



Plantations

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

NEWS RELEASE

Boustead Plantations Berhad Records PBT of RM7 Mil for First Half of FY2023

KEY HIGHLIGHTS

- Profit before taxation and zakat of RM7 million recorded for the first six months of FY2023.
- Revenue stood at RM401 million for the six-month period.
- Performance impacted by lower palm product prices.

KUALA LUMPUR, August 24, 2023 – Boustead Plantations Berhad (BPlant) recorded a profit before taxation and zakat (PBT) of RM7 million for the first six months ended 30 June 2023, on the back of a revenue of RM401 million. Nevertheless, the substantial drop in palm product prices, which affected the valuation of closing stock and fresh fruit bunches, resulted in a decline in profitability for the Group during the period under review.

Average crude palm oil (CPO) price for the six-month period stood at RM3,971 per metric tonne (MT), a decrease of 37% from RM6,327 per MT recorded in last year's corresponding period. Similarly, palm kernel (PK) average price saw a significant reduction of 50% to RM2,118 per MT.

For its second quarter ended 30 June 2023 (Q2FY23), the Group recorded a loss before taxation and zakat of RM6 million, primarily due to the lower palm product prices. This also contributed to the lower revenue for the quarter under review, which came in at RM201 million.

Average CPO price for Q2FY23 declined by 41% to RM3,926 per MT, compared with RM6,611 per MT in last year's corresponding quarter. The average PK price of RM2,108 per MT was also lower by RM1,609 per MT (43%).

FFB production for the quarter was 180,726 MT, 8% lower compared with 196,354 MT in the same quarter last year. However, the yield for Q2FY23 saw a slight increase to 3.0 MT per hectare compared with 2.9 MT per hectare in the same quarter of the previous year due to a reduction in past prime mature areas as a result of replanting activities. The oil extraction rate (OER) increased marginally from 20.6% to 20.7%, while kernel extraction rate (KER) saw a slight reduction from 4.0% to 3.9%.

BPlant Acting Chief Executive Officer, Fahmy Ismail said, "Output is expected to rise in the third quarter of 2023 on the back of seasonal trends and easing labour shortages. Furthermore, the slowdown in rainfall so far produces a favourable setting for harvesting. However, the upcoming El Nino event is expected to bring prolonged dry conditions to plantations in Indonesia and Malaysia. Considering all these factors, the Group expects FY2023 to continue to be challenging."

"Despite the volatile environment, the Group remains focused on our strategic direction to ramp up mechanisation and continue with replanting activities and digitalisation of our operations. We are confident that over the long-term, these efforts will improve productivity and put the Group on a stronger footing to drive sustainable growth, going in parallel with our unyielding commitment to the principles of environmental, social and governance."

Boustead Holdings Berhad Group Chief Executive Officer, Izaddeen Daud, said, "Amidst tough conditions, BPlant continues to stay the course in strengthening its operations to enhance prospects over the long-run. We look forward to positive momentum moving forward as BPlant builds on its solid foundation."

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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