

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

For the period ended 31 December 2020	Current Period		Cumulative Period	
(All figures are stated in RM million)	2020	2019	2020	2019
Revenue	2,210.0	2,536.2	7,861.0	10,321.7
Operating cost	(2,077.6)	(2,704.5)	(7,611.6)	(10,261.8)
Results from operations	132.4	(168.3)	249.4	59.9
Gain on disposal of plantation land	-	-	-	119.5
Impairment of property, plant and equipment	(106.4)	(164.9)	(106.4)	(288.1)
Impairment of right-of-use assets	(16.8)	(22.4)	(16.8)	(22.4)
Impairment of goodwill	(36.1)	(725.2)	(36.1)	(763.3)
Accelerated amortisation of rights to supply	-	(232.1)	-	(247.3)
Fair value loss on investment properties	(110.8)	(7.6)	(110.8)	(7.6)
Other investment results	(3.4)	0.1	(3.3)	0.4
Share of results of associates	(17.8)	31.6	40.5	117.0
Share of results of joint ventures	(49.0)	70.5	(75.2)	47.0
Loss before interest, taxation and zakat	(207.9)	(1,218.3)	(58.7)	(984.9)
Finance cost	(94.4)	(146.2)	(387.2)	(399.7)
Interest income	7.0	14.7	25.6	48.8
Loss before taxation and zakat	(295.3)	(1,349.8)	(420.3)	(1,335.8)
Taxation	(26.3)	55.7	(76.9)	(47.9)
Zakat	(2.4)	(0.2)	(3.5)	(2.6)
Loss for the period	(324.0)	(1,294.3)	(500.7)	(1,386.3)
Attributable to:				
Shareholders of the Company	(352.3)	(1,125.7)	(550.9)	(1,278.8)
Holder of Perpetual Sukuk	13.0	17.8	50.5	79.4
Non-controlling interests	15.3	(186.4)	(0.3)	(186.9)
Loss for the period	(324.0)	(1,294.3)	(500.7)	(1,386.3)
Loss per share - sen				
Basic/diluted	(17.38)	(55.54)	(27.18)	(63.09)

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 31 December 2020	Current Period		Cumulative Period	
(All figures are stated in RM million)	2020	2019	2020	2019
Loss for the period	(324.0)	(1,294.3)	(500.7)	(1,386.3)
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	0.8	(2.0)	(4.2)	1.5
Share of OCI of investments accounted for using the equity method	1.4	(8.1)	6.5	29.1
	2.2	(10.1)	2.3	30.6
<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	0.9	0.4	(0.9)	(0.1)
- Disposals	-	-	0.5	0.1
	0.9	0.4	(0.4)	-
Total comprehensive loss for the period, net of tax	(320.9)	(1,304.0)	(498.8)	(1,355.7)
Attributable to:				
Shareholders of the Company	(350.4)	(1,135.5)	(547.5)	(1,249.4)
Holder of Perpetual Sukuk	13.0	17.8	50.5	79.4
Non-controlling interests	16.5	(186.3)	(1.8)	(185.7)
Total comprehensive loss for the period, net of tax	(320.9)	(1,304.0)	(498.8)	(1,355.7)

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**

As at 31 December 2020	As at 31 December 2020	As at 31 December 2019
(All figures are stated in RM million)		
ASSETS		
Non current assets		
Property, plant and equipment	4,453.6	4,878.7
Investment properties	1,404.9	1,568.1
Right-of-use assets	2,289.4	2,403.9
Deferred tax assets	36.8	53.1
Associates	2,125.0	2,116.5
Joint ventures	483.9	559.5
Investments	5.8	10.2
Intangible assets	343.0	374.4
Inventories	915.2	858.2
Receivables	244.2	202.6
	12,301.8	13,025.2
Current assets		
Biological assets	25.0	22.2
Inventories	964.9	1,035.6
Contract assets and contract cost assets	1,030.4	924.9
Receivables	846.1	932.6
Deposits, cash and bank balance	497.0	941.4
Assets classified as held for sale	322.4	92.9
	3,685.8	3,949.6
TOTAL ASSETS	15,987.6	16,974.8
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	2,735.7	2,735.7
Reserves	381.5	993.7
Shareholders' equity	3,117.2	3,729.4
Perpetual Sukuk	609.3	608.9
Non-controlling interests	1,392.4	1,349.8
Total equity	5,118.9	5,688.1
Non current liabilities		
Borrowings	3,097.5	3,522.9
Payables	26.0	24.6
Lease liabilities	54.8	30.1
Deferred tax liabilities	313.8	334.2
	3,492.1	3,911.8
Current liabilities		
Borrowings	4,485.4	4,386.7
Payables	2,800.2	2,892.9
Contract liabilities	51.2	61.0
Lease liabilities	21.1	11.2
Taxation	18.7	23.1
	7,376.6	7,374.9
Total liabilities	10,868.7	11,286.7
TOTAL EQUITY AND LIABILITIES	15,987.6	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 31 December 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	-	-	-	(2.7)	-	(2.7)	-	(1.5)	(4.2)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.9)	-	-	-	(0.9)	-	-	(0.9)
- disposal	-	0.5	-	-	-	0.5	-	-	0.5
- transfer upon disposal	-	(0.9)	-	-	0.9	-	-	-	-
Share of OCI investments accounted for using equity method	-	3.2	-	3.3	-	6.5	-	-	6.5
Total other comprehensive profit/(loss) for the period	-	1.9	-	0.6	0.9	3.4	-	(1.5)	1.9
(Loss)/profit for the period	-	-	-	-	(550.9)	(550.9)	50.5	(0.3)	(500.7)
Total comprehensive income/(loss) for the period	-	1.9	-	0.6	(550.0)	(547.5)	50.5	(1.8)	(498.8)
Share of an associate's obligation to buy its subsidiary's shares	-	-	-	(1.0)	-	(1.0)	-	-	(1.0)
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(50.1)	-	(50.1)
Changes in ownership interests in a subsidiary									
- Share options granted by a subsidiary	-	-	-	-	2.1	2.1	-	(1.2)	0.9
- Additional investment in a subsidiary	-	-	-	-	(65.8)	(65.8)	-	65.8	-
Transfer during the period									
- Regulatory reserve of an associate	-	-	10.2	-	(10.2)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(20.2)	(20.2)
Balance at 31 December 2020	2,735.7	53.2	153.8	434.7	(260.2)	3,117.2	609.3	1,392.4	5,118.9

