



Plantations

BOUSTEAD PLANTATIONS BERHAD 1245-M
(A member of Boustead Group)

NEWS RELEASE

Boustead Plantations Records Q1 PBT of RM8 million
Declares First Interim Dividend of 2.5 sen

KUALA LUMPUR, May 23, 2018 – Boustead Plantations Berhad (BPB) registered a profit before tax of RM8 million for its first quarter ended 31 March 2018. Profit after tax for the period was RM2 million, while revenue stood at RM155 million. Net assets per share was at RM1.85 as at 31 March 2018.

For the quarter under review, average crude palm oil (CPO) selling price was RM2,491 per metric tonne (MT), 21% lower compared with RM3,166 per MT in the same quarter last year, while average palm kernel oil price declined by 32% to RM2,188 per MT. Fresh fruit bunches (FFB) production for the quarter increased by 8% to 226,323 MT, largely due to improved yields post El-Nino. Average oil extraction rate was 20.5%, a slight reduction from last year's corresponding period, while average kernel extraction rate was marginally higher at 4.5%.

YBhg Tan Sri Dato' Seri Lodin Wok Kamaruddin, Vice Chairman, BPB, said, "It was indeed a challenging first quarter as lower palm product prices impacted the Group. The year ahead is expected to see an increasing supply of alternative vegetable oils, putting pressure on demand for CPO and leading to increased palm oil inventories. However, the CPO market could benefit from the likelihood of higher tariffs by China on US soybean as well as the European Union's removal of anti-dumping duty on Indonesian biodiesel."

"Moving forward, we are confident on prospects as we remain focused on strengthening operational efficiencies coupled with strategic expansion of our plantation land bank. To this end, the recent acquisition of 11,579 hectares (ha) of land in Sabah is set to contribute positively to the Group, while the proposed acquisition of 5,500 ha of plantation land and a palm oil mill in Sabah will further boost our earnings over the long-term. The proposed disposal of 139 ha of land targeted to be completed by the third quarter of 2018 is also expected to contribute further to our earnings," concluded YBhg Tan Sri Dato' Seri Lodin.

In line with the Group's commitment to delivering shareholder value, the Board of Directors declared a first interim dividend of 2.5 sen per share for the financial year ending 31 December 2018. The dividend will be paid on 27 June 2018 to shareholders on the register as at 8 June 2018.

For the quarter under review, the Peninsular region recorded a lower profit of RM11 million. This was mainly as a result of significantly lower palm product selling prices. FFB crop increased by 3% to 92,906 MT.

The Sabah region posted an operating profit of RM3 million, a decline from the previous year's corresponding quarter. While FFB crop grew by 24% to 104,652 MT, this was impacted by reduced selling prices and higher operating expenditure.

The Sarawak region registered a deficit of RM5 million due to lower palm product prices and crop production. FFB crop for the period dropped to 28,765 MT.

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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