Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 30 September 2019	**Current Period**		**Cumulative Period**	
(All figures are stated in RM million)	**2019**	**2018**	**2019**	**2018**
Revenue	**2,734.7**	2,602.4	**7,785.5**	7,333.6
Operating cost	**(2,651.8)**	(2,494.0)	**(7,572.5)**	(7,076.5)
Profit from operations	**82.9**	108.4	**213.0**	257.1
Gain on disposal of plantation land	**-**	-	**119.5**	-
Impairment of property, plant and equipment	**(123.2)**	-	**(123.2)**	-
Interest income	**12.6**	8.0	**34.1**	24.7
Other investment results	**(38.0)**	0.1	**(37.8)**	0.4
Finance cost	**(95.1)**	(74.3)	**(253.5)**	(195.5)
Share of results of associates	**17.2**	31.0	**85.4**	80.3
Share of results of joint ventures	**(12.8)**	(9.4)	**(23.5)**	(12.5)
(Loss)/profit before taxation	**(156.4)**	63.8	**14.0**	154.5
Taxation	**(31.1)**	(23.7)	**(106.0)**	(77.6)
(Loss)/profit for the period	**(187.5)**	40.1	**(92.0)**	76.9
(Loss)/profit for the period attributable to:				
Shareholders of the Company	**(155.0)**	7.3	**(153.1)**	(14.2)
Holders of Perpetual Sukuk	**20.0**	18.6	**61.6**	55.1
Non-controlling interests	**(52.5)**	14.2	**(0.5)**	36.0
(Loss)/profit for the period	**(187.5)**	40.1	**(92.0)**	76.9
(Loss)/earnings per share - sen				
Basic/diluted	**(7.65)**	0.36	**(7.55)**	(0.70)

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 30 September 2019	**Current Period**		**Cumulative Period**	
(All figures are stated in RM million)	**2019**	**2018**	**2019**	**2018**
(Loss)/profit for the period	**(187.5)**	40.1	**(92.0)**	76.9
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)				
Foreign currency translation	**1.8**	(2.0)	**3.5**	(7.6)
Share of OCI of investments accounted for using the equity method	**3.5**	20.8	**37.2**	7.3
	5.3	18.8	**40.7**	(0.3)
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)				
Net (loss)/gain on equity investment designated at fair value through OCI				
- Fair value changes	**(0.9)**	1.1	**(0.5)**	(1.1)
- Disposals	**-**	0.2	**0.1**	0.2
	(0.9)	1.3	**(0.4)**	(0.9)
Total comprehensive (loss)/income for the period, net of tax	**(183.1)**	60.2	**(51.7)**	75.7
Attributable to:				
Shareholders of the Company	**(151.0)**	28.9	**(113.9)**	(11.4)
Holders of Perpetual Sukuk	**20.0**	18.6	**61.6**	55.1
Non-controlling interests	**(52.1)**	12.7	**0.6**	32.0
Total comprehensive (loss)/income for the period, net of tax	**(183.1)**	60.2	**(51.7)**	75.7

