BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 December 2018	Current Period		Cumulative Period	
(All figures are stated in RM'000)	**2018**	**2017**	**2018**	**2017**
Revenue	**156,558**	218,163	**584,009**	760,097
Operating cost	**(154,883)**	(187,654)	**(604,550)**	(614,349)
(Loss)/Profit from operations	**1,675**	30,509	**(20,541)**	145,748
Gain on disposal of plantation asset	**-**	-	**-**	554,868
Interest income	**44**	1,206	**1,312**	11,616
Finance cost	**(13,647)**	(1,298)	**(36,784)**	(27,885)
Share of results of Associate	**2,523**	2,084	**5,040**	4,568
(Loss)/Profit before taxation	**(9,405)**	32,501	**(50,973)**	688,915
Taxation	**(5,782)**	(11,806)	**(12,936)**	(74,778)
(Loss)/Profit for the period	**(15,187)**	20,695	**(63,909)**	614,137
Other comprehensive (expense)/income				
Share of exchange fluctuation of Associate	**-**	-	**(384)**	222
Total comprehensive (expense)/income for the period	**(15,187)**	20,695	**(64,293)**	614,359
(Loss)/Profit attributable to:				
Shareholders of the Company	**(12,904)**	22,167	**(51,781)**	620,165
Non-controlling interests	**(2,283)**	(1,472)	**(12,128)**	(6,028)
(Loss)/Profit for the period	**(15,187)**	20,695	**(63,909)**	614,137
Total comprehensive (expense)/income attributable to:				
Shareholders of the Company	**(12,904)**	22,167	**(52,165)**	620,387
Non-controlling interests	**(2,283)**	(1,472)	**(12,128)**	(6,028)
Total comprehensive (expense)/income for the period	**(15,187)**	20,695	**(64,293)**	614,359
(Loss)/Earnings per share - sen				
Basic	**(0.58)**	**0.99**	**(2.31)**	**27.69**

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

(All figures are stated in RM'000)	As at 31 December 2018	As at 31 December 2017	As at 1 January 2017
ASSETS			
Non-current assets			
Property, plant and equipment	**3,609,300**	3,118,622	3,187,048
Prepaid land lease payments	**45,838**	47,796	49,754
Investment in Associate	**29,019**	28,363	30,323
Goodwill on consolidation	**2,281**	2,281	2,281
Deferred tax assets	**2,557**	2,990	2,517
	3,688,995	3,200,052	3,271,923
Current assets			
Inventories	**36,034**	26,085	24,462
Biological assets	**15,662**	22,951	30,342
Receivables	**121,160**	169,540	88,027
Tax recoverable	**4,186**	2,394	2,438
Cash and bank balances	**57,799**	15,818	424,570
	234,841	236,788	569,839
Asset held for sale	**237,419**	14,008	60,085
	472,260	250,796	629,924
TOTAL ASSETS	**4,161,255**	3,450,848	3,901,847
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	**1,422,344**	1,422,344	800,000
Reserves	**1,295,554**	1,597,538	1,903,495
Shareholders' equity	**2,717,898**	3,019,882	2,703,495
Non-controlling interests	**(86,812)**	(74,572)	(68,082)
Total equity	**2,631,086**	2,945,310	2,635,413
Non-current liabilities			
Borrowings	**373,085**	-	100,000
Deferred tax liabilities	**281,201**	254,326	247,811
Payables	**6,330**	5,966	5,372
	660,616	260,292	353,183
Current liabilities			
Borrowings	**744,600**	140,016	801,152
Payables	**79,785**	96,140	105,362
Dividend payable	**44,800**	-	-
Taxation	**368**	9,090	6,737
	869,553	245,246	913,251
Total liabilities	**1,530,169**	505,538	1,266,434
TOTAL EQUITY AND LIABILITIES	**4,161,255**	3,450,848	3,901,847

