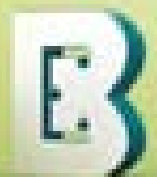




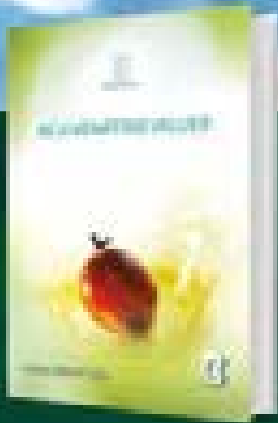
REJUVENATING VALUES



ANNUAL REPORT 2020



A member of Boustead Group



REJUVENATING VALUES

This year's cover visual reflects Boustead Plantations' renewed focus on harvesting greater value for our stakeholders. The DNA symbol embedded within our theme demonstrates our commitment to cultivating a culture of sustainable growth and evolution. As a proud member of the Boustead Group and guided by the Boustead Group's Reinventing Boustead Strategy, our solid foundation is anchored in generations of experience, propelling us towards new heights of success.

Annual Report

Sustainability Report

ONLINE VERSION

The soft copy of Boustead Plantations Berhad Annual Report 2020 and Sustainability Report 2020 are available on our website.



www.bousteadplantations.com.my

WHAT'S INSIDE

ABOUT BOUSTEAD PLANTATIONS BERHAD

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108th ANNUAL GENERAL MEETING



Thursday, 17 June 2021
9.30 a.m.



Royale Chulan Kuala Lumpur
5, Jalan Conlay
50450 Kuala Lumpur

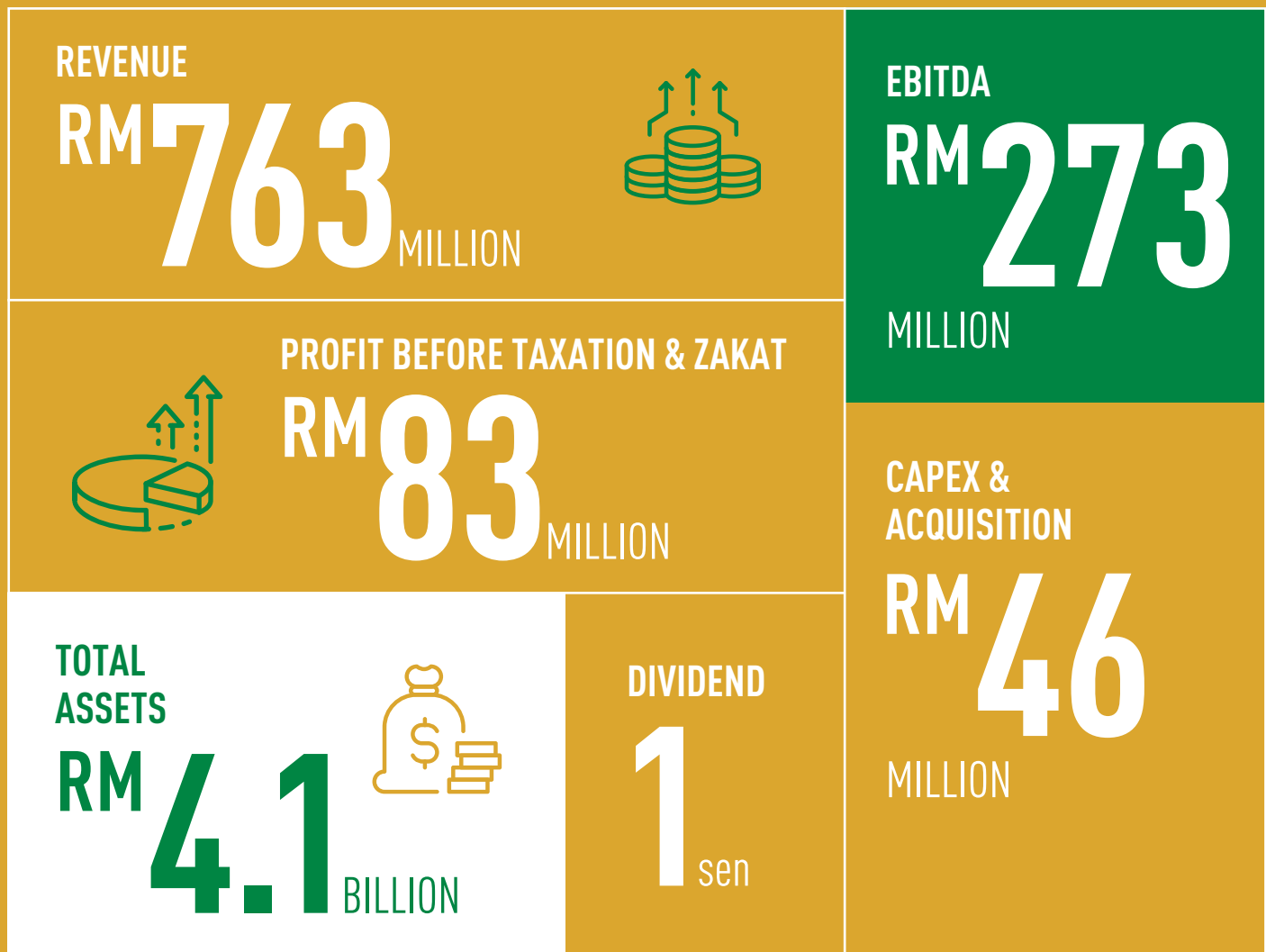


WHO WE ARE

Boustead Plantations Berhad (BPB) is a listed subsidiary of Boustead Holdings Berhad, one of Malaysia's largest diversified conglomerates. Given our substantial track record in plantation management and operations which spans decades, BPB is today an established upstream oil palm plantation company.

The Group manages a portfolio of 45 oil palm estates in Malaysia. Of these, 19 estates are located in Peninsular Malaysia, 20 in Sabah and six in Sarawak. Additionally, our operations include 10 mills in Malaysia. BPB's land bank spans 98,200 hectares (ha) of which 73,500 ha is cultivated with oil palm.

FACTS AT A GLANCE



FINANCIAL CALENDAR

FINANCIAL YEAR

1 January 2020 to 31 December 2020

DIVIDEND

First interim

Announced 23 November 2020

Entitlement date 9 December 2020

Payment date 30 December 2020

Second interim

Announced 24 March 2021

Entitlement date 8 April 2021

Payment date 28 April 2021

RESULT

1st quarter

Announced 2 June 2020

2nd quarter

Announced 25 August 2020

3rd quarter

Announced 23 November 2020

4th quarter

Announced 24 March 2021

ANNUAL REPORT

Issued

24 May 2021

ANNUAL GENERAL MEETING

To be held

17 June 2021



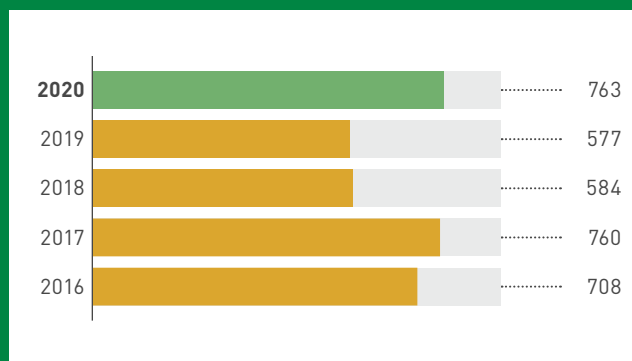
FIVE-YEAR FINANCIAL HIGHLIGHTS

		2020	2019	2018	2017	2016
FINANCIAL PERFORMANCE						
Revenue		763	577	584	760	708
Profit/(Loss) before taxation and zakat		83	(135)	(51)	689	276
Profit/(Loss) for the year		34	(157)	(64)	614	216
Profit/(Loss) attributable to shareholders		43	(144)	(52)	620	228
Earnings/(Loss) per share	sen	1.9	(6.4)	(2.3)	27.7	10.2
Return on equity	%	1.7	(5.5)	(1.8)	21.7	10.4
Return on assets	%	3.4	(1.7)	(0.4)	19.2	9.3
Return on revenue	%	18.3	(3.8)	(3.5)	19.2	20.2
DIVIDENDS						
Dividend declared		22	22	157	312	232
Net dividend per share	sen	1.0	1.0	7.0	19.5	14.5
Dividend yield	%	1.6	1.3	9.3	11.8	8.7
Dividend cover	times	1.9	(6.4)	(0.3)	2.0	1.0
GEARING						
Borrowings		1,253	1,377	1,118	140	901
Gearing	times	0.5	0.5	0.4	0.1	0.4
Interest cover	times	2.4	(1.1)	(0.4)	25.3	7.2
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	115	114	121	189	137
Share price – high	sen	75	100	137	175	166
Share price – low	sen	21	57	67	159	140
Earnings ratio	times	32	(11.8)	(32.4)	6.0	11.7
Paid up share capital		1,422	1,422	1,422	1,422	800
Shareholders' equity		2,584	2,552	2,718	3,020	2,186
Total equity		2,475	2,452	2,631	2,945	2,215
Total assets		4,129	4,200	4,165	3,451	3,257

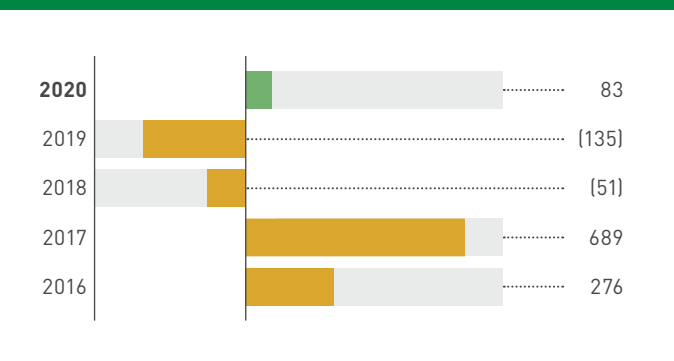
Note:

- All figures are in RM million unless otherwise stated.

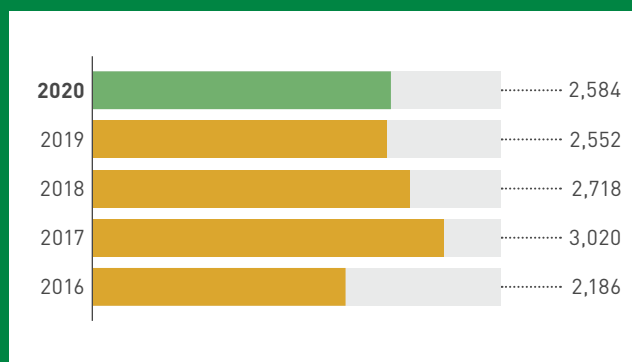
REVENUE
(RM Million)



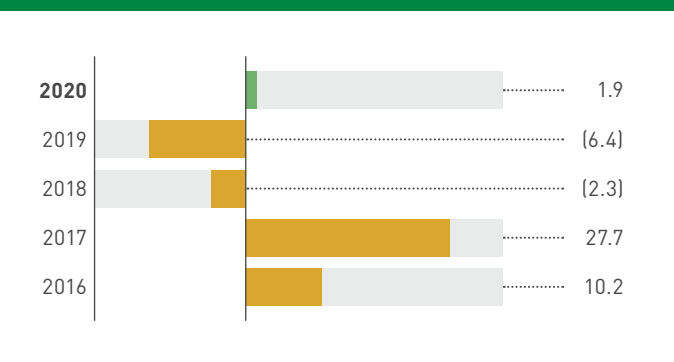
PROFIT/(LOSS) BEFORE TAXATION AND ZAKAT
(RM Million)



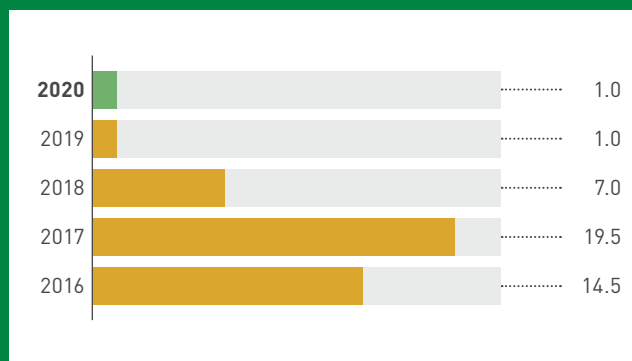
SHAREHOLDERS' EQUITY
(RM Million)



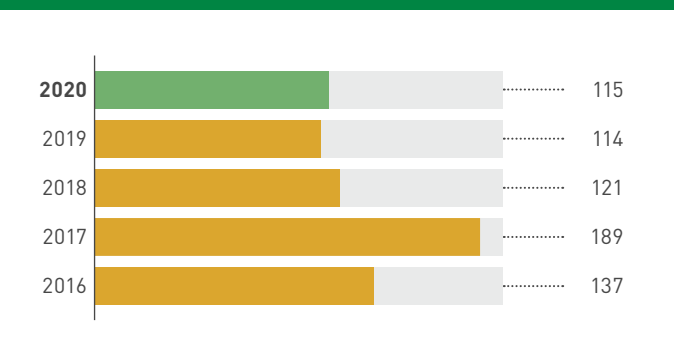
EARNINGS/(LOSS) PER SHARE
(Sen)



NET DIVIDEND PER SHARE
(Sen)



NET ASSETS PER SHARE
(Sen)





CORPORATE INFORMATION

DIRECTORS

Dato' Haji Ismail Haji Lasim

Independent Non-Executive Chairman

Dato' Mohzani Abdul Wahab

Senior Independent Non-Executive Director

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

Independent Non-Executive Director

Tan Sri Dato' Wira Aziah Ali

Independent Non-Executive Director

Dato' Ahmad Rizal Abdul Rahman

Independent Non-Executive Director

Datuk Hj. Shah Headan Ayoob Hussain Shah

Non-Independent Non-Executive Director

Ir. Abdul Aziz Julkarnain

Independent Non-Executive Director

Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid

Independent Non-Executive Director

Izaddeen Daud

Non-Independent Non-Executive Director

Fahmy Ismail

Non-Independent Non-Executive Director

Ahmad Shahredzuan Mohd Shariff

Non-Independent Non-Executive Director

CHIEF EXECUTIVE OFFICER

Ibrahim Abdul Majid

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

COMPANY SECRETARIES

Affendi Mohd Yob
Juniza Azizan

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Hwang Investment 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 PLT

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock Name : BPLANT
Stock Code : 5254

HOLDING CORPORATION

Boustead Holdings Berhad



It takes dedicated, capable, and experienced leaders to ensure BPB reaps sustainable benefits for many years to come. We are confident we have the right team in place to continue positive growth of the Group.



BOARD OF DIRECTORS



**DATO' MOHZANI
ABDUL WAHAB**
Senior Independent
Non-Executive
Director

**MAJ. GEN. DATO' SERI
HJ. KHAIRUDDIN
ABU BAKAR (R) J.P.**
Independent
Non-Executive
Director

**TAN SRI DATO' WIRA
AZIAH ALI**
Independent
Non-Executive
Director

**DATO' AHMAD RIZAL
ABDUL RAHMAN**
Independent
Non-Executive
Director

**DATO' HAJI ISMAIL
HAJI LASIM**
Independent
Non-Executive
Chairman



**IR. ABDUL AZIZ
JULKARNAIN**
Independent
Non-Executive
Director

**DATO' INDERA HAJI
MUSTAFFAR KAMAL
HAJI AB HAMID**
Independent
Non-Executive
Director

**DATUK HJ. SHAH
HEADAN AYOOB
HUSSAIN SHAH**
Non-Independent
Non-Executive
Director

IZADDEEN DAUD
Non-Independent
Non-Executive
Director

FAHMY ISMAIL
Non-Independent
Non-Executive
Director

**AHMAD SHAHREDZUAN
MOHD SHARIFF**
Non-Independent
Non-Executive
Director



PROFILE OF DIRECTORS



DATO' HAJI ISMAIL HAJI LASIM
Independent Non-Executive Chairman

Working experience:

- 1985 to 2004 - Advocate and Solicitor, Messrs. Halim & Ismail
- 2004 to 2018 - State Executive Council Member, Negeri Sembilan
- 1999 to present - State Legislative Assembly Member, Negeri Sembilan

Qualification:

- LLB (Hons), Universiti Malaya

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

Nationality/Age/Gender

Malaysian

62

Male

Date of Appointment

1 September 2020

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

3/3

as Dato' Haji Ismail was appointed to the Board on 1 September 2020

Committee Memberships

- Chairman of Nominating and Remuneration Committee

**DATO' MOHZANI ABDUL WAHAB**

Senior Independent Non-Executive
Director

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:

- 282,800 Ordinary Shares

Directorship in other public listed companies:

- Pavilion REIT Management Sdn Bhd

Directorship in public companies:

- CHUBB Insurance Malaysia 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

Nationality/Age/Gender

Malaysian

67

Male

Date of Appointment

25 October 2013

Length of Service

8 years

Date of last Re-election

24 April 2019

Number of Board Meetings Attended

10/10

Committee Memberships

- Chairman of Audit Committee
- Member of Risk Committee
- Member of Nominating and Remuneration Committee



PROFILE OF DIRECTORS



**MAJ. GEN. DATO' SERI
HJ. KHAIRUDDIN
ABU BAKAR (R) J.P.**

Independent Non-Executive Director

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:

- 53,000 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

Nationality/Age/Gender

Malaysian

70

Male

Date of Appointment

10 April 2014

Length of Service

7 years

Date of last Re-election

24 June 2020

Number of Board Meetings Attended

10/10

Committee Memberships

- Chairman of Board Tender and Procurement Committee
- Member of Risk Committee
- Member of Sustainability Committee
- Member of Nominating and Remuneration Committee



Working experience:

- Tan Sri Dato' Wira Aziah has vast experience in law and served the Government of Malaysia for over 40 years in various positions in the judiciary including Legal Advisor, Judicial Commissioner, High Court Judge and Court of Appeal Judge. She was elevated as a Federal Court Judge on 21 March 2016 and retired on 22 November 2018
- September 2020 to present - Member, Securities Industry Dispute Resolution Centre Appeals Committee
- 1 November 2020 to present - Commissioner, Enforcement Agency Integrity Commission

Qualification:

- 1976 - Bachelor of Law (Honours), Universiti Malaya

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Boustead Heavy Industries Corporation Berhad

Directorship in public companies:

- Wasiyyah Shoppe 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

Nationality/Age/Gender

Malaysian

68

Female

Date of Appointment

22 July 2019

Length of Service

2 years

Date of last Re-election

24 June 2020

Number of Board Meetings Attended

10/10

Committee Memberships

- Chairman of Sustainability Committee
- Member of Audit Committee
- Member of Risk Committee
- Member of Nominating and Remuneration Committee



PROFILE OF DIRECTORS



**DATO' AHMAD RIZAL
ABDUL RAHMAN**

Independent Non-Executive Director

Working experience:

- 1992 to 1996 - Audit Assistant/Senior Auditor, KPMG Malaysia
- 1996 to 1998 - Corporate Finance Executive, Commerce International Merchant Bank
- 1998 to 2000 - Managing Consultant, KPMG Corporate Services Sdn Bhd
- 2000 to 2001 - Head of Corporate Affairs, MSC Trustgate.com Sdn Bhd
- 2002 to 2003 - Financial Advisor, Germanischer Llyod
- 2003 to 2007 - Freelance Consultant for Corporate Finance
- 2008 to 2010 - Chief Operating Officer, VIDA Springboard Sdn Bhd
- 2010 to 2018 - Group Chief Executive Officer, Kumpulan Perbadanan Pembangunan Pertanian Negeri Perak

Qualification:

- 1990 - Diploma in Accountancy, Institut Teknologi MARA
- 1992 - Advanced Diploma in Accountancy, Institut Teknologi MARA
- 2001 - Chartered Accountant, Malaysian Institute of Accountants
- 2014 - Honorary Fellowship, International Institute of Plantation Management Malaysia
- 2017 - Certificate for Leaders in Development: Managing Change in a Dynamic World, John F. Kennedy School of Government at Harvard University Executive Education

- 2018 - Associate Member, Chartered Global Management Accountant, United Kingdom
- 2018 - Fellow, Chartered Institute of Management Accountants, United Kingdom

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

Nationality/Age/Gender

Malaysian

51

Male

Date of Appointment

22 July 2019

Length of Service

2 years

Date of last Re-election

24 June 2020

Number of Board Meetings Attended

10/10

Committee Memberships

- Chairman of Risk Committee
- Member of Audit Committee
- Member of Sustainability Committee
- Member of Digital Transformation Committee



**DATUK HJ. SHAH HEADAN
AYOOB HUSSAIN SHAH**

Non-Independent
Non-Executive Director

Working experience:

- 1988 to 1989 - Assistant Manager (Trainee), Sime Darby Plantation Berhad
- 1989 to 1990 - Cadet Planter, East Asiatic Sdn Bhd
- 1990 to 1993 - Production Officer, Applied Magnetic Sdn Bhd
- 2002 to 2006 - Council Member, Majlis Perbandaran Pulau Pinang
- December 2004 - Director, Kauluan Sdn Bhd
- January 2006 - Managing Director, Sheba Resources Sdn Bhd
- 2006 to 2010
 - Member/Director, Commercial Vehicle Licencing Board
 - Chairman (Northern Region), Commercial Vehicle Licencing Board
- 2012 to 2015 - Director, Universiti Malaysia Perlis
- 2013 to 2018
 - Member of State Legislative Assembly, Kawasan Dewan Undangan Negeri (KADUN) Teluk Bahang, Pulau Pinang
 - Director, UniMAP Holdings Sdn Bhd

Qualification:

- Bachelor of Corporate Communication, Universiti Putra Malaysia
- Diploma in Agriculture, Universiti Pertanian Malaysia

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

Nationality/Age/Gender

Malaysian

57

Male

Date of Appointment

1 July 2020

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

5/5

as Datuk Hj. Shah Headan was appointed to the Board on 1 July 2020

Committee Memberships

- Chairman of Digital Transformation Committee
- Member of Sustainability Committee
- Member of Board Tender and Procurement Committee



PROFILE OF DIRECTORS



IR. ABDUL AZIZ JULKARNAIN
Independent Non-Executive Director

Working experience:

- 2000 to 2002 - Project Engineer, TRC Synergy Berhad
- 2002 to 2005 - Project Engineer, UEM Builders Berhad
- 2006 to 2007 - Senior Design Engineer, Public Consultants
- 2002 to present - Project Coordinator, Intiutama Sdn Bhd
- 2007 to present - Managing Director, Hashim & Julkarnain Perunding Sdn Bhd
- 2015 to present - Director, MYIB Group
- 2019 to present - Managing Director, TRH Builders Sdn Bhd

Qualification:

- 2000 - Bachelor in Civil Engineering, Universiti Teknologi Malaysia
- 2006 - Master in Engineering (Structure), Universiti Teknologi Malaysia
- 2013 - Certified Professional in Erosion and Sediment Control, EnviroCert International

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

Nationality/Age/Gender

Malaysian

43

Male

Date of Appointment

1 September 2020

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

3/3

as Ir. Abdul Aziz was appointed to the Board on 1 September 2020

Committee Memberships

- Member of Audit Committee
- Member of Digital Transformation Committee
- Member of Board Tender and Procurement Committee



**DATO' INDERA HAJI MUSTAFFAR
KAMAL HAJI AB HAMID**

Independent Non-Executive Director

Working experience:

- 1976 to 1980 - Analyst, Amanah Saham Pahang Berhad
- 1980 to 2005 - Various positions in Syarikat Ladang LKPP Sdn Bhd. Last position held was General Manager
- 2005 to 2015 - Executive Director, Gading Sari Sdn Bhd

Qualification:

- Bachelor of Arts (Honours) in Economics, Universiti Malaya

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

Nationality/Age/Gender

Malaysian

67

Male

Date of Appointment

10 March 2021

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

None, as Dato' Indera Haji Mustaffar Kamal was appointed to the Board on 10 March 2021

Committee Memberships

- Nil



PROFILE OF DIRECTORS



IZADDEEN DAUD

Non-Independent
Non-Executive Director

Working experience:

- 1991 - Auditor, Ernst & Young
- 1992 - Senior Officer, Oriental Bank Berhad
- 1992 to 1998 - Senior Manager, Perwira Affin Merchant Bank Berhad
- 1999 to 2007 - Assistant Vice President, Permodalan Nasional Berhad
- 2007 to 2008 - Chief Executive Officer (CEO), ASM Investment Services Berhad
- 2008 to 2009 - Managing Director, MARA Incorporated
- 2013 to January 2021 - Executive Chairman, E&E Gas Sdn Bhd
- July 2020 to February 2021 - Executive Director, Group Business Development, Boustead Holdings Berhad (BHB)
- November 2020 to present - Acting CEO, Boustead Properties Berhad
- 1 March 2021 to present - Deputy Group Managing Director, BHB

Qualification:

- Certified Financial Planner, Financial Planning Association of Malaysia
- Fellow Member, Institute of Public Accountant, Australia
- B.Sc (Hons) Accounting and Law, De Monfort University, Leicester, United Kingdom

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

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

Directorship in public companies:

- Boustead Properties 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

Nationality/Age/Gender

Malaysian

52

Male

Date of Appointment

10 March 2021

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

None,
as Encik Izaddeen was appointed to the Board on 10 March 2021

Committee Memberships

- Nil

**FAHMY ISMAIL**

Non-Independent
Non-Executive Director

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 position held prior to joining Boustead Holdings Berhad (BHB) was Assistant Manager, Corporate Finance for SapuraCrest Petroleum Berhad
- 2006 - Manager, Corporate Planning, BHB
- 2009 - Chief Executive Officer (CEO), Boustead REIT Managers Sdn Bhd
- 2014 to May 2018 - CEO, Boustead Plantations Berhad
- January 2019 to July 2020 - Chief Operating Officer, BHB
- 2017 to present - Group Finance Director, BHB

Qualification:

- 1998 - Bachelor of Commerce (Accounting and Finance), University of Sydney, Australia
- 2003 - Certified Practising Account, CPA Australia
- 2003 - Chartered Accountant, Malaysian Institute of Accountants

Details of any interest in the securities of Boustead Plantations Berhad:

- 1,000 Ordinary Shares

Directorship in other public listed companies:

- Boustead Heavy Industries Corporation Berhad

Directorship in public companies:

- MHS Aviation Berhad
- Boustead Properties 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

Nationality/Age/Gender

Malaysian

44

Male

Date of Appointment

10 March 2021

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

None,
as Encik Fahmy was appointed to the Board on 10 March 2021

Committee Memberships

- Nil



PROFILE OF DIRECTORS



**AHMAD SHAHREDZUAN
MOHD SHARIFF**

Non-Independent
Non-Executive Director

Nationality/Age/Gender

Malaysian

38

Male

Date of Appointment

10 March 2021

Length of Service

Less than 1 year

Date of last Re-election

-

Number of Board Meetings Attended

None,
as Encik Ahmad
Shahredzuan was
appointed to the Board
on 10 March 2021

Committee Memberships

• Nil

Working experience:

- August 2006 to June 2015 - Various positions in Permodalan Nasional Berhad. Last position was Senior Manager at the Office of President and Group Chief Executive
- June 2015 to November 2019 - Implementation Consultant, McKinsey & Company, Kuala Lumpur
- November 2019 to April 2020 - Senior General Manager, Boustead Holdings Berhad (BHB)
- May 2020 to February 2021 - Chief Transformation Officer, BHB
- March 2021 to present - Chief Reinvention and Strategy Officer, BHB

Qualification:

- 2006 - Bachelor of Science, Economics, University of Warwick, United Kingdom
- 2012 - Graduate Diploma of Applied Finance, Kaplan Higher Education, Australia

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- 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

OUR APPRECIATION TO FORMER DIRECTORS



**DATUK SYED TAMIM
ANSARI SYED MOHAMED**

Independent Non-Executive
Chairman

Malaysian | 73 | Male
(Retired w.e.f. 24 June 2020)

Working experience:

- 1972 to 1981 – Administrative and Diplomatic Service
- 1982 to 1986 – Perbadanan Nasional Berhad
- 1987 to 2007 – Sime Darby Berhad
- 2009 to 2011 – Director, Malayan Banking Berhad
- 2009 to 2016 – Deputy Chairman, Cycle & Carriage Bintang Berhad
- 2009 to 2016 – Group Country Chairman, Jardine Matherson Malaysia Sdn Bhd
- 2010 to 2012 – Director/Chairman, IntegreX Berhad
- 2010 to 2013 – Director, Minetech Resources Berhad
- 2019 to 2020 – Ahli Majlis, Majlis Amanah Rakyat (MARA)
- Present – Advisor, Avows Technologies Sdn Bhd and International Water Grid Sdn Bhd
- Present – Principal Consultant, ST & H Consultancy Services Sdn Bhd
- August 2019 to June 2020 – Chairman, Boustead Plantations Berhad



DATO' CHAN KONG YEW

Independent Non-Executive
Director

Malaysian | 49 | Male
(Retired w.e.f. 24 June 2020)

Working experience:

- Present – Founder and Managing Director, Infinity Logistics & Transport Sdn Bhd



**DATO' SRI GHAZALI
MOHD ALI**

Non-Independent Non-Executive
Director

Malaysian | 73 | Male
(Retired w.e.f. 24 June 2020)

Working experience:

- Prior to joining Boustead Holdings Berhad (BHB), the holding company of Boustead Plantations Berhad, Dato' Sri Ghazali held several positions in property industry for more than 30 years
- 1972 to 1984 – Deputy Director General, Urban Development Authority of Malaysia
- 1985 to 1986 – Director and Town Planner, Arkitek MAA Sdn Bhd
- 1987 – Property Director, Island & Peninsular Berhad
- 1987 to 1994 – Managing Director, Syarikat Perumahan Pegawai Kerajaan Sdn Bhd
- 1994 to 2020 – Divisional Director, Property, BHB



**DATO' HAJI AHMAD
TAJUDDIN HAJI
SULAIMAN**

Independent Non-Executive
Director

Malaysian | 66 | Male
(Resigned w.e.f. 10 November 2020)

Working experience:

- 1976 to 1994 - Senior Administrative Officer, FELDA
- 1995 to 1999 - Political Secretary, Pahang Chief Minister's office
- 1999 to 2000 - Political Secretary, Information Minister's office
- 1999 to 2008 - State Legislative Assembly Member
- 2000 to 2005 - Director, Felda Palm Industries Sdn Bhd
- 2006 to 2012 - Director, Felda Agricultural Services Sdn Bhd
- 2018 to present – Director Rangkaian Delima Sdn Bhd



