

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

<b>For the period ended 30 September 2020</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b>	<b>1,890.8</b>	2,734.7	<b>5,651.0</b>	7,785.5
<b>Operating cost</b>	<b>(1,821.1)</b>	(2,651.8)	<b>(5,534.0)</b>	(7,572.5)
<b>Results from operations</b>	<b>69.7</b>	82.9	<b>117.0</b>	213.0
Gain on disposal of plantation land	-	-	-	119.5
Impairment of property, plant and equipment	-	(123.2)	-	(123.2)
Impairment of goodwill	-	(38.1)	-	(38.1)
Other investment results	<b>0.1</b>	0.1	<b>0.1</b>	0.3
Share of results of associates	<b>13.6</b>	17.2	<b>58.3</b>	85.4
Share of results of joint ventures	<b>(7.9)</b>	(12.8)	<b>(26.2)</b>	(23.5)
<b>Profit/(loss) before interest, taxation and zakat</b>	<b>75.5</b>	(73.9)	<b>149.2</b>	233.4
Finance cost	<b>(95.6)</b>	(95.1)	<b>(292.8)</b>	(253.5)
Interest income	<b>5.8</b>	12.6	<b>18.6</b>	34.1
<b>(Loss)/profit before taxation and zakat</b>	<b>(14.3)</b>	(156.4)	<b>(125.0)</b>	14.0
Taxation	<b>(19.6)</b>	(31.0)	<b>(50.6)</b>	(103.6)
Zakat	<b>(1.1)</b>	(0.1)	<b>(1.1)</b>	(2.4)
<b>Loss for the period</b>	<b>(35.0)</b>	(187.5)	<b>(176.7)</b>	(92.0)
Attributable to:				
Shareholders of the Company	<b>(51.8)</b>	(155.0)	<b>(198.6)</b>	(153.1)
Holder of Perpetual Sukuk	<b>13.0</b>	20.0	<b>37.5</b>	61.6
Non-controlling interests	<b>3.8</b>	(52.5)	<b>(15.6)</b>	(0.5)
<b>Loss for the period</b>	<b>(35.0)</b>	(187.5)	<b>(176.7)</b>	(92.0)
<b>Loss per share - sen</b>				
Basic/diluted	<b>(2.56)</b>	(7.65)	<b>(9.80)</b>	(7.55)

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 September 2020	Current Period		Cumulative Period	
(All figures are stated in RM million)	2020	2019	2020	2019
<b>Loss for the period</b>	<b>(35.0)</b>	(187.5)	<b>(176.7)</b>	(92.0)
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>(9.4)</b>	1.8	<b>(5.0)</b>	3.5
Share of OCI of investments accounted for using the equity method	<b>17.2</b>	3.5	<b>5.1</b>	37.2
	<b>7.8</b>	5.3	<b>0.1</b>	40.7
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Net (loss)/gain on equity investment designated at fair value through OCI				
- Fair value changes	<b>(0.3)</b>	(0.9)	<b>(1.8)</b>	(0.5)
- Disposals	<b>0.5</b>	-	<b>0.5</b>	0.1
	<b>0.2</b>	(0.9)	<b>(1.3)</b>	(0.4)
<b>Total comprehensive loss for the period, net of tax</b>	<b>(27.0)</b>	(183.1)	<b>(177.9)</b>	(51.7)
Attributable to:				
Shareholders of the Company	<b>(39.3)</b>	(151.0)	<b>(197.1)</b>	(113.9)
Holder of Perpetual Sukuk	<b>13.0</b>	20.0	<b>37.5</b>	61.6
Non-controlling interests	<b>(0.7)</b>	(52.1)	<b>(18.3)</b>	0.6
<b>Total comprehensive loss for the period, net of tax</b>	<b>(27.0)</b>	(183.1)	<b>(177.9)</b>	(51.7)

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

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

<b>As at 30 September 2020</b>	<b>As at 30 September 2020</b>	<b>As at 31 December 2019</b>
<b>(All figures are stated in RM million)</b>		
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,589.6	4,878.7
Investment properties	1,569.3	1,568.1
Right-of-use assets	2,423.9	2,403.9
Deferred tax assets	44.1	53.1
Associates	2,186.3	2,116.5
Joint ventures	534.0	559.5
Investments	4.9	10.2
Intangible assets	375.5	374.4
Inventories	888.8	858.2
Receivables	202.6	202.6
	<b>12,819.0</b>	<b>13,025.2</b>
<b>Current assets</b>		
Biological assets	25.8	22.2
Inventories	974.0	1,035.6
Contract assets and contract cost assets	917.7	924.9
Receivables	1,134.8	932.6
Deposits, cash and bank balance	531.2	941.4
Assets classified as held for sale	183.5	92.9
	<b>3,767.0</b>	<b>3,949.6</b>
<b>TOTAL ASSETS</b>	<b>16,586.0</b>	<b>16,974.8</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	2,735.7	2,735.7
Reserves	798.3	993.7
<b>Shareholders' equity</b>	<b>3,534.0</b>	<b>3,729.4</b>
Perpetual Sukuk	622.1	608.9
<b>Non-controlling interests</b>	<b>1,320.1</b>	<b>1,349.8</b>
<b>Total equity</b>	<b>5,476.2</b>	<b>5,688.1</b>
<b>Non current liabilities</b>		
Borrowings	3,278.9	3,522.9
Payables	20.3	24.6
Lease liabilities	57.1	30.1
Deferred tax liabilities	307.4	334.2
	<b>3,663.7</b>	<b>3,911.8</b>
<b>Current liabilities</b>		
Borrowings	4,425.5	4,386.7
Payables	2,893.5	2,892.9
Contract liabilities	78.0	61.0
Lease liabilities	16.1	11.2
Taxation	33.0	23.1
	<b>7,446.1</b>	<b>7,374.9</b>
<b>Total liabilities</b>	<b>11,109.8</b>	<b>11,286.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,586.0</b>	<b>16,974.8</b>