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 30 September 2019	As at 30 September	As at 31 December
(All figures are stated in RM million)	**2019**	**2018**
ASSETS		
Non current assets		
Property, plant and equipment	**7,117.3**	6,899.6
Investment properties	**1,900.8**	1,905.4
Prepaid land lease payments	**-**	49.6
Long term prepayment	**207.8**	207.1
Deferred tax assets	**61.3**	68.3
Associates	**2,108.8**	1,971.4
Joint ventures	**505.8**	531.8
Investments	**10.9**	18.7
Intangible assets	**1,303.5**	1,346.0
Inventories	**819.6**	759.9
Receivables	**374.8**	335.2
	14,410.6	14,093.0
Current assets		
Biological assets	**21.4**	15.7
Inventories	**982.5**	1,115.1
Contract assets	**1,187.8**	994.7
Receivables	**1,422.8**	1,528.5
Deposits, cash and bank balance	**1,160.8**	753.3
Assets classified as held for sale	**316.2**	330.3
	5,091.5	4,737.6
TOTAL ASSETS	**19,502.1**	18,830.6
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	**2,735.7**	2,735.7
Reserves	**2,521.8**	2,632.3
Shareholders' equity	**5,257.5**	5,368.0
Perpetual Sukuk	**1,021.3**	1,207.9
Non-controlling interests	**1,548.5**	1,601.7
Total equity	**7,827.3**	8,177.6
Non current liabilities		
Borrowings	**3,641.1**	2,671.5
Payables	**25.8**	26.8
Lease liabilities	**35.4**	-
Deferred tax liabilities	**437.2**	431.2
	4,139.5	3,129.5
Current liabilities		
Borrowings	**4,546.9**	4,861.4
Payables	**2,808.6**	2,506.0
Contract liabilities	**142.2**	111.2
Lease liabilities	**14.4**	-
Taxation	**23.2**	14.5
Dividend payable	**-**	30.4
	7,535.3	7,523.5
Total liabilities	**11,674.8**	10,653.0
TOTAL EQUITY AND LIABILITIES	**19,502.1**	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 30 September 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	**-**	**-**	**-**	**-**	**2.4**	**(0.1)**	**2.3**	**-**	**1.2**	**3.5**
Net (loss)/gain on equity investment designated at fair value through OCI										
- fair value changes	**-**	**-**	**(0.5)**	**-**	**-**	**-**	**(0.5)**	**-**	**-**	**(0.5)**
- disposal	**-**	**-**	**0.1**	**-**	**-**	**-**	**0.1**	**-**	**-**	**0.1**
- transfer upon disposal	**-**	**-**	**(0.1)**	**-**	**-**	**0.1**	**-**	**-**	**-**	**-**
Share of OCI investments accounted for using equity method	**-**	**-**	**37.7**	**-**	**0.3**	**(0.7)**	**37.3**	**-**	**(0.1)**	**37.2**
Total other comprehensive income/(loss) for the period	**-**	**-**	**37.2**	**-**	**2.7**	**(0.7)**	**39.2**	**-**	**1.1**	**40.3**
(Loss)/profit for the period	**-**	**-**	**-**	**-**	**-**	**(153.1)**	**(153.1)**	**61.6**	**(0.5)**	**(92.0)**
Total comprehensive income/(loss) for the period	**-**	**-**	**37.2**	**-**	**2.7**	**(153.8)**	**(113.9)**	**61.6**	**0.6**	**(51.7)**
Perpetual Sukuk										
- Distribution	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(48.2)**	**-**	**(48.2)**
- Redemption	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(200.0)**	**-**	**(200.0)**
Share of effect on changes in group's structure of an associate on dilution in a subsidiary	**-**	**-**	**-**	**-**	**-**	**2.6**	**2.6**	**-**	**-**	**2.6**
Changes in ownership interests in a subsidiary										
- Share options granted by a subsidiary	**-**	**-**	**-**	**-**	**-**	**0.8**	**0.8**	**-**	**1.7**	**2.5**
Transfer during the period										
- Regulatory reserve of an associate	**-**	**-**	**-**	**1.9**	**-**	**(1.9)**	**-**	**-**	**-**	**-**
Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(55.5)**	**(55.5)**
Balance at 30 September 2019	**2,735.7**	**-**	**58.8**	**188.3**	**436.7**	**1,838.0**	**5,257.5**	**1,021.3**	**1,548.5**	**7,827.3**

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 30 September 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	-	-	-	-	(3.6)	-	(3.6)	-	(4.0)	(7.6)
Net (loss)/gain on equity investment designated at fair value through OCI										
- fair value changes	-	-	(1.1)	-	-	-	(1.1)	-	-	(1.1)
- disposal	-	-	0.2	-	-	-	0.2	-	-	0.2
Share of OCI investments accounted for using equity method	-	-	5.7	-	1.6	-	7.3	-	-	7.3
Total other comprehensive income/(loss) for the period	-	-	4.8	-	(2.0)	-	2.8	-	(4.0)	(1.2)
(Loss)/profit for the period	-	-	-	-	-	(14.2)	(14.2)	55.1	36.0	76.9
Total comprehensive income/(loss) for the period	-	-	4.8	-	(2.0)	(14.2)	(11.4)	55.1	32.0	75.7
Perpetual Sukuk										
- Distribution	-	-	-	-	-	-	-	(43.1)	-	(43.1)
Changes in ownership interests in a subsidiary										
- Issue of shares by a Subsidiary	-	-	-	-	-	(0.6)	(0.6)	-	0.9	0.3
- Share options granted by a subsidiary	-	-	-	-	-	-	-	-	3.6	3.6
Transfer during the period										
- Regulatory reserve of an associate	-	-	-	13.9	-	(13.9)	-	-	-	-
Dividends	-	-	-	-	-	(121.6)	(121.6)	-	(115.1)	(236.7)
Balance at 30 September 2018	2,735.7	-	13.3	118.2	431.0	2,706.3	6,004.5	1,219.7	1,770.1	8,994.3

