

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 30 September 2015 (All figures are stated in RM'000)	Current Period		Cumulative Period	
	2015	2014	2015	2014
Revenue	166,554	162,868	451,817	550,163
Operating cost	(152,565)	(136,769)	(405,436)	(433,902)
Profit from operations	13,989	26,099	46,381	116,261
Gain on disposal of plantation land	18,147	-	57,207	-
Interest income	3,844	4,451	10,818	6,725
Finance cost	(9,454)	(10,593)	(28,528)	(43,269)
Share of results of Associates	1,067	778	2,866	2,469
Profit before taxation	27,593	20,735	88,744	82,186
Taxation	(5,129)	(3,726)	(13,663)	(24,630)
Profit for the period	22,464	17,009	75,081	57,556
Other comprehensive income/(loss)				
Share of exchange fluctuation of Associate	-	(82)	124	(489)
Total comprehensive income for the period	22,464	16,927	75,205	57,067
Profit attributable to:				
Shareholders of the Company	23,639	18,561	79,585	58,123
Non-controlling interests	(1,175)	(1,552)	(4,504)	(567)
Profit for the period	22,464	17,009	75,081	57,556
Total comprehensive income attributable to:				
Shareholders of the Company	23,639	18,479	79,709	57,634
Non-controlling interests	(1,175)	(1,552)	(4,504)	(567)
Total comprehensive income for the period	22,464	16,927	75,205	57,067
Earnings per share - sen				
Basic	1.48	1.16	4.97	4.74

The Unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 30 September 2015	Audited As at 31 December 2014
As at 30 September 2015		
(All figures are stated in RM'000)		
ASSETS		
Non-current assets		
Property, plant and equipment	1,391,094	1,408,760
Biological assets	1,261,454	1,261,223
Prepaid land lease payments	55,730	57,229
Investment in Associates	27,692	33,452
Goodwill on consolidation	2,785	2,785
Deferred tax assets	24,912	25,001
	<u>2,763,667</u>	<u>2,788,450</u>
Current assets		
Inventories	56,908	32,676
Receivables	84,628	50,728
Cash and bank balances	427,839	430,884
	<u>569,375</u>	<u>514,288</u>
TOTAL ASSETS	<u>3,333,042</u>	<u>3,302,738</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	1,430,591	1,494,882
Shareholders' equity	<u>2,230,591</u>	<u>2,294,882</u>
Non-controlling interests	<u>49,075</u>	<u>53,579</u>
Total equity	<u>2,279,666</u>	<u>2,348,461</u>
Non-current liabilities		
Borrowings	150,000	150,000
Deferred tax liabilities	18,518	18,530
Payables	4,930	4,766
	<u>173,448</u>	<u>173,296</u>
Current liabilities		
Borrowings	736,537	690,915
Payables	144,008	84,021
Taxation	(617)	6,045
	<u>879,928</u>	<u>780,981</u>
Total liabilities	<u>1,053,376</u>	<u>954,277</u>
TOTAL EQUITY AND LIABILITIES	<u>3,333,042</u>	<u>3,302,738</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 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended	← Attributable to Shareholders of the Company →						Non-controlling interests	Total Equity
	Non-distributable			Distributable		Total		
	Share Capital	Share Premium	Other Capital Reserve	Retained Profits				
30 September 2015								
(All figures are stated in RM'000)								
2015								
Balance at 1 January 2015	800,000	622,344	(267)	872,805	2,294,882	53,579	2,348,461	
Total comprehensive income for the period	-	-	124	79,585	79,709	(4,504)	75,205	
Dividends	-	-	-	(144,000)	(144,000)	-	(144,000)	
Balance at 30 September 2015	800,000	622,344	(143)	808,390	2,230,591	49,075	2,279,666	
2014								
Balance at 1 January 2014	124,521	177,439	192	1,087,717	1,389,869	59,099	1,448,968	
Total comprehensive income for the period	-	-	-	57,634	57,634	(567)	57,067	
Total transactions with owners:	675,479	444,905	30	(240,070)	880,344	-	880,344	
Issue of bonus shares	385,479	(177,439)	-	(208,040)	-	-	-	
Public issue:								
- Issue of ordinary shares	290,000	638,000	-	-	928,000	-	928,000	
- Share issuance and listing expenses	-	(15,656)	-	-	(15,656)	-	(15,656)	
Capital redemption reserve of a subsidiary	-	-	30	(30)	-	-	-	
Dividends	-	-	-	(32,000)	(32,000)	-	(32,000)	
Balance at 30 September 2014	800,000	622,344	222	905,281	2,327,847	58,532	2,386,379	

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 2014.

