



Plantations

BOUSTEAD PLANTATIONS BERHAD

194601000012 (1245-M)

(A member of Boustead Group)

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

For the quarter ended 31 March 2022 (All figures are stated in RM'000)	Current Period		Cumulative Period	
	2022	2021	2022	2021
Revenue	324,156	171,937	324,156	171,937
Operating cost	(172,883)	(138,545)	(172,883)	(138,545)
Profit from operations	151,273	33,392	151,273	33,392
Gain on disposal of plantation assets	364,077	-	364,077	-
Interest income	1,172	168	1,172	168
Finance cost	(8,785)	(12,742)	(8,785)	(12,742)
Share of results of Associate	1,782	(1,541)	1,782	(1,541)
Profit before taxation and zakat	509,519	19,277	509,519	19,277
Taxation	(71,262)	(8,117)	(71,262)	(8,117)
Zakat	(2,711)	-	(2,711)	-
Profit for the period	435,546	11,160	435,546	11,160
Profit/(loss) attributable to:				
Shareholders of the Company	435,158	12,225	435,158	12,225
Non-controlling interests	388	(1,065)	388	(1,065)
Profit for the period	435,546	11,160	435,546	11,160
Earnings per share - sen				
Basic	19.43	0.55	19.43	0.55

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

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

	As at 31 March	As at 31 December
(All figures are stated in RM'000)	2022	2021
ASSETS		
Non-current assets		
Property, plant and equipment	1,878,185	1,890,128
Right-of-use assets	1,888,635	1,893,941
Investment in Associate	27,545	25,674
Goodwill on consolidation	2,281	2,281
	<u>3,796,646</u>	<u>3,812,024</u>
Current assets		
Inventories	65,574	62,409
Biological assets	61,394	47,046
Receivables	54,408	54,917
Tax recoverable	107	266
Cash and bank balances	298,113	82,202
	<u>479,596</u>	<u>246,840</u>
Assets classified as held for sale	-	65,480
TOTAL ASSETS	<u>4,276,242</u>	<u>4,124,344</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,422,344	1,422,344
Reserves	1,639,866	1,294,311
Shareholders' equity	<u>3,062,210</u>	<u>2,716,655</u>
Non-controlling interests	<u>(107,428)</u>	<u>(107,816)</u>
Total equity	<u>2,954,782</u>	<u>2,608,839</u>
Non-current liabilities		
Borrowings	451,638	476,192
Deferred tax liabilities	300,256	302,095
Payables	9,330	7,700
	<u>761,224</u>	<u>785,987</u>
Current liabilities		
Borrowings	410,330	537,748
Payables	105,783	158,458
Taxation	44,123	31,699
	<u>560,236</u>	<u>727,905</u>
Liabilities classified as held for sale	-	1,613
Total liabilities	<u>1,321,460</u>	<u>1,515,505</u>
TOTAL EQUITY AND LIABILITIES	<u>4,276,242</u>	<u>4,124,344</u>

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

BOUSTEAD PLANTATIONS BERHAD 194601000012 (1245-M)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

← Attributable to Shareholders of the Company →

For the financial period ended	Share Capital	Non- distributable Other Capital Reserve	Distributable Retained Profits	Total	Non- controlling interests	Total Equity
31 March 2022						
(All figures are stated in RM'000)						
2022						
Balance at 1 January 2022	1,422,344	(285)	1,294,596	2,716,655	(107,816)	2,608,839
Total comprehensive income for the period	-	-	435,158	435,158	388	435,546
Transactions with owners:						
Dividends	-	-	(89,603)	(89,603)	-	(89,603)
Balance at 31 March 2022	1,422,344	(285)	1,640,151	3,062,210	(107,428)	2,954,782
2021						
Balance at 1 January 2021	1,422,344	(195)	1,161,943	2,584,092	(108,978)	2,475,114
Total comprehensive income/(loss) for the period	-	-	12,225	12,225	(1,065)	11,160
Balance at 31 March 2021	1,422,344	(195)	1,174,168	2,596,317	(110,043)	2,486,274