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 September 2020	Attributable to shareholders of the Company								Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total	Perpetual Sukuk	Non-Controlling Interests	
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	-	-	-	(2.3)	-	(2.3)	-	(2.7)	(5.0)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(1.8)	-	-	-	(1.8)	-	-	(1.8)
- disposal	-	0.5	-	-	-	0.5	-	-	0.5
- transfer upon disposal	-	(0.9)	-	-	0.9	-	-	-	-
Share of OCI investments accounted for using equity method	-	3.6	-	1.5	-	5.1	-	-	5.1
Total other comprehensive profit/(loss) for the period	-	1.4	-	(0.8)	0.9	1.5	-	(2.7)	(1.2)
(Loss)/profit for the period	-	-	-	-	(198.6)	(198.6)	37.5	(15.6)	(176.7)
Total comprehensive income/(loss) for the period	-	1.4	-	(0.8)	(197.7)	(197.1)	37.5	(18.3)	(177.9)
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(24.3)	-	(24.3)
Changes in ownership interests in a subsidiary									
- Share options granted by a subsidiary	-	-	-	-	1.7	1.7	-	(1.0)	0.7
Transfer during the period									
- Regulatory reserve of an associate	-	-	(60.0)	-	60.0	-	-	-	-
Dividends	-	-	-	-	-	-	-	(10.4)	(10.4)
<b>Balance at 30 September 2020</b>	<b>2,735.7</b>	<b>52.7</b>	<b>83.6</b>	<b>434.3</b>	<b>227.7</b>	<b>3,534.0</b>	<b>622.1</b>	<b>1,320.1</b>	<b>5,476.2</b>

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

For the financial period ended 30 September 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	-	-	-	2.4	(0.1)	2.3	-	1.2	3.5
Net (loss)/gain on equity investment designated at fair value through OCI	-	(0.5)	-	-	-	(0.5)	-	-	(0.5)
- fair value changes	-	0.1	-	-	-	0.1	-	-	0.1
- disposal	-	(0.1)	-	-	0.1	-	-	-	-
- transfer upon disposal	-	-	-	-	-	-	-	-	-
Share of OCI investments accounted for using equity method	-	37.7	-	0.3	(0.7)	37.3	-	(0.1)	37.2
Total other comprehensive income for the period	-	37.2	-	2.7	(0.7)	39.2	-	1.1	40.3
(Loss)/profit for the period	-	-	-	-	(153.1)	(153.1)	61.6	(0.5)	(92.0)
Total comprehensive income/(loss) for the period	-	37.2	-	2.7	(153.8)	(113.9)	61.6	0.6	(51.7)
Share of effect on changes in group's structure of an associate on dilution of its subsidiary	-	-	-	-	2.6	2.6	-	-	2.6
Perpetual Sukuk	-	-	-	-	-	-	(48.2)	-	(48.2)
- Distribution	-	-	-	-	-	-	(200.0)	-	(200.0)
- Redemption	-	-	-	-	-	-	-	-	-
Changes in ownership interests in a subsidiary	-	-	-	-	0.8	0.8	-	1.7	2.5
- Share options granted by a subsidiary	-	-	-	-	-	-	-	-	-
Transfer during the period	-	-	1.9	-	(1.9)	-	-	-	-
- Regulatory reserve of an associate	-	-	-	-	-	-	-	(55.5)	(55.5)
Dividends	-	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2019, restated</b>	<b>2,735.7</b>	<b>58.8</b>	<b>188.3</b>	<b>436.7</b>	<b>1,458.5</b>	<b>4,878.0</b>	<b>1,021.3</b>	<b>1,548.5</b>	<b>7,447.8</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 2019.

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

<b>(All figures are stated in RM million)</b>	<b>2020</b>	<b>2019</b>
<b>Operating activities</b>		
Receipts from customers	3,593.5	7,489.0
Cash paid to suppliers and employees	(3,357.2)	(6,548.8)
	<b>236.3</b>	940.2
Income taxes paid less refund	(18.2)	(72.3)
Net cash from operating activities	<b>218.1</b>	867.9
<b>Investing activities</b>		
Purchase of property, plant and equipment	(72.2)	(489.7)
Purchase of intangible assets	(2.6)	(18.5)
Purchase and development of property development and investment properties	(46.1)	(133.6)
Proceed from the sale of property, plant and equipment	0.4	121.9
Disposal of quoted shares	4.1	9.3
Interest received - others	18.6	34.1
Others	1.6	9.9
Net cash used in investing activities	<b>(96.2)</b>	(466.6)
<b>Financing activities</b>		
Transactions with owners	-	(30.4)
Transactions with holders of Perpetual Sukuk	(24.3)	(248.2)
New loans	4.3	1,379.7
Loans repayment	(199.8)	(443.4)
Net withdrawal/(repayment) of revolving credits and banker acceptances	29.8	(274.9)
Interest paid	(296.7)	(312.9)
Repayment of lease liabilities	(3.5)	(7.4)
Dividend paid - others	(10.4)	(55.5)
Net cash (used in)/from financing activities	<b>(500.6)</b>	7.0
Net (decrease)/increase in cash and cash equivalent	<b>(378.7)</b>	408.3
Foreign currency translation difference	(0.1)	(0.2)
Cash and cash equivalent at beginning of period	<b>894.8</b>	694.0
<b>Cash and cash equivalent at end of period</b>	<b>516.0</b>	1,102.1
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	531.2	1,160.8
Overdrafts	(15.2)	(58.7)
<b>Cash and cash equivalent at end of period</b>	<b>516.0</b>	1,102.1