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 year ended 31 December 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**	**1,597,316**	**3,019,882**	**(74,572)**	**2,945,310**
Total comprehensive income for the year	**-**	**-**	**(384)**	**(51,781)**	**(52,165)**	**(12,128)**	**(64,293)**
Remeasurement of deferred tax liability on fair value surpluses of freehold lands arising from changes in tax rate	**-**	**-**	**-**	**(29,019)**	**(29,019)**	**-**	**(29,019)**
Transactions with owners:							
Dividends	**-**	**-**	**-**	**(220,800)**	**(220,800)**	**(112)**	**(220,912)**
Balance at 31 December 2018	**1,422,344**	**-**	**(162)**	**1,295,716**	**2,717,898**	**(86,812)**	**2,631,086**
2017							
Balance at 1 January 2017	800,000	622,344	-	1,281,151	2,703,495	(68,082)	2,635,413
Total comprehensive income for the year	-	-	222	620,165	620,387	(6,028)	614,359
Transactions with owners:							
Dividends	-	-	-	(304,000)	(304,000)	(462)	(304,462)
Transition in accordance with section 618(2) of the Companies Act 2016	622,344	(622,344)	-	-	-	-	-
Balance at 31 December 2017	1,422,344	-	222	1,597,316	3,019,882	(74,572)	2,945,310

Note:
The Companies Act 2016 ("the Act"), which took effect from 31 January 2017, 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 year ended 31 December 2018

(All figures are stated in RM'000)	**2018**	**2017**
Operating Activities		
Receipts from customers	**603,427**	772,648
Cash paid to suppliers and employees	**(492,033)**	(519,915)
Cash generated from operations	**111,394**	252,733
Retirement benefit obligations paid	**(211)**	(212)
Tax paid	**(34,892)**	(58,860)
Net cash generated from operating activities	**76,291**	193,661
Investing Activities		
Purchase of property, plant and equipment	**(82,652)**	(71,310)
Acquisition of plantation assets	**(699,121)**	-
Proceeds from disposal of property, plant and equipment and and government acquisition	**6,860**	615,043
Deposits received on proposed disposal of land	**9,523**	-
Deposit paid on proposed acquisition of plantation assets	**(39,700)**	(75,000)
Interest received	**1,300**	13,247
Dividend received	**4,000**	6,750
Net cash (used in)/ generated from investing activities	**(799,790)**	488,730
Financing Activities		
Drawdown of term loans	**400,000**	-
Increase/(decrease) in revolving credits	**576,000**	(575,000)
Repayment of term loan	**-**	(178,643)
Interest paid	**(39,185)**	(28,787)
Dividends paid	**(176,000)**	(304,000)
Dividends paid to non-controlling interest	**(462)**	(600)
Net cash generated from/ (used in) financing activities	**760,353**	(1,087,030)
Net increase/ (decrease) in cash and cash equivalents	**36,854**	(404,639)
Cash and cash equivalents at beginning of year	**15,802**	420,441
Cash and cash equivalents at end of year	**52,656**	15,802
Comprising:		
Cash and bank balances	**57,799**	15,818
Bank overdrafts	**(5,143)**	(16)
	52,656	15,802

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 31 December 2018

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements are 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 "Agriculture" and the adoption was carried out in accordance with MFRS 1 "First-time adoption of Malaysian Financial Reporting Standards", using 1 January 2017 as the transition date. The Group also early adopted Amendments to MFRS 3 "Business Combinations (Definition of a Business)".

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 the 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

At transition date, the Group elected to record certain freehold and leasehold land and certain 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 RM614,019,000 (31 December 2017: RM577,655,000) with corresponding increase in deferred tax liabilities of RM217,548,000 (31 December 2017: RM222,842,000) and corresponding decrease in non-controlling interests of RM99,018,000 (31 December 2017: RM100,852,000). The resulting adjustments were taken to retained earnings. Accordingly, amortisation net of replanting expenditure increased by RM36,364,000 and income tax expense increased by RM5,294,000 for financial year ended 31 December 2017.

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

c) Biological assets

Biological assets represent the produce growing on oil palms. Fresh fruit bunches ("FFB") are harvested from oil palms to be used for the production of crude palm oil (CPO) and palm kernel (PK). The growing produce are essentially FFB prior to harvest.

