Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 March 2019	**Current Period**		**Cumulative Period**	
(All figures are stated in RM million)	**2019**	**2018**	**2019**	**2018**
Revenue	**2,506.7**	2,300.3	**2,506.7**	2,300.3
Operating cost	**(2,414.4)**	(2,208.4)	**(2,414.4)**	(2,208.4)
Profit from operations	**92.3**	91.9	**92.3**	91.9
Interest income	**9.5**	7.4	**9.5**	7.4
Other investment results	**-**	0.1	**-**	0.1
Finance cost	**(77.4)**	(58.0)	**(77.4)**	(58.0)
Share of results of associates	**32.7**	32.9	**32.7**	32.9
Share of results of joint ventures	**(5.6)**	(4.0)	**(5.6)**	(4.0)
Profit before taxation	**51.5**	70.3	**51.5**	70.3
Taxation	**(40.1)**	(32.2)	**(40.1)**	(32.2)
Profit for the period	**11.4**	38.1	**11.4**	38.1
(Loss)/profit for the period attributable to:				
Shareholders of the Company	**(22.4)**	6.1	**(22.4)**	6.1
Holders of Perpetual Sukuk	**20.6**	18.2	**20.6**	18.2
Non-controlling interests	**13.2**	13.8	**13.2**	13.8
Profit for the period	**11.4**	38.1	**11.4**	38.1
(Loss)/earnings per share - sen				
Basic/diluted	**(1.11)**	0.30	**(1.11)**	0.30

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2018.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 March 2019	**Current Period**		**Cumulative Period**	
(All figures are stated in RM million)	**2019**	**2018**	**2019**	**2018**
Profit for the period	**11.4**	38.1	**11.4**	38.1
Other comprehensive (loss)/income				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)				
Foreign currency translation	**(1.1)**	(7.5)	**(1.1)**	(7.5)
Share of OCI of investments accounted for using the equity method	**26.6**	(1.4)	**26.6**	(1.4)
	25.5	(8.9)	**25.5**	(8.9)
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)				
Net gain on equity investment designated at fair value through OCI				
- Fair value changes	**0.4**	1.1	**0.4**	1.1
- Disposals	**0.1**	-	**0.1**	-
	0.5	1.1	**0.5**	1.1
Total comprehensive income for the period, net of tax	**37.4**	30.3	**37.4**	30.3
Attributable to:				
Shareholders of the Company	**3.9**	2.1	**3.9**	2.1
Holders of Perpetual Sukuk	**20.6**	18.2	**20.6**	18.2
Non-controlling interests	**12.9**	10.0	**12.9**	10.0
Total comprehensive income for the period, net of tax	**37.4**	30.3	**37.4**	30.3

The unaudited condensed statement of consolidated comprehensive income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2018.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 March 2019	**As at 31 March**	**As at 31 December**
(All figures are stated in RM million)	**2019**	**2018**
ASSETS		
Non current assets		
Property, plant and equipment	**6,916.9**	6,899.6
Investment properties	**1,899.9**	1,905.4
Prepaid land lease payments	**-**	49.6
Long term prepayment	**205.2**	207.1
Deferred tax assets	**27.9**	68.3
Associates	**2,040.9**	1,971.4
Joint ventures	**525.7**	531.8
Investments	**13.0**	18.7
Intangible assets	**1,340.1**	1,346.0
Inventories	**774.0**	759.9
Receivables	**369.0**	335.2
	14,112.6	14,093.0
Current assets		
Biological assets	**15.1**	15.7
Inventories	**969.1**	1,115.1
Contract assets	**975.3**	994.7
Receivables	**1,518.7**	1,528.5
Deposits, cash and bank balance	**916.1**	753.3
Assets classified as held for sale	**330.3**	330.3
	4,724.6	4,737.6
TOTAL ASSETS	**18,837.2**	18,830.6
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	**2,735.7**	2,735.7
Reserves	**2,638.9**	2,632.3
Shareholders' equity	**5,374.6**	5,368.0
Perpetual Sukuk	**1,222.2**	1,207.9
Non-controlling interests	**1,587.0**	1,601.7
Total equity	**8,183.8**	8,177.6
Non current liabilities		
Borrowings	**2,859.1**	2,671.5
Payables	**30.7**	26.8
Lease liabilities	**39.3**	-
Deferred tax liabilities	**399.2**	431.2
	3,328.3	3,129.5
Current liabilities		
Borrowings	**4,580.0**	4,861.4
Payables	**2,512.2**	2,506.0
Contract liabilities	**197.8**	111.2
Lease liabilities	**14.8**	-
Taxation	**20.3**	14.5
Dividend payable	**-**	30.4
	7,325.1	7,523.5
Total liabilities	**10,653.4**	10,653.0
TOTAL EQUITY AND LIABILITIES	**18,837.2**	18,830.6

