

**NEW
HEIGHTS
OF
EXCELLENCE**



NEW HEIGHTS OF EXCELLENCE

Grounded on solid fundamentals, Boustead Plantations Berhad is committed to reaching new heights of excellence with a focus on long-term sustainability.



AT A GLANCE

REVENUE
RM760
MILLION

PROFIT AFTER
TAX
RM662
MILLION

DIVIDEND
19.5
SEN

CAPEX &
ACQUISITION
RM34
MILLION

PROFIT BEFORE
TAX
RM733
MILLION

EBITDA
RM793
MILLION

TOTAL ASSETS
RM2.9
BILLION

WHAT'S INSIDE



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About Us

As a listed subsidiary of Boustead Holdings Berhad, one of Malaysia's largest diversified conglomerates, Boustead Plantations Berhad is an established upstream oil palm plantation company with over 100 years of experience in plantation management.

We have a total of 41 oil palm plantations throughout Malaysia, comprising 19 in Peninsular Malaysia, 13 in Sabah and 9 in Sarawak. Additionally, our operations include 10 palm oil mills with 4 in Peninsular Malaysia, 4 in Sabah and 2 in Sarawak. In total, our land bank encompasses 81,800 hectares.



Five-year Financial Highlights

		2017	2016	2015	2014	2013
FINANCIAL PERFORMANCE						
Revenue		760	708	615	717	770
Profit before taxation		733	276	95	90	359
Profit after taxation		662	216	72	52	331
Profit attributable to shareholders		665	228	79	57	333
Earnings per share	sen	41.6	14.2	4.9	4.3	32.7
Return on equity	%	28.1	10.4	3.5	3.1	23.6
Return on asset	%	24.5	9.3	3.6	4.1	13.7
Return on revenue	%	24.9	20.2	9.8	17.9	18.6
DIVIDENDS						
Dividend declared		312	232	208	96	90
Dividend per share	sen	19.5	14.5	13.0	6.0	72.0
Dividend yield - net of tax	%	11.8	8.7	8.7	4.1	-
Dividend cover	times	2.1	1.0	0.4	0.6	3.7
GEARING						
Borrowings		140	901	915	841	977
Gearing	times	0.1	0.4	0.4	0.4	0.7
Interest cover	times	26.9	7.2	3.1	2.5	11.2
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	159	137	136	143	1,116
Share price - high	sen	175	166	150	164	-
Share price - low	sen	159	140	116	140	-
Price earnings ratio	times	4.0	11.7	30.4	33.5	-
Paid up share capital		1,422	800	800	800	125
Number of issued share capital	million	1,600	1,600	1,600	1,600	125
Shareholders' equity		2,547	2,186	2,182	2,295	1,390
Total equity		2,572	2,215	2,228	2,348	1,449
Total assets		2,850	3,257	3,299	3,303	3,259

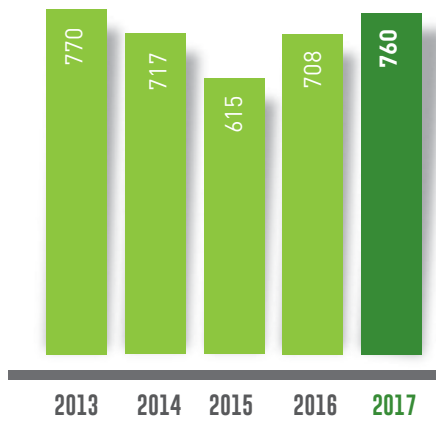
All figures are in RM million unless otherwise stated.

Note:

The above historical financial summary may not be comparable across the periods due to changes in the Group's structure as well as the effects of the initial public offering (IPO) in 2014.

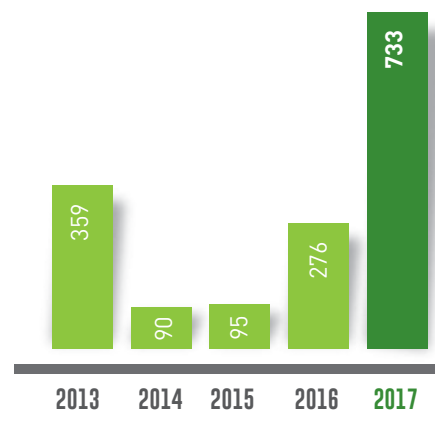
REVENUE

(RM) Million



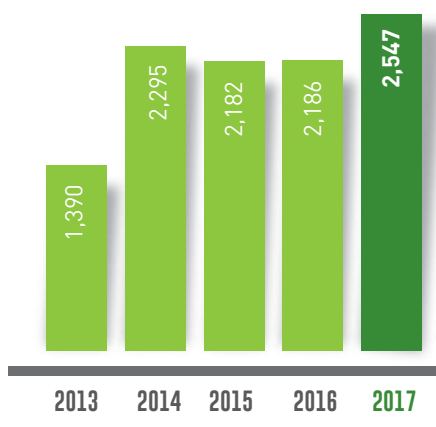
PROFIT BEFORE TAXATION

(RM) Million



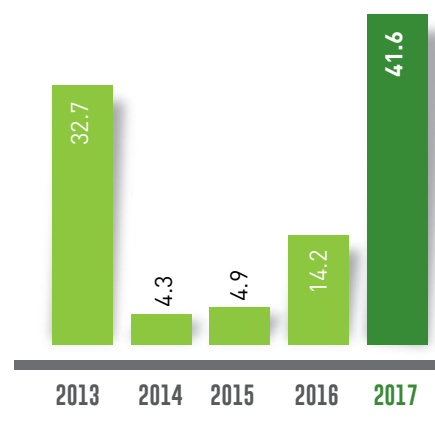
SHAREHOLDERS' EQUITY

(RM) Million



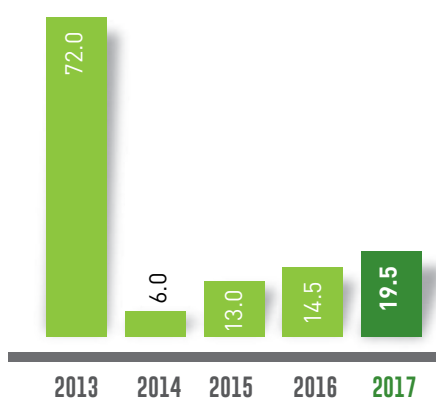
EARNINGS PER SHARE

(Sen)