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

For the quarter ended 30 September 2015

(All figures are stated in RM'000)

	2015	2014
Operating Activities		
Receipts from customers	456,434	560,373
Cash paid to suppliers and employees	(388,763)	(404,217)
Cash generated from operations	67,671	156,156
Tax paid	(20,248)	(23,405)
Net cash generated from operating activities	47,423	132,751
Investing Activities		
Purchase of property, plant and equipment	(19,027)	(21,380)
Purchase of biological assets	(912)	(1,863)
Proceeds from disposal of property, plant and equipment and biological assets	69,147	69
Deposits received on land disposal	21,713	-
Acquisition of Al-Hadharah Boustead REIT	-	(611,079)
Interest received	8,667	6,725
Dividend received	8,750	2,000
Net cash generated from /(used in) investing activities	88,338	(625,528)
Financing Activities		
Advance from Immediate Holding Company	-	650,000
Repayment of advances of Immediate Holding Company	-	(390,000)
Proceeds from issuance of shares, net of share issuance and listing expenses	-	906,954
Movement in Related Companies balances, net	-	8,601
Increase/(Decrease) in revolving credits	35,000	(13,000)
Repayment of term loan	-	(90,000)
Interest paid	(28,436)	(43,205)
Dividend paid	(144,000)	(32,000)
Net cash (used in)/generated from financing activities	(137,436)	997,350
Net (decrease)/ increase in cash and cash equivalents	(1,675)	504,573
Cash and cash equivalents at beginning of period	429,419	29,603
Cash and cash equivalents at end of period	427,744	534,176
Comprising:		
Cash and bank balances	427,839	537,078
Bank overdrafts	(95)	(2,902)
	427,744	534,176

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014.

BOUSTEAD PLANTATIONS BERHAD (1245-M)

Notes to the interim financial report for the quarter ended 30 September 2015

Part A - Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2014. All figures are stated in RM'000, unless otherwise stated.

2. Accounting Policies

(i) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2015, the Group adopted the following amended FRS:

- Amendments to FRS 119 Defined Benefits Plans: Employee Contributions
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

Adoption of the above amendments did not have any material effect on the financial statements of the Group.

(ii) Standards Issued but not yet Effective

The Group has not early adopted the following amended FRS that are not yet effective:

	Effective Date
• Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
• Amendments to FRS 101 Presentation of Financial Statements – Disclosure Initiative	1 January 2016
• Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
• FRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• Amendments to FRS 10, FRS 12 and FRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
• Amendments to FRS 10 and FRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
• Amendments to FRS 127 Equity Method in Separate Financial Statements	1 January 2016
• FRS 9 Financial Instruments	1 January 2018

2. Accounting Policies (cont.)

(iii) MFRS Framework

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities). Adoption of the MFRS Framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017. The beginning date is subsequently deferred to 1 January 2018.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2018. When the Group presents its first MFRS financial statements in 1 January 2018, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made retrospectively against opening retained profits.

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 palm is influenced by weather conditions. FFB production normally starts with a trough and thereafter increases gradually to reach a peak during the second half 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 previous financial year.

7. Dividends

- (i) On 30 March 2015, the Company paid 3rd interim single tier dividend of 2.0 sen per share in respect of the financial year ended 31 December 2014 amounting to RM32.0 million.
- (ii) On 30 June 2015, the Company paid 1st interim dividend of 2.0 sen per share in respect of the current financial year ending 31 December 2015 amounting to RM32.0 million.
- (iii) On 30 September 2015, the Company paid 2nd interim dividend of 5.0 sen per share in respect of the current financial year ending 31 December 2015 amounting to RM80.0 million.

