

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

For the period ended 30 June 2020	Current Period		Cumulative Period	
(All figures are stated in RM million)	2020	2019	2020	2019
Revenue	1,499.3	2,544.1	3,760.2	5,050.8
Operating cost	(1,475.3)	(2,506.3)	(3,712.9)	(4,920.7)
Results from operations	24.0	37.8	47.3	130.1
Gain on disposal of plantation land	-	119.5	-	119.5
Other investment results	-	0.2	-	0.2
Share of results of associates	18.8	35.5	44.7	68.2
Share of results of joint ventures	(11.1)	(5.1)	(18.3)	(10.7)
Profit before interest, taxation and zakat	31.7	187.9	73.7	307.3
Finance cost	(94.7)	(81.0)	(197.2)	(158.4)
Interest income	5.6	12.0	12.8	21.5
(Loss)/profit before taxation and zakat	(57.4)	118.9	(110.7)	170.4
Taxation	(8.7)	(34.8)	(30.9)	(74.9)
(Loss)/profit for the period	(66.1)	84.1	(141.6)	95.5
Attributable to:				
Shareholders of the Company	(73.7)	24.3	(146.7)	1.9
Holder of Perpetual Sukuk	12.4	21.0	24.5	41.6
Non-controlling interests	(4.8)	38.8	(19.4)	52.0
(Loss)/profit for the period	(66.1)	84.1	(141.6)	95.5
(Loss)/earning per share - sen				
Basic/diluted	(3.64)	1.20	(7.24)	0.09

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2019.

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the period ended 30 June 2020 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2020	2019	2020	2019
(Loss)/profit for the period	(66.1)	84.1	(141.6)	95.5
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	16.2	2.8	4.4	1.7
Share of OCI of investments accounted for using the equity method	47.4	7.1	(12.1)	33.7
	63.6	9.9	(7.7)	35.4
<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	0.6	-	(1.5)	0.4
- Disposals	(0.9)	-	-	0.1
	(0.3)	-	(1.5)	0.5
Total comprehensive (loss)/income for the period, net of tax	(2.8)	94.0	(150.8)	131.4
Attributable to:				
Shareholders of the Company	(18.7)	33.2	(157.7)	37.1
Holder of Perpetual Sukuk	12.4	21.0	24.5	41.6
Non-controlling interests	3.5	39.8	(17.6)	52.7
Total comprehensive (loss)/income for the period, net of tax	(2.8)	94.0	(150.8)	131.4

The unaudited condensed statement of consolidated comprehensive income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2019.

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2020	As at 30 June 2020	As at 31 December 2019
(All figures are stated in RM million)		
ASSETS		
Non current assets		
Property, plant and equipment	4,641.2	4,878.7
Investment properties	1,569.3	1,568.1
Right-of-use assets	2,409.1	2,403.9
Deferred tax assets	62.8	53.1
Associates	2,145.0	2,116.5
Joint ventures	542.3	559.5
Investments	5.8	10.2
Intangible assets	380.0	374.4
Inventories	872.1	858.2
Receivables	202.6	202.6
	12,830.2	13,025.2
Current assets		
Biological assets	21.1	22.2
Inventories	1,025.7	1,035.6
Contract assets and contract cost assets	909.8	924.9
Receivables	1,110.1	932.6
Deposits, cash and bank balance	623.8	941.4
Assets classified as held for sale	183.5	92.9
	3,874.0	3,949.6
TOTAL ASSETS	16,704.2	16,974.8
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	2,735.7	2,735.7
Reserves	837.7	993.7
Shareholders' equity	3,573.4	3,729.4
Perpetual Sukuk	609.1	608.9
Non-controlling interests	1,320.9	1,349.8
Total equity	5,503.4	5,688.1
Non current liabilities		
Borrowings	3,497.3	3,522.9
Payables	20.0	24.6
Lease liabilities	34.9	30.1
Deferred tax liabilities	331.9	334.2
	3,884.1	3,911.8
Current liabilities		
Borrowings	4,399.5	4,386.7
Payables	2,790.3	2,892.9
Contract liabilities	91.9	61.0
Lease liabilities	12.7	11.2
Taxation	22.3	23.1
	7,316.7	7,374.9
Total liabilities	11,200.8	11,286.7
TOTAL EQUITY AND LIABILITIES	16,704.2	16,974.8

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2019.

Boustead Holdings Berhad 196001000193 (3871-H)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 June 2020	Attributable to shareholders of the Company						Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total			
As at 1 January 2020	2,735.7	51.3	143.6	435.1	363.7	3,729.4	608.9	1,349.8	5,688.1
Currency translation difference in respect of foreign operations	-	-	-	2.6	-	2.6	-	1.8	4.4
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(1.5)	-	-	-	(1.5)	-	-	(1.5)
- transfer upon disposal	-	(0.9)	-	-	0.9	-	-	-	-
Share of OCI investments accounted for using equity method	-	(14.3)	-	2.2	-	(12.1)	-	-	(12.1)
Total other comprehensive (loss)/profit for the period	-	(16.7)	-	4.8	0.9	(11.0)	-	1.8	(9.2)
(Loss)/profit for the period	-	-	-	-	(146.7)	(146.7)	24.5	(19.4)	(141.6)
Total comprehensive (loss)/income for the period	-	(16.7)	-	4.8	(145.8)	(157.7)	24.5	(17.6)	(150.8)
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(24.3)	-	(24.3)
Changes in ownership interests in a subsidiary									
- Share options granted by a subsidiary	-	-	-	-	1.7	1.7	-	(0.9)	0.8
Transfer during the period									
- Regulatory reserve of an associate	-	-	(27.0)	-	27.0	-	-	-	-
Dividends	-	-	-	-	-	-	-	(10.4)	(10.4)
Balance at 30 June 2020	2,735.7	34.6	116.6	439.9	246.6	3,573.4	609.1	1,320.9	5,503.4

