

**Boustead Holdings Berhad (3871-H)****UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

<b>For the year ended 31 December 2019</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>Restated</b>		<b>Restated</b>
<b>Revenue</b>	<b>2,548.4</b>	2,852.8	<b>10,333.9</b>	10,186.4
<b>Operating cost</b>	<b>(2,714.6)</b>	(3,142.0)	<b>(10,271.9)</b>	(10,218.5)
<b>Results from operations</b>	<b>(166.2)</b>	(289.2)	<b>62.0</b>	(32.1)
Gain on disposal of plantation land	-	-	<b>119.5</b>	-
Impairment of property, plant and equipment	<b>(187.3)</b>	(77.9)	<b>(310.5)</b>	(77.9)
Impairment of goodwill	<b>(725.2)</b>	(106.2)	<b>(763.3)</b>	(106.2)
Accelerated amortisation of rights to supply	<b>(232.1)</b>	-	<b>(247.3)</b>	-
Fair value loss on investment properties	<b>(6.5)</b>	(78.0)	<b>(6.5)</b>	(78.0)
Other investment results	<b>0.1</b>	0.8	<b>0.4</b>	1.2
Share of results of associates	<b>31.6</b>	35.2	<b>117.0</b>	115.5
Share of results of joint ventures	<b>67.9</b>	(69.5)	<b>44.4</b>	(82.0)
<b>Loss before interest and taxation</b>	<b>(1,217.7)</b>	(584.8)	<b>(984.3)</b>	(259.5)
Finance cost	<b>(146.8)</b>	(76.0)	<b>(400.3)</b>	(271.5)
Interest income	<b>14.7</b>	7.8	<b>48.8</b>	32.5
<b>Loss before taxation</b>	<b>(1,349.8)</b>	(653.0)	<b>(1,335.8)</b>	(498.5)
Taxation	<b>55.5</b>	2.9	<b>(50.5)</b>	(74.7)
<b>Loss for the year</b>	<b>(1,294.3)</b>	(650.1)	<b>(1,386.3)</b>	(573.2)
Attributable to:				
Shareholders of the Company	<b>(1,125.7)</b>	(540.1)	<b>(1,278.8)</b>	(554.3)
Holders of Perpetual Sukuk	<b>17.8</b>	18.8	<b>79.4</b>	73.9
Non-controlling interests	<b>(186.4)</b>	(128.8)	<b>(186.9)</b>	(92.8)
<b>Loss for the year</b>	<b>(1,294.3)</b>	(650.1)	<b>(1,386.3)</b>	(573.2)
<b>Loss per share - sen</b>				
Basic/diluted	<b>(55.54)</b>	(26.65)	<b>(63.09)</b>	(27.35)

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 year ended 31 December 2019	Current Period		Cumulative Period	
(All figures are stated in RM million)	2019	2018 Restated	2019	2018 Restated
<b>Loss for the year</b>	<b>(1,294.3)</b>	(650.1)	<b>(1,386.3)</b>	(573.2)
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	<b>(2.0)</b>	5.1	<b>1.5</b>	(2.5)
Share of OCI of investments accounted for using the equity method	<b>(8.1)</b>	8.3	<b>29.1</b>	15.6
	<b>(10.1)</b>	13.4	<b>30.6</b>	13.1
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Net gain/(loss) on equity investment designated at fair value through OCI				
- Fair value changes	<b>0.4</b>	(1.9)	<b>(0.1)</b>	(3.0)
- Disposals	<b>-</b>	(0.5)	<b>0.1</b>	(0.3)
	<b>0.4</b>	(2.4)	<b>-</b>	(3.3)
<b>Total comprehensive loss for the year, net of tax</b>	<b>(1,304.0)</b>	(639.1)	<b>(1,355.7)</b>	(563.4)
Attributable to:				
Shareholders of the Company	<b>(1,043.5)</b>	(531.5)	<b>(1,157.4)</b>	(542.9)
Holder of Perpetual Sukuk	<b>17.8</b>	18.8	<b>79.4</b>	73.9
Non-controlling interests	<b>(278.3)</b>	(126.4)	<b>(277.7)</b>	(94.4)
<b>Total comprehensive loss for the year, net of tax</b>	<b>(1,304.0)</b>	(639.1)	<b>(1,355.7)</b>	(563.4)

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**

<b>As at 31 December 2019</b>	<b>As at 31 December 2019</b>	<b>As at 31 December 2018 Restated</b>	<b>As at 1 January 2018 Restated</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	7,016.3	6,899.6	6,664.8
Investment properties	1,496.1	1,505.8	1,515.8
Right of use assets	347.8	-	-
Prepaid land lease payments	-	49.6	51.7
Long term prepayment	-	207.1	201.8
Deferred tax assets	14.8	68.3	52.5
Associates	2,116.5	1,971.4	2,051.5
Joint ventures	566.4	523.5	544.1
Investments	10.2	18.7	35.7
Intangible assets	374.4	1,346.0	1,391.0
Inventories	839.7	759.9	591.1
Receivables	188.7	335.2	-
	<b>12,970.9</b>	<b>13,685.1</b>	<b>13,100.0</b>
<b>Current assets</b>			
Biological assets	22.2	15.7	23.0
Inventories	1,041.1	1,115.1	782.6
Contract assets	933.5	994.7	1,258.5
Receivables	958.7	1,528.5	2,156.0
Deposits, cash and bank balance	940.4	753.3	631.1
Assets classified as held for sale	92.7	330.3	14.0
	<b>3,988.6</b>	<b>4,737.6</b>	<b>4,865.2</b>
<b>TOTAL ASSETS</b>	<b>16,959.5</b>	<b>18,422.7</b>	<b>17,965.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	2,735.7	2,735.7	2,735.7
Reserves	1,005.3	2,264.3	3,163.1
<b>Shareholders' equity</b>	<b>3,741.0</b>	<b>5,000.0</b>	<b>5,898.8</b>
Perpetual Sukuk	608.9	1,207.9	1,207.7
<b>Non-controlling interests</b>	<b>1,349.9</b>	<b>1,601.7</b>	<b>1,854.0</b>
<b>Total equity</b>	<b>5,699.8</b>	<b>7,809.6</b>	<b>8,960.5</b>
<b>Non current liabilities</b>			
Borrowings	3,522.9	2,671.5	1,456.5
Payables	24.6	26.8	35.7
Lease liabilities	27.8	-	-
Deferred tax liabilities	299.3	391.3	375.6
	<b>3,874.6</b>	<b>3,089.6</b>	<b>1,867.8</b>
<b>Current liabilities</b>			
Borrowings	4,386.7	4,861.4	4,727.4
Payables	2,900.8	2,506.0	2,296.0
Contract liabilities	60.5	111.2	82.5
Lease liabilities	14.7	-	-
Taxation	22.4	14.5	31.0
Dividend payable	-	30.4	-
	<b>7,385.1</b>	<b>7,523.5</b>	<b>7,136.9</b>
<b>Total liabilities</b>	<b>11,259.7</b>	<b>10,613.1</b>	<b>9,004.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,959.5</b>	<b>18,422.7</b>	<b>17,965.2</b>