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

For the financial period ended 31 December 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	1,610.8	4,988.5	1,207.9	1,601.7	7,798.1
Currency translation difference in respect of foreign operations	-	-	-	0.3	-	0.3	-	1.2	1.5
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.1)	-	-	-	(0.1)	-	-	(0.1)
- disposal	-	0.1	-	-	-	0.1	-	-	0.1
- transfer upon disposal	-	0.7	-	-	(0.7)	-	-	-	-
Share of OCI investments accounted for using equity method	-	29.0	-	0.8	(0.7)	29.1	-	-	29.1
Total other comprehensive income/(loss) for the period	-	29.7	-	1.1	(1.4)	29.4	-	1.2	30.6
(Loss)/profit for the period	-	-	-	-	(1,278.8)	(1,278.8)	79.4	(186.9)	(1,386.3)
Total comprehensive income/(loss) for the period	-	29.7	-	1.1	(1,280.2)	(1,249.4)	79.4	(185.7)	(1,355.7)
Share of an associate's obligation to buy its subsidiary's shares	-	-	-	-	(12.6)	(12.6)	-	-	(12.6)
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(85.4)	-	(85.4)
- Redemption	-	-	-	-	-	-	(593.0)	-	(593.0)
Changes in ownership interests in a subsidiary									
- Share options granted by a subsidiary	-	-	-	-	0.3	0.3	-	2.6	2.9
Issue of share during the year under share options granted by an associate	-	-	-	-	2.6	2.6	-	-	2.6
Transfer during the period									
- Regulatory reserve of an associate	-	-	(42.8)	-	42.8	-	-	-	-
Dividends	-	-	-	-	-	-	-	(68.8)	(68.8)
Balance at 31 December 2019	2,735.7	51.3	143.6	435.1	363.7	3,729.4	608.9	1,349.8	5,688.1

NOTES

* Denotes non distributable reserves.

All figures are stated in RM million. The Condensed Consolidated Statement 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 31 December 2020**

(All figures are stated in RM million)	2020	2019
Operating activities		
Receipts from customers	7,784.4	10,507.4
Cash paid to suppliers and employees	(7,240.5)	(8,917.3)
	543.9	1,590.1
Income taxes paid less refund	(76.9)	(68.1)
Net cash generated from operating activities	467.0	1,522.0
Investing activities		
Purchase of property, plant and equipment	(107.2)	(277.1)
Purchase of right-of-use assets	(29.9)	(321.0)
Purchase of intangible assets	(23.8)	(41.6)
Purchase and development of property development and investment properties	(140.7)	(230.1)
Proceeds from disposal of right-of-use assets	-	0.5
Proceeds from the sale of property, plant and equipment	12.7	12.2
Disposal of asset held for sales	-	133.5
Dividends received - others	11.5	12.9
Refund of deposit	3.8	16.3
Proceeds from disposal of an associate	67.2	-
Disposal of quoted shares	4.1	8.5
Interest received - others	25.6	48.8
Subsequent expenditure on investment properties	(2.0)	(2.4)
Net cash used in investing activities	(178.7)	(639.5)
Financing activities		
Transactions with owners	-	(30.4)
Transactions with holders of Perpetual Sukuk	(50.1)	(678.4)
New loans	4.4	1,375.4
Loans repayment	(210.7)	(342.8)
Net repayment of revolving credits and banker acceptances	(133.5)	(650.0)
Interest paid	(412.6)	(424.3)
Repayment of lease liabilities	(29.1)	(9.2)
Advances and repayment from joint ventures	110.0	146.5
Dividend paid - others	(20.2)	(68.8)
Net cash used in financing activities	(741.8)	(682.0)
Net (decrease)/increase in cash and cash equivalent	(453.5)	200.5
Foreign currency translation difference	0.3	0.3
Cash and cash equivalent at beginning of period	894.8	694.0
Cash and cash equivalent at end of period	441.6	894.8
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	497.0	941.4
Overdrafts	(55.4)	(46.6)
Cash and cash equivalent at end of period	441.6	894.8