PROFILE OF CHIEF EXECUTIVE OFFICER



IBRAHIM ABDUL MAJID

Chief Executive Officer

Nationality/Age/Gender

Malaysian

61

Male

Date of Appointment

1 December 2019

Working experience:

- 2007 to 2009 – Plantation Adviser, Sime Darby Plantation Berhad (SDP)
- 2009 to 2012 – Head, Plantation Operations, PT Minamas Gemilang, Indonesia, SDP
- 2013 to 2017 – Plantation Adviser, SDP
- 2017 to 2019 – Regional Chief Executive Officer, Southern Region, SDP
- December 2019 to present – Chief Executive Officer, Boustead Plantations Berhad

Qualification:

- 1976 – Malaysia Certificate of Education

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

SENIOR MANAGEMENT TEAM



**MOHAMAD MAHAZIR
MUSTAFFA**

Chief Financial
Officer

**MOHAMAD AZLAN
JAAFAR**

Deputy Chief
Executive Officer

**MOHD NIZAM
ZAKARIA**

Senior General
Manager,
Marketing

**IBRAHIM ABDUL
MAJID**

Chief Executive
Officer

**SHAFIE MUHD
ZAIN**

Group Engineer

**FAKRIL ZAMANI
MAHMUD**

Chief Strategy
Officer



PROFILE OF SENIOR MANAGEMENT TEAM



Malaysian | 47 | Male

Date of appointment to present position

1 September 2018

MOHAMAD AZLAN JAAFAR

Deputy Chief Executive Officer

Working experience:

- 1996 to 1999 – Audit Senior, KPMG Perth, Australia
- 2000 to 2001 – Experienced Senior, Andersen, Kuala Lumpur
- 2001 to 2004 – Audit Manager, Malaysia Airlines System Berhad
- 2004 to 2007 – Assistant General Manager, Group Internal Audit, Telekom Malaysia Berhad
- 2008 to 2010 – Regional Head of Internal Audit, AirAsia Berhad
- 2010 to 2012 – Director Corporate Governance & Risk Management, Ekuiti Nasional Berhad
- 2012 to 2018 – Senior General Manager, Group Internal Audit & Risk Management, Boustead Holdings Berhad
- September 2018 to present – Deputy Chief Executive Officer, Boustead Plantations Berhad

Qualification:

- 1995 – Bachelor of Commerce (Accounting & Finance), University of New South Wales, Sydney, Australia
- 2000 – Member, Institute of Chartered Accountants in Australia
- 2002 – Member, Malaysian Institute of Accountants
- 2016 – Doctorate of Business Administration, Universiti Utara Malaysia

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

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



Malaysian | 46 | Male

**Date of appointment
to present position**

23 September 2019

MOHAMAD MAHAZIR MUSTAFFA

Chief Financial Officer

Working experience:

- 1997 to 2009 – Finance and Administration Manager, Boustead Holdings Berhad
- 2012 to 2015 – Assistant Vice President, Finance Operation, PT Minamas Gemilang, Indonesia, Sime Darby Plantation Berhad
- 2015 to 2019 – Financial Controller, Boustead Plantations Berhad (BPB)
- September 2019 to present – Chief Financial Officer, BPB

Qualification:

- 1994 – Diploma in Accounting, MARA Community College, Kuantan, Pahang
- 1997 – Bachelor of Science in Business Administration (Accounting), California State University, Sacramento, United States of America
- 2011 – Graduate, Association of Chartered Certified Accountants (ACCA), London College of Accountancy, United Kingdom
- 2018 – Fellow, ACCA
- 2019 – Member, Malaysian Institute of Accountants

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

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



Malaysian | 46 | Male

Date of appointment to present position

1 March 2021

FAKRIL ZAMANI MAHMUD

Chief Strategy Officer

Working experience:

- 1997 to 2000 – Audit Senior, PricewaterhouseCoopers
- 2000 to 2008 – Senior Executive, Investment Department, Perbadanan Nasional Berhad
- 2008 to 2011 – Senior Manager, Malaysian Biotechnology Corporation Sdn Bhd
- 2011 to 2013 – Senior Manager, Corporate Strategy, Felda Global Ventures Holdings Berhad
- 2013 to 2016 – Head, Corporate & Strategic Planning, Boustead Heavy Industries Corporation Berhad
- 2016 to 2021 – General Manager, Group Transformation Office, Boustead Holdings Berhad
- March 2021 to present – Chief Strategy Officer, Boustead Plantations Berhad

Qualification:

- 1997 – Bachelor of Accountancy, Universiti Utara Malaysia
- 2005 – Master of Business Administration (Finance), Universiti Putra Malaysia
- 2005 – Member, Malaysian Institute of Accountants

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in public listed companies:

- Nil

Directorship in public companies:

- MHS Aviation Berhad (Alternate Director)

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



Malaysian | 50 | Male

**Date of appointment
to present position**

1 January 2019

MOHD NIZAM ZAKARIA

Senior General Manager, Marketing

Working experience:

- 1995 to 1997 – Management Executive, Sime Darby Berhad
- 1998 to 2003 – Research and Dealing, KL City Securities Sdn Bhd
- 2003 to 2006 – Market Analyst, Kumpulan Guthrie Berhad
- 2007 to 2008 – Senior Manager, Marketing, PT Minamas Gemilang (PTMGG), Indonesia, Sime Darby Plantation Berhad (SDP)
- 2008 to 2013 – General Manager, Marketing, PTMGG
- 2013 to 2014 – Head of Trading and Marketing, PTMGG
- 2015 to 2016 – Vice President, Global Bulk Business, Global Trading & Marketing, SDP
- 2016 to 2018 – General Manager, Marketing, Boustead Plantations Berhad (BPB)
- January 2019 to present – Senior General Manager, Marketing, BPB

Qualification:

- 1993 – Graduate of Association of Chartered Certified Accountants, Emile Woolf College, London, United Kingdom
- 1995 – Master of Science in Accounting & Finance, De Montfort University, Leicester, United Kingdom

Details of any interest in the securities of Boustead Plantations Berhad:

- 80 Ordinary Shares

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



Malaysian | 60 | Male

Date of appointment to present position

1 June 2018

SHAFIE MUHD ZAIN

Group Engineer

Working experience:

- 1983 to 1988 – Assistant Mill Manager, Felda Palm Industries Sdn Bhd
- 1989 to 1997 – Mill Manager, Felda Palm Industries Sdn Bhd
- 1998 to 2002 – Mill Manager, Hap Seng Consolidated, Sabah
- 2003 to 2005 – Mill Manager, Boustead Plantations Berhad (BPB)
- 2007 – Visiting Engineer, BPB
- 2008 – Senior Visiting Engineer, BPB
- 2014 – Deputy Group Engineer, BPB
- June 2018 to present – Group Engineer, BPB

Qualification:

- 1982 – Diploma in Mechanical Engineering, Universiti Teknologi Malaysia
- 1989 – Steam Engineer Certificate of Competency, Department of Occupational Safety and Health Malaysia
- 1990 – Diploma in Palm Oil Milling Technology, Malaysian Palm Oil Board

Details of any interest in the securities of Boustead Plantations Berhad:

- 21,000 Ordinary Shares

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



MANAGEMENT DISCUSSION AND ANALYSIS

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CHAIRMAN'S STATEMENT

Dear Shareholder,

Despite immense challenges during the year as a result of COVID-19, for Boustead Plantations Berhad, the unprecedented crisis put into greater perspective the importance of staying true to our core purpose of delivering value to our shareholders. Moreover, by virtue of our majority shareholders Boustead Holdings Berhad and Lembaga Tabung Angkatan Tentera, we indirectly contribute to the wellbeing of members of the Armed Forces, as well as their families.

A photograph of Dato' Haji Ismail Haji Lasim, the Chairman, sitting in a brown leather chair and using a silver laptop. He is wearing a dark blue suit, a white shirt, and a blue patterned tie. The background is a bright, modern office with large windows and a hanging lamp.

Dato' Haji Ismail Haji Lasim
Chairman

PROFIT/(LOSS) BEFORE TAXATION AND ZAKAT



RM **83** million

2019 : (RM135 million)

MARKET CAPITALISATION



RM **1.4** billion

2019 : RM1.7 billion

REVENUE



RM **763** million

2019 : RM577 million

With this purpose-driven objective, we strived to adapt, change and find ways to mitigate the impact of the pandemic on the Group. Although we faced disruptions such as foreign workers' restrictions, which led to harvesting and production hurdles and contributed to tight supply, being resilient and sustainable have always been part and parcel of our business operations.

Testament to this, even prior to the health crisis, the Group undertook a series of enhancement measures that were pivotal in steering us forward and setting the stage to embark on our reinvention plan. This, coupled with stronger demand as economies reopened, Malaysian Government-



Aerial view of Sungai Jernih Business Unit, Pahang.

mandated tax exemptions and improved crude palm oil (CPO) prices in the second half of the year led the Group back to a profitable footing at year-end.

On this note, I am pleased to pen my inaugural statement as Chairman and present Boustead Plantations Berhad's Annual Report for the financial year ended 31 December 2020.

REINVENTING BOUSTEAD PLANTATIONS

With a view towards accelerating the trajectory of Boustead Plantations, we will be guided by the Boustead Group's Reinventing Boustead strategy. This will put us on a stronger and firmer footing, preparing the Group to take on new opportunities and challenges in the coming years.

To this end, we have already begun adopting the Reinventing Boustead strategy, with key senior management personnel of Boustead Holdings Berhad appointed to our Board to provide expertise and drive execution of digitalisation and technology initiatives. Focusing on new value creation within existing

core businesses, reviewing business models for enhanced revenue streams, deepening talent development and rationalising non-strategic assets, we strive to future-proof the business as we evolve from being a brick-and-mortar company towards more robust, digitised and sustainable operations.

ECONOMIC LANDSCAPE

With much of the world in lockdown for months in 2020, there was dampened economic activity on the back of a dramatic fall in demand and supply and a steep drop in international trade and investment, causing global gross domestic product (GDP) to contract by 3.5%.

In Malaysia, where GDP contracted by 5.6% in 2020, we faced our sharpest recession in two decades, challenged by a decline in consumer spending, fluctuations in gross exports and imports, and labour market woes. Government stimulus packages and intermittent easing of movement restrictions proved to be a much-needed boost to help counter the far-reaching consequences of the coronavirus.



CHAIRMAN'S STATEMENT

In tandem, global demand for palm oil saw a contraction of 4%, mainly due to the health crisis which generally impacted much of import and consumption of edible oils last year.

Domestic palm oil production was also adversely affected, leading to export supply issues not just as a result of labour shortage but also seasonal weather conditions, and dipped to 19.1 million tonnes in 2020 from the initial forecast of 19.4 million tonnes.

While CPO prices were erratic during the year, they rallied to a record high in December 2020, last seen eight years ago, as a result of higher exports and lower stockpiles.

The year initially also saw weaker demand from key buyers, namely India and China. While India imposed a boycott in early-2020, trade relations between India and Malaysia improved significantly in the latter months. India's purchase resumption was also the result of our discounted CPO price and Indonesia's export tax. There was also a rebound in demand from China when it resumed economic activities after the country made headway in controlling the pandemic.

In spite of challenges, the Malaysian palm oil industry generated RM72.8 billion in palm oil and palm product exports in 2020, comparatively higher than RM63.7 billion recorded in 2019.

FINANCIAL PERFORMANCE

Positive impact from the Group's ongoing enhancement measures notwithstanding, the year ended with more favourable trade conditions and CPO price corrections.

Boustead Plantations' commitment to push through the trials of 2020 paid off, with the Group delivering a profit before taxation and zakat of



Improved replanting specification at Taiping Rubber Plantation Estate, Perak which includes proper terrace design to facilitate future mechanised operations.

RM83 million, compared with the previous financial year's deficit. We achieved this on the back of an improved revenue of RM763 million.

Market capitalisation was RM1.4 billion as at 31 December 2020, while net assets per share stood at RM1.15.

DIVIDEND

Enhancing shareholder value remained a priority, even amidst the tough environment. During the year, we declared a dividend of 1 sen per share, amounting to a total pay-out of RM22 million.

SUSTAINABILITY

Our commitment to producing sustainable palm oil was further intensified in the financial year under review, given the nature of the circumstances that impacted not just Boustead Plantations but the entire industry.

The Group's sustainability drive during the year under review continued to emphasise labour practices, environmental initiatives and business accountability as we took necessary measures to operate ethically and responsibly.

The standalone Sustainability Report 2020 contains an in-depth account of our collective efforts and progress made towards achieving key goals.

HUMAN CAPITAL

Reducing the impact of the pandemic on our workforce was a primary goal for the Group in 2020, in order to accommodate the changing needs efficiently and effectively. With flexible and remote working options to maintain a safe work environment and open communications, our aim was to help our workforce adapt to the unprecedented changes in their lives.

We continued to implement talent development initiatives and training programmes to ensure our human capital was equipped with enhanced capabilities and skill-sets to cope with changes in the work environment.

With human capital being our most vital asset, we had to reinvent how they worked in order to ensure productivity was sustained by rethinking work processes, while demonstrating flexibility and care. It was tremendously gratifying to see how our workforce adapted with agility and resilience, and through this, contributed towards propelling Boustead Plantations ahead in a tumultuous year.

OUTLOOK

We entered 2021 with economies and populations worldwide continuing to valiantly battle the pandemic. Ongoing vaccine roll-out is key to global recovery, as are government stimulus programmes and strengthened economic activity to improve livelihoods as much as the bottom-line. The unforeseen circumstances caused by the virus has rivalled any other in recent time, with a slow-paced recovery expected as we adapt and reinvent ourselves.

Palm oil continued to be the main oil produced globally in 2020, making up 31.4% or 74.1 million tonnes of total oils and fats, despite a dip from 2019's level of 76.7 million tonnes. The eight-year record-high CPO prices on the back of tight supplies in the last quarter of 2020 coupled with strengthened demand from India and China were instrumental in boosting earnings for the sector in Malaysia.

However, the first two months of 2021 witnessed a fall in export demand, primarily due to Malaysia's reinstated export tax of 8% on CPO starting 1 January as well as India's higher import duty. This was compounded by China's growing import of soybean and corn, as well as palm oil stockpiling at the end of 2020. Nevertheless, during the Palm and Lauric Oils Price Outlook Conference & Exhibition organised by Bursa Malaysia Derivatives Berhad in March 2021, industry experts forecasted that CPO prices for the year could trade between RM3,320 to RM4,113 per metric tonne as stocks are still very tight.

In addition, the phasing out of palm biodiesel by the European Union may result in a slight decline in consumption in 2021 but this is not expected to affect other palm oil-buying countries. Our mandate to produce biodiesel with 20% palm oil, or B20, has also been postponed to 2022.

Palm oil production in Malaysia is expected to increase in 2021, with the Malaysian Palm Oil Council projecting this year's output to increase to 19.6 million tonnes from 19.1 million tonnes in 2020. These indications certainly point to the sector continuing to play a significant role in the domestic economy as the fourth largest contributor.

Global consumption of oils and fats will rise as populations increase, with other vegetable oils hard-pressed to meet demand. With palm oil production set to recover in 2021, the Group intends to continue rising to the challenges by focusing on sustainable best practices, effective solutions and innovative technologies.

ACKNOWLEDGMENT

We are grateful to the Board members for their expertise, as well as dedication and steadfastness to the Group. To the Management Team and employees, particularly our frontliners at the plantations, thank you for remaining committed to the goals of Boustead Plantations. You have demonstrated admirable resolve in the face of unprecedented hurdles, from the movement restrictions to various operational disruptions and challenging conditions that have been a mainstay of this turbulent year. With your support, the Group continued to progress sustainably and responsibly.

The year saw us bidding farewell to our former Chairman, Datuk Syed Tamim Ansari Syed Mohamed. On behalf of the Board, I would like to extend our gratitude for his commendable service to the Group. Our sincere thanks as well to former Board members, Dato' Chan Kong Yew, Dato' Sri Ghazali Mohd Ali and Dato' Haji Ahmad Tajuddin Haji Sulaiman for their significant contributions and we wish them well.

The Board also had the pleasure of welcoming Datuk Hj. Shah Headan Ayoob Hussain Shah, Encik Izaddeen Daud, Encik Fahmy Ismail and Encik Ahmad Shahredzuan Mohd Shariff as Non-Independent Non-Executive Directors, as well as Ir. Abdul Aziz Julkarnain and Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid as Independent Non-Executive Directors.

We would like to record our thanks to our valued shareholders, financiers, business associates, partners, consultants and the regulatory authorities for their continued support and unwavering faith in the Group.

As we reinvent ourselves, we look forward to a stronger year ahead.

DATO' HAJI ISMAIL HAJI LASIM

Chairman

4 May 2021



CEO'S REVIEW

The Group's enhancement measures clearly resulted in tangible improvements across the business. Buoyed by the success we have achieved thus far and fully prepared for more changes in 2021 in keeping with the recently introduced Reinventing Boustead strategy, we will continue to persevere with confidence and enthusiasm as we future-proof our palm oil business.

Dear Shareholder,

The year 2020 was significantly impacted by the global COVID-19 crisis, bringing about complex challenges that affected the plantation sector. This included various pressures affecting palm oil demand, as well as operational disruptions caused by movement restrictions and measures implemented to contain the spread of the virus.

Despite these unprecedented circumstances, crude palm oil (CPO) prices rallied in the second half of the year as palm oil demand improved in key markets, with lockdowns easing and economies beginning to see a gradual recovery. In addition to our steadfast focus on continuous enhancement, this enabled the Group to navigate through this tough environment to strengthen efficiencies across our operations and drive earnings growth.

ENHANCEMENT MEASURES

In an unprecedented year, our ongoing enhancement measures to improve the Group's operational and financial efficiencies made good progress. This included organisational restructuring, prudent cost management and rationalising of under-performing assets.


The Group stayed its course in navigating through the ripple effects caused by COVID-19 by demonstrating unwavering commitment and focus in our push for long-term sustainable growth that will result in significant socio-economic benefits. Following were the highlights of the year.

2020 PROFIT BEFORE
TAXATION AND ZAKAT

RM **83** million

+161%

Ibrahim Abdul Majid
Chief Executive Officer



2020 REVENUE
RM763 million

+32%



CEO'S REVIEW



Rimba Nilai Palm Oil Mill, Sugut, Sabah.

» Operational efficiency & productivity enhancements:

- The consolidation of 45 estates and 10 palm oil mills into 10 Strategic Business Units (SBU) to operate as profit centres. Each SBU has a clear channel of command, responsibility and accountability, with a designated Head.
- With the support of centralised specialist services, all units can now formulate smart, workable and pragmatic action plans with timeline and avenues for revision and yield improving initiatives.
- Landbank rebalancing which comprised the excising of non-performing and poor performing land plots in the estates to deploy available resources to more productive areas in the estates.
- Soil fertility enhancement and water conservation techniques including proper frond stacking, rain harvesting and establishment of *nephrolepis biserrata* as ground cover for overall yield improvement.
- Mill efficiency enhancement to ensure machinery and tools are compatible to allow interoperability at all our mills nationwide.
- Disruption to labour supply due to COVID-19 related movement restrictions significantly impacted the sector and the Group, raising the importance of mechanised operations. We continued to introduce new mechanisation initiatives as well as streamline and refine existing initiatives at selected operations including in-field crop evacuation, external crop transporting, in-field infrastructure, mature weeding, manuring, pest management and effluent treatment plant.
- Accelerated replanting programme to manage imbalance in the age profile distribution of palms.

» Financial efficiency enhancements:

- Centralisation of procurement and vendor management that have resulted in better control of our procurement processes.
- Increasing transparency of the Group's tender process with the support of a tender committee set up to oversee and review all major purchases.



TOTAL
45 ESTATES
WITH COMBINED
LANDBANK OF
98,200 HA

REINVENTING BOUSTEAD PLANTATIONS

The Group's enhancement measures clearly resulted in tangible improvements across the business. Buoyed by the success we have achieved thus far and fully prepared for more changes in 2021 in keeping with the recently introduced Reinventing Boustead strategy, we will continue to persevere with confidence and enthusiasm as we future-proof our palm oil business.

As part of this strategy, we have put in place a Plantation Performance Improvement Program. A key feature of this comprises utilising artificial intelligence and big data for precision farming to subsequently improve yield. Along with this, we aim to unlock further value by tapping on digitalisation and advanced technologies, re-assessing our business models, cultivating a high-performance talent pool and rationalising non-core assets. These measures will allow us to strengthen earnings potential and drive sustainable growth moving forward.

FINANCIAL PERFORMANCE

Against a difficult backdrop, Boustead Plantations Berhad delivered an improved performance for the year ended 31 December 2020, registering a profit before taxation and zakat of RM83 million, compared with a deficit in the previous financial year owing to a

one-off impairment. Revenue grew by 32% to RM763 million, while profit from operations increased to RM139 million. Underpinning these solid results was the increase in palm product prices, on the back of tight palm oil inventories.

The Group's borrowings for the year reduced to RM1.3 billion, while our gearing ratio remained manageable at 0.5 times.

Even in a turbulent year, we stayed true to our commitment to enhance value for our shareholders. In line with this, we declared total dividends of 1.0 sen per share for the financial year, representing a cumulative payout of RM22 million.

Earnings per share closed at 1.9 sen, while net assets per share stood at RM1.15. Market capitalisation came in at RM1.4 billion as at 31 December 2020.

MARKET REVIEW

The pandemic caused significant economic upheaval across the world, resulting in one of the most volatile years for commodity prices in recent history. While vegetable oil prices started the year on an encouraging note, this deteriorated as the COVID-19 outbreak reached global proportions, with prices dropping to a low in May 2020.

Nevertheless, as pandemic containment measures bore results, prices persevered and recovered on a pick-up in demand in several key markets, further supported by lower-than-expected production of many commodities. Prices for most vegetable oils saw an uptick from August 2020 onwards, due to adverse weather conditions, the shortfall in production and higher than anticipated consumption of vegetable oils in various industries, including food, oleo chemicals and energy.

The rebound was particularly evident in the final quarter of 2020, as CPO prices peaked to their highest in eight years, following an increase in crop concerns in South America, a sharp decline in palm oil inventories primarily in Malaysia, as well as labour strikes in Argentina. This was compounded by existing factors, such as record-high soybean imports from China and an acute supply shortage of sunflower seed products. Production and consumption of biodiesel also exceeded expectations, with a comparatively high intake of oils and fats adding to the significant global production deficit.

As a result, the Group recorded a higher average CPO price of RM2,811 per metric tonne (MT) in 2020, up by 32% from the previous financial year. Average palm kernel price was similarly higher by 31% at RM1,628 per MT.



Harvesters at Sungai Jernih Estate with Tarantula, a semi-mechanised in-field FFB collection.



CEO'S REVIEW

OPERATIONS REVIEW

The Group's combined landbank stood at 98,200 hectares (ha) in 2020, with a total of 45 estates. This consisted of 19 estates in Peninsular Malaysia, 20 estates in Sabah and six estates in Sarawak, as well as 10 palm oil mills. Total area under cultivation was 73,500 ha, with mature and immature oil palm areas comprising 66,800 ha and 6,700 ha respectively.

During the year, we invested a total of RM46 million in capital expenditure. With a view towards rebalancing the age distribution of our oil palms, we embarked on our 25-Year Replanting Programme (RP25) setting forth a blueprint with clearly defined short and long-term targets. This saw a total of RM6 million utilised for the replanting of 2,000 ha in 2020, comprising 3% of our total planted area.

Moving forward, to further optimise our oil palm age profile, we are working towards our target of replanting a maximum of 7% of the Group's total planted area on an annual basis. This will also allow us to undertake corrective action for improvement of in-field infrastructure for mechanisation, as well as enabling more efficient management for the overall replanting process. We have new replanting specifications in place to ensure optimum conditions to

best facilitate our operations. This includes terrace design, a road grid system, mechanically assisted in-field collection paths and planting platforms to suit different terrains.

Apart from this, in line with our commitment to minimising our environmental footprint and in compliance with the Environment Quality (Clean Air) Regulation 2014 by the Department of Environment (DOE), we successfully completed the installation of a wet scrubber system and four units of a dust particulate trapping system, known as the electrostatic precipitator (ESP) system in our palm oil mills.

Total fresh fruit bunches (FFB) production for the year increased by 2% to 1,001,557 MT. Average yield was higher at 15.0 MT per ha, primarily owing to better production of our estates in Peninsular Malaysia. This was further supported by increased availability of crop as a result of successful rehabilitation activities undertaken at the Tawai Business Unit. The establishment of Business Unit Heads also allowed for better focus on smaller units and helped to expedite the decision-making process. Besides this, we recorded improved operational efficiency and implemented a more flexible minimum ripeness standard to reduce wastage.



Segaria Estate, Tawau, Sabah.

AVERAGE CPO PRICE

RM **2,811** PER MT
+32%



AVERAGE PK PRICE

RM **1,628** PER MT
+31%



Palm circle cleaning by using Zenoah Air Blower at Eldred Estate, Bekok, Johor.

Our palm oil mills maintained a total processing capacity of 450 MT of FFB per hour. This enabled us to process 1,152,763 MT FFB during the year, up by 8% from the previous year, largely attributable to additional crop from the Boustead Tawai estates acquired in 2019, as well as higher yields from mature areas. Approximately 83% of total FFB processed was from our own estates.

CPO production rose by 5% to 243,080 MT while palm kernel production also increased by 4% to 49,211 MT, on the back of higher FFB processed. Average oil extraction rate (OER) saw a slight

decline to 21.1%, mainly due to unfavourable weather conditions towards the fourth quarter of 2020, coupled with low volume of FFB for Sarawak mills. Nevertheless, OER was still higher than the MPOB's national average of 19.9%. Average kernel extraction rate (KER) was lower at 4.3% against last year's average of 4.4%.

Estate operation costs stood at RM298 per MT while milling costs averaged at RM80 per MT FFB, lower compared to last year due to higher FFB processed and enhanced operational efficiencies. However, cost of CPO production increased to RM1,649 per MT, arising from the full-year effect of depreciation particularly for the newly acquired Tawai Business Unit, low mill utilisation for the Trong, Loagan Bunut, Nak and Kanowit mills, as well as the lower OER and KER.

Harnessing greater efficiencies and reducing manpower needs via mechanisation remains a key priority for the Group. This became all the more pressing during the pandemic, as movement restrictions and tightened border controls caused labour supply disruptions.

In line with our ongoing enhancement measures, we focused on streamlining, realigning and refining our existing mechanisation system, honing in on harvesting operations, in-field crop evacuation and external crop transport. To this end, we introduced the strategic D-9 harvesting system to assist our operating units as a centralised harvesting process to accommodate mechanisation implementation. With the D-9 harvesting system, we are able to increase efficiencies for FFB harvesting and evacuation processes.

We carried out various mechanised activities across our operations during the year. This included our palm circle cleaning programme utilising the Zenoah Air Blower which keeps palm circles free of debris, helping to minimise in-field loose fruit losses. To date, we have deployed a total of 122 units, undertaking palm base sanitisation activities every quarter at 36 estates.



New semi-mechanised FM3 AT machine at Sungai Jernih Estate, Pahang.



CEO'S REVIEW



Harvesters at Bekoh Estate, Tangkak, Johor with Badang, a mini-tractor for in-field FFB collection.

PLANTATION OPERATIONS REVIEW



TOTAL
FFB

1,001,557 MT
+2%



TOTAL FFB
PROCESSED

1,152,763 MT
+8%



CPO
PRODUCTION

243,080 MT
+5%



PK
PRODUCTION

49,211 MT
+4%

To facilitate FFB collection, we utilise the bin system across eight estates, comprising 15,800 ha. The system has improved overall FFB quality and crop freshness, as well as minimising crop bruising. In addition, via our mechanical platform collection, 126 mini tractor grabbers are utilised across 33,200 ha and mini tractors for in-field FFB collection for over 4,300 ha.

Plans are in place to introduce our bin system across 4,800 ha at our Sungai Jernih Business Unit, in line with our zero-dumping policy. To improve in-field FFB collection, we are expanding the use of mini tractor grabbers to enhance the ratio of machinery utilisation. To reach an optimum ratio, we are currently establishing the necessary infrastructure for machine accessibility for 1,200 ha, including path maintenance and creating connecting terraces.

We further expanded our mechanisation efforts by installing four units of new semi-mechanised FM3 machinery at our Sungai Jernih Business Unit. This allows us to apply fertiliser in both mature and immature areas, as the FM3 machinery is capable of traversing different types of terrain.

In addition, we carried out digital mapping via Unmanned Aerial Vehicles, namely Phantom IV Pro drones. This enables us to efficiently manage estate operations and harvesting areas, in addition to facilitating planning for our replanting programme.

As a responsible plantation company committed to sustainable palm oil production, we are focused on attaining Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) certifications. Demonstrating our progress on this front, as at 31 December 2020, six of our 10 palm oil mills are RSPO-certified, while all 10 of our palm oil mills and supply estates are MSPO-certified. Our Tawai Business Unit in Telupid, Sabah was the latest to receive MSPO certification in the fourth quarter of 2020, in spite of challenges during the MCO.

In addition, we have undergone re-certification and upgrading audits for ISO 9001:2015 certification by SIRIM QAS International at nine of our mills, with our tenth mill, Boustead Tawai Palm Oil Mill, on track for certification in 2021.

Peninsular Malaysia

Our Peninsular Malaysia operations span a total area of 24,100 ha, comprising 21,000 ha mature oil palm areas. In 2020, FFB production increased to 390,775 MT, due to improvement in upkeep of estates, particularly pruning and circle sanitation activities which resulted in better crop recovery.

Average yield per ha was also higher at 18.6 tonnes FFB. This was attributable to improved production at the Telok Sengat Business Unit in the Southern region and Sungai Jernih Business Unit in the East Coast region, with an average yield of 21.2 MT per ha and 19.1 MT per ha respectively. The Trong Business Unit in the Northern region recorded an average yield of 15.0 MT per ha. Leading in terms of performance were the Bebar and Telok Sengat estates, which attained average yields of 27.1 MT per ha and 24.1 MT per ha respectively.