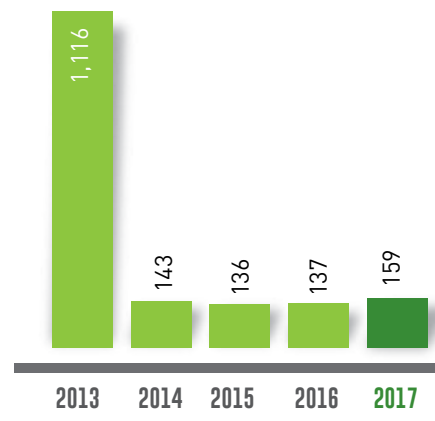
DIVIDEND PER SHARE

(Sen)



NET ASSETS PER SHARE

(Sen)



Corporate Information

DIRECTORS

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)

Chairman

Non-Independent Non-Executive Director

Tan Sri Dato' Seri Lodin Wok Kamaruddin

Vice Chairman

Non-Independent Non-Executive Director

Dato' Mohzani Abdul Wahab

Senior Independent Non-Executive Director

Maj. Gen. Dato' Hj. Khairuddin Abu Bakar (R) J.P.

Independent Non-Executive Director

Dr. Raja Abdul Malek Raja Jallaludin

Independent Non-Executive Director

Datuk Zakaria Sharif

Non-Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Fahmy Ismail

REGISTERED OFFICE

28th Floor, Menara Boustead
69 Jalan Raja Chulan
50200 Kuala Lumpur, Malaysia
Tel : (03) 2141 9044
Fax : (03) 2141 9750
www.bousteadplantations.com.my

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (03) 2783 9299
Fax : (03) 2783 9222

SECRETARY

Tasneem Mohd Dahalan

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Islamic Bank Berhad
Alliance Bank Malaysia Berhad
Kuwait Finance House (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank Berhad

AUDITORS

Ernst & Young

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock name: BPLANT
Stock code: 5254

HOLDING CORPORATION

Boustead Holdings Berhad





Financial Calendar

FINANCIAL YEAR

1 JAN
to
31 DEC
2017

RESULTS

■ ■ First Quarter
Announced 23 May 2017

■ ■ Second Quarter
Announced 22 August 2017

■ ■ Third Quarter
Announced 21 November 2017

■ ■ Fourth Quarter
Announced 27 February 2018

ANNUAL REPORT

Issued
14 March 2018

DIVIDENDS

First Interim

Announced 23 May 2017
Entitlement date 7 June 2017
Payment date 16 June 2017

Third and Special Interim

Announced 21 November 2017
Entitlement date 8 December 2017
Payment date 19 December 2017

ANNUAL GENERAL MEETING

To be held
12 April 2018

Second Interim

Announced 22 August 2017
Entitlement date 8 September 2017
Payment date 19 September 2017

Fourth Interim

Announced 27 February 2018
Entitlement date 14 March 2018
Payment date 27 March 2018

Profile of Directors



GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)
CHAIRMAN
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Age : 87
Gender : Male
Nationality : Malaysian

Date the Director was first appointed to the Board

18 January 1991

Board Committee(s)

- Chairman of Remuneration Committee
- Member of Nominating Committee

Board Meetings attended in the financial year

- 4/4

Working experience

- Tan Sri Ghazali held various senior positions in the Malaysian Armed Forces, the last being Chief of the Armed Forces from 1985 to 1987
- Tan Sri Ghazali was also the Chairman of Lembaga Tabung Angkatan Tentera from 23 February 1988 until 22 February 2007
- He has been Chairman of Boustead Holdings Berhad since 3 December 1990

Qualification

- 1953 – Officer Cadet School Eaton Hall, United Kingdom
- 1955 – Royal Military Academy, Sandhurst, United Kingdom
- 1961 – Command and Staff College, Quetta, Pakistan

Details of any interest in the securities of Boustead Plantations Berhad

- 1,560,000 Ordinary Shares

Directorship in other public listed companies

- Chairman, Boustead Holdings Berhad

Directorship in public companies

- Boustead Properties Berhad
- UAC Berhad

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

TAN SRI DATO' SERI LODIN WOK KAMARUDDIN
VICE CHAIRMAN
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR



Age : 68
 Gender : Male
 Nationality : Malaysian

Date the Director was first appointed to the Board

25 October 2013

Board Committee(s)

- Member of Remuneration Committee

Board Meetings attended in the financial year

- 4/4

Working experience

- 1973 to 1982 – General Manager, Perbadanan Kemajuan Bukit Fraser
- 1983 – Deputy General Manager, Lembaga Tabung Angkatan Tentera (LTAT)
- 1985 to present – Chief Executive, LTAT
- 1991 to present – Group Managing Director, Boustead Holdings Berhad (BHB)
- 2010 to present – Deputy Chairman, BHB

Qualification

- 1972 – Bachelor of Business Administration, University of Toledo, Ohio, USA
- 1973 – Master of Business Administration, University of Toledo, Ohio, USA
- Member of Asian Institute of Chartered Bankers (AICB)

Details of any interest in the securities of Boustead Plantations Berhad

- 27,836,800 Ordinary Shares

Directorship in other public listed companies

- Boustead Holdings Berhad
- Pharmaniaga Berhad
- Boustead Heavy Industries Corporation Berhad

Directorship in public companies

- Boustead Properties Berhad
- UAC Berhad
- MHS Aviation Berhad
- Badan Pengawas Pemegang Saham Minoriti Berhad
- Affin Hwang Asset Management Berhad

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil



DATO' MOHZANI ABDUL WAHAB
SENIOR INDEPENDENT
NON-EXECUTIVE DIRECTOR

Age : 64
Gender : Male
Nationality : Malaysian

Date the Director was first appointed to the Board

25 October 2013

Board Committee(s)

- Chairman of Audit Committee
- Chairman of Nominating Committee
- Member of Sustainability Committee

Board Meetings attended in the financial year

- 4/4

Working experience

- Dato' Mohzani has held various senior positions in Shell's downstream oil products sector including supply, distribution, marketing, brand management, sales and retail management

Senior positions held:

- 2001 to 2009 – Managing Director, Shell Trading Sdn Bhd
- 2005 to 2009 – Managing Director, Shell Timur Sdn Bhd

Qualification

- 1976 – Bachelor of Economics, Universiti Malaya

Details of any interest in the securities of Boustead Plantations Berhad

- 200,000 Ordinary Shares

Directorship in other public listed companies

- Pavilion REIT Management Sdn Bhd

Directorship in public companies

- Hong Leong Investment Bank Berhad

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

MAJ. GEN. DATO' HJ. KHAIRUDDIN ABU BAKAR (R) J.P.
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Age : 67
 Gender : Male
 Nationality : Malaysian

Date the Director was first appointed to the Board

10 April 2014

Board Committee(s)

- Member of Nominating Committee

Board Meetings attended in the financial year

- 4/4

Working experience

- 1971 to 2006 – Malaysian Armed Forces
 Senior positions held:
 - 1995 to 1996 – Senior Officer, Logistics Plan & Operations for United Nations' operations in Somalia
 - 1996 to 1997 – Deputy Commandant, Malaysian Armed Forces Staff College
 - 1998 to 2003 – Director of Defence, Logistics Policy
 - 2003 to 2004 – Assistant Chief of Staff, Logistics
 - 2004 to 2005 – Chief Logistics

Qualification

- 1978 – Member of Malaysian Institute of Management
- 1986 – Malaysian Armed Forces Staff College

- 1988 – Diploma in Industrial Management, Universiti Kebangsaan Malaysia
- 1996 – Malaysian Armed Forces Defence College
- 2004 – Master of Business Administration, Charles Sturt University, Australia

Details of any interest in the securities of Boustead Plantations Berhad

Nil

Directorship in other public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil



DR. RAJA ABDUL MALEK RAJA JALLALUDIN
INDEPENDENT
NON-EXECUTIVE DIRECTOR

Age : 72
Gender : Male
Nationality : Malaysian

Date the Director was first appointed to the Board
23 December 2013

Board Committee(s)

- Chairman of Sustainability Committee
- Member of Audit Committee
- Member of Remuneration Committee

Board Meetings attended in the financial year

- 4/4

Working experience

- 1972 to 1975 – General Hospital, Kuala Lumpur and Faculty of Medicine, Universiti Kebangsaan Malaysia
- 1975 to 2003 – Senior Partner, Drs. Catterall, Khoo, Raja Malek & Partners
- 1984 to 2000 – Medical Director (Malaysia-Singapore), Parke Davis-Warner Lambert (later Pfizer Malaysia when both companies merged in 2001)
- 2003 to 2015 – Director of Medical and Scientific Affairs, HOE Pharmaceuticals Sdn Bhd
- Dr. Raja Malek has served as a clinical tutor in the Faculty of Medicine, Universiti Malaya, a member of the Ethical Committee of the Malaysian Medical Council, Ministry of Health and Chairman of Council, Academy of Family Physicians, Malaysia

Qualification

- 1972 – Bachelor of Medicine and Bachelor of Surgery, Universiti Malaya

Details of any interest in the securities of Boustead Plantations Berhad

- 300,900 Ordinary Shares

Directorship in other public listed companies
Nil

Directorship in public companies

- Stemlife Berhad

Family relationship with any director and/or major shareholder of the Company
No

Conflict of interests with the Company
No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
Nil

DATUK ZAKARIA SHARIF
NON-INDEPENDENT
NON-EXECUTIVE DIRECTOR



Age : 60
Gender : Male
Nationality : Malaysian

Date the Director was first appointed to the Board

15 April 2014

Board Committee(s)

- Member of Audit Committee
- Member of Sustainability Committee

Board Meetings attended in the financial year

• 4/4

Working experience

- 1980 – Senior Auditor, Price Waterhouse & Co.
- 1984 to 1987 – Arab Malaysian Finance Berhad
- 1988 to 1991 – Investment Manager, Lembaga Tabung Angkatan Tentera (LTAT)
- 1992 – General Manager, Emastulin Automobile Sdn Bhd
- 2000 – General Manager, Boustead Trading Sdn Bhd
- 2000 to 2003 – General Manager, Perbadanan Hal Ehwal Bekas Angkatan Tentera
- 2003 to 2011 – General Manager, Perbadanan Perwira Harta Malaysia
- 2007 – General Manager, Investment, LTAT
- 2011 to present – Deputy Chief Executive, LTAT

Qualification

- 1979 – Bachelor of Economics majoring in Accountancy, Monash University, Australia
- 1984 – Member of the Malaysian Institute of Accountants (MIA)
- 1989 – Associate, Malaysian Institute of Certified Public Accountant (MICPA)
- 2009 – Fellow, Australian Society of Certified Public Accountant (FSCPA)

Details of any interest in the securities of Boustead Plantations Berhad

- 203,000 Ordinary Shares

Directorship in other public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

Profile Of CEO

FAHMY ISMAIL
CHIEF EXECUTIVE OFFICER



Age : 41
Gender : Male
Nationality : Malaysian

Date of appointment to present position 1 March 2014

Working experience

- 1999 to 2005 – Began his career as a management trainee and assumed several finance roles within the Renong Group, ranging from accounting, performance reporting, treasury and corporate finance. Last held position prior to joining Boustead Holdings Berhad (BHB) was Assistant Manager, Corporate Finance for SapuraCrest Petroleum Berhad
- 2006 – Manager, Corporate Planning Department, BHB
- 2009 – Chief Executive Officer, Boustead REIT Managers Sdn Bhd, the Manager of Al-Hadharah Boustead REIT
- 2014 to present – Chief Executive Officer, Boustead Plantations Berhad
- 2017 to present – Group Finance Director, BHB

Qualification

- 1998 – Bachelor of Commerce in Accounting and Finance, University of Sydney, Australia
- 2003 – Certified Practicing Accountant, CPA Australia

- 2003 – Chartered Accountant, Malaysian Institute of Accountants

Details of any interest in the securities of Boustead Plantations Berhad

- 150,000 Ordinary Shares

Directorship in other public listed companies Nil

Directorship in public companies

- Johan Ceramics Berhad

Family relationship with any director and/or major shareholder of the Company No

Conflict of interests with the Company No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. Nil