The Condensed Consolidated Statement of Cash Flows 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 31 December 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 Interpretation**

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
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 4 – Extension of the Temporary Exemption from Applying MFRS 9	17 August 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
Amendments to MFRS 16 – COVID-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform – Phase 2	1 January 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 – Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116 – Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 – Onerous Contract (Cost of Fulfilling a Contract)	1 January 2022
MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 101 – Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 10 and MFRS128 – Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture	Deferred

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

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the quarter ended 31 December 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 31 December 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 31 December 2020							
Revenue							
Group total sales	623.2	763.0	555.2	2,725.1	3,214.8	(20.3)	7,861.0
Inter-segment sales	(20.3)	-	-	-	-	20.3	-
External sales	602.9	763.0	555.2	2,725.1	3,214.8	-	7,861.0
Operating cost	(605.8)	(623.6)	(529.6)	(2,656.0)	(3,196.6)	-	(7,611.6)
Results from operations	(2.9)	139.4	25.6	69.1	18.2	-	249.4
Impairment of property, plant and equipment	(59.3)	(2.4)	-	-	(44.7)	-	(106.4)
Impairment of goodwill	-	-	(36.1)	-	-	-	(36.1)
Impairment of right-of-use assets	(16.8)	-	-	-	-	-	(16.8)
Fair value (loss)/gain on investment properties	(98.8)	-	2.1	-	(14.1)	-	(110.8)
Other investment result	0.1	-	-	-	(3.4)	-	(3.3)
Share of result of associates	(9.2)	4.8	-	-	44.9	-	40.5
Share of result of joint ventures	(70.8)	-	(4.4)	-	-	-	(75.2)
(Loss)/profit before interest, taxation and zakat	(257.7)	141.8	(12.8)	69.1	0.9	-	(58.7)
Finance cost	(101.6)	(59.2)	(96.9)	(39.9)	(231.3)	141.7	(387.2)
Interest income	16.1	0.7	2.3	0.6	147.6	(141.7)	25.6
(Loss)/profit before taxation and zakat	(343.2)	83.3	(107.4)	29.8	(82.8)	-	(420.3)
Taxation and zakat							(80.4)
Loss for the period							(500.7)
Other Information							
Depreciation and amortisation	(42.5)	(131.1)	(17.3)	(32.3)	(108.4)	-	(331.6)
(Loss)/profit on disposal							
- Other assets	(3.2)	(0.6)	(1.5)	-	0.6	-	(4.7)
Other non-cash (expense)/income*	(29.3)	0.1	(8.8)	(21.4)	(3.3)	-	(62.7)

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 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 31 December 2019							
Revenue							
Group total sales	888.4	577.2	1,061.0	2,820.5	4,997.2	(22.6)	10,321.7
Inter-segment sales	(22.6)	-	-	-	-	22.6	-
External sales	865.8	577.2	1,061.0	2,820.5	4,997.2	-	10,321.7
Operating cost	(808.7)	(599.0)	(1,287.2)	(2,734.1)	(4,832.8)	-	(10,261.8)
Results from operations	57.1	(21.8)	(226.2)	86.4	164.4	-	59.9
Gain on disposal of plantation land	-	119.5	-	-	-	-	119.5
Impairment of property, plant and equipment	(47.1)	(160.6)	-	-	(80.4)	-	(288.1)
Impairment of goodwill	-	-	(725.2)	-	(38.1)	-	(763.3)
Impairment of right-of-use assets	-	(15.4)	-	-	(7.0)	-	(22.4)
Accelerated amortisation of rights to supply	-	-	-	(247.3)	-	-	(247.3)
Fair value loss on investment properties	(3.7)	-	-	-	(3.9)	-	(7.6)
Other investment result	0.2	-	-	-	0.2	-	0.4
Share of result of associates	(3.5)	6.6	-	-	113.9	-	117.0
Share of result of joint ventures	37.8	-	9.2	-	-	-	47.0
Profit/(loss) before interest, taxation and zakat	40.8	(71.7)	(942.2)	(160.9)	149.1	-	(984.9)
Finance cost	(105.6)	(64.8)	(105.3)	(47.5)	(215.5)	139.0	(399.7)
Interest income	18.1	1.1	4.1	1.4	163.1	(139.0)	48.8
(Loss)/profit before taxation and zakat	(46.7)	(135.4)	(1,043.4)	(207.0)	96.7	-	(1,335.8)
Taxation and zakat							(50.5)
Loss for the period							(1,386.3)
Other Information							
Depreciation and amortisation	(29.9)	(167.2)	(17.3)	(44.4)	(136.5)	-	(395.3)
Profit/(loss) on disposal							
- Other assets	0.7	1.0	-	0.1	7.4	-	9.2
Property, plant and equipment written off	(0.8)	(1.1)	-	(0.1)	-	-	(2.0)
Other non-cash (expense)/income*	(0.7)	(3.2)	(5.7)	(19.4)	1.0	-	(28.0)