We recorded a slightly lower average OER of 21.4%, compared with last year's average of 21.8%. Nonetheless, we surpassed MPOB's Peninsular Malaysia average of 19.7%. Our Sungai Jernih Palm Oil Mill recorded the highest OER within the Group at 22.7%.

Sabah

With 35,500 ha of mature oil palm areas out of a total 39,100 ha, the Group's estates in Sabah recorded an FFB output of 506,254 MT for the year, up from the previous year. This was primarily due to additional FFB contribution from the Boustead Tawai estates.

The region registered a better average FFB yield of 14.2 MT as compared to 13.9 MT per ha in 2019. The higher crop yield was mainly due to positive progress achieved through rehabilitation efforts undertaken at the Boustead Pertama and Tawai estates to enhance accessibility, in tandem with continuous efforts to improve crop recovery at all estates. The

Group also embarked on our RP25 land rebalancing exercise in early 2020 to excise areas which have restricted accessibility due to challenging conditions such as very steep terrain and broken terraces.

Our Ladang Tabung Tentera Sabah Estate achieved a yield of 21.7 MT per ha, marking the highest yield for the region. The young mature areas also performed well, particularly the Sungai Segamaha, Sutera and Resort estates.

In terms of our mills, Sabah registered an average OER of 21.3%, compared with 21.9% last year. However, our Sabah mills outperformed the MPOB average OER of 20.7%. Once again, our Segaria Palm Oil Mill recorded the highest OER for the region at 22.4%.

Sarawak

Our operations in Sarawak comprise a total area of 10,300 ha, of which all are mature areas. FFB output for our Sarawak estates was 104,528 MT, a decline from the previous year. The lower yield was primarily due to an acute shortage of skilled harvesters for tall palms and excessive palm heights which were a deterrent for potential harvesters, as well as challenging terrain, poor field infrastructure and cessation of fertiliser application. Inclement weather, which at times hampered crop evacuation, also impacted our results in Sarawak.

Meanwhile, average FFB yield increased to 10.2 MT per ha, driven by better stability of labour, especially harvesters at the Kanowit-Tinjar Business Unit, which led to improved productivity. This was supported by an aerial mapping census conducted for all estates in the Kanowit-Tinjar Business Unit, utilising a drone to demarcate challenging terrain and areas unsafe for harvesting and upkeep operations. As a result of this census, a total of 2,470 ha was excised from the cultivation area across several estates. Our highest yield for Sarawak was recorded by Bawan Estate at 13.6 MT per ha.



Aerial view of Ladang Tabung Tentera Sabah Estate, Lahad Datu, Sabah.



CEO'S REVIEW

Our Sarawak mills recorded an average OER of 19.1%, down from the previous year's 20.2% and lower than the Sarawak MPOB average OER of 19.6%. This was mainly attributable to the significantly low FFB processed by our Loagan Bunut Palm Oil Mill, arising from aged palms.

RESEARCH & DEVELOPMENT

Leveraging on over 30 years of expertise via our research and development (R&D) arm, Applied Agricultural Resources Sdn Bhd, we are single-minded in our ongoing drive to utilise only the best planting materials and continue incorporating sustainable practices across our operations to drive yields and productivity.

We remain focused on seeking out technological improvements and digital solutions in agriculture to help address industry challenges. This includes scarcity of plantation workers, rising costs of production, environmental concerns and pressures from yield-reducing factors, including pests and disease infestation as well as potential crop losses.

With this in view, in collaboration with a local company and with the support of the Malaysia Digital Economy Corporation under the Ministry of Communications and Multimedia, we developed Oryctes, a cutting-edge

agricultural spot-spraying drone which sprays insecticides autonomously onto targeted oil palm spears. Combining precision spot-spraying technology and an advanced aerial mapping system powered by artificial intelligence, undertaking spraying activities with the autonomous drone is an ideal and effective pest control solution, with a 96% accuracy rate. Apart from reducing manual labour, this technology allows us to minimise pesticide exposure to our employees, along with providing opportunities for a skilled local workforce to operate the drone.

As we progress towards Agriculture 4.0, we are exploring innovative technologies that are more labour-friendly, with higher productivity and lower operational costs. To this end, we jointly developed the Verion Smart Fertiliser Spreader (VSFS). The VSFS is equipped with a self-generating 'as-applied' map to ensure that each palm receives precisely the right amount of fertiliser. This results in higher fertiliser use efficiency, improved palm nutritional status, lower runoff and reduced leaching losses, helping to mitigate environmental impact.

The jointly developed VSFS has been further improved with customisable options for the machine and the fertiliser delivery system. With this, labour productivity can increase by as much as 17 times compared to manual fertiliser application.



AA Hybrida HD nursery at Bekoh Estate, Tangkak, Johor.

Apart from this, to support labour productivity, we are making good progress in breeding planting materials with desirable secondary traits. The latest AA Hybrida LS (long stalk), has a long bunch-stalk (peduncle) to facilitate harvesting with motorised cutters in addition to having better fruit set. As a result of our dedicated drive, we successfully increased the yield of AA Hybrida LS to a level comparable with our current AA Hybrida 1 and AA Hybrida 1S (semi-clonal) planting materials. In addition, utilising state-of-the-art biotechnology techniques, we identified 1,973 oil palm loci anchored by 800 single nucleotide polymorphism markers, that can be applied to detect long stalk traits in our collection of breeding materials for propagation.

Through our core nutrition R&D programme, our ongoing efforts to produce superior beneficial microbes for commercialisation are gaining momentum. Once completed, this will provide additional nutritional benefits for oil palms, stimulate plant growth, protect plants from diseases and restore soil health, subsequently allowing our plantations to produce higher sustainable yields with less agrochemical usage.

SUSTAINABILITY COMMITMENT

Responsible, sustainable growth remains at the core of the Group, clearly reflected by our economic, environmental and social commitments. In tandem with this, we ensure that our sustainability objectives are strongly aligned with the interests of our diverse stakeholders.

In our third dedicated Sustainability Report, we showcase our focused efforts across the Group's operations, tracking our progress as we pursue our vision to achieve a more sustainable future for the plantation sector.

OUTLOOK

As we embark on a new year, the volatile environment brought about by COVID-19 is expected to persist. While there have been positive developments with the commencement of vaccination programmes, COVID-19 cases have seen spikes in several countries leading to lockdowns being enforced once again, which have caused further economic uncertainties.

Despite these disruptions, CPO prices have remained on an uptrend, picking up in early-2021 to cross the RM4,000 per MT threshold, their highest level since March 2008, indicative of the less than expected production and dwindling stocks. Poor weather conditions in Southeast Asia from late-2020 into the early part of 2021 significantly impacted production, leading to the low supply.

Although CPO prices are being shored up by tight palm oil inventories currently, palm oil production is expected to see a recovery by 4.4 million tonnes in the year ahead. This will have a moderating effect on prices should this materialise. We are also mindful of India's price sensitivities and growing oilseed crops, and China's increasing soybean imports which may hamper demand for palm oil.

Nonetheless, challenges such as labour shortages due to border closures continue to weigh down production. Indonesia also sharply raised its taxes and export levies for palm oil in November 2020 to meet its ambitious biodiesel programme, which could subsequently prompt key importing countries to turn to Malaysia for their palm oil supply.

To strengthen our long-term prospects, we remain focused on continuous enhancement. Following the successful completion of the initial phases of our turnaround plan which entailed creating a more robust organisational structure and streamlining our business units, we are moving ahead with our sustainable replanting programme, RP25.

For the year ahead, we have allocated a capital and replanting expenditure of RM115 million. This will go towards replanting approximately 2,600 ha of land and for the upkeep of immature areas, as well as for the installation of four additional units of the dust particulate trapping system, ESP, in our palm oil mills. This is being carried out progressively and is on track to be completed by end-2021, in line with the DOE's Environment Quality (Clean Air) Regulation 2014.

Without a doubt, the year ahead will bring its share of challenges. What is important is that we stand firm and sustain the momentum we have built to propel the Group towards realising our aspirations for sustainable long-term growth, in strong alignment with the Reinventing Boustead strategy.

IBRAHIM ABDUL MAJID
Chief Executive Officer

4 May 2021



AUDIT COMMITTEE REPORT

MEMBERS AND MEETINGS

A total of five (5) meetings were held during the year. Details of the composition of the Audit Committee (AC) and the attendance by each member at the AC meetings are set out below:

Name of Director	Status of Directorship	Independent	Attendance of Meetings
Dato' Mohzani Abdul Wahab ¹	Senior Independent Non-Executive Director (Chairman of the Committee)	Yes	5/5
Tan Sri Dato' Wira Aziah Ali	Independent Non-Executive Director	Yes	5/5
Dato' Ahmad Rizal Abdul Rahman	Independent Non-Executive Director	Yes	5/5
Ir. Abdul Aziz Julkarnain ²	Independent Non-Executive Director	Yes	0/0 ²
Dato' Haji Ahmad Tajuddin Haji Sulaiman ³	Independent Non-Executive Director	Yes	0/0 ³

Notes:

¹ The AC Chairman's profile can be viewed on page 11 of this Annual Report.

² Ir. Abdul Aziz Julkarnain was appointed to the AC on 1 January 2021.

³ Dato' Haji Ahmad Tajuddin Haji Sulaiman was appointed to the AC on 1 September 2020 and resigned on 10 November 2020.

The AC membership is in line with Paragraph 15.09 & 15.10 of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad and Malaysian Code on Corporate Governance (MCCG) Practice 8.1 & 8.2, in which;



The AC meetings were also attended by the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer and Head of Group Internal Audit at the AC's invitation as and when appropriate. The AC also met with the external auditors during the year on two separate sessions, without the presence of management. The meetings have been appropriately structured with AC members receiving notices, agendas and papers sufficiently in advance of the meetings.

The AC Chairman reports to the Board on principal matters deliberated at the AC meetings.

Minutes of each AC meeting are recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The AC Chairman also conveys to the Board matters of significant concern as and when raised by the external auditors or internal auditors.

All members of the AC have and will continue to undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules. Details of the AC members' training can be viewed on page 56 of this Annual Report.

The AC Terms of Reference is accessible for viewing on the Company's official website at www.bousteadplantations.com.my.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the AC carried out its duties as set out in its Terms of Reference. The main activities undertaken were as follows:



Financial Reporting

1. Reviewed the quarterly unaudited financial results and audited annual financial statements of the Group to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending for approval by the Board of Directors.
2. Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
3. Obtained assurance from the Chief Financial Officer that:
 - appropriate accounting policies had been adopted and applied consistently;
 - the going concern basis applied in the annual financial statements and quarterly financial statements was appropriate;
 - prudent judgements and reasonable estimates had been made in accordance with the Malaysian Financial Reporting Standards (MFRS);
 - adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and MMLR; and
 - the annual financial statements and the quarterly financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for 2020.



External Audit

During the year, the AC together with the external auditors:

1. Reviewed the 2020 audit plan and scope of work for the Group.
2. Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources and effectiveness of the external auditors.
3. Assessed the performance of the external auditors, their independence and objectivity.
4. Discussed on audit reports and evaluation of the systems of internal control.
5. Reviewed major audit findings and reservations arising from the interim and final audits, significant accounting issues and any matter the external auditors wished to discuss.
6. Discussed the external auditors' review of the Statement on Risk Management and Internal Control for 2020.
7. Reviewed the external auditors' management letter(s) and management response(s).

The AC also met with the external auditors twice during the year in the absence of Management to discuss amongst others, audit issues and reservations arising from the interim and final audits.

The external auditors have assured the AC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for 2020.

The external auditor's service fees including the statutory audit fees are available on page 110 of this Annual Report.



AUDIT COMMITTEE REPORT



Internal Audit

During the year, the AC:

1. Reviewed with the internal auditors their annual audit plan which is risk-based and focused on significant risk areas to ensure adequate scope and comprehensive coverage over the activities of the Group.
2. Reviewed and deliberated internal audit reports and to monitor/follow-up on remedial action.
3. Reviewed the corrective actions taken by the Management in addressing and resolving issues as well as ensuring that all key issues were adequately addressed on a timely basis.
4. Reviewed the adequacy of resource requirements and competencies of staff within Group Internal Audit (GIA) to execute the annual audit plan and the results of the work.
5. Reviewed the effectiveness of internal audit processes of GIA.
6. Reviewed the AC Report and the Corporate Governance Overview Statement and recommended to the Board for approval prior to their inclusion in the Company's Annual Report.



Related Party Transactions

During the year, the AC:

1. Reviewed the Circular to Shareholders relating to shareholders' mandate for recurrent related party transactions of revenue or trading nature prior to recommending it for Board's approval.
2. Monitored the recurrent related party transactions entered by the Company and the Group pursuant to the shareholders' mandate obtained at the Annual General Meeting held on 24 June 2020.
3. Reviewed the related party transactions entered by the Company and the Group as well as the disclosure and the procedures relating to related party transactions.
4. Reviewed the Framework and Procedures on related party transactions recurrent related party transactions in order for the said framework to be in line with the provisions of the MMLR.

Internal Audit Function

The AC is supported by GIA of Boustead Holdings Berhad (BHB) (the Immediate Holding Company of Boustead Plantations Berhad (BPB)), headed by Ahmad Fazril Mohd Fauzi, a member of The Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants with over 14 years of working experience in a wide range of fields including finance and accounting, risk management, integrity, governance, property and plantation. GIA's principal responsibility is to evaluate and improve the effectiveness of the risk management, control and governance processes of BPB and its subsidiaries and recommend improvements to the processes, where required. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the management, control and governance processes based on the review plan that is approved by the AC annually.



GIA adopts a risk-based methodology in planning and conducting audits by focusing on key risks areas and activities that are aligned with the Group's strategic plans. GIA has also adopted internal audit standards and best practices based on the International Professional Practices Framework promulgated by The Institute of Internal Auditors.

The terms of reference of GIA are clearly spelt out in the Internal Audit Charter. GIA has operated and performed in accordance with the principles of the Charter that provides for its independence. GIA reports directly to the AC and is independent of the activities it audits. GIA has an adequately resourced internal audit function to assist the AC and the Board in maintaining an effective system of internal control and overall governance practices within the Company and the Group.

Ten (10) internal auditors from GIA were assigned to perform the audit of plantations, palm oil mills, research units and support functions during the year. GIA completed and issued internal audit reports for 50 assignments based on the approved annual audit plan. The audits conducted in 2020 covered a wide range of operational areas within the Group which include review of harvesting and maintenance processes, procurement and contract management, accounting and financial controls, resource management and administration, palm oil mill operations and plantation research. The corresponding audit reports were presented to the AC for attention, deliberation and corrective actions.

During the financial year, GIA undertook the following activities:

- Prepared the annual audit plan for approval by the AC.
- Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
- Conduct root-cause analysis as part of the internal audit work to enable relevant recommendations to address any weaknesses noted.
- Issued internal audit reports on risk management, control and governance issues identified from the risk-based audits together with recommendations for improvements for these processes.
- Undertook ad-hoc reviews and investigations on matters arising from the audits and/or requested by the Management and/or AC and issued reports accordingly.
- Reported on a quarterly basis to the AC on significant risk management, control and governance issues from the internal audit reports issued, the results of investigations and special reviews undertaken and the results of follow-up of matters reported.
- Reported on a quarterly basis to the AC the achievement of the audit plan and status of resources of GIA.
- Conducted regular follow-up and monitoring on the implementation of recommendations made to ensure that appropriate corrective or preventive actions were taken on a timely basis or within agreed timelines.
- Liaised with the external auditors to maximise the use of resources and for effective coverage of the audit risks.
- Reviewed the procedures relating to related party transactions/recurrent related party transactions entered into by the Group to ensure that the transactions have been conducted on the Group's normal commercial terms and are not to the detriment of the Group's minority shareholders.
- Conducted workshops and communication sessions with the Management and operational staff on internal controls, internal audit observations and proposed action plans on the areas covered during the audit processes.

All audit work for the internal audit function during the year was conducted in-house. There were no areas of the internal audit programmes which were outsourced.



AUDIT COMMITTEE REPORT



Resources and Continuous Professional and Competency Development

There are a total of 35 internal auditors in BHB in which they are teamed based on the various divisions within Boustead Group. For the financial year ended 31 December 2020, GIA carried out the audits in BPB with the total costs incurred amounting to RM1.7 million (2019: RM1.6 million).

GIA continues its commitment to equip their internal auditors with the sufficient knowledge, skills and competencies to discharge their duties and responsibilities. They had attended various relevant training and courses as well as are strongly encouraged to obtain appropriate professional certifications and qualifications.

As at 31 December 2020, GIA had a total of 9 qualified professionals in its team who possess various professional qualifications and/or certifications as shown below:

QUALIFICATION	NO. OF CERTIFICATION OBTAINED
1. MBA/Masters	5
2. FCCA/CPA/CA/ACCA	7
3. Certified Internal Auditor	1
4. Certified Fraud Examiner	4
Total	17

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement sets out the principal features of Boustead Plantations Berhad (BPB or the Company) and its subsidiaries' (collectively referred to as the Group) corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance. The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and guidance was drawn from Practice Note 9 of the MMLR and the Corporate Governance Guide (3rd edition) issued by Bursa Malaysia Securities Berhad (Bursa Malaysia).

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Group's website, www.bousteadplantations.com.my as well as via an announcement on the website of Bursa Malaysia.

This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Annual Report namely Statement on Risk Management and Internal Control, Audit Committee Report, Risk Committee Report and Sustainability Report.

CORPORATE GOVERNANCE APPROACH

The Board of Directors (Board) of BPB is committed towards reinforcing its market position in the plantation industry, whilst remaining true to the Group's well-established corporate governance philosophies which are ingrained in the Group's core values, namely, **Respect, Integrity, Teamwork** and **Excellence**. The Board believes that a robust and dynamic corporate governance framework is essential to form the bedrock of responsible and responsive decision making in the Group.

The Group's overall approach to corporate governance is to:

- promote heightened accountability at the leadership level (Board and Senior Management);
- adopt the substance behind corporate governance enumerations and not merely in form;
- conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- find a fine balance in meeting the expectations of the different groups of stakeholders of the Group.

Given that the Board forms the pivot of good corporate governance, the Board steers efforts to promote meaningful and thoughtful application of good corporate governance practices. The Group regularly reviews its corporate governance arrangements and practices to ascertain if they reflect prevailing norms, market dynamics, emerging trends, developments in the regulatory tapestry and evolving stakeholder expectations.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

In manifesting the Group’s commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as other best practices.

BPB has applied all the Practices encapsulated in MCGG for the financial year ended 31 December 2020 except:

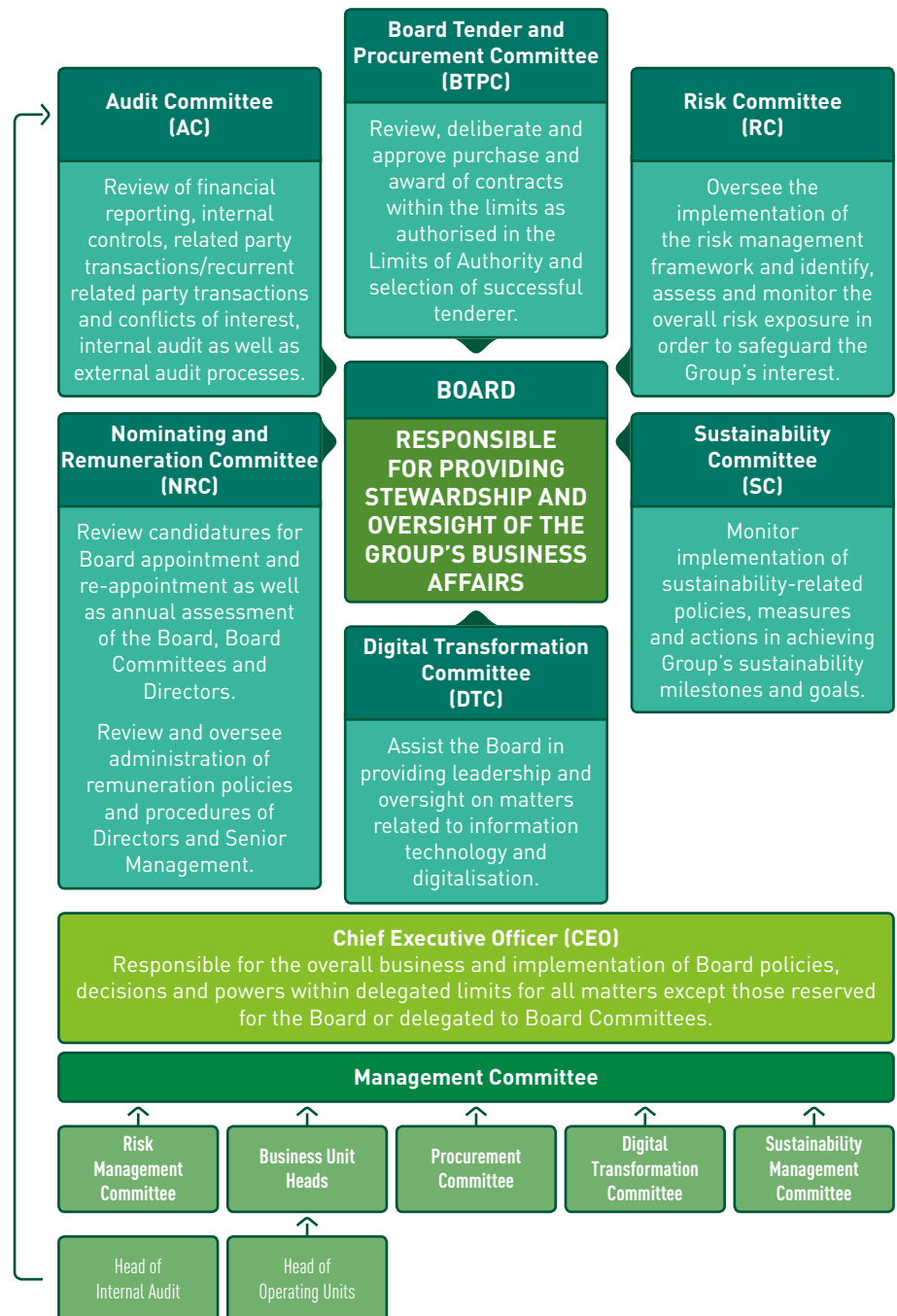
- Practice 4.5: Policy on Gender Diversity;
- Practice 6.1: Remuneration Policy for Directors and Senior Management;
- Practice 7.2: Disclosure of the top five Senior Management personnel’s remuneration on a named basis in bands of RM50,000; and
- Practice 11.2: Adoption of integrated reporting.

In line with the latitude accorded in the application mechanism of MCGG, the Company has provided explanations for the departures from the said practices supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCGG are available in the Corporate Governance Report.

A summary of the Group’s corporate governance practices with reference to the MCGG is described below.

BOARD’S ROLES AND RESPONSIBILITIES

The Board is responsible for the corporate governance practices of the Group. Being at the helm of the Group, the Board governs the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group.



As depicted in the earlier illustration, Board Committees have been established to assist the Board in its oversight function with reference to specific responsibility areas. However, it should be noted that the Board retains collective oversight over the Board Committees at all times. These Board Committees have been constituted with clear terms of reference and they are actively engaged to ensure that the Group is in adherence with good corporate governance.

The Board has formalised a Board Charter which sets out the ethos of the Group, structure and authority of the Board. The Board Charter is the primary document that elucidates on the governance of the Board, Board Committees and individual Directors. The Board Charter is available on the Group's website, www.bousteadplantations.com.my and was last reviewed on 22 August 2019.

The Directors allocate sufficient time to discharge their responsibilities effectively and attend Board and Board Committee meetings with sufficient regularity to deliberate on matters under their purview. Board meetings are held at quarterly intervals with additional meetings convened for particular matters, when necessary. During the year, the Board has deliberated on business strategies and critical issues concerning the Group, including business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators. The attendance of individual Directors at Board and Board Committees meetings during the financial year 2020 is outlined below:

Directors	Board	AC	RC	NRC	SC	BTPC ⁷	DTC ⁸
Independent Non-Executive Directors							
Dato' Haji Ismail Haji Lasim ¹	3/3			3/3			
Dato' Mohzani Abdul Wahab	10/10	5/5	4/4	7/7			
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	10/10		4/4	7/7	2/2	Nil	
Tan Sri Dato' Wira Aziah Ali	10/10	5/5	4/4	6/7	2/2		
Dato' Ahmad Rizal Abdul Rahman	10/10	5/5	4/4		Nil ⁶		2/2 ⁹
Ir. Abdul Aziz Julkarnain ¹	3/3	Nil ⁶				Nil	Nil ⁶
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid ²	Nil						
Datuk Syed Tamim Ansari Syed Mohamed ³	5/5			2/2			
Dato' Chan Kong Yew ³	5/5				2/2		
Dato' Haji Ahmad Tajuddin Haji Sulaiman ⁴	1/1						2/2
Non-Independent Non-Executive Directors							
Datuk Hj. Shah Headan Ayoob Hussain Shah ⁵	5/5				Nil	Nil	Nil ⁶
Izaddeen Daud ²	Nil						
Fahmy Ismail ²	Nil						
Ahmad Shahredzuan Mohd Shariff ²	Nil						
Dato' Sri Ghazali Mohd Ali ³	4/5						

■ Board/Board Committee Chairman

■ Member

Note:

¹ Appointed w.e.f. 1 September 2020.

² Appointed w.e.f. 10 March 2021.

³ Retired as Director at the conclusion of the 107th Annual General Meeting of the Company held on 24 June 2020.

⁴ Resigned w.e.f. 10 November 2020.

⁵ Appointed w.e.f. 1 July 2020.

⁶ Appointed w.e.f. 1 January 2021.

⁷ BTPC was established on 28 July 2020. No meetings were held during the financial year.

⁸ DTC was established on 28 July 2020.

⁹ Redesignated from Chairman of DTC to Member of DTC w.e.f. 1 January 2021.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

There is clear delineation of roles of the Board and Management. The CEO is the conduit between the Board and the Management in driving the success of the Group's governance and management function. The CEO manages and implements the Board's policies and decisions through the Management Committee.

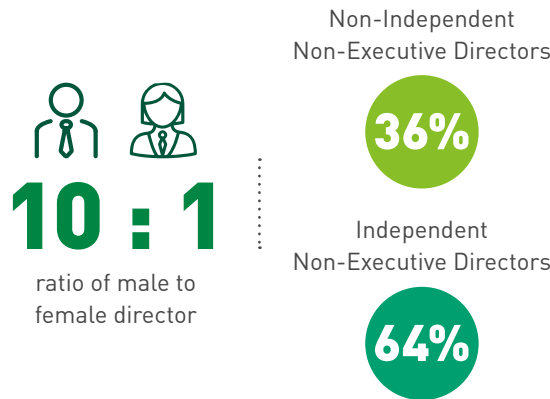
In performing their duties, all Directors have access to advice and services of a suitably qualified Company Secretary. The Company Secretary acts as a corporate governance counsel and ensures good information flow within Board, Board Committees and Senior Management. The Company Secretary attends all meetings of the Board and Board Committees and advises the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, Capital Markets and Services Act 2007 (Amendment 2012) and MMLR. Management provides Directors with complete, adequate and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

As Integrity is a core value of the Group, the Board is cognisant of its responsibility to set the ethical tone for the Group. The Code of Ethics and Conduct and Whistleblowing Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without risk of reprisal. The Code of Ethics and Conduct and Whistleblowing Policy are reviewed periodically by the Board. The Code of Ethics and Conduct is published on the Group's website, www.bousteadplantations.com.my.

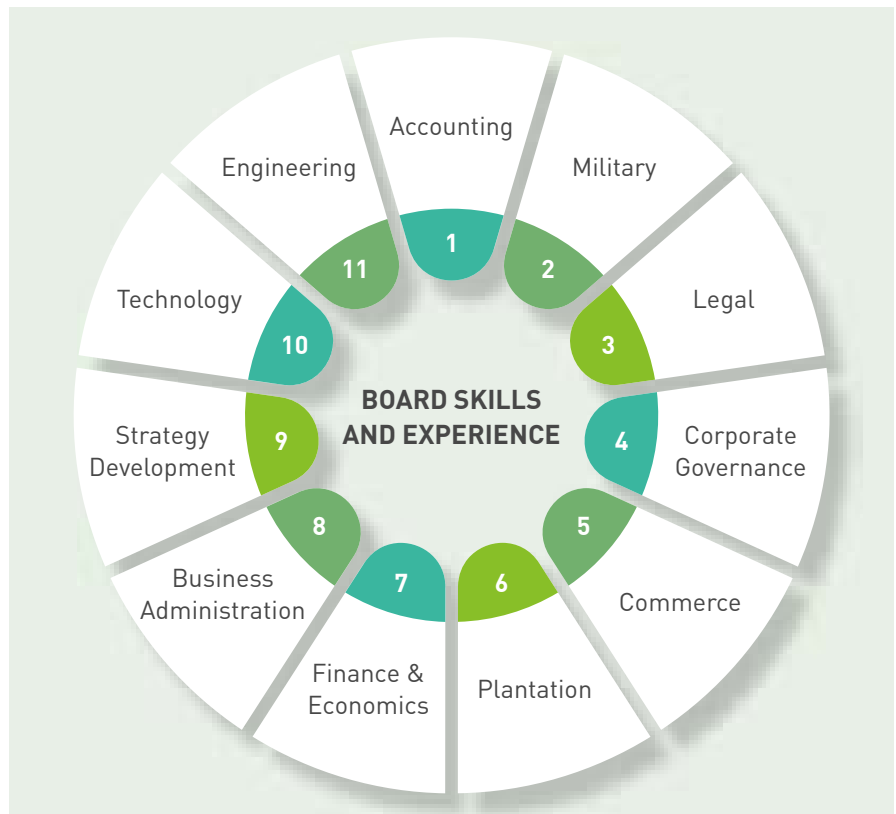
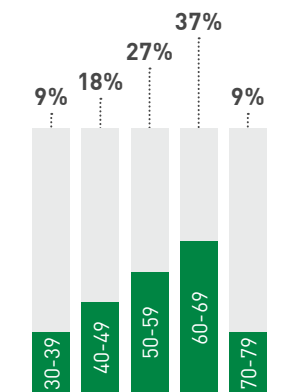
BOARD COMPOSITION

The Board of Directors comprises eleven members, seven of whom are Independent Non-Executive Directors. The composition of the Independent Directors on the Board is in excess of the MMLR one third. The Board strives to ensure that it has an appropriate mix of skills, qualifications and experience to discharge its role and responsibilities effectively based on the Group's nature of business. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

BOARD COMPOSITION:



AGE COMPOSITION:



Appointments to the Board are made via a formal, rigorous and transparent process, premised on meritocracy and taking into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board in the context of the Group's strategic direction. In the case of Independent Directors, the NRC assesses the candidate's ability to bring the element of detached impartiality and objective judgement to boardroom deliberations. The Board endeavours to increase the proportion of female representation in the near future.