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**

For the financial year ended 31 December 2019	Attributable to shareholders of the Company						Total	Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings				
As at 1 January 2019	2,735.7	-	21.6	186.4	434.0	1,622.3	5,000.0	1,207.9	1,601.7	7,809.6
Currency translation difference in respect of foreign operations	-	-	-	-	0.3	-	0.3	-	1.2	1.5
Net (loss)/gain on equity investment designated at fair value through OCI										
- fair value changes	-	-	(0.1)	-	-	-	(0.1)	-	-	(0.1)
- disposal	-	-	0.1	-	-	-	0.1	-	-	0.1
- transfer upon disposal	-	-	0.7	-	-	(0.7)	-	-	-	-
Share of OCI investments accounted for using equity method	-	-	29.0	-	0.8	(0.7)	29.1	-	-	29.1
Total other comprehensive income/(loss) for the period	-	-	29.7	-	1.1	(1.4)	29.4	-	1.2	30.6
(Loss)/profit for the period	-	-	-	-	-	(1,278.8)	(1,278.8)	79.4	(186.9)	(1,386.3)
Total comprehensive income/(loss) for the period	-	-	29.7	-	1.1	(1,280.2)	(1,249.4)	79.4	(185.7)	(1,355.7)
Perpetual Sukuk										
- Distribution	-	-	-	-	-	-	-	(85.4)	-	(85.4)
- Redemption	-	-	-	-	-	-	-	(593.0)	-	(593.0)
Issue of shares during the year under share options granted by an associate	-	-	-	-	-	2.6	2.6	-	-	2.6
Share of an associate's obligation to buy its subsidiary's shares	-	-	-	-	-	(12.6)	(12.6)	-	-	(12.6)
- Share options granted by a subsidiary	-	-	-	-	-	0.4	0.4	-	2.7	3.1
Transfer during the period										
- Regulatory reserve of an associate	-	-	-	(42.8)	-	42.8	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	(68.8)	(68.8)
<b>Balance at 31 December 2019</b>	<b>2,735.7</b>	<b>-</b>	<b>51.3</b>	<b>143.6</b>	<b>435.1</b>	<b>375.3</b>	<b>3,741.0</b>	<b>608.9</b>	<b>1,349.9</b>	<b>5,699.8</b>

**Boustead Holdings Berhad (3871-H)**
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)**

For the financial year ended 31 December 2018	Attributable to shareholders of the Company						Total	Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings				
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
Prior year adjustment	-	-	-	-	-	(282.9)	(282.9)	-	-	(282.9)
As at 1 January 2018, restated	2,735.7	29.3	-	156.6	433.0	2,544.2	5,898.8	1,207.7	1,854.0	8,960.5
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	-	-	-	-	(1.1)	-	(1.1)	-	(1.4)	(2.5)
Net (loss)/gain on equity investment designated at fair value through OCI										
- fair value changes	-	-	(3.0)	-	-	-	(3.0)	-	-	(3.0)
- disposal	-	-	(0.3)	-	-	-	(0.3)	-	-	(0.3)
- transfer upon disposal	-	-	2.7	-	-	(2.7)	-	-	-	-
Share of OCI investments accounted for using equity method	-	-	13.7	-	2.1	-	15.8	-	(0.2)	15.6
Total other comprehensive income/(loss) for the period	-	-	13.1	-	1.0	(2.7)	11.4	-	(1.6)	9.8
(Loss)/profit for the period	-	-	-	-	-	(554.3)	(554.3)	73.9	(92.8)	(573.2)
Total comprehensive income/(loss) for the period	-	-	13.1	-	1.0	(557.0)	(542.9)	73.9	(94.4)	(563.4)
Deferred tax arising from changes in tax rate in fair value surplus of freehold land, previously credited directly to retained earnings	-	-	-	-	-	(16.6)	(16.6)	-	(12.4)	(29.0)
Effect arising from group reorganisation of an associate	-	-	-	-	-	(146.1)	(146.1)	-	-	(146.1)
Share options granted during the year by an associate	-	-	-	-	-	1.7	1.7	-	-	1.7
Share of an associate's obligation to buy its subsidiaries shares	-	-	-	-	-	(0.8)	(0.8)	-	-	(0.8)
Share of effect on changes in group's structure of an associate on dilution of its subsidiary	-	-	-	-	-	0.1	0.1	-	-	0.1
Perpetual Sukuk										
- Distribution	-	-	-	-	-	-	-	(73.7)	-	(73.7)
Changes in ownership interests in a subsidiary										
- Issue of shares by a Subsidiary	-	-	-	-	-	(0.6)	(0.6)	-	1.0	0.4
- Share options granted by a subsidiary	-	-	-	-	-	2.1	2.1	-	2.3	4.4
Transfer during the period										
- Regulatory reserve of an associate	-	-	-	82.1	-	(82.1)	-	-	-	-
Dividends	-	-	-	-	-	(152.1)	(152.1)	-	(143.5)	(295.6)
<b>Balance at 31 December 2018, restated</b>	<b>2,735.7</b>	<b>-</b>	<b>21.6</b>	<b>186.4</b>	<b>434.0</b>	<b>1,622.3</b>	<b>5,000.0</b>	<b>1,207.9</b>	<b>1,601.7</b>	<b>7,809.6</b>

**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 year ended 31 December 2019**

<b>(All figures are stated in RM million)</b>	<b>2019</b>	<b>2018</b>
<b>Operating activities</b>		
Receipts from customers	10,884.5	10,947.4
Cash paid to suppliers and employees	(9,363.4)	(9,845.0)
	<b>1,521.1</b>	1,102.4
Income taxes paid less refund	(75.3)	(112.0)
Net cash from operating activities	<b>1,445.8</b>	990.4
<b>Investing activities</b>		
Purchase of property, plant and equipment	(466.0)	(940.1)
Purchase of intangible assets	(50.9)	(45.9)
Development of development property	(51.8)	(340.8)
Proceed from the sale of investment properties	-	9.7
Proceed from the sale of property, plant and equipment	121.9	14.6
Disposal of quoted shares	8.6	13.7
Acquisition of a joint venture	-	(11.1)
Additional investment in associates & subsidiaries	-	(50.0)
Contribution to a joint venture's capital expenditure	-	(109.3)
Dividends received - others	-	9.8
Deposit received on disposal of land	-	13.6
Deposit paid on acquisition of land	-	(39.7)
Interest received - others	48.8	32.5
Others	(3.6)	(44.5)
Net cash used in investing activities	<b>(393.0)</b>	(1,487.5)
<b>Financing activities</b>		
Transactions with owners	(99.2)	(265.2)
Transactions with holders of Perpetual Sukuk	(678.4)	(73.7)
New loans	1,384.4	1,055.8
Loans repayment	(591.9)	(1,004.5)
Net (repayment)/withdrawal of revolving credits and banker acceptances	(364.6)	1,285.8
Interest paid	(460.6)	(398.6)
Repayment of lease liabilities	(42.5)	-
Net cash (used in)/generated from financing activities	<b>(852.8)</b>	599.6
Net increase in cash and cash equivalent	<b>200.0</b>	102.5
Foreign currency translation difference	(0.2)	(0.5)
Cash and cash equivalent at beginning of period	<b>694.0</b>	592.0
<b>Cash and cash equivalent at end of period</b>	<b>893.8</b>	694.0
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	<b>940.4</b>	753.3
Overdrafts	(46.6)	(59.3)
<b>Cash and cash equivalent at end of period</b>	<b>893.8</b>	694.0

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 December 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

###### Adoption of MFRSs, Amendments to MFRSs and IC Interpretations

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

	<b>Effective Date</b>
• 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 RM20,000).



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****2. Accounting Policies (Cont'd.)****MFRS 16 Leases (Cont'd.)****(a) Effect of adoption of MFRS 16**

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

	<b>RM million</b>
	Increase/(Decrease)
<b>Assets</b>	
Right-of-use assets	314.7
Prepaid land lease payments	(49.6)
Long term prepayments	(207.1)
<b>Liabilities</b>	
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 separate lease and non-lease components for classes of assets.



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****2. Accounting Policies (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.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****2. Accounting Policies (Cont'd.)****Standards Issued but not yet Effective**

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

	<b>Effective Date</b>
• 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 Group'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**

During the current year, a Subsidiary received a letter from the Ministry of Health (MOH), extending its services for the provision of medicines and medical supplies to MOH facilities for an interim period of twenty-five (25) months, commencing 1 December 2019 to 31 December 2021 to allow MOH to make necessary preparations to undertake the service. In addition, the Subsidiary also secured a five (5) year contract to continue providing logistics and distribution services for MOH for a period of five (5) years ending 31 December 2024. Due to the new arrangement, the Subsidiary has to revise the useful life of rights to supply and hence, the remaining unamortised rights to supply is fully recognised in current year. The revision has been accounted for as a change in accounting estimate and as a result, the amortisation charged during the financial year as disclosed in Note 16 was RM247 million.

