



**BOUSTEAD PLANTATIONS BERHAD**<sup>1245-M</sup>  
*(A member of Boustead Group)*

## ***NEWS RELEASE***

### **Boustead Plantations Intends to Acquire New Plantation Land & Palm Oil Mill Worth RM433 Million**

**KUALA LUMPUR, May 8, 2018** - Boustead Plantations Berhad (BPB) today announced its intention to acquire approximately 5,500 hectares (ha) of plantation land, inclusive of a 60 tonne per hour (TPH) palm oil mill in Sabah. The indicative market value of the plantation land together with the 60 TPH palm oil mill is expected to be approximately RM433 million.

The Group via its wholly-owned subsidiary, Boustead Rimba Nilai Sdn Bhd (BRNSB) issued a letter of intent (LOI) for the proposed acquisition of the land and the palm oil mill.

Following the acceptance of the LOI by Sit Seng & Sons Realty Sdn Bhd, the vendor, the Group will conduct a due diligence exercise within a period of 60 days. A sum of RM7.56 million has been paid to the vendor as a refundable deposit as part of the terms of the LOI.

YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin, Vice Chairman, BPB, said, "This proposed acquisition of approximately 5,500 ha prime plantation land together with a 60 TPH palm oil mill in Sabah follows our proposed acquisition of 11,600 ha of land in Labuk and Sugut, Sabah. Our latest proposed acquisition is part of the Group's overall strategy to expand its landbank."

“Once again, we will be able to benefit from greater economies of scale as a result of the proximity of these estates to our existing estates in Sabah. Not only will we be able to lower our operations cost, we will also enjoy opportunity cost savings on the construction cost of a new palm oil mill. The Group will also see increased revenue and profit from the selling of crude palm oil instead of fresh fruit bunches,” added YBhg Tan Sri Dato’ Seri Lodin.

Upon completion of the proposed acquisition, BPB’s total plantation land bank will increase by 6% from 93,400 ha to 98,900 ha. This represents an increase of 5% in total planted area from 75,000 ha to 79,000 ha.

“The Group is confident on the enormous economic potential and synergistic benefits should this proposed acquisition be completed successfully. This will also spell stronger growth prospects for the Group in the years to come,” concluded YBhg Tan Sri Dato’ Seri Lodin.

**Forward looking statements**

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Boustead Plantations Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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Issued on behalf of: <b>Boustead Plantations Berhad</b> By: <b>acorn communications sdn bhd</b> For more details, please contact <b>Zamani Wisam</b> at <b>012 350 7604</b> or <b>Yasmin Kadir</b> at <b>017 237 9048</b> Or 03 7958 8348 or email <a href="mailto:acorncommunications@acornco.com.my">acorncommunications@acornco.com.my</a>
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