The Board, with the assistance of the NRC, regularly assesses the skills, experience, independence and diversity required collectively for the Board to effectively fulfill its role. The Board was satisfied that there was mutual respect among Directors which contributed to a democratic environment so as to constructively deliberate and undertake a robust decision-making process.

The Board reviews its performance, and that of Board Committees and individual Directors on an annual basis based on a set of predetermined criteria in a process that is facilitated by the NRC. During the year under review, the NRC's key activity was to assess the overall Board and Board Committees' performance and effectiveness as a whole. The Board was satisfied with level of commitment of its Directors in fulfilling the Board's fundamental roles and responsibilities.

The Board and Board Committees' composition had fulfilled the criteria required, possess a right blend of knowledge, experience and mix of skills. In addition, the NRC also recommended for the Board to endorse the re-election of the relevant Directors at the forthcoming AGM.

In reviewing the independence of Independent Directors, the NRC and Board adopt a qualitative approach in assessing if Independent Directors possess the intellectual honesty and moral courage to advocate professional views without fear or favour.

REMUNERATION

BPB aims to set remuneration at levels which are sufficient to attract and retain high calibre Directors and Senior Management needed to run the business successfully, taking into consideration all relevant factors including the function, workload and responsibilities involved.

The NRC which comprises a majority of Non-Executive Directors is also responsible on remuneration matters. The NRC implements policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management.

A review on the quantum and composition of Non-Executive Directors' remuneration is undertaken once every four years.

Remuneration details of the Directors for the financial year ended 31 December 2020 for BPB are as follows:

Directors	Fees		Meeting and other allowances RM'000
	Company RM'000	Group RM'000	
Dato' Haji Ismail Haji Lasim <i>(Appointed w.e.f. 1 September 2020)</i>	38	38	30
Dato' Mohzani Abdul Wahab	126	126	28
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	101	101	23
Tan Sri Dato' Wira Aziah Ali	116	116	28
Dato' Ahmad Rizal Abdul Rahman	112	112	24
Datuk Hj. Shah Headan Ayoob Hussain Shah <i>(Appointed w.e.f. 1 July 2020)</i>	47	47	5
Ir. Abdul Aziz Julkarnain <i>(Appointed w.e.f. 1 September 2020)</i>	30	30	3



CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors	Fees		Meeting and other allowances RM'000
	Company RM'000	Group RM'000	
Dato' Haji Ahmad Tajuddin Haji Sulaiman <i>(Resigned w.e.f. 10 November 2020)</i>	27	27	3
Datuk Syed Tamim Ansari Syed Mohamed ¹	55	55	11
Dato' Chan Kong Yew ¹	45	45	7
Dato' Sri Ghazali Mohd Ali ¹	43	43	4
TOTAL	740	740	166

¹ Retired as Director at the conclusion of the 107th AGM of the Company held on 24 June 2020.

AUDIT COMMITTEE (AC)

The AC is relied upon by the Board to, amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

The AC is chaired by an Independent Director who is distinct from the Chairman of the Board. All members of the AC are financially literate. One of the AC members is a member of the Malaysian Institute of Accountants. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the financial year as well as the attendance record of each member are set out in the AC Report in the Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group's strategies and decision making. The Group has established policies and framework for the oversight and management of material business risks and has adopted a formal Risk Management Policy. The Group, through the Risk Management Committee (a Management-level Committee), maintains detailed risk registers which are reviewed and updated on quarterly basis.

Key focus areas of risks are reported and deliberated at the Risk Committee (RC) meetings. The RC was established by the Board on 16 July 2019. In line with the MCCG Step Up Practice 9.3, the RC comprises a majority of Independent Directors.

The internal audit function is carried out by the in-house Group Internal Audit (GIA) of Boustead Holdings Berhad (the Immediate Holding Company of BPB). The GIA function reports directly to the AC, and is independent of the activities it audits. GIA's authority, scope and responsibilities are governed by an Internal Audit Charter, approved by the AC. Further information on the Group's risk management and internal control framework is available in the Statement on Risk Management and Internal Control in the Annual Report.

COMMUNICATION WITH STAKEHOLDERS

The Group is fully committed to maintain a high standard for the dissemination of relevant and material information on the development of the Group. The Group also places strong emphasis on the importance of timely and equitable dissemination of information to shareholders and stakeholders. Key shareholder and stakeholder communication modes include Annual Report, quarterly results analyst briefings, announcement to Bursa Malaysia, Sustainability Report, corporate website and investor relations activities.

The Group's investor relations activities are aimed at developing and maintaining a positive relationship with all the stakeholders through active two-way communication.

Contact for enquiries regarding investor relations matters of the Group: corporate.office@bplant.com.my.

CONDUCT OF GENERAL MEETINGS

The Group is of the view that General Meetings are important platforms to engage with its shareholders as well as to address their concerns. During the immediate preceding three years, all Directors were present at the AGMs to answer questions raised by shareholders. The Chairman, CEO and Chairmen of Board Committees will provide written answers to any significant question that cannot be readily answered. The Group encourage shareholders to attend and participate in the AGM by providing adequate advance notice and holding the AGM at a readily accessible location.

In light of the current COVID-19 pandemic, BPB will continue to implement remote shareholders' participation and online remote voting at the 108th AGM by leveraging on technology in accordance with Section 327(1) and (2) of the Companies Act 2016. Shareholders who attend the 108th AGM via remote participation will also be able to submit any questions during the AGM for the Company to respond. Shareholders are encouraged to take advantage of the said technology to participate in the AGM.

NOTICE OF AGM

Date : 17 June 2021

Venue : Royale Chulan Kuala Lumpur

CORPORATE GOVERNANCE FOCUS AND INITIATIVES

The Board is committed towards continuous enhancement of governance practices throughout the Group. In 2020, the Group has undertaken the following activities:



Independence of the Board

It is recognised that having objectivity in the boardroom extends beyond quantitative measures such as number of independent directors and their respective tenures. In order to harness the collective wisdom from greater participation of Independent Directors, Independent Directors have access to key gatekeepers of the Group such as external and internal auditors to discuss or share concerns about the Group and exchange views on potential improvements in governance.



Boardroom Diversity

The Board recognises the importance of diversity in averting "groupthink" and "blindspots" in the deliberation and decision making process. Recognising gender as a key facet of the various diversity dimensions, the Board is committed to developing a corporate culture that also embraces the aspect of gender diversity.



Professional Development of Directors

During the year under review, Directors were accorded with a host of opportunities to develop and maintain their skills and knowledge. Directors attended various training programmes to keep themselves abreast of changes in legislative promulgations and industry practices. The Board, through the NRC was satisfied with the type of programmes attended by each Director during the year to enhance their knowledge and performance.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The list of training programmes that were attended by the Board members are outlined below:

Name	Programme title and Organiser	Date(s)
Directors		
Dato' Mohzani Abdul Wahab	<ul style="list-style-type: none"> • The Board Chair – The First Among Equals (Institute of Corporate Directors Malaysia (ICDM)) • Full-day Seminar on Corporate Liability Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 (Malaysian Institute of Corporate Governance (MICG)) 	<p>4 March 2020</p> <p>15 September 2020</p>
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	<ul style="list-style-type: none"> • Full-day Seminar on Corporate Liability Section 17A of the MACC Act 2009 (MICG) 	<p>15 September 2020</p>
Tan Sri Dato' Wira Aziah Ali	<ul style="list-style-type: none"> • Virtual Forum: Board Appointments – Making Diversity Work (Boardroom Malaysia and LeadWomen Sdn Bhd) • Full-day Seminar on Corporate Liability Section 17A of the MACC Act 2009 (MICG) • “Half the Sky” with Miwa Kato of the United Nations (Global Compact Network Malaysia, TULIPS and Nottingham University Business School) 	<p>2 July 2020</p> <p>15 September 2020</p> <p>11 December 2020</p>
Dato' Ahmad Rizal Abdul Rahman	<ul style="list-style-type: none"> • Talent Connect 2020 – Connect with Unconventional and Extraordinary Talents (Asia School of Business (ASB)) • Tightening the Screws on Corruption Risk Management (ASB) • Full-day Seminar on Corporate Liability Section 17A of the MACC Act 2009 (MICG) • The Role of the Risk Management Committee in Managing Risk (ICDM) • Corporate Governance – Risk Management and the Internal Control System (ASB) 	<p>10 January 2020</p> <p>18 - 19 June 2020</p> <p>15 September 2020</p> <p>19 - 20 October 2020</p> <p>28 October 2020</p>

All Directors have attended the training programmes during the financial year, save for the newly appointed Directors, Dato' Haji Ismail Haji Lasim, Datuk Hj. Shah Headan Ayoob Hussain Shah and Ir. Abdul Aziz Julkarnain who are unable to attend any training in 2020 due to their tight schedule and travel commitments. However, they have been keeping abreast on latest regulatory updates and information on the Group's businesses and operations, risk management activities and other initiatives undertaken by the Company from time to time.

Besides that, all the Directors have completed the Mandatory Accreditation Programme (MAP) as prescribed by Bursa Malaysia, save for the newly appointed Directors and they have registered to attend the MAP training scheduled on 31 May 2021 to 2 June 2021.

CORPORATE GOVERNANCE PRIORITIES (2021 AND BEYOND)

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to engender trust and confidence amongst stakeholders. The Board has identified the following set pieces on its horizon that will help it to achieve its corporate governance objectives.

Board diversity

In fostering gender diversity, the Board endeavours to establish and formalise a diversity policy, set targets, measures and annually assess both the targets and the progress in achieving them.

The Board endeavours to appoint one additional female Director (i.e. 17% women representation on the Board) and to meet the 30% target by 2023.

Sustainability reporting

BPB aims to leverage on its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. BPB will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting.

YEAR 2021 - 2023

LONG-TERM PLAN



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), the Board is pleased to provide the Statement on Risk Management and Internal Control for financial year ended 31 December 2020 which was prepared in accordance with Practice 9.1 & 9.2 of Malaysian Code on Corporate Governance (MCCG) and the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers”.

BOARD RESPONSIBILITY

The Board of Directors (Board) of Boustead Plantations Berhad (BPB or the Company) acknowledges its responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and BPB or its subsidiaries (collectively referred to as the Group)'s assets and for reviewing the adequacy and integrity of the system; except for joint venture and associate companies which are not under the control of the Group.

The Group's system of internal control covers risk management and financial, operational and compliance controls. Notwithstanding these, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage, rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

Except for insurable risks where insurance covers are purchased, other significant risks faced by the Group are reported to Board, and managed by the respective Boards within the Group. The internal control system of the Group is supported by an appropriate organisational structure with clear reporting lines, defined lines of responsibilities and authorities from respective operating units up to the Board level.

The two committees at Board level with primary risk management and internal control oversight responsibilities are as follows:



Risk Committee (RC)

The RC was established on 16 July 2019 to assist the Board in fulfilling the oversight responsibilities with respect to the Group's risk management processes and internal control systems. In line with the MCCG Step Up Practice 9.3, the RC comprises a majority of independent directors.

The Group's key risks are presented to the RC on a quarterly basis for notification and deliberation.



Audit Committee (AC)

The AC supports the Board's oversight function in evaluating the business performance of the Group, effectiveness and compliance of the Group's internal control system through operations and financial reports from the management and audit reports from the Group Internal Audit (GIA) and external auditors.

Any significant audit findings are brought to the attention and deliberated at the AC on a quarterly basis.

RISK MANAGEMENT

Risk management is regarded by the Board as an important aspect of the Group’s operations with the objective of maintaining a sound internal control system and to ensure proper management of the risks that may impede the achievement of the Group’s goals and objectives. The Group has established Enterprise Risk Management Policy and Framework which is tailored to the specific circumstances of the Group and guided by Boustead Holdings Berhad’s (BHB) Risk Management Policy and Framework (the immediate holding company of BPB) for identifying, evaluating and managing key risks faced by the Group.

In general, the Group’s risk management framework and practices are aligned with the principles of ISO 31000 – an internationally recognised standard for risk management and the Committee of Sponsoring Organisation of the Treadway Commission’s Enterprise Risk Management Integrated Framework.

The Group’s risk management process includes understanding the context of internal and external factors that may have an impact towards the business, identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures, determining its corresponding risk mitigation and treatment measures, and ongoing monitoring and reviewing of risk profiles.



Enterprise Risk Management (ERM) Policy and Framework

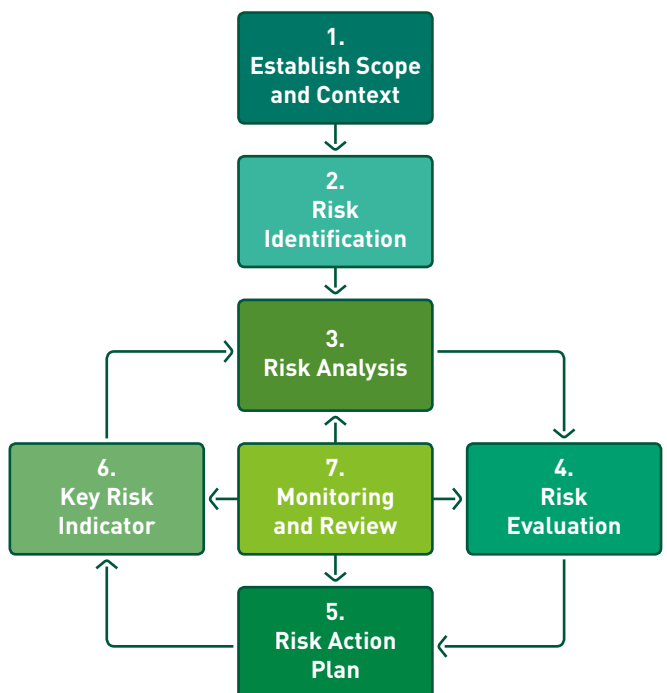
The ERM Policy and Framework was established to support the overall achievement of the Group’s vision and strategic goals, as well as to safeguard the reputation, resources and assets of the Group.

The ERM Policy and Framework encompasses the following key elements:

- The ERM is designed to identify potential events that may affect the Group and manage risks within its risk appetite, to provide reasonable assurance regarding the achievement of the Group’s vision and missions;
- The ERM is a holistic, integrated, future-focused and process-oriented approach that helps to manage all key business risks and opportunities with the intent of maximising shareholders’ value for the Group as a whole; and
- The ERM is a structured and disciplined approach aligning strategy, process, people, technology and knowledge with the purpose of evaluating and managing the risks that the Group faces as it creates value.
- A comprehensive ERM policy and framework shall provide a strong foundation for ERM exercise execution within the Group.

- The ERM ensures the Group is well-prepared to fit with its operating environment where the ERM policy and framework established shall be used effectively to address any risks, concerns, issues, challenges, and/or expectations from the internal and/or external stakeholders.

The Group’s Risk Management Process is highlighted in the illustration below:





STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



The Role of Management

The Board is assisted by Management to ensure that risk management practices are implemented within the Group. The Management has established Risk Management Committee (RMC) to provide a platform at management level to review the effectiveness of the risk management framework in identifying and managing risks and internal processes which include but not limited to ensuring the adequacy of risk management policy and infrastructure to facilitate the implementation of action plans for risk management.

In addition, the Group also reports to the RMC of BHB on the significant risks faced by the Group, the existing control measures and proposed action plans on quarterly basis for attention and deliberation.

THE GROUP'S KEY RISKS

The Group has put in place a robust risk management framework to identify, assess, treat, report and monitor significant risks which may hinder the Group from achieving its objectives.

For the financial year ended 31 December 2020, the Group's key risks are highlighted as below, amongst others:

1. Shortage of Workers

The Group is subjected to risks inherent to the plantation industry. This includes shortage of workers especially skilled harvesters, which is a major concern for the Group. Inadequate harvesters and general workers has disrupted the estates' daily operations and resulted in lower crop recoveries and disruption of field maintenance programmes.

The outbreak of COVID-19 in Malaysia has contributed to major labour shortage as the Government has frozen the foreign workers recruitment from source countries as to prevent the spread of COVID-19.

In alleviating labour shortage issues, the Group is continuously mechanising its field operations by introducing the mechanising operations particularly in harvesting and crops evacuation. The mechanisation of operations will enable the Group to reduce reliance on manual labour, as well as being more efficient.

Moreover, the Group is committed to the welfare of its workers by providing good living quarters with adequate amenities including electricity and water and medical care amongst others as well as reviewing the remuneration benefits of workers when required to stay competitive and attract or retain the workers.

2. Unsustainability of Sarawak Region Operations

The Group's operations in Sarawak region have experienced many issues include native land disputes and the associated field blockades. Erratic weather conditions and labour shortage coupled with difficult ground conditions in Sarawak have also played a role in dampening crop production.

Notwithstanding the above, the Group is committed to engage with the local committees in order to achieve an amicable solution.

Furthermore, the Group is focused on improving productivity and increasing effectiveness with key initiatives such as mechanisation of operations and improving labour retention as well as cost optimisation.

3. Long Gestation Period of Newly Acquired Properties

The Group has acquired new properties in Sabah Region i.e., Boustead Pertama estates and Boustead Tawai estates in May 2018 and May 2019 respectively. These estates are facing low crop production due to low stand per hectare and undulating to hilly terrain condition. In addition, the age profile of the trees with the majority being above 20 years will contribute to the yield downward trend and require progressive replanting in the coming years. Inadequate harvesters and general workers have also contributed to lower crop production and disrupted field maintenance programmes.

To address the risk, the Group has planned for a replanting programme which will commence in the coming years. Furthermore, the introduction of mechanisation in operations particularly in the harvesting and crops evacuation will contribute to better productivity thus improving yield in the future.

CORRUPTION RISK MANAGEMENT

Taking into cognizance Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018, the Group has initiated corruption risk management as part of the overall risk management activities of the Group. As a result, the Group has taken the necessary actions in strengthening the controls to further mitigate risks of bribery and corruption.

KEY ELEMENTS OF INTERNAL CONTROL

The Board is committed to establishing and maintaining internal control systems in order to respond appropriately to risks that may hinder the Group from achieving its goals and objectives. The internal control systems are embedded within the Group's operating activities to provide reasonable assurance that the likelihood of significant adverse impact on business objectives is at an acceptable level to the Group.

The following internal control components are developed based on the Committee of Sponsoring Organisation of the Treadway Commission Internal Control Integrated Framework:



Control Environment

- Clear organisation structure with defined reporting lines of responsibility and accountability to support the maintenance of a strong control environment and control activities.
- Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and control activities.
- Clearly documented policies and procedures for day-to-day operations. Regular reviews are performed to ensure that the Standard Operating Procedure remains current and relevant.
- Code of Ethics for the Board and all employees to ensure high standards of conduct and ethical values in all business practices.
- The Board is supported by a qualified and competent Company Secretary. The Company Secretary plays an advisory role to the Board particularly on issues relating to compliance with Main Market Listing Requirements (MMLR), Companies Act 2016 and other relevant laws and regulations.



Risk Assessment

- Establishment of ERM Policy and Framework to support the overall achievement of the Group's vision and strategic goals, as well as to safeguard the reputation, resources and assets of the Group.
- Establishment of RC at Board level and management level to enable systematic risk review and reporting on key risks, existing control measures and any proposed action plan.



Control Activities

- Strategic planning, target setting and detailed budgeting process for each operating unit which are approved both at the Business Unit Level and by the Board.
- Formation of a centralised purchasing unit to undertake key purchases centrally. Review and award of major purchases/contracts are deliberated through the Procurement Committee to enhance transparency in the procurement and award of contracts.
- Training and development programmes are established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



Information and Communication

- Whistle-blowing policy to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential manner.
- Consolidated monthly management accounts and quarterly forecast performance which allows management to focus on areas of concern.
- Periodic confirmation by the Chief Executive Officer, Chief Financial Officer and/or Risk Officer on the effectiveness of the system of internal control, highlighting any weaknesses and changes in risk profile.



Review and Monitoring

- Regular Board and management meetings to assess the Group's performance and controls.
- Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.
- Regular visits to operating units by members of Senior Management, Planting Advisors, Visiting Engineers, Performance Monitoring Unit and Replanting and Mechanisation Unit, with emphasis on the monitoring and control of expenditure, agronomic practices and ad-hoc investigations.
- Group Internal Audit (GIA) function assists in providing assurance of the effectiveness of the system of internal control. GIA performs regular visits to review the effectiveness of the control procedures and ensure accurate and timely financial management reporting. Internal audit efforts are directed towards areas with significant risks and the risk management process is being audited to provide assurance on the management of risks.
- Management Audit Committee reviews the internal audit reports and follow-up on findings highlighted by GIA. The internal audit reports are deliberated by the Audit Committee, and are subsequently presented to the Board on a quarterly basis or earlier, as appropriate.

CONCLUSION

The monitoring, review and reporting arrangements provide reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others, or the occurrence of unforeseeable circumstances.

The Board believes that the development of the system of internal control is an on-going process and has taken proactive steps throughout the year to improve its internal control system and will continue to undertake such steps. The Board is of the view that the system of internal control in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

As required by Paragraph 15.23 of Bursa Securities' MMLR, the external auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control. The review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Groups' risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

This statement is made in accordance with a resolution of the Board of Directors dated 4 May 2021.

RISK COMMITTEE REPORT

The Risk Committee (RC) was established by the Board of Directors (Board) of Boustead Plantations Berhad (BPB), in line with Step Up 9.3 of the Malaysian Code on Corporate Governance (MCCG). The purpose of the formation of the RC is to assist the Board in fulfilling the oversight responsibilities with respect to the Group's risk management processes and internal control systems.

MEMBERS AND MEETINGS

During the financial year, the RC consisted of four (4) independent non-executive directors whereby a total of four (4) meetings were held accordingly. Details of the composition of the RC and the attendance of each member at the RC meetings are set out below:

Name of Director	Status of Directorship	Independent	Date of Appointment	Attendance of Meetings
Dato' Ahmad Rizal Abdul Rahman ¹	Independent Non-Executive Director (Chairman of the Committee)	Yes	15 August 2019	4/4
Dato' Mohzani Abdul Wahab	Senior Independent Non-Executive Director	Yes	15 August 2019	4/4
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	Independent Non-Executive Director	Yes	15 August 2019	4/4
Tan Sri Dato' Wira Aziah Ali	Independent Non-Executive Director	Yes	15 August 2019	4/4

Note: ¹ The RC Chairman's profile can be viewed on page 14 of this Annual Report.

The RC membership is in line with the recommendation set out in the Malaysian Code on Corporate Governance Step Up 9.3 where the RC shall comprise a majority of independent directors.

The RC meetings were also attended by the Chief Executive Officer, Deputy Chief Executive Officer and Chief Financial Officer of BPB by invitation and as and when appropriate.

The meetings were appropriately structured with RC members receiving notices, agendas, and papers sufficiently in advance of the meetings.

The RC Chairman reports to the Board on principal matters deliberated at RC meetings.



RISK COMMITTEE REPORT

ROLES AND RESPONSIBILITIES

The role of the RC is to provide holistic oversight on Risk and Risk Management of BPB or its subsidiaries (collectively referred to as the Group), which will include but will not be limited to the following responsibilities:

- i. Oversee Enterprise Risk Management and Corruption Risk Management by:
 - a. Reviewing and recommending the overall risk management strategies, framework and policies for the Board's approval;
 - b. Monitoring and reviewing the Risk Management Committee (RMC)'s periodic report on key risk profiles and risk management activities; and
 - c. Obtaining assurance from the Senior Management of the Group that the risk management and internal control system is operating adequately and effectively.
- ii. Oversee Business Continuity Management by:
 - a. Ensuring the Group adopts sound and effective Business Continuity Management framework in order to safeguard the Group's interests; and
 - b. Ensuring that the Business Continuity Management framework is periodically reviewed and updated to reflect changes in the operating environment.
- iii. Reviewing all major investments and project business cases in accordance with established thresholds in the approved Limits of Authority, focusing on the following:
 - a. Evaluate the potential risks and mitigating action plans associated with the investment or project;
 - b. Monitor and review the implementation and effectiveness of mitigating action plans post approval and highlight key risks to the Board; and
 - c. Evaluate the potential risks associated with funding options and costs, and investment returns and making its recommendation to the Board for approval of the investment or project.
- iv. The detailed RC's Terms of Reference is accessible for viewing on the Company's official website at www.bousteadplantations.com.my.

ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the RC carried out its duties as set out in its Terms of Reference. The main activities undertaken were as follows:

- i. Reviewed the RMC's report on key risks and risk management activities. Recommended additional controls to mitigate key risks either existing or emerging risks.
- ii. Placed the necessary risk infrastructure encompassing the risk assessment process, organisational oversight and reporting function to instill the appropriate discipline and control around continuously improving risk management capabilities.
- iii. Reviewed the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control and recommend to the Board for approval prior to their inclusion in the Company's Annual Report.

For any recommendations made by the Risk Committee, the Company Secretary will issue an action item sheet to the Management for their action.

RISK MANAGEMENT FUNCTION

The risk management function, through the RMC, is entrusted with the responsibility of implementing and maintaining the Enterprise Risk Management Policy and Framework to achieve the following objectives:

- i. Communicate the Board's vision, role, direction and priorities to all employees;
- ii. Identify, assess, treat, report and monitor significant risks in an effective manner;
- iii. Enable systematic risk review and reporting on key risks, existing control measures and any proposed action plan; and
- iv. Create a risk-aware culture and building the necessary knowledge for risk management at every level of management.

The Enterprise Risk Management Policy and Framework is generally aligned with the principles of ISO 31000 which is an internationally recognised standard for risk management.

Significant risk issues evaluated by the RMC and/or major changes proposed by this committee will be discussed at the RC and Board of Directors' meetings.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2020.

To ensure that financial statements are properly drawn up, the Directors have taken the following measures:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 4 May 2021.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company is an Investment Holding Company and is also involved in oil palm plantation operations. The principal activities of the subsidiaries and associates are disclosed in Note 38 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Shareholders of the Company	42,952	72,968
Non-controlling interests	(8,570)	–
	34,382	72,968

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the impairment losses as disclosed in Note 7 to the financial statements.

DIVIDENDS

The Directors have declared the following single tier dividends in respect of the financial year ended 31 December 2020:

	Dividend		Date declared	Date of payment
	Sen per share	RM'000		
First interim dividend	0.5	11,200	23 November 2020	30 December 2020
Second interim dividend	0.5	11,200	24 March 2021	28 April 2021
Total	1.0	22,400		

The Directors do not recommend the payment of any final dividend for the current financial year.

DIRECTORS' REPORT

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Haji Ismail Haji Lasim (Chairman)	(Appointed on 1 September 2020)
Dato' Mohzani Abdul Wahab	
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	
Tan Sri Dato' Wira Aziah Ali	
Dato' Ahmad Rizal Abdul Rahman	
Datuk Hj. Shah Headan Ayoob Hussain Shah	(Appointed on 1 July 2020)
Ir. Abdul Aziz Julkarnain	(Appointed on 1 September 2020)
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid	(Appointed on 10 March 2021)
Izaddeen Daud	(Appointed on 10 March 2021)
Fahmy Ismail	(Appointed on 10 March 2021)
Ahmad Shahredzuan Mohd Shariff	(Appointed on 10 March 2021)
Datuk Syed Tamim Ansari Syed Mohamed	(Retired on 24 June 2020)
Dato' Chan Kong Yew	(Retired on 24 June 2020)
Dato' Sri Ghazali Mohd Ali	(Retired on 24 June 2020)
Dato' Haji Ahmad Tajuddin Haji Sulaiman	(Appointed on 5 August 2020 and resigned on 10 November 2020)

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Ahmad Azhar Shah Ibrahim	
Ahmad Rahman Mat Akat	(Resigned on 15 May 2020)
Datuk Ago Anak Dagang	
Fahmy Ismail	(Resigned on 15 May 2020)
Ibrahim Abdul Majid	(Appointed on 2 March 2020)
Idris Ibrahim	(Appointed on 15 February 2020)
Mohamad Azlan Jaafar	
Mohamad Mahazir Mustaffa	
Monaliza Zaidel	(Appointed on 1 January 2020)
Noral Afida Alwi	(Appointed on 15 May 2020)
Sebastian Anak Baya	
Shafie Muhd Zain	
Sharudin Jaffar (Deceased)	(Resigned on 1 January 2020)
Wan Abu Bakar Wan Hamid	(Resigned on 15 February 2020)



DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefits (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors, or the fixed salary of a full-time employee of the Company or its related corporations as shown in Note 5 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a Company in which the Director has a substantial interest, except as disclosed in Note 32 to the financial statements.

During the financial year, there was no indemnity given or insurance premium paid for any person who is or had been the director or office of the Company as the Company did not maintain a Directors' and Officers' Liability Insurance in respect of any legal action taken against the directors and officers in the discharge of their duties while holding office for the Company.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company and its related corporations were as follows:

	← Number of ordinary shares →			
	At 1.1.2020	Acquired	Sold	At 31.12.2020
Boustead Plantations Berhad				
Dato' Mohzani Abdul Wahab	282,800	-	-	282,800
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	-	53,000	-	53,000
Boustead Holdings Berhad				
Dato' Mohzani Abdul Wahab	2,800	-	-	2,800

Other than the above, none of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

HOLDING COMPANIES

The Immediate Holding Company is Boustead Holdings Berhad (BHB), a public limited liability company. BHB is incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Ultimate Holding Corporation is Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established by the Tabung Angkatan Tentera Act, 1973.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen that secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.



DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

(f) In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 34 to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration of the Group and the Company are RM741,000 and RM275,000 respectively, as disclosed in Note 5 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during or since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATO' HAJI ISMAIL HAJI LASIM

DATO' MOHZANI ABDUL WAHAB

Kuala Lumpur
4 May 2021

STATEMENT BY DIRECTORS

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Haji Ismail Haji Lasim and Dato' Mohzani Abdul Wahab, being two of the Directors of Boustead Plantations Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 79 to 159 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATO' HAJI ISMAIL HAJI LASIM

DATO' MOHZANI ABDUL WAHAB

Kuala Lumpur
4 May 2021

STATUTORY DECLARATION

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Mohamad Mahazir Mustaffa (CA 45704), being the officer primarily responsible for the financial management of Boustead Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 79 to 159 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 4 May 2021.