For the current quarter, the Directors have declared a 3rd interim dividend of 3.0 sen per share in respect of the year ending 31 December 2015. The dividend will be paid on 23 December 2015 to shareholders registered in the Register of Members at the close of business on 9 December 2015.

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
2015				
Revenue	196,001	187,127	68,689	451,817
Reportable segment operating profit	31,202	18,880	(3,701)	46,381
Gain on disposal of plantation land				57,207
Interest income				10,818
Finance cost				(28,528)
Share of results of Associates				2,866
Profit before taxation				88,744
Taxation				(13,663)
Profit for the period				75,081

RM'000	Peninsular Malaysia	Sabah	Sarawak	Total
2014				
Revenue	215,387	239,238	95,538	550,163
Reportable segment operating profit	61,650	48,361	6,250	116,261
Interest income				6,725
Finance cost				(43,269)
Share of results of Associates				2,469
Profit before taxation				82,186
Taxation				(24,630)
Profit for the period				57,556

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. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

11. Subsequent Events

There were no subsequent events as at 19 November 2015 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

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

13. Changes in Contingent Liabilities and Contingent Assets

The status of the contingent liabilities is disclosed in Note 34 of the audited financial statements for year ended 31 December 2014. No other contingent liability has arisen since the previous financial year end.

14. Capital Commitments

The Group has the following commitments as at 30 September 2015:

	Cumulative period	
	2015	2014
	RM'000	RM'000
Capital expenditure		
- Authorised and contracted for	-	27,450
- Authorised and not contracted for	48,641	48,872
	<u>48,641</u>	<u>76,322</u>

15. Financial Risk Management

All aspects of the Group financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2014.

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

16. Performance Review

For the third quarter of 2015, the Group achieved an unaudited pre-tax profit of RM27.6 million. The profit which included gains on disposal of lands of RM18.1 million, increased by 33% from the corresponding quarter last year.

For the nine-month period ended 30 September 2015, the Group posted an unaudited pre-tax profit of RM88.7 million which included gains on disposal of lands of RM57.2 million. The operating profit was lower than the profit for the corresponding nine-month period of last year due to the soft prices of palm products and the lower CPO sales volume.

FFB production for the period under review of 772,083 MT was relatively consistent with production in 2014 of 773,937 MT. Oil extraction rate (OER) and kernel extraction rate (KER) of 21.8% and 4.6% respectively, were comparable to the achievements for the year 2014.

CPO registered an average selling price of RM2,160 per MT for the nine-month period this year, which was lower than the achievement of RM2,477 per MT for corresponding period last year by 13%. PK achieved an average price of RM1,505 per MT as compared with RM1,802 for the corresponding nine-month period in 2014.

Peninsular Malaysia region

Peninsular Malaysia region saw a 49% reduction in segment profit to RM31.2 million mainly because of the downturn in prices for palm products. The region's FFB crop of 349,529 MT was better than the same period in 2014 by 8%.

Sabah region

Sabah region registered a lower segment profit of RM18.9 million, down by 61% from the profit for the same period last year. In addition to the impact of selling prices, the region's crop production of 299,248 MT was lower than last year's production by 6%. This was mainly attributable to the reduction in area under harvesting, the effects of previous year's drought and the recurring shortage of skilled harvesters for the tall palms.

Sarawak region

Sarawak region recorded a segment loss of RM3.7 million as compared with segment profit of RM6.3 million for the same period last year. The region produced 123,306 MT of FFB which was down by 5% from the same period last year due to the smaller area under harvesting given the continuous blockade in certain estates.

17. Material Changes in Quarterly Results Compared to the Results of the Immediate Preceding Quarter

For third quarter 2015, the unaudited profit before tax of RM27.6 million was down by 48% from the immediate preceding quarter of RM53.3 million. The decline was mainly attributable to the lower gains on disposal of lands in the third quarter of RM18.1 million as compared with RM39.1 million recognised in the second quarter. In addition, there was a recognition of unrealised foreign exchange loss of RM8.2 million on a USD denominated loan.