An oil palm fruit typically starts to develop oil from about 14 to 15 weeks after pollination. The oil content in the fruit increases exponentially over the next 5 weeks and reaches its maximum at 22 weeks.

Management have considered the maturity stages of FFB and concluded that FFB expected to be harvested more than 3 weeks are excluded from fair valuation as their fair values are considered negligible.

The fair value of growing produce is determined on the basis of present value of expected future cash flows taking into consideration of the production and estimated selling prices of CPO and PK adjusted for extraction rates, processing, harvesting and transport cost.

2. Accounting Policies (cont'd.)

As at Transition Date, a sum of RM30,342,000 (31 December 2017: RM22,951,000) was taken up under biological assets with corresponding increase in deferred tax liabilities of RM6,150,000 (31 December 2017: RM4,928,000) and corresponding increase in non-controlling interests of RM1,887,000 (31 December 2017: RM967,000). The resulting adjustments were taken to retained earnings. Accordingly, decrease in fair value of RM7,391,000 were recognised within operating cost and income tax expense decreased by RM1,222,000 for financial year ended 31 December 2017.

d) Foreign exchange reserves

As at Transition Date, cumulative foreign currency translation differences are deemed to be zero. 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 year from 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 11 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• MFRS 16 - Leases	1 January 2019
• 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
• IC Interpretation 23 - Uncertainty over Income Tax Treatments	1 January 2019
• Amendments to MFRS 101 - Presentation of Financial Statements (Definition of Material)	1 January 2020
• Amendments to MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)	1 January 2020
• MFRS 17 - Insurance Contracts	1 January 2021
• Amendments to MFRS 10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture	Deferred

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".

The standard will affect primarily the accounting for the Group’s operating leases. The Group is assessing 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(a) and 2.2(b), 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 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**
Non-current assets						
Property, plant and equipment	1,324,444	1,862,604	3,187,048	1,306,040	1,812,582	3,118,622
Biological assets	1,248,585	(1,248,585)	-	1,234,927	(1,234,927)	-
Other non-current assets	84,875	-	84,875	81,430	-	81,430
	2,657,904	614,019 (i)	3,271,923	2,622,397	577,655 (i)	3,200,052
Current assets						
Inventories	24,462	-	24,462	26,085	-	26,085
Biological assets	-	30,342 (ii)	30,342	-	22,951 (ii)	22,951
Other current assets	515,035	-	515,035	187,752	-	187,752
	539,497	30,342	569,839	213,837	22,951	236,788
Asset held for sale	60,085	-	60,085	14,008	-	14,008
Total assets	3,257,486	644,361	3,901,847	2,850,242	600,606	3,450,848
Equity attributable to equity holders of the Company						
Share capital	800,000	-	800,000	1,422,344	-	1,422,344
Reserves	1,385,701	517,794	1,903,495	1,124,817	472,721	1,597,538
	2,185,701	517,794	2,703,495	2,547,161	472,721	3,019,882
Non-controlling interests	29,049	(97,131) (iii)	(68,082)	25,313	(99,885) (iii)	(74,572)
	2,214,750	420,663	2,635,413	2,572,474	372,836	2,945,310
Non-current liabilities						
Deferred tax liabilities	24,113	223,698 (iv)	247,811	26,556	227,770 (iv)	254,326
Other non-current liabilities	105,372	-	105,372	5,966	-	5,966
	129,485	223,698	353,183	32,522	227,770	260,292
Total current liabilities	913,251	-	913,251	245,246	-	245,246
Total equity and liabilities	3,257,486	644,361	3,901,847	2,850,242	600,606	3,450,848

Notes:

(i) Effects of fair value deemed cost election for lands and certain bearer plants of RM744.8 million and restatement of bearer plants under MFRS of RM130.7 million.

(ii) Recognition of biological assets.

(iii) Non-controlling interest share of fair value deemed cost election for bearer plants and share of amortisation for bearer plants as well as share of biological assets.

(iv) Provision for deferred tax on fair value surpluses for lands and biological assets.