Aerial view of Sungai Jernih Palm Oil Mill

■ Senior Management Team



EN. FAHMY ISMAIL
Chief Executive Officer



MR. CHOW KOK CHOY
Chief Operating Officer
Managing Director,
Boustead Estates Agency



TN. HJ. SHARUDIN JAFFAR
Planting Director



MS. CHIN SUP CHIEN
Chief Financial Officer



EN. ABDUL MANAF YUNUS
Senior General Manager,
Sales and Marketing



DATO' SHOIB ABDULLAH
Senior General Manager,
Administration and Corporate Communication



MR. LOH WAI CHEONG
Group Engineer

Profile of Senior Management Team

EN. FAHMY ISMAIL

Chief Executive Officer

Age : 41

Gender : Male

Nationality : Malaysian

Date of appointment to present position

1 March 2014

Working experience

- 1999 to 2005 – Began his career as a management trainee and assumed several finance roles within the Renong Group, ranging from accounting, performance reporting, treasury and corporate finance. Last held position prior to joining Boustead Holdings Berhad (BHB) was Assistant Manager, Corporate Finance for SapuraCrest Petroleum Berhad
- 2006 – Manager, Corporate Planning Department, BHB
- 2009 – Chief Executive Officer, Boustead REIT Managers Sdn Bhd, the Manager of Al-Hadharah Boustead REIT
- 2014 to present – Chief Executive Officer, Boustead Plantations Berhad
- 2017 to present – Group Finance Director, BHB

Qualification

- 1998 – Bachelor of Commerce in Accounting and Finance, University of Sydney, Australia
- 2003 – Certified Practicing Accountant, CPA Australia
- 2003 – Chartered Accountant, Malaysian Institute of Accountants

Directorship in public listed companies

Nil

Directorship in public companies

- Johan Ceramics Berhad

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

MR. CHOW KOK CHOY

Chief Operating Officer

Managing Director, Boustead Estates Agency

Age : 69

Gender : Male

Nationality : Malaysian

Date of appointment to present position

23 May 2014

Working experience

- 1969 to June 1971 – Assistant Estate Manager with Guthrie Estate
- July 1971 – Joined Barlow Boustead Estates Agency Sendirian Berhad as Assistant Estate Manager in Eldred Estate (Malakoff Bhd)
- 1978 – Estate Manager, Telok Sengat Estate
- 1990 – Senior Manager, Kuala Muda Estate
- 1993 – Planting Advisor, Boustead Estates Agency Sdn Bhd (BEA)
- 2001 – Planting Director, BEA
- 2008 – Director of Operations Plantation, BEA
- 2014 to present – Chief Operating Officer, Boustead Plantations Berhad and Managing Director, BEA

Qualification

- 1969 – Diploma in Agriculture, Universiti Pertanian Malaysia (formerly known as College of Agriculture)
- 1974 – Associate Diploma in Plantation Management, Incorporated Society of Planters
- 2000 – Master of Science in Plantation Management, Universiti Putra Malaysia

Directorship in public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

TN. HJ. SHARUDIN JAFFAR

Planting Director

Age : 58
Gender : Male
Nationality : Malaysian

Date of appointment to present position

1 April 2008

Working experience

- 1980 – Joined Barlow Boustead Estates Agency Sendirian Berhad as Junior Assistant in Eldred Estate
- 1987 to 1990 – Senior Assistant, Malakoff Estate
- 1991 to 1992 – Assistant Manager, Kuala Muda Estate
- 1993 to 1995 – Manager, Sutera Estate
- 1996 to 2000 – Senior Manager, Sungai Jernih Estate
- 2001 to 2008 – Planting Advisor, Boustead Estates Agency Sdn Bhd (BEA)
- 2008 to present – Planting Director, BEA

Qualification

- 1980 – Diploma in Agriculture, Universiti Pertanian Malaysia
- 1987 – Advance Diploma, Incorporated Society of Planters (ISP)
- 2000 – Master of Science in Plantation Management, Universiti Putra Malaysia

Directorship in public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

MS. CHIN SUP CHIEN

Chief Financial Officer

Age : 58
Gender : Female
Nationality : Malaysian

Date of appointment to present position

7 February 2011

Working experience

- 1982 to 1985 – Audit Senior, Kreston John & Gan
- 1987 to 1989 – Audit Senior, Ernst & Young
- 1990 – Accountant, Boustead Estates Agency Sdn Bhd (BEA)
- 1995 – Group Accountant, BEA
- 2004 – Financial Controller, BEA
- 2011 to present – Chief Financial Officer, Boustead Plantations Berhad

Qualification

- 1981 – Graduate of Association of Chartered Certified Accountants (ACCA)
- 1982 – Diploma in Commerce (Financial Accounting), Kolej Tunku Abdul Rahman
- 1985 – Associate, ACCA
- 1986 – Registered Accountant, Malaysian Institute of Accountants
- 1990 – Fellow, ACCA

Directorship in public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

PROFILE OF SENIOR MANAGEMENT TEAM

DATO' SHOIB ABDULLAH

Senior General Manager,
Administration and Corporate Communication

Age : 70
Gender : Male
Nationality : Malaysian

Date of appointment to present position

1 January 2002

Working experience

- 1966 – Joined the Armed Forces
- 1967 to 1972 – Royal Malaysian Rangers. Last held position in the Armed Forces was Acting Captain
- 1972 to 1994 – General Manager, Riverview Rubber Estate, Perak
- 1994 – Technical Advisor of Operations, PT Poliplant
- 1995 to 2001 – General Manager of Plantation Operation, Boustead Estates Agency Sdn Bhd (BEA)
- 2002 to present – Senior General Manager, Human Resource and Corporate Communication, BEA. Redesignated as Senior General Manager, Administration and Corporate Communication, BEA on 1 July 2017

Qualification

- 1965 – Secondary Education, Anderson School, Perak
- 1966 to 1967 – Officer Cadet, Royal Military College

