



Plantations

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

NEWS RELEASE

Boustead Plantations Berhad Records Q1 PAT of RM3 Mil

KEY HIGHLIGHTS

- Revenue of RM200 million recorded in Q1FY23.
- First interim single tier dividend of 1.0 sen declared.
- Lower palm product prices led to reduced profit.
- Continued commitment to yield improvements and digitalisation efforts.

KUALA LUMPUR, May 23, 2023 – Boustead Plantations Berhad (BPlant) recorded an unaudited profit after taxation and zakat (PAT) of RM3 million for its first quarter ended 31 March 2023 (Q1 FY23), while profit before taxation and zakat stood at RM14 million. This was achieved on the back of a revenue of RM200 million.

The lower profit compared with Q1FY22 was attributed to the substantial downturn in palm product prices during the quarter under review and the negative effect on the valuation of fresh fruit bunches (FFB). Moreover, last year's first quarter results benefitted from a gain on the disposal of the Kulai Young land.

In alignment with the Group's steadfast dedication to maximising shareholder value, the Board of Directors has declared an interim single-tier dividend of 1.0 sen per share for the fiscal year ending 31 December 2023. This dividend is slated for disbursement on 23 June 2023, to all shareholders on the register as at 9 June 2023.

Average crude palm oil (CPO) price for the first quarter stood at RM4,017 per metric tonne (MT), compared with last year's corresponding quarter's RM6,030 per MT. Palm kernel's (PK) average price of RM2,126 per MT was lower by RM2,529 per MT (54%). These price reductions adversely impacted the Group's revenue in the current quarter.

FFB production for the quarter was 190,400 MT, a contraction of 3% compared to Q1FY22's output of 195,882 MT. Despite this, the yield for Q1FY23 actually experienced a slight uptick, reaching 3.0 MT per hectare as opposed to the 2.9 MT per hectare recorded in the same quarter of the previous year. The oil extraction rate (OER) and kernel extraction rate (KER) reduced marginally from 20.6% to 20.4% and from 4.1% to 4.0% respectively.

BPlant Acting Chief Executive Officer, Fahmy Ismail said, "Despite the challenges in the industry and the slight reduction in production this quarter, we are encouraged by the resilience we have shown. A key aspect of our yield improvement initiatives is our ongoing replanting scheme, aimed at reducing mature areas and cultivating higher yielding trees, set to enhance our operational efficiency and profitability in the years to come."

"As we continue to navigate the complexities of the palm oil industry, our strategic trajectory is defined by our yield improvement initiatives, along with progressive digitalisation and mechanisation initiatives. These strategic efforts are crucial in ensuring our sustained performance and growth over the longer term. Even as we adopt technological advancements, our commitment to exemplary standards of environmental, social, and governance (ESG) principles remains unwavering."

Boustead Holdings Berhad (BHB) Group Chief Executive Officer, Izaddeen Daud, said, "BPlant's ability to remain profitable, particularly in the face of substantial industry headwinds in the first quarter of 2023, demonstrates the Group's solid foundation. With challenges expected to persist, BPlant will continue to focus on ongoing operational improvements to weather through the volatile landscape."

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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