Boustead Holdings Berhad 196001000193 (3871-H)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

For the financial period ended 30 June 2019	Attributable to shareholders of the Company						Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total			
As at 1 January 2019	2,735.7	21.6	186.4	434.0	1,617.0	4,994.7	1,207.9	1,601.7	7,804.3
Adjustment arising from adoption of MFRS 16	-	-	-	-	(6.2)	(6.2)	-	-	(6.2)
As at 1 January 2019, restated	2,735.7	21.6	186.4	434.0	1,610.8	4,988.5	1,207.9	1,601.7	7,798.1
Currency translation difference in respect of foreign operations	-	-	-	0.9	-	0.9	-	0.8	1.7
Net gain/(loss) on equity investment designated at fair value through OCI	-	-	-	-	-	-	-	-	-
- fair value changes	-	0.4	-	-	-	0.4	-	-	0.4
- disposal	-	0.1	-	-	-	0.1	-	-	0.1
- transfer upon disposal	-	(0.1)	-	-	0.1	-	-	-	-
Share of OCI investments accounted for using equity method	-	34.7	-	(0.9)	-	33.8	-	(0.1)	33.7
Total other comprehensive income for the period	-	35.1	-	-	0.1	35.2	-	0.7	35.9
Profit for the period	-	-	-	-	1.9	1.9	41.6	52.0	95.5
Total comprehensive income for the period	-	35.1	-	-	2.0	37.1	41.6	52.7	131.4
Share of effect on changes in group's structure of an associate on dilution of its subsidiary	-	-	-	-	2.7	2.7	-	-	2.7
Perpetual Sukuk	-	-	-	-	-	-	(42.0)	-	(42.0)
- Distribution	-	-	-	-	-	-	(42.0)	-	(42.0)
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-	2.0	2.0
- Share options granted by a subsidiary	-	-	-	-	-	-	-	2.0	2.0
Transfer during the period	-	-	-	-	-	-	-	-	-
- Regulatory reserve of an associate	-	-	15.8	-	(15.8)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(51.7)	(51.7)
Balance at 30 June 2019, restated	2,735.7	56.7	202.2	434.0	1,599.7	5,028.3	1,207.5	1,604.7	7,840.5

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 2019.

Boustead Holdings Berhad 196001000193 (3871-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the period ended 30 June 2020**

(All figures are stated in RM million)	2020	2019
Operating activities		
Receipts from customers	3,784.4	5,080.6
Cash paid to suppliers and employees	(3,741.9)	(4,374.5)
	42.5	706.1
Income taxes paid less refund	(21.9)	(50.6)
Net cash from operating activities	20.6	655.5
Investing activities		
Purchase of property, plant and equipment	(43.3)	(437.2)
Purchase of right-of-use assets	(2.0)	-
Purchase of intangible assets	(2.4)	(8.3)
Purchase of development of property development and investment properties	(66.4)	(118.5)
Proceed from the sale of property, plant and equipment	0.3	121.2
Disposal of quoted shares	3.0	-
Interest received - others	12.8	-
Others	1.6	34.9
Net cash used in investing activities	(96.4)	(407.9)
Financing activities		
Transactions with owners	-	(30.4)
Transactions with holders of Perpetual Sukuk	(24.3)	(42.0)
New loans	2.8	518.3
Loans repayment	(168.9)	(50.8)
Net withdrawal/(repayment) of revolving credits and banker acceptances	176.5	(342.3)
Interest paid	(194.0)	(203.8)
Repayment of lease liabilities	-	(4.0)
Dividend paid - others	(10.4)	(51.7)
Net cash used in financing activities	(218.3)	(206.7)
Net (decrease)/increase in cash and cash equivalent	(294.1)	40.9
Foreign currency translation difference	(0.1)	(0.3)
Cash and cash equivalent at beginning of period	894.8	694.0
Cash and cash equivalent at end of period	600.6	734.6
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	623.8	781.0
Overdrafts	(23.2)	(46.4)
Cash and cash equivalent at end of period	600.6	734.6

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 2019.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****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 2019. 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 2020, the Group adopted the following new and amended MFRS:

	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
Amendments to MFRS 9, MFRS 139 and MFRS 7 – Interest Rate Benchmark Reform	1 January 2020

The adoption of new and amended standards above did not have material impact on financial statements of the Group.

