



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 2023 (All figures are stated in RM'000)	Current Period		Cumulative Period	
	2023	2022	2023	2022
Revenue	199,743	324,156	199,743	324,156
Operating cost	(177,969)	(172,883)	(177,969)	(172,883)
Profit from operations	21,774	151,273	21,774	151,273
Gain on disposal of plantation assets	30	364,077	30	364,077
Interest income	1,114	1,172	1,114	1,172
Finance cost	(9,840)	(8,785)	(9,840)	(8,785)
Share of results of Associate	393	1,782	393	1,782
Profit before taxation and zakat	13,471	509,519	13,471	509,519
Taxation	(10,467)	(71,262)	(10,467)	(71,262)
Zakat	-	(2,711)	-	(2,711)
Profit for the period	3,004	435,546	3,004	435,546
Profit/(loss) attributable to:				
Shareholders of the Company	5,215	435,158	5,215	435,158
Non-controlling interests	(2,211)	388	(2,211)	388
Profit for the period	3,004	435,546	3,004	435,546
Earnings per share - sen				
Basic	0.23	19.43	0.23	19.43

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022.

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)	2023	2022
ASSETS		
Non-current assets		
Property, plant and equipment	1,858,605	1,861,858
Right-of-use assets	1,859,705	1,868,776
Investment in associate	30,940	30,535
Goodwill on consolidation	2,281	2,281
Deferred tax assets	-	2,765
	<u>3,751,531</u>	<u>3,766,215</u>
Current assets		
Inventories	128,616	136,488
Biological assets	29,154	31,835
Receivables	45,888	133,333
Tax recoverable	-	2,243
Cash and bank balances	99,200	165,618
	<u>302,858</u>	<u>469,517</u>
TOTAL ASSETS	<u>4,054,389</u>	<u>4,235,732</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,422,344	1,422,344
Reserves	1,481,569	1,550,274
Shareholders' equity	<u>2,903,913</u>	<u>2,972,618</u>
Non-controlling interests	<u>(116,542)</u>	<u>(114,331)</u>
Total equity	<u>2,787,371</u>	<u>2,858,287</u>
Non-current liabilities		
Borrowings	379,709	394,757
Deferred tax liabilities	299,310	299,327
Payables	13,792	14,007
	<u>692,811</u>	<u>708,091</u>
Current liabilities		
Borrowings	451,895	462,096
Payables	121,241	183,520
Taxation	1,071	23,738
	<u>574,207</u>	<u>669,354</u>
Total liabilities	<u>1,267,018</u>	<u>1,377,445</u>
TOTAL EQUITY AND LIABILITIES	<u>4,054,389</u>	<u>4,235,732</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 2022.

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 2023							
(All figures are stated in RM'000)							
2023							
Balance at 1 January 2023	1,422,344	(273)	1,550,547	2,972,618	(114,331)	2,858,287	
Total comprehensive income/(loss) for the period	-	-	5,215	5,215	(2,211)	3,004	
Transactions with owners:							
Dividends	-	-	(73,920)	(73,920)	-	(73,920)	
Balance at 31 March 2023	1,422,344	(273)	1,481,842	2,903,913	(116,542)	2,787,371	
2022							
Balance at 1 January 2022	1,422,344	(285)	1,294,596	2,716,655	(107,816)	2,608,839	
Total comprehensive income for the period	-	-	435,158	435,158	388	435,546	
Transactions with owners:							
Dividends			(89,603)	(89,603)	-	(89,603)	
Balance at 31 March 2022	1,422,344	(285)	1,640,151	3,062,210	(107,428)	2,954,782	

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 2022.