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2018.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to shareholders of the Company									
For the financial period ended 31 March 2019	**Share Capital**	***Fair Value Reserve**	***Fair Value Reserve of Financial Assets at FVOCI**	***Regulatory Reserve**	***Other Reserves**	**Retained Earnings**	**Total**	**Perpetual Sukuk**	**Non-Controlling Interests**	**Total Equity**
As at 1 January 2019	**2,735.7**	**-**	**21.6**	**186.4**	**434.0**	**1,990.3**	**5,368.0**	**1,207.9**	**1,601.7**	**8,177.6**
Currency translation difference in respect of foreign operations	**-**	**-**	**-**	**-**	**(0.8)**	**-**	**(0.8)**	**-**	**(0.3)**	**(1.1)**
Net gain on equity investment designated at fair value through OCI										
- fair value changes	**-**	**-**	**0.4**	**-**	**-**	**-**	**0.4**	**-**	**-**	**0.4**
- disposal	**-**	**-**	**0.1**	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.1**
Share of OCI investments accounted for using equity method	**-**	**-**	**27.3**	**-**	**(0.7)**	**-**	**26.6**	**-**	**-**	**26.6**
Total other comprehensive income/(loss) for the period	**-**	**-**	**27.8**	**-**	**(1.5)**	**-**	**26.3**	**-**	**(0.3)**	**26.0**
(Loss)/profit for the period	**-**	**-**	**-**	**-**	**-**	**(22.4)**	**(22.4)**	**20.6**	**13.2**	**11.4**
Total comprehensive income/(loss) for the period	**-**	**-**	**27.8**	**-**	**(1.5)**	**(22.4)**	**3.9**	**20.6**	**12.9**	**37.4**
Perpetual Sukuk										
- Distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(6.3)**	**-**	**(6.3)**
Share of effect on changes in group's structure of an associate on dilution in a subsidiary	**-**	**-**	**-**	**-**	**-**	**2.7**	**2.7**	**-**	**-**	**2.7**
Changes in ownership interests in a subsidiary										
- Share options granted by a subsidiary	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.6**	**0.6**
Transfer during the period										
- Regulatory reserve of an associate	**-**	**-**	**-**	**4.6**	**-**	**(4.6)**	**-**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(28.2)**	**(28.2)**
Balance at 31 March 2019	**2,735.7**	**-**	**49.4**	**191.0**	**432.5**	**1,966.0**	**5,374.6**	**1,222.2**	**1,587.0**	**8,183.8**

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

	Attributable to shareholders of the Company									
For the financial period ended 31 March 2018	**Share Capital**	***Fair Value Reserve**	***Fair Value Reserve of Financial Assets at FVOCI**	***Regulatory Reserve**	***Other Reserves**	**Retained Earnings**	**Total**	**Perpetual Sukuk**	**Non-Controlling Interests**	**Total Equity**
As at 1 January 2018	2,735.7	29.3	-	156.6	433.0	2,827.1	6,181.7	1,207.7	1,854.0	9,243.4
Adjustment arising from adoption of MFRS 9	-	(29.3)	8.5	(52.3)	-	29.5	(43.6)	-	(5.3)	(48.9)
Currency translation difference in respect of foreign operations	-	-	-	-	(3.7)	-	(3.7)	-	(3.8)	(7.5)
Net gain on equity investment designated at fair value through OCI										
- fair value changes	-	-	1.1	-	-	-	1.1	-	-	1.1
Share of OCI investments accounted for using equity method	-	-	(1.4)	-	-	-	(1.4)	-	-	(1.4)
Total other comprehensive (loss)/income for the period	-	-	(0.3)	-	(3.7)	-	(4.0)	-	(3.8)	(7.8)
Profit for the period	-	-	-	-	-	6.1	6.1	18.2	13.8	38.1
Total comprehensive (loss)/income for the period	-	-	(0.3)	-	(3.7)	6.1	2.1	18.2	10.0	30.3
Perpetual Sukuk										
- Distribution	-	-	-	-	-	-	-	(6.2)	-	(6.2)
Changes in ownership interests in a subsidiary										
- Share options granted by a subsidiary	-	-	-	-	-	-	-	-	1.1	1.1
Transfer during the period										
- Regulatory reserve of an associate	-	-	-	9.6	-	(9.6)	-	-	-	-
Dividends	-	-	-	-	-	(50.7)	(50.7)	-	(48.4)	(99.1)
Balance at 31 March 2018	2,735.7	-	8.2	113.9	429.3	2,802.4	6,089.5	1,219.7	1,811.4	9,120.6

NOTES

* Denotes non distributable reserves.

All figures are stated in RM million. The condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2018.

Boustead Holdings Berhad (3871-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 March 2019

(All figures are stated in RM million)	**2019**	**2018**
Operating activities		
Receipts from customers	**2,594.5**	2,211.1
Cash paid to suppliers and employees	**(2,106.1)**	(2,077.8)
	488.4	133.3
Income taxes paid less refund	**(27.0)**	(34.8)
Net cash from operating activities	**461.4**	98.5
Investing activities		
Property, plant & equipment purchased	**(38.2)**	(20.6)
Purchase and development of property development and investment properties	**(32.8)**	(27.8)
Contribution to a joint venture's capital expenditure	**-**	(39.6)
Purchase of intangible assets	**(2.3)**	(17.4)
Disposal of property plant & equipment	**25.7**	0.1
Acquisition of a joint venture	**-**	(11.1)
Others	**16.5**	9.7
Net cash used in investing activities	**(31.1)**	(106.7)
Financing activities		
Transactions with owners	**(30.4)**	(50.7)
Transactions with holders of Perpetual Sukuk	**(6.3)**	(6.2)
Repayment of lease liabilities	**(3.3)**	-
New loans	**201.9**	1.8
Loans repayment	**(22.4)**	(567.9)
Other borrowings	**(249.3)**	1,011.2
Interest paid	**(104.1)**	(91.9)
Dividends paid to non-controlling interests	**(28.2)**	(48.4)
Net cash (used in)/from financing activities	**(242.1)**	247.9
Net increase in cash and cash equivalent	**188.2**	239.7
Foreign currency translation difference	**(0.5)**	(0.9)
Cash and cash equivalent at beginning of period	**694.0**	592.0
Cash and cash equivalent at end of period	**881.7**	830.8
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**916.1**	889.4
Overdrafts	**(34.4)**	(58.6)
Cash and cash equivalent at end of period	**881.7**	830.8

The Condensed Consolidated Cash Flow Statement is unaudited, and should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2018.

Boustead Holdings Berhad (3871-H)

Notes to the interim financial report for the quarter ended 31 March 2019

Part A - Explanatory Notes Pursuant to MFRS 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2018. All figures are stated in RM million, unless otherwise stated.

