



**Plantations**

**BOUSTEAD PLANTATIONS BERHAD**

**194601000012 (1245-M)**

*(A member of Boustead Group)*

**BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**  
**UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**

<b>For the quarter ended 31 March 2020</b> <b>(All figures are stated in RM'000)</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>	<b>162,689</b>	134,912	<b>162,689</b>	134,912
Operating cost	<b>(145,414)</b>	(135,775)	<b>(145,414)</b>	(135,775)
Profit/ (Loss) from operations	<b>17,275</b>	(863)	<b>17,275</b>	(863)
Interest income	<b>102</b>	85	<b>102</b>	85
Finance cost	<b>(17,032)</b>	(13,921)	<b>(17,032)</b>	(13,921)
Share of results of Associate	<b>935</b>	651	<b>935</b>	651
<b>Profit/ (Loss) before taxation</b>	<b>1,280</b>	(14,048)	<b>1,280</b>	(14,048)
Taxation	<b>(13,624)</b>	(5,738)	<b>(13,624)</b>	(5,738)
<b>Loss for the period</b>	<b>(12,344)</b>	(19,786)	<b>(12,344)</b>	(19,786)
<b>Loss attributable to:</b>				
Shareholders of the Company	<b>(9,553)</b>	(16,199)	<b>(9,553)</b>	(16,199)
Non-controlling interests	<b>(2,791)</b>	(3,587)	<b>(2,791)</b>	(3,587)
<b>Loss for the period</b>	<b>(12,344)</b>	(19,786)	<b>(12,344)</b>	(19,786)
<b>Loss per share - sen</b>				
Basic	<b>(0.43)</b>	(0.72)	<b>(0.43)</b>	(0.72)

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019.

**BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 31 March	As at 31 December
(All figures are stated in RM'000)	2020	2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,040,118	2,057,601
Right-of-use assets	1,951,230	1,959,890
Investment in Associate	28,471	27,536
Goodwill on consolidation	2,281	2,281
	<b>4,022,100</b>	<b>4,047,308</b>
<b>Current assets</b>		
Inventories	20,902	28,612
Biological assets	20,965	22,230
Receivables	84,797	80,585
Tax recoverable	426	393
Cash and bank balances	21,504	20,468
	<b>148,594</b>	<b>152,288</b>
<b>TOTAL ASSETS</b>	<b>4,170,694</b>	<b>4,199,596</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,422,344	1,422,344
Reserves	1,120,373	1,129,926
<b>Shareholders' equity</b>	<b>2,542,717</b>	<b>2,552,270</b>
<b>Non-controlling interests</b>	<b>(102,875)</b>	<b>(100,084)</b>
<b>Total equity</b>	<b>2,439,842</b>	<b>2,452,186</b>
<b>Non-current liabilities</b>		
Borrowings	637,769	655,134
Deferred tax liabilities	280,494	274,780
Payables	6,197	6,197
	<b>924,460</b>	<b>936,111</b>
<b>Current liabilities</b>		
Borrowings	731,803	722,246
Payables	69,496	83,669
Taxation	5,093	5,384
	<b>806,392</b>	<b>811,299</b>
<b>Total liabilities</b>	<b>1,730,852</b>	<b>1,747,410</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,170,694</b>	<b>4,199,596</b>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019.

**BOUSTEAD PLANTATIONS BERHAD 194601000012 (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
	Share Capital	Non-distributable Other Capital Reserve	Distributable Retained Profits	Total		
<b>31 March 2020</b>						
<b>(All figures are stated in RM'000)</b>						
<b>2020</b>						
Balance at 1 January 2020	1,422,344	(265)	1,130,191	2,552,270	(100,084)	2,452,186
Total comprehensive loss the period	-	-	(9,553)	(9,553)	(2,791)	(12,344)
<b>Balance at 31 March 2020</b>	<b>1,422,344</b>	<b>(265)</b>	<b>1,120,638</b>	<b>2,542,717</b>	<b>(102,875)</b>	<b>2,439,842</b>
<b>2019</b>						
Balance at 1 January 2019	1,422,344	(162)	1,295,716	2,717,898	(86,812)	2,631,086
Total comprehensive loss the period	-	-	(16,199)	(16,199)	(3,587)	(19,786)
<b>Balance at 31 March 2019</b>	<b>1,422,344</b>	<b>(162)</b>	<b>1,279,517</b>	<b>2,701,699</b>	<b>(90,399)</b>	<b>2,611,300</b>

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 2019.

**BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**For the period ended 31 March 2020**

<b>(All figures are stated in RM'000)</b>	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Receipts from customers	158,849	142,075
Cash paid to suppliers and employees	(122,069)	(100,502)
Cash generated from operations	36,780	41,573
Tax paid	(3,797)	(5,141)
Net cash generated from operating activities	32,983	36,432
<b>Investing Activities</b>		
Purchase of property, plant and equipment	(7,105)	(10,218)
Proceeds from disposal of property, plant and equipment	-	25,726
Interest received	101	97
Net cash (used in)/generated from investing activities	(7,004)	15,605
<b>Financing Activities</b>		
Repayment of term loan	(8,000)	-
Interest paid	(16,942)	(13,729)
Dividends paid	-	(44,800)
Dividends paid to non-controlling interest	-	(167)
Net cash used in financing activities	(24,942)	(58,696)
Net increase/(decrease) in cash and cash equivalents	1,037	(6,659)
Cash and cash equivalents at beginning of period	20,443	52,656
<b>Cash and cash equivalents at end of period</b>	<b>21,480</b>	<b>45,997</b>
Comprising:		
Cash and bank balances	21,504	46,021
Bank overdrafts	(24)	(24)
	<b>21,480</b>	<b>45,997</b>

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019.

**BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**  
**Notes to the interim financial report for the quarter ended 31 March 2020**

**Part A - Explanatory Notes Pursuant to MFRS 134**

**1. Basis of Preparation**

The interim financial statements are prepared in accordance with requirements of paragraph 9.22 Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and complies with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting. 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 2019. All figures are stated in RM'000, unless otherwise stated.

**2. Accounting Policies**

**(i) Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2020:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

These amendments had no impact on the financial statements of the Group.

**(ii) Standards Issued but not yet Effective**

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's interim financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

## **BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 101 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

### **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 at the beginning of the year and thereafter increases gradually to reach a peak during the second half of the 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 the previous financial year.

### **7. Dividends**

The Directors have not declared any dividend in respect of the quarter ended 31 March 2020.

## BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)

### 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
<b>2020</b>				
<b>Revenue</b>	57,974	87,586	17,129	162,689
<b>Reportable segment operating profit/(loss)</b>	18,053	3,322	(4,100)	17,275
Interest income				102
Finance cost				(17,032)
Share of results of Associate				935
<b>Profit before taxation</b>				1,280
Taxation				(13,624)
<b>Loss for the year</b>				(12,344)
RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
<b>2019</b>				
<b>Revenue</b>	54,536	66,211	14,165	134,912
<b>Reportable segment operating profit/(loss)</b>	9,902	(4,430)	(6,335)	(863)
Interest income				85
Finance cost				(13,921)
Share of results of Associate				651
<b>Profit before taxation</b>				(14,048)
Taxation				(5,738)
<b>Loss for the year</b>				(19,786)

### 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 and right-of-use assets during the current financial period.



## **BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**

### **11. Subsequent Events**

There were no subsequent events as at 2 June 2020 that will materially affect the financial statements for the financial period under review.

### **12. Significant Events**

The rapid spread of the ongoing COVID-19 pandemic throughout the country and the world has a significant impact on the overall economy including the palm oil sector. The Movement Control Order (MCO) imposed by the government has affected supply chains, reduced the availability of labour and disrupted the operations of plantations and mills despite permission being granted to the plantation industry to resume operations during the MCO period.

In March 2020, as part of the COVID-19 containment efforts, the Sabah State Government decided to shutdown palm oil operations in six districts in Sabah from 25 March 2020 to 14 April 2020. The estates and mills located in Semporna, Lahad Datu and Kinabatangan in Sabah and were operating in the affected areas are Segaria Estate, Segaria Palm Oil Mill, Sungai Segamaha Estate, Bukit Segamaha Estate, G&G Estate, Ladang Tabung Tentera Sabah, Segamaha Palm Oil Mill, Boustead Sungai Lokan Estate and Boustead Lokan Baru Estate. However, the shutdown has had no material effect on the Group's financial position, financial performance and cash flows for the quarter.

From the Group's preliminary assessment, palm oil prices will decrease slightly from current levels over the coming months due to the decline in palm oil demand and global consumption. The scale and duration of the economic uncertainty and its related impact on the outlook and prospects of the Group could not be reasonably estimated at this juncture.

The Group will continue to monitor the development of these events and adhered to all preventive and control measures to curb the spread of COVID-19.