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

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

For the year ended 31 March 2022

(All figures are stated in RM'000)	2022	2021
Operating Activities		
Receipts from customers	318,944	173,463
Cash paid to suppliers and employees	(173,136)	(115,859)
Cash generated from operations	145,808	57,604
Defined benefit obligations paid	(75)	-
Tax and zakat paid	(47,561)	(7,911)
Net cash generated from operating activities	98,172	49,693
Investing Activities		
Purchase of property, plant and equipment	(10,250)	(9,816)
Purchase of right-of-use assets	-	(152)
Proceeds from disposal of property, plant and equipment	373,024	-
Dividend received	6,000	-
Interest received	1,172	168
Net cash generated/(used in) investing activities	369,946	(9,800)
Financing Activities		
Decrease in revolving credits	(127,400)	(22,250)
Repayment of term loan	(24,750)	(16,000)
Interest paid	(9,885)	(12,742)
Payment of principal portion of lease liabilities	(529)	-
Dividends paid	(89,603)	-
Net cash used in financing activities	(252,167)	(50,992)
Net increase/(decrease) in cash and cash equivalents	215,951	(11,099)
Cash and cash equivalents at beginning of period	82,175	44,027
Cash and cash equivalents at end of period	298,126	32,928
Comprising:		
Cash and bank balances	298,113	32,928
Bank overdrafts	13	-
	298,126	32,928

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021.

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Notes to the interim financial report for the period ended 31 March 2022

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements are prepared in accordance with requirements of paragraph 9.22 Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and complies with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting. The interim financial statements is unaudited and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2021. All figures are stated in RM'000, unless otherwise stated.

2. Accounting Policies

(i) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022:

Description	Effective for annual periods beginning on or after
Annual improvements to MFRS standards 2018 - 2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment- Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

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

(ii) Standards Issued but not yet Effective

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

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Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

3. Auditor's Report on Preceding Annual Financial Statements

The audit report of the preceding audited financial statements was not qualified.

4. Comments about Seasonal or Cyclical Factors

The Group's operating result is influenced by both CPO prices and FFB crop production. The cropping pattern for oil palms is influenced by weather conditions. FFB production normally starts with a trough at the beginning of the year and thereafter increases gradually to reach a peak during the second half of the year.

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income and cash flows for the quarter under review.

6. Change in Estimates

There were no material changes in estimates of amounts reported in the previous financial year.

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7. Dividends

- (i) On 22 March 2022, the Company paid the 4th interim single tier dividend of 4.0 sen per share in respect of the previous financial year ending 31 December 2021 amounting to RM89.6 million.
- (ii) For the current quarter, the Directors have declared a 1st interim single tier dividend of 7.3 sen per share in respect of the period ended 31 December 2022. The dividends will be paid on 24 June 2022 to shareholders registered in the Register of Members at the close of business on 9 June 2022.

8. Segmental Information

Segment information for the cumulative period in respect of the Group's operations by geographical location is set out as follows:

RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2022				
Revenue	127,553	173,614	22,989	324,156
Reportable segment operating profit	75,712	71,312	4,249	151,273
Gain on disposal of plantation assets				364,077
Interest income				1,172
Finance cost				(8,785)
Share of results of Associate				1,782
Profit before taxation and zakat				509,519
Taxation				(71,262)
Zakat				(2,711)
Profit for the year				435,546
2021				
Revenue	66,957	86,559	18,421	171,937
Reportable segment operating profit	25,836	5,783	1,773	33,392
Interest income				168
Finance cost				(12,742)
Share of results of Associate				(1,541)
Profit before taxation				19,277
Taxation				(8,117)
Profit for the year				11,160

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9. Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

10. Subsequent Events

There were no subsequent events as at 23 May 2022 that will materially affect the financial statements for the financial period under review.

11. Changes in Group Composition

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

12. Changes in Contingent Liabilities and Contingent Assets

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

13. Capital Commitments

The Group has the following commitments as at 31 March 2022:

	Cumulative quarter	
	2022	2021
	RM'000	RM'000
Capital expenditure		
- Authorised but not contracted for	285,185	290,436

14. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2021.

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

15. Performance Review

	Current Period			
	2022	2021	Increase/(Decrease)	
	RM'000		(%)	
CPO Price	6,030	3,751	2,279	61%
Revenue	324,156	171,937	152,219	89%
Profit from operations	151,273	33,392	117,881	353%
Profit before taxation and zakat	509,519	19,277	490,242	2543%
Profit for the period	435,546	11,160	424,386	3803%
Profit attributable to Shareholders of the Company	435,158	12,225	422,933	3460%

For the first quarter of 2022, the Group recorded an unaudited profit before taxation and zakat of RM509.5 million. This includes gain on disposal of Kulai Young land of RM364.1 million. Excluding the gain, the operational unaudited profit before taxation and zakat of RM145.4 million surpassed RM19.3 million achieved in the corresponding quarter last year. The better result was attributable to the higher palm product prices paired with improved FFB production.

The Group achieved a revenue of RM324.1 million, an increase of RM152.2 million from RM171.9 million in the corresponding quarter last year due to increase in palm products prices and FFB production which led to the profit from operations of RM151.3 million.