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 September 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:

	<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
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:

	<b>Effective Date</b>
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 September 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 Plantation Division'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 September 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
<b>For the period ended 30 September 2020</b>							
<b>Revenue</b>							
Group total sales	413.1	535.4	234.3	2,090.5	2,394.1	(16.4)	5,651.0
Inter-segment sales	(16.4)	-	-	-	-	16.4	-
External sales	396.7	535.4	234.3	2,090.5	2,394.1	-	5,651.0
<b>Operating cost</b>	<b>(393.0)</b>	<b>(458.5)</b>	<b>(251.9)</b>	<b>(2,012.8)</b>	<b>(2,417.8)</b>	<b>-</b>	<b>(5,534.0)</b>
<b>Results from operations</b>	<b>3.7</b>	<b>76.9</b>	<b>(17.6)</b>	<b>77.7</b>	<b>(23.7)</b>	<b>-</b>	<b>117.0</b>
Other investment result	0.1	-	-	-	-	-	0.1
Share of result of associates	(0.9)	3.7	-	-	55.5	-	58.3
Share of result of joint ventures	(26.1)	-	(0.1)	-	-	-	(26.2)
<b>(Loss)/profit before interest, taxation and zakat</b>	<b>(23.2)</b>	<b>80.6</b>	<b>(17.7)</b>	<b>77.7</b>	<b>31.8</b>	<b>-</b>	<b>149.2</b>
Finance cost	(71.2)	(47.5)	(72.0)	(33.4)	(175.8)	107.1	(292.8)
Interest income	11.2	0.5	0.9	0.4	112.7	(107.1)	18.6
<b>(Loss)/profit before taxation and zakat</b>	<b>(83.2)</b>	<b>33.6</b>	<b>(88.8)</b>	<b>44.7</b>	<b>(31.3)</b>	<b>-</b>	<b>(125.0)</b>
Taxation and zakat							(51.7)
<b>Loss for the period</b>							<b>(176.7)</b>
<b>Other Information</b>							
Depreciation and amortisation	(27.0)	(99.3)	(14.6)	(23.2)	(78.4)	-	(242.5)
(Loss)/profit on disposal							
- Other assets	(8.1)	-	-	-	0.2	-	(7.9)
Other non-cash income/(expense)*	5.1	-	(7.6)	(10.3)	(8.3)	-	(21.1)

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 30 September 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
<b>For the period ended 30 September 2019</b>							
<b>Revenue</b>							
Group total sales	694.3	398.1	881.5	2,104.8	3,724.1	(17.3)	7,785.5
Inter-segment sales	(17.3)	-	-	-	-	17.3	-
External sales	677.0	398.1	881.5	2,104.8	3,724.1	-	7,785.5
<b>Operating cost</b>	(618.3)	(432.8)	(875.4)	(2,034.4)	(3,611.6)	-	(7,572.5)
<b>Results from operations</b>	58.7	(34.7)	6.1	70.4	112.5	-	213.0
Gain on disposal of plantation land	-	119.5	-	-	-	-	119.5
Impairment of property, plant and equipment	(42.8)	-	-	-	(80.4)	-	(123.2)
Impairment of goodwill	-	-	-	-	(38.1)	-	(38.1)
Other investment result	0.2	-	-	-	0.1	-	0.3
Share of result of associates	(3.8)	4.6	-	-	84.6	-	85.4
Share of result of joint ventures	(26.9)	-	3.4	-	-	-	(23.5)
<b>(Loss)/profit before interest, taxation and zakat</b>	(14.6)	89.4	9.5	70.4	78.7	-	233.4
Finance cost	(75.7)	(48.1)	(40.6)	(37.8)	(153.5)	102.2	(253.5)
Interest income	13.4	1.0	1.4	0.9	119.6	(102.2)	34.1
<b>(Loss)/profit before taxation and zakat</b>	(76.9)	42.3	(29.7)	33.5	44.8	-	14.0
Taxation and zakat							(106.0)
<b>Loss for the period</b>							(92.0)
<b>Other Information</b>							
Depreciation and amortisation	(22.8)	(125.6)	(12.6)	(54.1)	(86.3)	-	(301.4)
(Loss)/profit on disposal - Other assets	-	(1.2)	-	-	0.5	-	(0.7)
Other non-cash income/(expense)*	2.4	-	(9.8)	(0.8)	0.1	-	(8.1)

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 September 2020****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>Property &amp; Industrial</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Pharmaceutical</b>	<b>Trading, Finance &amp; Investment</b>	<b>Elim'n</b>	<b>Total</b>
<b>For the period ended 30 September 2020</b>							
Sale of produce	-	534.8	-	-	-	-	534.8
Sale of petroleum products	-	-	-	-	2,252.7	-	2,252.7
Sale of pharmaceutical products	-	-	-	2,090.5	-	-	2,090.5
Sale of building materials	167.7	-	-	-	-	-	167.7
Shipbuilding and repair	-	-	231.5	-	-	-	231.5
Sale of development properties	106.2	-	-	-	-	-	106.2
Hotel operations	46.8	-	-	-	-	-	46.8
Tuition fees	-	-	-	-	119.1	-	119.1
Others	-	0.6	0.3	-	21.8	-	22.7
Revenue from contracts with customers	320.7	535.4	231.8	2,090.5	2,393.6	-	5,572.0
Rental income	76.0	-	2.5	-	0.5	-	79.0
<b>Total revenue</b>	<b>396.7</b>	<b>535.4</b>	<b>234.3</b>	<b>2,090.5</b>	<b>2,394.1</b>	<b>-</b>	<b>5,651.0</b>
<b>Timing of Revenue Recognition</b>							
Goods/services transferred:							
- At a point in time	319.1	534.8	4.4	2,089.9	2,275.0	-	5,223.2
- Over time	77.6	0.6	229.9	0.6	119.1	-	427.8
	<b>396.7</b>	<b>535.4</b>	<b>234.3</b>	<b>2,090.5</b>	<b>2,394.1</b>	<b>-</b>	<b>5,651.0</b>

