



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**

For the quarter ended 31 March 2021 (All figures are stated in RM'000)	Current Period		Cumulative Period	
	2021	2020	2021	2020
Revenue	171,937	162,689	171,937	162,689
Operating cost	(138,545)	(145,414)	(138,545)	(145,414)
Profit from operations	33,392	17,275	33,392	17,275
Interest income	168	102	168	102
Finance cost	(12,742)	(17,032)	(12,742)	(17,032)
Share of results of Associate	(1,541)	935	(1,541)	935
Profit before taxation	19,277	1,280	19,277	1,280
Taxation	(8,117)	(13,624)	(8,117)	(13,624)
Profit/(Loss) for the period	11,160	(12,344)	11,160	(12,344)
Profit/(Loss) attributable to:				
Shareholders of the Company	12,225	(9,553)	12,225	(9,553)
Non-controlling interests	(1,065)	(2,791)	(1,065)	(2,791)
Profit/(Loss) for the period	11,160	(12,344)	11,160	(12,344)
Earnings/(Loss) per share - sen				
Basic	0.55	(0.43)	0.55	(0.43)

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

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)	2021	2020
ASSETS		
Non-current assets		
Property, plant and equipment	1,987,346	2,002,057
Right-of-use assets	1,917,970	1,927,040
Investment in Associate	29,044	30,376
Goodwill on consolidation	2,281	2,281
	<u>3,936,641</u>	<u>3,961,754</u>
Current assets		
Inventories	33,266	29,214
Biological assets	34,686	25,026
Receivables	72,191	68,251
Tax recoverable	-	311
Cash and bank balances	32,928	44,044
	<u>173,071</u>	<u>166,846</u>
TOTAL ASSETS	<u>4,109,712</u>	<u>4,128,600</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,422,344	1,422,344
Reserves	1,173,973	1,161,748
Shareholders' equity	<u>2,596,317</u>	<u>2,584,092</u>
Non-controlling interests	<u>(110,043)</u>	<u>(108,978)</u>
Total equity	<u>2,486,274</u>	<u>2,475,114</u>
Non-current liabilities		
Borrowings	549,663	574,413
Deferred tax liabilities	293,987	294,206
Payables	6,949	6,949
	<u>850,599</u>	<u>875,568</u>
Current liabilities		
Borrowings	665,163	678,488
Payables	99,052	90,030
Taxation	8,624	9,400
	<u>772,839</u>	<u>777,918</u>
Total liabilities	<u>1,623,438</u>	<u>1,653,486</u>
TOTAL EQUITY AND LIABILITIES	<u>4,109,712</u>	<u>4,128,600</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

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			
31 March 2021							
(All figures are stated in RM'000)							
2021							
Balance at 1 January 2021	1,422,344	(195)	1,161,943	2,584,092	(108,978)	2,475,114	
Total comprehensive income/(loss) for the period	-	-	12,225	12,225	(1,065)	11,160	
Balance at 31 March 2021	1,422,344	(195)	1,174,168	2,596,317	(110,043)	2,486,274	
2020							
Balance at 1 January 2020	1,422,344	(265)	1,130,191	2,552,270	(100,084)	2,452,186	
Total comprehensive income/(loss) for the period	-	-	(9,553)	(9,553)	(2,791)	(12,344)	
Balance at 31 March 2020	1,422,344	(265)	1,120,638	2,542,717	(102,875)	2,439,842	

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 2020.

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

For the period ended 31 March 2021

(All figures are stated in RM'000)

	2021	2020
Operating Activities		
Receipts from customers	173,463	158,849
Cash paid to suppliers and employees	(115,859)	(122,069)
Cash generated from operations	57,604	36,780
Tax and zakat paid	(7,911)	(3,797)
Net cash generated from operating activities	49,693	32,983
Investing Activities		
Purchase of property, plant and equipment	(9,816)	(7,105)
Purchase of right-of-use assets	(152)	-
Interest received	168	101
Net cash used in investing activities	(9,800)	(7,004)
Financing Activities		
Decrease in revolving credits	(22,250)	-
Repayment of term loan	(16,000)	(8,000)
Interest paid	(12,742)	(16,942)
Net cash (used in) from financing activities	(50,992)	(24,942)
Net in cash and cash equivalents	(11,099)	1,037
Cash and cash equivalents at beginning of period	44,027	20,443
Cash and cash equivalents at end of period	32,928	21,480
Comprising:		
Cash and bank balances	32,928	21,504
Bank overdrafts	-	(24)
	32,928	21,480

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020.

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Notes to the interim financial report for the quarter ended 31 March 2021

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 2020. 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 2021:

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Covid-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

The adoption of the above new and amended MFRSs did not have any significant financial impact to the Group and the Company.

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(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 and the Company's financial statements are disclosed below. The Group and the Company intends to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual improvements to MFRS standards 2018 - 2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application.

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.