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 30 September 2019

(All figures are stated in RM million)	**2019**	**2018**
Operating activities		
Receipts from customers	**7,489.0**	7,352.1
Cash paid to suppliers and employees	**(6,548.8)**	(6,792.8)
	940.2	559.3
Income taxes paid less refund	**(72.3)**	(110.0)
Net cash from operating activities	**867.9**	449.3
Investing activities		
Property, plant & equipment purchased	**(489.7)**	(838.1)
Purchase and development of property development and investment properties	**(133.6)**	(129.4)
Purchase of intangible assets	**(18.5)**	(34.7)
Disposal of property, plant & equipment	**1.9**	21.7
Disposal of plantation assets	**120.0**	-
Acquisition of a joint venture	**-**	(11.1)
Additional investment in an a joint venture	**-**	(50.0)
Contribution to a joint venture's capital expenditure	**-**	(81.9)
Deposit received on disposal of land	**-**	9.5
Deposit paid on acquisition of land	**-**	(39.7)
Others	**53.3**	34.0
Net cash used in investing activities	**(466.6)**	(1,119.7)
Financing activities		
Transactions with owners	**(30.4)**	(121.6)
Transactions with holders of Perpetual Sukuk	**(248.2)**	(43.1)
Repayment of lease liabilities	**(7.4)**	-
New loans	**1,379.7**	901.6
Loans repayment	**(443.4)**	(876.6)
Other borrowings	**(274.9)**	1,344.7
Interest paid	**(312.9)**	(282.1)
Dividends paid to non-controlling interests	**(55.5)**	(115.1)
Net cash from financing activities	**7.0**	807.8
Net increase in cash and cash equivalent	**408.3**	137.4
Foreign currency translation difference	**(0.2)**	(0.9)
Cash and cash equivalent at beginning of period	**694.0**	592.0
Cash and cash equivalent at end of period	**1,102.1**	728.5
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**1,160.8**	786.2
Overdrafts	**(58.7)**	(57.7)
Cash and cash equivalent at end of period	**1,102.1**	728.5

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 30 September 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.

<u>MFRS 16 Leases</u>

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 RM20,000).

(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 RM20,000). 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: 1.5 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	398.1	881.5	417.3	154.5	2,104.8	3,846.1	(16.8)	7,785.5
Inter-segment sales	-	-	(16.8)	-	-	-	16.8	-
External sales	398.1	881.5	400.5	154.5	2,104.8	3,846.1	-	7,785.5
Result								
Segment result								
- external	(34.7)	(25.2)	51.8	20.8	70.4	129.9	-	213.0
Gain on disposal of plantation land	119.5	-	-	-	-	-	-	119.5
Impairment of property, plant and equipment	-	(80.4)	(42.8)	-	-	-	-	(123.2)
Finance cost	(48.1)	(53.7)	(72.2)	(131.8)	(37.8)	(12.1)	102.2	(253.5)
Interest income	1.0	1.4	11.2	119.1	0.9	2.7	(102.2)	34.1
Other investment result	-	(38.1)	-	0.1	-	0.2	-	(37.8)
Share of result of associates	4.6	-	(3.2)	84.6	-	(0.6)	-	85.4
Share of result of joint ventures	-	3.4	(12.4)	(14.5)	-	-	-	(23.5)
Profit/(loss) before taxation	42.3	(192.6)	(67.6)	78.3	33.5	120.1	-	14.0
Taxation								(106.0)
Loss after taxation								(92.0)
Other Information								
Depreciation and amortisation	(125.6)	(31.1)	(17.6)	(16.3)	(54.1)	(56.7)	-	(301.4)
Profit/(loss) on disposal	-	-	-	-	-	-	-	-
- Plantation land	119.5	-	-	-	-	-	-	119.5
- Other assets	(1.2)	-	-	(0.2)	-	0.7	-	(0.7)
Other non-cash (expense)/income*	-	(110.6)	(45.0)	2.4	0.8	(0.7)	-	(153.1)
Breakdown of Revenue								
Sale of produce	397.1	-	-	-	-	-	-	397.1
Sale of petroleum products	-	-	-	-	-	3,569.6	-	3,569.6
Sale of pharmaceutical products	-	-	-	-	2,104.8	-	-	2,104.8
Shipbuilding and repair	-	877.9	-	-	-	-	-	877.9
Sale of development properties	-	-	208.7	-	-	-	-	208.7
Hotel operations	-	-	105.9	-	-	-	-	105.9
Others	1.0	1.1	-	153.5	-	272.4	-	428.0
Revenue from contracts with customers	398.1	879.0	314.6	153.5	2,104.8	3,842.0	-	7,692.0
Rental income	-	2.5	85.9	1.0	-	4.1	-	93.5
Total revenue	398.1	881.5	400.5	154.5	2,104.8	3,846.1	-	7,785.5
Timing of Revenue Recognition								
Goods/services transferred:								
- At a point in time	397.1	2.9	131.9	29.8	2,088.8	3,828.2	-	6,478.7
- Over time	1.0	878.6	268.6	124.7	16.0	17.9	-	1,306.8
	398.1	881.5	400.5	154.5	2,104.8	3,846.1	-	7,785.5