Before me

KAPT (B) AFFANDI AHMAD

Commissioner for Oaths
Kuala Lumpur

MOHAMAD MAHAZIR MUSTAFFA



INDEPENDENT AUDITORS' REPORT

to the Members of Boustead Plantations Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boustead Plantations Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 79 to 159.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT

to the Members of Boustead Plantations Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and right-of-use assets

As at 31 December 2020, the carrying amount of property, plant and equipment and right-of-use assets of the Group are RM2,002.1 million and RM1,927.0 million respectively and the carrying amount of property, plant and equipment and right-of-use assets of the Company are RM1,325.1 million and RM185.3 million respectively. These are disclosed in Notes 13 and 14 to the financial statements respectively.

The Group and the Company are required to perform an impairment test of the cash generating unit ("CGU") or group of CGUs when there is an indication that a CGU or group of CGUs may be impaired by comparing the carrying amount with its recoverable amount.

During the financial year, management had identified external and internal indicators of impairment in respect of the property, plant and equipment and right-of-use assets. Certain oil palm estates and mills of the Group and of the Company were also incurring losses. Management had then undertaken an assessment of the recoverable amount using fair value less costs of disposal. The assessment has resulted in an impairment loss recognised during the year of RM2.4 million as further disclosed in Notes 7 and 13 to the financial statements respectively.

We have identified this as an important area of our audit given the significance of property, plant and equipment and right-of-use assets to the Group and the Company and the judgements and estimates involved in the assessment of the recoverable amount.

Our procedures in reviewing the assessment of the recoverable amount of the CGU by independent professional valuers, include inter alia the following:

- We have considered the competency, capabilities and objectivity of professional valuers.
- We had discussions with the independent professional valuers, and we obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of the CGU and assessed whether such methodology is consistent with those used in the industry.
- We have assessed the key assumptions and methodology used by independent professional valuers. This include comparisons with recent transactions involving other similar vacant agricultural land in the vicinity, size, tenure of title and the related valuation adjustments made by independent professional valuers.
- We assessed the assumptions used relating to the forecasted and projected Crude Palm Oil ("CPO") and Fresh Fruit Bunches ("FFB") prices, FFB yield of the oil palm estates and the estimated remaining useful lives of the bearer plants. We assessed the CPO and FFB price assumptions through comparisons with long-term price forecasts by independent market analysts.
- We assessed the discount factor used to determine the present value of the cash flows and whether the rate used reflect the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset.



INDEPENDENT AUDITORS' REPORT

to the Members of Boustead Plantations Berhad (Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

to the Members of Boustead Plantations Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



INDEPENDENT AUDITORS' REPORT

to the Members of Boustead Plantations Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
4 May 2021

HOH YOON HOONG

02990/08/2022 J
Chartered Accountant

INCOME STATEMENTS

for the year ended 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	4	763,048	577,203	211,940	164,839
Operating costs	5	(623,625)	(598,974)	(146,885)	(139,777)
Results from operations		139,423	(21,771)	65,055	25,062
Gain on disposal of plantation land	6	-	119,454	-	119,454
Impairment losses	7	(2,416)	(175,962)	-	(9,936)
Interest income	8	696	1,115	96,949	95,303
Finance costs	9	(59,192)	(64,826)	(62,733)	(67,631)
Share of results of associates		4,770	6,620	-	-
Profit/(Loss) before taxation and zakat		83,281	(135,370)	99,271	162,252
Taxation	10	(47,987)	(21,910)	(25,625)	(24,452)
Zakat		(912)	-	(678)	-
Profit/(Loss) for the year		34,382	(157,280)	72,968	137,800
Attributable to:					
Shareholders of the Company		42,952	(144,008)	72,968	137,800
Non-controlling interests		(8,570)	(13,272)	-	-
Profit/(Loss) for the year		34,382	(157,280)	72,968	137,800
Earnings/(Loss) per share					
Basic (sen)	11	1.9	(6.4)		

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit/(Loss) for the year	34,382	(157,280)	72,968	137,800
Other comprehensive (loss)/income				
<i>Other comprehensive loss that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Share of other comprehensive loss of associates	(24)	(103)	-	-
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Share of other comprehensive income of associate	94	-	-	-
Remeasurement gain on defined benefit obligations	-	883	-	782
Total other comprehensive income for the year, net of tax	70	780	-	782
Total comprehensive income/(loss) for the year, net of tax	34,452	(156,500)	72,968	138,582
Attributable to:				
Shareholders of the Company	43,022	(143,228)	72,968	138,582
Non-controlling interests	(8,570)	(13,272)	-	-
Total comprehensive income/(loss) for the year, net of tax	34,452	(156,500)	72,968	138,582

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	2,002,057	2,057,601	1,325,110	1,340,924
Right-of-use assets	14	1,927,040	1,959,890	185,255	186,601
Investment in subsidiaries	15	-	-	210,409	210,409
Investment in associates	16	30,376	27,536	3,330	3,330
Goodwill on consolidation	17	2,281	2,281	-	-
Receivables	19	-	-	1,724,458	1,745,148
		3,961,754	4,047,308	3,448,562	3,486,412
Current assets					
Inventories	20	29,214	28,612	8,717	6,750
Biological assets	21	25,026	22,230	8,457	6,390
Receivables	19	68,251	80,585	115,767	110,145
Tax recoverable		311	393	-	-
Cash and bank balances	22	44,044	20,468	42,560	18,422
		166,846	152,288	175,501	141,707
Total assets		4,128,600	4,199,596	3,624,063	3,628,119

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



STATEMENTS OF FINANCIAL POSITION

as at 31 December 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Equity and liabilities					
Equity					
Share capital	23	1,422,344	1,422,344	1,422,344	1,422,344
Non-distributable reserves	24	(195)	(265)	-	-
Retained profits	25	1,161,943	1,130,191	705,800	644,032
Equity attributable to equity holders of the parent		2,584,092	2,552,270	2,128,144	2,066,376
Non-controlling interests		(108,978)	(100,084)	-	-
Total equity		2,475,114	2,452,186	2,128,144	2,066,376
Non-current liabilities					
Borrowings	26	574,413	655,134	574,413	655,134
Deferred tax liabilities	18	294,206	274,780	83,809	77,421
Lease liabilities	27	613	-	-	-
Payables	28	6,336	6,197	4,728	4,661
		875,568	936,111	662,950	737,216
Current liabilities					
Borrowings	26	678,488	722,246	678,488	722,246
Lease liabilities	27	155	-	-	-
Payables	28	89,875	83,669	149,579	98,710
Taxation		9,400	5,384	4,902	3,571
		777,918	811,299	832,969	824,527
Total liabilities		1,653,486	1,747,410	1,495,919	1,561,743
Total equity and liabilities		4,128,600	4,199,596	3,624,063	3,628,119

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital RM'000	Non-distributable reserves RM'000	Distributable retained profits RM'000	Total equity attributable to equity holders of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Group						
At 1 January 2019	1,422,344	(162)	1,295,716	2,717,898	(86,812)	2,631,086
Loss for the year	-	-	(144,008)	(144,008)	(13,272)	(157,280)
Other comprehensive (loss)/income	-	(103)	883	780	-	780
Total comprehensive loss for the year	-	(103)	(143,125)	(143,228)	(13,272)	(156,500)
Transaction with owners:						
Dividends (Note 12)	-	-	(22,400)	(22,400)	-	(22,400)
At 31 December 2019	1,422,344	(265)	1,130,191	2,552,270	(100,084)	2,452,186
At 1 January 2020	1,422,344	(265)	1,130,191	2,552,270	(100,084)	2,452,186
Profit/(Loss) for the year	-	-	42,952	42,952	(8,570)	34,382
Other comprehensive income	-	70	-	70	-	70
Total comprehensive income/(loss) for the year	-	70	42,952	43,022	(8,570)	34,452
Transaction with owners:						
Dividends (Note 12)	-	-	(11,200)	(11,200)	-	(11,200)
Dividends paid to non-controlling interests	-	-	-	-	(324)	(324)
At 31 December 2020	1,422,344	(195)	1,161,943	2,584,092	(108,978)	2,475,114

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital RM'000	Distributable retained profits RM'000	Total equity RM'000
Company			
At 1 January 2019	1,422,344	527,850	1,950,194
Profit for the year	-	137,800	137,800
Other comprehensive income	-	782	782
Total comprehensive income for the year	-	138,582	138,582
Transaction with owners:			
Dividends (Note 12)	-	(22,400)	(22,400)
At 31 December 2019	1,422,344	644,032	2,066,376
At 1 January 2020	1,422,344	644,032	2,066,376
Profit for the year, representing total comprehensive income	-	72,968	72,968
Transaction with owners:			
Dividends (Note 12)	-	(11,200)	(11,200)
At 31 December 2020	1,422,344	705,800	2,128,144

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from operating activities				
Cash receipts from customers	771,944	576,001	199,337	152,939
Cash paid to suppliers and employees	(486,407)	(413,697)	(113,231)	(96,701)
Cash generated from operations	285,537	162,304	86,106	56,238
Defined benefit obligations paid	(667)	(339)	(441)	(317)
Taxation and zakat paid	(25,375)	(12,884)	(18,584)	(11,165)
Net cash generated from operating activities	259,495	149,081	67,081	44,756
Cash flows from investing activities				
Purchase of property, plant and equipment	(43,424)	(70,911)	(12,481)	(18,425)
Purchase of right-of-use assets	(153)	-	-	-
Acquisition of plantation assets	-	(376,031)	-	-
Refund for deposit	3,848	-	-	-
Proceeds from disposal of property, plant and equipment and compulsory land acquisition	616	121,256	-	121,003
Dividends received	-	8,000	-	20,070
Interest received	696	1,127	97,698	102,881
Net cash (used in)/generated from investing activities	(38,417)	(316,559)	85,217	225,529

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.



STATEMENTS OF CASH FLOWS

for the year ended 31 December 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from financing activities				
Dividends paid	(11,200)	(67,200)	(11,200)	(67,200)
Dividends paid to non-controlling interests	-	(112)	-	-
Drawdown of term loans	-	315,000	-	315,000
Decrease in revolving credits	(93,250)	(25,000)	(93,250)	(25,000)
Repayment of term loans	(32,000)	(24,000)	(32,000)	(24,000)
Movement in subsidiaries balances, net	-	-	38,362	(433,235)
Payment of principal portion of lease liabilities	(70)	-	-	-
Interest paid	(60,974)	(61,533)	(30,064)	(65,175)
Transaction costs on borrowings	-	(1,890)	-	(1,890)
Net cash (used in)/generated from financing activities	(197,494)	135,265	(128,152)	(301,500)
Net increase/(decrease) in cash and cash equivalents	23,584	(32,213)	24,146	(31,215)
Cash and cash equivalents at beginning of year	20,443	52,656	18,397	49,612
Cash and cash equivalents at end of year	44,027	20,443	42,543	18,397
Cash and cash equivalents at end of year				
Cash and bank balances (Note 22)	44,044	20,468	42,560	18,422
Bank overdrafts (Note 26)	(17)	(25)	(17)	(25)
	44,027	20,443	42,543	18,397

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (MFRSs), International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Company are prepared under the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand RM except when otherwise indicated.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements of the Group comprise the Company and its subsidiaries.

The financial statements of the subsidiaries used for preparing the consolidated financial statements, are prepared for the same reporting period as the Company using consistent accounting policies.

The Group controls an investee if and only if the Group has all the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment in the investee; and
- (iii) The ability to use its power over the investee to affect its returns.



ACCOUNTING POLICIES

(B) BASIS OF CONSOLIDATION (CONT'D.)

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Group, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition. The accounting policy for goodwill is set out in Note (T).

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses of a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

ACCOUNTING POLICIES

(B) BASIS OF CONSOLIDATION (CONT'D.)

Change in ownership interest of subsidiaries

Changes in the Group's equity interest in a subsidiary that do not result in the Group losing control over the subsidiary is accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values at the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

The Group has elected no restatement of financial information in the consolidated financial statements for the periods prior to the combination of entities under common control.

Investment in subsidiaries – separate financial statements

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate income statement.



ACCOUNTING POLICIES

(C) ASSOCIATES

An associate is defined as a company, not being a subsidiary or an interest in a joint venture, in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies. Details of the associate are as disclosed in Note 16.

On acquisition of an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

The Group's interest in associate is equity accounted. Under the equity method, investment in associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate, less distribution received and any impairment in value of individual investment. Any change in other comprehensive income (OCI) of these investees is presented as part of the Group's OCI.

The consolidated statement of comprehensive income reflects the share of the associate's results after tax. Where there has been a change recognised directly in the equity of associate, the Group recognises its share of such change. Unrealised gains or losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. When the Group's share of losses exceeds its interest in associate, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Where the financial year end of the associate is not coterminous with that of the Group, the share of results is arrived at using the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to the financial statements of the associate to ensure consistency of the accounting policies used with those of the Group. The most recent available financial statements of the associate are used by the Group in applying the equity method.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Impairment loss is recognised in profit or loss.

An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investment in associate – separate financial statements

In the Company's separate financial statements, investment in associate is stated at cost less any impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

ACCOUNTING POLICIES

(D) INVESTMENT IN JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have the joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group and the Company as a joint operator recognise in relation to its interest in a joint operation:

- Its share of any assets held jointly;
- Its share of any liabilities incurred jointly;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its share of any expenses incurred jointly.

The Group and the Company account for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the MFRS applicable to the assets, liabilities, revenue and expenses.

Profits and losses resulting from transactions between the Group and/or the Company and its joint operation are recognised in the Group's and the Company's financial statements only to the extent of the unrelated investors' interest in the joint operation.

(E) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Freehold land is not amortised. Capital work-in-progress items are not available for use and thus not depreciated. Oil palms are classified as bearer plants. Expenditure that are directly related to the planting and upkeep of oil palms are capitalised until the palms reach maturity. Upon maturity, maintenance and upkeep of oil palms are expensed to profit or loss. Depreciation for bearer plants commence when oil palms reach maturity.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values, over the term of their estimated useful lives as follows:

Bearer plants	22 years
Buildings	5 – 30 years
Plant and machinery	5 – 30 years
Motor vehicles	3 – 7 years
Furniture and equipment	2 – 15 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.



ACCOUNTING POLICIES

(E) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONT'D.)

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(F) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition are accounted for, as follows:

- (i) Product stocks: deemed cost of consumable biological assets, cost of direct materials and labour, and a proportion of manufacturing overheads; and
- (ii) Consumable and nursery stocks: purchase cost on a weighted average basis and all incidental costs incurred in bringing the stocks into stores.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(G) BIOLOGICAL ASSETS

Biological assets comprise the produce growing on oil palms. Biological assets are measured at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected fresh fruit bunches (FFB) harvest and the market price at reporting date of crude palm oil (CPO) and palm kernel (PK) adjusted for extraction rates less processing, harvesting and transportation costs.

(H) CURRENCY CONVERSION

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company. All transactions are recorded in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

ACCOUNTING POLICIES

(H) CURRENCY CONVERSION (CONT'D.)

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in OCI and accumulated under foreign exchange currency reserve in equity. The foreign exchange currency reserve is reclassified from equity to profit or loss of the Group on disposal of the investment in foreign operations.

(I) CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, cash and cash equivalents comprise cash and bank balances, and short-term deposits net of overdrafts which are subject to an insignificant risk of changes in value.

(J) RESEARCH AND DEVELOPMENT

The Group's and the Company's research and development is undertaken through an associate, whereby contribution towards such activity is recognised as an expense as and when incurred.

(K) REVENUE

(i) Revenue from contracts with customers

The Group and the Company are principally involved in selling plantation produce and providing plantation agency services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements, except for the plantation agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of plantations produce

The Group's and the Company's plantation produce revenue are derived from sales of CPO, PK and FFB. Revenue from sale of plantation produce is recognised at the point in time when control of the goods is transferred to the customer.

There is no element of financing present as the Group's and the Company's sale of plantation produce are either on cash terms (immediate payment or advance payment not exceeding 30 days); or on credit terms of up to 30 days.



ACCOUNTING POLICIES

(K) REVENUE (CONT'D.)

(i) Revenue from contracts with customers (cont'd.)

Plantation agency services

The Group's plantation agency services involve the provision of management and consultancy services to estates and mills.

The Group recognises revenue from plantation agency services over time, using an input method to measure the progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Normal credit term is 30 days upon invoice being issued.

(ii) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Company is as follows:

- Dividend income – recognised when the right to receive payment is established.

(L) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold and consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ACCOUNTING POLICIES

(M) PROVISIONS

Provisions are recognised when the Group and the Company have present obligations (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

(N) SHARE CAPITAL AND SHARE ISSUANCE EXPENSES

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(O) BORROWING COSTS

Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale, and in the case of bearer plants, when the oil palms reach maturity.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

(P) TAXATION

Malaysian taxes

Taxation on the profit or loss for the year comprises current and deferred tax, and is recognised in the profit or loss. Current tax is the expected amount of taxes payable in respect of the taxable profit for the year including real property gains tax payable on disposal of properties and is measured using the tax rates that have been enacted or substantively enacted at the reporting date. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.



ACCOUNTING POLICIES

(P) TAXATION (CONT'D.)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credits carried forward and unused tax losses carried forward can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements. Deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

ACCOUNTING POLICIES

(Q) EMPLOYEE BENEFITS

(i) Short-term benefits

Short-term benefits such as wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, the Group and the Company make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Defined benefit plans

The Group and the Company also pay defined benefits to the workers and staff of estates and mills in Peninsular Malaysia in accordance with agreement between the Malayan Agricultural Producers Association (MAPA) and the National Union of Plantation Workers (NUPW) as well as between MAPA and All Malayan Estates Staff Union (AMESU). These gratuity benefits are calculated based on the specified rates for each completed year of service.

The defined benefit liability is the aggregate of the present value of the defined benefit obligations (derived using a discount rate based on market yield at the valuation date of high quality corporate bonds for a duration of 3 to 15 years) adjusted for actuarial gains or losses and past service costs. There are no assets which qualify as plan assets as these are unfunded arrangements.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method taking into account various factors which includes mortality and disability rates, turnover rates, future salary increases and estimated future cash outflows.

Defined benefit costs comprise service costs, net interest on the net defined benefit liability and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as an expense in profit or loss. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group and the Company recognise related restructuring costs.

Net interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the defined benefit liability. Net interest on the defined benefit liability is recognised as expense or income in profit or loss. Remeasurements comprising actuarial gains and losses are recognised immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.



ACCOUNTING POLICIES

(R) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGU)).

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

ACCOUNTING POLICIES

(S) LEASES

The Group and the Company assess at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land are depreciated over the lease terms ranging from 15 to 999 years. Motor vehicles are depreciated over the lease terms of 5 years.

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment as disclosed in Note (R).

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (i.e., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.



ACCOUNTING POLICIES

(S) LEASES (CONT'D.)

As a lessee (cont'd.)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the income statement due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(T) GOODWILL

After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised, but instead, reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill allocated to the related CGU is monitored by management, usually at business segment level or statutory company level as the case may be. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment loss is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold.

(U) FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and measured either at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(i) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

Trade receivables of the Group and the Company do not contain a significant financing component and therefore are measured at the transaction price determined under MFRS 15 Revenue from Contracts with Customers (MFRS 15).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised costs (debt instruments).

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade receivables, other receivables (excluding prepayments and GST receivables), loans to Group companies, and cash and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or



ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(i) Financial assets (cont'd.)

Derecognition (cont'd.)

- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either the Group and the Company have transferred substantially all the risks and rewards of the asset, or the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(i) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

The Group and the Company consider a financial asset in default when factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables (excluding defined benefit obligations and other taxes payable), and loans and borrowings including bank overdrafts and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(V) SEGMENT REPORTING

The principal activities of the Group are the cultivation of oil palms, production and sale of FFB, CPO and PK in Malaysia. The Group's plantation business are segregated into three geographical segments. The performance of each segment is monitored by the respective segment's management team. Additional disclosures on the segment reporting is disclosed in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

(W) CONTINGENCIES

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

ACCOUNTING POLICIES

(Y) FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.



NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an investment holding company and is also involved in oil palm plantation operations. The principal activities of the subsidiaries and associates are disclosed in Note 38.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 28th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur.

The Immediate Holding Company is Boustead Holdings Berhad (BHB), a public limited liability company. BHB is incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Ultimate Holding Corporation is Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established by the Tabung Angkatan Tentera Act, 1973. The Company is a Government-related entity by virtue of its relationship with LTAT.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 4 May 2021.

2. CHANGES IN ACCOUNTING POLICIES

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

2.1 Adoption of new standards effective 1 January 2020

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020

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

NOTES TO THE FINANCIAL STATEMENTS

2. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

2.2 Standards and interpretations issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments 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
Amendments to MFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
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 Contract – Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments 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. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed as follows:

(a) Impairment of property, plant and equipment and right-of-use assets

The Group and the Company review the carrying amounts of the property, plant and equipment and right-of-use assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of fair value less costs of disposal (FVLCD) or value-in-use (VIU).

Where the recoverable amounts of CGU or groups of CGU is determined on the basis of FVLCD, the fair values are based on valuations by independent professional valuers which were derived from comparisons with recent transactions involving other similar vacant agricultural land in the vicinity, size, tenure of title and the related valuation adjustments made by independent professional valuers, and from the income capitalisation method derived using assumptions on fresh fruit bunches (FFB) yields, long term average crude palm oil (CPO) prices, cost of production and an appropriate rate of return over the cropping life of the oil palms. Changes to any of these assumptions would affect the amount of impairment losses.



NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

(a) Impairment of property, plant and equipment and right-of-use assets (cont'd.)

Determining the VIU of CGU or Groups of CGU requires the determination of future cash flows expected to be derived from continuing use of the asset and from the ultimate disposal of such assets, which thus require the Group and the Company to make estimates and assumptions that can materially affect the financial statements.

The estimation of the recoverable amount involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The accumulated impairment losses are disclosed in Notes 7, 13 and 14.

(b) Impairment of goodwill

The Group tests for impairment of goodwill annually and at any other time when such indicators exist. This requires an estimation of VIU of the assets or CGU to which the goodwill is allocated. Estimating the VIU requires management to estimate the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to determine the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The carrying amount of goodwill as at 31 December 2020 was RM2,281,000 (2019: RM2,281,000) as disclosed in Note 17.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital and agricultural allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, allowances and deductible temporary differences can be utilised. The recognition of deferred tax assets is based upon the likely timing and level of future taxable profits together with tax planning strategies. Deferred tax assets not recognised on unused tax losses, capital and agricultural allowances of the Group amounted to RM438,632,000 (2019: RM423,947,000) at the reporting date as disclosed in Note 18.

(d) Fair value of biological assets

Biological assets represent the produce growing on oil palms. FFB are harvested from the oil palms for use in the production of CPO and palm kernel (PK). The growing produce are essentially FFB prior to harvesting.

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

Management considered the maturity stages of FFB and concluded that unripen FFB of up to 3 weeks would be used in the computation of the fair value of biological assets.

The fair value of the growing produce is determined on the basis of present value of expected future cash flows which takes into consideration the production and estimated selling prices of CPO and PK adjusted for extraction rates, processing, harvesting and transport costs. The carrying amount of biological assets is disclosed in Note 21.

If the tonnage of unripen FFB vary by 10%, the fair value of the Group's and Company's biological assets would increase or decrease by RM2,503,000 (2019: RM2,223,000) and RM846,000 (2019: RM639,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers					
– Sale of plantation produce	4(a)	762,329	575,736	195,851	150,238
– Plantation agency services	4(a)	719	1,467	–	–
Revenue from other sources	4(b)	–	–	16,089	14,601
		763,048	577,203	211,940	164,839

(a) Disaggregated revenue from contracts with customers**Geographical markets**

Peninsular Malaysia	276,450	214,226	177,644	137,317
Sabah	418,508	291,564	18,207	12,921
Sarawak	68,090	71,413	–	–
	763,048	577,203	195,851	150,238

Timing of revenue recognition

Goods transferred at a point in time	762,329	575,736	195,851	150,238
Services rendered over time	719	1,467	–	–
	763,048	577,203	195,851	150,238

(b) Revenue from other sources

Gross dividends received/receivable from				
– Subsidiaries	–	–	13,945	6,457
– Associates	–	–	2,000	8,000
Sundry income	–	–	144	144
	–	–	16,089	14,601

(c) Performance obligations

Contracts with customers are mainly for sales of FFB, crude palm oil, palm kernel or for provision of plantation management services with no other performance obligation included therein. A performance obligation is satisfied upon delivery of the produce to the palm oil mill or refinery. Plantation management services are normally performed over the contracted period of service.



NOTES TO THE FINANCIAL STATEMENTS

5. OPERATING COSTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Changes in inventories of produce stocks	4,713	1,472	(297)	3,761
Changes in fair value net of transfers to produce stocks (Note 21)	(2,796)	(6,568)	(2,067)	(1,400)
Raw materials, consumables and other direct costs	219,818	170,385	39,438	28,714
Staff costs	224,086	219,991	54,938	54,853
Defined contribution plan	9,360	9,642	2,196	2,740
Unfunded defined benefit plan (Note 29)	806	1,089	508	812
Depreciation of property, plant and equipment (Note 13)	97,289	134,477	28,754	30,259
Depreciation of right-of-use assets (Note 14)	33,841	32,686	1,346	1,346
Other operating costs	36,508	35,800	22,069	18,692
	623,625	598,974	146,885	139,777
Other operating costs include:				
Auditors' remuneration				
– Current year	741	893	275	315
– Prior year	–	161	–	4
Other services				
– Current year	15	129	15	109
– Prior year	85	–	85	–
Directors' remuneration				
– Fees	740	692	740	688
– Allowance	166	103	166	103
Research and development	13,575	14,003	13,575	14,003
Reversal of allowance for expected credit losses on other receivables (Note 19 (ii))	(49)	(30)	(46)	(25)
Gain on disposal of property, plant and equipment	(134)	(969)	–	(1,047)
Property, plant and equipment written off	683	1,173	270	46
Expenses relating to short-term leases (Note 14)	1,407	1,534	–	–
Windfall levy	4,316	239	2,521	164

6. GAIN ON DISPOSAL OF PLANTATION LAND

The gain for the previous financial year was in respect of the disposal of freehold land measuring 82.84 hectares and 56.05 hectares respectively in the District of Seberang Perai Utara, Pulau Pinang to Sunrich Conquest Sdn Bhd and Titanium Greenview Sdn Bhd respectively.

NOTES TO THE FINANCIAL STATEMENTS

7. IMPAIRMENT LOSSES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Property, plant and equipment (Note 13)	2,416	160,555	-	9,936
Right-of-use assets (Note 14)	-	15,407	-	-
	2,416	175,962	-	9,936

During the financial year, management had identified certain plant and equipment previously used in the sawmill business of a subsidiary's cash-generating unit (CGU) which are currently idle and are not contributing to the core operations of the Group. Management had recognised impairment losses of RM2,416,000 on the carrying value of the plant and equipment in the current financial year.

In the previous financial year, management had identified external and internal indicators of impairment in respect of property, plant and equipment and right-of-use assets. Certain oil palm estates and mills of the Group and of the Company were also incurring losses.

Management had then undertaken an assessment of the recoverable amount of the oil palm estates and the mills. Recoverable amount is defined as the higher of fair value less costs of disposal or value-in-use.

The aforementioned impairment review gave rise to:

- (a) Impairment losses to property, plant and equipment and right-of-use assets of RM150,619,000 and RM15,407,000 respectively in relation to impaired estates and an impaired mill of the Group situated in Sabah; and
- (b) Impairment losses to property, plant and equipment of RM9,936,000 in relation to an impaired estate of the Group and of the Company situated in Peninsular Malaysia.

The recoverable amount estimated in relation to the impaired estates and the impaired mill situated in Sabah was RM933,119,000 and the recoverable amount of the impaired estate in Peninsular Malaysia was estimated to be RM80,760,000.

The recoverable amount was estimated based on their fair value less costs of disposal and the key assumptions to which the recoverable amount is most sensitive are disclosed below:

Discount rate:

- Net income of the oil palm cultivation 8.0% – 10.8%
- Improved land value 2.5% – 4.0%

Long-term average CPO prices RM2,360 per metric tonne – RM2,500 per metric tonne

The fair value of the estates and mills were determined by independent professional valuers using the income approach (Level 3 of the fair value hierarchy).



NOTES TO THE FINANCIAL STATEMENTS

8. INTEREST INCOME

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income				
– Subsidiaries	–	–	96,285	94,191
– Financial institutions	672	542	640	539
– Others	24	573	24	573
	696	1,115	96,949	95,303

9. FINANCE COSTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expenses				
– Financial institutions	59,816	64,616	59,816	64,616
– Subsidiaries	–	–	2,308	2,202
– Joint operation partner	430	382	430	382
– Lease liabilities	8	–	–	–
	60,254	64,998	62,554	67,200
Add: Amortisation of transaction costs on borrowings	779	703	779	703
Less: Interest capitalised	(1,841)	(875)	(600)	(272)
	59,192	64,826	62,733	67,631

NOTES TO THE FINANCIAL STATEMENTS

10. TAXATION

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Income tax				
– Charge for the year	28,528	18,721	19,348	13,840
– Under/(over) provision in prior year	33	868	(111)	(475)
	28,561	19,589	19,237	13,365
Deferred tax (Note 18)				
– Origination and reversal of temporary differences	15,392	(6,584)	6,048	2,337
– Under provision in prior year	4,034	2,720	340	2,565
	19,426	(3,864)	6,388	4,902
Real property gains tax	–	6,185	–	6,185
	47,987	21,910	25,625	24,452

Reconciliations of the taxation applicable to profit/(loss) before taxation at the statutory rate of 24% (2019: 24%) to the tax expense of the Group and the Company are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit/(Loss) before taxation and zakat	83,281	(135,370)	99,271	162,252
Taxation at statutory tax rate of 24% (2019: 24%)	19,987	(32,489)	23,825	38,940
Effects of share of results of associates	(1,145)	(1,589)	–	–
Effects of income subject to different tax rates	–	(22,484)	–	(22,484)
Income not subject to tax	(52)	(223)	(3,841)	(3,782)
Non-deductible expenses	25,083	72,104	8,833	13,049
Tax incentives	(3,477)	(3,361)	(3,421)	(3,361)
Deferred tax assets not recognised	3,524	6,364	–	–
Under/(over) provision of taxation in prior year	33	868	(111)	(475)
Under provision of deferred tax in prior year	4,034	2,720	340	2,565
Taxation for the year	47,987	21,910	25,625	24,452



NOTES TO THE FINANCIAL STATEMENTS

11. EARNINGS PER SHARE

The basic earnings per share of the Group is calculated by dividing profit attributable to ordinary equity holders of the Company of RM42,952,000 (2019: loss of RM144,008,000) by the weighted average number of ordinary shares in issue during the year of 2,239,999,895 (2019: 2,239,999,895). The Group does not have any potential dilutive ordinary shares for financial years ended 31 December 2020 and 31 December 2019.