2. Accounting Policies

2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations

On 1 January 2019, the Group adopted the following new and amended MFRS:

	Effective Date
• Amendments to MFRS 3 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to MFRS 9 - Prepayment Features with Negative Compensation	1 January 2019
• Amendments to MFRS 11 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• MFRS 16 - Leases	1 January 2019
• Amendments to MFRS 112 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement	1 January 2019
• Amendments to MFRS 123 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
• Amendments to MFRS 128 - Long-term interests in Associates and Joint Ventures	1 January 2019
• IC Interpretation 23 - Uncertainty over Income Tax Treatments	1 January 2019

Except for the MFRS 16 Leases which is discussed below, the adoption of new and amended standards above did not have material impact on financial statements of the Group.

MFRS 16 Leases

MFRS 16 supersedes MFRS 117 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application.

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (below USD5,000).

(a) Effect of adoption of MFRS 16

Impact on the Group's statement of financial position as at 1 January 2019:

	RM million Increase/(Decrease)
Assets	
Property, plant and equipment	107.6
Prepaid land lease payments	(49.6)
Liabilities	
Lease liabilities	58.0

Leases previously classified as finance leases

The Group recognised the carrying amount of the leased assets and lease liabilities as at 31 December 2018 as the carrying amount of the right-of-use (ROU) assets and the lease liabilities at the date of initial application.

Leases previously accounted for as operating leases

The Group recognised ROU assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The ROU assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

(a) Used a single discount rate to a portfolio of leases with reasonably similar characteristics;

(b) Relied on its assessment of whether leases are onerous immediately before the date of initial application;

(c) Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application;

(d) Excluded the initial direct costs from the measurement of the ROU asset at the date of initial application;

(e) Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and

(f) Elected not to seperate lease and non-lease components for classes of assets.

2.1 Adoption of MFRSs, Amendments to MFRSs and IC Interpretations (Cont'd.)

MFRS 16 Leases (cont'd.)

(b) Change in accounting policies

ROU assets

The Group recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. For the measurement of the ROU assets at the time of first-time application, initial direct costs were not taken into account. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. ROU assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees, and the exercise price of a purchase option reasonably certain to be exercised by the Group, and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date. A single discount rate was used for a portfolio of leases with reasonably similar characteristics as a practical expedient applied by the Group. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of premises, plant and equipment, motor vehicles (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (below USD5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.2 Standards Issued but not yet Effective

The Group has not early adopted the following MFRS that are not yet effective:

	Effective Date
• Amendments to MFRS 101 - Presentation of Financial Statements (Definition of Material)	1 January 2020
• Amendments to MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)	1 January 2020
• MFRS 17 - Insurance Contracts	1 January 2021
• Amendments to MFRS 10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture	Deferred

There are no standards issued but not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods.

3. Auditors' Report on Preceding Annual Financial Statements

The audit report of the preceding audited financial statements was not qualified.

4. Comments about Seasonal or Cyclical Factors

The Plantation's operating result is influenced by both CPO prices and FFB crop production. The cropping pattern for oil palms is influenced by weather conditions. FFB production normally starts with a trough and thereafter increases gradually to reach a peak during the second half year.

5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

6. Change in Estimates

Other than as disclosed in the audited financial statement for year ended 31 December 2018, there were no other material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial year.

7. Dividends

On 8 January 2019, the Company paid 3rd interim dividend of 1.5 sen (2017: 3.0 sen) per share in respect of the financial year ending 31 December 2018 amounting to RM30.4 million (2017: RM60.8 million).

For the current quarter, the Directors did not declare any dividend (2018: 2.5 sen per share) in respect of the financial year ended 31 December 2019.

8. Segmental Information

Segment information for the cumulative period is presented in respect of the Group's business segments as follows:

RM million	Plantation	Heavy Industries	Property	Finance & Investment	Pharma-ceutical	Trading & Industrial	Elim'n	Total
2019								
Revenue								
Group total sales	134.9	207.6	116.0	52.5	786.1	1,215.3	(5.7)	2,506.7
Inter-segment sales	-	-	(5.7)	-	-	-	5.7	-
External sales	134.9	207.6	110.3	52.5	786.1	1,215.3	-	2,506.7
Result								
Segment result								
- external	(0.9)	(16.2)	3.4	10.2	37.5	58.3	-	92.3
Finance cost	(13.9)	(17.6)	(22.3)	(39.9)	(11.8)	(4.5)	32.6	(77.4)
Interest income	0.1	0.2	3.4	37.5	0.2	0.7	(32.6)	9.5
Share of result of associates	0.7	-	-	32.0	-	-	-	32.7
Share of result of joint ventures	-	1.2	(3.5)	(3.3)	-	-	-	(5.6)
(Loss)/profit before taxation	(14.0)	(32.4)	(19.0)	36.5	25.9	54.5	-	51.5
Taxation								(40.1)
Loss after taxation								11.4
Other Information								
Depreciation and amortisation	(36.4)	(10.5)	(6.5)	(5.4)	(18.0)	(18.7)	-	(95.5)
(Loss)/profit on disposal								
- Other assets	(1.0)	-	-	(0.1)	-	0.2	-	(0.9)
Other non-cash income/(expense)*	-	8.4	(2.1)	(0.3)	(1.4)	(3.6)	-	1.0
Breakdown of Revenue								
Sale of produce	134.5	-	-	-	-	-	-	134.5
Sale of petroleum products	-	-	-	-	-	1,123.1	-	1,123.1
Sale of pharmaceutical products	-	-	-	-	786.1	-	-	786.1
Shipbuilding and repair	-	206.6	-	-	-	-	-	206.6
Sale of development properties	-	-	51.1	-	-	-	-	51.1
Hotel operations	-	-	30.3	-	-	-	-	30.3
Others	0.4	0.2	0.3	52.2	-	90.3	-	143.4
Revenue from contracts with customers	134.9	206.8	81.7	52.2	786.1	1,213.4	-	2,475.1
Rental income	-	0.8	28.6	0.3	-	1.9	-	31.6
Total revenue	134.9	207.6	110.3	52.5	786.1	1,215.3	-	2,506.7
Timing of Revenue Recognition								
Goods/services transferred:								
- At a point in time	134.5	21.5	59.2	15.8	784.1	1,207.6	-	2,222.7
- Over time	0.4	186.1	51.1	36.7	2.0	7.7	-	284.0
	134.9	207.6	110.3	52.5	786.1	1,215.3	-	2,506.7