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 31 December 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 31 December 2020							
Sale of produce	-	762.3	-	-	-	-	762.3
Sale of petroleum products	-	-	-	-	3,015.1	-	3,015.1
Sale of pharmaceutical products	-	-	-	2,725.1	-	-	2,725.1
Sale of building materials	232.2	-	-	-	-	-	232.2
Shipbuilding and repair	-	-	551.5	-	-	-	551.5
Sale of development properties	195.3	-	-	-	-	-	195.3
Hotel operations	58.3	-	-	-	-	-	58.3
Tuition fees	-	-	-	-	174.0	-	174.0
Others	0.4	0.7	0.5	-	24.9	-	26.5
Revenue from contracts with customers	486.2	763.0	552.0	2,725.1	3,214.0	-	7,740.3
Rental income	116.7	-	3.2	-	0.8	-	120.7
Total revenue	602.9	763.0	555.2	2,725.1	3,214.8	-	7,861.0
Timing of Revenue Recognition							
Goods/services transferred:							
- At a point in time	456.6	762.3	2.1	2,725.1	3,040.7	-	6,986.8
- Over time	146.3	0.7	553.1	-	174.1	-	874.2
	602.9	763.0	555.2	2,725.1	3,214.8	-	7,861.0
For the period ended 31 December 2019							
Sale of produce	-	575.7	-	-	-	-	575.7
Sale of petroleum products	-	-	-	-	4,786.3	-	4,786.3
Sale of pharmaceutical products	-	-	-	2,820.5	-	-	2,820.5
Sale of building materials	347.6	-	-	-	-	-	347.6
Shipbuilding and repair	-	-	1,056.2	-	-	-	1,056.2
Sale of development properties	248.3	-	-	-	-	-	248.3
Hotel operations	147.6	-	-	-	-	-	147.6
Tuition fees	-	-	-	-	164.4	-	164.4
Others	-	1.5	1.5	-	45.4	-	48.4
Revenue from contracts with customers	743.5	577.2	1,057.7	2,820.5	4,996.1	-	10,195.0
Rental income	122.3	-	3.3	-	1.1	-	126.7
Total revenue	865.8	577.2	1,061.0	2,820.5	4,997.2	-	10,321.7
Timing of Revenue Recognition							
Goods/services transferred:							
- At a point in time	605.2	575.7	4.1	2,780.5	4,814.8	-	8,780.3
- Over time	260.6	1.5	1,056.9	40.0	182.4	-	1,541.4
	865.8	577.2	1,061.0	2,820.5	4,997.2	-	10,321.7

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 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 30 March 2021 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

- i) During the quarter, the Group had disposed its entire equity interest of 45% in an associate, Kao (Malaysia) Sdn Bhd for a total cash consideration of RM68.4 million. The Group has recognised a gain on disposal of RM44.5 million.
- ii) During the quarter, MHS Aviation Berhad (MHSA), a subsidiary of the Group had increased its paid-up share capital from 20,000,000 to 170,000,000 ordinary shares. The Group has subscribed for the additional 150,000,000 ordinary shares in MHSA by way of capitalisation of the amount owing from MHSA to the Company. As a result, the Group's interest in MHSA has increased from 51% to 94%, which resulted in an adjustment of RM65.8 million to retained earnings of the Group.

There were no other 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 30 March 2021. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 31 December 2020:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	<u>337.9</u>	<u>128.2</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 31 December 2020****16. Intangible Assets**

RM million	Goodwill	Concession rights	Rights to supply	Others	Total
Cost					
At 1 January 2020	1,226.1	75.0	342.8	81.2	1,725.1
Additions	-	-	-	14.7	14.7
Written off	-	-	-	(4.9)	(4.9)
Foreign exchange fluctuation	(1.6)	-	-	(4.3)	(5.9)
At 31 December 2020	1,224.5	75.0	342.8	86.7	1,729.0
Accumulated amortisation and impairment					
At 1 January 2020	919.4	75.0	342.8	13.5	1,350.7
Amortisation	-	-	-	4.0	4.0
Impairment	36.1	-	-	-	36.1
Foreign exchange fluctuation	-	-	-	(4.8)	(4.8)
At 31 December 2020	955.5	75.0	342.8	12.7	1,386.0
Net carrying amount					
At 31 December 2020	269.0	-	-	74.0	343.0
At 31 December 2019	306.7	-	-	67.7	374.4

Included in the Group's other intangible assets are pharmacy manufacturing licences, trade name, intellectual property, 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 31 December 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 31 December 2020
(All figures are stated in RM million)

	Current Period		+ / (-)
	2020	2019	%
Revenue	2,210.0	2,536.2	-13%
Operating cost:			
- Depreciation and amortisation	(89.1)	(93.9)	5%
- Other operating cost	(1,988.5)	(2,610.6)	24%
Results from operations	132.4	(168.3)	179%
Impairment of property, plant and equipment	(106.4)	(164.9)	35%
Impairment of right-of-use assets	(16.8)	(22.4)	25%
Impairment of goodwill	(36.1)	(725.2)	95%
Accelerated amortisation of rights to supply	-	(232.1)	100%
Fair value loss on investment properties	(110.8)	(7.6)	-1358%
Other investment results	(3.4)	0.1	-3500%
Share of results of associates and joint ventures	(66.8)	102.1	-165%
Loss before interest, tax and zakat	(207.9)	(1,218.3)	83%
Net finance cost	(87.4)	(131.5)	34%
Loss before taxation and zakat	(295.3)	(1,349.8)	78%
Taxation and zakat	(28.7)	55.5	-152%
Loss for the period	(324.0)	(1,294.3)	75%
Loss attributable to shareholders of the Company	(352.3)	(1,125.7)	69%
EBITDA	221.5	(74.4)	398%