<b>RM million</b>	<b>Property &amp; Industrial</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Pharmaceutical</b>	<b>Trading, Finance &amp; Investment</b>	<b>Elim'n</b>	<b>Total</b>
<b>For the period ended 30 September 2019</b>							
Sale of produce	-	397.1	-	-	-	-	397.1
Sale of petroleum products	-	-	-	-	3,569.6	-	3,569.6
Sale of pharmaceutical products	-	-	-	2,104.8	-	-	2,104.8
Sale of building materials	272.3	-	-	-	-	-	272.3
Shipbuilding and repair	-	-	877.9	-	-	-	877.9
Sale of development properties	208.7	-	-	-	-	-	208.7
Hotel operations	105.9	-	-	-	-	-	105.9
Tuition fees	-	-	-	-	124.6	-	124.6
Others	-	1.0	1.1	-	29.1	-	31.2
Revenue from contracts with customers	586.9	398.1	879.0	2,104.8	3,723.3	-	7,692.1
Rental income	90.1	-	2.5	-	0.8	-	93.4
<b>Total revenue</b>	<b>677.0</b>	<b>398.1</b>	<b>881.5</b>	<b>2,104.8</b>	<b>3,724.1</b>	<b>-</b>	<b>7,785.5</b>
<b>Timing of Revenue Recognition</b>							
Goods/services transferred:							
- At a point in time	390.3	397.1	2.9	2,088.8	3,599.6	-	6,478.7
- Over time	286.7	1.0	878.6	16.0	124.5	-	1,306.8
	<b>677.0</b>	<b>398.1</b>	<b>881.5</b>	<b>2,104.8</b>	<b>3,724.1</b>	<b>-</b>	<b>7,785.5</b>

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 30 September 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 24 November 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 24 November 2020. No other contingent liability has arisen since the financial year end.

**14. Commitments**

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

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	271.1	131.3
	<u>271.1</u>	<u>131.3</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 September 2020****16. Intangible Assets**

<b>RM million</b>	<b>Goodwill</b>	<b>Concession rights</b>	<b>Rights to supply</b>	<b>Others</b>	<b>Total</b>
<b>Cost</b>					
At 1 January 2020	1,226.1	75.0	342.8	81.2	1,725.1
Additions	-	-	-	8.3	8.3
Transfer from property, plant and equipment	-	-	-	0.2	0.2
Written off	-	-	-	(0.9)	(0.9)
Foreign exchange fluctuation	(3.0)	-	-	(1.5)	(4.5)
At 30 September 2020	1,223.1	75.0	342.8	87.3	1,728.2
<b>Accumulated amortisation and impairment</b>					
At 1 January 2020	919.4	75.0	342.8	13.5	1,350.7
Amortisation	-	-	-	2.8	2.8
Foreign exchange fluctuation	-	-	-	(0.8)	(0.8)
At 30 September 2020	919.4	75.0	342.8	15.5	1,352.7
<b>Net carrying amount</b>					
At 30 September 2020	303.7	-	-	71.8	375.5
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 September 2020****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 quarter ended 30 September 2020</b> <b>(All figures are stated in RM million)</b>	<b>Current Period</b>		<b>+ / (-)</b>
	<b>2020</b>	<b>2019</b>	<b>%</b>
<b>Revenue</b>	<b>1,890.8</b>	2,734.7	-31%
<b>Operating cost:</b>			
- Depreciation and amortisation	<b>(82.4)</b>	(105.5)	22%
- Other operating cost	<b>(1,738.7)</b>	(2,546.3)	32%
<b>Results from operations</b>	<b>69.7</b>	82.9	-16%
Impairment of property, plant and equipment	-	(123.2)	100%
Impairment of goodwill	-	(38.1)	100%
Other investment results	<b>0.1</b>	0.1	0%
Share of result of associates and joint ventures	<b>5.7</b>	4.4	30%
<b>Profit/(loss) before interest, tax and zakat</b>	<b>75.5</b>	(73.9)	202%
Net finance cost	<b>(89.8)</b>	(82.5)	-9%
<b>Loss before taxation and zakat</b>	<b>(14.3)</b>	(156.4)	91%
Taxation and zakat	<b>(20.7)</b>	(31.1)	33%
<b>Loss for the period</b>	<b>(35.0)</b>	(187.5)	81%
<b>Loss attributable to shareholders of the Company</b>	<b>(51.8)</b>	(155.0)	67%
<b>EBITDA</b>	<b>152.1</b>	188.4	-19%

For the 3<sup>rd</sup> quarter ended 30 September 2020 (3QFY20), the Group recorded a lower loss before tax and zakat (LBT) of RM14.3 million against last year's corresponding quarter's (3QFY19) LBT of RM156.4 million as the result for 3QFY19 was affected by the impairment of property, plant and equipment and goodwill, amounting to RM161.3 million. The loss after tax and zakat for 3QFY20 stood at RM35.0 million (3QFY19: loss after tax and zakat of RM187.5 million) while net loss attributable to shareholders was at RM51.8 million (3QFY19: net loss of RM155.0 million).