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 3<sup>rd</sup> 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: Nil) in respect of the financial year ended 31 December 2019.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter 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:

<b>RM million</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Property</b>	<b>Finance &amp; Investment</b>	<b>Pharma- ceutical</b>	<b>Trading &amp; Industrial</b>	<b>Elim'n</b>	<b>Total</b>
<b>2019</b>								
<b>Revenue</b>								
Group total sales	577.2	1,061.0	554.8	206.4	2,812.7	5,144.4	(22.6)	10,333.9
Inter-segment sales	-	-	(22.6)	-	-	-	22.6	-
External sales	577.2	1,061.0	532.2	206.4	2,812.7	5,144.4	-	10,333.9
<b>Operating cost</b>	(599.0)	(1,311.9)	(481.7)	(175.6)	(2,726.3)	(4,977.4)	-	(10,271.9)
<b>Results from operations</b>	(21.8)	(250.9)	50.5	30.8	86.4	167.0	-	62.0
Gain on disposal of plantation land	119.5	-	-	-	-	-	-	119.5
Impairment of property, plant and equipment	(176.0)	(80.4)	(47.1)	(7.0)	-	-	-	(310.5)
Impairment of goodwill	-	(763.3)	-	-	-	-	-	(763.3)
Accelerated amortisation of rights to supply	-	-	-	-	(247.3)	-	-	(247.3)
Fair value loss on investment properties	-	-	(5.6)	(0.9)	-	-	-	(6.5)
Other investment result	-	-	-	0.2	-	0.2	-	0.4
Share of result of associates	6.6	-	(2.7)	113.9	-	(0.8)	-	117.0
Share of result of joint ventures	-	9.2	(8.8)	44.0	-	-	-	44.4
<b>(Loss)/profit before interest and taxation</b>	(71.7)	(1,085.4)	(13.7)	181.0	(160.9)	166.4	-	(984.3)
Finance cost	(64.8)	(123.3)	(100.8)	(185.6)	(49.1)	(15.7)	139.0	(400.3)
Interest income	1.1	4.1	14.9	162.6	1.4	3.7	(139.0)	48.8
<b>(Loss)/profit before taxation</b>	(135.4)	(1,204.6)	(99.6)	158.0	(208.6)	154.4	-	(1,335.8)
Taxation								(50.5)
<b>Loss after taxation</b>								<u>(1,386.3)</u>
<b>Other Information</b>								
Depreciation and amortisation^	(167.2)	(44.9)	(23.0)	(21.8)	(44.4)	(77.8)	-	(379.1)
(Loss)/profit on disposal								
- Other assets	(1.2)	7.1	-	(0.2)	-	0.8	-	6.5
Other non-cash (expense)/income*	(2.0)	(8.1)	2.3	2.9	(19.4)	(2.7)	-	(27.0)

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****8. Segmental Information (Cont'd.)**

Segment information for the cumulative period is presented in respect of the Group's business segments as follows (cont'd.):

<b>RM million</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Property</b>	<b>Finance &amp; Investment</b>	<b>Pharma- ceutical</b>	<b>Trading &amp; Industrial</b>	<b>Elim'n</b>	<b>Total</b>
<b>2018</b>								
<b>Revenue</b>								
Group total sales	584.0	1,135.0	556.5	204.5	2,385.0	5,343.8	(22.4)	10,186.4
Inter-segment sales	-	-	(22.4)	-	-	-	22.4	-
External sales	584.0	1,135.0	534.1	204.5	2,385.0	5,343.8	-	10,186.4
<b>Operating cost</b>	(604.5)	(1,463.4)	(456.1)	(193.1)	(2,287.8)	(5,213.6)	-	(10,218.5)
<b>Results from operations</b>	(20.5)	(328.4)	78.0	11.4	97.2	130.2	-	(32.1)
Impairment of property, plant and equipment	-	(77.9)	-	-	-	-	-	(77.9)
Impairment of goodwill	-	(106.2)	-	-	-	-	-	(106.2)
Fair value (loss)/gain on investment properties	-	-	(79.1)	1.2	-	(0.1)	-	(78.0)
Other investment result	-	-	-	0.2	-	1.0	-	1.2
Share of result of associates	5.0	-	(0.2)	109.9	-	0.8	-	115.5
Share of result of joint ventures	-	(7.5)	(37.0)	(37.5)	-	-	-	(82.0)
<b>(Loss)/profit before interest and taxation</b>	(15.5)	(520.0)	(38.3)	85.2	97.2	131.9	-	(259.5)
Finance cost	(36.8)	(74.4)	(78.8)	(129.1)	(46.3)	(20.2)	114.1	(271.5)
Interest income	1.3	1.6	16.6	124.4	0.9	1.8	(114.1)	32.5
<b>(Loss)/profit before taxation</b>	(51.0)	(592.8)	(100.5)	80.5	51.8	113.5	-	(498.5)
Taxation								(74.7)
<b>Loss after taxation</b>								<u>(573.2)</u>
<b>Other Information</b>								
Depreciation and amortisation <sup>^</sup>	(139.7)	(52.1)	(26.6)	(21.5)	(55.2)	(74.4)	-	(369.5)
(Loss)/profit on disposal								
- Other assets	(3.1)	11.9	-	(0.1)	-	3.8	-	12.5
Other non-cash (expense)/income*	10.0	(42.2)	94.7	(2.7)	(17.9)	13.9	-	55.8

\* Other non-cash income/expenses exclude gain on disposal of plantation land and other assets, impairment of property, plant and equipment and goodwill and also depreciation and amortisation

<sup>^</sup> Depreciation and amortisation exclude accelerated amortisation of rights to supply

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

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****8. Segmental Information (Cont'd.)**

Disaggregation of revenue is presented in respect of the Group's business segments as follows:

<b>RM million</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Property</b>	<b>Finance &amp; Investment</b>	<b>Pharma-ceutical</b>	<b>Trading &amp; Industrial</b>	<b>Elim'n</b>	<b>Total</b>
<b>2019</b>								
Sale of produce	575.6	-	-	-	-	-	-	575.6
Sale of petroleum products	-	-	-	-	-	4,786.3	-	4,786.3
Sale of pharmaceutical products	-	-	-	-	2,812.7	-	-	2,812.7
Shipbuilding and repair	-	1,056.2	-	-	-	-	-	1,056.2
Sale of development products	-	-	268.3	-	-	-	-	268.3
Hotel operations	-	-	147.6	-	-	-	-	147.6
Others	1.6	1.5	-	205.4	-	352.0	-	560.5
Revenue from contracts with customers	577.2	1,057.7	415.9	205.4	2,812.7	5,138.3	-	10,207.2
Rental income	-	3.3	116.3	1.0	-	6.1	-	126.7
<b>Total revenue</b>	<b>577.2</b>	<b>1,061.0</b>	<b>532.2</b>	<b>206.4</b>	<b>2,812.7</b>	<b>5,144.4</b>	<b>-</b>	<b>10,333.9</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	575.6	4.0	187.8	206.2	2,771.4	5,135.5	-	8,880.5
- Over time	1.6	1,057.0	344.4	0.2	41.3	8.9	-	1,453.4
	<b>577.2</b>	<b>1,061.0</b>	<b>532.2</b>	<b>206.4</b>	<b>2,812.7</b>	<b>5,144.4</b>	<b>-</b>	<b>10,333.9</b>

