	26,085	24,462
Biological assets	**16,072**	22,951	30,342
Receivables	**89,464**	169,540	88,027
Tax recoverable	**4,364**	2,394	2,438
Cash and bank balances	**100,570**	15,818	424,570
	238,958	236,788	569,839
Asset held for sale	**14,008**	14,008	60,085
	252,966	250,796	629,924
TOTAL ASSETS	**4,191,795**	3,452,286	3,903,787
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	**1,422,344**	1,422,344	800,000
Reserves	**1,459,771**	1,597,135	1,903,610
Shareholders' equity	**2,882,115**	3,019,479	2,703,610
Non-controlling interests	**(81,684)**	(74,572)	(68,082)
Total equity	**2,800,431**	2,944,907	2,635,528
Non-current liabilities			
Borrowings	**380,811**	**-**	100,000
Deferred tax liabilities	**256,488**	256,167	249,636
Payables	**5,966**	5,966	5,372
	643,265	262,133	355,008
Current liabilities			
Borrowings	**656,479**	140,016	801,152
Payables	**90,902**	96,140	105,362
Taxation	**718**	9,090	6,737
	748,099	245,246	913,251
Total liabilities	**1,391,364**	507,379	1,268,259
TOTAL EQUITY AND LIABILITIES	**4,191,795**	3,452,286	3,903,787

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	← Attributable to Shareholders of the Company →						
		Non-distributable		Distributable			
For the financial period ended 30 June 2018	Share Capital	Share Premium	Other Capital Reserve	Retained Profits	Total	Non-controlling interests	Total Equity
(All figures are stated in RM'000)							
2018							
Balance at 1 January 2018	**1,422,344**	**-**	**222**	**1,596,913**	**3,019,479**	**(74,572)**	**2,944,907**
Total comprehensive income for the period	**-**	**-**	**(384)**	**(16,980)**	**(17,364)**	**(7,112)**	**(24,476)**
Transactions with owners:							
Dividends	**-**	**-**	**-**	**(120,000)**	**(120,000)**	**-**	**(120,000)**
Balance at 30 June 2018	**1,422,344**	**-**	**(162)**	**1,459,933**	**2,882,115**	**(81,684)**	**2,800,431**
2017							
Balance at 1 January 2017	800,000	622,344	-	1,281,266	2,703,610	(68,082)	2,635,528
Total comprehensive income for the period	-	-	222	40,341	40,563	(2,826)	37,737
Transactions with owners:							
Dividends	-	-	-	(96,000)	(96,000)	-	(96,000)
Transition in accordance with section 618(2) of the Companies Act 2016	622,344	(622,344)	-	-	-	-	-
Balance at 30 June 2017	1,422,344	-	222	1,225,607	2,648,173	(70,908)	2,577,265

Note:
The Companies Act 2016 ("the Act"), which took effect from 31 January 2017 onwards, abolished the concept of authorised share capital and par value for shares. Pursuant to the transition provisions set out in Section 618 (2) of the Act, the amount standing to the credit of the share premium account of RM622,344,000 has become part of the Company's 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 2017.