On the other hand, the Group posted a lower earnings before interest, tax, depreciation and amortisation (EBITDA) for the quarter of RM152.1 million (3QFY19: RM188.4 million) as the Group's operational performance was partly affected by the COVID-19 pandemic.

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

<b>For the period ended 30 September 2020</b>	<b>Cumulative Period</b>		<b>+ / (-)</b>
<b>(All figures are stated in RM million)</b>	<b>2020</b>	<b>2019</b>	<b>%</b>
<b>Revenue:</b>			
Property & Industrial	<b>396.7</b>	677.0	-41%
Plantation	<b>535.4</b>	398.1	34%
Heavy Industries	<b>234.3</b>	881.5	-73%
Pharmaceutical	<b>2,090.5</b>	2,104.8	-1%
Trading, Finance & Investment	<b>2,394.1</b>	3,724.1	-36%
	<b>5,651.0</b>	7,785.5	-27%
<b>Operating cost:</b>			
- Depreciation and amortisation	<b>(242.5)</b>	(301.4)	20%
- Other operating cost	<b>(5,291.5)</b>	(7,271.1)	27%
<b>Results from operations</b>	<b>117.0</b>	213.0	-45%
Gain on disposal of plantation land	-	119.5	-100%
Impairment of property, plant and equipment	-	(123.2)	100%
Impairment of goodwill	-	(38.1)	100%
Other investment result	<b>0.1</b>	0.3	-67%
Share of result of associates and joint ventures	<b>32.1</b>	61.9	-48%
<b>Profit before interest, taxation and zakat</b>	<b>149.2</b>	233.4	-36%
Net finance cost	<b>(274.2)</b>	(219.4)	-25%
<b>(Loss)/profit before taxation and zakat:</b>			
Property & Industrial	<b>(83.2)</b>	(76.9)	-8%
Plantation	<b>33.6</b>	42.3	-21%
Heavy Industries	<b>(88.8)</b>	(29.7)	-199%
Pharmaceutical	<b>44.7</b>	33.5	33%
Trading, Finance & Investment	<b>(31.3)</b>	44.8	-170%
	<b>(125.0)</b>	14.0	-993%
Taxation and zakat	<b>(51.7)</b>	(106.0)	51%
<b>Loss for the period</b>	<b>(176.7)</b>	(92.0)	-92%
<b>Loss attributable to shareholders of the Company</b>	<b>(198.6)</b>	(153.1)	-30%
<b>EBITDA</b>	<b>359.5</b>	514.4	-30%

For the cumulative period (9MFY20), the Group incurred a LBT of RM125.0 million, compared unfavourably against last year's corresponding period's (9MFY19) profit before tax and zakat (PBT) of RM14.0 million. During the period, the Group's was partly affected by COVID-19 pandemic and the resulting Movement Control Order (MCO). This was translated into the loss after tax and zakat of RM176.7 million (9MFY19: loss after tax and zakat of RM92.0 million) and net loss of RM198.6 million (9MFY19: net loss of RM153.1 million).

For 9MFY20, the Group recorded lower EBITDA of RM359.5 million (9MFY19: RM514.4 million) as the Group's operational performance was partly affected by the COVID-19 pandemic.

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

For 9MFY20, the Group registered a lower revenue of RM5.7 billion, a decrease of 27%, from RM7.8 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 RM396.7 million, a shortfall of 41% against RM677.0 million recorded in 9MFY19. 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 9MFY20, the **Plantation Division** recorded higher revenue of RM535.4 million (9MFY19: RM398.1 million), an increase of 34%. This was achieved on the back of improved palm products prices and an 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	%
<b>Average selling prices</b>				
Crude palm oil (CPO)	2,637	2,011	626	31%
Palm kernel (PK)	1,496	1,179	317	27%
<b>Palm product production</b>				
CPO	182,452	166,489	15,963	10%
PK	37,207	34,258	2,949	9%

- (iii) The **Heavy Industries Division** closed the period with a lower revenue of RM234.3 million (9MFY19: RM881.5 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 revenue of RM2.1 billion, on par with last year. 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 9MFY20, the **Trading, Finance & Investment Division** registered a revenue of RM2.4 billion, a drop of 36% from RM3.7 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 September 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 nine-month period with a higher deficit of RM83.2 million (9MFY19: deficit of RM76.9 million) due to weaker performance from all property-related segments which was exacerbated by the negative effects of MCO and COVID-19 pandemic. For 9MFY20, Property Development segment recorded lower PBT mainly due lower progress billing. Property Investment segment ended the period with a higher LBT on provision of rental rebates while deficit in Hotel segment was mainly due to lower room occupancy and F&B revenue.

On the other hand, PBT from Industrial segment was higher on better margin attained.

**(ii) Plantation Division**

For the cumulative period, the Plantation Division registered a lower PBT of RM33.6 million (9MFY19: PBT of RM42.3 million). In comparison, in 9MFY19, 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 RM76.9 million (9MFY19: deficit of RM34.7 million) mainly due to better palm products prices and FFB production. FFB production for the period of 753,864 MT was higher by 4% from 727,771 MT recorded a year ago. However, the oil extraction and kernel extraction rates for the period were lower at 21.1% (9MFY19: 21.6%) and 4.3% (9MFY19: 4.4%) respectively.

**(iii) Heavy Industries Division**

The Heavy Industries Division closed the cumulative period with a higher LBT of RM88.8 million (9MFY19: LBT of RM29.7 million). For 9MFY20, Boustead Heavy Industries Corporation recorded a higher PBT mainly due to reversal of provision for expected credit losses. However, 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 nine-month period, the Pharmaceutical Division recorded a higher PBT of RM44.7 million (9MFY19: PBT of RM33.5 million), an increase on 33%. The Division has benefitted from the commendable performance of 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 cumulative period, the Trading, Finance & Investment Division incurred a deficit of RM31.3 million (9MFY19: surplus of RM44.8 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 a positive note, contribution from our university was better on higher revenue from undergraduate programmes.