Directorship in public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

EN. ABDUL MANAF YUNUS

Senior General Manager,
Sales and Marketing

Age : 60
Gender : Male
Nationality : Malaysian

Date of appointment to present position

1 June 2016

Working experience

- 1984 to 1985 – Chemist/Quality Control Executive, Felda Rubber Cooperation (FRC)
- 1986 to 1989 – Marketing Executive, FRC
- 1990 to 1995 – Marketing Executive, Boustead Estates Agency Sdn Bhd (BEA)
- 1996 to 2004 – Marketing Manager, BEA
- 2005 to 2011 – Assistant General Manager, BEA
- 2012 to 2015 – General Manager, BEA
- 2016 to present – Senior General Manager, Sales and Marketing, BEA

Qualification

- 1983 – Bachelor of Science (Chemistry), Universiti Malaya

Directorship in public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil

MR. LOH WAI CHEONG

Group Engineer

Age : 63

Gender : Male

Nationality : Malaysian

Date of appointment to present position

1 July 2007

Working experience

- 1973 to 1977 – Power Station Technical Trainee (Mechanical and Electrical), Perak-Hydro Electric Company
- 1977 to 1985 – Palm Oil Mill Assistant Engineer, Barlow Boustead Estate Agency Sdn Bhd
- 1985 to 1986 – Palm Oil Mill Assistant Engineer, Kumpulan Guthrie Berhad
- 1986 to 1996 – Palm Oil Mill Engineer, Boustead Estates Agency Sdn Bhd (BEA)
- 1996 to 2001 – Senior Engineer, BEA
- 2002 to 2007 – Deputy Group Engineer, BEA
- 2007 to present – Group Engineer, BEA

Qualification

- 1976 – City and Guilds Electrical Final (Transmission)
- 1982 – Certificate of Competency Steam 1st Grade

Directorship in public listed companies

Nil

Directorship in public companies

Nil

Family relationship with any director and/or major shareholder of the Company

No

Conflict of interests with the Company

No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Nil



Chairman's STATEMENT

“
THE GROUP IS HIGHLY
COMMITTED TOWARDS
FULFILLING OUR
MANDATE IN DELIVERING
SHAREHOLDER VALUE.”

GEN. TAN SRI DATO' MOHD GHAZALI
HJ. CHE MAT (R)
CHAIRMAN

DEAR SHAREHOLDER,

THIS HAS BEEN AN OUTSTANDING YEAR FOR BOUSTEAD PLANTATIONS BERHAD. A SOLID GROWTH STRATEGY COMPLEMENTED BY AN ABLE LEADERSHIP TEAM ALLOWED US TO CONTINUE DELIVERING RESULTS, DESPITE WEAKENING CRUDE PALM OIL PRICES, ADVERSE WEATHER CONDITIONS AND MARKET HEADWINDS. IN LINE WITH THIS, I AM PLEASED TO NOTE THAT BOUSTEAD PLANTATIONS SUCCESSFULLY ACHIEVED RECORD EARNINGS OF RM733 MILLION IN 2017.

REVENUE

RM760
MILLION

PROFIT AFTER TAX

RM662
MILLION

NET ASSETS

RM1.59
PER SHARE

ECONOMIC LANDSCAPE

From a global perspective, economic growth has begun to stabilise, albeit at a moderate rate. In tandem, Malaysia's economy has also continued to strengthen, bolstered by a gradual improvement in the commodities sector.

Nonetheless, the palm oil sector faced a number of challenges throughout the year. The resolution passed by the European Union (EU) in April 2017, which aims to phase out the use of palm oil in EU biofuel programmes by 2020, undoubtedly had a strong negative impact on market sentiment.

Malaysian crude palm oil (CPO) production surged in the first half of the year, putting pressure on CPO prices. This was compounded by significant soybean production in South America as well as the United States.

In the second half of 2017, CPO prices rebounded briefly in September due to lower than anticipated CPO production. However, a sharp increase in import duties on edible oils announced by the Government of India coupled with unexpectedly strong CPO output in the last quarter of 2017 and high palm oil inventories put downward pressure on CPO prices at year-end.

FINANCIAL PERFORMANCE

For the year under review, the Group recorded an impressive profit of RM733 million, an increase from the previous year's profit of RM276 million. This marked a substantial leap of 165%, mainly driven by gains on the disposal of lands as well as improved operational profit.

We remain focused on expanding our plantation land alongside optimising the effective usage of our land bank. Following the disposal of 678 hectares (ha) of land with high development potential combined with the proposed disposal of a further 139 ha of prime land, the Group intends to reinvest in a substantial acquisition of 11,600 ha of plantation land. This strategy to expand our land bank is expected to be completed by the second quarter of 2018. We are confident this will contribute to our earnings growth in the long run.

As a reflection of the Group's sterling performance, investors have clearly found value in Boustead Plantations. To attest to this, our market capitalisation stood at RM2.6 billion as at 31 December 2017. Earnings per share improved to 41.6 sen and net assets per share also saw a significant jump to RM1.59.

DIVIDEND

The Group is highly committed towards fulfilling our mandate in delivering shareholder value.

Dividend for the year stood at 19.5 sen per share, amounting to a 11.8% yield based on the closing stock price for the financial year ended 31 December 2017. To date, dividends of 15.5 sen per share inclusive of a special dividend of 7 sen per share have been paid out to shareholders. The remaining 4 sen will be paid on 27 March 2018 to shareholders on the register as at 14 March 2018.

We are also pleased to reward our valued shareholders further with two bonus shares out of every five held, amounting to a total of 640 million new bonus shares to be credited as fully paid up, subject to shareholders' approval.





SHAREHOLDERS' FUND
RM2.5
BILLION



DIVIDEND
19.5
SEN



SUSTAINABILITY

We have strengthened our resolve in terms of sustainability for the year 2017. Our philosophy to operate in a responsible manner from an economic, environmental and social standpoint has become all the more evident in the programmes and efforts that we undertake.

Towards this end, we have implemented a variety of initiatives to integrate sustainability across the value chain of our operations. These initiatives are presented in detail within our Sustainability Report, with a further review of the measures and activities undertaken during the year.

Mindful of our objective to be a conscientious Group in the plantations sector, we successfully enhanced our Sustainability Handbook, which provides an in-depth view regarding our principles, policies and plans as a sustainable organisation. As a leading oil palm plantations company in Malaysia, we hope to set new standards for the sector and our nation to create a truly sustainable palm oil industry.