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

Condensed Statement of Consolidated Comprehensive Income

	Year ended 31 December 2017			
	As stated under FRS RM'000	**Effects of MFRS RM'000**		**As stated under MFRS RM'000**
Revenue	760,097	-		760,097
Operating cost	(570,594)	(43,755)	(v)	(614,349)
Other gains less finance cost	543,167	-		543,167
Profit before taxation	732,670	(43,755)		688,915
Taxation	(70,706)	(4,072)	(vi)	(74,778)
Profit for the financial year	661,964	(47,827)		614,137
Other comprehensive income:				
Share of exchange fluctuation of Associate	222	-		222
	662,186	(47,827)		614,359
Profit/(loss) attributable to:				
Shareholders of the Company	665,238	(45,073)		620,165
Non-controlling interests	(3,274)	(2,754)		(6,028)
Profit for the year	661,964	(47,827)		614,137
Total comprehensive income/ (expense) attributable to:				
Shareholders of the Company	665,460	(45,073)		620,387
Non-controlling interests	(3,274)	(2,754)		(6,028)
Total comprehensive income for the year	662,186	(47,827)		614,359

Condensed Consolidated Statement of Cashflows

	Year ended 31 December 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	(557,111)	37,196	(519,915)
Cash flows from investing activities			
Purchase of property, plant and equipment	(34,114)	(37,196)	(71,310)

Notes:

(v) Recognition of amortisation for land and bearer plants net of replanting expenditure and decrease in fair value of biological assets.

(vi) Deferred tax effects arising from item (v).

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 ended 31 December 2018 amounting to RM56.0 million.

(iii) On 25 September 2018, the Company paid 2nd interim single tier dividend of 2.5 sen per share in respect of the current financial year ended 31 December 2018 amounting to RM56.0 million.

(iv) On 4 January 2019, the Company paid 3rd interim single tier dividend of 2.0 sen per share in respect of the current financial year ended 31 December 2018 amounting to RM44.8 million.

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	**237,509**	**271,794**	**74,706**	**584,009**
Reportable segment operating profit/(loss)	**30,180**	**(29,836)**	**(20,885)**	**(20,541)**
Interest income				**1,312**
Finance cost				**(36,784)**
Share of results of Associate				**5,040**
Loss before taxation				**(50,973)**
Taxation				**(12,936)**
Loss for the year				**(63,909)**

RM'000	**Peninsular Malaysia**	**Sabah**	**Sarawak**	**Total**
2017				
Revenue	325,979	332,390	101,728	760,097
Reportable segment operating profit/(loss)	85,548	70,601	(401)	155,748
Impairment loss on bearer plants				(10,000)
Gain on disposal of plantation asset				554,868
Interest income				11,616
Finance cost				(27,885)
Share of results of Associate				4,568
Profit before taxation				688,915
Taxation				(74,778)
Profit for the year				614,137

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.

On 2 May 2018 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.

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 25 February 2019 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 other than the incorporation of a new wholly-owned subsidiary, Boustead Life Sciences Research Sdn Bhd.

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 December 2018:

	Cumulative period	
	2018	**2017**
	RM'000	**RM'000**
Capital expenditure		
- Authorised and contracted for	**357,300**	675,000
- Authorised but not contracted for	**134,987**	126,285
	492,287	801,285

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	**156,558**	218,163	(61,605)	(28%)	**584,009**	760,097	(176,088)	(23%)
(Loss)/ Profit from operations	**1,675**	30,509	(28,834)	(95%)	**(20,541)**	145,748	(166,289)	(114%)
(Loss)/ Profit before taxation	**(9,405)**	32,501	(41,906)	(129%)	**(50,973)**	688,915	(739,888)	(107%)
(Loss)/ Profit for the period	**(15,187)**	20,695	(35,882)	(173%)	**(63,909)**	614,137	(678,046)	(110%)
(Loss)/ Profit attributable to Shareholders of the Company	**(12,904)**	22,167	(35,071)	(158%)	**(51,781)**	620,165	(671,946)	(108%)

For the fourth quarter of 2018, revenue declined by 28% to RM156.6 million. The Group registered a pre-tax loss of RM9.4 million as compared with a profit of RM32.5 million for the same period last year. The loss was attributed to the decline in palm product prices and increase in interest expense attributed to the acquisition of Pertama estates.