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	427.4	578.9	383.7	147.3	1,788.3	4,025.0	(17.0)	7,333.6
Inter-segment sales	-	-	(17.0)	-	-	-	17.0	-
External sales	427.4	578.9	366.7	147.3	1,788.3	4,025.0	-	7,333.6
Result								
Segment result								
- external	(22.3)	17.6	47.6	7.2	77.7	129.3	-	257.1
Finance cost	(23.1)	(57.0)	(56.1)	(95.1)	(33.2)	(14.3)	83.3	(195.5)
Interest income	1.3	1.5	13.0	90.3	0.5	1.4	(83.3)	24.7
Other investment result	-	-	-	0.1	-	0.3	-	0.4
Share of result of associates	2.5	-	(2.8)	79.9	-	0.7	-	80.3
Share of result of joint ventures	-	7.8	(15.0)	(5.3)	-	-	-	(12.5)
(Loss)/profit before taxation	(41.6)	(30.1)	(13.3)	77.1	45.0	117.4	-	154.5
Taxation								(77.6)
Profit after taxation								76.9
Other Information								
Depreciation and amortisation	(100.1)	(40.0)	(18.1)	(15.9)	(40.7)	(55.2)	-	(270.0)
Profit/(loss) on disposal								
- Other assets	-	11.9	-	(0.2)	-	3.5	-	15.2
Other non-cash (expense)/income*	-	(1.6)	(6.8)	(0.4)	(13.7)	4.8	-	(17.7)
Breakdown of Revenue								
Sale of produce	427.4	-	-	-	-	-	-	427.4
Sale of petroleum products	-	-	-	-	-	3,747.7	-	3,747.7
Sale of pharmaceutical products	-	-	-	-	1,788.3	-	-	1,788.3
Shipbuilding and repair	-	574.9	-	-	-	-	-	574.9
Sale of development properties	-	-	169.1	-	-	-	-	169.1
Hotel operations	-	-	112.4	-	-	-	-	112.4
Others	-	1.5	-	146.5	-	271.6	-	419.6
Revenue from contracts with customers	427.4	576.4	281.5	146.5	1,788.3	4,019.3	-	7,239.4
Rental income	-	2.5	85.2	0.8	-	5.7	-	94.2
Total revenue	427.4	578.9	366.7	147.3	1,788.3	4,025.0	-	7,333.6
Timing of Revenue Recognition								
Goods/services transferred:								
- At a point in time	427.4	4.2	134.7	36.2	1,750.1	4,017.0	-	6,369.6
- Over time	-	574.7	232.0	111.1	38.2	8.0	-	964.0
	427.4	578.9	366.7	147.3	1,788.3	4,025.0	-	7,333.6

* 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

(i) 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).

(ii) During the current quarter, the Company issued a total of RM650 million of IMTN under the RM2.0 billion Sukuk Programme. The details are disclosed in note 22(a)(ii).

(iii) During the current quarter, the Company redeemed RM200 million of Perpetual Sukuk.

(iv) During the current quarter, the Group redeemed RM210 million of assets-backed bonds.

There were no other issuances and repayments 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 26 November 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

During the period, Boustead DCNS Naval Corporation Sdn Bhd (BDNC), a joint venture of the Group received a letter from the Ministry of Defence Malaysia (MINDEF) claiming for liquidated damages (LD) amounting to RM22.4 million and EUR8.8 million for the Refit works on KD TUANKU ABDUL RAHMAN.

BDNC has made adequate provision for the LD claim to the extent of the expected amount of LD payable and no further losses are expected to be incurred. The provision was made taking into consideration of appropriate justifications and supporting documentations which were submitted to MINDEF for their consideration.

The status of the contingent liability as disclosed in the FY2018 annual financial statements remains unchanged as at 26 November 2019. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 30 September 2019:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	403.2	133.0
Acquisition of plantation land	-	34.6
	403.2	167.6