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

For the period ended 30 June 2018

(All figures are stated in RM'000)	2018	2017
Operating Activities		
Receipts from customers	**315,319**	384,867
Cash paid to suppliers and employees	**(261,217)**	(237,537)
Cash generated from operations	**54,102**	147,330
Tax paid	**(25,436)**	(12,504)
Net cash generated from operating activities	**28,666**	134,826
Investing Activities		
Purchase of property, plant and equipment	**(29,560)**	(29,030)
Acquisition of plantation assets	**(699,021)**	-
Proceeds from disposal of property, plant and equipment	**26**	-
Deposits received on proposed disposal of land	**9,523**	43,409
Proceeds from government acquisition of part of plantation asset	**6,409**	-
Deposit paid on proposed acquisition of plantation assets	**(7,560)**	-
Interest received	**929**	6,403
Dividend received	**4,000**	6,750
Net cash (used in)/ generated from investing activities	**(715,254)**	27,532
Financing Activities		
Drawdown of term loans	**400,000**	-
Increase/(decrease) in revolving credits	**501,000**	(65,000)
Repayment of term loan	**-**	(12,500)
Interest paid	**(9,204)**	(18,209)
Dividend paid	**(120,000)**	(96,000)
Dividends paid to non-controlling interest	**(462)**	**-**
Net cash generated from/ (used in) financing activities	**771,334**	(191,709)
Net increase/ (decrease) in cash and cash equivalents	**84,746**	(29,351)
Cash and cash equivalents at beginning of year	**15,802**	420,441
Cash and cash equivalents at end of period	**100,548**	391,090
Comprising:		
Cash and bank balances	**100,570**	391,105
Bank overdrafts	**(22)**	(15)
	100,548	391,090

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

Notes to the interim financial report for the quarter ended 30 June 2018

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements is prepared in accordance with International Financial Reporting Standards compliant framework, Malaysian Financial Reporting Standards ("MFRS") applicable to the preparation of interim financial statements including MFRS 134 - Interim Financial Reporting and paragraph 9.22 Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements. The interim financial statements is unaudited and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2017.

All figures are stated in RM'000, unless otherwise stated.

2. Accounting Policies

2.1 The Group adopted all MFRS including MFRS 141 (revised) Agriculture and the adoption was carried out in accordance with MFRS1 "First-time adoption of Malaysian Financial Reporting Standards", using 1 January 2017 as the Transition Date.

2.2 The accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2017 except as discussed below:

a) Business Combinations

MFRS 1 provides the option to apply MFRS 3 Business Combinations, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition, the following applies:

(i) The classification of previous business combinations under FRS is maintained;
(ii) There is no re-measurement of original fair values determined at the date of acquisition; and
(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

b) Property, Plant & Equipment (including Bearer Plants)

The Group's oil palms are classified as bearer plants.

At Transition Date, the Group elected to record certain freehold and leasehold land and bearer plants at fair value as their deemed costs. The effects of the election are as follows:

As at the date, the carrying amount of property, plant and equipment (including bearer plants) increased by RM615,959,000 (30 June 2017: RM592,190,000; 31 December 2017: RM579,093,000) with corresponding increase in deferred tax liabilities of RM219,373,000 (30 June 2017: RM220,845,000; 31 December 2017: RM224,683,000) and corresponding decrease in non-controlling interests of RM99,018,000 (30 June 2017: RM99,954,000; 31 December 2017: RM100,852,000). The resulting adjustments were taken to retained earnings. Accordingly, depreciation net of replanting expenditure increased by RM23,769,000 (Q2 2017) and RM36,866,000 (FYE 2017) and income tax expense increased by RM1,472,000 (Q2 2017) and RM5,310,000 (FYE 2017).

The remaining bearer plants were stated at cost less accumulated depreciation and accumulated impairment losses.

c) Biological assets

Biological assets represent growing produce on oil palms.

Prior to the adoption of the Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture, biological assets which form part of bearer plants were not accounted separately. With the adoption of the Amendments to MFRS 116 and MFRS 141, biological assets fall within the scope of MFRS 141 and are measured at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit or loss.

2. Accounting Policies (cont'd.)

As at Transition Date, a sum of RM30,342,000 (30 June 2017: RM27,667,000; 31 December 2017: RM22,951,000) was taken up under biological assets with corresponding increase in deferred tax liabilities of RM6,150,000 (30 June 2017: RM5,970,000; 31 December 2017: RM4,928,000) and corresponding increase in non-controlling interests of RM1,887,000 (30 June 2017: RM1,117,000; 31 December 2017: RM967,000). The resulting adjustments were taken to retained earnings. Accordingly, changes in fair value of RM2,675,000 (Q2 2017) and RM7,391,000 (FYE 2017) were recognised within operating cost and income tax expense decreased by RM180,000 (Q2 2017) and RM1,222,000 (FYE 2017).

d) Foreign exchange reserves

Cumulative foreign currency translation differences for all foreign operations are deemed to be zero at Transition Date. Accordingly, as at the date, the cumulative foreign currency translation differences of RM151,000 were taken to retained earnings.