<b>RM million</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Property</b>	<b>Finance &amp; Investment</b>	<b>Pharma-ceutical</b>	<b>Trading &amp; Industrial</b>	<b>Elim'n</b>	<b>Total</b>
<b>2018</b>								
Sale of produce	582.9	-	-	-	-	-	-	582.9
Sale of petroleum products	-	-	-	-	-	4,969.0	-	4,969.0
Sale of pharmaceutical products	-	-	-	-	2,385.0	-	-	2,385.0
Shipbuilding and repair	-	1,130.1	-	-	-	-	-	1,130.1
Sale of development properties	-	-	266.9	-	-	-	-	266.9
Hotel operations	-	-	153.2	-	-	-	-	153.2
Others	1.1	1.6	0.2	203.3	-	367.3	-	573.5
Revenue from contracts with customers	584.0	1,131.7	420.3	203.3	2,385.0	5,336.3	-	10,060.6
Rental income	-	3.3	113.8	1.2	-	7.5	-	125.8
<b>Total revenue</b>	<b>584.0</b>	<b>1,135.0</b>	<b>534.1</b>	<b>204.5</b>	<b>2,385.0</b>	<b>5,343.8</b>	<b>-</b>	<b>10,186.4</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	582.9	102.3	267.2	51.9	2,334.5	5,329.0	-	8,667.8
- Over time	1.1	1,032.7	266.9	152.6	50.5	14.8	-	1,518.6
	<b>584.0</b>	<b>1,135.0</b>	<b>534.1</b>	<b>204.5</b>	<b>2,385.0</b>	<b>5,343.8</b>	<b>-</b>	<b>10,186.4</b>



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****9. Debts and Equity Securities****1) Islamic Medium Term Notes (IMTN)**

During the year, the Company issued a total of RM850 million of IMTN under the RM2.0 billion Sukuk Programme. The details are disclosed in note 22(a)(ii).

**2) Redemption of Perpetual Sukuk**

During the year, the Company redeemed RM593 million of Perpetual Sukuk.

**3) Redemption of Asset-backed Bonds**

During the year, 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 25 February 2020 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****1) Liquidated Ascertained Damages**

During the year, 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.

**2) The Royale Chulan Hyde Park Hotel**

During the year, Boustead Hyde Park Limited (BHPL), a wholly-owned subsidiary of the Group was engaged in a dispute with Westminster City Council in connection with its ownership of a property, The Royale Chulan Hyde Park Hotel (Hotel) in London. The Council has issued enforcement notices against BHPL in respect of the alleged infringement of general and listed building planning laws and regulations. These enforcement notices all concern alterations to the Hotel premises that were effected prior to BHPL's acquisition of ownership. The enforcement notices are being appealed and it is believed that the appeals will succeed in whole or part but cannot be guaranteed. The management considers that there is a potential material liability which cannot currently be ascertained.

The status of the contingent liability as disclosed in the FY2018 annual financial statements remains unchanged as at 25 February 2020. No other contingent liability has arisen since the financial year end other than disclosed above.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****14. Commitments**

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

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	431.4	129.2
Acquisition of plantation land	-	34.6
	<u>431.4</u>	<u>163.8</u>

**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**

<b>RM million</b>	<b>Goodwill</b>	<b>Concession</b>	<b>Rights to supply</b>	<b>Others</b>	<b>Total</b>
<b>Cost</b>					
At 1 January 2019	1,224.8	75.0	304.8	69.5	1,674.1
Additions	-	-	39.4	11.5	50.9
Foreign exchange fluctuation	1.3	-	-	0.2	1.5
At 31 December 2019	<u>1,226.1</u>	<u>75.0</u>	<u>344.2</u>	<u>81.2</u>	<u>1,726.5</u>
<b>Accumulated amortisation and impairment</b>					
At 1 January 2019	156.1	67.3	95.5	9.2	328.1
Amortisation	-	7.7	248.7	3.9	260.3
Impairment	763.3	-	-	-	763.3
Foreign exchange fluctuation	-	-	-	0.4	0.4
At 31 December 2019	<u>919.4</u>	<u>75.0</u>	<u>344.2</u>	<u>13.5</u>	<u>1,352.1</u>
<b>Net carrying amount</b>					
At 31 December 2019	306.7	-	-	67.7	374.4
At 31 December 2018	<u>1,068.7</u>	<u>7.7</u>	<u>209.3</u>	<u>60.3</u>	<u>1,346.0</u>

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



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia****17. Performance Review****Results for Current Quarter**

<b>For the year ended 31 December 2019</b> <b>(All figures are stated in RM million)</b>	<b>Current Period</b>		<b>+ / (-)</b>
	<b>2019</b>	<b>2018</b> <b>Restated</b>	<b>%</b>
<b>Revenue</b>	<b>2,548.4</b>	2,852.8	-11%
<b>Operating cost:</b>			
- Depreciation and amortisation	<b>(92.9)</b>	(99.5)	7%
- Other operating cost	<b>(2,621.7)</b>	(3,042.5)	14%
<b>Results from operations</b>	<b>(166.2)</b>	(289.2)	43%
Impairment of property plant and equipment	<b>(187.3)</b>	(77.9)	-140%
Impairment of goodwill	<b>(725.2)</b>	(106.2)	-583%
Accelerated amortisation of right to supply	<b>(232.1)</b>	-	N/A
Fair value loss on investment properties	<b>(6.5)</b>	(78.0)	92%
Other investment results	<b>0.1</b>	0.8	-88%
Share of result of associates and joint ventures	<b>99.5</b>	(34.3)	390%
<b>Loss before interest and tax</b>	<b>(1,217.7)</b>	(584.8)	-108%
Net finance cost	<b>(132.1)</b>	(68.2)	-94%
<b>Loss before taxation</b>	<b>(1,349.8)</b>	(653.0)	-107%
Taxation	<b>55.5</b>	2.9	1814%
<b>Loss for the period</b>	<b>(1,294.3)</b>	(650.1)	-99%
<b>Loss attributable to shareholders of the Company</b>	<b>(1,125.7)</b>	(540.1)	-108%
<b>EBITDA</b>	<b>(73.3)</b>	(189.7)	61%

For the 4<sup>th</sup> quarter ended 31 December 2019 (4QFY19), the Group incurred a loss before taxation (LBT) of RM1.35 billion, higher than last year's corresponding period's (4QFY18) deficit of RM652.9 million. The Group also recorded a higher loss after tax (LAT) for the quarter of RM1.29 billion (4QFY18: RM650.0 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group registered a net loss of RM1.13 billion (4QFY18: RM540.0 million).

In 4QFY19, the Group posted a negative earnings before interest, tax, depreciation and amortisation (EBITDA) of RM73.3 million (FY2018: RM189.7 million) as the the Group's operational performance for 4QFY19 was mainly impacted by heavy losses incurred in Heavy Industries Division for LCS projects. The Group's bottom line for the quarter was also affected by the impairment and accelerated amortisation as well as fair value loss on investment properties.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****17. Performance Review (Cont'd.)****Results for Cumulative Period**

<b>For the year ended 31 December 2019</b>	<b>Cumulative Period</b>		<b>+ / (-)</b>
<b>(All figures are stated in RM million)</b>	<b>2019</b>	<b>2018 Restated</b>	<b>%</b>
<b>Revenue:</b>			
Plantation	577.2	584.0	-1%
Heavy Industries	1,061.0	1,135.0	-7%
Property	532.2	534.1	-0.4%
Finance & Investment	206.4	204.5	1%
Pharmaceutical	2,812.7	2,385.0	18%
Trading & Industrial	5,144.4	5,343.8	-4%
	<b>10,333.9</b>	<b>10,186.4</b>	<b>1%</b>
<b>Operating cost:</b>			
- Depreciation and amortisation	(379.1)	(369.5)	-3%
- Other operating cost	(9,892.8)	(9,849.0)	0%
<b>Results from operations</b>	<b>62.0</b>	<b>(32.1)</b>	<b>293%</b>
Gain on disposal of plantation land	119.5	-	N/A
Impairment of property, plant and equipment	(310.5)	(77.9)	-299%
Impairment of goodwill	(763.3)	(106.2)	-619%
Accelerated amortisation of rights to supply	(247.3)	-	N/A
Fair value loss on investment properties	(6.5)	(78.0)	92%
Other investment result	0.4	1.2	-67%
Share of result of associates and joint ventures	161.4	33.5	382%
<b>Loss before interest and tax</b>	<b>(984.3)</b>	<b>(259.5)</b>	<b>-279%</b>
Net finance cost	(351.5)	(239.0)	-47%
<b>(Loss)/profit before tax:</b>			
Plantation	(135.4)	(51.0)	-165%
Heavy Industries	(1,204.6)	(592.8)	-103%
Property	(99.6)	(100.5)	1%
Finance & Investment	158.0	80.5	96%
Pharmaceutical	(208.6)	51.8	-503%
Trading & Industrial	154.4	113.5	36%
	<b>(1,335.8)</b>	<b>(498.5)</b>	<b>-168%</b>
Taxation	(50.5)	(74.7)	32%
<b>Loss for the year</b>	<b>(1,386.3)</b>	<b>(573.2)</b>	<b>-142%</b>
<b>Loss attributable to shareholders of the Company</b>	<b>(1,278.8)</b>	<b>(554.3)</b>	<b>-131%</b>
<b>EBITDA</b>	<b>441.1</b>	<b>337.4</b>	<b>31%</b>