The Group revenue of RM166.6 million was higher than the previous quarter of RM153.4 million by 9%. This revenue was supported by improved FFB production of 291,229 MT, which was higher than second quarter by 8%. The current quarter revenue was also boosted by CPO sales volume of 67,500 MT which was higher than the second quarter of 56,826 MT. For the quarter, CPO realised an average price of RM2,090 per MT, a decline of RM91 from the immediate preceding quarter. PK achieved an average price of RM1,354 per MT which was lower by RM180 from the price achieved for second quarter 2015.

18. Prospects for Rest of the Year

The Group's prospects for the rest of the year is much dependent on the performance of CPO prices, improvements in crop production and on-going resolution of blockades in Sarawak estates and labour shortages in Sabah estates.

The prospects for CPO are expected to be subdued as the price of crude mineral oil is likely to remain low at about USD50 per barrel although the current weak Ringgit buoys demand. The latest MPOB statistics confirmation of Malaysia's CPO stock position of 2.628 million MT as at end September is discouraging. However, the news of a stronger El-Nino impact is widely expected to result in potentially below average CPO production, which will encourage CPO purchases in the near term. Efforts are being taken by Malaysia and Indonesia in order to support CPO prices. Our Malaysian government is implementing B10 biodiesel programme in order to increase domestic consumption and ease the stock built up besides encouraging replanting programmes and opening up new export markets.

19. 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.

20. Taxation

	Current Period	Cumulative Period
	2015	2015
	RM'000	RM'000
Malaysian taxation based on profit for the period:		
- Current	5,129	14,217
Overprovision of prior years	-	(554)
	<u>5,129</u>	<u>13,663</u>

The Group's effective tax rate for the current quarter is lower than the statutory rate mainly because the gain on disposal of land are not subjected to income tax coupled with the non availability of group relief for losses of certain subsidiaries.

21. Status of Corporate Proposals

i) Utilisation of Proceeds from Initial Public Offering (IPO)

On 26 June 2014, the Company raised RM928 million from its IPO exercise and listed its entire issued and paid up capital on the Main Market of Bursa Securities. The status of utilisation of proceeds raised from the IPO is as follows:

Purpose	Proposed	Actual	Intended Timeframe for Utilisation from listing date
	Utilisation	Utilisation	
	RM'000	RM'000	
Acquisitions of plantation lands	420,000	30,500	Within 36 months
Replanting and capital expenditure	96,000	96,000	Within 12 months
Repayment to Immediate Holding Company	390,000	390,000	Within 6 months
IPO and Listing expenses	22,000	21,046	Within 6 months
Total gross proceeds	928,000	537,546	

There were no other corporate proposals announced or pending completion as at 19 November 2015.

22. Changes in Material Litigations

Further to the litigation referred to in Note 34 of the audited financial statements for financial year ended 31 December 2014, the Federal Court had on 10 September 2015 heard the Plaintiffs' Notice of Motion to appeal against the Court of Appeal's decision on 6 August 2014. The Federal Court had delivered a unanimous decision to dismiss the Plaintiffs' Motion.

23. Earnings Per Share - Basic

	Current period		Cumulative period	
	2015	2014	2015	2014
Net Profit for the period (RM'000)	23,639	18,561	79,585	58,123
Weighted average number of ordinary shares in issue ('000)	1,600,000	1,600,000	1,600,000	1,226,081
Basic earnings per ordinary share (Sen)	1.48	1.16	4.97	4.74

24. Group Borrowings

Total group borrowings as at 30 September 2015 are as follows:

	30.9.2015 RM'000	31.12.2014 RM'000	1.1.2014 RM'000
Non-Current:			
<u>Unsecured</u>			
Term loan	150,000	150,000	150,000
<u>Secured</u>			
Term loan	-	-	90,000
	<u>150,000</u>	<u>150,000</u>	<u>240,000</u>
Current:			
<u>Unsecured</u>			
Bank overdrafts	95	1,465	2,699
Revolving credits	680,000	645,000	143,000
Term loans			
- Denominated in RM	-	-	450,000
- Denominated in USD	56,442	44,450	41,656
<u>Secured</u>			
Revolving credits	-	-	100,000
	<u>736,537</u>	<u>690,915</u>	<u>737,355</u>
Total borrowings	<u>886,537</u>	<u>840,915</u>	<u>977,355</u>