8. Segmental Information (Cont'd.)

RM million	Plantation	Heavy Industries	Property	Finance & Investment	Pharma-ceutical	Trading & Industrial	Elim'n	Total
2018								
Revenue								
Group total sales	154.6	157.2	113.9	49.1	617.9	1,213.3	(5.7)	2,300.3
Inter-segment sales	-	-	(5.7)	-	-	-	5.7	-
External sales	154.6	157.2	108.2	49.1	617.9	1,213.3	-	2,300.3
Result								
Segment result								
- external	8.8	7.2	8.4	2.3	34.0	31.2	-	91.9
Finance cost	(1.8)	(22.3)	(17.7)	(29.5)	(9.7)	(4.9)	27.9	(58.0)
Interest income	0.2	0.2	4.7	29.2	0.1	0.9	(27.9)	7.4
Other investment result	-	-	-	-	-	0.1	-	0.1
Share of result of associates	0.6	-	-	31.9	-	0.4	-	32.9
Share of result of joint ventures	-	2.6	(3.5)	(3.1)	-	-	-	(4.0)
Profit before taxation	7.8	(12.3)	(8.1)	30.8	24.4	27.7	-	70.3
Taxation								(32.2)
Profit after taxation								38.1
Other Information								
Depreciation and amortisation	(28.2)	(14.5)	(5.6)	(5.2)	(11.7)	(18.0)	-	(83.2)
Profit on disposal								
- Other assets	-	-	-	-	-	0.1	-	0.1
Other non-cash income/(expense)*	-	1.9	(2.6)	(0.3)	(5.6)	(7.1)	-	(13.7)
Breakdown of Revenue								
Sale of produce	154.6	-	-	-	-	-	-	154.6
Sale of petroleum products	-	-	-	-	-	1,122.6	-	1,122.6
Sale of pharmaceutical products	-	-	-	-	617.9	-	-	617.9
Shipbuilding and repair	-	155.9	-	-	-	-	-	155.9
Sale of development properties	-	-	44.0	-	-	-	-	44.0
Hotel operations	-	-	35.9	-	-	-	-	35.9
Others	-	0.5	-	48.8	-	88.7	-	138.0
Revenue from contracts with customers	154.6	156.4	79.9	48.8	617.9	1,211.3	-	2,268.9
Rental income	-	0.8	28.3	0.3	-	2.0	-	31.4
Total revenue	154.6	157.2	108.2	49.1	617.9	1,213.3	-	2,300.3
Timing of Revenue Recognition								
Goods/services transferred:								
- At a point in time	154.6	17.5	64.2	13.9	598.8	1,212.2	-	2,061.2
- Over time	-	139.7	44.0	35.2	19.1	1.1	-	239.1
	154.6	157.2	108.2	49.1	617.9	1,213.3	-	2,300.3

* Other non-cash income/expenses exclude profit/loss on disposal of plantation land, associate and other assets and depreciation and amortisation

The segment information based on geographical segment is not presented as the Group operates predominantly in Malaysia

9. Debts and Equity Securities

During the period, the Company issued a total of RM200 million of Islamic Medium Term Notes (IMTN) under the RM2.0 billion Sukuk Programme. The details are disclosed in note 22(a)(ii).

There were no other issuances and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

11. Subsequent Events

There were no subsequent events as at 27 May 2019 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

There were no changes in the composition of the Group during the period under review.

13. Changes in Contingent Liabilities and Contingent Assets

The status of the contingent liability as disclosed in the FY2018 annual financial statements remains unchanged as at 27 May 2019. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 31 March 2019:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	450.0	143.0
Acquisition of plantation land	-	354.7
	450.0	497.7

15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2018.

16. Intangible Assets

RM million	Goodwill	Concession right	Rights to supply	Others	Total
Cost					
At 1 January 2019	1,224.8	75.0	304.8	69.5	1,674.1
Additions	-	-	2.0	0.3	2.3
Foreign exchange fluctuation	(0.2)	-	-	(0.1)	(0.3)
At 31 March 2019	1,224.6	75.0	306.8	69.7	1,676.1
Accumulated amortisation and impairment					
At 1 January 2019	156.1	67.3	95.5	9.2	328.1
Amortisation	-	2.2	4.9	0.9	8.0
Foreign exchange fluctuation	-	-	-	(0.1)	(0.1)
At 31 March 2019	156.1	69.5	100.4	10.0	336.0
Net carrying amount					
At 31 March 2019	1,068.5	5.5	206.4	59.7	1,340.1
At 31 December 2018	1,068.7	7.7	209.3	60.3	1,346.0

Included in the Group's other intangible assets are pharmacy manufacturing licence, trade name, intelectual properties, software and capitalised development cost of work in progress.

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

17. Performance Review

For the quarter ended 31 March 2019	**Current Period**		**+/(-)**	**Cumulative Period**		**+/(-)**
(All figures are stated in RM million)	**2019**	**2018**	**%**	**2019**	**2018**	**%**
Revenue	2,506.7	2,300.3	9%	2,506.7	2,300.3	9%
Profit from operations	92.3	91.9	0.4%	92.3	91.9	0.4%
Profit before interest and taxation	119.4	120.9	-1%	119.4	120.9	-1%
Profit before taxation	51.5	70.3	-27%	51.5	70.3	-27%
Profit for the period	11.4	38.1	-70%	11.4	38.1	-70%
(Loss)/profit attributable to shareholders of the Company	(22.4)	6.1	-467%	(22.4)	6.1	-467%

For the 1st quarter ended 31 March 2019 (1QFY19), the Group registered a lower profit before tax (PBT) of RM51.5 million, a 27% decrease compared with RM70.3 million in last year's corresponding period (1QFY18). This was mainly due to deficits recorded by the Heavy Industries, Property and Plantation Divisions. The Group also posted a lower profit after tax of RM11.4 million (1QFY18: RM38.1 million) for the quarter under review. After allocation to non-controlling interests and perpetual sukuk holders, the Group incurred a net loss of RM22.4 million (1QFY18: net profit of RM6.1 million).

