



Plantations

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

NEWS RELEASE

Boustead Plantations Delivers Higher Q2 PAT of RM49 Mil *2nd Interim Dividend of 2.3 sen per share declared*

KEY HIGHLIGHTS

- Improved profit after tax of RM49 million for Q2 FY2021.
- Revenue increased to RM243 million for Q2 FY2021.
- Higher profit from operations of RM76 million for Q2 FY2021.

KUALA LUMPUR, August 25, 2021 – Boustead Plantations Berhad (BPB) delivered a stronger performance for its second quarter ended 30 June 2021, posting a higher Profit After Tax (PAT) of RM49 million, reflecting a substantial jump compared with a PAT of RM4 million in the same quarter last year. Profit Before Tax (PBT) increased to RM64 million on the back of a higher revenue of RM243 million, while profit from operations grew to RM76 million.

For its first six months ended 30 June 2021, the Group recorded an improved PAT of RM60 million compared with a deficit of RM8 million in the previous year's corresponding period. PBT rose to RM83 million while revenue climbed to RM415 million, with a higher profit from operations of RM109 million for the first half of the financial year.

The Group's performance for the second quarter also improved significantly from the results of the immediate preceding first quarter, which recorded a PAT of RM11 million and PBT of RM19 million, with a revenue of RM172 million.

The Group's improved performance was driven by favourable palm product prices. Average crude palm oil (CPO) selling price for the second quarter was up by 70% to

RM4,014 per metric tonne (MT), from RM2,367 per MT in the same quarter last year. Average palm kernel price also increased by 96% to RM2,647 per MT. Fresh fruit bunches (FFB) production for the quarter stood at 231,702 MT while FFB yield came in at 3.4 MT per hectare (ha). Average oil extraction rate increased to 21.2% while kernel extraction rate stood at 4.1%.

In comparison with the immediate preceding first quarter, average CPO selling price improved by 7% from RM3,751 per MT to RM4,014 per MT in the second quarter. FFB production increased by 29% from 180,165 MT in the immediate preceding quarter to 231,702 MT in the second quarter. FFB yield and OER also increased from 2.6 MT per ha to 3.4 MT per ha and from 20.3% to 21.2% respectively.

During the first half the year, higher collection from customers also contributed to improved net operating cash flow, which allowed the Group to fund working capital internally and pare down borrowings. Debt-to-Equity ratio improved to 0.45 times, reduced from the 31 December 2020 position of 0.48 times. The Group's net current liabilities stood at RM574 million as at 30 June 2021, reflecting a reduction of RM37 million from RM611 million as at 31 December 2020.

As a result of the Group's performance and its commitment to enhancing shareholder value, the Board of Directors declared a second interim single tier dividend of 2.3 sen per share for the financial year ending 31 December 2021. The dividend will be paid on 30 September 2021 to shareholders on the register as at 10 September 2021.

BPB Chief Executive Officer Zainal Abidin Shariff said that the Group is pleased to have recorded a stronger performance and maintained its positive trajectory amidst the volatile economic landscape. This is as a result of the yield improvement programmes carried out as part of the Reinventing Boustead Strategy.

"CPO prices appreciated further in the second quarter of 2021 due to a recovery of palm oil purchases, mainly from India, China and Europe," Zainal Abidin said.

For the medium term, Zainal Abidin said that prospects remain uncertain given the impacted supply affecting the palm oil sector, particularly in Malaysia. He added, "Weather conditions, particularly in the northern hemisphere, are also expected to

affect the production of oilseeds, vegetable oils and oil meals due to soil moisture deficits. There is still a possibility of La Nina returning in the last quarter of 2021, which could lead to heavy rains and flooding in oil palm growing areas in South East Asia.”

“Currently, low global inventories are keeping CPO prices at an elevated level, which is expected to contribute positively to the Group’s bottom line. CPO prices will continue to be influenced by changes in the import and export tax structures of consuming and producing countries and the global supply-demand dynamics of competing edible oils. As the Government’s accelerated vaccination programme continues, it is hoped that this will subsequently help to mitigate any potential disruptions to plantation operations,” Zainal Abidin commented.

To further strengthen BPB’s performance and in line with the Reinventing Boustead Strategy, Zainal Abidin said that the Group will continue to drive productivity improvement initiatives in tandem with ongoing cost optimisation measures, as well as tapping into opportunities for recruitment of local workers. “Our aspiration is to transform BPB into a sustainable technology-based plantation company by ramping up mechanisation efforts, while steadfastly upholding Environmental, Social and Governance (ESG) principles throughout BPB’s operations,” Zainal Abidin concluded.

Commending BPB’s improved performance, Boustead Holdings Berhad Group Managing Director Dato’ Sri Mohammed Shazalli Ramly commented, “Moving forward, guided by the Reinventing Boustead Strategy, BPB will continue to focus on its sustainable growth plans by exploring new high technology and digital-based start-up ventures that will help put the company on a stronger footing to propel the Group’s sustainable growth.”

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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