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	-	-	14.9	3.6	18.5
Foreign exchange fluctuation	1.3	-	-	0.8	2.1
At 30 September 2019	1,226.1	75.0	319.7	73.9	1,694.7
Accumulated amortisation and impairment					
At 1 January 2019	156.1	67.3	95.5	9.2	328.1
Amortisation	-	6.5	15.2	2.8	24.5
Impairment	38.1	-	-	-	38.1
Foreign exchange fluctuation	-	-	-	0.5	0.5
At 30 September 2019	194.2	73.8	110.7	12.5	391.2
Net carrying amount					
At 30 September 2019	1,031.9	1.2	209.0	61.4	1,303.5
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 30 September 2019	**Current Period**		**+/(-)**	**Cumulative Period**		**+/(-)**
(All figures are stated in RM million)	**2019**	**2018**	**%**	**2019**	**2018**	**%**
Revenue	2,734.7	2,602.4	5%	7,785.5	7,333.6	6%
Profit from operations	82.9	108.4	-24%	213.0	257.1	-17%
(Loss/)profit before interest and taxation	(73.9)	130.1	-157%	233.4	325.3	-28%
(Loss)/profit before taxation	(156.4)	63.8	-345%	14.0	154.5	-90%
(Loss)/profit for the period	(187.5)	40.1	-568%	(92.0)	76.9	-220%
(Loss)/profit attributable to shareholders of the Company	(155.0)	7.3	-2223%	(153.1)	(14.2)	-978%

Results for Current Quarter

For the 3rd quarter ended 30 September 2019 (3QFY19), the Group recorded a loss before taxation (LBT) of RM156.4 million, compared unfavourably against the profit before taxation (PBT) of RM63.8 million registered in last year's corresponding period (3QFY18). The Group's bottom line was impacted mainly by impairment in Heavy Industries and Property Divisions of RM161.3 million. In addition, results from other Divisions were also weaker. The Group also incurred a loss after taxation of RM187.5 million (3QFY18: profit after taxation of RM40.1 million). After allocation to non-controlling interests and perpetual sukuk holders, the Group registered a net loss of RM155.0 million (3QFY18: net profit of RM7.3 million).

Results for Cumulative Period

For the nine-month period ended 30 September 2019 (9MFY19), the Group posted a much lower PBT of RM14.0 million against last year's corresponding period (9MFY18) of RM154.5 million. The performance of the Group for the period was mainly impacted by impairment in Heavy Industries and Property Divisions as mentioned above. In addition, the Group's result was also affected by higher finance cost and operating losses recorded by Plantation and Heavy Industries Divisions. These have offset the gain on disposal of plantation land of RM119.5 million. Cumulative loss after taxation stood at RM92.0 million (9MFY18: profit after taxation of RM76.9 million) while net loss after allocation to non-controlling interests and perpetual sukuk holders stood at RM153.1 million (9MFY18: RM14.2 million).

Revenue

For 9MFY19, the Group posted a higher revenue of RM7.8 billion, an increase of 6% from RM7.3 billion in 9MFY18. The Heavy Industries Division closed the period with an increased revenue of RM881.5 million (9MFY18: RM578.9 million) on the back of progress achieved for shipbuilding and ship repair activities. Revenue from the Pharmaceutical Division for the cumulative period also improved to RM2.1 billion (9MFY18: RM1.8 billion) due to solid contributions from both the concession and non-concession businesses. The Property Division's revenue increased by 9% to RM400.5 million, largely due to higher progress of works for development activity at Taman Mutiara Rini, Johor and One Cochrane Residences, Kuala Lumpur. The Finance & Investment Division also posted a higher revenue of RM154.5 million, reflecting a 5% increase, mainly due to higher tuition fees from the University of Nottingham Malaysia Campus. Meanwhile, the Trading & Industrial and Plantation Divisions registered lower revenues of RM3.8 billion (9MFY18: RM4.0 billion) and RM398.1 million (9MFY18: RM427.4 million) respectively, mainly due to lower commodities prices.

Plantation Division

For the nine-month period, the Plantation Division registered a surplus of RM42.3 million (9MFY18: deficit of RM41.6 million) mainly due to the gain on disposal of plantation land as mentioned above. Nevertheless, the Division's bottom line continued to be impacted by the decline in palm products prices. For 9MFY19, the average selling price of CPO stood at RM2,011 per MT, a reduction of RM380 or 16% from RM2,391 per MT in 9MFY18. Similarly, the average selling price of PK stood at RM1,179 per MT, a reduction of RM745 or 39% from RM1,924 per MT in 9MFY18. FFB production for 9MFY19 was 727,771 MT, 10% higher than 660,088 MT in last year's corresponding period. Oil extraction rate increased to 21.6% (9MFY18: 21.1%) while kernel extraction rate remained at 4.4%.

Property Division

The Property Division ended the period with a higher deficit of RM67.6 million (9MFY18: RM13.3 million) mainly due to impairment of hotel properties to the tune of RM42.8 million. In addition, the operating results from property investment and hotel segments were also weaker. For 9MFY19, property investment segment recorded an increased loss arising from start-up cost for recently completed Nucleus Tower. Meanwhile, hotel segment's bottom line was impacted by impairment as well as lower occupancy and average room rates attained. On the positive note, property development segment recorded a higher PBT mainly due to better contribution from Taman Mutiara Rini, Johor.