Standards Issued but not yet Effective

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

	Effective Date
MFRS 17 - Insurance Contracts	1 January 2021
COVID-19-Related Rent Concessions (Amendments to MFRS 16 Leases)	1 January 2021
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Reference to Conceptual Framework (Amendments to MFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment – Proceeds before Intended Use (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
Amendments to MFRS 101 - Classification of Liabilities as Current or Non-Current	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Amendments to MFRS 10 and MFRS 128 - 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.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the quarter ended 30 June 2020

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 at the beginning of the year and thereafter increases gradually to reach a peak during the second half of the 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 2019, 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

For the current quarter, the Directors did not declare any dividend (2019: Nil) in respect of the financial year ended 31 December 2020.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****8. Segmental Information**

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 30 June 2020							
Revenue							
Group total sales	270.0	329.7	162.4	1,465.7	1,543.5	(11.1)	3,760.2
Inter-segment sales	(11.1)	-	-	-	-	11.1	-
External sales	258.9	329.7	162.4	1,465.7	1,543.5	-	3,760.2
Operating cost	(269.0)	(293.1)	(170.9)	(1,402.1)	(1,577.8)	-	(3,712.9)
Results from operations	(10.1)	36.6	(8.5)	63.6	(34.3)	-	47.3
Share of result of associates	(0.5)	2.0	-	-	43.2	-	44.7
Share of result of joint ventures	(17.0)	-	(1.3)	-	-	-	(18.3)
(Loss)/profit before interest, taxation and zakat	(27.6)	38.6	(9.8)	63.6	8.9	-	73.7
Finance cost	(48.4)	(32.8)	(48.7)	(21.8)	(115.9)	70.4	(197.2)
Interest income	7.5	0.2	0.5	0.4	74.6	(70.4)	12.8
(Loss)/profit before taxation and zakat	(68.5)	6.0	(58.0)	42.2	(32.4)	-	(110.7)
Taxation							(30.9)
Loss for the period							(141.6)
Other Information							
Depreciation and amortisation	(17.7)	(66.4)	(7.9)	(16.0)	(52.1)	-	(160.1)
Profit on disposal - Other assets	-	0.1	-	-	0.3	-	0.4
Other non-cash expense*	(5.0)	-	(10.1)	(7.3)	(1.6)	-	(24.0)

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****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.):

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 30 June 2019							
Revenue							
Group total sales	450.9	258.9	490.4	1,388.0	2,474.0	(11.4)	5,050.8
Inter-segment sales	(11.4)	-	-	-	-	11.4	-
External sales	439.5	258.9	490.4	1,388.0	2,474.0	-	5,050.8
Operating cost	(413.9)	(281.9)	(500.7)	(1,330.4)	(2,393.8)	-	(4,920.7)
Results from operations	25.6	(23.0)	(10.3)	57.6	80.2	-	130.1
Gain on disposal of plantation land	-	119.5	-	-	-	-	119.5
Other investment result	0.1	-	-	-	0.1	-	0.2
Share of result of associates	(0.9)	3.3	-	-	65.8	-	68.2
Share of result of joint ventures	(13.8)	-	3.1	-	-	-	(10.7)
(Loss)/profit before interest, taxation and zakat	11.0	99.8	(7.2)	57.6	146.1	-	307.3
Finance cost	(46.5)	(30.7)	(26.9)	(24.5)	(95.8)	66.0	(158.4)
Interest income	8.7	1.0	1.1	0.8	75.9	(66.0)	21.5
(Loss)/profit before taxation and zakat	(26.8)	70.1	(33.0)	33.9	126.2	-	170.4
Taxation							(74.9)
Profit for the period							<u>95.5</u>
Other Information							
Depreciation and amortisation	(15.1)	(79.1)	(8.5)	(35.8)	(57.3)	-	(195.8)
(Loss)/profit on disposal - Other assets	-	(1.1)	-	-	0.1	-	(1.0)
Other non-cash income/(expense)*	2.7	-	2.1	(2.2)	1.6	-	4.2

The Group's business segments have been revised from 6 divisions to 5 divisions in the current period. This is to reflect the current reporting line of the divisions to the Board of Directors and Management.

* Other non-cash income/expenses exclude gain on disposal of other assets and also depreciation and amortisation

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

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****8. Segmental Information (Cont'd.)**

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 30 June 2020							
Sale of produce	-	329.3	-	-	-	-	329.3
Sale of petroleum products	-	-	-	-	1,448.0	-	1,448.0
Sale of pharmaceutical products	-	-	-	1,465.7	-	-	1,465.7
Sale of building materials	99.9	-	-	-	-	-	99.9
Shipbuilding and repair	-	-	160.6	-	-	-	160.6
Sale of development properties	83.4	-	-	-	-	-	83.4
Hotel operations	28.6	-	-	-	-	-	28.6
Tuition fees	-	-	-	-	78.4	-	78.4
Others	-	0.4	0.2	-	14.2	-	14.8
Revenue from contracts with customers	211.9	329.7	160.8	1,465.7	1,540.6	-	3,708.7
Rental income	47.0	-	1.6	-	2.9	-	51.5
Total revenue	258.9	329.7	162.4	1,465.7	1,543.5	-	3,760.2
Timing of Revenue Recognition							
Goods/services transferred:							
- At a point in time	158.2	329.3	1.9	1,465.1	1,465.2	-	3,419.7
- Over time	100.7	0.4	160.5	0.6	78.3	-	340.5
	258.9	329.7	162.4	1,465.7	1,543.5	-	3,760.2
For the period ended 30 June 2019							
Sale of produce	-	258.2	-	-	-	-	258.2
Sale of petroleum products	-	-	-	-	2,371.6	-	2,371.6
Sale of pharmaceutical products	-	-	-	1,388.0	-	-	1,388.0
Sale of building materials	170.7	-	-	-	-	-	170.7
Shipbuilding and repair	-	-	487.7	-	-	-	487.7
Sale of development properties	139.8	-	-	-	-	-	139.8
Hotel operations	65.8	-	-	-	-	-	65.8
Tuition fees	-	-	-	-	77.2	-	77.2
Others	-	0.7	0.9	-	27.4	-	29.0
Revenue from contracts with customers	376.3	258.9	488.6	1,388.0	2,476.2	-	4,988.0
Rental income	60.5	-	1.7	-	0.6	-	62.8
Total revenue	436.8	258.9	490.3	1,388.0	2,476.8	-	5,050.8
Timing of Revenue Recognition							
Goods/services transferred:							
- At a point in time	253.0	258.2	1.9	1,381.1	2,399.5	-	4,293.7
- Over time	183.8	0.7	488.4	6.9	77.3	-	757.1
	436.8	258.9	490.3	1,388.0	2,476.8	-	5,050.8