Average CPO price for the first quarter of RM6,030 per MT was higher than last year's corresponding quarter of RM3,751 per MT by RM2,279 per MT (61%). Highest monthly average CPO price of RM6,780 per MT was recorded in March 2022 which surpassed last year's highest monthly average CPO price of RM5,159 per MT recorded in November 2021. PK's average price of RM4,655 per MT was higher by RM2,135 per MT (85%).

FFB production for the quarter of 195,882 MT was 9% higher than the production in the first quarter of 2021 of 180,165 MT, contributing a yield of 2.9 MT per Ha as compared with 2.7 MT per Ha in the same quarter last year. This improvement was the effect from the Plantations Performance Improvement Program laid out in the Group's 2022 Business Plan which focuses on yield enhancement. OER and KER increased from 20.3% to 20.6% and from 4.0% to 4.1% respectively.

Peninsular Malaysia region

The Peninsular Malaysia region achieved a segment profit of RM75.7 million, an increase of RM49.9 million from a profit of RM25.8 million for the corresponding quarter last year. Higher profit was due to higher palm product prices paired with higher FFB crop for the period of 80,902 MT as compared to 70,938 MT in 2021. OER increased to 21.3% from 20.9% last year whereas KER reduced from 4.1% to 4.0%.

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15. Performance Review (Cont'd.)

Sabah region

Sabah region achieved a segment profit of RM71.3 million for the first quarter, surpassed last year's corresponding quarter of RM5.8 million. Higher FFB production of 98,822 MT as compared to 87,289 MT in the same quarter last year, supported by higher palm product prices contributed to the better result. OER of 20.5% was higher than last year of 20.4% and KER also increased to 4.2% from 3.9% last year.

Sarawak region

Sarawak region's segment profit of RM4.3 million improved as compared to last year of RM1.8 million. Higher palm products prices contributed to the profit despite the drop in production from 21,938 MT last year to 16,158 MT this year.

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

	Current Quarter	Immediate Preceding Quarter	Increase/ (Decrease)	
			RM'000	(%)
Revenue	324,156	341,495	(17,339)	-5%
Profit from operations	151,273	148,482	2,791	2%
Profit before taxation and zakat	509,519	137,213	372,306	271%
Profit for the period	435,546	86,478	349,068	404%
Profit attributable to Shareholders of the Company	435,158	85,135	350,023	411%

For the current quarter, the unaudited profit before taxation and zakat of RM509.5 million was higher than the immediate preceding quarter's profit of RM137.2 million. Better profit was driven by higher selling prices and gain on disposal of Kulai Young land of RM364.1 million.

Average CPO price of RM6,030 per MT, improved by RM986 as compared to price for the fourth quarter of 2021 of RM5,044 per MT. FFB production decreased by 21% to 195,882 MT from 248,328 MT in the immediate preceding quarter. FFB yield also reduced from 3.6 MT per Ha to 2.9 MT per Ha. OER decreased to 20.6% from 21.5% whilst KER maintained at 4.1%. Meanwhile, operating cost reduced by 10%.

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17. Prospects for Rest of the Year

The Group's profitability is mainly driven by CPO price, crop production, Plantation Performance Improvement Programs ("PPIP") and Boustead Group's Reinventing Boustead strategy. Both PPIP and Reinventing Boustead strategy are currently progressing as planned.

Prices of palm oil is expected to remain strong for the remaining second quarter of 2022 in respect of the ongoing Ukraine-Russia conflict and the tightness of CPO production that would dampen the increasing demand of edible oil. However, the sentiment on Indonesia lifting the ban on export of palm oil products will add bearishness to the palm oil prices.

Palm oil supply is expected to improve over the second half of the year due to easing of labour shortages with the entry of foreign workers back to Malaysia. Market is expected to stabilize earliest in July 2022 and palm oil demand set to increase due to the good price spread between soybean oil, also on the switching application of sunflower oil to palm oil in relation to European conflicts.

With the COVID-19 reaches the endemic phase, we remain positive and expect that local consumption will increase gradually with higher demand from hotel, restaurant and café segment.

The Group is encouraged by the bullish price trend and encouraging crop production in the first quarter of 2022. The Group will remain focus on PPIP to further improve the productivity in the coming quarters to take advantage of the strong CPO price. PPIP main initiative is on mechanization and digitalization, in line with the Boustead Reinventing Strategy. The Group expect to realise more benefit in the coming months from effort on mechanization.

18. Notes on Variance in Actual Profit and Shortfall in Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and shortfall in profit guarantee are not applicable.

19. Taxation

	Current Period
	2022
	RM'000
Malaysian taxation based on profit for the period:	
- Current tax	33,530
- Deferred tax	(1,739)
- Real property gains tax	39,477
	<u>71,268</u>
Over-provision of prior year deferred tax	(6)
	<u>71,262</u>

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19. Taxation (Cont'd.)