The reconciliations of equity and total comprehensive income for comparative periods/year from the previous Financial Reporting Standards to MFRS are provided on pages 7 & 8.

2.3 Standards Issued but not yet Effective

The Group has not early adopted the following MFRS that are not yet effective:

	Effective Date
• Amendments to MFRS 3 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to MFRS 9 - Prepayment Features with Negative Compensation	1 January 2019
• Amendments to MFRS 10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture	Deferred
• Amendments to MFRS 11 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• MFRS 16 - Leases	1 January 2019
• MFRS 17 - Insurance Contracts	1 January 2021
• Amendments to MFRS 112 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement	1 January 2019
• Amendments to MFRS 123 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to MFRS 128 - Long-term interests in Associates and Joint Ventures	1 January 2019

Except for the MFRS 16 Leases there are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods.

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which is presented as financing cash flows) and an interest portion (which is presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application of MFRS 16 is permitted but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach.

The standard will affect primarily the accounting for the Group's operating leases. However, the Group has not assessed if there are any adjustments which are necessary because of the different treatment of variable lease payments, extension or termination options. It is therefore not practicable at this juncture to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of MFRS 16 and how this may affect the Group's profit or loss and classification of cash flows going forward.

2.4 Except for the transition elections as disclosed in 2.2(b) and 2.2(d), the Group has consistently applied the same accounting policies and estimates in its opening MFRS statement of financial position at Transition Date and throughout all financial periods presented, as if these policies and estimates have always been in effect.

2.5 (i) Reconciliations of financial position and equity:

Condensed Consolidated Statement of Financial Position

	As at 1 January 2017			As at 30 June 2017			As at 31 December 2017		
	As stated under FRS RM'000	**Effects of MFRS RM'000**	**As stated under MFRS RM'000**	**As stated under FRS RM'000**	**Effects of MFRS RM'000**	**As stated under MFRS RM'000**	**As stated under FRS RM'000**	**Effects of MFRS RM'000**	**As stated under MFRS RM'000**
Non-current assets									
Property, plant and equipment	1,324,444	1,864,544 (i)	3,188,988	1,319,099	1,840,775 (i)	3,159,874	1,306,040	1,814,020 (i)	3,120,060
Biological assets	1,248,585	(1,248,585)	-	1,248,585	(1,248,585)	-	1,234,927	(1,234,927)	-
Other non-current assets	84,875	-	84,875	79,368	-	79,368	81,430	-	81,430
	2,657,904	615,959	3,273,863	2,647,052	592,190	3,239,242	2,622,397	579,093	3,201,490
Current assets									
Inventories	24,462	-	24,462	30,684	-	30,684	26,085	-	26,085
Biological assets	-	30,342	30,342	-	27,667	27,667	-	22,951	22,951
Other current assets	515,035	-	515,035	448,772	-	448,772	187,752	-	187,752
	539,497	30,342	569,839	479,456	27,667	507,123	213,837	22,951	236,788
Asset held for sale	60,085	-	60,085	60,085	-	60,085	14,008	-	14,008
Total assets	3,257,486	646,301	3,903,787	3,186,593	619,857	3,806,450	2,850,242	602,044	3,452,286
Equity attributable to equity holders of the Company									
Share capital	800,000	-	800,000	1,422,344	-	1,422,344	1,422,344	-	1,422,344
Reserves	1,385,701	517,909	1,903,610	733,950	491,879	1,225,829	1,124,817	472,318	1,597,135
	2,185,701	517,909	2,703,610	2,156,294	491,879	2,648,173	2,547,161	472,318	3,019,479
Non-controlling interests	29,049	(97,131)	(68,082)	27,929	(98,837)	(70,908)	25,313	(99,885)	(74,572)
	2,214,750	420,778	2,635,528	2,184,223	393,042	2,577,265	2,572,474	372,433	2,944,907
Non-current liabilities									
Deferred tax liabilities	24,113	225,523	249,636	24,086	226,815	250,901	26,556	229,611	256,167
Other non-current liabilities	105,372	-	105,372	92,872	-	92,872	5,966	-	5,966
	129,485	225,523	355,008	116,958	226,815	343,773	32,522	229,611	262,133
Total current liabilities	913,251	-	913,251	885,412	-	885,412	245,246	-	245,246
Total equity and liabilities	3,257,486	646,301	3,903,787	3,186,593	619,857	3,806,450	2,850,242	602,044	3,452,286

