



Plantations

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

NEWS RELEASE

Boustead Plantations Berhad Delivers Record High Revenue of RM1.1 Bil for FY2021

KEY HIGHLIGHTS

- Revenue for FY2021 passed RM1 billion mark, highest since Group's listing in 2014.
- Group's PAT for twelve-month period surged to RM242 million.
- Fourth interim single tier dividend of 4 sen per share declared.

KUALA LUMPUR, February 21, 2022 – Boustead Plantations Berhad (BPB) clocked up a successful performance for its financial year ended 31 December 2021 by delivering a revenue of RM1.1 billion, a record high since its listing in 2014. This is a significant increase of 38% from a revenue of RM763 million recorded in the previous financial year of 2020.

For the twelve-month period ended 31 December 2021, the Group's profit after taxation and zakat (PAT) surged to RM242 million, a sharp increase from RM34 million recorded in the same period last year. Profit before taxation and zakat (PBT) improved to RM345 million in contrast to RM83 million in previous year, while profit from operations rose to RM391 million.

Posting its highest quarterly results for financial year 2021, BPB registered an increased PAT of RM86 million for its fourth quarter ended 31 December 2021, significantly higher from RM27 million recorded in the same quarter last year. PBT climbed to RM137 million on the back of an improved revenue of RM341 million, with profit from operations increased to RM148 million.

Average crude palm oil (CPO) selling price increased by 16%, from RM4,331 per MT in the third quarter to RM5,044 per MT in the fourth quarter as a result of a change in the marketing strategy embarked at the beginning of third quarter 2021. The continuous effort made to manage the production cost had led to the reduction in estate operating cost where there was a marginal reduction of 2%, from RM81 million in the third quarter to RM79 million in the fourth quarter. Fresh fruit bunches (FFB) production stood at 248,328 MT while FFB yield recorded at 3.6 MT per hectare. Oil extraction rate (OER) and kernel extraction rate (KER) maintained at 21.5% and 4.1% respectively.

On a quarter to quarter basis, average CPO price for the fourth quarter increased by 52%, from last year's corresponding quarter of RM3,324 per MT. Average palm kernel price also jumped by 92% to RM3,855 per MT from RM2,003 per MT in last year's corresponding quarter. Meanwhile, OER increased by 2% from 21.1%.

During the year, higher collection from customers, goods and services tax refund and deposit from disposal had improved net operating cash flows, which allowed the Group to fund its working capital for financial year 2021 internally and pare down borrowings. Cash generated from operation for the year improved to RM441 million as compared to annual cash generated in 2020 of RM260 million. Debt-to-Equity ratio stood at 0.37 times, reduced from 31 December 2020 position of 0.48. Likewise, the Group net current liabilities as at 31 December 2021 stood at RM482 million, a reduction of RM129 million from RM611 million as at 31 December 2020.

As a result of the Group's sterling performance and its continuous dedication to deliver shareholder value, the Board of Directors declared a fourth interim single tier dividend of 4 sen per share for the financial year ending 31 December 2021. The dividend will be paid on 22 March 2022 to shareholders on the register as at 11 March 2022.

BPB Chief Executive Officer Zainal Abidin Shariff said the Group is pleased with the remarkable performance shown in 2021 by registering an all-time high revenue despite the volatile economic landscape and limitation caused by COVID-19 pandemic and labour shortage.

“Though our strong growth was driven by the high product selling prices, our elaborate yield improvement and cost management programmes had played a huge factor in contributing positively to our performance in the previous financial year,” Zainal Abidin commented.

“Palm oil is expected to maintain trading at higher price in view of prolonged labour shortage and weaker production due to recent heavy rainfall. In addition, Malaysia end stock for the first quarter of 2022 is expected to stay at the low level due to weaker production.

Despite the challenges brought by the COVID-19 pandemic, Zainal Abidin said the Group maintained an optimistic view on the oil palm industry following expected recovery from labour shortages situation and stability in supply and demand.

“The Group remains focus on the current improvement initiatives in productivity, cost management and recruitment of local workers. In line with the Reinventing Boustead strategy, the Group will increase its effort in 2022 to capitalise opportunities from mechanisation and digitalisation,” Zainal Abidin added.

“Our aspiration is to transform BPB into a sustainable technology-based plantation company by ramping up mechanisation and digitalisation efforts, while steadfastly upholding Environmental, Social and Governance (ESG) principles throughout BPB’s operations,” Zainal Abidin concluded.

Boustead Holdings Berhad (BHB) Group Managing Director Dato’ Sri Mohammed Shazalli Ramly commended BPB’s performance, stating that the result was a testament of the hard work by all parties in implementing various improvement initiatives and enhancing operational efficiency, in line with the Reinventing Boustead strategy.

“As BPB continues to strengthen its operations in tandem with the Fourth Industrial Revolution, the Group’s steady growth indicates that it is progressively moving in a positive trajectory to fulfil its aspiration of becoming a sustainable technology-based

plantation company, while holding and embracing the ESG values,” Dato’ Sri Mohammed Shazalli commented.

BPB is one of the most experienced and established upstream oil palm plantation company in Malaysia. BHB, and together with Lembaga Tabung Angkatan Tentera (LTAT), are the major shareholders of BPB.

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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