For the year ended 31 December 2018, Group revenue stood at RM584.0 million, down by RM176.1 million from last year. The pre-tax loss of RM51.0 million was down from pre-tax profit of RM688.9 million by RM739.9 million mainly because the previous year's results had included a gain on disposal of plantation assets of RM554.9 million. At operations level, performance was impacted by the decline in selling prices, sluggish production and increasing cost.

16. Performance Review (cont.)

FFB production for the year of 966,134 MT was consistent with last year's production of 973,513 MT. OER averaged at 21.2% as compared with 21.0% for last year. The average KER of 4.4% was also marginally higher than 4.3% for 2017. CPO achieved an average selling price of RM2,261 per MT, down by RM549 per MT or 20% from RM2,810 per MT last year. PK's average price of RM1,780 per MT, was down by RM725 per MT or 29%.

Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM30.2 million as compared with RM85.5 million for last year. The decline in profit of RM55.3 million or 65% was mainly attributed to the downturn in prices and production. The region's FFB crop of 385,731 MT was down from 2017 by 10%.

Sabah region

Sabah region recorded a segment loss of RM29.8 million, down from profit of RM70.6 million last year by RM100.4 million. Although FFB production increased by 10% to 454,332 MT because of the contribution from Pertama estates, the lower selling prices and increase in operating expenditure led to the decline in performance.

Sarawak region

Sarawak region's segment loss of RM20.9 million increased from RM0.4 million last year. The region's performance was impacted by lower palm product prices and FFB production of 126,071 MT which was down from last year by 5%.

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

	Current Quarter	Immediate Preceding Quarter	Increase/ (Decrease)	
	RM'000	RM'000	RM'000	(%)
Revenue	**156,558**	131,095	25,463	19%
Profit/ (Loss) from operations	**1,675**	(11,353)	(13,028)	115%
Loss before taxation	**(9,405)**	(23,160)	(13,755)	59%
Loss for the period	**(15,187)**	(24,630)	(9,443)	38%
Loss attributable to Shareholders of the Company	**(12,904)**	(21,897)	(8,993)	41%

For the current quarter, the unaudited loss before tax of RM9.4 million was an improvement of RM13.8 million from the immediate preceding quarter's loss of RM23.2 million. The improvement in results was mainly attributable to better FFB production which more than offset the impact of lower selling prices.

Quarter 4 revenue of RM156.6 million surpassed the immediate preceding quarter's revenue of RM131.1 million by 19%. CPO realised an average price of RM1,967 per MT, which was a decline of RM282 from Quarter 3 while PK price fell by RM306 to RM1,438 per MT. FFB production of 306,046 MT was better than the crop for the third quarter by 34%.

18. Prospects for the Coming Year

The Group's prospects for the coming year will be challenging. However, the recognition of the gain on disposal of land in Seberang Perai Utara upon completion, should boost earnings of the Group. Although selling prices are expected to improve and growth in production is forecasted, the accounting treatment for oil palms under MFRS will dampen profits.

FFB production for 2019 is projected to see some improvement from the slow production in 2018 supported by the expected increase in crops from existing operations and the Pertama Estates. The proposed acquisition of more than 4,000 hectares of mature fields and a palm oil mill in Sandakan, Sabah, upon completion in second quarter 2019, will also contribute to the Group's performance. Production in Sarawak is likely to remain weak given the operational difficulties in the region.

During the fourth quarter of 2018, CPO was traded at between RM1,710 to RM2,150 per MT. The price is expected to climb towards RM2,400 per MT by early part of second quarter in line with expected stocks drawdown. The biodiesel mandates of Indonesia, reduction of duty on crude and refined palm oil in India coupled with China's positive outlook from the trade dispute with the US are some of the factors supporting CPO.