For the 4th quarter ended 31 December 2020 (4QFY20), the Group recorded a lower loss before tax and zakat (LBT) of RM295.3 million against last year's corresponding quarter's (4QFY19) LBT of RM1,349.8 million. In 4QFY19, the Group's results were affected by the impairment of property, plant and equipment, right-of-use assets and goodwill and accelerated amortisation of rights to supply amounting to RM1,144.6 million, whereas in 4QFY20, the Group recorded a lower impairment of property, plant and equipment, right-of-use assets and goodwill of RM159.3 million. Nevertheless, the fair value losses in 4QFY20 were higher at RM110.8 million (4QFY19: RM7.6 million) and the Group also recognised a loss on measurement of assets classified as held for sale to fair value less costs of disposal of RM47.9 million on the proposed disposal of Boustead Cruise Centre (BCC) as disclosed in Note 22 (a) (iii). The loss after tax and zakat for 4QFY20 stood at RM324.0 million (4QFY19: loss after tax and zakat of RM1,294.3 million) while net loss attributable to shareholders was at RM352.3 million (4QFY19: net loss of RM1,125.7 million).

On the other hand, the Group posted earnings before interest, tax, depreciation and amortisation (EBITDA) for the quarter of RM221.5 million (4QFY19: loss before interest, tax, depreciation and amortisation RM74.4 million) mainly due to improved palm products prices and impact of MFRS 15 on finance cost for LCS projects.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****17. Performance Review (Cont'd.)****Results for Cumulative Period**

For the period ended 31 December 2020	Cumulative Period		+ / (-)
(All figures are stated in RM million)	2020	2019	%
Revenue:			
Property & Industrial	602.9	865.8	-30%
Plantation	763.0	577.2	32%
Heavy Industries	555.2	1,061.0	-48%
Pharmaceutical	2,725.1	2,820.5	-3%
Trading, Finance & Investment	3,214.8	4,997.2	-36%
	7,861.0	10,321.7	-24%
Operating cost:			
- Depreciation and amortisation	(331.6)	(395.3)	16%
- Other operating cost	(7,280.0)	(9,866.5)	26%
Results from operations	249.4	59.9	316%
Gain on disposal of plantation land	-	119.5	-100%
Impairment of property, plant and equipment	(106.4)	(288.1)	63%
Impairment of right-of-use assets	(16.8)	(22.4)	25%
Impairment of goodwill	(36.1)	(763.3)	95%
Accelerated amortisation of rights to supply	-	(247.3)	100%
Fair value loss on investment properties	(110.8)	(7.6)	-1358%
Other investment results	(3.3)	0.4	-925%
Share of results of associates and joint ventures	(34.7)	164.0	-121%
Loss before interest, tax and zakat	(58.7)	(984.9)	94%
Net finance cost	(361.6)	(350.9)	-3%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(343.2)	(46.7)	-635%
Plantation	83.3	(135.4)	162%
Heavy Industries	(107.4)	(1,043.4)	90%
Pharmaceutical	29.8	(207.0)	114%
Trading, Finance & Investment	(82.8)	96.7	-186%
	(420.3)	(1,335.8)	69%
Taxation and zakat	(80.4)	(50.5)	-59%
Loss for the period	(500.7)	(1,386.3)	64%
Loss attributable to shareholders of the Company	(550.9)	(1,278.8)	57%
EBITDA	581.0	455.2	28%

For the financial year 2020 (FY2020), the Group incurred a lower LBT of RM420.3 million against last year's corresponding period's (FY2019) LBT of RM1,335.8 million. In FY2019, the Group's results were affected by impairment losses and accelerated amortisation as mentioned above, whereas in FY2020, the Group's results were helped by the gain on disposal of an associate, Kao (Malaysia) Sdn Bhd of RM44.5 million and lower impairment losses as mentioned above. This was translated into the loss after tax and zakat of RM500.7 million (FY2019: loss after tax and zakat of RM1,386.3 million) and net loss of RM550.9 million (FY2019: net loss of RM1,278.8 million).