Trading & Industrial Division

For the nine-month period, the Trading & Industrial Division recorded a higher PBT of RM120.1 million (9MFY18: RM117.4 million). This was achieved on the back of improved results from Boustead Petroleum Marketing (BPM), which benefitted from higher stockholding gains as well as better margins and sales volumes.

Finance & Investment Division

The Finance & Investment Division turned in a PBT of RM78.3 million, a marginal increase compared with RM77.1 million in 9MFY18. This was mainly due to stronger contributions from Affin Bank, as a result of lower credit impairment losses and higher net gain on financial instruments. The University of Nottingham in Malaysia also contributed positively, although this was partly offset by increased net finance costs and higher share of loss in a joint venture.

17. Performance Review (Cont'd.)

Pharmaceutical Division

For 9MFY18, the Pharmaceutical Division recorded a lower PBT of RM33.5 million (9MFY18: RM45.0 million). Despite an improved revenue, the Division's bottom line was impacted by reduced margins and higher finance costs.

Heavy Industries Division

For the cumulative period, the Heavy Industries Division incurred a higher deficit of RM192.6 million (9MFY18: RM30.1 million) as the bottom line was impacted by the impairment of aircraft and goodwill for MHS Aviation totalling RM118.5 million. During the nine-month period, BNS incurred a lower loss mainly due to better contribution from LMS project and unrealised foreign exchange gain. On the other hand, Boustead Heavy Industrial Corporation (BHIC) was impacted by lower contribution from maintenance, repair and overhaul activities and reduced share of profit from joint venture companies.

Statement of Financial Position

As at 30 September 2019, borrowings have increased due to the issuance of IMTN and the drawdown of new term loan facilities. Subsequently, deposit, cash and bank balances have also increased. On the other hand, payables have increased mainly due to higher amount due to suppliers.

Statement of Cash Flows

For 9MFY19, the Group recorded higher cash inflow from operation of RM867.9 million (9MFY18: RM449.3 million) mainly due to higher collection from customers and Government. On the other hand, the financing activity for the period recorded lower cash inflow of RM7.0 million mainly due to repayment of revolving credits and redemption of Perpetual Sukuk, as compared to higher cash inflow of RM807.8 million in 9MFY18 from drawdown of revolving credits.

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

For the quarter ended 30 September 2019	**Current Period**	**Immediate Preceding Period**	**+/(-)**
(All figures are stated in RM million)	**30.9.2019**	**30.6.2019**	**%**
Revenue	2,734.7	2,544.1	7%
Profit from operations	82.9	37.8	119%
(Loss)/profit before interest and taxation	(73.9)	187.9	-139%
(Loss)/profit before taxation	(156.4)	118.9	-232%
(Loss)/profit for the period	(187.5)	84.1	-323%
(Loss)/Profit attributable to shareholders of the Company	(155.0)	24.3	-738%

Results for Current Quarter

For the current quarter (3QFY19), the Group registered a LBT of RM156.4 million as compared against a PBT of RM118.9 million in the preceding quarter (2QFY18). The current quarter's result was affected by the impairment in Heavy Industries and Property Divisions of RM161.3 million as mentioned above. In addition, the bottom line of 2QFY18 has benefitted from the gain on disposal of plantation land of RM119.5 million. Loss after taxation for the quarter stood at RM187.5 million (2QFY19: PAT of RM84.1 million) while net loss was RM155.0 million (2QFY19: net profit of RM24.3 million).

Plantation Division

The Plantation Division posted a deficit of RM27.8 million in 3QFY19 (2QFY19: surplus of RM84.1 million), in the absence of the gain on disposal of plantation land. During the quarter, CPO price improved to RM2,026 per MT (2QFY19: RM1,989 per MT) while PK price increased to RM1,138 per MT (2QFY19: RM1,099 per MT).

Property Division

For 3QFY19, the Property Division recorded a higher deficit of RM45.6 million (2QFY19: RM3.0 million) mainly due to impairment of hotel properties of RM42.8 million in the quarter.

Finance & Investment Division

The Finance & Investment Division closed the current quarter with a lower PBT of RM9.1 million (2QFY19: RM32.7 million), mainly due to reduced contribution from Affin Bank and higher net finance costs.

Pharmaceutical Division

For the current quarter, the Pharmaceutical Division incurred a deficit of RM0.4 million (2QFY19: surplus of RM8.0 million), mainly due to the recovery of previously impaired receivables which benefitted the preceding quarter.