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****9. Debts and Equity Securities**

There were no 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 27 August 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

The status of the contingent liability as disclosed in the FY2019 annual financial statements remains unchanged as at 27 August 2020. No other contingent liability has arisen since the financial year end other than disclosed above.

14. Commitments

The Group has the following commitments as at 30 June 2020:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	276.6	166.7
	<u>276.6</u>	<u>166.7</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 2019.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****16. Intangible Assets**

RM million	Goodwill	Concession right	Rights to supply	Others	Total
Cost					
At 1 January 2020	1,226.1	75.0	342.8	81.2	1,725.1
Additions	-	-	-	7.0	7.0
Transfer from property, plant and equipment	-	-	-	0.1	0.1
Written off	-	-	-	(0.7)	(0.7)
Foreign exchange fluctuation	0.9	-	-	0.5	1.4
At 30 June 2020	1,227.0	75.0	342.8	88.1	1,732.9
Accumulated amortisation and impairment					
At 1 January 2020	919.4	75.0	342.8	13.5	1,350.7
Amortisation	-	-	-	1.9	1.9
Foreign exchange fluctuation	-	-	-	0.3	0.3
At 30 June 2020	919.4	75.0	342.8	15.7	1,352.9
Net carrying amount					
At 30 June 2020	307.6	-	-	72.4	380.0
At 31 December 2019	306.7	-	-	67.7	374.4

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 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia****17. Performance Review****Results for Current Quarter**

For the quarter ended 30 June 2020 (All figures are stated in RM million)	Current Period		+ / (-)
	2020	2019	%
Revenue	1,499.3	2,544.1	-41%
Operating cost:			
- Depreciation and amortisation	(76.1)	(100.3)	24.1%
- Other operating cost	(1,399.2)	(2,406.0)	42%
Results from operations	24.0	37.8	-37%
Gain on disposal of plantation land	-	119.5	-100%
Other investment results	-	0.2	-100%
Share of result of associates and joint ventures	7.7	30.4	-75%
Profit before interest and tax	31.7	187.9	-83%
Net finance cost	(89.1)	(69.0)	-29%
(Loss)/profit before taxation	(57.4)	118.9	-148%
Taxation	(8.7)	(34.8)	75%
(Loss)/profit for the period	(66.1)	84.1	-179%
(Loss)/profit attributable to shareholders of the Company	(73.7)	24.3	-403%
EBITDA	100.1	138.1	-28%

For the 2nd quarter ended 30 June 2020 (2QFY20), the Group incurred a loss before taxation and zakat (LBT) of RM57.4 million against last year's corresponding quarter's (2QFY19) profit before taxation and zakat (PBT) of RM118.9 million. The bottom line for the current period was affected by COVID-19 pandemic and the resulting Movement Control Order (MCO). In addition, the results for last year's corresponding period was bolstered by the gain on disposal of plantation land of RM119.5 million. The loss after tax for 2QFY20 stood at RM66.1 million (2QFY19: profit after tax of RM84.1 million) while net loss attributable to shareholders was at RM73.7 million (2QFY19: Net profit of RM24.3 million).

In 2QFY20, the Group posted a lower earnings before interest, tax, depreciation and amortisation (EBITDA) of RM100.1 million (2QFY19: RM138.1 million) as the the Group's operational performance was affected by the COVID-19 pandemic and the MCO as mentioned above.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****17. Performance Review (Cont'd.)****Results for Cumulative Period**

For the period ended 30 June 2020	Cumulative Period		+ / (-)
(All figures are stated in RM million)	2020	2019	%
Revenue:			
Property & Industrial	258.9	439.5	-41%
Plantation	329.7	258.9	27%
Heavy Industries	162.4	490.4	-67%
Pharmaceutical	1,465.7	1,388.0	6%
Trading, Finance & Investment	1,543.5	2,474.0	-38%
	3,760.2	5,050.8	-26%
Operating cost:			
- Depreciation and amortisation	(160.1)	(195.8)	18%
- Other operating cost	(3,552.8)	(4,724.9)	25%
Results from operations	47.3	130.1	-64%
Gain on disposal of plantation land	-	119.5	-100%
Other investment result	-	0.2	-100%
Share of result of associates and joint ventures	26.4	57.5	-54%
Profit before interest, taxation and zakat	73.7	307.3	-76%
Net finance cost	(184.4)	(136.9)	-35%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(68.5)	(26.8)	-156%
Plantation	6.0	70.1	-91%
Heavy Industries	(58.0)	(33.0)	-76%
Pharmaceutical	42.2	33.9	24%
Trading, Finance & Investment	(32.4)	126.2	-126%
	(110.7)	170.4	-165%
Taxation	(30.9)	(74.9)	59%
(Loss)/profit for the period	(141.6)	95.5	-248%
(Loss)/profit attributable to shareholders of the Company	(146.7)	1.9	-7823%
EBITDA	207.4	325.9	-36%