HUMAN CAPITAL

The Group is cognisant of the fact that our success in delivering results and achieving our targets is closely linked to the depth of our talent pool. A driven, committed and skilled workforce is essential for any entity to thrive. On our part, the Group looks to develop and strengthen our human capital through a series of talent development programmes, equipping them with the necessary resources for career advancement.

In a similar vein, the Group has also undertaken multiple ongoing employee engagement initiatives throughout the year, in order to foster a conducive and positive work environment. We are conscious that the fight for talent will become ever more evident and as such we have increased our efforts in terms of engagement and alignment with our talent pool.

OUTLOOK

While the Malaysian economy is forecast to grow in the coming year, the strengthening value of the Ringgit is likely to have an impact on exports. With rising palm oil production outpacing projected consumption globally, pressure on CPO prices is also expected to build-up.

In addition, the expansion of soybean acreage across North and South America represents a notable challenge to the palm oil sector. Demand for soybean continues to accelerate, particularly in China, which may potentially limit market penetration for palm oil exports to the region.

On the upside, the Malaysian Government's decision to suspend export taxes on CPO for the first three months of 2018 has certainly had a positive impact, as export demand has increased. We applaud the Government's proactive efforts to boost our nation's competitiveness in the sector across the region.

The Group is equally heartened by the joint efforts of the Governments of Malaysia and Indonesia against the EU resolution to curb palm oil imports. It is our hope that their actions will allow for a positive solution to address the issue at hand. In the meantime, we remain conscious of subdued sentiments prevailing in the sector. Global trade policies will certainly continue to influence price volatility and commodity trade flows.



Oil palm nursery

The La Nina phenomenon, associated with flooding to oil palm plantations alongside extreme heat and dryness to grain areas in South America, may lend a boost to CPO prices. However, this is predicted to have a shorter and weaker pattern compared to past occurrences. In addition, any new changes in biofuel policy and significant offtake of biodiesel, particularly in Indonesia, could potentially boost CPO prices.

Without a doubt, the year ahead offers its share of obstacles for the sector, domestically as well as abroad. Regardless, we are confident that our strong fundamentals and emphasis on delivering results will enable the Group to remain resilient and weather such challenges.



ACKNOWLEDGEMENT

This has indeed been a fruitful year, in no small part due to our Board members as well as the management team, who have been steadfast in their dedication towards leading the Group onward. The loyalty and drive of our employees have also been crucial towards the Group's ability to continuously deliver results.

On behalf of Boustead Plantations Berhad, I would also like to convey our gratitude and appreciation to our valued shareholders, financiers, business associates, consultants and regulatory bodies for your confidence and support.

GEN. TAN SRI DATO' MOHD GHAZALI HJ. CHE MAT (R)

Chairman

1 March 2018

CEO'S REVIEW

DEAR SHAREHOLDER,

AMIDST CHALLENGING MARKET CONDITIONS, YOUR GROUP REMAINED RESILIENT. BY LEVERAGING ON OUR SOLID FOUNDATION AND TAPPING INTO OPPORTUNITIES TO UNLOCK VALUE, WE TURNED IN STERLING RESULTS FOR THE YEAR.

FAHMY ISMAIL
CHIEF EXECUTIVE OFFICER





Segaria Palm Oil Mill, Sabah

FINANCIAL PERFORMANCE

Boustead Plantations Berhad delivered a record profit of RM733 million for the year ended 31 December 2017, compared with RM276 million in the previous year. A key contributor to this substantial jump were gains realised on disposal of lands in Seberang Perai, Pulau Pinang, amounting to RM555 million. This was further supported by improved profit from operations, which rose to RM178 million on the back of better crop production and higher crude palm oil (CPO) prices. The Group registered RM760 million in revenue, up 7% from the year before.

Due to this exceptional performance and in line with our commitment to enhancing shareholder value, total dividend for the financial year was 19.5 sen per share. This represents a cumulative pay-out of RM312 million. To further reward shareholders we are issuing two bonus shares for every five existing shares held, pending shareholders' approval.

Earnings per share ended at 41.6 sen and net assets was RM1.59 per share, while market capitalisation was RM2.6 billion as at 31 December 2017.

In order to strengthen our balance sheet, during the year we utilised proceeds from our land disposal as well as from our initial public offering to wind down borrowings to RM140 million from RM901 million. This saw our gearing ratio improve to a negligible level of 0.05 times.



PROFIT BEFORE TAX

RM733
MILLION



EARNINGS PER SHARE

41.6
SEN

OUR AVERAGE CPO PRICE WAS RM2,810 PER MT

MARKET REVIEW

The year started off on a high note as the CPO market sustained its strong momentum, with CPO prices hovering above RM3,200 per metric tonne (MT) in the first two months of 2017. CPO prices subsequently dropped however, as a result of an expected recovery in palm oil production, stagnating exports and a projected record soybean crop from Brazil.

CPO prices rallied to RM2,900 per MT in September, outperforming market expectations due to lower than anticipated palm oil production. This slowdown in production was attributable to a significant decline in oil extraction rate (OER), lower than expected yields, a growing number of old lower-yielding palms and ongoing labour shortages.

Malaysian CPO production for the full year grew by 15% compared with the previous year. At the same time, increased soybean production in Brazil and Argentina coupled with heightened soybean planting in the United States put pressure on soybean prices, which edged lower and subsequently had an impact on CPO prices.

The CPO market was impacted in the final quarter of the year after the Indian government announced a significant hike in import duty on edible oils, taking the market by surprise and causing CPO prices to drop to RM2,400 per MT. CPO import duty was raised to 30% from 15% while refined palm oil was raised to a staggering 40% from 25% previously.

Further dampening market sentiment was the European Union's (EU) move to curb imports of palm oil. Malaysian exports saw a slowdown in December as palm oil inventories rose to 2.73 million tonnes, the highest in more than two years.

Despite the tough backdrop, the Group achieved an average CPO price of RM2,810 per MT for the year, up by 9% from RM2,584 last year. Average palm kernel price improved to RM2,505 per MT, compared with RM2,460 per MT in the previous year.

OPERATIONS REVIEW

The Group's operations comprise 41 estates across Peninsular Malaysia, Sabah and Sarawak, with a combined land bank of 81,800 hectares (ha) and 10 palm oil mills. Total area under cultivation stood at 65,000 ha, consisting of 59,100 ha of mature areas and 5,900 ha of immature areas.