For 9MFY20, 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 lower net interest income.

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

As at 30 September 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 9MFY20, the Group recorded a lower cash inflow from operation RM218.1 million (9MFY19: cash inflow RM867.9 million) mainly due to lower receipts from customers and payment to suppliers during the period. On the other hand, the Group recorded a cash outflow from financing activities of RM500.6 million (9MFY19: cash inflow of RM7.0 million) due to lower new loan taken during the period at RM4.3 million (9MFY19: RM1,379.7 million)

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

<b>For the period ended 30 September 2020</b>	<b>Current Period</b>	<b>Immediate Preceding Period</b>	<b>+ / (-)</b>
<b>(All figures are stated in RM million)</b>	<b>30.9.2020</b>	<b>30.6.2020</b>	<b>%</b>
<b>Revenue:</b>			
Property & Industrial	<b>137.8</b>	92.3	49%
Plantation	<b>205.7</b>	167.0	23%
Heavy Industries	<b>71.9</b>	76.2	-6%
Pharmaceutical	<b>624.8</b>	645.8	-3%
Trading, Finance & Investment	<b>850.6</b>	518.0	64%
	<b>1,890.8</b>	1,499.3	26%
<b>Operating cost:</b>			
- Depreciation and amortisation	<b>(82.4)</b>	(76.1)	-8%
- Other operating cost	<b>(1,738.7)</b>	(1,399.2)	-24%
<b>Results from operations</b>	<b>69.7</b>	24.0	190%
Other investment result	<b>0.1</b>	-	100%
Share of result of associates and joint ventures	<b>5.7</b>	7.7	-26%
<b>Profit before interest, taxation and zakat</b>	<b>75.5</b>	31.7	138%
Net finance cost	<b>(89.8)</b>	(89.1)	-1%
<b>(Loss)/profit before taxation &amp; zakat:</b>			
Property & Industrial	<b>(14.7)</b>	(43.4)	66%
Plantation	<b>27.6</b>	4.7	487%
Heavy Industries	<b>(30.8)</b>	(21.5)	-43%
Pharmaceutical	<b>2.6</b>	12.7	-80%
Trading, Finance & Investment	<b>1.0</b>	(9.9)	110%
	<b>(14.3)</b>	(57.4)	75%
Taxation and zakat	<b>(20.7)</b>	(8.7)	-138%
<b>Loss for the period</b>	<b>(35.0)</b>	(66.1)	47%
<b>Loss attributable to shareholders of the Company</b>	<b>(51.8)</b>	(73.7)	30%
<b>EBITDA</b>	<b>152.1</b>	100.1	52%

For the current quarter, the Group incurred a lower LBT of RM14.3 million as compared to a deficit of RM57.4 million in the preceding quarter (2QFY20) on the back of a better result from Property & Industrial, Plantation and Trading, Financial & Investment Divisions. Loss after tax and zakat and net loss for 3QFY20 stood at RM35.0 million (2QFY20: loss after tax and zakat of RM66.1 million) and RM51.8 million (2QFY20: net loss of RM73.7 million) respectively.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 30 September 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 3QFY20, Property & Industrial Division recorded a lower LBT of RM14.7 million (2QFY20: LBT of RM43.4 million). In the 3<sup>rd</sup> quarter, Property Investment and Hotel segments recorded a lower deficit as operation was back to normal after the end of MCO period in June 2020. Meanwhile, Industrial segment posted an increased PBT on a higher margin attained on sales of fibre cement board.

**(ii) Plantation Division**

In 3QFY20, the Plantation Division posted a higher PBT of RM27.6 million (2QFY20: PBT of RM4.7 million) which was driven by a higher selling prices. Average CPO price was RM2,772 per MT, an increase of RM405 compared to 2<sup>nd</sup> quarter of RM2,367 per MT. FFB production of 273,625 MT was also marginally higher than the 2<sup>nd</sup> quarter of 270,383 MT.

**(iii) Heavy Industries Division**

The Heavy Industries Division closed the current quarter with a higher LBT of RM30.8 million (2QFY20: LBT of RM21.5 million) on a higher foreign exchange loss incurred by BNS. Nevertheless, this was partially cushioned by better contribution from BHIC mainly due to variations in milestones achieved for defence-related MRO projects.

**(iv) Pharmaceutical Division**

For the current quarter, the Pharmaceutical Division registered a lower PBT of RM2.6 million (2QFY20: PBT of RM12.7 million) mainly due to reduced demand from both concession segment and Indonesian operations. The restriction of movement as a result of COVID-19 pandemic had affected the access to clinics, pharmacies and hospitals.

**(v) Trading, Finance & Investment Division**

In 3QFY20, the Trading, Finance & Investment Division recorded a PBT of RM1.0 million (2QFY20: LBT of RM9.9 million) on a lower stockholding loss due to improved fuel price and higher sales volumes.

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

The global economy has contracted as COVID-19 containment measures have restricted activities in most countries. Even though Malaysia has exited the lockdown and will remain under Recovery MCO until 31 December 2020, the ongoing risk of COVID-19 resurgence will likely continue to impact the businesses of the Group particularly in the domestic-oriented and tourism-related segments. The Group will remain cautious and the focus now will be on the execution of the Group's transformation plan, termed EDGE 20 which comprises 20 transformation initiatives to achieve the Group's funding, structural, operational and corporate governance aspirations.