As for the cumulative period (6MFY20), the LBT stood at RM110.7 million, compared unfavourably against last year's corresponding period's (6MFY19) PBT of RM170.4 million mainly due to factors mentioned above. This was translated into the loss after tax of RM141.6 million (6MFY19: profit after tax of RM95.5 million) and net loss of RM146.7 million (6MFY19: net profit of RM1.9 million).

For 6MFY20, the Group recorded lower EBITDA of RM207.4 million (6MFY19: RM325.9 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue**

For 6MFY20, the Group registered a lower revenue of RM3.8 billion, a decrease of 26%, from RM5.1 billion recorded for last year's corresponding period. An analysis of the revenue of each Division is as follows:

- (i) For the cumulative period, the **Property & Industrial Division** posted a revenue of RM258.9 million, a shortfall of 41% against RM439.5 million recorded in 6MFY19. Revenue from the Division was affected by the weaker performance by all segments and exacerbated by the negative effects from COVID-19 pandemic.
- (ii) For 6MFY20, the **Plantation Division** recorded higher revenue of RM329.7 million (6MFY19: RM258.9 million), an increase of 27%. This was achieved on the back of improved palm products prices and significant increase in Fresh Fruit Bunches (FFB) production for the period.

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

	Cumulative Period		Variance	
	2020	2019	RM per MT	%
Average selling prices				
Crude palm oil (CPO)	2,558	2,003	555	28%
Palm kernel (PK)	1,505	1,202	303	25%
Palm product production				
CPO	115,381	105,317	10,064	10%
PK	23,552	21,803	1,749	8%

- (iii) The **Heavy Industries Division** closed the period with a lower revenue of RM162.4 million (6MFY19: RM490.4 million) mainly due to variation in milestone achieved for LCS, LMS and ship repair projects.
- (iv) For the cumulative period, the **Pharmaceutical Division** recorded a higher revenue of RM1.5 billion (6MFY19: RM1.4 billion). This was achieved on the back of strong contribution from non-concession business, mainly from the sale of personal protective equipment (PPE) in response to COVID-19 outbreak.
- (v) For 6MFY20, the **Trading, Finance & Investment Division** registered a revenue of RM1.5 billion, a drop of 38% from RM2.5 billion a year ago. The shortfall was mainly due lower average fuel price and sales volume under Boustead Petroleum Marketing (BPM) and the effect of MCO on tourism-related entities, namely Boustead Cruise Centre and Boustead Travel Services.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****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) Property & Industrial Division

Property & Industrial Division closed the six months period with a higher deficit of RM68.5 million (6MFY19: deficit of RM26.8 million) due to weaker performance from all segments which was exacerbated by the negative effects of MCO and COVID-19 pandemic. For 6MFY20, Property Development segment recorded lower PBT mainly due to temporary cessation of progress of works on our housing projects arising from MCO. Property Investment segment ended the period with a higher LBT on rental rebates while deficit in Hotel segment was mainly due to lower room occupancy and F&B revenue.

Meanwhile, the bottom line for Industrial segment was affected by lower demand for fibre cement boards on temporary closure of construction project during MCO.

(ii) Plantation Division

For the half-year period, the Plantation Division registered a lower PBT of RM6.0 million (6MFY19: PBT of RM70.1 million). In comparison, in 6MFY19, the bottom line was bolstered by the one-off profit of RM119.5 million arising from the disposal of plantation land. At the operating level, the Division recorded a surplus from operation of RM36.6 million (6MFY19: deficit of RM23.0 million) mainly due to better palm products prices. FFB production for the period of 480,240 MT was slightly lower by 2% from 488,198 MT recorded a year ago. Oil extraction and kernel extraction rates for the period were also lower at 21.0% (6MFY19: 21.4%) and 4.3% (6MFY19: 4.4%) respectively.

(iii) Heavy Industries Division

The Heavy Industries Division closed the cumulative period with a higher LBT of RM58.0 million (6MFY19: LBT of RM33.0 million). For 6MFY20, Boustead Heavy Industries Corporation recorded a higher PBT mainly due to reversal of provision for expected credit losses. Nevertheless, this was hampered by the deficit in BNS which recorded higher foreign exchange loss and finance cost. In addition, the contribution from LCS, LMS and ship repair projects was also weaker.

(iv) Pharmaceutical Division

For the six-month period, the Pharmaceutical Division recorded a higher PBT of RM42.2 million (6MFY19: PBT of RM33.9 million), an increase on 24%. The Division has benefitted from the commendable performance from non-concession business, mainly due to higher sales of PPE in response to the COVID-19 outbreak. In addition, the bottom line was also bolstered by the absence of amortisation of concession right recognised at the Group level.