For the year ended 31 December 2019 (FY2019), the Group incurred a LBT of RM1.34 billion, higher than last year's deficit of RM498.5 million. The Group also recorded a higher LAT of RM1.39 billion (FY2018: RM573.2 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group registered a net loss of RM1.28 billion (FY2018: RM554.3 million).

In FY2019, the Group posted a higher EBITDA of RM441.1 million (FY2018: RM337.4 million). However, the result for the year was heavily impacted by the impairments and accelerated amortisation as shown below. These had negated the gain on disposal of plantation land of RM119.5 million.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)**

Type of loss/impairment/valuation	Division	Cumulative Period		Explanation
		FY2019	Restated FY2018	
		RM Million		
Impairment of goodwill	Heavy Industries	763.3	106.2	1) Due to uncertainties and ability to secure future LCS projects, further impairment on Boustead Naval Shipyards Sdn Bhd's (BNS) goodwill was undertaken. 2) Due to a decline in value of aircrafts, namely EC225 and uncertainties in oil & gas industry further impairment on MHS Aviation's (MHSA) goodwill was undertaken.
Impairment of property, plant and equipment - aircrafts	Heavy Industries	80.4	77.9	Given prevailing uncertainties, persistent weakness and overcapacity in the oil and gas industry, the progressive impairment for the EC225 helicopters reflects the market value and aging of assets. Other factors include idle usage of the aircrafts which were discontinued due to safety standards.
Impairment of property, plant and equipment - plantation assets	Plantations	176.0	-	- Having undertaken a thorough assessment of the recently acquired estates, Pertama and Tawai, the management realised that the turnaround of the estates to improve performance in line with the Group's existing standards will take longer than expected. As such, in accordance with accounting standards, an impairment was undertaken.
Impairment of property, plant and equipment - hotel properties	Property	47.1	-	- An impairment was undertaken following an assessment of prospects for a Group's hotel in Cherating and current market conditions.
Accelerated amortisation of rights to supply	Pharmaceutical	247.3	-	- Having fulfilled the Pharmacy Information System (PhIS) under the concession agreement with the Government, following the new contract arrangement, the remaining unamortised PhIS costs were fully recognised as a non-cash item.
Fair value loss on investment properties	Property	6.5	78.0	The fair value loss on investment properties was a result of the latest professional evaluation reflecting existing market conditions.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue**

For FY2019, the Group posted a higher revenue of RM10.3 billion, an increase of 1% from RM10.2 billion in FY2018. An analysis of the revenue of each division is as follows:

- (i) For the year, **Plantation Division** recorded total revenue of RM577.2 million, marginally below the FY2018's revenue of RM584.0 million by 1%. Whilst the average prices attained for palm products was lower, this was mostly moderated by the increase in palm oil and palm kernel productions.

The average selling price and production of palm products for the year is as follows:-

	<b>Cumulative Period</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM per MT</b>	<b>RM per MT</b>
<b>Average selling prices</b>		
Crude palm oil (CPO)	<b>2,134</b>	2,261
Palm kernel (PK)	<b>1,244</b>	1,780
<b>Palm product production</b>	<b>MT</b>	<b>MT</b>
CPO	<b>231,298</b>	211,847
PK	<b>47,113</b>	43,601

- (ii) The **Finance & Investment Division** posted a higher revenue of RM206.4 million (FY2018: RM204.5 million). Whilst revenue from University of Nottingham Malaysia Campus increased by 8% on higher tuition fees, this was offset by weaker revenue from other operating units.
- (iii) The revenue for **Trading & Industrial Division** of RM5.1 billion was 4% lower than RM5.3 billion recorded in FY2018 due to lower average fuel price.
- (iv) The **Pharmaceutical Division** ended the year with a higher revenue of RM2.8 billion (FY2018: RM2.4 billion), an increase of 18%. This was achieved on the back of better contribution from both concession and non-concession businesses as well as Indonesian operation.
- (v) The **Properties Division's** revenue was at par with FY2018. The weaker revenue from hotel segment was compensated by the higher progress of works for development activity at Taman Mutiara Rini, Johor.
- (vi) The **Heavy Industries Division** closed the year with a revenue of RM1.1 billion which was at par with FY2018.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Performance by division**

An analysis of the results of each division is as follow:

**(i) Plantation Division**

For FY2019, the Plantation Division incurred a higher deficit of RM135.4 million (FY2018: RM51.0 million) as the bottom line was impacted by the one-off impairment on plantation assets of RM176.0 million. This had negated the gain on disposal of plantation land of RM119.5 million. In addition, the Division was also impacted by the decline in palm products prices.

During the year, FFB production was higher at 979,972 MT (or 1%) as compared to FY2018's crop of 966,134 MT. Oil extraction rate increased to 21.6% (FY2018: 21.2%) while kernel extraction rate remains unchanged at 4.4%.

**(ii) Property Division**

For FY2019, the Property Division incurred a deficit of RM99.6 million (FY2018: RM100.5 million) as the bottom line was impacted by impairment of hotel properties as well as lower sales and progress billing from property development activities which was partly compensated by lower fair value loss on investment properties. During the year, the Division incurred impairment loss of RM47.1 million on the hotel properties of Royale Chulan Cherating.

**(iii) Trading & Industrial Division**

For the year, the Trading & Industrial Division registered an increased PBT of RM154.4 million (or 36% higher) as compared to FY2018's PBT of RM113.5 million. This was achieved mainly on the back of improved results from Boustead Petroleum Marketing, which benefitted from higher stockholding gains, favourable operating margin as well as better sales volume.

**(iv) Finance & Investment Division**

For FY2019, the Finance & Investment Division registered an improved PBT RM158.0 million (FY2018: RM80.5 million) mainly due to a share of profit in a joint venture as well as better contribution from the University of Nottingham in Malaysia. For the year, Affin Bank posted a slightly better performance as the higher net gain on financial instruments and Islamic banking income was offset by lower net interest and non-interest income. Irat Properties, a joint venture, posted a positive contribution for the year under review.

**(v) Pharmaceutical Division**

For FY2019, the Pharmaceutical Division incurred a deficit of RM208.6 million (FY2018: surplus of RM51.8 million) mainly due to accelerated amortisation of its rights to supply of RM247.3 million as a result of the revision in useful life. The Division's bottom line was also impacted by a provision of stock write off on a voluntary product recall.

**(vi) Heavy Industries Division**

For the year under review, the Heavy Industries Division recorded a higher loss of RM1.2 billion (FY2018: RM592.8 million) as the bottom line was impacted by impairment on goodwill and aircrafts as mentioned above. The Division was also affected by variation on milestone achieved and adjustment to project cost pursuant to changes in MFRS 15 on its existing shipbuilding projects.



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 31 December 2019, the intangible assets have decreased due to impairment of goodwill and accelerated amortisation of rights to supply. The current assets have also decreased due to lower receivables.