12. DIVIDENDS

	Amount		Dividend per ordinary share	
	2020 RM'000	2019 RM'000	2020 sen	2019 sen
Dividends on ordinary shares in respect of the current financial year				
- First interim declared on 23 November 2020 (2019: 23 May 2019) and paid on 30 December 2020 (2019: 28 June 2019)	11,200	22,400	0.5	1.0

Subsequent to the end of the current financial year, the Directors declared a second interim dividend of 0.5 sen per share amounting to RM11,200,000 in respect of the financial year ended 31 December 2020. The dividend, which will be paid on 28 April 2021, will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2021.

The Directors do not recommend the payment of any final dividend for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2020							
Cost							
At 1 January	1,152,773	972,358	338,261	289,115	73,972	123,682	2,950,161
Additions	-	22,480	3,084	9,886	459	9,356	45,265
Disposals	-	-	-	(581)	(1,939)	(83)	(2,603)
Transfers from group companies	-	-	-	-	-	47	47
Reclassification	-	-	3,700	3,944	-	(7,644)	-
Write off	-	(19,952)	(315)	(732)	(98)	(8)	(21,105)
At 31 December	1,152,773	974,886	344,730	301,632	72,394	125,350	2,971,765
Accumulated depreciation							
At 1 January	-	317,891	131,222	163,675	56,148	53,281	722,217
Charge for the year (Note 5)	-	52,320	14,708	17,809	5,371	7,081	97,289
Transfers from group companies	-	-	-	-	-	(14)	(14)
Disposals	-	-	-	(199)	(1,839)	(83)	(2,121)
Write off	-	(19,316)	(111)	(727)	(98)	(5)	(20,257)
At 31 December	-	350,895	145,819	180,558	59,582	60,260	797,114
Accumulated impairment losses							
At 1 January	-	136,679	7,019	-	-	26,645	170,343
Impairment losses for the year (Note 7)	-	-	2,197	59	160	-	2,416
Write off	-	(165)	-	-	-	-	(165)
At 31 December	-	136,514	9,216	59	160	26,645	172,594
Net carrying amount							
At 31 December	1,152,773	487,477	189,695	121,015	12,652	38,445	2,002,057

During the current and previous financial year, the Group acquired property, plant and equipment by cash.



NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2019							
Cost							
At 1 January	929,460	901,339	304,405	264,743	72,800	90,948	2,563,695
Acquisition of Boustead Tawai Estates & Mill	-	47,376	19,531	17,392	2,084	27,795	114,178
Additions	-	40,988	12,489	7,757	2,007	8,545	71,786
Disposals	(98)	-	-	(9)	(1,271)	(228)	(1,606)
Transfer from assets held for sale	223,411	-	-	-	-	-	223,411
Reclassification	-	-	2,257	451	7	(2,715)	-
Write off	-	(17,345)	(421)	(1,219)	(1,655)	(663)	(21,303)
At 31 December	1,152,773	972,358	338,261	289,115	73,972	123,682	2,950,161
Accumulated depreciation							
At 1 January	-	258,593	115,077	146,578	52,468	36,331	609,047
Charge for the year (Note 5)	-	75,621	16,563	18,234	6,275	17,784	134,477
Disposals	-	-	-	(9)	(940)	(228)	(1,177)
Write off	-	(16,323)	(418)	(1,128)	(1,655)	(606)	(20,130)
At 31 December	-	317,891	131,222	163,675	56,148	53,281	722,217
Accumulated impairment losses							
At 1 January	-	9,788	-	-	-	-	9,788
Impairment losses for the year (Note 7)	-	126,891	7,019	-	-	26,645	160,555
At 31 December	-	136,679	7,019	-	-	26,645	170,343
Net carrying amount							
At 31 December	1,152,773	517,788	200,020	125,440	17,824	43,756	2,057,601

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2020							
Cost							
At 1 January	1,022,028	324,563	102,168	46,955	22,266	6,917	1,524,897
Additions	-	10,671	316	1,665	158	271	13,081
Disposals	-	-	-	-	(155)	-	(155)
Transfer from/(to) group companies	-	-	-	-	162	(20)	142
Reclassification	-	-	1,047	1,612	-	(2,659)	-
Write off	-	(8,429)	-	-	-	-	(8,429)
At 31 December	1,022,028	326,805	103,531	50,232	22,431	4,509	1,529,536
Accumulated depreciation							
At 1 January	-	91,567	31,493	20,033	18,311	2,845	164,249
Transfer from/(to) group companies	-	-	-	-	27	(14)	13
Charge for the year (Note 5)	-	19,245	5,092	2,963	1,237	217	28,754
Disposals	-	-	-	-	(155)	-	(155)
Write off	-	(7,994)	-	-	-	-	(7,994)
At 31 December	-	102,818	36,585	22,996	19,420	3,048	184,867
Accumulated impairment losses							
At 1 January	-	19,724	-	-	-	-	19,724
Write off	-	(165)	-	-	-	-	(165)
At 31 December	-	19,559	-	-	-	-	19,559
Net carrying amount							
At 31 December	1,022,028	204,428	66,946	27,236	3,011	1,461	1,325,110

During the current and previous financial year, the Company acquired property, plant and equipment by cash.



NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2019							
Cost							
At 1 January	798,715	316,460	101,158	45,464	22,465	4,754	1,289,016
Additions	-	13,864	958	1,500	149	2,226	18,697
Disposals	(98)	-	-	(9)	(4)	-	(111)
Transfer from assets held for sale	223,411	-	-	-	-	-	223,411
Reclassification	-	-	57	-	-	(57)	-
Write off	-	(5,761)	(5)	-	(344)	(6)	(6,116)
At 31 December	1,022,028	324,563	102,168	46,955	22,266	6,917	1,524,897
Accumulated depreciation							
At 1 January	-	76,652	26,454	17,099	17,251	2,617	140,073
Charge for the year (Note 5)	-	20,639	5,041	2,943	1,408	228	30,259
Disposals	-	-	-	(9)	(4)	-	(13)
Write off	-	(5,724)	(2)	-	(344)	-	(6,070)
At 31 December	-	91,567	31,493	20,033	18,311	2,845	164,249
Accumulated impairment losses							
At 1 January	-	9,788	-	-	-	-	9,788
Impairment losses for the year (Note 7)	-	9,936	-	-	-	-	9,936
At 31 December	-	19,724	-	-	-	-	19,724
Net carrying amount							
At 31 December	1,022,028	213,272	70,675	26,922	3,955	4,072	1,340,924

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) The other assets consist of office equipment, computers, laboratory equipment and buildings, plant and machinery under construction. The cost of buildings, plant and machinery under construction amounted to RM16,093,000 (2019: RM14,926,000) and RM1,027,000 (2019: RM3,490,000) for the Group and the Company respectively.
- (b) The freehold land of the Company with carrying amount of RM716,833,000 (2019: RM716,833,000) are held by CIMB Islamic Trustee Berhad, acting as trustee for the Company.
- (c) Movement of bearer plants

	Mature RM'000	Immature RM'000	Total RM'000
Group			
2020			
Cost			
At 1 January	876,713	95,645	972,358
Additions	–	22,480	22,480
Reclassification	35,481	(35,481)	–
Write off	(19,952)	–	(19,952)
At 31 December	892,242	82,644	974,886
Accumulated depreciation			
At 1 January	317,891	–	317,891
Charge for the year	52,320	–	52,320
Write off	(19,316)	–	(19,316)
At 31 December	350,895	–	350,895
Accumulated impairment losses			
At 1 January	136,120	559	136,679
Write off	(165)	–	(165)
At 31 December	135,955	559	136,514
Net carrying amount			
At 31 December	405,392	82,085	487,477

Included in the additions of the bearer plants of the Group is the borrowing costs of RM1,841,000 capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.5%.



NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Group			
2019			
Cost			
At 1 January	821,914	79,425	901,339
Acquisition of Boustead Tawai Estates	47,376	-	47,376
Additions	-	40,988	40,988
Reclassification	24,768	(24,768)	-
Write off	(17,345)	-	(17,345)
At 31 December	876,713	95,645	972,358
Accumulated depreciation			
At 1 January	258,593	-	258,593
Charge for the year	75,621	-	75,621
Write off	(16,323)	-	(16,323)
At 31 December	317,891	-	317,891
Accumulated impairment losses			
At 1 January	9,788	-	9,788
Impairment losses for the year (Note 7)	126,332	559	126,891
At 31 December	136,120	559	136,679
Net carrying amount			
At 31 December	422,702	95,086	517,788

Included in the additions of the bearer plants of the Group was the borrowing costs of RM875,000 capitalised in the previous financial year. The rate used to determine the amount of borrowing costs eligible for capitalisation was 5.0%.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Company			
2020			
Cost			
At 1 January	288,514	36,049	324,563
Additions	-	10,671	10,671
Reclassification	17,702	(17,702)	-
Write off	(8,429)	-	(8,429)
At 31 December	297,787	29,018	326,805
Accumulated depreciation			
At 1 January	91,567	-	91,567
Charge for year	19,245	-	19,245
Write off	(7,994)	-	(7,994)
At 31 December	102,818	-	102,818
Accumulated impairment losses			
At 1 January	19,724	-	19,724
Write off	(165)	-	(165)
At 31 December	19,559	-	19,559
Net carrying amount			
At 31 December	175,410	29,018	204,428

Included in the additions of the bearer plants of the Company is the borrowing costs of RM600,000 capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.3%.



NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Company			
2019			
Cost			
At 1 January	282,802	33,658	316,460
Additions	–	13,864	13,864
Reclassification	11,473	(11,473)	–
Write off	(5,761)	–	(5,761)
At 31 December	288,514	36,049	324,563
Accumulated depreciation			
At 1 January	76,652	–	76,652
Charge for the year	20,639	–	20,639
Write off	(5,724)	–	(5,724)
At 31 December	91,567	–	91,567
Accumulated impairment losses			
At 1 January	9,788	–	9,788
Impairment losses for the year (Note 7)	9,936	–	9,936
At 31 December	19,724	–	19,724
Net carrying amount			
At 31 December	177,223	36,049	213,272

Included in the additions of the bearer plants of the Company was the borrowing costs of RM272,000 capitalised in the previous financial year. The rate used to determine the amount of borrowing costs eligible for capitalisation was 5.1%.

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS

	Motor vehicles RM'000	Land RM'000	Total RM'000
2020			
Group			
Cost			
At 1 January	-	2,069,189	2,069,189
Additions	991	-	991
At 31 December	991	2,069,189	2,070,180
Accumulated depreciation			
At 1 January	-	93,892	93,892
Charge for the year (Note 5)	51	33,790	33,841
At 31 December	51	127,682	127,733
Accumulated impairment losses			
At 1 January/31 December	-	15,407	15,407
Net carrying amount			
At 31 December	940	1,926,100	1,927,040
			Land RM'000
2019			
Group			
Cost			
At 1 January			1,771,484
Acquisition of Boustead Tawai Estates			297,705
At 31 December			2,069,189
Accumulated depreciation			
At 1 January			61,206
Charge for the year (Note 5)			32,686
At 31 December			93,892
Accumulated impairment losses			
At 1 January 2019			-
Impairment losses for the year (Note 7)			15,407
At 31 December			15,407
Net carrying amount			
At 31 December			1,959,890



NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS (CONT'D.)

	Land RM'000
2020	
Company	
Cost	
At 1 January/31 December	190,911
Accumulated depreciation	
At 1 January	4,310
Charge for the year (Note 5)	1,346
At 31 December	5,656
Net carrying amount	
At 31 December	185,255
2019	
Company	
Cost	
At 1 January/31 December	190,911
Accumulated depreciation	
At 1 January	2,964
Charge for the year (Note 5)	1,346
At 31 December	4,310
Net carrying amount	
At 31 December	186,601

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS (CONT'D.)

- (a) As at 31 December 2020, the right-of-use assets of the Group with carrying amount of RM62,533,000 (2019: RM65,015,000) are subleased from the registered owners for the subsidiaries.
- (b) As at 31 December 2020, the right-of-use assets of the Company with carrying amount of RM185,255,000 (2019: RM186,601,000) are held by CIMB Islamic Trustee Berhad acting as trustee for the Company.
- (c) As at 31 December 2020, the right-of-use assets of the Group with carrying amount of RM940,000 are held under hire purchase arrangements.
- (d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Depreciation expense of right-of-use assets (Note 5)	33,841	32,686	1,346	1,346
Expenses relating to short-term leases (Note 5)	1,407	1,534	-	-
Interest expenses on lease liabilities (Note 9)	8	-	-	-
Total amount recognised in profit or loss	35,256	34,220	1,346	1,346

The Group had total cash outflows for leases of RM1,638,000 (2019: RM299,239,000) for the year ended 31 December 2020.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Unquoted shares in Malaysia		
Cost		
At 1 January/31 December	306,522	306,522
Accumulated impairment losses		
At 1 January/31 December	96,113	96,113
Net carrying amount		
At 1 January/31 December	210,409	210,409

The Group's interest in subsidiaries and their principal activities are disclosed in Note 38 to the financial statements.



NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Subsidiaries with material non-controlling interests

The Group regards Boustead Pelita Kanowit Sdn Bhd (BPK), Boustead Pelita Tinjar Sdn Bhd (BPT) and Boustead Pelita Kanowit Oil Mill Sdn Bhd (BPKOM) as subsidiaries that have material non-controlling interests. These subsidiaries are incorporated and operated in Malaysia.

The summarised financial information of BPK, BPT and BPKOM before inter-company eliminations is provided below.

	BPK		BPT		BPKOM	
	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Equity interest held by non-controlling interests	40	40	40	40	40	40

(i) Summarised statements of comprehensive income

	BPK		BPT		BPKOM	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	39,096	33,361	15,781	13,565	52,308	57,848
(Loss)/Profit for the year	(18,390)	(24,119)	(4,160)	(11,036)	1,125	1,976
Attributable to:						
Shareholders of the Company	(11,034)	(14,471)	(2,496)	(6,622)	675	1,186
Non-controlling interests	(7,356)	(9,648)	(1,664)	(4,414)	450	790
	(18,390)	(24,119)	(4,160)	(11,036)	1,125	1,976
Dividend declared to non-controlling interests	-	-	-	-	324	-

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Subsidiaries with material non-controlling interests (cont'd.)

(ii) Summarised statements of financial position

	BPK		BPT		BPKOM	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	26,379	31,571	31,738	33,638	11,697	10,851
Current assets	7,845	3,767	2,524	2,352	26,573	28,098
Total assets	34,224	35,338	34,262	35,990	38,270	38,949
Non-current liabilities	-	-	-	-	240	57
Current liabilities	247,070	229,794	32,723	30,291	2,428	3,605
Total liabilities	247,070	229,794	32,723	30,291	2,668	3,662
Net (liabilities)/assets	(212,846)	(194,456)	1,539	5,699	35,602	35,287
Attributable to:						
Shareholders of the Company	(120,451)	(109,417)	32,362	34,858	21,362	21,173
Non-controlling interests	(92,395)	(85,039)	(30,823)	(29,159)	14,240	14,114
	(212,846)	(194,456)	1,539	5,699	35,602	35,287

(iii) Summarised statements of cash flows

	BPK		BPT		BPKOM	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net cash generated from/ (used in):						
Operating activities	14,481	14,431	1,866	1,465	1,089	1,108
Investing activities	(44)	(51)	(80)	(118)	(1,086)	(839)
Financing activities	(14,406)	(14,360)	(1,657)	(1,371)	-	(279)
Net increase/(decrease) in cash and cash equivalents	31	20	129	(24)	3	(10)



NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, at cost	3,330	3,330	3,330	3,330
Share of post acquisition reserves	27,046	24,206	-	-
	30,376	27,536	3,330	3,330
Equity interest in associates	50%	50%	50%	50%

The summarised financial information represents the amounts in the financial statements of associates and not the Group's share of those amounts.

(a) Summarised statements of comprehensive income:

	2020 RM'000	2019 RM'000
Revenue	63,419	60,250
Profit for the year	9,540	13,240
Other comprehensive income/(loss)	140	(206)
Total comprehensive income	9,680	13,034
Dividend declared and payable/paid during the year	4,000	16,000

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATES (CONT'D.)

(b) Summarised statements of financial position:

	2020 RM'000	2019 RM'000
Non-current assets	36,522	38,624
Current assets	45,839	39,136
Non-current liabilities	(6,041)	(1,138)
Current liabilities	(15,568)	(21,550)
Net assets	60,752	55,072

(c) Reconciliation of summarised financial information to the net assets of associates:

	2020 RM'000	2019 RM'000
Net assets at 1 January	55,072	58,038
Profit for the year	9,540	13,240
Other comprehensive income/(loss)	140	(206)
Dividend payable/paid	(4,000)	(16,000)
Net assets at 31 December	60,752	55,072
Carrying value of Group's investment in associates	30,376	27,536

17. GOODWILL ON CONSOLIDATION

Goodwill on consolidation arose from the acquisition of a subsidiary that is principally involved in oil palm cultivation. At reporting date, the recoverable amount of goodwill was determined on the basis of value-in-use calculation using five-year cash flow projections approved by the Board of Directors. The pre-tax discount factor of 8% (2019: 8%) reflects the specific risks of the industry.

Based on the sensitivity analysis, management believes that no reasonably possible change in base case key assumptions would cause the carrying value of the goodwill to exceed its recoverable amount.



NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	(274,780)	(278,644)	(77,421)	(72,519)
Recognised in profit or loss (Note 10)	(19,426)	3,864	(6,388)	(4,902)
At 31 December	(294,206)	(274,780)	(83,809)	(77,421)

Deferred tax liabilities – Group

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2020	(162,050)	(137,694)	(5,390)	(305,134)
Recognised in profit or loss	2,864	(8,126)	(615)	(5,877)
At 31 December 2020	(159,186)	(145,820)	(6,005)	(311,011)
At 1 January 2019	(164,914)	(138,652)	(3,829)	(307,395)
Recognised in profit or loss	2,864	958	(1,561)	2,261
At 31 December 2019	(162,050)	(137,694)	(5,390)	(305,134)

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)**Deferred tax assets – Group**

	Unused tax losses RM'000	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2020	8,459	20,277	1,618	30,354
Recognised in profit or loss	(5,182)	(8,336)	(31)	(13,549)
At 31 December 2020	3,277	11,941	1,587	16,805
At 1 January 2019	7,604	19,501	1,646	28,751
Recognised in profit or loss	855	776	(28)	1,603
At 31 December 2019	8,459	20,277	1,618	30,354

Deferred tax liabilities – Company

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2020	(13,377)	(66,385)	(1,533)	(81,295)
Recognised in profit or loss	78	(3,231)	(496)	(3,649)
At 31 December 2020	(13,299)	(69,616)	(2,029)	(84,944)
At 1 January 2019	(13,455)	(60,767)	(1,196)	(75,418)
Recognised in profit or loss	78	(5,618)	(337)	(5,877)
At 31 December 2019	(13,377)	(66,385)	(1,533)	(81,295)



NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets – Company

	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2020	2,749	1,125	3,874
Recognised in profit or loss	(2,749)	10	(2,739)
At 31 December 2020	–	1,135	1,135
At 1 January 2019	1,668	1,231	2,899
Recognised in profit or loss	1,081	(106)	975
At 31 December 2019	2,749	1,125	3,874

Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items:

	Group	
	2020 RM'000	2019 RM'000
Unabsorbed capital and agricultural allowances	72,753	68,143
Unused tax losses	365,879	355,804
	438,632	423,947

Deferred tax assets have not been recognised in respect of these items because of the uncertainty of available taxable profits to enable the utilisation of unused tax losses and unabsorbed capital and agricultural allowances.

The unused tax losses and unabsorbed capital and agricultural allowances of the Group are available for offsetting against future taxable profits subject to the Income Tax Act, 1967 and guidelines issued by the tax authority.

The Ministry of Finance via Amendments to the Malaysian Finance Bill 2018 announced that effective from year of assessment 2019, the unused tax losses carried forward shall be limited to a maximum period of seven consecutive years of assessment.

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Trade				
Trade receivables	19,155	28,051	1,905	3,670
Other				
Estate receivables	5,530	6,399	1,617	2,120
Wholly owned subsidiaries				
– Loan	–	–	36,558	44,469
– Current account	–	–	6,787	7,613
Non-wholly owned subsidiaries				
– Loan	–	–	13,938	12,693
– Current account	–	–	1,426	1,349
Immediate Holding Company	–	–	–	–
Other related companies	188	301	–	–
Associates	3,305	2,716	233	164
Prepayments and deposits	148	72	19	19
Deposit for purchase of plantations	–	3,848	–	–
Workers' housing scheme	456	502	456	502
Dividend receivables	2,000	–	15,945	–
Other receivable	37,207	37,207	37,207	37,207
Sundry receivables	780	2,056	132	841
	49,614	53,101	114,318	106,977
Less: Allowance for expected credit losses	(518)	(567)	(456)	(502)
	49,096	52,534	113,862	106,475
	68,251	80,585	115,767	110,145
Non-current				
Other				
Loans to wholly owned subsidiaries	–	–	1,551,876	1,591,985
Loans to non-wholly owned subsidiaries	–	–	247,582	228,163
Less: Allowance for expected credit losses	–	–	(75,000)	(75,000)
	–	–	1,724,458	1,745,148
Total receivables (current and non-current)	68,251	80,585	1,840,225	1,855,293



NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Total receivables (current and non-current)	68,251	80,585	1,840,225	1,855,293
Add: Cash and bank balances (Note 22)	44,044	20,468	42,560	18,422
Less: Other receivables	(37,207)	(1,116)	(37,207)	(252)
Less: Prepayments	(85)	-	-	-
Total financial assets carried at amortised cost (debt instruments)	75,003	99,937	1,845,578	1,873,463

Trade receivables

Trade receivables are non-interest bearing and are on 30-day (2019: 30-day) credit terms. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Neither past due nor impaired	18,348	25,842	1,905	3,301
Past due				
- 1 to 30 days	294	2,062	-	367
- 31 to 60 days	158	12	-	-
- 61 to 90 days	6	30	-	2
- > 90 days	349	105	-	-
	807	2,209	-	369
	19,155	28,051	1,905	3,670

Other related companies

Loans to wholly-owned and non-wholly owned subsidiaries (current and non-current) are unsecured, repayable on demand and bear interest ranging from 5.5% to 6.5% (2019: 5.5% to 6.5%) per annum.

Amounts due from Immediate Holding Company, other related companies, associates and current accounts of wholly owned and non-wholly owned subsidiaries are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

Other receivables – current and non-current

- (i) Maturity analysis of non-current receivables

	Company	
	2020	2019
	RM'000	RM'000
Due between 2 to 5 years:		
Loans to wholly owned subsidiaries	1,551,876	1,591,985
Loans to non-wholly owned subsidiaries	247,582	228,163
	1,799,458	1,820,148

- (ii) Allowance for expected credit losses of other receivables

The allowance for expected credit losses of other receivables for the Group of RM518,000 (2019: RM567,000) and for the Company of RM456,000 (2019: RM502,000) is analysed as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current				
Workers' housing scheme	456	502	456	502
Other receivable				
– Cost of construction of pond	62	65	–	–
	518	567	456	502

Movement in allowance for expected credit losses of other receivables:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current				
At 1 January	567	597	502	527
Reversal during the year (Note 5)	(49)	(30)	(46)	(25)
At 31 December	518	567	456	502



NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

Other receivables – current and non-current (cont'd.)

(iii) Loan to a subsidiary that is impaired

Movement in allowance for expected credit losses of loan to a subsidiary:

	Company	
	2020 RM'000	2019 RM'000
Non-current		
At 1 January/31 December	75,000	75,000

(iv) Other receivables

On 28 December 2018, CIMB Islamic Bank Trustee Berhad (First Plaintiff) acting as trustee for Boustead Plantations Berhad and Boustead Plantations Berhad (Second Plaintiff) filed a Writ of Summons and Statement of Claim on Setia Fontaines Sdn Bhd (Defendant) for breach of a Sale and Purchase Agreement dated 22 December 2016 for the sale of 677.78 hectares of freehold land (Lands). The claim is in respect of damages amounting to RM37,207,000 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.

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.

20. INVENTORIES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Produce stocks	9,597	14,310	1,131	834
Consumables	9,601	8,115	3,505	2,779
Nursery stocks	10,016	6,187	4,081	3,137
	29,214	28,612	8,717	6,750

The cost of inventories recognised as an expense for the financial year amounted to RM545,864,000 (2019: RM453,538,000) and RM127,787,000 (2019: RM101,592,000) for the Group and for the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

21. BIOLOGICAL ASSETS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	22,230	15,662	6,390	4,990
Changes in fair value net of transfers to produce stocks (Note 5)	2,796	6,568	2,067	1,400
At 31 December	25,026	22,230	8,457	6,390

The biological assets of the Group and of the Company represent fresh fruit bunches (FFB) of 3 weeks prior to harvesting. The quantity of the unharvested FFB included in the valuation for the Group and the Company are 39,588 [2019: 47,612] metric tonnes and 12,915 [2019: 13,397] metric tonnes respectively. The expected net cash flows are estimated using the expected FFB harvest and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs. The fair valuation of biological assets corresponds with Level 3 of the fair value hierarchy.

22. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	23,107	18,588	21,623	16,542
Short-term deposits with licensed banks	20,937	1,880	20,937	1,880
	44,044	20,468	42,560	18,422

At the reporting date, the weighted average interest rate per annum and average remaining maturity period of short-term deposits are as follows:

	Group and Company	
	2020	2019
Weighted average interest rate (%)	1.71	2.66
Average remaining maturity period (days)	16	19

Included in cash and bank balances of the Group and the Company is overnight placement with a licensed bank of RM21,396,000 [2019: RM16,321,000]. The overnight deposits earned interest of 1.25% [2019: 2.70%] per annum.



NOTES TO THE FINANCIAL STATEMENTS

23. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
Issued and fully paid:				
At 1 January/31 December	2,239,999	2,239,999	1,422,344	1,422,344

24. NON-DISTRIBUTABLE RESERVES

	Non-distributable reserve RM'000
At 1 January 2019	(162)
Exchange differences on translation of associates	(103)
At 31 December 2019 and 1 January 2020	(265)
Exchange differences on translation of associates	(24)
Remeasurement gain on defined benefit obligation of an associate	94
At 31 December 2020	(195)

25. RETAINED PROFITS

The Company's retained profits are distributable by way of single tier dividends.

NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short-term borrowings				
Unsecured:				
Bank overdrafts	17	25	17	25
Revolving credits	597,750	691,000	597,750	691,000
Term loans	81,500	32,000	81,500	32,000
Transaction costs on borrowings	(779)	(779)	(779)	(779)
	678,488	722,246	678,488	722,246
Long-term borrowings				
Unsecured:				
Term loans	577,500	659,000	577,500	659,000
Transaction costs on borrowings	(3,087)	(3,866)	(3,087)	(3,866)
	574,413	655,134	574,413	655,134
Total borrowings				
Bank overdrafts	17	25	17	25
Revolving credits	597,750	691,000	597,750	691,000
Term loans	659,000	691,000	659,000	691,000
Transaction costs on borrowings	(3,866)	(4,645)	(3,866)	(4,645)
	1,252,901	1,377,380	1,252,901	1,377,380
Analysis by maturity:				
- within 1 year	678,488	722,246	678,488	722,246
- from 2 to 5 years	483,726	452,884	483,726	452,884
- over 5 years	90,687	202,250	90,687	202,250
	1,252,901	1,377,380	1,252,901	1,377,380

- (a) The Group's and the Company's bank overdrafts bear interest at 7.75% (2019: 7.84%) per annum.
- (b) The Group's and the Company's revolving credits bear interest at a weighted average rate of 4.48% (2019: 4.90%) per annum.
- (c) Include in term loans of the Group and of the Company of RM659,000,000 (2019: RM691,000,000) is an Islamic term loan of the Group and of the Company of RM301,000,000 (2019: RM329,000,000) which bears an average profit rate of 4.39% (2019: 5.15%) per annum. The remaining term loans of the Group and of the Company of RM358,000,000 (2019: RM362,000,000) bears interest rates which range from 3.61% to 5.50% (2019: 4.98% to 5.55%) per annum.
- (d) All borrowings are denominated in Ringgit Malaysia.



NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities

	At 1 January 2020 RM'000	Cash flows RM'000	Reclassifi- cation RM'000	Charged to profit or loss RM'000	At 31 December 2020 RM'000
Group					
Short-term borrowings:					
Revolving credits	691,000	(93,250)	-	-	597,750
Term loans	32,000	(32,000)	81,500	-	81,500
Transaction costs on borrowings	(779)	-	(779)	779	(779)
	722,221	(125,250)	80,721	779	678,471
Long-term borrowings:					
Term loans	659,000	-	(81,500)	-	577,500
Transaction costs on borrowings	(3,866)	-	779	-	(3,087)
	1,377,355	(125,250)	-	779	1,252,884
Company					
Short-term borrowings:					
Revolving credits	691,000	(93,250)	-	-	597,750
Term loans	32,000	(32,000)	81,500	-	81,500
Transaction costs on borrowings	(779)	-	(779)	779	(779)
	722,221	(125,250)	80,721	779	678,471
Long-term borrowings:					
Term loans	659,000	-	(81,500)	-	577,500
Transaction costs on borrowings	(3,866)	-	779	-	(3,087)
	1,377,355	(125,250)	-	779	1,252,884

NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities (cont'd.)