### **13. Changes in Group Composition**

There were no changes in the Group composition during the period under review.

### **14. Changes in Contingent Liabilities and Contingent Assets**

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

## BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)

### 15. Capital Commitments

The Group has the following commitments as at 31 March 2020:

	Cumulative quarter	
	2020	2019
	RM'000	RM'000
Capital expenditure		
- Authorised and contracted for	34,572	389,561
- Authorised but not contracted for	101,646	128,363
	<b>136,218</b>	<b>517,924</b>

### 16. 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 2019.

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

### 17. Performance Review

	Current Period			
	2020	2019	Increase/(Decrease)	
	RM'000		%	
CPO Price	2,793	2,017	776	38%
Revenue	162,689	134,912	27,777	21%
Profit/ (Loss) from operations	17,275	(863)	18,138	2102%
Profit/ (Loss) before taxation	1,280	(14,048)	15,328	109%
Loss for the period	(12,344)	(19,786)	(7,442)	-38%
Loss attributable to Shareholders of the Company	(9,553)	(16,199)	(6,646)	-41%

For the first quarter of 2020, the Group recorded an unaudited pre-tax profit of RM1.3 million as compared with losses of RM14.0 million for the corresponding quarter last year.

Revenue increased by RM27.8 million from RM134.9 million to RM162.7 million due to improved prices of palm products. This led to the profit from operations of RM17.3 million.

CPO realised an average selling price of RM2,793 per MT which surpassed last year's corresponding quarter of RM2,017 by RM776 per MT or 38%. PK's average price of RM1,700 per MT was higher by RM400 per MT or 31%.

FFB production for the quarter of 209,857 MT was 19% lower than the production in the first quarter of 2019 of 258,996 MT. OER and KER reduced from 21.4% to 21.0% and from 4.5% to 4.3% respectively.

## BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)

### Peninsular Malaysia region

Peninsular Malaysia region achieved a segment profit of RM18.1 million, an increase of RM8.2 million from profit of RM9.9 million for the corresponding quarter last year. The region's FFB crop of 81,686 MT was down by 23% from 2019.

### Sabah region

Sabah region recorded a segment profit of RM3.3 million from a loss of RM4.4 million for the first quarter of 2019. Higher selling prices and lower depreciation charges were the main reasons for the improved performance. FFB production of 105,140 MT for the region was lower by 18% as compared to the corresponding quarter last year.

### Sarawak region

Sarawak region's segment loss of RM4.1 million was below last year corresponding quarter loss of RM6.3 million. FFB production of 23,031 MT was lower than 25,855 MT achieved last year but higher selling prices reduced the losses in the current quarter.

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

	Current Quarter	Immediate Preceding Quarter	Increase/ (Decrease)	
			RM'000	(%)
Revenue	<b>162,689</b>	179,104	(16,415)	-9%
Profit/ (Loss) from operations	<b>17,275</b>	12,845	4,430	34%
Profit/ (Loss) before taxation	<b>1,280</b>	(177,711)	178,991	-101%
Loss for the period	<b>(12,344)</b>	(175,800)	(163,456)	-93%
Loss attributable to Shareholders of the Company	<b>(9,553)</b>	(172,725)	(163,172)	-94%

For the current quarter, the unaudited profit before tax of RM1.3 million exceeded the immediate preceding quarter's loss of RM1.7 million (excluding the impairment losses of RM176.0 million). Better result was mainly attributable to the higher palm product prices for the quarter and the reduction in depreciation charges as a result of the impairment made for the Boustead Pertama and Boustead Tawai assets in the preceding quarter.

Revenue for the current quarter of RM162.7 million fell by RM16.4 million from the revenue of the immediate preceding quarter of RM179.1 million due to lower crop production. FFB production of 209,857 MT was down from the fourth quarter of 2019 by 17%. However, CPO realised an average price of RM2,793 per MT, an increase of RM347 from the fourth quarter of 2019 price of RM2,446 per MT.

## **BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**

### **19. Prospects for Rest of the Year**

The Group's profitability hinges mainly on the realized selling prices and the Group's planned transformation programme.

The financial year 2020 is expected to be a challenging year for many industries due to the world outbreak of coronavirus (COVID-19) pandemic. The rapid spread of COVID-19 in the final weeks of the first quarter has exerted a ravaging impact on most commodities including palm oil, pushing down global demand and suppressing commodity prices precipitously.