During the year, the Group's operations were not spared from the impact of COVID-19 pandemic. However, the diversified nature of the Group's businesses helps to mitigate the impact mainly from the Group's operations in Plantation and Pharmaceutical Divisions. The Group recorded a better EBITDA of RM581.0 million as compared with RM455.2 million in FY2019.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue**

For FY2020, the Group registered a lower revenue of RM7.9 billion, a decrease of 24%, from RM10.3 billion recorded last year. An analysis of the revenue of each Division is as follows:

- (i) During the year, the **Property & Industrial Division** posted a revenue of RM602.9 million, a reduction of 30% against RM865.8 million recorded in FY2019. 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 FY2020, the **Plantation Division** recorded higher revenue of RM763.0 million (FY2019: RM577.2 million), an increase of 32%. 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	%
Average selling prices				
Crude palm oil (CPO)	2,811	2,134	677	32%
Palm kernel (PK)	1,628	1,244	384	31%
Palm product production	MT	MT	MT	%
CPO	243,080	231,298	11,782	5%
PK	49,211	47,113	2,098	4%

- (iii) The **Heavy Industries Division** closed the year with a lower revenue of RM555.2 million (FY2019: RM1.1 billion) mainly due to variation in milestone achieved for LCS, LMS and ship repair projects.
- (iv) During the year, the **Pharmaceutical Division** recorded a revenue of RM2.7 billion (FY2019: RM2.8 billion) mainly attributable to reduced demand from the concession business.
- (v) For FY2020, the **Trading, Finance & Investment Division** registered a revenue of RM3.2 billion, a drop of 36% from RM5.0 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 31 December 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 year with a higher LBT of RM343.2 million (FY2019: LBT of RM46.7 million) due to higher fair value losses on investment properties, exacerbated by the negative effects of MCO and COVID-19 pandemic on all segments. For FY2020, Property Development segment recorded LBT mainly due to lower progress billing. Property Investment segment ended the year also with LBT on higher fair value losses while losses in Hotel segment was mainly due to lower room occupancy and F&B revenue as well as higher impairment on hotel buildings. In addition, the Industrial segment was affected by weaker market sentiment due to the pandemic.

(ii) Plantation Division

For FY2020, the Plantation Division registered a PBT of RM83.3 million (FY2019: LBT of RM135.4 million). In comparison, in FY2019, the one-off profit of RM119.5 million arising from the disposal of plantation land was offset by a higher impairment of property, plant and equipment and right-of-use assets of RM176.0 million. At the operating level, the Division recorded a profit from operation of RM139.4 million (FY2019: loss from operation of RM21.8 million) mainly due to better palm products prices and FFB production. FFB production for the period of 1,001,557 MT was higher by 2% from 979,972 MT recorded a year ago. However, the oil extraction and kernel extraction rates for the period were lower at 21.1% (FY2019: 21.6%) and 4.3% (FY2019: 4.4%) respectively.

(iii) Heavy Industries Division

The Heavy Industries Division closed the year with a lower LBT of RM107.4 million against RM1,043.4 million in FY2019 mainly due to lower impairment of goodwill of RM36.1 million (FY2019: RM725.2 million). In addition, at the operating level, the Division recorded a profit from operation of RM25.6 million (FY2019: loss from operation of RM226.2 million) mainly due to better contribution from LCS project.

(iv) Pharmaceutical Division

The Pharmaceutical Division recorded a PBT of RM29.8 million (FY2019: LBT of RM207.0 million). In comparison, in FY2019, the bottom line was impacted by an accelerated amortisation of rights to supply of RM247.3 million. At operating level, the Division recorded a lower profit from operation of RM69.1 million (FY2019: profit from operation of RM86.4 million) due to lower revenue on reduced demand from concession business.

(v) Trading, Finance & Investment Division

In FY2020, the Trading, Finance & Investment Division incurred a LBT of RM82.8 million (FY2019: PBT of RM96.7 million). The loss was mainly due to stockholding loss suffered by BPM as a result of steep drop in average fuel prices and lower sales volume during MCO period. In addition, the result of our tourism-related entities was affected by COVID-19 pandemic.

Furthermore, our associate Affin Bank Berhad, registered a lower contribution due to higher allowances for credit losses, higher operating expenses and a one-off modification loss relating to COVID19 relief measures.

During the period, the Division recorded a higher fair value loss on investment properties of RM14.1 million (FY2019: RM3.9 million), together with a loss on measurement of assets classified as held for sale to fair value less costs of disposal of RM47.9 million on the proposed disposal of BCC as disclosed in Note 22 (a) (iii). On the positive note, the disposal of 45% stake in Kao (Malaysia) Sdn Bhd has resulted in a one-off gain of RM44.5 million. Also, the impairment of assets recognised was lower at RM44.7 million (FY2019: RM125.5 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 31 December 2020, the Group's deposit, cash and bank balances have decreased mainly due to repayment of borrowings and payment to suppliers.

Statement of Cash Flows

For FY2020, the Group recorded a lower cash inflow from operation of RM467.0 million (FY2019: cash inflow of RM1,522.0 million) mainly due to lower net cash receipts from customers. The Group also incurred lower cash outflow from investing activities of RM178.7 million (FY2019: cash outflow of RM639.5 million) mainly due to lower spending on capital expenditure. On the other hand, the Group recorded a higher cash outflow from financing activities of RM741.8 million (FY2019: cash outflow of RM682.0 million) mainly due to lower new loan obtained.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter**