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	**9,353**	**13,442**
- Deferred	**(5,730)**	**(1,531)**
	3,623	**11,911**
Underprovision of prior year	**2,159**	**1,025**
	5,782	**12,936**

The Group's taxation for the cumulative quarter was due mainly to the non-availability of group relief for losses of certain subsidiaries and non-deductibility of expenses for income tax.

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 with Sunrich Conquest Sdn. Bhd. and Titanium Greenview Sdn. Bhd. 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.

A total deposit of RM13.6 million has been paid by the purchasers. The sale of the lands is expected to be completed in the first quarter of 2019.

(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 Sit Seng & Sons Realty Sdn Bhd and its related 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. Conditions precedent set out in the SPA have not been fully fulfilled. The Proposed Acquisition is expected to be completed by the second quarter of 2019.

There were no other corporate proposals announced or pending completion as at 25 February 2019.

22. Changes in Material Litigations

CIMB Islamic Trustee Berhad ("First Plaintiff"), trustee for Boustead Plantations Berhad and Boustead Plantations Berhad ("Second Plaintiff") had on 28 December 2018 filed a Writ of Summons and Statement of Claim on Setia Fontaines Sdn Bhd ('Defendant') for breach of Sale and Purchase Agreement dated 22 December 2016. The claim is in respect of damages amounting to RM37,207,353.35 for goods and services tax (GST) due from the Defendant together with interest at the rate of 8% per annum and other costs and relief deemed fit by the Court.

In consultation with the Plaintiffs' solicitors, the Group is of the view that the Plaintiffs have a good case in this suit and are positive of the outcome of the litigation.

As at 25 February 2019, there was no other material litigation involving the Group or the Company.

23. Statement of Financial Position

During the year the Group acquired Pertama estates for RM750 million. The Group also reclassified 197.4 hectares of freehold land situated in Balau Estate to asset held for sale. Hence, the net increase in property, plant and equipment and borrowings by RM491 million and RM976 million respectively.

24. Statement of Cash Flows

The drawdown of term loans and revolving credits amounting to a total of RM976 million was largely used to fund the acquisition of plantation lands and working capital.

25. Earnings Per Share - Basic

	Current period		Cumulative period	
	2018	**2017**	**2018**	**2017**
Net (loss)/ profit for the period (RM'000)	**(12,904)**	22,167	**(51,781)**	620,165
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)	**(0.58)**	0.99	**(2.31)**	27.69

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

26. Group Borrowings

Total group borrowings as at 31 December 2018 are as follows:

	At 31 December 2018 RM'000	At 31 December 2017 RM'000
Non-Current:		
Unsecured		
Term loan	**373,085**	-
Current:		
Unsecured		
Bank overdrafts	**5,143**	16
Revolving credits	**716,000**	140,000
Term loans	**23,457**	-
	744,600	140,016
Total borrowings	**1,117,685**	140,016

(i) The bank overdrafts bear interest at a weighted average rate of 8.00% (2017: 7.56%) per annum.
(ii) The revolving credits bear interest at a weighted average rate of 4.76% (2017: 4.35%) per annum.
(iii) During the year RM350 million Islamic term loan and RM50 million 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 year 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	**(39,652)**	(29,352)	**(139,718)**	(117,600)
Foreign exchange gain/ (loss)	-	44	**(1)**	3,388

28. Plantation Statistics

		Cumulative Period	
		2018	**2017**
(a)	**Production and yield**		
	FFB (MT)	**966,134**	973,513
	FFB (MT/ha)	**14.9**	16.7
	CPO (MT)	**211,847**	226,843
	PK (MT)	**43,601**	46,896
(b)	**Oil extraction rate (%)**		
	CPO	**21.2**	21.0
	PK	**4.4**	4.3
(c)	**Average Selling Prices (RM per MT)**		
	FFB	**426**	610
	CPO	**2,261**	2,810
	PK	**1,780**	2,505

(d) **Planted areas (hectares)**

	At 31 December 2018	At 31 December 2017
Past prime	**26,438**	14,569
Prime mature	**29,750**	32,363
Young mature	**12,480**	12,179
Immature	**6,364**	5,876
	75,032	64,987