In 1QFY19, the Group recorded a revenue of RM2.5 billion, an improvement of 9% compared with RM2.3 billion in 1QFY18. The Trading & Industrial Division turned in a slightly higher revenue of RM1.22 billion (1QFY18: RM1.21 billion) having benefitted from the increase in oil price. The Pharmaceutical Division's improved revenue of RM786.1 million (1QFY18: RM617.9 million) was mainly attributable to increased demand from government and private hospitals in Malaysia and Indonesia. Revenue from the Heavy Industries Division also rose to RM207.6 million (1QFY18: RM157.2 million) on the back of progress achieved for both shipbuilding and ship repair activities. Meanwhile, the Plantation Division recorded a lower revenue of RM134.9 million (1QFY18: RM154.6 million) primarily due to the decline in palm product prices.

The Trading & Industrial Division turned in a PBT of RM54.5 million in 1QFY19, reflecting a nearly two-fold increase compared with RM27.7 million in 1QFY18. This was achieved on the back of an improved performance by Boustead Petroleum Marketing (BPM), which recorded a stockholding gain as a result of higher oil prices. BPM's bottom line also benefitted from improved margins and higher sales volume. This offset the reduced PBT from UAC Berhad which recorded a lower revenue.

For 1QFY19, the Pharmaceutical Division recorded a PBT of RM25.9 million, reflecting a 6% increase from RM24.4 million in 1QFY18. Despite increased marketing and promotional expenses as well as higher finance cost, the improved results were driven by stronger contributions from government and private hospitals in both Malaysia and Indonesia.

The Finance & Investment Division closed the quarter with a PBT of RM36.5 million (1QFY18: RM30.8 million), an increase of 19%. This was achieved on the back of stronger contributions from the University of Nottingham Malaysia, Boustead Cruise Centre and Cadbury. This compensated for the decreased share of results from Affin Bank, an associate, which recorded a lower contribution mainly due to reduction in net interest income, net fees and comission income as well as a decrease in the write back of credit impairment losses.

The Plantation Division closed the first quarter with a deficit of RM14.0 million (1QFY18: PBT of RM7.8 million) as its bottom line was affected by the significantly lower palm product prices whilst operating cost fell by RM10.0 million to RM135.8 million. This had led to the loss from operations of RM0.9 million. In addition, the quarter's result was further impacted by higher finance cost. For the quarter under review, average selling price for CPO was RM2,017 per MT, a decline of RM474 or 19% from RM2,491 per MT in 1QFY18. Similarly, average selling price for PK was RM1,300 per MT, down by RM888 or 41% from RM2,188 per MT in 1QFY18. FFB production for 1QFY19 was 258,996 MT, up by 14% from 226,323 MT in 1QFY18. Oil extraction rate attained was higher at 21.4% (1QFY18: 20.5%) while kernel extraction rate was unchanged at 4.5%.

The Property Division recorded a higher deficit of RM19.0 million (1QFY18: RM8.1 million) as a result of weaker contributions from its various segments. The hotel segment recorded an increased deficit mainly due to lower occupancy and room rates. The property investment segment also registered a higher deficit arising from start-up costs for the newly completed Nucleus Tower.

The Heavy Industries Division posted a deficit of RM32.4 million (1QFY18: RM12.3 million) on the back of weaker results from its operating units. BNS incurred an increased loss for the quarter, mainly due to the revision of margins for the LCS project. In addition, ship repair activities were impacted by a lack of projects. BHIC also posted a deficit for 1QFY19, compared with a surplus in 1QFY18, primarily attributable to a lack of defence-related MRO activities as well as lower share of profit from a joint venture company. Meanwhile, MHS Aviation was impacted by a lack of projects as well as costs to maintain its fleet of aircraft.

17. Performance Review (Cont'd.)

Statement of Financial Position

As at 31 March 2019, inventories decreased as compared to 31 December 2018's position mainly due to increased sales of pharmaceutical products. Meanwhile, the higher collection from customers and goverment has increased the Group's deposit, cash and bank balance.

Statement of Cash Flows

For 1QFY19, the Group recorded higher cash inflow from operation of RM461.4 million (1QFY18: RM98.5 million) mainly due to higher collection from customers and government. On the other hand, the financing activity for the period recorded cash outflow of RM242.1 million mainly due to repayment of revolving credits as compared to cash inflow of RM247.9 million in 1QFY18 from drawdown of revolving credits.

18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter

For the quarter ended 31 March 2019	**Current Period**	**Immediate Preceding Period**	**+/(-)**
(All figures are stated in RM million)	**31.3.2019**	**31.12.2018**	**%**
Revenue	2,506.7	3,024.7	-17%
Profit/(loss) from operations	92.3	(367.1)	125%
Profit/(loss) before interest and taxation	119.4	(474.2)	125%
Profit/(loss) before taxation	51.5	(542.4)	109%
Profit/(loss) for the period	11.4	(565.0)	102%
Loss attributable to shareholders of the Company	(22.4)	(455.0)	95%

For the current quarter (1QFY19), the Group recorded a PBT of RM51.5 million compared with the deficit of RM542.4 million in the preceding quarter (4QFY18). The deficit in 4QFY18 was largely due to provisions and impairments that had impacted the Heavy Industries Division. As a result of this improved performance, the Group recorded a profit after tax of RM11.4 million for the quarter under review (4QFY18: loss after tax of RM565.0 million) while net loss was much lower at RM22.4 million (4QFY18: RM455.0 million).