Note:

(i) This is inclusive of effects of fair value as deemed cost for freehold and leasehold lands and selected bearer plants of RM743,277,000.

2.5 (ii) Reconciliations of profit or loss, comprehensive income and cashflows:

Condensed Statement of Consolidated Comprehensive Income

	Period ended 30 June 2017			Year ended 31 December 2017		
	As stated under FRS RM'000	**Effects of MFRS RM'000**	**As stated under MFRS RM'000**	**As stated under FRS RM'000**	**Effects of MFRS RM'000**	**As stated under MFRS RM'000**
Revenue	358,507	-	358,507	760,097	-	760,097
Operating cost	(263,320)	(26,444)	(289,764)	(570,594)	(44,257)	(614,851)
Other gains less finance cost	(9,338)	-	(9,338)	543,167	-	543,167
Profit before taxation	85,849	(26,444)	59,405	732,670	(44,257)	688,413
Taxation	(20,598)	(1,292)	(21,890)	(70,706)	(4,088)	(74,794)
Profit for the financial period/year	65,251	(27,736)	37,515	661,964	(48,345)	613,619
Other comprehensive income:						
Share of exchange fluctuation of Associate	222	-	222	222	-	222
	65,473	(27,736)	37,737	662,186	(48,345)	613,841
Profit/(loss) attributable to:						
Shareholders of the Company	66,371	(26,030)	40,341	665,238	(45,591)	619,647
Non-controlling interests	(1,120)	(1,706)	(2,826)	(3,274)	(2,754)	(6,028)
Profit for the period/year	65,251	(27,736)	37,515	661,964	(48,345)	613,619
Total comprehensive income/ (expense) attributable to:						
Shareholders of the Company	66,593	(26,030)	40,563	665,460	(45,591)	619,869
Non-controlling interests	(1,120)	(1,706)	(2,826)	(3,274)	(2,754)	(6,028)
Total comprehensive income for the period/year	65,473	(27,736)	37,737	662,186	(48,345)	613,841

Condensed Consolidated Statement of Cashflows

	Period ended 30 June 2017		
	As stated under FRS RM'000	**Effects of MFRS RM'000**	**As stated under MFRS RM'000**
Cash flows from operating activities			
Cash paid to suppliers and employees	(251,159)	13,622	(237,537)
Cash flows from investing activities			
Purchase of property, plant and equipment	(15,408)	(13,622)	(29,030)

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 palms 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 27 March 2018, the Company paid 4th interim single tier dividend of 4.0 sen per share in respect of the financial year ended 31 December 2017 amounting to RM64.0 million.

(ii) On 27 June 2018, the Company paid 1st interim single tier dividend of 2.5 sen per share in respect of the current financial year ending 31 December 2018 amounting to RM56.0 million.

For the current quarter, the Directors have declared a single tier interim dividend of 2.5 sen per share in respect of the year ending 31 December 2018. The dividends will be paid on 25 September 2018 to shareholders registered in the Register of Members at the close of business on 12 September 2018.