We invested RM34 million in capital expenditure in 2017. In addition to this, a total of RM37 million in replanting costs was utilised for replanting of 1,800 ha of oil palms as well as for upkeep of 4,100 ha of immature areas.

Fresh fruit bunches (FFB) production was 973,513 MT, a 7% improvement compared with last year. Average yield per ha increased to 16.7 MT compared with 15.6 MT in the previous year. With a total processing capacity of 425 MT FFB per hour at our palm oil mills, we processed 1,080,390 MT in 2017. This comprised 918,621 MT of FFB or 85% of which was from our own estates.

Average FFB production costs increased to RM313 per MT, primarily due to upkeep and maintenance costs incurred to meet Roundtable on Sustainable Palm Oil (RSPO) standards, higher minimum wages, coupled with reconstruction and maintenance of access roads in our Sabah estates. Milling costs also rose to RM78 per MT while average cost of palm oil production increased to RM1,731 per MT.

CPO production increased by 4% to 226,843 MT and palm kernel production was up by 6% to 46,896 MT. Average oil extraction rate (OER) was slightly lower at 21%. Nevertheless, this was higher than the Malaysian Palm Oil Board's (MPOB) national average of 19.7%, which also saw a drop compared with 20.2% last year, indicating an overall decline across the country. Kernel extraction rate was 4.3%, consistent with last year, although this was lower than the MPOB average of 4.9%.



The smart fertiliser spreader

The mechanisation of FFB harvesting and collection remains a key initiative to drive productivity, enhance efficiencies and reduce dependency on manual labour at our estates. To further improve labour productivity, we have extended the usage of hybrid carbon fibre poles for harvesting in tall palm areas. This harvesting tool is lighter, faster and can improve efficiency by up to 15% as compared with conventional aluminium poles.

Where terrain permits, motorised cutters continued to be used for harvesting young palms. Through the greater efficiency of the motorised cutters and speed of cutting fruit bunches, this can improve productivity by up to 30%.

To further improve accessibility into areas with narrow terraces or soggy grounds, compact flotation tyre transporter vehicles were used for in-field FFB collection and to facilitate mulching of empty fruit bunches. Additional mini-tractors were mobilised for FFB collection in hilly areas. We have in place at five of our estates bin transportation systems, which are integrated with in-field and main-line mini tractors for crop evacuation, to further reduce manual labour requirements.

In addition, we introduced a smart fertiliser spreader which features in-built calibration equipped with sensors and a Global Navigation Satellite System (GNSS) as well as internet capabilities at our Telok Sengat Estate.

We are also evaluating the performance of a tractor-mounted boom sprayer with GPS that was launched in Telok Sengat Estate in February 2018, for circle spraying of weeds in mature areas. If successful, this mechanised system will be able to overcome limitations faced by existing types of equipment in our estates.

Along with this, as part of our biological pest control measures, we introduced barn owls at our Sabah estates to reduce rat population. This was initially implemented at our Segaria Estate in 2014 and produced encouraging results in terms of curbing the rat population as well as generating savings for chemical baiting. We are confident that this will have a positive outcome as the initiative has also proven effective in most of our Peninsular estates.

Peninsular Malaysia

We have a land bank of 25,800 ha in Peninsular Malaysia, comprising 19 estates. A total of 24,200 ha is planted with oil palms with an average age profile of 13 years.

In 2017, FFB production for the region was 428,546 MT, reflecting an increase of 11% from the previous year. Average FFB yield per ha was 19.4 MT.

Most of our estates achieved encouraging results, with the exception of a few small estates which are still recovering from the adverse effects of 2015/16 El Nino. Our top-yielding estates were in the northern region, namely Batu Pekaka, Bukit Mertajam and Malaya, which produced average yields of 22.7 MT per ha. This represents a significant 44% increase from the previous year.

The young mature palms on our east coast estates, namely Sungai Jernih and Bebar, also achieved strong yields averaging 21.2 MT per ha, up by 16% from last year. Meanwhile, the southern estates of Chamek and Telok Sengat saw a 2% increase with average yields of 22 MT per ha.

Our Peninsular Malaysia mills recorded an average OER of 21.1%, slightly lower than last year's 22%. However, this was higher than the MPOB average of 19.2%. Once again, Sungai Jernih Palm Oil Mill, achieved the highest OER for the Group at 23.8%. The mill received industry recognition, winning the Anugerah Khas Alam Sekitar (Kategori Industri Sawit) - Komitmen Tertinggi Rakan Alam Sekitar Negeri Pahang award from the State Department of Environment.

In line with our cost optimisation measures and due to its low FFB crop intake, we are closing down the operations of our Lapan Kabu Palm Oil Mill in Kuala Krai, Kelantan, in the first quarter of 2018.

As part of our commitment to sustainability, Trong Business Unit successfully attained RSPO certification in 2017, while Sungai Jernih Business Unit continues to maintain RSPO certification. Along with this, Sungai Jernih Business Unit is on track to obtain Malaysian Sustainable Palm Oil (MSPO) certification by 2018.



Farm tractor collecting harvested oil palm

Sabah

Our operations in Sabah comprise 13 estates with a total land bank of 29,500 ha, of which 27,200 ha are under oil palm cultivation. The average age profile of our oil palms in Sabah is approximately 14 years.

FFB production for the Sabah estates improved by 7% to 411,776 MT, while average yield per ha stood at 17.3 MT per ha. Production was hampered by adverse weather conditions, particularly for estates located in the Sugut region which were impacted by heavy rains, leading to flooding in some areas and damaging main access and field roads. This further hindered evacuation of FFB. Shortage of skilled harvesters is also an ongoing challenge.

Resort Estate was the best performer, recording an average yield of 25.8 MT per ha. This was driven by sufficient harvesters and the introduction of new harvesting tools for tall palm areas. The Segaria and G&G Estates also turned in solid performances with average yields exceeding 22 MT per ha.

Our Sabah mills recorded an average OER of 21.3%, compared with 21.8% last year. This surpassed the Sabah MPOB average of 20.6%. Leading this was our Segaria Palm Oil Mill which achieved a commendable OER of 23.2%.