Malaysian palm oil industry was also affected by the outbreak of COVID-19 following the slow demand from both the palm oil importing countries as well as from domestic consumption. The Movement Control Order has interrupted the normal oil palm operational activities such as fertilizing, harvesting, collection of FFB and milling. Shortage of harvesters and logistic issues have hampered the palm oil production. There is a possible risk of recession in the second half of the year should the spread of COVID-19 cannot be contained, which will put further downward pressure on the price of palm oil.

The Group expects to record some growth in crop production with an improved operational efficiency but the uncertainty of recovery from COVID-19 may dampen the progress.

### **20. 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.

### **21. Taxation**

	<b>Current Period</b>	<b>Cumulative Period</b>
	<b>2020</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Malaysian taxation based on (loss)/ profit for the period:</b>		
- Current	5,589	5,589
- Deferred	8,612	8,612
	<b>14,201</b>	<b>14,201</b>
Overprovision of prior year	(577)	(577)
	<b>13,624</b>	<b>13,624</b>

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 reversal of subsidiary deferred tax assets.

## **BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)**

### **22. Status of Corporate Proposals**

#### **Proposed Land Acquisition**

On 25 March 2019, Boustead Rimba Nilai Sdn Bhd entered into a sale and purchase agreement with Lubah Plantations (S) Sdn Bhd for the acquisition of Lubah property within the District of Labuk & Sugut comprising a land title measuring 499.3 hectares for a cash consideration of RM38.21 million. BRNSB has paid a 10% deposit.

The acquisition of Lubah property is expected to be completed in the second quarter 2020.

There were no other corporate proposals announced or pending completion as at 2 June 2020.

### **23. 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 Company's 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 2 June 2020, there was no other material litigation involving the Group or the Company.

### **24. Statement of Financial Position**

There was no significant movement of balances as at 31 March 2020 compared to 31 December 2019.

### **25. Statement of Cash Flows**

During the current quarter, higher collection from customers improved cash flows.

### **26. Earnings Per Share – Basic**

	<b>Current period</b>		<b>Cumulative period</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net loss attributable to shareholders (RM'000)	<b>(9,553)</b>	(16,199)	<b>(9,553)</b>	(16,199)
Weighted average number of ordinary shares in issue ('000)	<b>2,240,000</b>	2,240,000	<b>2,240,000</b>	2,240,000
Basic loss per ordinary share (Sen)	<b>(0.43)</b>	(0.72)	<b>(0.43)</b>	(0.72)

## BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)

### 27. Group Borrowings

Total group borrowings as at 31 March 2020 are as follows:

	At 31 March 2020	At 31 December 2019
	RM'000	RM'000
<b>Non-Current:</b>		
<b><u>Unsecured</u></b>		
Term loans	637,769	655,134
<b>Current:</b>		
<b><u>Unsecured</u></b>		
Bank overdrafts	24	25
Revolving credits	691,000	691,000
Term loans	40,779	31,221
	<b>731,803</b>	<b>722,246</b>
<b>Total borrowings</b>	<b>1,369,572</b>	<b>1,377,380</b>

- (i) The bank overdrafts bear interest at a weighted average rate of 7.85% (31.12.2019: 7.84%) per annum.
- (ii) The revolving credits bear interest at a weighted average rate of 4.69% (31.12.2019: 4.90%) per annum.
- (iii) The RM350 million Islamic term loan carries an average profit rate of 5.15% per annum whereas the RM50 million term loan bears interest at 5.50% per annum.
- (iv) The new term loan facilities of RM315 million carry an average profit rate of 4.98% per annum.

The debt for the current year and last year comprised wholly of floating interest rate debt and denominated in Malaysian Ringgit.

### 28. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Depreciation and amortisation	33,272	36,436	33,272	36,436

## BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)

### 29. Plantation Statistics

	Cumulative Period	
	2020	2019
<b>(a) Production and yield</b>		
FFB (MT)	209,857	258,996
FFB (MT/ha)	3.1	3.8
CPO (MT)	49,518	53,611
PK (MT)	10,148	11,316
<b>(b) Oil extraction rate (%)</b>		
CPO	21.0	21.4
PK	4.3	4.5
<b>(c) Average Selling Prices (RM per MT)</b>		
FFB	534	381
CPO	2,793	2,017
PK	1,700	1,300
	At	At
	31 March	31 December
	2020	2019
<b>(d) Planted areas (hectares)</b>		
Past prime	32,952	32,505
Prime mature	22,153	27,167
Young mature	12,223	13,183
Immature	6,647	6,551
	73,975	79,406