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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

- (i) On 28 April 2021, the Company paid the 2nd interim single tier dividend of 0.5 sen per share in respect of the previous financial year ended 31 December 2020 amounting to RM11.2 million.
- (ii) For the current quarter, the Directors have declared a 1st interim single tier dividend of 0.3 sen per share in respect of the year ending 31 December 2021. The dividends will be paid on 30 June 2021 to shareholders registered in the Register of Members at the close of business on 11 June 2021.

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
2021				
Revenue	66,957	86,559	18,421	171,937
Reportable segment operating profit	25,836	5,783	1,773	33,392
Interest income				168
Finance cost				(12,742)
Share of results of Associate				(1,541)
Profit before taxation and zakat				19,277
Taxation				(8,117)
Profit for the year				11,160

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RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2020				
Revenue	57,974	87,586	17,129	162,689
Reportable segment operating profit/(loss)	18,053	3,322	(4,100)	17,275
Interest income				102
Finance cost				(17,032)
Share of results of Associate				935
Loss before taxation				1,280
Taxation				(13,624)
Loss for the year				(12,344)

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. Subsequent Events

There were no subsequent events as at 24 May 2021 that will materially affect the financial statements for the financial period under review.

11. Changes in Group Composition

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

12. Changes in Contingent Liabilities and Contingent Assets

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

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13. Capital Commitments

The Group has the following commitments as at 31 March 2021:

	<u>Cumulative quarter</u>	
	<u>2021</u>	<u>2020</u>
	RM'000	RM'000
Capital expenditure		
- Authorised and contracted for	-	34,572
- Authorised but not contracted for	104,956	101,646
	104,956	136,218

14. 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 2020.

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

15. Performance Review

	Current Period			
	2021	2020	Increase/(Decrease)	
	RM'000			(%)
CPO Price	3,751	2,793	958	34%
Revenue	171,937	162,689	9,248	6%
Profit from operations	33,392	17,275	16,117	93%
Profit before taxation	19,277	1,280	17,997	1406%
Profit/ (Loss) for the period	11,160	(12,344)	23,504	190%
Profit/ (Loss) attributable to Shareholders of the Company	12,225	(9,553)	21,778	228%

For the first quarter of 2021, the Group recorded an unaudited pre-tax profit of RM19.3 million which was higher than RM1.3 million recorded in the corresponding quarter last year.

Revenue increased by RM9.2 million from RM162.7 million to RM171.9 million due to improved prices of palm products which led to the profit from operations of RM33.4 million.

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CPO realised an average selling price of RM3,751 per MT which surpassed last year's corresponding quarter of RM2,793 per MT by RM958 per MT (34%). PK's average price of RM2,520 per MT was higher by RM820 per MT (48%).

FFB production for the quarter of 180,165 MT was lower than the production in the first quarter of 2020 of 209,857 MT. FFB yield also reduced from 3.1 MT/Ha to 2.6 MT/Ha in the same period. OER and KER reduced from 21.0% to 20.3% and from 4.3% to 4.0% respectively.

Peninsular Malaysia region

The Peninsular Malaysia region achieved a segment profit of RM25.8 million, an increase of RM7.7 million from a profit of RM18.1 million for the corresponding quarter last year. The higher profit was due to the higher palm product prices. FFB crop for the first quarter of 70,938 MT was lower as compared to 81,686 MT in the first quarter of 2020.

Sabah region

Sabah region recorded a segment profit of RM5.8 million for the first quarter of 2021 which was higher compared to the corresponding quarter last year of RM3.3 million. FFB production of 87,289 MT was lower as compared to 105,140 MT for the first quarter last year. The main reason for the improved performance was the higher selling prices.

Sarawak region

Sarawak region's segment profit of RM1.8 million was a turnaround compared to last year's loss of RM4.1 million. Higher palm products prices contributed to the profit recorded and cushioned the drop in production from 23,031 MT in the first quarter of 2020 to 21,938 MT in the current quarter.

15. Material Changes in Quarterly Results Compared to the Results of the Immediately Preceding Quarter

	Current Quarter	Immediate Preceding Quarter	Increase/ (Decrease)	
	RM'000		(%)	
Revenue	171,937	227,622	(55,685)	-24%
Profit from operations	33,392	62,507	(29,115)	-47%
Profit before taxation	19,277	49,682	(30,405)	-61%
Profit for the period	11,160	26,549	(15,389)	-58%
Profit attributable to Shareholders of the Company	12,225	27,455	(15,230)	-55%

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For the current quarter, the unaudited profit before tax of RM19.3 million was lower than the immediate preceding quarter's profit of RM49.7 million. Revenue for the current quarter of RM171.9 million also decreased by RM55.7 million. The decline in performance was driven by the lower FFB production of 180,165 MT compared to the immediate preceding quarter of 247,693 MT. However, average CPO price of RM3,751 per MT, improved by RM427 as compared to price for the fourth quarter of 2020 of RM3,324 per MT.

16. Prospects for the Coming Year

The Group's profitability for the year is influenced by crop production and CPO prices. The current high CPO prices shall contribute positively to this year's Group earnings but may be capped by lower production due to the existing labour shortage at the estates. The current close border policy imposed by the government and the delayed vaccination program in Malaysia will further impact the recruitment of workers from countries like Indonesia. The situation is compounded by the difficulty in getting locals to work in the estates which will aggravate the shortage in the industry.