**Plantation Division**

The Division's prospect for the rest of the year will be much driven by CPO price, crop production and the Division's successful execution of its own transformation programme. The Division's transformation initiatives are progressing well and despite some disruption to the Division's productivity improvement initiatives due to restrictions during the pandemic, the Division is focused to remain on track to achieve its objectives.

CPO prices for the rest of the year are expected to remain supportive with steady demand for palm oil seen from China, India, Europe and Pakistan. Strong global demand and lower than expected production kept Malaysian palm oil inventories extremely tight.

Weather developments are becoming a major determining factor for CPO and other vegetable oil prices in the remaining quarter of this year particularly with the current La Nina weather pattern. Recent downward revision of crop estimates for soybean, sunflower seeds and other oilseeds triggers heavy buying and elevates CPO price to the RM3,000 zone. Recent surge of global COVID-19 cases may need to be closely monitored as this could significantly reduce global demand particularly from hotels, restaurants and catering (HORECA) sectors.

The Division is hopeful that any further issue on the COVID-19 will not hamper the efforts to improve both of its operational as well as financial efficiency.

**Pharmaceutical Division**

Moving forward, the Division is focused on enhancing operations across its segments. Admittedly, COVID-19 will continue to have an impact on the business. However, the Division will stay the course and ensure that it is able to serve the healthcare requirements of the people. The Division is optimistic that it will be able to weather through this, more so as it has strategic plans in place to enhance prospects by improving manufacturing and operational efficiencies, progressing in research and development efforts and tapping viable opportunities for growth. In terms of Halal vaccine project, the Division will look forward to progressing on its fill and finish process for the COVID-19 vaccine.

With a view towards strengthening its vaccine business, the Division recently inked a Memorandum of Understanding with Serum Institute of India Pte Ltd (Serum), a leading Indian pharmaceutical and biotechnology company. The Division will purchase the pneumococcal vaccine from Serum and manufacture products utilising the technology and know-how licensed by Serum for filling and finishing. As a new stream of income, this will contribute to the Division's profitability in the coming years.

The long-term outlook for the healthcare sector is expected to be positive in the post COVID-19 period, and hence generic pharmaceutical products will likely retain their importance as effective and economical healthcare solutions. The Division is well-poised to leverage on opportunities in Malaysia and overseas markets, to ensure the sustainable growth of the Division in the years ahead. This momentum is expected to continue over the next five years, although the COVID-19 pandemic and lockdowns may present some uncertainties in the near-term.

**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.

**Heavy Industries Division**

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**

The Division's earnings will largely be driven by Boustead Petroleum Marketing, which is influenced by the effect of movement in fuel price and our associate, Affin Bank Berhad.

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

	<b>Current Quarter 2020 RM million</b>	<b>Cumulative Quarter 2020 RM million</b>
Malaysian taxation based on profit for the period:		
- Current	9.2	52.7
- Deferred	15.4	0.7
	24.6	53.4
Over provision of prior years	(5.0)	(2.8)
	19.6	50.6

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 September 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 1<sup>st</sup> quarter of 2021.

There were no other corporate proposals announced or pending completion as at 24 November 2020.

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

	<b>Proposed</b>	<b>Revised</b>	<b>Actual</b>
<b>(In RM Million)</b>	<b>Utilisation</b>	<b>Utilisation</b>	<b>Utilisation</b>
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 October 2020**

	<b>Proposed</b>	<b>Actual</b>		<b>Deviation</b>		
<b>(In RM Million)</b>	<b>Utilisation</b>	<b>Utilisation</b>	<b>Time Frame</b>	<b>Amount</b>	<b>%</b>	<b>Explanation</b>
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 September 2020****23. Changes in Material Litigations**

- (i) In respect of the litigation referred to in Note 37 (a) of 2019 Annual Report, Ingat Kawan (M) Sdn Bhd (Plaintiff) -v- Boustead Naval Shipyard Sdn Bhd (Defendant), the trial continued on 5 August 2020 whereby the re-examination of the Defendant's last witness was concluded. The matter continued with oral submission on 17 August 2020 and 8 September 2020. The decision which was earlier fixed on 20 November 2020 was vacated due to the Conditional MCO and rescheduled to 18 January 2021.
- (ii) In respect of the litigation referred to in Note 37 (b) of 2019 Annual Report, Deepak Jaikishan a/l Jaikishan Rewachand (Plaintiff) -v- Boustead Holdings Berhad and Bakti Wira Development Sdn Bhd (Defendants), 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 on 17 July 2020. In other words, the Court struck out the Plaintiff's suit against all the Defendants. The Plaintiff filed the Notices of Appeal on 14 August 2020 to appeal against the High Court's decision on the Defendants' striking out applications. The Court fixed 8 and 9 December 2020 respectively as the next case management dates for both appeals.
- (iii) In respect of the litigation referred to in Note 37 (c) of 2019 Annual Report, CIMB Islamic Trustee Berhad and/or Boustead Plantations Berhad (Plaintiffs) -v- Setia Fontaines Sdn Bhd (Defendant), the Defendant filed an application for a judicial review in July 2019 against the Customs decision that if the Lands are intended to be used for commercial or mixed development purposes, then the commercial portion is subject to GST. The Plaintiffs are not party to the said judicial review proceedings. Pursuant to the court's decision on the judicial review delivered on 11 September 2020, the Plaintiffs' solicitors were informed that the court has decided, among others, that the sale of the Lands is an exempt supply under the GST (Exempt Supply) Order 2014 and is not subject to any GST.  
As at 26 October 2020, the Minister of Finance and the Director-General of Customs have not filed an appeal against the judicial review decision. In this respect, the Plaintiffs had on 9 November 2020, submitted a written request to Customs for the GST refund of RM37,207,353.35. The Court fixed 4 December 2020 as the next case management date.
- (iv) In respect of the litigation of MTU Services (Malaysia) Sdn Bhd (Plaintiff) -v- Boustead Naval Shipyard Sdn Bhd (Defendant), the Group's subsidiary, the Defendant served with Winding Up Petition by the Plaintiff on 3 July 2020. By the Petition, the Plaintiff alleges that the Defendant is indebted to them for the total sum of RM56.0 million for the equipment supplied and services provided to the Defendant.  
On 11 August 2020, the Defendant has then filed an interlocutory application to Stay/Strike Out the Winding Up Petition filed by the Plaintiff on a few grounds. The High Court of Kuala Lumpur had fixed 4 February 2021 to hear the Defendant's Stay/Strike Out Application and for case management of the Plaintiff's Winding Up Petition. Hence, an ad interim stay of all other proceedings is extended pending the disposal of the Defendant's Stay/Strike Out Application.