	At 1 January 2019 RM'000	Cash flows RM'000	Reclassifi- cation RM'000	Charged to profit or loss RM'000	At 31 December 2019 RM'000
Group					
Short-term borrowings:					
Revolving credits	716,000	(25,000)	-	-	691,000
Term loans	24,000	(24,000)	32,000	-	32,000
Transaction costs on borrowings	(543)	-	(779)	543	(779)
	739,457	(49,000)	31,221	543	722,221
Long-term borrowings:					
Term loans	376,000	315,000	(32,000)	-	659,000
Transaction costs on borrowings	(2,915)	(1,890)	779	160	(3,866)
	1,112,542	264,110	-	703	1,377,355
Company					
Short-term borrowings:					
Revolving credits	716,000	(25,000)	-	-	691,000
Term loans	24,000	(24,000)	32,000	-	32,000
Transaction costs on borrowings	(543)	-	(779)	543	(779)
	739,457	(49,000)	31,221	543	722,221
Long-term borrowings:					
Term loans	376,000	315,000	(32,000)	-	659,000
Transaction costs on borrowings	(2,915)	(1,890)	779	160	(3,866)
	1,112,542	264,110	-	703	1,377,355



NOTES TO THE FINANCIAL STATEMENTS

27. LEASE LIABILITIES

	Motor vehicles RM'000
2020	
Non-current	
Lease liabilities	613
Current	
Lease liabilities	155
Total lease liabilities	768
Maturity analysis of lease liabilities	
– Not later than 1 year	155
– Later than 1 year and not later than 2 years	163
– Later than 2 years and not later than 5 years	450
	768

Set out below are the movements during the year:

	Motor vehicles RM'000
At 1 January 2020	–
Additions	838
Accretion of interest (Note 9)	8
Payments	(78)
At 31 December 2020	768

The range of the interest rates (per annum) as at the reporting date for lease liabilities is as follows:

	2020 %
Lease liabilities	2.27%

Change in liabilities arising from financing activities:

	Non-current RM'000	Current RM'000	Total RM'000
At 1 January 2020	–	–	–
Additions	613	225	838
Accretion of interest	–	8	8
Cash flows	–	(78)	(78)
At 31 December 2020	613	155	768

NOTES TO THE FINANCIAL STATEMENTS

28. PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current				
Trade				
Trade payables	26,060	24,166	6,182	4,957
Other				
Estate payables	19,512	20,128	3,766	3,270
Amount due to joint operation partner	13,325	11,898	13,135	11,853
Other related companies	10	78	-	-
Associates	11,526	6,583	11,526	6,574
Immediate Holding Company	372	1,368	43	244
Wholly owned subsidiaries				
- Loan	-	-	50,315	37,625
- Current account	-	-	34,679	1,466
Non-wholly owned subsidiaries				
- Loan	-	-	23,337	25,021
- Current account	-	-	74	77
Interest payable	4,128	4,848	4,128	4,848
Accrued expenses	1,876	1,693	384	919
Other taxes payable	6,055	3,497	655	164
Other payables	7,011	9,410	1,355	1,692
	63,815	59,503	143,397	93,753
	89,875	83,669	149,579	98,710
Non-current				
Other payable				
Defined benefit obligations (Note 29)	6,336	6,197	4,728	4,661
Total payables (current and non-current)	96,211	89,866	154,307	103,371
Total payables (current)	89,875	83,669	149,579	98,710
Add: Borrowings (Note 26)	1,252,901	1,377,380	1,252,901	1,377,380
Add: Lease liabilities (Note 27)	768	-	-	-
Less: Other taxes payable	(6,055)	(3,497)	(655)	(164)
Total financial liabilities carried at amortised cost	1,337,489	1,457,552	1,401,825	1,475,926



NOTES TO THE FINANCIAL STATEMENTS

28. PAYABLES (CONT'D.)

Trade and other payables

Trade and estate payables are on 30 to 60 days (2019: 30 to 60 days) payment terms and are non-interest bearing. Other payables are normally settled on an average of 30 days (2019: 30 days) terms and are non-interest bearing.

Related party balances

Amount due to joint operation partner is unsecured, repayable on demand and bears interest at 3.5% (2019: 3.5%) per annum.

Amount due to Immediate Holding Company is unsecured, interest-free and repayable on demand.

Loans from wholly owned and non-wholly owned subsidiaries are unsecured, repayable on demand and bear interest at 3.5% (2019: 3.5%) per annum.

Amounts due to associates, other related companies and current accounts of wholly owned and non-wholly owned subsidiaries are unsecured, interest-free and repayable on demand.

29. DEFINED BENEFIT OBLIGATIONS

(a) The amount recognised in the statements of financial position is determined as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Present value of unfunded defined benefit obligations, representing net liability (Note 28)	6,336	6,197	4,728	4,661

(b) The movement in the net liability in the current year is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January	6,197	6,330	4,661	4,948
Recognised in profit or loss (Note 5)	806	1,089	508	812
Recognised in other comprehensive income	-	(883)	-	(782)
Defined benefits paid	(667)	(339)	(441)	(317)
At 31 December	6,336	6,197	4,728	4,661

NOTES TO THE FINANCIAL STATEMENTS

29. DEFINED BENEFIT OBLIGATIONS (CONT'D.)

(c) The amount recognised in profit or loss is analysed as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current service cost	550	390	317	283
Past service cost	–	367	–	279
Interest cost	256	332	191	250
Recognised in profit or loss	806	1,089	508	812

(d) The amount recognised in other comprehensive income is analysed as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Effect of changes in demographic assumption	–	(5)	–	(3)
Effect of changes in financial assumption	–	524	–	379
Effect of experience adjustment	–	(1,402)	–	(1,158)
Recognised in other comprehensive income	–	(883)	–	(782)

(e) The principal assumptions used to determine the defined benefit obligations are shown below:

	Group and Company	
	2020	2019
Discount rate (% per annum)	4.4	4.4
Salary increment rate (% per annum)	5.5	5.5

(f) The sensitivity analysis arising from reasonably possible changes of each significant assumption on the defined benefit obligations as at year end with all other assumptions held constant is given below:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
1% increase in discount rate	(484)	(475)	(347)	(341)
1% decrease in discount rate	557	546	398	391
1% increase in salary increment rate	617	542	448	394
1% decrease in salary increment rate	(543)	(480)	(395)	(349)

(g) The duration of the Group's and Company's defined benefit obligations at the end of the reporting period is 6 years (2019: 7 years).



NOTES TO THE FINANCIAL STATEMENTS

30. CAPITAL COMMITMENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Capital expenditure:				
– authorised and contracted for	–	34,572	–	–
– authorised but not contracted for	114,579	105,689	22,849	24,683

The Group's and the Company's interest in the capital commitment of the joint operation plantation is disclosed in Note 33.

31. SEGMENT INFORMATION

The Group is principally involved in plantation operations and also provides plantation consultancy services. Management controls operations by geographical locations where resources are allocated and performance are monitored for achievement of the desired output. Monthly management reports are prepared by geographical segment for review by Management. Thus, operating segments are best segregated as follows:

(a) Plantation segment

Plantation operations involve the cultivation of oil palms and production of crude palm oil and palm kernel. The Group's plantations are located in Peninsular Malaysia, Sabah and Sarawak.

(b) Others segment

The others segment consists of plantation consultancy and investing activities.

The performance of each operating segment is measured on the basis of operating results before interest income and finance costs. Non-recurring items such as gains on disposal of plantation assets, impairment losses and share of results of associates and fair value gains or losses are excluded from the measurement of a segment's performance.

Transactions between operating segments are undertaken on arm's length basis. Inter-segment revenue namely plantation management fees are eliminated on consolidation. The Group practises central fund management where surplus funds are moved within the Group and the interest income/expenses arising from such arrangements are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

31. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is set out in the following table:

	← Plantation →					
	PM*	Sabah	Sarawak	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2020						
Revenue						
External customers	275,731	418,508	68,090	719	-	763,048
Inter-segment	-	-	-	21,246	(21,246)	-
Total revenue	275,731	418,508	68,090	21,965	(21,246)	763,048
Segment result	84,033	60,593	(8,006)	2,803	-	139,423
Interest income						696
Finance costs						(59,192)
Share of results of associates						4,770
Impairment losses of property, plant and equipment						(2,416)
Profit before taxation and zakat						83,281
Taxation						(47,987)
Zakat						(912)
Profit for the year						34,382
Other information:						
Depreciation of property, plant and equipment	35,574	53,171	7,948	596	-	97,289
Depreciation of right-of-use assets	4,110	29,209	471	51	-	33,841
Impairment losses of property, plant and equipment	-	2,416	-	-	-	2,416

* Denotes Peninsular Malaysia.



NOTES TO THE FINANCIAL STATEMENTS

31. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is set out in the following table:

	← Plantation →			Others RM'000	Elimination RM'000	Total RM'000
	PM* RM'000	Sabah RM'000	Sarawak RM'000			
2019						
Revenue						
External customers	212,759	291,564	71,413	1,467	-	577,203
Inter-segment	-	-	-	21,454	(21,454)	-
Total revenue	212,759	291,564	71,413	22,921	(21,454)	577,203
Segment result						
Interest income						1,115
Finance costs						(64,826)
Share of results of associates						6,620
Impairment losses of property, plant and equipment						(160,555)
Impairment losses of right-of-use assets						(15,407)
Gain on disposal of plantation assets						119,454
Loss before taxation						(135,370)
Taxation						(21,910)
Loss for the year						(157,280)
Other information:						
Depreciation of property, plant and equipment	37,312	87,147	9,109	909	-	134,477
Depreciation of right-of-use assets	4,109	28,106	471	-	-	32,686
Impairment losses of property, plant and equipment	9,936	150,619	-	-	-	160,555
Impairment losses of right-of-use assets	-	15,407	-	-	-	15,407

* Denotes Peninsular Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

- (i) Direct and indirect subsidiaries;
- (ii) Immediate Holding Company, Boustead Holdings Berhad (BHB), its subsidiaries and associates;
- (iii) Ultimate Holding Corporation, Lembaga Tabung Angkatan Tentera (LTAT), its subsidiaries and direct and indirect associates;
- (iv) Direct and indirect associates;
- (v) Key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.



NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiaries				
Sale of fresh fruit bunches	-	-	118,887	83,876
Plantation management fees	-	-	5,228	5,286
Subsidiaries of Immediate Holding Company				
Purchase of non-regulated petroleum products	1,139	1,752	786	1,113
Travel agency services	444	580	16	15
Office rental	1,491	1,413	-	-
Immediate Holding Company				
General management fees	2,025	2,483	415	424
Tax consultancy fees	80	80	9	10
Associates				
Advisory fees	1,281	1,273	302	356
Research and development	13,575	14,003	13,575	14,003
Associates of BHB				
Insurance premium	3,397	3,260	648	658
Interest income	202	33	202	33
Finance costs	16,069	20,633	16,069	20,633
Purchase of chemical products	932	978	58	77
Firm in which a former director of BHB had a substantial interest				
Legal fees	-	3,360	-	690

Related party balances with the Immediate Holding Company and subsidiaries are referred to in Notes 19 and 28.

NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Government-related entities

At the reporting date, balances with financial institutions which are Government-related entities are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Bank balances and Islamic deposits	21,550	2,288	20,212	1,170
Term loans	344,000	376,000	344,000	376,000

Key management personnel

The remuneration of key management personnel for the financial year is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short-term employee benefits	3,197	3,608	1,490	1,322
Defined contribution plans	822	538	367	203
	4,019	4,146	1,857	1,525

The Directors are of the opinion that related party transactions are in the normal course of business and at terms mutually agreed between the parties.



NOTES TO THE FINANCIAL STATEMENTS

33. INTEREST IN JOINT OPERATION PLANTATION

The Group and the Company have a 50% interest in Kuala Muda Estate, a joint operation plantation, which is held at book value of RM22,435,000 (2019: RM22,435,000). The following amounts represent the Group's and Company's share of the assets and liabilities as well as share of revenue and expenses of the joint operation plantation, which are included in the respective statement of financial position and income statement:

	Group and Company	
	2020	2019
	RM'000	RM'000
Statement of Financial Position		
Non-current assets	27,132	27,400
Current assets	13,640	12,288
Current liabilities	(2,151)	(1,831)
Non-current liabilities	(111)	(110)
Net assets	38,510	37,747
Income Statement		
Revenue	5,715	5,787
Operating costs	(3,431)	(3,840)
Operating profit	2,284	1,947
Capital commitments	463	272

There is no reported material contingent liability relating to the Group's and the Company's interest in the joint operation plantation.

NOTES TO THE FINANCIAL STATEMENTS

34. SIGNIFICANT EVENTS

- (1) On 25 March 2019, Boustead Rimba Nilai Sdn Bhd (BRNSB), a wholly owned subsidiary entered into a sale and purchase agreement (SPA) with Lubah Plantations (S) Sdn Bhd (Lubah) for the acquisition of Lubah property within the District of Labuk & Sugut comprising a land title measuring 499.3 hectares for a cash consideration of RM38.21 million. In the previous financial year, BRNSB had paid a 10% deposit of RM3,821,200. The SPA had lapsed on 25 August 2020 due to the non-fulfilment of one (1) of the Condition Precedents stipulated in the SPA within the extended Conditional Period of up to 24 August 2020 by Lubah. Following the lapse of the Lubah SPA, the acquisition of Lubah property is now terminated and the 10% deposit has been refunded in the current financial year.
- (2) The ongoing COVID-19 pandemic throughout the country and the world has a significant impact on the overall economy including the palm oil sector. The Movement Control Order (MCO) and Conditional MCO (CMCO) imposed by the Government of Malaysia (GOM) has affected availability of labour and disrupted supply chains and operations of estates and mills despite the permission granted to the plantation industry to continue operations during the MCO and CMCO period.

In March 2020, as part of COVID-19 containment efforts during the first MCO, the Sabah State Government decided to shutdown palm oil operations in six districts in Sabah for a period ranging from 13 to 19 days. Among the estates and mills that have been operating in the affected areas are Segaria Estate, Segaria Palm Oil Mill, Sungai Segamaha Estate, Bukit Segamaha Estate, G&G Estate, Ladang Tabung Tentera Sabah, Segamaha Palm Oil Mill, Boustead Sungai Lokan Estate and Boustead Lokan Baru Estate which are located in Semporna, Lahad Datu and Kinabatangan in Sabah.

There were no further shutdown of our operation for the rest of the financial year and the Group and the Company continue to strictly follow the guidelines and the procedures issued by the GOM and industry bodies.

Production is likely to remain below potential in 2021 as the shortage of skilled workers especially tall palm harvesters, remains the greatest challenge for the plantation industry. However, the vaccination program by the GOM may raise hopes that plantation operations can continue to be carried out as usual without any restrictions.

Nonetheless, the scale and duration of the pandemic remains uncertain and the economic and its related impact on the outlook and prospects of the Group could not be reasonably estimated at this juncture. The Group is closely monitoring the evolving situation of the COVID-19 pandemic and the effects, if any will be reflected in the 2021's annual financial statements.



NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of risks, including interest rate, liquidity, credit and commodity price risks. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group.

The Board of Directors reviews and agrees with the policies and procedures for the management of these risks, which are executed by the Chief Executive Officer, through the Management Committee. The Risk Committee provides independent oversight to the effectiveness of the risk management process.

It is the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's interest rate risk arises from bank deposits, borrowings and intercompany loans.

The Group finances its operations through operating cash flows and borrowings, which is denominated in Ringgit Malaysia. All bank borrowings are on floating rate terms. Loans to subsidiaries are also on floating rate terms, where such rates are remeasured at periodic intervals to approximate market interest rates or cost of borrowings. The floating rate loans to subsidiaries form a natural hedge for its floating rate bank borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and Company's loss before taxation (LBT) or profit before taxation (PBT) would have been:

	Group		Company	
	(Decrease)/Increase 2020 Effect on PBT RM'000	(Decrease)/Increase 2019 Effect on LBT RM'000	(Decrease)/Increase 2020 Effect on PBT RM'000	(Decrease)/Increase 2019 Effect on PBT RM'000
50 basis points decrease in interest rate	6,226	(6,937)	(2,656)	(1,762)
50 basis points increase in interest rate	(6,226)	6,937	2,656	1,762

The assumed movement in the basis points for interest rate for sensitivity analysis is based on a prudent estimate of the current market environment.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(b) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to insufficient funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group practises prudent liquidity risk management by maintaining availability of funding through adequate amount of committed credit facilities.

The borrowings of the Company were obtained mainly for the acquisition of the Group's plantation assets. These borrowings are essentially backed up by the strength of the Group's financial position and its ability to generate cash flows to fund activities. The Group's financial and liquidity position is closely monitored to ensure its continued ability to duly service and repay the loans when due.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2020				
Financial liabilities:				
Trade and other payables	83,820	-	-	83,820
Lease liabilities	187	669	-	856
Borrowings	734,065	553,714	93,931	1,381,710
Total undiscounted financial liabilities	818,072	554,383	93,931	1,466,386
At 31 December 2019				
Financial liabilities:				
Trade and other payables	80,172	-	-	80,172
Borrowings	791,482	551,835	212,175	1,555,492
Total undiscounted financial liabilities	871,654	551,835	212,175	1,635,664



NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Company				
At 31 December 2020				
Financial liabilities:				
Trade and other payables	148,924	-	-	148,924
Borrowings	734,065	553,714	93,931	1,381,710
Total undiscounted financial liabilities	882,989	553,714	93,931	1,530,634
At 31 December 2019				
Financial liabilities:				
Trade and other payables	98,546	-	-	98,546
Borrowings	791,482	551,835	212,175	1,555,492
Total undiscounted financial liabilities	890,028	551,835	212,175	1,654,038

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to control credit risk by setting credit limits, obtaining bank guarantees where appropriate; ensuring that sales are made to customers with appropriate credit history and conducting periodic review on financial standing of customers. Further, sales to customers are reviewed when deliveries exceed guaranteed amounts or set credit limits.

The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely due to the good prospects of the industry that its customers operate in and these customers are creditworthy debtors with good payment records with the Group and the Company.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. The Group has no concentration of credit risk on any one particular customer or related company. At the reporting date, the Company has significant concentration of credit risk that arose from exposures to amounts due from 2 (2019: 2) subsidiaries representing 90% (2019: 91%) of the Company's trade and other receivables.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 19.

Amounts due from subsidiaries and related companies

There is minimal risk of default as these companies are either profitable or prospectively profitable except for subsidiaries for which allowances have been made in respect of amounts estimated to be not recoverable as disclosed in Note 19. The credit standing of these companies are periodically monitored and reviewed.

(d) Commodity price risk

The Group is exposed to commodity price risk arising from fluctuations in the price of crude palm oil and palm kernel. The Group adopts the strategy of having a mix of spot and forward sales at any one time to mitigate this risk. Forward sales policies are periodically reviewed by management.



NOTES TO THE FINANCIAL STATEMENTS

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables	19
Amount due to Immediate Holding Company	28
Loans to/from subsidiaries	19, 28
Amount due from/to associates	19, 28
Amount due to joint operation partner	28
Amount due from/to related companies	19, 28
Trade and other payables (current)	28
Borrowings (current and non-current)	26

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that approximate market interest rates at the reporting date.

Loans to subsidiaries are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the respective subsidiaries and the risk characteristics of the financed project. Based on the evaluation, allowances are taken into account for expected losses of the loan. As at 31 December 2020, the carrying amounts of the loan, net of allowances, were not materially different from their calculated fair values.

The fair value of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2020 and 2019.

The Group monitors capital using gearing ratio, which is derived by dividing borrowings over shareholders' equity. At the reporting date, the Group's gearing ratio is 0.49 times (2019: 0.54 times). The Group's policy is to keep gearing within manageable levels.

NOTES TO THE FINANCIAL STATEMENTS

38. LIST OF SUBSIDIARIES AND ASSOCIATES

Name of Company*	Principal activities	Paid up capital	Group interest	
			2020 %	2019 %
SUBSIDIARIES				
Boustead Telok Sengat Sdn Bhd	Processing of fresh fruit bunches (FFB) and investment holding	RM11,480,000	100	100
Boustead Eldred Sdn Bhd	Cultivation of oil palms	RM15,000,000	100	100
Boustead Solandra Sdn Bhd	Cultivation of oil palms	RM200,000	100	100
Boustead Agency and Consultancy Services Sdn Bhd	Plantation management and engineering consultancy	RM4,500,000	100	100
Boustead Rimba Nilai Sdn Bhd	Cultivation of oil palms and processing of FFB	RM100,000,000	100	100
Boustead Emastulin Sdn Bhd	Cultivation of oil palms and processing of FFB	RM17,000,000	100	100
Boustead Gradient Sdn Bhd	Cultivation of oil palms and processing of FFB	RM3,000,000	100	100
Boustead Trunkline Sdn Bhd	Cultivation of oil palms	RM7,000,000	100	100
Boustead Pelita Kanowit Sdn Bhd	Cultivation of oil palms	RM234,560,000	60	60
Boustead Pelita Tinjar Sdn Bhd	Cultivation of oil palms and processing of FFB	RM161,370,000	60	60
Boustead Pelita Kanowit Oil Mill Sdn Bhd	Operation of palm oil mill	RM30,000,000	60	60
Boustead Estates Agency Sdn Bhd	Plantation management and engineering consultancy	RM1,637,292	100	100
Bounty Crop Sdn Bhd	Ceased operation	RM70,200,000	100	100
Boustead Life Sciences Research Sdn Bhd	Advisory and research on life sciences and commercialisation of products developed from life sciences	RM250,000	100	100
ASSOCIATES				
Applied Agricultural Resources Sdn Bhd	Agronomic advisory services, commercial production of oil palm planting materials and investment holding	RM500,000	50	50
PT AAR Nusantara**	Production of oil palm seeds	IDR10,000,000,000	25	25
Advanced Agriecological Research Sdn Bhd	Agronomy research services	RM500,000	50	50
PT Applied Agricultural Resources Indonesia**	Agronomy research and advisory services	IDR12,775,000,000	50	50

* Incorporated in Malaysia unless otherwise indicated

** Incorporated in Indonesia and audited by an overseas firm not associated with Ernst & Young PLT, Malaysia



ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposals during the financial year.

2. AUDIT AND NON-AUDIT FEES

Paid/payable	Group RM'000	Company RM'000
Fees to the auditors of the Group and Company for the financial year ended 31 December 2020		
– Audit	741	275
– Non-audit	15	15

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

3. MATERIAL CONTRACTS

There were no material contracts which had been entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 24 June 2020, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note No. 12 of Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2020 pursuant to the Shareholders' Mandate are as follows:

Related party	Interested Director/ Connected party	Nature of transaction	Actual transaction RM'000
Boustead Pelita Kanowit Sdn Bhd (BPK)	Wan Abu Bakar Wan Hamid ⁽¹⁾ Monaliza Zaidel ⁽²⁾ Idris Ibrahim ⁽³⁾ LCDA Holdings Sdn Bhd (holds 10% interest in BPK and 40% interest in BPKOM)	Sales of Fresh Fruit Bunches to Boustead Pelita Kanowit Oil Mill Sdn Bhd (BPKOM)	39,096
Boustead Holdings Berhad (BHB)	Dato' Sri Ghazali Mohd Ali ⁽⁴⁾ Datuk Hj. Shah Headan Ayoob Hussain Shah ⁽⁵⁾ LTAT	General management, internal audit and tax consultancy	2,105
Boustead Petroleum Marketing Sdn Bhd	Dato' Sri Ghazali Mohd Ali ⁽⁴⁾ Datuk Hj. Shah Headan Ayoob Hussain Shah ⁽⁵⁾ LTAT	Purchase of non-regulated petroleum products	1,139
Boustead Realty Sdn Bhd	Dato' Sri Ghazali Mohd Ali ⁽⁴⁾ Datuk Hj. Shah Headan Ayoob Hussain Shah ⁽⁵⁾ LTAT	Office rental at Menara Boustead	1,491
Boustead Travel Services Sdn Bhd	Dato' Sri Ghazali Mohd Ali ⁽⁴⁾ Datuk Hj. Shah Headan Ayoob Hussain Shah ⁽⁵⁾ LTAT	Provision of travel agency services	444
Drew Ameroid (M) Sdn Bhd	Dato' Sri Ghazali Mohd Ali ⁽⁴⁾ Datuk Hj. Shah Headan Ayoob Hussain Shah ⁽⁵⁾ LTAT	Provision of chemical products for raw and boiler water treatment	932

⁽¹⁾ Director from 1 June 2019 and resigned on 15 February 2020.

⁽²⁾ Director from 1 January 2020.

⁽³⁾ Director from 15 February 2020.

⁽⁴⁾ Director from 22 July 2019 and retired on 24 June 2020.

⁽⁵⁾ Director from 1 July 2020.



PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/revaluation*
Peninsular Malaysia						
Batu Pekaka Estate, Kuala Ketil, Kedah	968.7	Oil palm estate	Freehold		45.8	2016*
Kuala Muda Estate (50% interest), Sungai Petani, Kedah	759.8	Oil palm estate	Freehold		26.8	2016*
Stothard Estate, Kuala Ketil, Kedah	983.1	Oil palm estate	Freehold		42.6	2016*
Kedah Oil Palms Estate, Kulim, Kedah	243.0	Oil palm estate	Freehold		22.3	2016*
Bukit Mertajam Estate, Kulim, Kedah	2,164.8	Oil palm estate	Freehold		142.1	2016*
Malakoff Estate, Tasek Glugor, Pulau Pinang	562.3	Oil palm estate	Freehold		63.9	2016*
Taiping Rubber Plantation Estate, Trong, Perak	1,347.8	Oil palm estate & palm oil mill	Freehold	19	72.9	2016*
Malaya Estate, Selama, Perak	906.5	Oil palm estate	Freehold		44.5	2016*
Lepan Kabu Estate, Kuala Pahi, Kelantan	2,034.6	Oil palm estate	Freehold		80.9	2016*
Solandra Estate, Kemaman, Terengganu	395.9	Oil palm estate	1984-2054		4.5	2016*
Ladang Tabung Tentera Terengganu (LTT-Terengganu), Kemaman, Terengganu	1,810.7	Oil palm estate	1984-2054		46.3	2016*
Sungai Jernih Estate, Pekan, Pahang	2,695.7	Oil palm estate & palm oil mill	1981-2091	29	113.1	2016*
Bebar Estate, Muadzam Shah, Pahang	2,340.6	Oil palm estate	1984-2083		111.6	2016*
Balau Estate, Semenyih, Selangor	247.4	Oil palm estate & molecular laboratory	Freehold	13	280.0	2016*
Bekoh Estate, Tangkak, Johor	1,226.1	Oil palm estate	Freehold		71.7	2016*
Eldred Estate, Bekok, Johor	1,799.7	Oil palm estate	Freehold		92.3	2016*
Kulai Young Estate, Kulai, Johor	670.6	Oil palm estate	Freehold		65.1	2016*
Chamek Estate, Kluang, Johor	814.6	Oil palm estate	Freehold		55.5	2016*
Telok Sengat Estate, Kota Tinggi, Johor	3,690.1	Oil palm estate & palm oil mill	Freehold	34	262.1	2016*

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/revaluation*
Sabah						
Sungai Sungai 1, Sungai Sungai 2 and Sungai Sungai 3 Estates, Sugut	6,035.1	Oil palm estate & palm oil mill	1997-2098	15	98.7	2012, 2014, 2016,
Kawananan Estate, Sugut	2,585.0	Oil palm estate	1997-2098		26.3	2012
Lembah Paitan Estate, Sugut	1,305.1	Oil palm estate	1997-2098		12.0	1997-2001
Resort Estate, Sandakan	1,106.6	Oil palm estate	1978-2071		16.0	2013
Nak Estate, Sandakan	1,348.9	Oil palm estate & palm oil mill	1965-2075	34	74.9	2016*
Sutera Estate, Sandakan	2,200.7	Oil palm estate	1888-2887		153.7	2016*
Ladang Tabung Tentera Sabah (LTT-Sabah), Lahad Datu	2,023.0	Oil palm estate	1979-2077		111.6	2016*
Segaria Estate, Semporna	4,746.2	Oil palm estate & palm oil mill	1965-2072	40	241.0	2016*
Sungai Segamaha and Bukit Segamaha Estates, Lahad Datu	5,659.6	Oil palm estate & palm oil mill	1979-2077	24	314.0	2016*
G&G Estate, Lahad Datu	2,409.8	Oil palm estate	1979-2077		132.0	2016*
Boustead Pertama and Boustead Sapa Payau Estates, Labuk & Sugut	3,944.1	Oil palm estate	1980-2079 1981-2080 1982-2081		215.8	2018
Boustead Sungai Lokan and Boustead Lokan Baru Estates, Labuk & Sugut	4,439.0	Oil palm estate	1980-2079 1981-2080 1982-2081 1988-2087		203.3	2018
Boustead Ruku Ruku Estate, Labuk & Sugut	3,196.2	Oil palm estate	1980-2079 1981-2080 1982-2081		166.8	2018
Boustead Tawai 1 Estate, Labuk & Sugut	1,793.6	Oil palm estate & palm oil mill	1978-2077 1979-2078 1980-2079 1981-2080	20	113.7	2019
Boustead Tawai 2 Estate, Labuk & Sugut	3,232.8	Oil palm estate	1934-2033 1935-2034 1979-2078 1982-2081 1992-2091		168.7	2019



PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/ revaluation*
Sarawak						
Loagan Bunut Estate, Tinjar	12,522.9	Oil palm estate & palm oil mill	1991-2091	26	27.6	1994
Pedai Estate, Sibul	3,412.8	Oil palm estate	1998-2058		5.6	1998
Jih Estate, Sibul	2,891.1	Oil palm estate	1998-2058		3.4	1998
Kanowit Palm Oil Mill, Sibul	45.3	Palm oil mill	1998-2058	17	5.0	1994
Kelimut Estate, Sibul	3,444.5	Oil palm estate	1998-2058		3.4	1998
Mapai Estate, Sibul	2,426.8	Oil palm estate	1998-2058		6.4	1998
Bawan Estate, Sibul	1,781.1	Oil palm estate	1998-2058		5.9	1998
Total	98,212.2				3,749.8	

