



Plantations

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

NEWS RELEASE

BOUSTEAD PLANTATIONS RIDES ON POSITIVE MOMENTUM BY POSTING HIGHER Q1 PAT OF RM11 MIL

KEY HIGHLIGHTS

- Higher profit after tax of RM11 million for Q1 FY2021.
- Revenue increased to RM172 million for Q1 FY2021.
- Profit from operations up to RM33 million for Q1 FY2021.

KUALA LUMPUR, May 25, 2021 – Boustead Plantations Berhad (BPB) continued to ride on its positive momentum, delivering an improved performance for its first quarter ended 31 March 2021, with a higher profit after tax of RM11 million compared with a deficit of RM12 million in the previous year's corresponding quarter. Profit before tax grew to RM19 million on the back of a higher turnover of RM172 million, with profit from operations increasing to RM33 million.

The Group's strong results were primarily attributable to higher palm product prices. Average crude palm oil (CPO) selling price increased to RM3,751 per metric tonne (MT), reflecting an increase of RM958 or 34% from RM2,793 per MT in the same quarter last year. Average palm kernel price was also higher at RM2,520 per MT, up by RM820 or 48%.

Fresh fruit bunches (FFB) production for the quarter stood at 180,165 MT while FFB yield came in at 2.6 MT per hectare (ha). Average oil extraction rate and kernel extraction rate stood at 20.3% and 4.0% respectively.

In line with the Group's commitment to delivering shareholder value, the Board of Directors declared a first interim dividend of 0.3 sen per share for the year ending 31 December 2021. The dividend will be paid on 30 June 2021 to shareholders on the register as at 11 June 2021.

BPB Chief Executive Officer Ibrahim Abdul Majid said, "We are pleased to maintain our positive momentum to deliver improved results for the first quarter. Moving forward, the Group's performance will continue to be driven by crop production and CPO prices.

"We are optimistic that the current high CPO prices will contribute positively to the Group's earnings this year, although this may be moderated by lower production due to the existing labour shortage in the plantation industry.

"Recruitment of foreign workers is impacted by the border closures as a result of the pandemic, as well as Malaysia's ongoing vaccination programme which is being rolled out in stages. This is compounded by challenges in recruiting a local workforce for plantation estates, aggravating the labour shortage in the industry.

"Nevertheless, most global commodity prices including grains and edible oils such as sunflower oil, rapeseed oil, soy oil and palm oil surged to multi-year highs in the first quarter of 2021. The high edible oil prices were mainly due to lower production, growing demand, tightening stocks and speculative buying by hedge funds and commodity speculators. The global shortage of vegetable oils is likely to persist in the near to medium term, as palm oil production is recovering slower than expected.

"On a bearish note, the demand for palm oil and soybean could potentially be affected by the recent resurgence of COVID-19 cases, particularly in India, as well as Asian Swine Flu in China. Increased pricing pressure on oilseeds and vegetable oils is expected going into the second half of 2021 based on the prospect of large production increases in the 2021/2022 season. However, palm oil prices are expected to remain elevated and above average throughout 2021," concluded Ibrahim.

Commending BPB's sound performance, Boustead Holdings Berhad Group Managing Director Dato' Sri Mohammed Shazalli Ramly said that in order to drive sustainable growth, BPB will continue to be guided by the Group's Reinventing Boustead strategy.

"We are looking into creating new streams of revenue by exploring new high technology and digital-based start-up ventures that will leverage on BPB's core strengths and complement its current business operations. These are very exciting new opportunities for BPB and will help to put the company on a stronger footing to propel the Group's sustainable growth," he said.

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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