As at 24 November 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. Loss Per Share - Basic/diluted**

	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Net loss for the period (RM million)	<b>(51.8)</b>	(155.0)	<b>(198.6)</b>	(153.1)
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>(2.56)</b>	(7.65)	<b>(9.80)</b>	(7.55)

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

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

	<b>30.9.2020</b>	<b>31.12.2019</b>	<b>30.9.2019</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
<b>Non-current:</b>			
Term loans			
- Denominated in RM	<b>799.1</b>	1,085.1	1,034.0
- Denominated in Great Britain Pound	<b>46.2</b>	60.6	58.5
	<b>845.3</b>	1,145.7	1,092.5
Islamic medium term notes	<b>2,446.6</b>	2,339.8	2,339.2
Revolving credits	<b>410.0</b>	420.0	509.1
	<b>3,701.9</b>	3,905.5	3,940.8
Less: repayable in 1 year	<b>423.0</b>	382.6	299.7
	<b>3,278.9</b>	3,522.9	3,641.1
<b>Current:</b>			
Bank overdrafts	<b>15.2</b>	46.6	58.7
Bankers' acceptances			
- Denominated in RM	<b>655.6</b>	310.4	298.9
- Denominated in Indonesian Rupiah	<b>144.6</b>	160.8	170.8
Islamic medium term notes	<b>149.9</b>	-	-
Revolving credits	<b>3,187.1</b>	3,486.3	3,718.8
Short term loans	<b>273.1</b>	382.6	299.7
	<b>4,425.5</b>	4,386.7	4,546.9
<b>Total borrowings</b>	<b>7,704.4</b>	7,909.6	8,188.0

As at 30 September 2020, the Group's borrowing was lower as compared with 31 December 2019 due to the repayment of borrowings.

During the financial period, the weighted average interest rate of borrowings is 5.2% (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 September 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 RM28.4 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 RM3.8 million (2019: RM4.7 million) which is secured against a property owned by the subsidiary.

A subsidiary has a term loan of RM16.9 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 RM46.2 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 September 2020****25. Group Borrowings and Debt Securities (Cont'd.)**

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	<b>30.9.2020</b>	<b>31.12.2019</b>	<b>30.9.2019</b>
Denominated in Great Britain Pound	<b>8.7</b>	11.3	11.4
Denominated in Indonesian Rupiah	<b>518,280</b>	545,085	578,983
Exchange rate:			
- Great Britain Pound	<b>5.34</b>	5.38	5.14
- Indonesian Rupiah	<b>0.0279</b>	0.0295	0.0295

**26. Additional Disclosures**

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

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
Depreciation and amortisation	<b>82.4</b>	105.6	<b>242.5</b>	301.4
(Reversal of)/provision for expected credit losses	<b>(3.7)</b>	0.3	<b>(4.7)</b>	7.8
Provision for and write off of inventories	<b>3.0</b>	1.0	<b>10.7</b>	8.1
Impairment of property, plant and equipment	-	123.2	-	123.2
Impairment of goodwill	-	38.1	-	38.1
Gain on disposal of plantation land	-	-	-	(119.5)
Loss/(gain) on disposal of other property, plant and equipment	<b>8.3</b>	(0.3)	<b>7.9</b>	0.7
Foreign exchange loss/(income)	<b>2.6</b>	(9.7)	<b>22.6</b>	(8.9)
Net fair value loss/(gain) on derivatives	<b>6.0</b>	(0.7)	<b>(2.7)</b>	0.1

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

	<b>Cumulative Period</b>	
	<b>2020</b>	<b>2019</b>
<b>(a) Crop production and yield</b>		
FFB (MT)	<b>753,864</b>	727,771
FFB (MT/ha)	<b>11.3</b>	10.4
Crude palm oil (CPO) production (MT)	<b>182,452</b>	166,489
Palm kernel (PK) production (MT)	<b>37,207</b>	34,258
<b>(b) Average selling prices (RM per MT)</b>		
FFB	<b>519</b>	380
CPO	<b>2,637</b>	2,011
PK	<b>1,496</b>	1,179
<b>(c) Oil extraction rate (%)</b>		
CPO	<b>21.1</b>	21.6
PK	<b>4.3</b>	4.4
<b>(d) Planted areas (hectares)</b>		
	<b>As at</b>	<b>As at</b>
	<b>30.9.2020</b>	<b>31.12.2019</b>
Oil palm - immature	<b>6,647</b>	6,551
- young mature	<b>12,223</b>	13,183
- prime mature	<b>21,672</b>	27,167
- past prime	<b>32,952</b>	32,505
	<b>73,494</b>	79,406