The Trading & Industrial Division posted a stronger PBT of RM54.5 million (4QFY18: RM1.1 million). This was achieved on the back of a stockholding gain by Boustead Petroleum Marketing due to higher oil prices, compared with a stockholding loss in the preceding quarter.

Pharmaceutical Division ended the current quarter with an improved PBT of RM25.9 million (4QFY18: RM6.8 million). This was mainly due to higher demand from government and private hospitals in Malaysia and Indonesia as well as lower finance cost.

The Finance & Investment Division closed the quarter with an improved PBT of RM36.5 million (4QFY18: RM6.4 million). The preceding quarter was impacted by a higher share of loss in a joint venture.

For the current quarter, the Plantation Division incurred a higher deficit of RM14.0 million (4QFY18: RM9.4 million) mainly due to decline in sales volume for palm oil, reduced FFB production as well as lower contribution from an associate. During the quarter, average CPO price was RM2,017 per MT, an increase of RM50 from RM1,967 in 4QFY18. On the other hand, PK price of RM1,300 per MT was lower by RM138 from RM1,438 per MT in the preceding quarter. FFB production for the quarter was 258,996 MT, down by 15% compared with 306,046 MT in 4QFY18.

Property Division recorded a deficit of RM19.0 million in the current quarter (4QFY18: surplus of RM15.4 million) mainly due to lower earnings from property development activities and start-up costs for Nucleus Tower. In addition, the bottom line for the preceding quarter benefitted from fair value gain on the appreciation of investment properties.

In the current quarter, the Heavy Industries Division recorded a much lower deficit of RM32.4 million (4QFY18: RM562.7 million). The preceding quarter was impacted by impairment of goodwill for BNS and MHSA, revision in LCS project cost due to variation orders, share of loss in a joint venture company on provision for LAD, as well as impairment of aircraft.

19. Prospects

While challenges persist in 2019, which is set to see moderate growth due to the slowdown in global as well as domestic demand, the Group remains cautiously optimistic on long-term prospects. The unresolved trade war and political uncertainties continue to be the major downside risks for the world growth that will weigh on trade and investment activities. External demand is anticipated to weaken in the coming months which would weigh on Malaysia's export-reliant economy. With this backdrop, the Malaysian economy is relying heavily on domestic demand to steer growth. However, stable labour market conditions and capacity expansion in key sectors will continue to drive household and capital spending. Also, the reduced Overnight Policy Rate is expected to stimulate growth. Nevertheless, long-term prospects for Malaysia economy are positive, supported by strong economic fundamentals, a sound financial and monetary policies as well as implementation of various Government initiatives. The diversified nature of BHB in six core areas of the Malaysia economy certainly augurs well for the Group. This fundamental strength will make the Group more resilient to economic shocks.

FFB crop production and selling prices are the two key drivers to the Plantation Division's profitability. Although the gain on disposal of land in Seberang Perai Utara, Pulau Pinang will boost the Division's profit for financial year 2019, the operating performance is expected to remain challenging. Demand for palm oil is anticipated to grow in tandem with insufficient supplies of other edible oils, increased imports by China and higher biodiesel blending mandates in Indonesia. However, recovery in prices will be capped by the high inventories for palm oil. In the near term, upcoming festivities, the attractive prevailing low prices of CPO and increased exports to India due to reduction in import duties will be supportive of prices. The Division expects to record some growth in crop production from a larger area of operations and operational efficiencies which are taking place but the challenges surrounding the operations in Sarawak will to some extent, dampen performance.

Prospects for the Pharmaceutical Division remains bright, as the Division builds on its strong foundation to grow its concession and non-concession businesses. In particular, the Division aims to heighten its market presence in the private sector via strategic marketing initiatives. In tandem, research and development efforts remain a key driver as the Division expands its product portfolio. The Division is also focused on strengthening its Indonesian operations to tap into the immense potential of this market. Moving forward, the Division will continue to seek out opportunities in the healthcare sector in both domestic and international markets to deliver sustainable growth over the long-term.

Progress billings from the ongoing and upcoming housing projects will contribute positively to the Property Division's bottom line. The Division's portfolio of well-located investment properties will continue to generate good rental as well as appreciation in value over time. On the other hand, whilst the Division's hotel activities are expected to continue facing challenges in term of occupancies and rate, the performance going forward is envisaged to be satisfactory.

The LCS and LMS projects as well as defence related maintenance, repair and overhaul activities will contribute to Heavy Industries Division's performance going forward. Finance & Investment Division's earnings will largely be driven by our associate, Affin Bank Berhad.

20. Notes on Variance in Actual Profit and Shortfall in Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and shortfall in profit guarantee are not applicable.

21. Taxation

	Current Quarter 2019 RM million	Cumulative Quarter 2019 RM million
Malaysian taxation based on profit for the period:		
- Current	30.9	30.9
- Deferred	5.0	5.0
	35.9	35.9
Under provision of prior years	4.2	4.2
	40.1	40.1

The Group's effective rate for current and cumulative quarter is higher than statutory tax rate as certain expenses are non-deductible for tax purposes and non-availability of group relief for certain Subsidiaries.

22. Corporate Proposals - Status

(a) Status of Corporate Proposal

(i) On 19 December 2016, the Group's wholly owned Subsidiary Boustead Construction Sdn Bhd (BCSB) entered into a sale and purchase agreement with Lembaga Tabung Angkatan Tentera (LTAT), to purchase lands measuring 10.74 acres out of 53.39 acres held under PN 31560, Lot No. 37825, Mukim Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (collectively known as the Bukit Jalil Lands) for a total cash consideration of RM172,780,035.48 (Proposed Acquisition).

The Proposed Acquisition is pending for sub-divided title and completion of the infrastructure works by the vendor.

(ii) On 30 January 2019, the Company had issued RM200 million of Islamic Medium Term Notes (IMTN) under the RM2.0 billion Sukuk Programme. The maturity of the tranche issued is for 7 years, at a profit rate of 6.2%.