**Statement of Cash Flows**

For FY2019 the Group recorded lower cash outflow from investing activities of RM393.0 million (FY2018: RM1,487.5 million) mainly due to decrease in purchase of property, plant and equipment as compared to FY2018 by RM474.1 million. The financing activity for the period recorded cash outflow of RM852.8 million mainly due to repayment of revolving credits/banker acceptances and redemption of Perpetual Sukuk, as compared to cash inflow of RM599.6 million in FY2018 from drawdown of revolving credits.

## Boustead Holdings Berhad (3871-H)

## Notes to the interim financial report for the quarter ended 31 December 2019

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

For the year ended 31 December 2019	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	31.12.2019	30.9.2019	%
<b>Revenue:</b>			
Plantation	179.1	139.2	29%
Heavy Industries	179.5	391.1	-54%
Property	131.7	137.7	-4%
Finance & Investment	51.9	52.2	-1%
Pharmaceutical	707.9	716.8	-1%
Trading & Industrial	1,298.3	1,297.7	0.05%
	<b>2,548.4</b>	<b>2,734.7</b>	<b>-7%</b>
<b>Operating cost:</b>			
- Depreciation and amortisation	(92.9)	(100.3)	7%
- Other operating cost	(2,621.7)	(2,546.2)	-3%
<b>Results from operations</b>	<b>(166.2)</b>	<b>88.2</b>	<b>-288%</b>
Impairment of property, plant and equipment	(187.3)	(123.2)	-52%
Impairment of goodwill	(725.2)	(38.1)	-1803%
Accelerated amortisation of rights to supply	(232.1)	(5.3)	-4279%
Fair value loss on investment properties	(6.5)	-	N/A
Other investment result	0.1	0.1	-
Share of result of associates and joint ventures	99.5	4.4	2161%
<b>Profit before interest and tax</b>	<b>(1,217.7)</b>	<b>(73.9)</b>	<b>-1548%</b>
Net finance cost	(132.1)	(82.5)	-60%
<b>Profit/(loss) before tax:</b>			
Plantation	(177.7)	(27.8)	-539%
Heavy Industries	(1,012.0)	(129.6)	-681%
Property	(32.0)	(45.6)	30%
Finance & Investment	79.7	9.1	776%
Pharmaceutical	(242.1)	(0.4)	-60425%
Trading & Industrial	34.3	37.9	-9%
	<b>(1,349.8)</b>	<b>(156.4)</b>	<b>-763%</b>
Taxation	55.5	(31.1)	278%
<b>Loss for the period</b>	<b>(1,294.3)</b>	<b>(187.5)</b>	<b>-590%</b>
<b>Loss attributable to shareholders of the Company</b>	<b>(1,125.7)</b>	<b>(155.0)</b>	<b>-626%</b>
<b>EBITDA</b>	<b>(73.3)</b>	<b>188.5</b>	<b>-139%</b>

For the current quarter (4QFY19), the Group incurred a LBT of RM1.35 billion, which was higher than preceding quarter's (3QFY19) LBT of RM156.4 million. Loss after tax for the quarter stood at RM1.29 billion (3QFY19: RM187.5 million) while net loss was RM1.13 billion (3QFY19: RM155.0 million).

The huge deficit in 4QFY19 was mainly due to one-off impairments and accelerated amortisation.



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter (Cont'd.)**

An analysis of the results of each division is as follow:

**(i) Plantation Division**

In 4QFY19, the Plantation Division posted a higher deficit of RM177.7 million (3QFY19: RM27.8 million) after taking into account the one-off impairment on plantation assets of RM176.0 million as mentioned above. Nevertheless, at the operating level, the Division registered an operating profit of RM7.8 million (3QFY19: operating loss of RM11.7 million). This was achieved on the back of higher revenue from better average price attained as well as lower depreciation charge.

The comparison of average selling prices for CPO and PK between 4QFY19 and 3QFY19 is as tabulated below:-

<b>Average selling price:</b>	<b>4QFY19</b>	<b>3QFY19</b>	<b>%</b>
	<b>RM per</b>	<b>RM per</b>	
	<b>MT</b>	<b>MT</b>	
Crude palm oil (CPO)	<b>2,446</b>	2,026	21%
Palm kernel (PK)	<b>1,407</b>	1,138	24%

**(ii) Property Division**

For 4QFY19, the Property Division incurred a lower deficit of RM32.0 million (3QFY19: RM45.6 million) as the preceding quarter result was impacted by impairment on hotel properties.

**(iii) Finance & Investment Division**

In 4QFY19, the Finance & Investment Division registered a higher PBT of RM79.7 million (3QFY19: RM9.1 million) as the bottom line was spurred by the better performance from the joint venture and associate companies.

**(iv) Pharmaceutical Division**

During the quarter, the Pharmaceutical Division recorded a deficit of RM242.1 million (3QFY19: RM0.4 million) mainly due to accelerated amortisation of rights to supply as mentioned above.

**(v) Trading & Industrial Division**

For 4QFY19, the Trading & Industrial Division registered a lower PBT of RM34.3 million (3QFY19: RM37.9 million) mainly due to reduced stockholding gain.

**(vi) Heavy Industries Division**

In the current quarter, the Heavy Industries Division incurred a higher deficit of RM1.0 billion (3QFY19: RM129.6 million) mainly due to impairment of goodwill in Boustead Naval Shipyard of RM725.2 million. In addition, the LCS project recorded a loss in the 4QFY19 on variations in milestone achieved and adjustments to project cost pursuant to changes in MFRS15 on its existing shipbuilding projects.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****19. Prospects**

The Group is of the view that 2020 will remain a challenging year due to the uncertainties of the heightened US-China trade tension, the Brexit consequences and most recently, the COVID-19 virus outbreak that are slowing down the global economy. Nevertheless, the domestic economy is expected to grow by 4.8% in 2020 (FY2019: 4.3%) underpinned by resilient domestic demand, particularly household spending following stable labour market and low 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 coming year will be much driven by CPO price and the Division's transformation programme. CPO price is expected to improve in the first half of 2020 arising from expected lower crop production and higher global demand. Beyond that period, prices are expected to moderate but remain more favourable than 2019. The Division is optimistic that the transformation programme which focuses on yield improvement, prudent cost management and operational efficiency, together with the higher palm oil prices will result in improvement in the Division's performance.

**Pharmaceutical Division**

It was a challenging year as the Pharmaceutical Division was significantly impacted by the recognition of the remaining unamortised rights to supply, a non-cash item worth RM247 million due to the revision in useful life of the rights to supply. Nevertheless, it is imperative to note that the Division's financial performance will not be burdened by the rights to supply amortisation moving forward. The fact that the Division continued to register solid growth in revenue is indeed encouraging and bodes well for prospects ahead. In the short-term, the ongoing COVID-19 virus outbreak remains at the forefront as the healthcare sector strives to contain the disease.

From a long-term perspective, the Division remains positive on its outlook. The new contract secured with MOH for the provision of medicines and medical supplies to MOH facilities from 1 December 2019 to 31 December 2021, as well as logistics and distribution services to MOH for five years ending 31 December 2024, are set to be key contributors to the Division's earnings. In tandem, the Division is strongly focused on its continuous drive to provide quality products and services as well as enhance its manufacturing and operational efficiencies and build up research and development capabilities to tap into new opportunities in the pharmaceutical industry. This will enable the Division to grow its various business streams as well as overseas operations led by the Indonesian business, which continues to see good progress.

**Property Division**

Progress billings from the upcoming housing projects is expected to 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 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.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****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**

	<b>Current Quarter 2019 RM million</b>	<b>Cumulative Quarter 2019 RM million</b>
Malaysian taxation based on profit for the period:		
- Current	11.5	104.0
- Deferred	(68.1)	(60.4)
	(56.6)	43.6
(Over)/under provision of prior years	1.1	6.9
	(55.5)	50.5

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.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****22. Corporate Proposals - Status****(a) Status of Corporate Proposal****(i) Proposed Acquisition of Lands**

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) Islamic Medium Term Notes (IMTN)**

The Company had issued two tranches of 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) Disposal of Freehold Plantation Land**

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.