For the period ended 31 December 2020	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	31.12.2020	30.9.2020	%
Revenue:			
Property & Industrial	206.2	137.8	50%
Plantation	227.6	205.7	11%
Heavy Industries	320.9	71.9	346%
Pharmaceutical	634.6	624.8	2%
Trading, Finance & Investment	820.7	850.6	-4%
	<u>2,210.0</u>	<u>1,890.8</u>	17%
Operating cost:			
- Depreciation and amortisation	(89.1)	(82.4)	-8%
- Other operating cost	(1,988.5)	(1,738.7)	-14%
Results from operations	<u>132.4</u>	<u>69.7</u>	90%
Impairment of property, plant and equipment	(106.4)	-	-100%
Impairment of right-of-use assets	(16.8)	-	-100%
Impairment of goodwill	(36.1)	-	-100%
Fair value loss on investment properties	(110.8)	-	-100%
Other investment results	(3.4)	0.1	-3500%
Share of result of associates and joint ventures	(66.8)	5.7	-1272%
(Loss)/profit before interest, taxation and zakat	<u>(207.9)</u>	<u>75.5</u>	-375%
Net finance cost	(87.4)	(89.8)	3%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(260.0)	(14.7)	-1669%
Plantation	49.7	27.6	80%
Heavy Industries	(18.6)	(30.8)	40%
Pharmaceutical	(14.9)	2.6	-673%
Trading, Finance & Investment	(51.5)	1.0	-5250%
	<u>(295.3)</u>	<u>(14.3)</u>	-1965%
Taxation and zakat	(28.7)	(20.7)	-39%
Loss for the period	<u>(324.0)</u>	<u>(35.0)</u>	-826%
Loss attributable to shareholders of the Company	<u>(352.3)</u>	<u>(51.8)</u>	-580%
EBITDA	<u>221.5</u>	<u>152.1</u>	46%

For the current quarter (4QFY20), the Group incurred a higher LBT of RM295.3 million as compared to LBT of RM14.3 million in the preceding quarter (3QFY20) mainly due to fair value losses on investment properties and impairment of property, plant and equipment amounting to RM110.8 million and RM106.4 million respectively. Also, the Group recorded a gain on disposal of Kao (Malaysia) Sdn Bhd of RM44.5 million which was negated by the impairment of right-of-use assets and goodwill of RM16.8 million and RM36.1 million respectively, as well as a loss on measurement of assets classified as held for sale to fair value less costs of disposal of RM47.9 million on the proposed disposal of BCC as disclosed in Note 22 (a) (iii). Loss after tax and zakat and net loss for 4QFY20 stood at RM324.0 million (3QFY20: loss after tax and zakat of RM35.0 million) and RM352.3 million (3QFY20: net loss of RM51.8 million) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 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 4QFY20, Property & Industrial Division recorded a higher LBT of RM260.0 million (3QFY20: LBT of RM14.7 million) mainly due to fair values losses on investment properties and impairment on property, plant and equipment.

(ii) Plantation Division

During the quarter, the Plantation Division posted a higher PBT of RM49.7 million (3QFY20: PBT of RM27.6 million) which was driven by higher selling prices. Average CPO price was RM3,324 per MT, an increase of RM552 compared to 3rd quarter of RM2,772 per MT. However, the FFB production of 247,693 MT was lower than the 3rd quarter of 273,625 MT.

(iii) Heavy Industries Division

For 4QFY20, the Heavy Industries Division recorded a lower LBT of RM18.6 million (3QFY20: LBT of RM30.8 million) mainly due to better contribution from LCS project. This is more than compensated for the impairment of goodwill of RM36.1 million (3QFY20: Nil).

(iv) Pharmaceutical Division

For the current quarter, the Pharmaceutical Division registered a LBT of RM14.9 million (3QFY20: PBT of RM2.6 million) mainly due to higher operating expenses arising from cost incurred for urgent delivery required during the COVID-19 pandemic.

(v) Trading, Finance & Investment Division

In 4QFY20, the Trading, Finance and Investment Division registered a LBT of RM51.5 million (3QFY20: PBT of RM1.0 million). The stockholding gain from Boustead Petroleum Marketing, arising from improved fuel price and higher sales volume, as well gain on disposal of Kao (Malaysia) Sdn Bhd were offset by impairment of assets, fair value loss on investment properties and loss on measurement of assets classified as held for sale to fair value less costs of disposal as mentioned above. In addition, the contribution from Affin Bank during the quarter was also lower.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****19. Prospects**

The outlook of 2021 is expected to remain challenging for the Group with the reimposition of travel restriction nationwide during the 1st quarter. The impact, however, is anticipated to be less severe than that experienced in 2020. Malaysia's economic recovery in 2021 will be underpinned by the effective roll-out of COVID-19 vaccine, with the immunisation programme slated for completion by the 1st quarter of 2022. Against this backdrop of uncertainties, the Group's diversified operations mainly in the essential services, will continue to bolster the Group's durability in bracing the impact of the pandemic. The Group will also elevate the efforts to seek for new opportunities to strengthen its performance prospectively.

Plantation Division

The Division's prospects for the coming year are largely influenced by the crop production and selling prices. Although global palm oil production is expected to recover in 2021, current inventories are still extremely low, keeping palm oil prices high for at least the 1st quarter of 2021.

Production is expected to remain below potential in 2021 as the shortage of labour remains the key challenge for the plantation industry. The Malaysian government has declared a state of emergency across the country until 1 August 2021 in order to curb the spread of COVID-19 infections.