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**
2018				
Revenue	**122,506**	**137,312**	**36,538**	**296,356**
Reportable segment operating profit/(loss)	**10,745**	**(8,289)**	**(13,319)**	**(10,863)**
Interest income				**937**
Finance cost				**(10,088)**
Share of results of Associate				**1,606**
Loss before taxation				**(18,408)**
Taxation				**(5,684)**
Loss for the period				**(24,092)**

RM'000	**Peninsular Malaysia**	**Sabah**	**Sarawak**	**Total**
2017				
Revenue	150,476	155,791	52,240	358,507
Reportable segment operating profit	33,019	31,272	1,959	66,250
Unrealised gain on foreign exchange				2,493
Interest income				6,662
Finance cost				(17,999)
Share of results of Associate				1,999
Profit before taxation				59,405
Taxation				(21,890)
Profit for the period				37,515

9. Debt and Equity Securities

During the quarter, the Company issued 639,999,895 bonus shares, thereby increasing the total number of issued shares to 2,239,999,895 from 1,600,000,000.

Other than the aforementioned, 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 August 2018 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 30 June 2018:

	Cumulative period	
	2018	**2017**
	RM'000	**RM'000**
Capital expenditure		
- Authorised and contracted for	**389,440**	-
- Authorised but not contracted for	**104,502**	74,480
	493,942	74,480

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 2017.

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

16. Performance Review

	Current Period				Cumulative Period			
	2018	**2017**	**Decrease**		**2018**	**2017**	**Decrease**	
	RM'000			**(%)**	**RM'000**			**(%)**
Revenue	**141,752**	169,487	(27,735)	(16%)	**296,356**	358,507	(62,151)	(17%)
(Loss)/ Profit from operations	**(19,663)**	21,350	(41,013)	(192%)	**(10,863)**	68,743	(79,606)	(116%)
(Loss)/ Profit before taxation	**(26,224)**	16,969	(43,193)	(255%)	**(18,408)**	59,405	(77,813)	(131%)
(Loss)/ Profit for the period	**(26,438)**	8,434	(34,872)	(413%)	**(24,092)**	37,515	(61,607)	(164%)
(Loss)/ Profit attributable to Shareholders of the Company	**(22,239)**	10,781	(33,020)	(306%)	**(16,980)**	40,341	(57,321)	(142%)

For the second quarter of 2018, the Group recorded a pre-tax loss of RM26.2 million as compared with a profit of RM17.0 million for the corresponding quarter last year. The loss was attributed to the decline in palm product prices and lower production, particularly for the Peninsular region.

For the first six months of 2018, the unaudited pre-tax loss of RM18.4 million was down 131% from profit of RM59.4 million for same period last year. The reduction was mainly due to the sharp fall in selling prices of palm products and the increase in operating expenditure. Better production from existing Sabah estates and contribution from the recently acquired Pertama Estates, cushioned to a small extent the downturn in selling prices.

16. Performance Review (cont.)

FFB production for the six-month period declined by 2% to 431,349 MT. OER averaged at 20.7% as compared with 20.8% for the corresponding period last year. The average KER of 4.4% was marginally higher than the rate for the corresponding period of 2017. CPO achieved an average selling price of RM2,457 per MT, down by RM512 per MT or 17% from RM2,969 per MT for the corresponding period last year whilst PK's average price of RM2,001 per MT, was down by RM619 per MT or 24%.

Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM10.7 million as compared with RM33.0 million for the six-month period ended 30 June 2017. The decline in profit of RM22.3 million or 68% was mainly attributed to the slump in prices of palm products, lower production and increase in operating expenditure. The region’s FFB crop of 169,867 MT was down from 2017 by 9%.

Sabah region

Sabah region incurred a segment loss of RM8.3 million, down by RM39.6 million from profit of RM31.3 million for the corresponding six months of 2017. Although FFB production of 204,729 MT reflected an increase of 8%, the adverse impact of lower selling prices and higher operating expenditure led to the decline in profit.