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

For the period ended 31 March 2023

(All figures are stated in RM'000)	2023	2022
Operating Activities		
Receipts from customers	206,050	318,944
Cash paid to suppliers and employees	(212,189)	(173,136)
Cash (used in)/generated from operations	(6,139)	145,808
Defined benefit obligations paid	(175)	(75)
Tax and zakat paid	(11,027)	(20,947)
Net cash (used in)/generated from operating activities	(17,341)	124,786
Investing Activities		
Purchase of property, plant and equipment	(18,224)	(10,250)
Purchase of right-of-use assets	(97)	-
Proceeds from disposal of property, plant and equipment	88,209	373,024
Real property gains tax paid	(9,245)	(26,614)
Dividend received	-	6,000
Interest received	1,144	1,172
Net cash generated from investing activities	61,787	343,332
Financing Activities		
Decrease in revolving credits	(10,200)	(127,400)
Repayment of term loan	(24,750)	(24,750)
Drawdown of term loan	9,500	-
Interest paid	(10,694)	(9,885)
Payment of principal portion of lease liabilities	(789)	(529)
Dividends paid	(73,920)	(89,603)
Transaction cost on borrowings	(10)	-
Net cash used in financing activities	(110,863)	(252,167)
Net (decrease)/increase in cash and cash equivalents	(66,417)	215,951
Cash and cash equivalents at beginning of period	165,605	82,175
Cash and cash equivalents at end of period	99,188	298,126
Comprising:		
Cash and bank balances	99,200	298,113
Bank overdrafts	(12)	13
	99,188	298,126

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022.

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Notes to the interim financial report for the period ended 31 March 2023

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 2022. 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 2023:

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts (including amendments on Initial Application of MFRS 17 and MFRS 9 – Comparative Information)	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

The adoption of the above new and amended MFRSs did not have any significant financial impact to 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 and the Company's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

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Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
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.

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.

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7. Dividends

- (i) On 22 March 2023, the Company paid the 4th interim single tier dividend of 3.3 sen per share in respect of the previous financial year ending 31 December 2022 amounting to RM73.9 million.
- (ii) For the current quarter, the Directors have declared a 1st interim single tier dividend of 1.0 sen per share in respect of the period ended 31 December 2023. The dividends will be paid on 23 June 2023 to shareholders registered in the Register of Members at the close of business on 9 June 2023.

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
2023				
Revenue	84,342	103,945	11,456	199,743
Reportable segment operating profit/(loss)	13,134	14,856	(6,216)	21,774
Gain on disposal of plantation assets				30
Interest income				1,114
Finance cost				(9,840)
Share of results of Associate				393
Profit before taxation and zakat				13,471
Taxation				(10,467)
Profit for the year				3,004
2022				
Revenue	127,553	173,614	22,989	324,156
Reportable segment operating profit	75,712	71,312	4,249	151,273
Gain on disposal of plantation assets				364,077
Interest income				1,172
Finance cost				(8,785)
Share of results of Associate				1,782
Profit before taxation				509,519
Taxation				(71,262)
Zakat				(2,711)
Profit for the year				435,546

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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 23 May 2023 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.

13. Capital Commitments

The Group has the following commitments as at 31 March 2023:

	Current period	
	2023	2022
	RM'000	RM'000
Capital expenditure		
- Authorised but not contracted for	181,764	285,185

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 2022.

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

15. Performance Review

	Current Period			
	2023	2022	Increase/(Decrease)	
	RM'000		(%)	
CPO Price	4,017	6,030	(2013)	-33%
Revenue	199,743	324,156	(124,413)	-38%
Profit from operations	21,774	151,273	(129,499)	-86%
Profit before taxation and zakat	13,471	509,519	(496,048)	-97%
Profit for the period	3,004	435,546	(432,542)	-99%
Profit attributable to Shareholders of the Company	5,215	435,158	(429,943)	-99%

For the first quarter of 2023, the Group recorded an unaudited profit after taxation and zakat of RM3.0 million. The unaudited profit before taxation and zakat of RM13.5 million was down by RM131.9 million as compared to RM145.4 million (excluding gain on disposal of Kulai Young land of RM364.1 million) achieved in the corresponding quarter last year. Lower profitability was mainly due to significant drop in palm product prices and adverse impact of FFB valuation.