(v) Trading, Finance & Investment Division

For the half-year period, the Trading, Finance & Investment Division incurred a deficit of RM32.4 million (6MFY19: surplus of RM126.2 million). The loss was mainly due to stockholding loss suffered by BPM as a result of steep drop in fuel price and lower sales volume during MCO period. In addition, the result of our tourism-related entities was affected by COVID-19 pandemic. On the positive note, contribution from our university was better on higher revenue from undergraduate and offshore programmes.

For 6MFY20, our associate Affin Bank Berhad, registered a lower contribution due to allowance on credit impairment losses, recognition of modification loss on loan moratorium accounts as well as higher overhead expenses.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 30 June 2020, the Group's deposit, cash and bank balances have decreased mainly due to repayment of interest and borrowings during the period.

Statement of Cash Flows

For 6MFY20, the Group recorded a lower cash inflow from operation RM20.6 million (6MFY19: cash inflow RM655.5 million) mainly due to lower receipts from customers and payment to suppliers during the period. On the other hand, cash outflow from financing activities was higher at RM218.3 million (6MFY19: cash outflow of RM206.7 million) on higher net repayment of borrowings of RM168.9 million (6MFY19: RM50.8 million)

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter**

For the period ended 30 June 2020	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	30.6.2020	31.3.2020	%
Revenue:			
Property & Industrial	92.3	166.6	-45%
Plantation	167.0	162.7	3%
Heavy Industries	76.2	86.2	-12%
Pharmaceutical	645.8	819.9	-21%
Trading, Finance & Investment	518.0	1,025.5	-49%
	1,499.3	2,260.9	-34%
Operating cost:			
- Depreciation and amortisation	(76.1)	(84.0)	9%
- Other operating cost	(1,399.2)	(2,153.6)	35%
Results from operations	24.0	23.3	3%
Share of result of associates and joint ventures	7.7	18.7	-59%
Profit before interest, taxation and zakat	31.7	42.0	-25%
Net finance cost	(89.1)	(95.3)	7%
(Loss)/profit before taxation & zakat:			
Property & Industrial	(43.4)	(25.1)	-73%
Plantation	4.7	1.3	262%
Heavy Industries	(21.5)	(36.5)	41%
Pharmaceutical	12.7	29.4	-57%
Trading, Finance & Investment	(9.9)	(22.4)	56%
	(57.4)	(53.3)	-8%
Taxation	(8.7)	(22.3)	61%
Loss for the period	(66.1)	(75.6)	13%
Loss attributable to shareholders of the Company	(73.7)	(73.1)	-1%
EBITDA	100.1	107.3	-7%

For the current quarter, the Group incurred a LBT of RM57.4 million as compared to a deficit of RM53.3 million in the preceding quarter (1QFY20), an increase of 8%. The better result from Trading, Financial & Investment, Heavy Industries and Plantation Divisions was negated by the weaker performance from Property & Industrial and Pharmaceutical Divisions. Loss after tax and net loss for 2QFY20 stood at RM66.1 million (1QFY20: RM75.6 million) and RM73.7 million (1QFY20: RM73.1 million) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****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) Property & Industrial Division

For 2QFY20, Property & Industrial Division recorded a higher LBT of RM43.4 million (1QFY20: LBT of RM25.1 million) as the bottom line for hotel, property investment and industrial segments was affected by the longer MCO during the quarter. On the other hand, property development activity registered a higher PBT mainly due to the sale of one unit of bungalow lot in Mutiara Damansara.

(ii) Plantation Division

In 2QFY20, the Plantation Division posted a higher PBT of RM4.7 million (1QFY20: PBT of RM1.3 million). This was achieved on the back of improved FFB production of 270,383 MT (or 29%) from 209,857 MT recorded in the last quarter. Notwithstanding, the CPO price dipped to RM2,612 per MT from 2,793 per MT in 1QFY20.

(iii) Heavy Industries Division

The Heavy Industries Division closed the current quarter with a lower LBT of RM21.5 million (1QFY20: LBT of RM36.5 million) on better contribution from LCS and LMS projects as well as lower foreign exchange loss under BNS.

(iv) Pharmaceutical Division

For the current quarter, the Pharmaceutical Division registered a lower PBT of RM12.7 million (1QFY20: PBT of RM29.4 million) on reduced demand from both concession segment and Indonesian operations. The restriction of movement during the MCO had affected the access to clinics, pharmacies and hospitals.

(v) Trading, Finance & Investment Division

In 2QFY20, the Trading, Finance & Investment Division recorded a lower LBT of RM9.9 million (1QFY20: LBT of RM22.4 million) on reduced stockholding loss due to improved fuel price. Nevertheless, this was partly offset by the lower sales volume and revenue.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****19. Prospects**

Prospects for global growth will depend on how fast the COVID-19 pandemic is contained and managed. The measures taken by the Government to contain the spread of COVID-19, while critical and necessary, have impacted the businesses of the Group particularly in the retail, domestic-oriented and tourism-related segments. However, this was mitigated by the contributions from the Group's essential services mainly pharmaceutical and BHP Petrol. Towards end of the quarter, the Group has reconvened all of its businesses. As Malaysia will remain under Recovery MCO until end of August, the Group will remain cautious and continue to monitor the ongoing development and respond accordingly.

