



Plantations

BOUSTEAD PLANTATIONS BERHAD_{1245-M}
(A member of Boustead Group)

NEWS RELEASE

Boustead Plantations Positive on Long-Term Prospects

PETALING JAYA, April 24, 2019 – Boustead Plantations Berhad (BPB) posted a revenue of RM584 million for the financial year ended 31 December 2018. However, BPB recorded a deficit of RM51 million for the year as the Group was affected by significantly lower crude palm oil prices and new requirements under the Malaysian Financial Reporting Standards.

Although its performance was impacted, the Group remained steadfast in its commitment to deliver value to shareholders. In line with this, the Group declared total dividends of 7 sen per share, representing a total payout of RM157 million and a dividend yield of 9.3% based on the closing price for the year.

During BPB's Annual General Meeting, a spokesperson for the Group said, "It has undoubtedly been a difficult year for the plantation industry, and our Group has likewise seen a weaker performance. Nevertheless, we are positive on long-term prospects for the Group, given our focus on expanding our land bank in tandem with improving productivity and yields."

"To this end, the Group's proposed acquisition of more than 4,000 hectares (ha) of plantation land and a palm oil mill in Sandakan, Sabah, adjacent to the existing Boustead Pertama Estates, will enable us to create a business complex totalling 17,000 ha. This will create better economies of scale and operational efficiencies over the long-run. Apart from this, we recently completed the disposal of 139 ha of plantation land with high development potential in Seberang Perai Utara, Pulau Pinang. This will boost the Group's earnings with an estimated gain of RM120 million."

“Additionally, CPO prices are projected to see a recovery in the next few months, as we enter into the low crop production season. This will be further supported by the reduction in palm oil stocks, driven by the biodiesel mandates of Malaysia and Indonesia, lower import duties on crude and refined palm oil by India as well as increased demand from China.”

“Against this backdrop, the outlook for the Group is certainly encouraging. Building on our solid foundation, we are optimistic that we will be able to ensure the sustainable growth of the Group moving forward,” the spokesperson concluded.

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: Boustead Plantations Berhad By: acorn communications sdn bhd For more details, please contact Zamani Wisam at 012 350 7604 or Yasmin Kadir at 017 237 9048 Or 03 7958 8348 or email acorncommunications@acornco.com.my