Average CPO price for the first quarter of RM4,017 per MT was lower than last year's corresponding quarter of RM6,030 per MT by RM2,013 per MT (33%). PK's average price of RM2,126 per MT was lower by RM2,529 per MT (54%). The reduction in palm product prices has adversely impact the Group revenue in the current quarter of RM199.7 million, a 38% reduction from the corresponding quarter last year.

FFB production for the quarter of 190,400 MT was marginally lower than the production in the first quarter of 2022 of 195,882 MT by 3%, contributing a yield of 3.0 MT per Ha as compared with 2.9 MT per Ha in the same quarter last year. The yield was slightly higher despite lower production due to reduction in mature areas as a result of replanting. OER and KER reduced from 20.6% to 20.4% and from 4.1% to 4.0% respectively.

Peninsular Malaysia region

The Peninsular Malaysia region recorded a segment profit of RM13.1 million, a reduction of RM62.6 million from RM75.7 million achieved in the corresponding quarter last year. FFB production decreased by 9% from 80,902 MT achieved in the first quarter last year to 73,907 MT in the current quarter due to the impact of flooding in the Southern region. However, the impact has been cushioned by better performance in the Northern region. OER and KER reduced from 21.3% to 20.4% and from 4.0% to 3.9%, respectively.

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15. Performance Review (Cont'd.)

Sabah region

Sabah region registered a segment profit of RM14.9 million for the first quarter, a reduction of RM56.4 million from last year's corresponding quarter of RM71.3 million. Lower palm product prices contributed to the lower result despite improvement in FFB production of 104,256 MT as compared to 98,822 MT recorded in the same quarter last year. OER of 20.6% was higher than last year of 20.5%, whereas KER reduced to 4.0% from 4.2% last year.

Sarawak region

Sarawak region posted a segment loss of RM6.2 million from profit of RM4.3 million achieved in the last year's corresponding quarter. FFB production of 12,237 MT was lower by 24% as compared to last year of 16,158 MT due to aging palm. The result was further worsened by reduction in palm product prices.

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

	Current Quarter	Immediate Preceding Quarter	Increase/ (Decrease)	
	RM'000		(%)	
Revenue	199,743	263,583	(63,840)	-24%
Profit from operations	21,774	29,475	(7,701)	-26%
Profit before taxation and zakat	13,471	109,931	(96,460)	-88%
Profit for the period	3,004	84,403	(81,399)	-96%
Profit attributable to Shareholders of the Company	5,215	87,288	(82,073)	-94%

For the current quarter, the Group recorded an unaudited profit before taxation and zakat of RM13.5 million as compared to the immediate preceding quarter's profit of RM18.9 million (excluding gain on partial disposal of Bukit Mertajam land of RM91.0 million).

Average CPO price of RM4,017 per MT, marginally improved by RM59 as compared to the fourth quarter of 2022 of RM3,958 per MT. However, lower FFB production, yield and OER had brought down the result in the current quarter. FFB production declined by 24% to 190,400 MT from 251,715 MT achieved in the fourth quarter of 2022, resulted in yield per Ha of 3.0 as compared to 3.8 in the immediate preceding quarter. OER decreased to 20.4% from 20.6%, whereas KER improved to 4.0% from 3.9% achieved in the immediate preceding quarter. Higher rain interference has hampered efforts for harvesters to perform daily harvesting, thus resulting to lower production and yield.

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17. Prospects for Rest of the Year

The Group's profitability for this year is dependent on the price direction for CPO and crop production. Palm oil production in the first Quarter of 2023 had been adversely impacted by the heavy rainfall and flooding phenomenon in parts of Malaysia. However, CPO production is forecasted to trend higher in second half of 2023 following the expected improvement in weather condition in the months ahead.

Palm oil prices remained favourable in the first Quarter of 2023 driven by lower production of other vegetable oil in Ukraine due to ongoing war with Russia, rising biodiesel demand and increase in edible oil imports by China, among others. Nevertheless, CPO prices are forecasted to weaken in the second half of 2023 due to expected higher CPO production season, high inventory level and subdued demand.