World edible oil of sunflower oil, rapeseed oil, soy oil and palm oil prices reached their multi-year high in Q1 2021. The surge in prices was contributed by lower production, growing demand and tightening stocks. The global shortage of vegetable oils is likely to worsen in the near to medium term as palm oil production is recovering slower than expected.

However, the recent resurgence of COVID-19 cases particularly in India and Asian Swine Flu (ASF) in China could curb demand for palm oil and soybean. The price pressure on oilseeds and vegetable oils is expected from July/September onward, based on the prospect of large production increases in 2021/2022. However, palm oil prices are likely to stay elevated and above average throughout 2021.

The Group will continue to be guided by the Boustead Group's Reinventing Boustead strategy that will put us on a stronger footing to take on new opportunities and challenges in the coming months and years.

17. 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.

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18. Taxation

	Current Period	Cumulative Period
	2021	2021
	RM'000	RM'000
Malaysian taxation based on profit for the period:		
Current tax	8,320	8,320
Deferred tax	(108)	(108)
	<u>8,212</u>	<u>8,212</u>
Under-provision of prior year - deferred tax	(95)	(95)
	<u>8,117</u>	<u>8,117</u>

The Group's effective tax rate for the cumulative quarter is higher than the statutory tax rate mainly due to non-deductibility of expenses, losses from subsidiary companies and reversal of deferred tax assets.

19. Status of Corporate Proposals

There were no corporate proposals announced or pending completion as at 24 May 2021.

20. 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 July 2019, the Defendant filed an application for a judicial review against the Customs decision that if the Lands are intended to be used for commercial or mixed development purposes, then the commercial portion is subject to GST. The Plaintiffs are not party to the said judicial review proceedings. Pursuant to the court's decision on the judicial review delivered on 11 September 2020, the Plaintiffs' solicitors were informed that the court has decided, among others, that the sale of the Lands is an exempt supply under the GST (Exempt Supply) Order 2014 and is not subject to any GST.

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The Minister of Finance and the Director-General of Customs did not file any appeal against the judicial review decision. The Group has therefore submitted a request to Customs in November 2020 for the GST refund of RM37,207,353.35. The Group has received notification from Customs that the refund is currently being processed.

On 11 May 2021, the Plaintiffs have withdrawn the suit against the Defendant.

As at 24 May 2021, there were no other material litigation involving the Group or the Company.

21. Statement of Financial Position

There was no significant movement of balances as at 31 March 2021 compared to 31 December 2020.

22. Statement of Cash Flows

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

23. Earnings Per Share – Basic

	Current period		Cumulative period	
	2021	2020	2021	2020
Net profit/(loss) attributable to shareholders (RM'000)	12,225	(9,553)	12,225	(9,553)
Weighted average number of ordinary shares in issue ('000)	2,240,000	2,240,000	2,240,000	2,240,000
Basic earnings/(loss) per ordinary share (Sen)	0.55	(0.43)	0.55	(0.43)

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24. Group Borrowings

Total group borrowings as at 31 March 2021 are as follows:

	At 31 March 2021	At 31 December 2020
	RM'000	RM'000
Non-Current:		
<u>Unsecured</u>		
Term loans	549,663	574,413
Current:		
<u>Unsecured</u>		
Bank overdrafts	-	17
Revolving credits	575,500	597,750
Term loans	89,663	80,721
	665,163	678,488
Total borrowings	1,214,826	1,252,901

The bank overdrafts bear interest at a weighted average rate of 7.75% (2020: 7.75%) per annum.

- (i) The revolving credits bear interest at a weighted average rate of 4.62% (2020: 4.48%) per annum.
- (ii) Included in term loans of the Group of RM643.1 million (2020: RM659.0 million) is an Islamic term loan of the Group of RM287.0 million (2020: RM301.0 million) which bears an average profit rate of 3.9% (2020: 4.39%) per annum. The remaining term loans of the Group of RM356.0 million (2020: RM358.0 million) bears interest rates which range from 3.61% to 4.70% (2020: 3.61% to 5.50%) per annum.

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

25. Additional Disclosures

The Group's profit before taxation is stated after debiting the following:

	Current Quarter		Cumulative Quarter	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Depreciation of PPE and ROU	32,169	33,272	32,169	33,272

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26. Plantation Statistics

	Cumulative Period	
	2021	2020
(a) Production and yield		
FFB (MT)	180,165	209,857
FFB (MT/ha)	2.6	3.1
CPO (MT)	40,436	49,518
PK (MT)	8,003	10,148
b) Oil extraction rate (%)		
CPO	20.3	21.0
PK	4.0	4.3
(c) Average Selling Prices (RM per MT)		
FFB	835	534
CPO	3,751	2,793
PK	2,520	1,700
	At	At
	31 March	31 December
	2021	2020
(d) Planted areas (hectares)		
Past prime	35,561	32,952
Prime mature	20,199	21,672
Young mature	13,103	12,223
Immature	4,590	6,647
	73,453	73,494