



Plantations

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

NEWS RELEASE

Boustead Plantations to Pay Commendable Dividends of 2 sen per share

KUALA LUMPUR, November 22, 2018 – Boustead Plantations Berhad (BPB) recorded a revenue of RM427 million for its first nine months ended 30 September 2018. However, due to challenging market conditions, including a substantial drop in crude palm oil (CPO) prices, the Group registered a loss before tax of RM42 million for the period. The adoption of new Malaysian Financial Reporting Standards effective 1 January 2018 also had an impact on the Group's profitability.

The average CPO selling price for the first nine months of the financial year was RM2,391 per metric tonne (MT), marking a 17% decline from the same period last year. Average palm kernel price dropped by 22% to RM1,924 per MT. Meanwhile, fresh fruit bunches (FFB) production was lower by 5%, amounting to 660,088 MT. Oil extraction rate improved to 21.1% compared with 20.9% in the previous year, while average kernel extraction rate was marginally higher at 4.4%.

Spokesperson for Boustead Plantations Berhad commented, "The industry continues to be impacted by declining palm product prices and weaker demand, as the purchasing power of India fell along with the depreciation of its currency against the US currency. The trade war between the United States and China also led to lower soybean oil prices, which further depressed CPO prices."

“Nevertheless, the Group is steadfast in our commitment to enhancing value for shareholders. As a reflection of this, the Board of Directors declared a third interim dividend of 2 sen per share for the financial year ending 31 December 2018. The dividend will be paid on 4 January 2019 to shareholders on the register as at 7 December 2018.”

“Moving forward, soft CPO prices are expected to persist for the remainder of the year, given the high palm oil inventories and slow export growth. The forecast of bumper soybean production in the 2018/19 growing season in Brazil is also expected to put further pressure on CPO prices.”

“However, over the long-term, the Group is optimistic that we will be able to deliver sustained earnings as crop production improves, particularly with contributions from the recently acquired Pertama estates,” concluded the spokesperson.

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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