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****22. Corporate Proposals - Status (Cont'd.)****(a) Status of Corporate Proposal (Cont'd.)****(iv) Proposed Acquisition of Oil Palm Plantation Lands**

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 2<sup>nd</sup> quarter 2020.

**(v) Proposed Disposal of Royale Chulan Bukit Bintang Hotel**

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 2<sup>nd</sup> quarter of 2020.

There were no other corporate proposals announced or pending completion as at 25 February 2020.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****22. Corporate Proposals - Status (Cont'd.)****(b) Status on Utilisation of Proceeds from Rights Issue as at 31 December 2019**

(In RM Million)	Proposed Utilisation	Actual Utilisation	Revised Utilisation	Time Frame	Unutilised Amount	%	Explanation
Repayment of bank borrowings	486.0	486.0	638.0	Within 55 months until 31 December 2020	152.0	24%	To be utilised
Property development activities	507.0	311.0	355.0	Within 55 months until 31 December 2020	44.0	12%	To be utilised
Working capital	60.5	60.5	60.5		-		Fully utilised
Rights Issue expenses	1.3	1.3	1.3		-		Fully utilised
	<u>1,054.8</u>	<u>858.8</u>	<u>1,054.8</u>		<u>196.0</u>		

The Company had on 28 February 2020 made the announcement to vary the utilisation of proceeds from Rights Issue.

**(c) Status on Utilisation of Proceeds from Issue of IMTNs as at 14 February 2020**

(In RM Million)	Proposed Utilisation	Actual Utilisation	Time Frame	Deviation Amount	%	Explanation
Refinancing of existing borrowings/ financing	1,962.4	1,905.4	Not applicable	57.0	3%	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
	<u>2,350.0</u>	<u>2,293.0</u>		<u>57.0</u>		

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****23. Changes in Material Litigations**

- (i) In respect of the litigation referred to in Note 36 (a) of 2018 Annual Report, the trial proceeded on 19 December 2019 and later continued on 30 December 2019 and 18 February 2020 with the cross-examination of the Defendant's last witness. The trial will continue on 1 and 2 April 2020 for re-examination. The Court has also directed the parties to file the Written Submission by 20 April 2020 and the oral submission has been fixed on 30 April 2020.
- (ii) In respect of the litigation referred to in Note 36 (b) of 2018 Annual Report, hearing of all four Defendants' striking out applications will be on 25 March 2020
- (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 25 February 2020, 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**

	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
		<b>Restated</b>		<b>Restated</b>
Net loss for the period (RM million)	<b>(1,125.7)</b>	(540.1)	<b>(1,278.8)</b>	(554.3)
Weighted average number of ordinary shares in issue (million)	<b>2,027.0</b>	2,027.0	<b>2,027.0</b>	2,027.0
Basic/diluted loss per share (sen)	<b>(55.54)</b>	(26.65)	<b>(63.09)</b>	(27.35)



**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****25. Group Borrowings and Debt Securities**

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

	<b>31.12.2019</b>	<b>31.12.2018</b>
	<b>RM million</b>	<b>RM million</b>
<b>Non-current:</b>		
Term loans		
- Denominated in Great Britain Pound	60.6	61.5
- Denominated in Indonesian Rupiah	-	121.2
- Denominated in RM	1,085.1	597.5
	<b>1,145.7</b>	780.2
Asset-backed bonds	-	209.6
Islamic medium term notes	2,339.8	1,492.5
Revolving credits	420.0	649.1
	<b>3,905.5</b>	3,131.4
Less: repayable in 1 year	382.6	459.9
	<b>3,522.9</b>	2,671.5
<b>Current:</b>		
Bank overdrafts	46.6	59.3
Bankers' acceptances		
- Denominated in Indonesian Rupiah	14.7	15.5
- Denominated in RM	456.5	476.1
Revolving credits	3,486.3	3,850.6
Short term loans	382.6	459.9
	<b>4,386.7</b>	4,861.4
<b>Total borrowings</b>	<b>7,909.6</b>	<b>7,532.9</b>

As at 31 December 2019, the Group's borrowing was higher at RM7.9 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.

During the financial year, the weighted average interest rate of borrowings is 5.5% (FY2018: 5.3%) per annum. The proportion of debt based on fixed and floating interest rate is 30% (FY2018: 23%) and 70% (FY2018: 77%) respectively.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****25. Group Borrowings and Debt Securities (Cont'd.)**

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 year, 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 year, 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 RM42.8 million (2018: RM61.9 million) which is repayable within 4 years commencing from 27 April 2017. This subsidiary also has revolving credits of RM674.5 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 RM60.6 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.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****25. Group Borrowings and Debt Securities (Cont'd.)**

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	<u>31.12.2019</u>	<u>31.12.2018</u>
Denominated in Great Britain Pound	<b>11.3</b>	11.7
Denominated in Indonesian Rupiah	<b>49,000</b>	474,653
Exchange rate:		
- Great Britain Pound	<b>5.38</b>	5.27
- Indonesian Rupiah	<b>0.0300</b>	0.0288

**26. Additional Disclosures**

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

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>RM million</u>	<u>RM million</u>	<u>RM million</u>	<u>RM million</u>
		<u>Restated</u>		<u>Restated</u>
Net fair value loss on investment properties	<b>6.5</b>	78.0	<b>6.5</b>	78.0
Depreciation and amortisation	<b>325.0</b>	99.5	<b>626.4</b>	369.5
Provision for and write off of receivables	<b>3.5</b>	2.3	<b>11.3</b>	13.8
Provision for and write off of inventories	<b>22.8</b>	22.5	<b>30.9</b>	32.9
Impairment of property, plant and equipment	<b>187.3</b>	77.9	<b>310.5</b>	77.9
Impairment of goodwill	<b>725.2</b>	106.2	<b>763.3</b>	106.2
Gain on disposal of plantation land	<b>-</b>	-	<b>(119.5)</b>	-
(Gain)/loss on disposal of other property, plant and equipment	<b>(7.2)</b>	2.7	<b>(6.5)</b>	(12.5)
Foreign exchange (gain)/loss	<b>(2.0)</b>	20.3	<b>(10.9)</b>	9.9

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****27. Plantation Statistics**

	<b>Cumulative Period</b>	
	<b>2019</b>	<b>2018</b>
<b>(a) Crop production and yield</b>		
FFB (MT)	<b>979,972</b>	966,134
FFB (MT/ha)	<b>13.9</b>	14.9
CPO production (MT)	<b>231,298</b>	211,847
PK production (MT)	<b>47,113</b>	43,601
<b>(b) Average selling prices (RM per MT)</b>		
FFB	<b>391</b>	426
Crude palm oil (CPO)	<b>2,134</b>	2,261
Palm kernel (PK)	<b>1,244</b>	1,780
<b>(c) Oil extraction rate (%)</b>		
Crude palm oil	<b>21.6</b>	21.2
Palm kernel	<b>4.4</b>	4.4
<b>(d) Planted areas (hectares)</b>		
	<b>As at</b>	<b>As at</b>
	<b>31.12.2019</b>	<b>31.12.2018</b>
Oil palm - immature	<b>6,551</b>	6,364
- young mature	<b>13,183</b>	12,480
- prime mature	<b>27,167</b>	29,750
- past prime	<b>32,505</b>	26,438
	<b>79,406</b>	75,032

**28. Comparatives**

The Group and a joint venture, collectively (the Entities) account for their investment properties using the fair value model. In the prior financial years, the Entities had measured the fair value of commercial buildings classified as investment properties using the market approach which is based on market transactions involving similar properties.

As at 31 December 2019, the Entities had applied the use of multiple valuation techniques, including the income approach in measuring the fair value of the investment properties after due consultation with independent professional valuers engaged by the Entities. Multiple valuation techniques were applied, as inputs used in one valuation technique may be more readily observable in the marketplace or require fewer adjustments than the other. Income approach involves estimating the future cash flows of the subject property which are then discounted to arrive at fair value.