Sarawak region

Sarawak region incurred a segment loss of RM13.3 million as compared with profit of RM1.9 million for six-month period of 2017. Besides the impact of lower palm product prices, FFB production of 56,753 MT was down 11% from the corresponding period last year.

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

	Current Quarter	Immediate Preceding Quarter	Decrease	
	RM'000	RM'000	RM'000	(%)
Revenue	**141,752**	154,604	(12,852)	(8%)
(Loss)/ Profit from operations	**(19,663)**	8,800	(28,463)	(323%)
(Loss)/ Profit before taxation	**(26,224)**	7,816	(34,040)	(436%)
(Loss)/ Profit for the period	**(26,438)**	2,346	(28,784)	(1,227%)
(Loss)/ Profit attributable to Shareholders of the Company	**(22,239)**	5,259	(27,498)	(523%)

For the current quarter, the unaudited loss before tax of RM26.2 million was down by RM34.0 million from the immediate preceding quarter's profit of RM7.8 million. The current quarter's loss was due to lower selling prices, 9% reduction in crops and higher expenditure, mainly for manuring.

The Group's revenue of RM141.7 million was lower than the immediate preceding quarter's revenue of RM154.6 million by 8%. CPO realised an average price of RM2,421 per MT, which fell by RM70 from the immediate preceding quarter while PK price of RM1,791 per MT dropped by RM397 per MT. FFB production of 205,026 MT was lower than the immediate preceding quarter by 9%.

18. Prospects for Rest of the Year

Crop production and selling prices influence the Group’s profitability. For the current financial year, the expected gain from the proposed sale of 138.89 hectares of Malakoff Estate will uplift the Group’s profit for the year.

While the Group's productivity is influenced by availability of labour and difficult operating conditions in Sarawak, the recently acquired Pertama estates will contribute towards the Group's crop production.

For the second quarter of 2018, CPO prices came under pressure due to lacklustre exports caused by the reinstatement of CPO export duty in May 2018 and the US-China trade conflicts which had led to a sharp drop in soy prices.

The price direction for palm oil for the rest of the year is likely to be governed by the production trend from Indonesia and Malaysia, soyabean supplies, biodiesel offtake in Indonesia, Indian demand, development of US China trade tensions and its implications on prices of crude mineral oil. The Group is cautiously optimistic that palm oil prices will pick up in the last quarter of 2018.

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 2018 RM'000	Cumulative Period 2018 RM'000
Malaysian taxation based on profit for the period:		
- Current	**(117)**	**5,363**
- Deferred	**331**	**321**
	214	**5,684**

The Group's effective tax rate for the cumulative quarter is higher than the statutory tax rate due mainly to non-deductibility of expenses and non-availability of group relief for losses of certain subsidiaries.

21. Status of Corporate Proposals

(i) Proposed Land Disposal

On 24 January 2018, CIMB Islamic Trustee Berhad ("CITB"), acting solely as trustee for the Company entered into separate sale and purchase agreements for the disposal of 138.89 hectares of freehold land situated in Mukim 12, Daerah Seberang Perai Utara, Pulau Pinang for a total cash consideration of approximately RM136 million. The details are as follows:

(a) Disposal of 82.84 hectares to Sunrich Conquest Sdn. Bhd. for a sale consideration of RM81 million.
(b) Disposal of 56.05 hectares to Titanium Greenview Sdn. Bhd. for a sale consideration of RM55 million.

A total deposit of RM9.5 million or 7% of the combined sale proceeds has been received. The sale of the lands is expected to be completed in the third quarter of 2018.