Plantation Division

The Division's profitability will be much driven by FFB production, selling prices and the Division's execution of transformation programme. CPO prices for the rest of the year are expected to remain supportive with relatively steady demand for palm oil seen from China, India and Pakistan. Global palm oil production for this year is estimated to be lower than last year due to a slowing down in the increase in mature area, lack of replanting, reduced fertilizer applications and shortage of workers in many estates. The uncertainty of COVID-19 recovery will likely exacerbate issues on shortage of labour as new foreign workers recruitment remains restricted. In view of this, the Division has already implemented transformation initiatives to address the said challenges. Hence, the Division remains optimistic on the outcome of its efforts to improve both the operational and financial efficiency.

Pharmaceutical Division

Moving forward, the Division remains committed to strengthen operations across all of its business units and endeavoring in new ventures in line with the current healthcare industry. Along with serving the healthcare requirements of the people, this will enable the Division to continue delivering better results.

Taking a longer-term perspective, the Division is focused on enhancing prospects by improving manufacturing and operational efficiencies, as well as progressing in its research and development efforts. This will allow the Division to tap on new opportunities, both in Malaysia and overseas markets, to ensure the sustainable growth of the Division in the years ahead.

Property & Industrial Division

Against the backdrop of uncertainties on the aftermath effect of COVID-19, the Division's performance in hotel, property development, property investment and industrial activities is affected by the current soft sentiment in tourism, property and construction industries as well as low consumer sentiment. The hotel segment is expected to continue facing challenges in term of occupancies and rate as Malaysia's international border remains closed and large public events are discouraged. The Division will focus on digital marketing to engage customers and cost containment measures to minimise the impact of the market slowdown.

Other Divisions

The Littoral Mission Ship (LMS) projects as well as defence related maintenance, repair and overhaul activities will contribute to Heavy Industries Division's performance going forward. Although work has partially resumed, the milestone of LMS projects will have to be reviewed given the delay caused by the lockdown in Wuhan, China.

Trading, Finance & Investment Division's earnings will largely be driven by Boustead Petroleum Marketing and our associate, Affin Bank Berhad.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****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 2020 RM million	Cumulative Quarter 2020 RM million
Malaysian taxation based on profit for the period:		
- Current	28.7	43.4
- Deferred	(10.9)	(14.7)
	17.8	28.7
Under provision of prior years	(9.1)	2.2
	8.7	30.9

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 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****22. Corporate Proposals - Status****(a) Status of Corporate Proposal****(i) Proposed Acquisition of Oil Palm Plantation Lands**

On 25 March 2019, Boustead Rimba Nilai Sdn Bhd (BRNSB), a wholly-owned subsidiary of Boustead Plantations Berhad entered into a sale and purchase agreement with Lubah Plantations (S) Sdn Bhd (Lubah SPA) for the acquisition of Lubah property within the District of Labuk & Sugut comprising a land title measuring 499.3 hectares for a cash consideration of RM38.21 million. BRNSB has paid a 10% deposit.

The Lubah SPA has lapsed on 25 August 2020 due to the non-fulfillment of one (1) of the Condition Precedents stipulated in the Lubah SPA and the acquisition of Lubah property is now terminated.

(ii) 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 4th quarter of 2020.

There were no other corporate proposals announced or pending completion as at 27 August 2020.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****22. Corporate Proposals - Status (Cont'd.)****(b) Status on Utilisation of Proceeds from Rights Issue as at 31 July 2020**

	Proposed	Revised	Actual
(In RM Million)	Utilisation	Utilisation	Utilisation
Repayment of bank borrowings	486.0	638.0	638.0
Property development activities	507.0	355.0	355.0
Working capital	60.5	60.5	60.5
Rights Issue expenses	1.3	1.3	1.3
	<u>1,054.8</u>	<u>1,054.8</u>	<u>1,054.8</u>

The Company had on 28 February 2020 made the announcement to vary the utilisation of proceeds from Rights Issue. As at 31 July 2020, the proceeds from Rights Issue have been fully utilised.

(c) Status on Utilisation of Proceeds from Issue of IMTNs as at 31 July 2020

	Proposed	Actual		Deviation		
(In RM Million)	Utilisation	Utilisation	Time Frame	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 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****23. Changes in Material Litigations**

- (i) In respect of the litigation referred to in Note 37 (a) of 2019 Annual Report, the trial continued on 5 August 2020 whereby the re-examination of the Defendant's last witness was concluded. The Court then directed both parties to file skeletal submission by 14 August 2020 and fixed 17 August 2020 for oral submission. The Court further fixed 8 September 2020 for continuation of the oral submission.
- (ii) In respect of the litigation referred to in Note 37 (b) of 2019 Annual Report, hearing for the striking out applications has been fixed on 17 July 2020. During the hearing, the High Court allowed all of the Defendants' applications to strike out the Plaintiff's suit with costs of RM15,000.00 for each application. In other words, the Court struck out the Plaintiff's suit against all the Defendants. The Plaintiff filed the Notice of Appeal on 14 August 2020 to appeal against the High Court's decision on the Defendants' striking out applications.
- (iii) In respect of the litigation referred to in Note 37 (c) of 2019 Annual Report, the trial dates have been fixed on 19 & 20 October 2020.
- (iv) On 3 July 2020, the Group's subsidiary Boustead Naval Shipyard Sdn Bhd (BNS) was served with winding up petition by MTU Services (Malaysia) Sdn Bhd (the Plaintiff). By the Petition, the Plaintiff alleges that BNS is indebted to them for the total sum of RM56.0 million for the equipment supplied and services provided to BNS. No judgement obtained from the Court by the Petitioner on the amount allegedly due and owing to them.
BNS filed Stay/Strike Out Application on 11 August 2020 and the Court has fixed 19 August 2020 to hear Plaintiff's Application for the Appointment of Interim Liquidator as well as BNS' Stay/Strike Out Application.
On 19 August 2020, the Court stayed the hearing of the winding up petition pending the disposal of BNS Stay/Strike Out Application which has been fixed for hearing on 29 September 2020. Therefore, the initial hearing date of the winding up petition on 26 August 2020 was postponed.