25. Retained Earnings

	30.9.2015 RM'000	31.12.2014 RM'000	1.1.2014 RM'000
Total retained earnings of the Company and Subsidiaries			
- Realised	401,615	437,215	921,216
- Unrealised	(2,014)	10,059	11,128
	<u>399,601</u>	<u>447,274</u>	<u>932,344</u>
Total share of retained earnings of Associates			
- Realised	24,231	30,270	28,681
- Unrealised	132	341	196
	<u>423,964</u>	<u>477,885</u>	<u>961,221</u>
Consolidation adjustments	384,426	394,920	126,496
Total retained earnings of the Group as per consolidated accounts	<u>808,390</u>	<u>872,805</u>	<u>1,087,717</u>

26. Proposed Land Disposals

- (a) CIMB Islamic Trustee Berhad (“CIMB Trustee”), acting solely in the capacity of trustee for the Company (“BPB” or “the Company”) and its wholly owned subsidiary, Boustead Sungai Manar Sdn Bhd have collectively entered into sales and purchase agreements (“SPA”) with various parties for disposals of 247.32 hectares (Ha) of freehold lands in Mukim Kulai, District of Kulajaya, State of Johor for a total cash consideration of RM143.22 million as follows:
- (i) 56.3 Ha to Seng Hong Quarry Sdn Bhd (SHQ) for RM29.1 million on 19 May 2015;
 - (ii) 31.87 Ha to Bentara Gemilang Industries Sdn Bhd (BGI) for RM19.9 million on 19 May 2015;
 - (iii) 57.03 Ha to Sanggul Suria Sdn Bhd (SSSB) for RM12.27 million on 15 June 2015; and
 - (iv) 102.12 Ha to Hanson Quarry Products (Segamat) Sdn Bhd (HQP) for RM81.94 million on 15 June 2015.

The Group has received deposits amounting RM23.75 million in respect of the above proposals. The disposals to SHQ and BGI were completed on 17 June 2015 and a gain on disposal of RM39.1 million was recognised in second quarter 2015.

- (b) On 8 September 2015, CIMB Trustee for the Company and Boustead Sungai Manar Sdn. Bhd. entered into sales and purchase agreements with YTL Cement Berhad (YTL) for the proposed disposals of 104.4 Ha of freehold lands for cash consideration of RM60.67 million. The Company and its Subsidiary received deposits amounting RM5.16 million. The disposal of 33.26 Ha to YTL was completed on 23 September 2015 and a gain on disposal of RM18.1 million was recognised in the current quarter.
- (c) The remaining proposed disposals are expected to be completed during the fourth quarter of 2015. The status of completion of the proposed disposals are summarised below.

Owner	Buyer	Disposal area Ha	Sale Consideration (RM' million)		Status
			Total	Amount Received	
BPB	SHQ	56.30	29.10	29.10	Completed
BPB	BGI	31.87	19.90	19.90	Completed
BSM	SSSB	57.03	12.27	2.46	Pending
BSM	HQP	102.12	81.94	16.39	Pending
BSM	YTL	33.26	19.69	19.69	Completed
BSM	YTL	18.45	10.92	1.09	Pending
BPB	YTL	52.69	30.06	2.10	Pending
Total		351.72	203.88	90.73	

27. Additional Disclosures

The Group's profit before taxation is stated after crediting/(deducting) the following:

	Current Quarter		Cumulative Quarter	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Depreciation and amortisation	(10,209)	(10,189)	(30,891)	(30,675)
Foreign exchange (loss)/gain	(8,370)	775	(12,090)	(108)

28. Plantation Statistics

	Cumulative Period	
	2015	2014
(a) Planted areas (hectares)		
Oil palm - past prime	14,168	13,277
- prime mature	36,149	39,085
- young mature	12,372	12,190
- immature	6,622	5,810
	69,311	70,362
	Cumulative Period	
	2015	2014
(b) Crop Production (MT)		
FFB	772,083	773,937
(c) Average Selling Prices (RM per MT)		
FFB	458	530
CPO	2,160	2,477
PK	1,505	1,802