Changes in valuation technique in measuring the fair value of the commercial buildings have been accounted for retrospectively as follows:

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****28. Comparatives (Cont'd.)****(i) Reconciliation of statement of financial position as at 1 January 2018**

	<b>Audited as at 1 January</b>		<b>Restated as at 1 January</b>
<b>(All figures are stated in RM million)</b>	<b>2018</b>		<b>2018</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	6,664.8	-	6,664.8
Investment properties	1,804.8	(289.0)	1,515.8
Prepaid land lease payments	51.7	-	51.7
Long term prepayment	201.8	-	201.8
Deferred tax assets	52.5	-	52.5
Associates	2,051.5	-	2,051.5
Joint ventures	552.4	(8.3)	544.1
Investments	35.7	-	35.7
Intangible assets	1,391.0	-	1,391.0
Inventories	591.1	-	591.1
	<b>13,397.3</b>	<b>(297.3)</b>	<b>13,100.0</b>
<b>Current assets</b>			
Biological assets	23.0	-	23.0
Inventories	782.6	-	782.6
Contract assets	1,258.5	-	1,258.5
Receivables	2,156.0	-	2,156.0
Deposits, cash and bank balance	631.1	-	631.1
Assets classified as held for sale	14.0	-	14.0
	<b>4,865.2</b>	<b>-</b>	<b>4,865.2</b>
<b>TOTAL ASSETS</b>	<b>18,262.5</b>	<b>(297.3)</b>	<b>17,965.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	2,735.7	-	2,735.7
Reserves	3,446.0	(282.9)	3,163.1
<b>Shareholders' equity</b>	<b>6,181.7</b>	<b>(282.9)</b>	<b>5,898.8</b>
Perpetual Sukuk	1,207.7	-	1,207.7
<b>Non-controlling interests</b>	<b>1,854.0</b>	<b>-</b>	<b>1,854.0</b>
<b>Total equity</b>	<b>9,243.4</b>	<b>(282.9)</b>	<b>8,960.5</b>
<b>Non current liabilities</b>			
Borrowings	1,456.5	-	1,456.5
Payables	35.7	-	35.7
Deferred tax liabilities	390.0	(14.4)	375.6
	<b>1,882.2</b>	<b>(14.4)</b>	<b>1,867.8</b>
<b>Current liabilities</b>			
Borrowings	4,727.4	-	4,727.4
Payables	2,296.0	-	2,296.0
Contract liabilities	82.5	-	82.5
Taxation	31.0	-	31.0
	<b>7,136.9</b>	<b>-</b>	<b>7,136.9</b>
<b>Total liabilities</b>	<b>9,019.1</b>	<b>(14.4)</b>	<b>9,004.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,262.5</b>	<b>(297.3)</b>	<b>17,965.2</b>

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****28. Comparatives (Cont'd.)****(ii) Reconciliation of statement of financial position as at 31 December 2018**

<b>(All figures are stated in RM million)</b>	<b>Audited as at 31 December 2018</b>		<b>Restated as at 31 December 2018</b>
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	6,899.6	-	6,899.6
Investment properties	1,905.4	(399.6)	1,505.8
Prepaid land lease payments	49.6	-	49.6
Long term prepayment	207.1	-	207.1
Deferred tax assets	68.3	-	68.3
Associates	1,971.4	-	1,971.4
Joint ventures	531.8	(8.3)	523.5
Investments	18.7	-	18.7
Intangible assets	1,346.0	-	1,346.0
Inventories	759.9	-	759.9
Receivables	335.2	-	335.2
	<b>14,093.0</b>	<b>(407.9)</b>	<b>13,685.1</b>
<b>Current assets</b>			
Biological assets	15.7	-	15.7
Inventories	1,115.1	-	1,115.1
Contract assets	994.7	-	994.7
Receivables	1,528.5	-	1,528.5
Deposits, cash and bank balance	753.3	-	753.3
Assets classified as held for sale	330.3	-	330.3
	<b>4,737.6</b>	<b>-</b>	<b>4,737.6</b>
<b>TOTAL ASSETS</b>	<b>18,830.6</b>	<b>(407.9)</b>	<b>18,422.7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to shareholders of the Company</b>			
Share capital	2,735.7	-	2,735.7
Reserves	2,632.3	(368.0)	2,264.3
<b>Shareholders' equity</b>	<b>5,368.0</b>	<b>(368.0)</b>	<b>5,000.0</b>
Perpetual Sukuk	1,207.9	-	1,207.9
<b>Non-controlling interests</b>	<b>1,601.7</b>	<b>-</b>	<b>1,601.7</b>
<b>Total equity</b>	<b>8,177.6</b>	<b>(368.0)</b>	<b>7,809.6</b>
<b>Non current liabilities</b>			
Borrowings	2,671.5	-	2,671.5
Payables	26.8	-	26.8
Deferred tax liabilities	431.2	(39.9)	391.3
	<b>3,129.5</b>	<b>(39.9)</b>	<b>3,089.6</b>
<b>Current liabilities</b>			
Borrowings	4,861.4	-	4,861.4
Payables	2,506.0	-	2,506.0
Contract liabilities	111.2	-	111.2
Taxation	14.5	-	14.5
Dividend payable	30.4	-	30.4
	<b>7,523.5</b>	<b>-</b>	<b>7,523.5</b>
<b>Total liabilities</b>	<b>10,653.0</b>	<b>(39.9)</b>	<b>10,613.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,830.6</b>	<b>(407.9)</b>	<b>18,422.7</b>

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 December 2019****28. Comparatives (Cont'd.)****(iii) Reconciliation of total comprehensive income for the year ended 31 December 2018**

	<b>Audited as at 31 December</b>		<b>Restated as at 31 December</b>
<b>(All figures are stated in RM million)</b>	<b>2018</b>		<b>2018</b>
<b>Revenue</b>	<b>10,186.4</b>	-	10,186.4
<b>Operating cost</b>	<b>(10,218.5)</b>	-	(10,218.5)
<b>Results from operations</b>	<b>(32.1)</b>	-	(32.1)
Impairment of property, plant and equipment	(77.9)	-	(77.9)
Impairment of goodwill	(106.2)	-	(106.2)
Fair value gain/(loss) on investment properties	32.6	(110.6)	(78.0)
Other investment results	1.2	-	1.2
Share of results of associates	115.5	-	115.5
Share of results of joint ventures	(82.0)	-	(82.0)
<b>Loss before interest and taxation</b>	<b>(148.9)</b>	(110.6)	(259.5)
Finance cost	(271.5)	-	(271.5)
Interest income	32.5	-	32.5
<b>Loss before taxation</b>	<b>(387.9)</b>	(110.6)	(498.5)
Taxation	(100.2)	25.5	(74.7)
<b>Loss for the year</b>	<b>(488.1)</b>	(85.1)	(573.2)
Attributable to:			
Shareholders of the Company	(469.2)	(85.1)	(554.3)
Holder of Perpetual Sukuk	73.9	-	73.9
Non-controlling interests	(92.8)	-	(92.8)
<b>Loss for the year</b>	<b>(488.1)</b>	(85.1)	(573.2)
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Foreign currency translation	(2.5)	-	(2.5)
Share of OCI of investments accounted for using the equity method	15.6	-	15.6
	<b>13.1</b>	-	<b>13.1</b>
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>			
Net loss on equity investment designated at fair value through OCI			
- Fair value changes	(3.0)	-	(3.0)
- Disposals	(0.3)	-	(0.3)
	<b>(3.3)</b>	-	<b>(3.3)</b>
<b>Total comprehensive loss for the year, net of tax</b>	<b>(478.3)</b>	(85.1)	(563.4)
Attributable to:			
Shareholders of the Company	(457.8)	(85.1)	(542.9)
Holder of Perpetual Sukuk	73.9	-	73.9
Non-controlling interests	(94.4)	-	(94.4)
<b>Total comprehensive loss for the year, net of tax</b>	<b>(478.3)</b>	(85.1)	(563.4)