The Group is optimistic that the gradual return of foreign workers would lift the FFB yield, which could partially offset the impact of lower CPO prices and rising costs.

18. 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.

19. Taxation

	Current Period
	2023
	RM'000
Malaysian taxation based on profit for the period:	
- Current tax	8,544
- Deferred tax	3,032
	<u>11,576</u>
Over-provision of prior year deferred tax	<u>(1,109)</u>
	<u>10,467</u>

The Group's effective tax rate for the current quarter is higher than the statutory tax rate mainly due to certain subsidiaries were in the loss making position and some expenses were non-deductible for tax purposes.

20. Status of Corporate Proposals

As at 23 May 2023, there were no corporate proposal involving the Group.

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21. Changes in Material Litigations

As at 23 May 2023, there were no material litigation involving the Group.

22. Statement of Financial Position

The Group's receivables reduce to RM48.9 million from RM133.3 million due to settlement of outstanding balance of proceed from disposal of plantation land. Short-term borrowings reduce to RM451.9 million from RM462.1 million as a result of schedule instalment payment. Cash and bank balances and payables reduce by RM66.4 million and RM62.5 million respectively. Debt-to-Equity ratio stood at 0.29 times, maintained as per the 31 December 2022 position.

Other than the above, there was no significant movement of balances as at 31 March 2023 compared to 31 December 2022.

23. Statement of Cash Flows

During the period, lower collection from customers due to weaker CPO price had negatively impacted the cash position at the quarter end. Cash used in operation for the quarter was RM17.3 million as compared to cash generated from operation in the same quarter last year of RM124.8 million.

24. Earnings Per Share – Basic

	Current period	
	2023	2022
Net profit attributable to shareholders (RM'000)	5,215	435,158
Weighted average number of ordinary shares in issue ('000)	2,240,000	2,240,000
Basic earnings per ordinary share (Sen)	0.23	19.43

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25. Group Borrowings

Total group borrowings as at 31 March 2023 are as follows:

	At 31 March 2023	At 31 December 2022
	RM'000	RM'000
Non-Current:		
<u>Unsecured</u>		
Term loans	379,709	394,757
Current:		
<u>Unsecured</u>		
Bank overdrafts	12	13
Revolving credits	335,200	345,400
Term loans	116,683	116,683
	451,895	462,096
Total borrowings	831,604	856,853

- (i) The bank overdrafts bear interest at a weighted average rate of 7.32% (2022: 7.32%) per annum.
- (ii) The revolving credits bear interest at a weighted average rate of 4.25% (2022: 3.73%) per annum.
- (iii) Included in term loans of the Group of RM498.8 million (2022: RM514.0 million) is an Islamic term loan of the Group of RM175.0 million (2022: RM189.0 million) which bears an average profit rate of 5.35% (2022: 4.69%) per annum. The remaining term loans of the Group of RM323.8 million (2022: RM325.0 million) bears interest rates which range from 5.03% to 5.60% (2022: 3.42% to 5.15%) per annum.

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

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26. Additional Disclosures

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

	Current Period	
	2023	2022
	RM'000	RM'000
Depreciation of PPE and ROU	30,468	31,900

27. Plantation Statistics

	Current Period	
	2023	2022
(a) Production and yield		
FFB (MT)	190,400	195,882
FFB (MT/ha)	3.0	2.9
CPO (MT)	43,885	45,573
PK (MT)	8,675	9,163
b) Oil extraction rate (%)		
CPO	20.4	20.6
PK	4.0	4.1
(c) Average Selling Prices (RM per MT)		
FFB	757	1,481
CPO	4,017	6,030
PK	2,126	4,655
(d) Planted areas (hectares)		
	At	At
	31 March	31 December
	2023	2022
Past prime	30,998	32,964
Prime mature	21,203	19,991
Young mature	10,317	12,639
Immature	9,689	6,697
	72,207	72,291