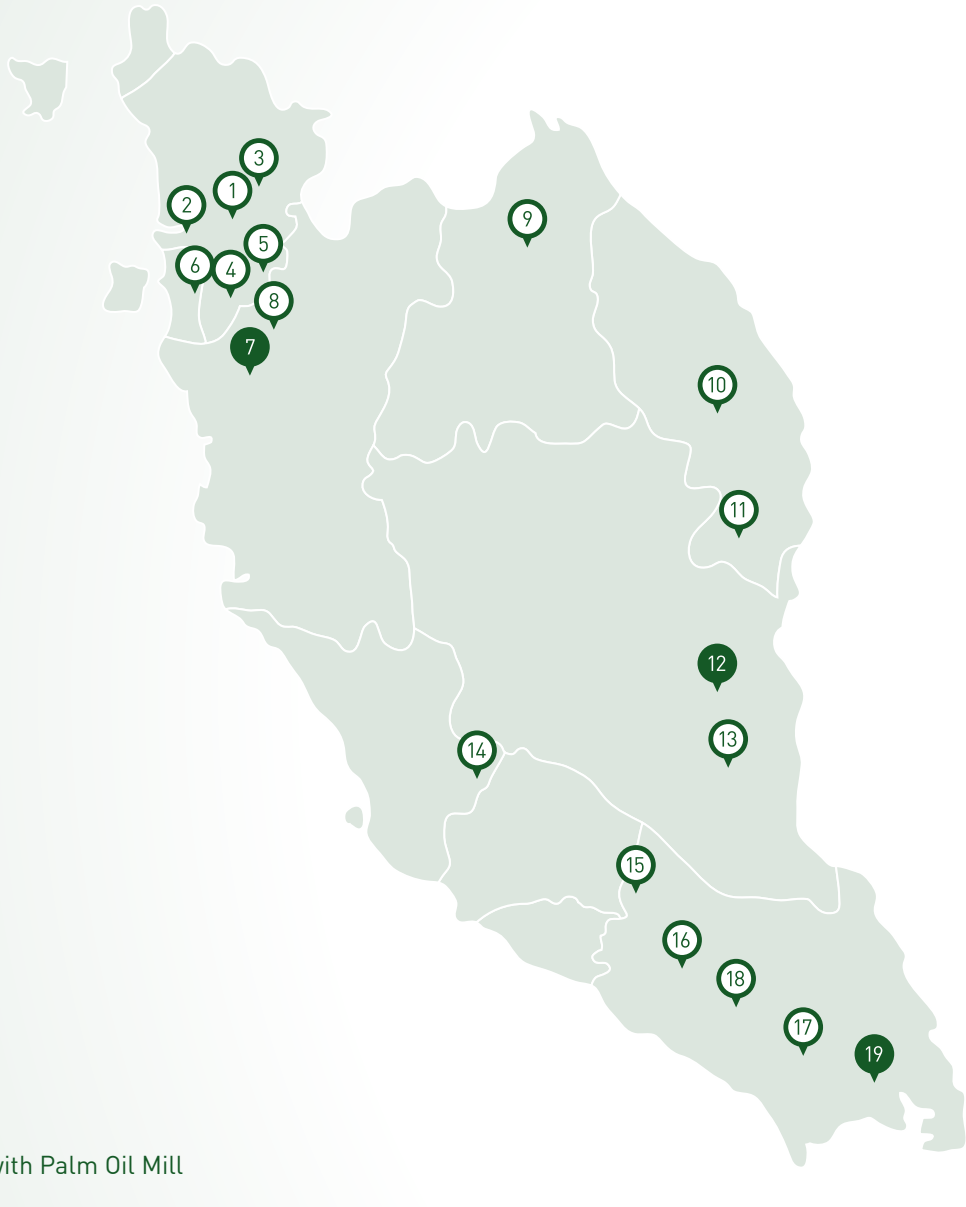
Book values are stated in RM million

GROUP AGRICULTURAL STATISTICS



	2020	2019	2018	2017	2016
Planted area in hectares (ha)					
Past prime	32,952	32,505	26,438	14,569	12,234
Prime	21,672	27,167	29,750	32,363	33,199
Young	12,223	13,183	12,480	12,179	11,964
Total mature	66,847	72,855	68,668	59,111	57,397
Immature	6,647	6,551	6,364	5,876	7,071
Total planted	73,494	79,406	75,032	64,987	64,468
FFB crop metric tonnes (MT)					
	1,001,557	979,972	966,134	973,513	908,576
FFB yield (MT/ha)					
	15.0	13.9	14.9	16.7	15.6
Oil yield (MT/ha)					
	3.2	3.0	3.2	3.5	3.4
Mill production (MT)					
FFB processed	1,152,763	1,070,639	1,000,367	1,080,390	1,011,778
Crude palm oil	243,080	231,298	211,847	226,843	217,561
Palm kernel	49,211	47,113	43,601	46,896	44,035
Extraction rate (%)					
Crude palm oil	21.1	21.6	21.2	21.0	21.5
Palm kernel	4.3	4.4	4.4	4.3	4.4
Average selling price (RM/MT)					
FFB	552	391	426	610	598
Crude palm oil	2,811	2,134	2,261	2,810	2,584
Palm kernel	1,628	1,244	1,780	2,505	2,460



LOCATION OF GROUP PLANTATIONS

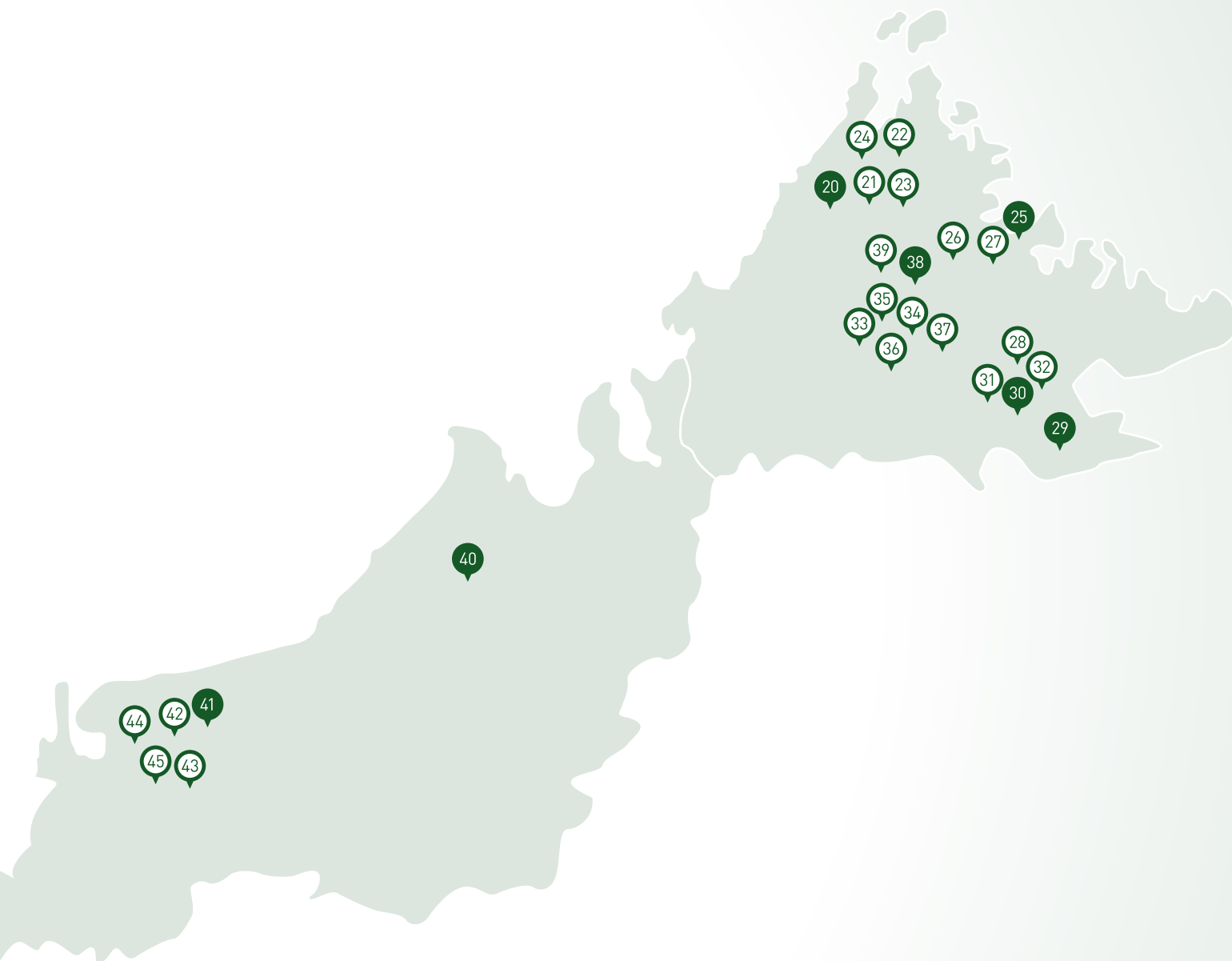


Legend

-  Estate
-  Estate with Palm Oil Mill

PENINSULAR MALAYSIA

- | | | | |
|--------------------|------------------------------|--------------------|------------------|
| 1. Batu Pekaka | 6. Malakoff | 10. Solandra | 15. Bekoh |
| 2. Kuala Muda | 7. Taiping Rubber Plantation | 11. LTT-Terengganu | 16. Eldred |
| 3. Stothard | 8. Malaya | 12. Sungai Jernih | 17. Kulai Young |
| 4. Kedah Oil Palms | 9. Lapan Kabu | 13. Bebar | 18. Chamek |
| 5. Bukit Mertajam | | 14. Balau | 19. Telok Sengat |



SABAH & SARAWAK

- | | | | |
|---------------------|----------------------|---------------------------|------------------|
| 20. Sungai Sungai 1 | 27. Sutera | 34. Boustead Ruku Ruku | 40. Loagan Bunut |
| 21. Sungai Sungai 2 | 28. LTT-Sabah | 35. Boustead Sapa Payau | 41. Jih |
| 22. Sungai Sungai 3 | 29. Segaria | 36. Boustead Sungai Lokan | 42. Pedai |
| 23. Kawananan | 30. Sungai Segamaha | 37. Boustead Lokan Baru | 43. Kelimut |
| 24. Lembah Paitan | 31. Bukit Segamaha | 38. Boustead Tawai 1 | 44. Bawan |
| 25. Nak | 32. G&G | 39. Boustead Tawai 2 | 45. Mapai |
| 26. Resort | 33. Boustead Pertama | | |



PLANTATION AREA STATEMENT

AREA STATEMENT

	2020		2019	
	Ha	%	Ha	%
Oil palms	73,494	74.8	79,406	80.9
Building sites, roads, unplatable areas, etc	24,718	25.2	18,806	19.1
Total	98,212	100.0	98,212	100.0

AGE PROFILE OF PALMS

2020

Region	Immature <3 years	Mature			Total planted
		Young 4 – 9 years	Prime 10 – 20 years	Past prime >20 years	
Peninsular Malaysia	3,119	5,722	10,312	4,983	24,136
Sabah	3,528	6,179	10,258	19,108	39,073
Sarawak	-	322	1,102	8,861	10,285
Total hectares	6,647	12,223	21,672	32,952	73,494

2019

Region	Immature <3 years	Mature			Total planted
		Young 4 – 9 years	Prime 10 – 20 years	Past prime >20 years	
Peninsular Malaysia	2,866	6,209	9,706	5,238	24,019
Sabah	3,685	6,622	14,419	17,079	41,805
Sarawak	-	352	3,042	10,188	13,582
Total hectares	6,551	13,183	27,167	32,505	79,406

SHAREHOLDINGS STATISTICS

as at 3 May 2021

Size of shareholdings	No. of holders	%	No. of shares	%
LESS THAN 100	333	1.74	9,439	0.00
100 TO 1,000	2,245	11.74	1,100,260	0.05
1,001 TO 10,000	9,385	49.09	43,758,046	1.95
10,001 TO 100,000	6,185	32.35	191,518,465	8.55
100,001 TO LESS THAN 5% OF ISSUED SHARES	969	5.07	446,508,585	19.93
5% AND ABOVE OF ISSUED SHARES	2	0.01	1,557,105,100	69.52
TOTAL	19,119	100	2,239,999,895	100

30 LARGEST SHAREHOLDERS

Name of shareholders	No. of shares	%
1 BOUSTEAD HOLDINGS BERHAD ACCOUNT NON-TRADING	1,286,135,900	57.42
2 LEMBAGA TABUNG ANGKATAN TENTERA	270,969,200	12.10
3 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHE LODIN BIN WOK KAMARUDDIN (PB)	20,272,000	0.91
4 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YIEW ON (6000006)	12,505,800	0.56
5 LEMBAGA KEMAJUAN TANAH PERSEKUTUAN	12,348,000	0.55
6 LTG DEVELOPMENT SDN BHD	7,700,000	0.34
7 OUI KEE SENG	5,600,000	0.25
8 NEGRI SEMBILAN OIL PALMS BERHAD	5,000,000	0.22
9 CHIN TECK PLANTATIONS BERHAD	4,800,000	0.21
10 TAN SEE TONG	4,300,000	0.19
11 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO ANN SECK (MY0696)	4,000,000	0.18
12 YEO ANN SECK	4,000,000	0.18
13 MAYBANK NOMINEES (TEMPATAN) SDN BHD THONG WEI HAO	3,700,000	0.17
14 AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. YAYASAN LTAT	3,594,360	0.16
15 MOHD NASRI BIN ABDUL RAHIM	3,500,000	0.16
16 UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	3,359,640	0.15
17 KEY DEVELOPMENT SDN. BERHAD	3,248,000	0.15



SHAREHOLDINGS STATISTICS

as at 3 May 2021

30 LARGEST SHAREHOLDERS (CONT'D)

Name of shareholders		No. of shares	%
18	CHINCHOO INVESTMENT SDN. BERHAD	3,137,400	0.14
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD AMANAHRAYA INVESTMENT MANAGEMENT SDN BHD FOR MAJLIS AGAMA ISLAM NEGERI SEMBILAN (C417-260272)	3,130,820	0.14
20	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR LEI SHING HONG SECURITIES LIMITED (CLIENT A/C)	2,854,100	0.13
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD MOHD ISKANDAR LAU BIN ABDULLAH	2,812,700	0.13
22	PALMHEAD HOLDINGS SDN. BHD.	2,800,000	0.13
23	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YEO ANN SECK	2,800,000	0.13
24	ENG THYE PLANTATIONS BERHAD	2,700,000	0.12
25	AZZAT BIN KAMALUDIN	2,597,100	0.12
26	GAN TENG SIEW REALTY SDN. BERHAD	2,555,420	0.11
27	TAN GUAT SIM	2,482,000	0.11
28	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,469,500	0.11
29	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	2,355,181	0.10
30	LIM LEE LEE	2,278,920	0.10
TOTAL		1,690,006,041	75.47

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
	No. of holders	%	No. of shares	%
Boustead Holdings Berhad	1,286,135,900	57.42	-	-
Lembaga Tabung Angkatan Tentera	270,969,200	12.10	1,286,135,900	57.42
Class of shares				Ordinary Share
Voting rights	1 vote per ordinary share			1 vote per ordinary share

STATEMENT OF DIRECTORS' AND CEO'S INTERESTS

in The Company and Related Corporations as at 3 May 2021

Name of Director	No. of Ordinary Shares	Direct %
Boustead Plantations Berhad		
Dato' Mohzani Abdul Wahab	282,800	0.01
Maj. Gen. Dato' Seri Hj. Khairuddin Abu Bakar (R) J.P.	53,000	-
Fahmy Ismail	1,000	-
Boustead Holdings Berhad		
Dato' Mohzani Abdul Wahab	2,800	-
Pharmaniaga Berhad		
Fahmy Ismail	100	-



DIVIDEND POLICY

It is the policy of the Board in recommending dividends to allow shareholders to participate in the profits of Boustead Plantations Berhad, while taking into account the retention of adequate reserves for future growth.

The Company's income and therefore its ability to pay dividends is dependent upon income from plantation operations, dividends and other distributions from subsidiaries, associated companies and joint operation plantation.

The payment of dividends by subsidiaries and associated companies will depend upon their distributable profits, operating results, financial condition, capital expenditure, debt servicing and other obligations or business plans and applicable laws or agreements restricting their ability to pay dividends or make other distributions.

Under the dividend policy, it is the intention of the Board to adopt a dividend payout ratio of at least 60% of the Company's audited profit after taxation and zakat attributable to shareholders for each financial year, after excluding the profit retained by associated companies, any unrealised income that are non-cash in nature and exceptional gains of non-operating nature where cash flow arising therefrom may be reinvested.

The above-mentioned payout ratio that the Board intends to adopt in respect of dividend payment for a particular financial year or period will depend on the factors outlined below as well as any other factors deemed relevant by the Board. In considering the amount of dividend payment, if any, upon recommendation by the Board, the following factors are taken into account:

- (i) level of cash, gearing and return on equity and retained earnings;
- (ii) expected financial performance;
- (iii) projected levels of capital expenditure, investment plans or growth/expansion strategy;
- (iv) working capital requirements; and
- (v) any contractual restrictions.

The dividend policy reflects the Board's current views on the Group's financial position and the said policy will be reviewed from time to time.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the One Hundred and Eighth Annual General Meeting (AGM) of Boustead Plantations Berhad will be conducted entirely through live streaming from the broadcast venue at Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 17 June 2021 at 9.30 a.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

- | | |
|---|--------------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors. | (Please refer to Explanatory Note 1) |
| 2. To re-elect Dato' Mohzani Abdul Wahab who retires by rotation in accordance with Article 117 of the Company's Constitution, and being eligible, offers himself for re-election. | Resolution 1 |
| 3. To re-elect the following Directors who retire in accordance with Article 123 of the Company's Constitution: | |
| (i) Dato' Haji Ismail Haji Lasim | Resolution 2 |
| (ii) Datuk Hj. Shah Headan Ayoob Hussain Shah | Resolution 3 |
| (iii) Ir. Abdul Aziz Julkarnain | Resolution 4 |
| (iv) Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid | Resolution 5 |
| (v) Izaddeen Daud | Resolution 6 |
| (vi) Fahmy Ismail | Resolution 7 |
| (vii) Ahmad Shahredzuan Mohd Shariff | Resolution 8 |
| 4. To approve payment of Directors' fees, allowances and other benefits for Boustead Plantations Berhad from 18 June 2021 until the conclusion of the next AGM of the Company. | Resolution 9 |
| 5. To re-appoint Messrs. Ernst & Young PLT as auditors of the Company and to hold office until the conclusion of the next AGM, at a remuneration to be determined by the Directors. | Resolution 10 |

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

- | | |
|---|----------------------|
| 6. ORDINARY RESOLUTION
AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Resolution 11 |
|---|----------------------|

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."



NOTICE OF ANNUAL GENERAL MEETING

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

Resolution 12

"THAT, subject always to the Companies Act 2016 (Act), the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the mandate granted by the shareholders of the Company on 24 June 2020, authorising the Company and/or its Subsidiaries to enter into recurrent transactions of a revenue or trading nature with the Related Parties as specified in Section 2.3.1 of the Circular to Shareholders dated 24 May 2021, provided that the transactions are:

- (i) necessary for the day-to-day operations;
- (ii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (iii) are not to the detriment of the minority shareholders.

AND THAT such approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the Shareholders in a General Meeting;

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Shareholders' Mandate."

8. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

AFFENDI MOHD YOB (LS0010305) SSM PC No. 201908001314

JUNIZA AZIZAN (LS0009647) SSM PC No. 201908001876

Company Secretaries

Kuala Lumpur
24 May 2021

Explanatory Notes

1. Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put forward for voting.

2. Ordinary Resolutions 1 to 8 – Proposed Re-election of Directors in accordance with Article 117 and Article 123 of the Company's Constitution

Article 117 of the Company's Constitution provides amongst others that at least one-third of the Directors who are subject to retirement by rotation or, if their number is not three (3) or multiple of three (3), the number nearest to one-third shall retire from office provided always that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.

Director who is standing for re-election pursuant to Article 117 of the Company's Constitution is as follows:

- (i) Dato' Mohzani Abdul Wahab

The Nominating and Remuneration Committee (NRC) of the Company has assessed the criteria and contribution of Dato' Mohzani Abdul Wahab and recommended for his re-election. The Board endorsed the NRC's recommendation that Dato' Mohzani Abdul Wahab be re-elected as Director of the Company.

Article 123 of the Company's Constitution provides amongst others that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall office only until the next following AGM of the Company and shall then be eligible for re-election.

Directors who are standing for re-election pursuant to Article 123 of the Company's Constitution are as follows:

- (i) Dato' Haji Ismail Haji Lasim
- (ii) Datuk Hj. Shah Headan Ayoob Hussain Shah
- (iii) Ir. Abdul Aziz Julkarnain
- (iv) Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid
- (v) Izaddeen Daud
- (vi) Fahmy Ismail
- (vii) Ahmad Shahredzuan Mohd Shariff

The profiles of the Directors who are standing for re-election are set out on pages 10 to 20 of the Annual Report, while details of their interests in securities are set out on page 171 of the Annual Report.

3. Ordinary Resolution 9 – Non-Executive Directors' Remuneration

Section 230(1) of the Companies Act 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the payment of Directors' fees, allowances and other benefits payable to Non-Executive Directors of Boustead Plantations Berhad from 18 June 2021 until the conclusion of the next AGM of the Company comprising the following, with or without modifications:

		Directors' Fees (annual) (RM)	Meeting Allowance (per meeting) (RM)	Other Allowances (annual) (RM)
Board	Chairman	110,000	1,500	61,800
	Non-Executive Director	90,000	1,000	-
Audit Committee	Chairman	30,000	1,500	-
	Member	15,000	1,000	-
Other Board Committees	Chairman	5,000	1,500	-
	Member	3,000	1,000	-



NOTICE OF ANNUAL GENERAL MEETING

4. Ordinary Resolution 10 – Re-appointment of Auditors

The Board and Audit Committee of the Company are satisfied with the quality of service, adequacy of resources provided, communication, interaction skills and independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions. Being satisfied with the External Auditors' performance, the Board recommends their re-appointment for shareholders' approval at the One Hundred and Eighth AGM.

5. Explanatory Notes to Special Business

(a) Ordinary Resolution 11 - Authority for Directors to Allot and Issue Shares

Ordinary Resolution 11, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the One Hundred and Seventh AGM held on 24 June 2020, the mandate of which will lapse at the conclusion of the One Hundred and Eighth AGM to be held on 17 June 2021.

(b) Ordinary Resolution 12 - Recurrent Related Party Transactions

Ordinary Resolution 12, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on the Mandate is set out in the Circular to Shareholders dated 24 May 2021.

Notes:

1. As part of the initiatives to curb the spread of COVID-19, the AGM will be conducted on a **virtual basis through live streaming whilst the online remote voting** will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM via the RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to participate in the AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 8 June 2021. Only members registered in the Record of Depositors shall be entitled to participate in the AGM via RPV.
4. A member of the Company entitled to participate in the AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
5. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate at the AGM via RPV. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
9. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Tuesday, 15 June 2021 at 9.30 a.m.
 - (ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of proxy form via TIIH Online.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. For a corporate member who has appointed a representative, please deposit the original certificate of appointment with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
 - (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM of the Company shall be put to vote by way of a poll.



ADMINISTRATIVE NOTES

for the One Hundred and Eighth Annual General Meeting of
Boustead Plantations Berhad

Date

Thursday, 17 June 2021

Time

9.30 a.m.

Venue

**Royale Chulan Kuala Lumpur
5 Jalan Conlay
50450 Kuala Lumpur**

MODE OF MEETING

In view of the COVID-19 pandemic outbreak and as part of the safety measures, the One Hundred and Eighth Annual General Meeting of Boustead Plantations Berhad (108th AGM) will be conducted on **a virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV)**. Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's (Tricor) TIIH Online website at <https://tiih.online>. This is in line with the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, 19 February 2021, 5 March 2021, 6 May 2021 including any amendment that made from time to time.

The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

Remote Participation and Voting

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM using RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

Shareholders who appoint proxies to participate via RPV in the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than Tuesday, 15 June 2021 at 9.30 a.m.

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than Tuesday, 15 June 2021 at 9.30 a.m. to participate via RPV in the AGM. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than Tuesday, 15 June 2021 at 9.30 a.m. to participate via RPV in the AGM.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the AGM is a virtual Meeting, members who are unable to participate in the Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

Procedure	Action
BEFORE THE AGM DAY	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> • Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services", select the "Sign Up" button and followed by "Create Account by Individual Holder". Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your request to attend AGM remotely	<ul style="list-style-type: none"> • Registration is open from Monday, 24 May 2021 until the day of the AGM on Thursday, 17 June 2021. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV. • Login with your user ID and password and select the corporate event: (Registration) Boustead Plantations Berhad 108th AGM. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting" • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at 8 June 2021, the system will send you an e-mail on or after 15 June 2021 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>
ON THE DAY OF THE AGM	
(c) Login to TIIH Online	<ul style="list-style-type: none"> • Login with your user ID and password for remote participation at the 108th AGM at any time from 8.30 a.m. i.e. 1 hour before the commencement of meeting at 9.30 a.m. on Thursday, 17 June 2021.
(d) Participate through Live Streaming	<ul style="list-style-type: none"> • Select the corporate event: (Live Streaming Meeting) Boustead Plantations Berhad 108th AGM to engage in the proceedings of the AGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e) Online Remote Voting	<ul style="list-style-type: none"> • Voting session commences from 9.30 a.m., Thursday, 17 June 2021 until a time when the Chairman announces the completion of the voting session at the 108th AGM. • Select the corporate event: (Remote Voting) Boustead Plantations Berhad 108th AGM. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f) End of remote participation	<ul style="list-style-type: none"> • Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end.



ADMINISTRATIVE NOTES

for The One Hundred and Eighth Annual General Meeting of Boustead Plantations Berhad

Note to users of the RPV facilities:

1. We will make available to you the rights to join the live streamed meeting and to vote remotely once your application to join the meeting is approved. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 8 June 2021 shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than Tuesday, 15 June 2021 at 9.30 a.m:

(i) In Hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(ii) By Electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.

Procedure	Action
i. Steps for Individual Shareholders (cont'd)	
Proceed with submission of proxy form	<ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "Boustead Plantations Berhad 108th AGM – Submission of Proxy Form". • Read and agree to the Terms and Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. • Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Review and confirm your proxy(s) appointment. • Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> • Access TIIH Online at https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the "Sign Up" button and followed by "Create Account by Representative of Corporate Holder". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
Proceed with submission of proxy form	<ul style="list-style-type: none"> • Login to TIIH Online at https://tiih.online. • Select the corporate exercise name: "Boustead Plantations Berhad 108th AGM – Submission of Proxy Form". • Agree to the Terms & Conditions and Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Login to TIIH Online, select corporate exercise name: "Boustead Plantations Berhad 108th AGM – Submission of Proxy Form". • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.



ADMINISTRATIVE NOTES

for The One Hundred and Eighth Annual General Meeting of Boustead Plantations Berhad

Pre-Meeting Submission of Questions to the Board of Directors

- In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board of Directors via Tricor's TIH Online website at <https://tiah.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than 9.30 a.m. 15 June 2021. The Board of Directors will endeavour to address the questions received at the AGM.

No Breakfast/Lunch Pack, Door Gift or Food Voucher

- There will be no distribution of breakfast/lunch packs, door gifts or food vouchers during the AGM since the meeting is being conducted on a virtual basis.

Annual Report

- The Annual Report is available on the Company's website at www.bousteadplantations.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- You may request for a printed copy of the Annual Report at <https://tiah.online> by selecting "Request for Annual Report" under the "Investor Services".
- Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affects every human, animal and nation on this planet.

Boustead Plantations Berhad would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

Enquiry

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

PROXY FORM



Plantations

A member of Boustead Group
194601000012 (1245-M)

I/We _____ NRIC (New)/Company No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being a member of **BOUSTEAD PLANTATIONS BERHAD**, hereby appoint* _____
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No.: _____ of _____
(FULL ADDRESS)

_____ (FULL ADDRESS)

and _____ NRIC (New) No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

_____ (FULL ADDRESS)

*or failing him/her, the Chairman of the Meeting as my proxy to attend and vote for me on my behalf, at the One Hundred and Eighth Annual General Meeting of the Company to be conducted entirely through live streaming from the broadcast venue at Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur on Thursday, 17 June 2021 at 9.30 a.m. or any adjournment thereof, to vote as indicated below:

No.	Resolution		For	Against
1	Re-election of Dato' Mohzani Abdul Wahab	Ordinary Resolution 1		
2	Re-election of Dato' Haji Ismail Haji Lasim	Ordinary Resolution 2		
3	Re-election of Datuk Hj. Shah Headan Ayoob Hussain Shah	Ordinary Resolution 3		
4	Re-election of Ir. Abdul Aziz Julkarnain	Ordinary Resolution 4		
5	Re-election of Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid	Ordinary Resolution 5		
6	Re-election of Izaddeen Daud	Ordinary Resolution 6		
7	Re-election of Fahmy Ismail	Ordinary Resolution 7		
8	Re-election of Ahmad Shahredzuan Mohd Shariff	Ordinary Resolution 8		
9	Approval of Directors' fees, meeting allowances and other benefits for Boustead Plantations Berhad from 18 June 2021	Ordinary Resolution 9		
10	Re-appointment of Messrs. Ernst & Young PLT as Auditors	Ordinary Resolution 10		
11	Approval for Directors to allot and issue shares	Ordinary Resolution 11		
12	Renewal of Shareholders' Mandate for recurrent related party transactions	Ordinary Resolution 12		

Dated this _____ day of _____ 2021

Signature of Member

No. of ordinary shares held:

CDS account no. of authorised nominee:

Proportion of shareholdings to be represented by proxies	First Proxy:	%
	Second Proxy:	%

Contact No.:

Notes:

1. As part of the initiatives to curb the spread of COVID-19, the AGM will be conducted on a virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tiah.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to participate in the AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 8 June 2021. Only members registered in the Record of Depositors shall be entitled to participate in the AGM via RPV.
4. A member of the Company entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
5. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Tuesday, 15 June 2021 at 9.30 a.m.
 - (ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tiah.online>. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of proxy form via TIH Online.

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Share Registrar of Boustead Plantations Berhad

Tricor Investor & Issuing House Services Sdn Bhd 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3, Bangsar South

No. 8 Jalan Kerinchi

59200 Kuala Lumpur

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www.bousteadplantations.com.my

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50200 Kuala Lumpur

Malaysia

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