



Plantations

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

NEWS RELEASE

BOUSTEAD PLANTATION DELIVERS STRONG PROFIT AFTER TAX OF RM34 MILLION FOR FY2020

KEY HIGHLIGHTS

- Profit after tax increased to RM27 million for Q4 FY2020.
- Revenue grew by 27% to RM228 million for Q4 FY2020.
- Second interim single tier dividend of 0.5 sen per share declared.

KUALA LUMPUR, 24 March, 2021 – Boustead Plantations Berhad (BPB) marked a successful turnaround, delivering a profit after taxation (PAT) of RM34 million for its financial year ended 31 December 2020.

Profit before taxation (PBT) grew to RM83 million on the back of a higher revenue of RM763 million. In tandem, profit from operations saw significant improvement, increasing to RM139 million. This is in stark contrast with the previous fiscal year 2019, which saw the Group recorded a loss after taxation of RM157 million due to impairment in value of estates in Sabah.

Posting improved results for its fourth quarter ended 31 December 2020, the Group registered a higher PAT of RM27 million compared with a deficit in the same quarter last year. PBT grew to RM50 million, while revenue rose to RM228 million. This was achieved on the back of better palm product selling prices, with profit from operations increasing to RM63 million.

Average crude palm oil (CPO) selling price increased to RM3,324 per metric tonne (MT) in Q4 FY2020, up by RM878 or 36% from RM2,446 per MT in last year's corresponding quarter. Average palm kernel price was also higher at RM2,003 per MT, reflecting an increase of RM596 or 42%.

Fresh fruit bunches (FFB) production for the quarter came in at 247,693 MT. As a result of operational efficiencies, FFB yield improved from 3.5 MT per hectare (ha) to 3.7 MT per ha. Average oil extraction rate and kernel extraction rate stood at 21.1% and 4.2% respectively.

As part of the Group's ongoing commitment to providing shareholder return, the Board of Directors declared a second interim single-tier dividend of 0.5 sen per share for the financial year ended 31 December 2020. The dividend will be paid on 28 April 2021 to shareholders on the register as at 8 April 2021.

BPB Chief Executive Officer Ibrahim Abdul Majid said, "Looking ahead, crop production and CPO prices will continue to underpin the Group's performance. While global palm oil production is set to see a recovery in 2021, the current tight palm oil inventories are expected to shore up CPO prices for the first quarter of the year.

"The tight supply could potentially ease in the second half of the year, with production expected to increase above the previous year's level as inventories recover. This is dependent on several factors, including weather conditions, the extent of crop losses and whether the current shortage of workers will worsen if new restrictions are implemented.

"CPO prices will also continue to be influenced by changes in the import and export tax structures of consuming and producing countries, as well as global supply-demand dynamics of competing edible oils.

"Nevertheless, with the Government's Covid-19 vaccination programme currently underway in phases, this certainly augurs well for plantation operations to return to normalcy," he said.

Against this backdrop, Ibrahim believes the challenges caused by the pandemic will ease and allow for further progress to be achieved through the ongoing transformation plan to improve operational efficiencies and financial performance moving forward.

Boustead Holdings Berhad Group Managing Director Dato' Sri Mohammed Shazalli Ramly further commented, "The Boustead Group is pleased that our plantation business is driving improved earnings growth. We are confident that with the experienced and established team at BPB, we will see continued progress in this upstream oil palm plantation company."

"Aligned with the Reinventing Boustead strategy, Plantation Performance Improvement Proposal will be put in place in the 2nd Quarter to focus on improving productivity in all our plantation assets.

"As the plantations produce hundreds of thousands of data points on the ground daily, we shall look into artificial intelligence technologies to help yield healthier crops, control pests, monitor soil and growing conditions, as well as improve a wide range of agriculture-related tasks.

"We will also reinforce profitability benchmarking, procurement savings programme, smarter debt and balance sheet control throughout the business operations," concluded Dato' Sri Mohammed Shazalli.

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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