This is part of the combined RM2.5 billion IMTN Programme with tenure of 10 years of which RM1.5 billion was issued in the prior years. The IMTN programmes are unrated and are implemented under Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework. The proceeds to be raised from the IMTN programmes are to be utilised, amongst others, to finance future property development projects and capital expenditures, investments in subsidiaries and/or associates, working capital requirements and to finance existing borrowings of the Company.

(iii) On 24 January 2018, Boustead Plantation Berhad (BPB) announced that CIMB Islamic Trustee Berhad (CITB), acting solely as trustee for BPB, entered into a sale and purchase agreement with Sunrich Conquest Sdn. Bhd. (SCSB) for the disposal of 82.84 hectares of freehold land situated in Mukim 12, Daerah Seberang Perai Utara, Pulau Pinang by BPB to SCSB for cash consideration of approximately RM81.0 million, subject to the term and conditions contained therein.

On the same date, CITB, acting solely as trustee for BPB, entered into a sale and purchase agreement with Titanium Greenview Sdn Bhd (TGSB) for the disposal of 56.05 hectares of freehold land situated in Mukim 12, Daerah Seberang Perai Utara, Pulau Pinang by BPB to TGSB for cash consideration of approximately RM55.0 million, subject to the term and conditions contained therein.

The sale of the lands was completed on 18 April 2019.

(iv) On 1 August 2018, Boustead Rimba Nilai Sdn Bhd (BRNSB), a wholly-owned Subsidiary of BPB entered into a sale and purchase agreement (SPA) with several parties for the acquisition of oil palm plantation lands within the District of Beluran, Kinabatangan and Labuk & Sugut comprising 17 land titles measuring a total of 12,144.99 acres (4,915.25 hectares) together with a 75 tonnes per hour palm oil mill and buildings erected thereon as well as movable assets, machineries and vehicles for a cash consideration of RM397 million (Proposed Acquisition).

On 25 March 2019, BRNSB entered into:

a) a supplemental agreement (SA) with the Vendors to revise the purchase consideration to RM358.66 million after the sub-division of land titles and the exclusion of the purchase of 499.3 hectares of oil palm plantation lands together with movable assets (Lubah property) as well as road reserve land measuring 1,172.8 square meters. The exclusion of Lubah property was due to non-fulfilment of the removal of equity restriction. The land area under the SA was 4,414.693 hectares.

The purchase of lands was completed on 29 April 2019.

b) a SPA with Lubah Plantations (S) Sdn Bhd for the acquisition of Lubah property for a cash consideration of RM38.21 million. BRNSB has paid a 10% deposit.

The acquisition of Lubah property is expected to be completed by 2nd quarter 2020.

(v) On 15 March 2019, Boustead Hotel & Resorts Sdn Bhd (BHR), a wholly owned subsidiary of Boustead Properties Berhad, which in turn is a wholly owned subsidiary of the Company, entered into a sale and purchase agreement (SPA) with Every Room A Home Sdn Bhd (the Purchaser), for a proposed disposal of Royale Chulan Bukit Bintang Hotel located on 2 parcels of freehold land measuring approximately 3,189 square meter which was held under GRN 70145, Lot 1297 and GRN 70146, Lot 1298, both in Seksyen 67, District of Kuala Lumpur (Property) and its business, including fixtures, fittings and furnishings but excluding goodwill, for a cash consideration of RM197 million (Disposal Consideration) (Proposed Disposal).

The Proposed Disposal is subject to the following conditions precedent:

a) The approval of the Board of BHR;

b) The approval of the Board of the Purchaser;

c) The Purchaser completing a due diligence exercise on the Property and be reasonably satisfied with the results;

d) The approvals of relevant authorities; and

e) The conditions stipulated in the SPA.

The Purchaser has paid a deposit of RM19.7 million being 10% of the Disposal Consideration. The balance 90% of the Disposal Consideration totalling RM177.3 million will be settled within 3 months from the date of the SPA or 1 month from the Unconditional Date (as defined in the SPA), whichever is later.

The Proposed Disposal is expected to be completed in the 3rd quarter of 2019.

There were no other corporate proposals announced or pending completion as at 27 May 2019.

22. Corporate Proposals - Status (Cont'd.)

(b) Status on Utilisation of Proceeds from Rights Issue as at 30 April 2019

(In RM Million)	Proposed Utilisation	Actual Utilisation	Time Frame	Deviation Amount	%	Explanation
Repayment of bank borrowings	486.0	486.0	Within 12 months	-		Fully utilised
Property development activities	507.0	272.8	Within 43 months until 31 December 2019	234.2	46%	To be utilised
Working capital	60.5	60.5	Within 12 months	-		Fully utilised
Rights Issue expenses	1.3	1.3	Within 6 months	-		Fully utilised
	1,054.8	820.6		234.2		

(c) Status on Utilisation of Proceeds from Issue of IMTNs as at 30 April 2019

(In RM Million)	Proposed Utilisation	Actual Utilisation	Time Frame	Deviation Amount
Refinancing of existing borrowings/ financing	1,312.4	1,312.4	Not applicable	-
Funding of reserve account and expenses of IMTN programme	44.4	44.4	Not applicable	-
Funding of working capital	343.2	343.2	Not applicable	-
	1,700.0	1,700.0		-

23. Changes in Material Litigations

(i) In respect of the litigation referred to in Note 36 (a) of 2018 Annual Report, on 22 January 2019, BNS' fourth witness testified on the worthiness of the copper cables. Trial continued on 5 and 10 April 2019 with the Defendants' third and fourth witnesses. The next trial dates will be on 22 and 23 July 2019.

(ii) In respect of the litigation referred to in Note 36 (b) of 2018 Annual Report, hearing of all the Defendants' striking out applications will be on 3 June 2019.

(iii) In respect of the litigation referred to in Note 42 (d) of 2018 Annual Report, the trial dates have been fixed on 1 to 3 April 2020.

As at 27 May 2019, there were no other changes in material litigation, including the status of pending material litigation since the date of the last annual statement of financial position as at 31 December 2018.