The Group's effective tax rate for the cumulative quarter is lower than the statutory tax rate mainly due to lower tax rates applicable to gain on disposal of land while certain expenses were non-deductible for tax purposes. The provision for current taxation had taken into account the impact of Cukai Makmur introduced by the Government in Budget 2022.

20. Status of Corporate Proposals

Proposed Land Lease

On 10 September 2021, Boustead Plantations Berhad (“BPB”) entered into a Conditional Land Lease Agreement with CIMB Islamic Trustee Berhad and Next Generation Oil Sdn Bhd (“NGOSB”) for NGOSB to lease between 1,040 to 1,286 acres of land in Telok Sengat Estate. BPB had received 15% of the total deposit of RM8.0 million, amounting RM1.2 million upon signing of the agreement. The CLLA is subject to the fulfilment of condition precedents within a period of eighteen (18) months from the date of agreement.

21. Changes in Material Litigations

As at 23 May 2022, there were no material litigation involving the Group.

22. Statement of Financial Position

As at 31 March 2022, the Group’s borrowings reduced by RM152.0 million from RM1,013.9 million as at 31 December 2021 due to loan repayments out of the proceeds received from the disposal of Kulai Young land. Biological assets increased by RM14.3 million due to higher CPO price which contributed to higher value of palm products stocks. Cash and bank balance is high at RM298.1 million due to fixed deposit placement on the balance of the proceeds received on the disposal of Kulai Young land after repayment of borrowings.

Debt-to-Equity ratio stood at 0.28 times, reduced from the 31 December 2021 position of 0.37. Likewise, the Group net current liabilities as at 31 March 2022 stood at RM80.6 million, a reduction of RM400.5 million from RM481.1 million as at 31 December 2021 as a result from higher cash and bank balance and reduction in short-term borrowings.

Other than the above, there was no significant movement of balances as at 31 March 2022 compared to 31 December 2021.

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23. Statement of Cash Flows

During the period, higher collection from customers due to strong CPO price and the proceeds received from the disposal of Kulai Young land had improved overall cash flows which allow us to fund our working capital internally and pare down the borrowings. Cash generated from operation for the quarter improved to RM98.2 million as compared to cash generated in the same quarter last year of RM49.7 million.

24. Earnings Per Share – Basic

	Current quarter		Cumulative period	
	2022	2021	2022	2021
Net profit attributable to shareholders (RM'000)	435,158	12,225	435,158	12,225
Weighted average number of ordinary shares in issue ('000)	2,240,000	2,240,000	2,240,000	2,240,000
Basic earnings per ordinary share (Sen)	19.43	0.55	19.43	0.55

25. Group Borrowings

Total group borrowings as at 31 March 2022 are as follows:

	At 31 March 2022	At 31 December 2021
	RM'000	RM'000
Non-Current:		
<u>Unsecured</u>		
Term loans	451,638	476,192
Current:		
<u>Unsecured</u>		
Bank overdrafts	13	27
Revolving credits	312,100	439,500
Term loans	98,217	98,221
	410,330	537,748
Total borrowings	861,968	1,013,940

- (i) The bank overdrafts bear interest at a weighted average rate of 6.42% (2021: 6.32%) per annum.
- (ii) The revolving credits bear interest at a weighted average rate of 3.41% (2021: 4.27%) per annum.

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25. Group Borrowings (Cont'd.)

- (iii) Included in term loans of the Group of RM552.8 million (2021: RM577.5 million) is an Islamic term loan of the Group of RM232.0 million (2021: RM245.0 million) which bears an average profit rate of 4.06% (2021: 4.20%) per annum. The remaining term loans of the Group of RM321.8 million (2021: RM332.5 million) bears interest rates which range from 3.73% to 4.35% (2021: 3.73% to 4.40%) per annum.

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

26. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of PPE and ROU	31,900	32,169	31,900	32,169

27. Plantation Statistics

	Cumulative Period	
	2022	2021
(a) Production and yield		
FFB (MT)	195,882	180,165
FFB (MT/ha)	2.9	2.6
CPO (MT)	45,573	40,436
PK (MT)	9,163	8,003
b) Oil extraction rate (%)		
CPO	20.6	20.3
PK	4.1	4.0
(c) Average Selling Prices (RM per MT)		
FFB	1,481	835
CPO	6,030	3,751
PK	4,655	2,520

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27. Plantation Statistics (Cont'd.)

	At 31 March 2022	At 31 December 2021
(d) Planted areas (hectares)		
Past prime	35,311	34,972
Prime mature	19,984	20,173
Young mature	12,626	12,824
Immature	4,510	5,484
	72,431	73,453