(ii) Proposed Land Acquisition

On 1 August 2018, Boustead Rimba Nilai Sdn Bhd ("BRNSB"), a wholly-owned Subsidiary of the Company entered into a sale and purchase agreement ("SPA") with several parties for the acquisition of oil palm plantation lands within the District of Beluran, Kinabatangan and Labuk & Sugut comprising 17 land titles measuring a total of 12,144.99 acres (4,915.25 hectares) together with a 75 tonnes per hour palm oil mill and buildings erected thereon as well as movable assets, machineries and vehicles for a cash consideration of RM397 million.

BRNSB has paid a 10% deposit. The SPA is pending the approvals of shareholders of the vendors, regulatory authorities and other conditions precedent, where applicable. The Proposed Acquisition is expected to be completed by the 1st quarter of 2019.

There were no other corporate proposals announced or pending completion as at 23 August 2018.

22. Changes in Material Litigations

As at 23 August 2018, there was no material litigation involving the Group or the Company.

23. Statement of Financial Position

As at 30 June 2018, property, plant and equipment and borrowings had increased by RM741 million and RM897 million respectively. The significant increase was largely attributable to the acquisition of Pertama estates.

24. Statement of Cash Flows

For the six-month period ended 30 June 2018, the increase in net cash and cash equivalents were mainly contributed by surpluses from operations combined with the drawdown of revolving credits for payments of capital expenditure and working capital requirements. As reflected in the cashflows, the Group completed the payment for Pertama Estates on 16 May 2018 from the drawdown of term loans and revolving credits.

25. Earnings Per Share - Basic

	Current period		Cumulative period	
	2018	**2017**	**2018**	**2017**
Net (loss)/ profit for the period (RM'000)	**(22,239)**	10,781	**(16,980)**	40,341
Weighted average number of ordinary shares in issue ('000) (Note)	**2,240,000**	2,240,000	**2,240,000**	2,240,000
Basic (loss)/ earnings per ordinary share (Sen)	**(0.99)**	0.48	**(0.76)**	1.80

Note: Number of shares for 2017 is inclusive of bonus shares as explained in Note 9.

26. Group Borrowings

Total group borrowings as at 30 June 2018 are as follows:

	At 30 June 2018 RM'000	At 31 December 2017 RM'000
Non-Current:		
Unsecured		
Term loan	**380,811**	-
	380,811	-
Current:		
Unsecured		
Bank overdrafts	**22**	16
Revolving credits	**641,000**	140,000
Term loans	**15,457**	-
	656,479	140,016
Total borrowings	**1,037,290**	140,016

(i) The bank overdrafts bear interest at a weighted average of 7.59% (31.12.2017: 7.56%) per annum.
(ii) The revolving credits bear interest at a weighted average of 4.78% (31.12.2017: 4.35%) per annum.
(iii) During the current quarter, RM350 million Islamic term loan and RM50 million of term loan were drawndown. The Islamic term loan carries an average profit rate of 5.30% per annum whereas the term loan bears interest at 5.55% per annum.

The debt for the current period and last year comprised wholly of floating interest rate debt.

27. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2018 RM'000	**2017 RM'000**	**2018 RM'000**	**2017 RM'000**
Depreciation and amortisation	**(34,089)**	(29,168)	**(62,251)**	(59,122)
Foreign exchange gain/ (loss)	**-**	1,683	**(1)**	2,505

28. Plantation Statistics

	Cumulative Period	
	2018	**2017**
(a) Production and yield		
FFB (MT)	**431,349**	440,075
FFB (MT/ha)	**7.1**	7.5
Crude palm oil production (MT)	**96,246**	100,403
(b) Oil extraction rate (%)		
Crude palm oil	**20.7**	20.8
Palm kernel	**4.4**	4.3
(c) Average Selling Prices (RM per MT)		
FFB	**489**	651
CPO	**2,457**	2,969
PK	**2,001**	2,620

(d) Planted areas (hectares)

	At 30 June 2018	At 31 December 2017
Oil palm - past prime	**22,477**	14,569
- prime mature	**33,614**	32,363
- young mature	**12,367**	12,179
- immature	**6,319**	5,876
	74,777	64,987