24. Earnings Per Share - Basic/diluted

	Current Period		Cumulative Period	
	2019	**2018**	**2019**	**2018**
Net (loss)/profit for the period (RM million)	**(22.4)**	6.1	**(22.4)**	6.1
Weighted average number of ordinary shares in issue (million)	**2,027.0**	2,027.0	**2,027.0**	2,027.0
Basic/diluted (loss)/earnings per share (sen)	**(1.11)**	0.30	**(1.11)**	0.30

25. Group Borrowings and Debt Securities

Total group borrowings as at 31 March 2019 are as follows:-

	31.3.2019 RM million	**31.12.2018 RM million**	**31.3.2018 RM million**
Non-current:			
Term loans			
- Denominated in Great Britain Pound	**61.7**	61.5	64.9
- Denominated in Indonesian Rupiah	**-**	121.2	83.8
- Denominated in RM	**577.6**	597.5	516.8
	639.3	780.2	665.5
Asset-backed bonds	**209.8**	209.6	209.1
Islamic medium term notes	**1,692.4**	1,492.5	992.8
Revolving credits	**649.1**	649.1	-
	3,190.6	3,131.4	1,867.4
Less: repayable in 1 year	**331.5**	459.9	403.3
	2,859.1	2,671.5	1,464.1
Current:			
Bank overdrafts	**34.4**	59.3	58.6
Bankers' acceptances			
- Denominated in Indonesian Rupiah	**140.8**	15.5	15.4
- Denominated in RM	**351.8**	476.1	425.4
Revolving credits	**3,721.5**	3,850.6	4,275.9
Short term loans	**331.5**	459.9	403.3
	4,580.0	4,861.4	5,178.6
Total borrowings	**7,439.1**	7,532.9	6,642.7

The Islamic medium term notes (IMTN) comprise:-

i) 2 tranches of RM500 million Sukuk Murabahah, which were issued in 2017, with maturity 7 years from the date of issue and carry profit rate of 5.9% per annum

ii) 2 tranches of RM150 million Sukuk Murabahah, which were issued during the previous financial year, with maturity 3 years from the date of issue and carry profit rate of 5.7% per annum

iii) 1 tranche of RM200 million Sukuk Murabahah, which was issued during the previous financial year, with maturity 7 years from the date of issue and carries profit rate of 6.2% per annum

iv) 1 tranche of RM200 million Sukuk Murabahah, which was issued during the period, with maturity 7 years from the date of issue and carries profit rate of 6.2% per annum

The asset-backed bonds (Bonds) comprise of 1 class (2018: 1 class) of guaranteed bonds which is rated AAA(fg). The maturity date of the Bonds is 7 years (2018: 7 years) from the date of issue with the effective interest rate of 6.0% (2018: 6.0%) per annum. The Bonds are secured by a debenture over the assets of a subsidiary, a special purpose vehicle created for the Bonds issuance.

A subsidiary has a term loan of RM57.1 million (2018: RM61.9 million) which is repayable within 4 years commencing from 27 April 2017. This subsidiary also has revolving credits of RM874.6 million (2018: RM874.6 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan denominated in Great Britain Pound equivalent to RM61.7 million (2018: RM61.5 million) which is secured against a property owned by the subsidiary.

All the other borrowings are unsecured.

25. Group Borrowings and Debt Securities (Cont'd.)

The amount of borrowings denominated in foreign currencies:
(All figures are stated in million)

	31.3.2019	31.12.2018	31.3.2018
Denominated in Great Britain Pound	**11.6**	11.7	12.0
Denominated in Indonesian Rupiah	**494,035**	474,653	353,025
Exchange rate:			
- Great Britain Pound	**5.33**	5.27	5.42
- Indonesian Rupiah	**0.0285**	0.0288	0.0281

As at 31 March 2019, the Group's borrowing was lower at RM7.4 billion (As at 31 December 2018: RM7.5 billion). The decrease was attributable to improved collections from customers and the government.

As at 31 March 2019, the weighted average interest rate of borrowings is 5.5% (As at 31 December 2018: 5.3%) per annum. The proportion of debt based on fixed and floating interest rate is 26% (As at 31 December 2018: 23%) and 74% (As at 31 December 2018: 77%) respectively.

The amount borrowed in foreign currencies is not hedged as the Group does not expect material fluctuation in the exchange rate.

26. Additional Disclosures

The Group's profit before taxation is stated after deducting/(crediting) the following:

	Current Quarter		Cumulative Quarter	
	2019	2018	2019	2018
	RM million	RM million	RM million	RM million
Depreciation and amortisation	**95.5**	83.2	**95.5**	83.2
Provision for and write off of receivables	**5.6**	4.8	**5.6**	4.8
Provision for and write off of inventories	**1.8**	4.6	**1.8**	4.6
Loss/(gain) on disposal of other property, plant and equipment	**0.9**	(0.1)	**0.9**	(0.1)
Foreign exchange gain	**(15.0)**	(15.6)	**(15.0)**	(15.6)
Net fair value loss on derivatives	**4.0**	9.0	**4.0**	9.0

27. Plantation Statistics

	Cumulative Period	
	2019	2018
(a) Crop production and yield		
FFB (MT)	**258,996**	226,323
FFB (MT/ha)	**3.8**	3.9
CPO production (MT)	**53,611**	51,365
PK production (MT)	**11,316**	11,256
(b) Average selling prices (RM per MT)		
FFB	**381**	508
Crude palm oil (CPO)	**2,017**	2,491
Palm kernel (PK)	**1,300**	2,188
(c) Oil extraction rate (%)		
Crude palm oil	**21.4**	20.5
Palm kernel	**4.5**	4.5

(d) Planted areas (hectares)

		As at 31.3.2019	As at 31.12.2018
Oil palm	- immature	**7,206**	6,364
	- young mature	**12,482**	12,480
	- prime mature	**26,438**	29,750
	- past prime	**28,755**	26,438
		74,881	75,032