Trading & Industrial Division

For 3QFY19, the Trading & Industrial Division posted a higher PBT of RM37.9 million (2QFY19: RM27.7 million). This was primarily attributable to a stockholding gain recorded by BPM and better contribution from UAC Berhad.

Heavy Industries Division

The Heavy Industries Division posted a higher deficit of RM129.6 million in the current quarter (2QFY19: RM30.6 million) mainly due to impairment of aircraft and goodwill in MHS Aviation totalling RM118.5 million. On the positive note, BNS recorded a better contribution on the back of increased gross profit from the LCS and LMS projects.

19. Prospects

For the rest of 2019, the domestic economy is expected to moderate synchronically with the global economic slowdown. However, in the growth-centric 2020 Budget announced recently, the Malaysian economy is anticipated to grow by 4.7% this year and improving to 4.8% in 2020 on the back of a healthy labour market and low and stable inflation. With this, the Group remains cautious of the long-term prospect in delivering sustainable earnings to increase shareholders' value.

Plantation Division

The Plantation Division's prospects for the rest of the year will be much driven by CPO price, crop production and the Division's transformation programme. The transformation programme will focus on yield improvement, prudent cost management and operational efficiency to enhance profitability.

Pharmaceutical Division

The Pharmaceutical Division recorded improved revenue for the first nine months driven by contributions from both the concession and non-concession businesses. However, its bottom line was impacted due to reduced contribution margins. In the final quarter of the year, the Division foresees further impact on earnings due to higher amortisation of the Pharmacy Hospital Information System. Nevertheless, the Division remains optimistic on long-term prospects, particularly given the extension by the Ministry of Health (MOH) for the Division's services for the provision of medicines and medical supplies to MOH facilities from 1 December 2019 to 31 December 2021. In addition, the Division will also continue to provide logistics and distribution services to MOH for a period of five years ending 31 December 2024. Given its proven track record and performance, the Division is well-equipped to continue providing quality products and services. In the interim, the Division remains focused on strengthening capabilities and operational efficiencies to meet the healthcare needs of both domestic and overseas markets.

Property Division

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 stable.

Other Divisions

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	29.0	92.5
- Deferred	7.2	7.7
	36.2	100.2
(Over)/under provision of prior years	(5.1)	5.8
	31.1	106.0

The Group's effective rate for the 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.

BCSB and LTAT had on 11 July 2019, mutually agreed to terminate the acquisition whereby LTAT has refunded the deposit paid by BCSB under the sale and purchase agreement.

(ii) The Company had issued two tranches of Islamic Medium Term Notes (IMTN) under the RM2.0 billion Sukuk Programme as follows:

a) RM200 million on 30 January 2019, with maturity of 7 years at a profit rate of 6.2%.

b) RM650 million on 24 July 2019, with maturity of 5 years at a profit rate of 6.5%.

All issuances are 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 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.

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 remaining conditions precedent:

a) The approvals of relevant authorities; and

b) 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 4th quarter of 2019.

There were no other corporate proposals announced or pending completion as at 26 November 2019.

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

(b) Status on Utilisation of Proceeds from Rights Issue as at 31 October 2019

	Proposed	Actual		Deviation		
(In RM Million)	**Utilisation**	**Utilisation**	**Time Frame**	**Amount**	**%**	**Explanation**
Repayment of bank borrowings	486.0	486.0	Within 12 months	-		Fully utilised
Property development activities	507.0	270.4	Within 43 months until 31 December 2019	236.6	47%	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	818.2		236.6		

(c) Status on Utilisation of Proceeds from Issue of IMTNs as at 31 October 2019

	Proposed	Actual		Deviation		
(In RM Million)	**Utilisation**	**Utilisation**	**Time Frame**	**Amount**	**%**	**Explanation**
Refinancing of existing borrowings/ financing	1,962.4	1,312.4	Not applicable	650.0	33%	To be utilised
Funding of reserve account and expenses of IMTN programme	44.4	44.4	Not applicable	-		Fully utilised
Funding of working capital	343.2	343.2	Not applicable	-		Fully utilised
	2,350.0	1,700.0		650.0		

23. Changes in Material Litigations

(i) In respect of the litigation referred to in Note 36 (a) of 2018 Annual Report, trial , trial first took place on 5 & 10 April 2019 and will be continued on 19 & 20 December 2019.