As at 27 August 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 2019.

24. Earnings Per Share - Basic/diluted

	Current Period		Cumulative Period	
	2020	2019	2020	2019
Net loss for the period (RM million)	(73.7)	24.3	(146.7)	1.9
Weighted average number of ordinary shares in issue (million)	2,027.0	2,027.0	2,027.0	2,027.0
Basic/diluted loss per share (sen)	(3.64)	1.20	(7.24)	0.09

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****25. Group Borrowings and Debt Securities**

Total group borrowings as at 30 June 2020 are as follows:-

	30.6.2020	31.12.2019	30.6.2019
	RM million	RM million	RM million
Non-current:			
Term loans			
- Denominated in RM	920.3	1,085.1	864.5
- Denominated in Great Britain Pound	58.3	60.6	60.2
	978.6	1,145.7	924.7
Asset-backed bonds	-	-	209.9
Islamic medium term notes	2,341.0	2,339.8	1,692.8
Revolving credits	420.0	420.0	649.1
	3,739.6	3,905.5	3,476.5
Less: repayable in 1 year	242.3	382.6	316.9
	3,497.3	3,522.9	3,159.6
Current:			
Bank overdrafts	23.2	46.6	46.4
Bankers' acceptances			
- Denominated in RM	618.6	310.4	374.0
- Denominated in Indonesian Rupiah	201.3	160.8	177.9
Revolving credits	3,314.1	3,486.3	3,569.2
Short term loans	242.3	382.6	316.9
	4,399.5	4,386.7	4,484.4
Total borrowings	7,896.8	7,909.6	7,644.0

As at 30 June 2020, no significant variance noted on the Group's borrowing as compared with 31 December 2019. The borrowing was higher as compared with 30 June 2019 mainly due to the issuance of Islamic Medium Term Notes in July 2019 of RM650 million to partly redeem the Perpetual Sukuk.

During the financial period, the weighted average interest rate of borrowings is 5.5% (FY2019: 5.5%) per annum. The proportion of debt based on fixed and floating interest rate is 30% (FY2019: 30%) and 70% (FY2019: 70%) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****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 in 2018, 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 in 2018, 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 previous financial 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 previous financial 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 RM33.3 million (2019: RM42.8 million) and revolving credits of RM674.5 million (2019: RM674.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM4.1 million (2019: RM4.7 million) which is secured against a hangar owned by the subsidiary.

A subsidiary has a term loan of RM18.3 million (2019: RM20.3 million) which is secured against the subsidiary's hire purchase contracts.

A subsidiary has a term loan denominated in Great Britain Pound equivalent to RM58.3 million (2019: RM60.6 million) which is secured against a property owned by the Subsidiary.

All the other borrowings are unsecured.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****25. Group Borrowings and Debt Securities (Cont'd.)**

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	30.6.2020	31.12.2019	30.6.2019
Denominated in Great Britain Pound	11.1	11.3	11.5
Denominated in Indonesian Rupiah	671,000	545,085	607,167

Exchange rate:

- Great Britain Pound	5.27	5.38	5.25
- Indonesian Rupiah	0.0300	0.0295	0.0293

26. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2020	2019	2020	2019
	RM million	RM million	RM million	RM million
Depreciation and amortisation	76.1	100.3	160.1	195.8
(Reversal of)/provision for expected credit losses	(4.5)	1.9	(1.0)	7.5
Provision for and write off of inventories	4.3	5.3	7.7	7.1
Gain on disposal of plantation land	-	(119.5)	-	(119.5)
(Gain)/loss on disposal of other property, plant and equipment	-	0.1	(0.4)	1.0
Foreign exchange loss	0.3	15.8	20.0	0.8
Net fair value (gain)/loss on derivatives	0.2	(3.2)	(8.7)	0.8

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2020****27. Plantation Statistics**

	Cumulative Period	
	2020	2019
(a) Crop production and yield		
FFB (MT)	480,240	488,198
FFB (MT/ha)	7.2	7.1
Crude palm oil (CPO) production (MT)	115,381	105,317
Palm kernel (PK) production (MT)	23,552	21,803
(b) Average selling prices (RM per MT)		
FFB	500	379
CPO	2,558	2,003
PK	1,505	1,202
(c) Oil extraction rate (%)		
CPO	21.0	21.4
PK	4.3	4.4
(d) Planted areas (hectares)		
	As at	As at
	30.6.2020	31.12.2019
Oil palm - immature	6,647	6,551
- young mature	12,223	13,183
- prime mature	21,672	27,167
- past prime	32,952	32,505
	73,494	79,406