Resort Estate, Sabah

LTT Sabah Estate was awarded with RSPO certification in 2017. We also successfully renewed RSPO certification for our Nak Business Unit, while the Segaria Business Unit is expected to receive RSPO certification by the first half of 2018.

Sarawak

Our nine estates in Sarawak cover a combined land bank of 26,500 ha, with a planted area of 13,600 ha. The average age profile of our oil palms in Sarawak is 20 years.

The Sarawak estates produced 133,191 MT FFB in 2017, a 4% decline from the previous year. Average yield per ha was 10.8 MT. Harvesting operations were hindered by extremely high rainfall, labour shortages, ongoing native customary rights land disputes and blockades in Kelimut, Maong, Sungai Lelak and Bukit Limau estates.

In a positive development, the blockade at our Sungai Lelak Estate was successfully removed and rehabilitation works to normalise operations were carried out. While harvesting operations resumed in July 2017, this was impacted by shortage of harvesters.

Meanwhile, our estates in Sibul experienced high rainfall for most of the year, which impacted crop production. We have reorganised harvesting and crop evacuation operations to compensate for the shortage of harvesters in the year ahead.

Our mills achieved an OER of 19.8%, marginally higher than the previous year, although this was lower than MPOB's average of 20%.

RESEARCH & DEVELOPMENT

Research and development (R&D) plays a crucial role in the sustainable growth of the Group. Led by our associate company Applied Agricultural Resources Sdn Bhd (AAR), our R&D efforts enable us to tackle key challenges in the oil palm plantation industry.

This includes increasing efficiency and yields through AAR's oil palm breeding programme. AAR clonal and semi-clonal planting materials are well-established and supported by active breeding programmes. They are also well received by the market.

Progressive testing of the next generation AA Hybrida II planting materials demonstrated superiority against AA Hybrida I, achieving a 15% higher oil yield. This is equivalent to a 57% increase in oil yield compared to AA DxP, our first-generation planting materials. A planting density trial is being carried out to examine the possibility of increasing the oil yield of AA Hybrida II further. To date, we have replanted a total of 21,916 ha with high oil-yielding clonal planting materials.



AAR Tissue Culture Laboratory in Ijok, Selangor

We continue to achieve high OER at our mills, processing crops produced from tissue culture ramets. This clearly illustrates the success of our applied research in tissue culture. AAR's tissue culture laboratory continuously produces quality ramets through stringent quality controls and well-adhered tissue culture protocols. The laboratory has been certified ISO 9001:2008 since 2009.

While efforts to address the growing concerns of pathogens are continuing particularly on Ganoderma infection mitigation, research into the use of beneficial microbes to enhance the oil palm growth is ongoing in multi-location field trials. It was demonstrated that it is possible to reduce fertilisers by as much as 25% by inoculating endophytic microbes to the young palms.

GPS is an integral tool in oil palm agro-management. Technologies such as drones have been adopted by our oil palm estates for various operations including mapping, palm census and monitoring purposes.

SUSTAINABILITY COMMITMENT

Sustainability is all the more important for BPB as a company with operations which are deeply embedded in the eco-system. Our sustainability vision of Achieving Strategic Growth, Safeguarding the Environment has not faltered and we strive to lead by example.

Our progress and achievements for the year in the areas of economic, environment and social are detailed in our Sustainability Report in this Annual Report. We remain focused on driving our existing initiatives and at the same time strengthening our commitments towards achieving sustainability in all aspects of our business.

OUTLOOK

As part of our strategy to expand our land bank, we embarked on the proposed acquisition of 11,600 ha of land comprising five plantation estates within the district of Labuk and Sugut, Sabah. This represents a viable opportunity for the Group as the estates are located in close proximity to our existing estates, which will enable us to benefit from greater economies of scale.

Upon completion of this proposed acquisition, our total land bank will increase by 14% to 93,400 ha. This represents an increase of 15% in total planted area to 75,000 ha. The estates have a robust age profile, with 64% of the oil palms in their prime maturity between 10 to 20 years, which is a peak production period. Meanwhile, 10% of the palms are young mature palms between 4 to 9 years, which bodes well for our long-term prospects.



A drone being used by Telok Sengat Estate for various operations



Aerial view of Telok Sengat Estate

In tandem with expanding our plantation land, we are focused on unlocking value and ensuring effective usage of our land bank. In line with this, we are undertaking the proposed disposal of three parcels of land comprising 139 ha in Seberang Perai Utara, Pulau Pinang. This is in addition to the previous year's disposal of 678 ha of land.

Given the strategic location of the land which is in close proximity to urban development, we are able to realise the capital appreciation of the lands by disposing of them at a substantial premium over the net book value.

In 2018, we have allocated RM77 million for capital expenditure to be utilised mainly for implementation of dust particulate reduction measures in our mills in compliance with environmental regulations, as well as construction of workers' quarters, specifically at our Sabah estates. In addition to this, a total of RM49 million will be invested in replanting efforts for 2,400 ha of oil palm and upkeep of immature areas.

The plantation sector is heading for crosswinds in 2018. CPO prices are expected to remain supportive in the first quarter of the year, when output is seasonally low. Overall however, the CPO market is expected to be subdued in 2018. With full recovery expected post-El Nino, total global palm oil production is anticipated to increase by 5% to 67.5 million tonnes in the year ahead, which will put pressure on CPO prices.

Meanwhile, global palm oil consumption is forecast to increase by only 1.5 million tonnes to 63 million tonnes in 2018, on the back of abundant crops for other edible oils and slowing demand growth from traditional palm oil buyers.

While the EU's measures to ban palm oil-based biofuel by 2020 have dimmed market sentiments somewhat, we are hopeful that this will be reviewed to reach an optimistic outcome.

On a positive note, Indonesia's biodiesel mandate is expected to absorb the increase in output and support CPO prices over the long-term. This is further supported by Indonesia's CPO fund as well as rising consumption of palm oil-blended fuels. India is also expected to resume their CPO imports once stock reserves dwindle and their domestically-produced oil becomes insufficient to meet demand growth.

Although market conditions remain challenging, by building on our strong fundamentals and strategic growth plans, we are confident we will be able to maintain our momentum and drive the Group forward in the year ahead.

FAHMY ISMAIL

Chief Executive Officer

1 March 2018