(ii) In respect of the litigation referred to in Note 36 (b) of 2018 Annual Report, hearing of all four Defendants' striking out applications has tentatively been fixed to 10 December 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 26 November 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)	**(155.0)**	7.3	**(153.1)**	(14.2)
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)	**(7.65)**	0.36	**(7.55)**	(0.70)

25. Group Borrowings and Debt Securities

Total group borrowings as at 30 September 2019 are as follows:-

	30.9.2019 RM million	**31.12.2018 RM million**	**30.9.2018 RM million**
Non-current:			
Term loans			
- Denominated in Great Britain Pound	**58.5**	61.5	63.7
- Denominated in Indonesian Rupiah	**-**	121.2	126.2
- Denominated in RM	**1,034.0**	597.5	711.3
	1,092.5	780.2	901.2
Asset-backed bonds	**-**	209.6	209.4
Islamic medium term notes	**2,339.2**	1,492.5	1,342.5
Revolving credits	**509.1**	649.1	-
	3,940.8	3,131.4	2,453.1
Less: repayable in 1 year	**299.7**	459.9	614.8
	3,641.1	2,671.5	1,838.3
Current:			
Bank overdrafts	**58.7**	59.3	57.7
Bankers' acceptances			
- Denominated in Indonesian Rupiah	**170.8**	15.5	10.2
- Denominated in RM	**298.9**	476.1	464.7
Revolving credits	**3,718.8**	3,850.6	4,575.3
Short term loans	**299.7**	459.9	614.8
	4,546.9	4,861.4	5,722.7
Total borrowings	**8,188.0**	7,532.9	7,561.0

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

v) 1 tranche of RM650 million Sukuk Murabahah, which was issued during the current quarter, with maturity 5 years from the date of issue and carries profit rate of 6.5% per annum

A subsidiary has a term loan of RM47.5 million (2018: RM61.9 million) which is repayable within 4 years commencing from 27 April 2017. This subsidiary also has revolving credits of RM734.6 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 RM58.5 million (2018: RM61.5 million) which is secured against a property owned by the subsidiary.

During the period, a Subsidiary has fully-redeemed the asset-backed bonds (Bonds) which were secured by a debenture over the assets of the Subsidiary, a special purpose vehicle created for the Bonds issuance. The amount of the Bonds outstanding as at 31 December 2018 was RM209.6 million.

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)

	30.9.2019	31.12.2018	30.9.2018
Denominated in Great Britain Pound	**11.4**	11.7	11.8
Denominated in Indonesian Rupiah	**586,942**	474,653	476,923
Exchange rate:			
- Great Britain Pound	**5.14**	5.27	5.42
- Indonesian Rupiah	**0.0291**	0.0288	0.0286

As at 30 September 2019, the Group's borrowing was higher at RM8.2 billion (As at 31 December 2018: RM7.5 billion). The increase was mainly due to the issuance of IMTN as mentioned above and the drawdown of new term loan facilities.

As at 30 September 2019, the weighted average interest rate of borrowings is 5.4% (As at 31 December 2018: 5.3%) per annum. The proportion of debt based on fixed and floating interest rate is 25% (As at 31 December 2018: 23%) and 75% (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 (loss)/profit before taxation is stated after deducting/(crediting) the following:

	Current Quarter		Cumulative Quarter	
	2019 RM million	2018 RM million	2019 RM million	2018 RM million
Depreciation and amortisation	**105.6**	96.6	**301.4**	270.0
Provision for and write off of receivables	**0.3**	3.6	**7.8**	11.5
Provision for and write off of inventories	**1.0**	2.1	**8.1**	10.4
Impairment of property, plant and equipment	**123.2**	**-**	**123.2**	**-**
Impairment of goodwill	**38.1**	**-**	**38.1**	**-**
Gain on disposal of plantation land	**-**	**-**	**(119.5)**	**-**
(Gain)/loss on disposal of other property, plant and equipment	**(0.3)**	(12.3)	**0.7**	(15.2)
Foreign exchange (gain)/loss	**(9.7)**	19.0	**(8.9)**	8.6
Net fair value (gain)/loss on derivatives	**(0.7)**	(5.8)	**0.1**	(4.7)

27. Plantation Statistics

	Cumulative Period	
	2019	2018
(a) Crop production and yield		
FFB (MT)	**727,771**	660,088
FFB (MT/ha)	**10.4**	10.4
CPO production (MT)	**166,489**	146,909
PK production (MT)	**34,258**	30,663
(b) Average selling prices (RM per MT)		
FFB	**380**	466
Crude palm oil (CPO)	**2,011**	2,391
Palm kernel (PK)	**1,179**	1,924
(c) Oil extraction rate (%)		
Crude palm oil	**21.6**	21.1
Palm kernel	**4.4**	4.4

(d) Planted areas (hectares)

		As at 30.9.2019	As at 31.12.2018
Oil palm	- immature	**7,206**	6,364
	- young mature	**13,183**	12,480
	- prime mature	**27,167**	29,750
	- past prime	**31,850**	26,438
		79,406	75,032