Barring any weather shocks and COVID-19 restriction, current CPO supply tightness is likely to ease in the 2nd half of this year as production is expected to rise above the previous year's level after healthy precipitation in 2020 and inventories are set to recover. Any new changes in the import and export tax structures of consuming and producing countries and the global supply-demand dynamics of competing edible oils will continue to influence CPO prices.

However, the Division is confident that any further issues relating to COVID-19 will not hinder our efforts to improve both the Division's operational and financial efficiency. The Government's vaccination programme may raise hopes that plantation operations may continue to be carried out as usual without any restrictions.

Pharmaceutical Division

Moving forward, as the nation continues to face the 4th wave of the pandemic, Pharmaceutical Division remains firmly committed to meeting the healthcare requirements of the people. As a result of its manufacturing expertise, the Division was selected by the Government for the fill and finish process for the COVID-19 vaccine. In line with this, the refurbishment of its small volume injectable plant was completed in December 2020 and the facility is well-prepared and well-equipped to undertake the fill and finish for COVID-19 vaccine. Subsequently, the Division entered into an agreement for the supply and distribution of 12 million doses of the COVID-19 vaccine to the Ministry of Health (MOH).

Furthermore, as part of the strategic plans to strengthen the vaccine business as an additional stream of income for the Division, a Memorandum of Understanding was inked with a leading Indian biotechnology company, the Serum Institute of India Private Limited for the pneumococcal vaccine.

The Division's contract with MOH for the provision of medicines and medical supplies continues until November 2024. The Division will continue to enhance efficiencies across its operations, expand its product pipeline via research and development. The Division will also invest in digitalisation of supply chain managements in moving towards Industrial Revolution 4.0, as well as on e-commerce platforms to keep pace with the changing consumers' dynamic trends. With fortified strategies in place, long-term prospects remain positive for the Division.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****19. Prospects (Cont'd)****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.

In 2021, hotel segment is expected to continue facing challenges in term of occupancies and F&B income as Malaysia's international border remains closed and large public events are discouraged.

Meanwhile, property development segment is capitalising on government efforts such as 2020 Home Ownership Campaign (HOC) and lower interest rate environment to stimulate property market for the year. For 2021, property investment segment expects a steady stream of rental income from the building properties but the revenue from shopping malls may continue to be affected due to customer sentiment as concern over the pandemic persist.

The industrial segment, under UAC Berhad, will continue to focus on the export market and tap opportunities of IBS Wall Systems through collaboration with property developers in public and private sectors.

Heavy Industries Division

The Division will continue to rely on defence related shipbuilding and ship repair activities to contribute to its earnings. Under shipbuilding activity, the Littoral Mission Ship project is progressing well with the delivery of LMS3 and LMS4 expected to be done in the 4th quarter of FY2021. We are also positive on the outcome of our proposal to Government of Malaysia with regard to LCS project.

Under ship repair activity, the extension of contracts under Royal Malaysian Air Force and Malaysian Maritime Enforcement Agency on the maintenance of helicopters is expected to contribute positively to the Division's bottom line.

The Heavy Industries Division will also focus on expanding its commercial ship repair services as the Division managed to secure new contract on maintenance, repair and overhaul works for four commercial vessels in the beginning of 2021.

Trading, Finance & Investment

The earnings for the Division will be largely dependent on the performance of Boustead Petroleum Marketing (BPM) and our associate, Affin Bank Berhad.

The contribution from BPM will be influenced by the effect of movement in fuel price and sales volume. BPM will continue on its expansion plan with construction of new service stations to increase the market share.

Meanwhile, the performance of Boustead Travel Services is expected to recover gradually due to the rollout of vaccination program and government's initiative to consider COVID-19 immunity passport.

We are expecting to exit our cruise terminal business as the disposal of Boustead Cruise Centre Sdn Bhd is envisaged to complete in the 3rd quarter of 2021.

As COVID-19 pandemic has changed the way banks operate, Affin Bank Berhad is targeting to improve their overall digital offering and expand the channels available to reach their new and existing customers.

Conclusion

Overall, BHB Group remains cautiously optimistic on the prospects of its five Divisions in FY2021 and will continuously focus on our strategy to rejuvenate the Group through 'Reinventing Boustead'.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 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	19.5	72.2
- Deferred	23.3	24.0
	42.8	96.2
Over provision of prior years	(16.5)	(19.3)
	26.3	76.9

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 31 December 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 and the 10% deposit has been refunded.

(ii) 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 conditional 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).

Due to the delay in fulfilling the conditions precedent and the adverse effect on the hotel industry due to the worldwide pandemic, the Company and the Purchaser agreed to vary the Disposal Consideration to RM177.3 million (Revised Disposal Consideration) and certain conditions precedent were varied to conditions subsequent as evidenced in the Supplemental Agreement (SA) dated 29 December 2020.

The Purchaser had paid a deposit of RM19.7 million being 10% of the Disposal Consideration. Pursuant to the SA, the balance of the Revised Disposal Consideration totalling RM157.6 million shall be paid in the following manner:

- a) RM141.840 million shall be paid within one month from the Unconditional Date (as defined in the SA); and
- b) RM15.760 million shall be paid within one month from the Vacant Possession Date (as defined in the SA) subject to the fulfilment of the conditions subsequent.

The Purchaser had on 22 February 2021 (Vacant Possession Date) settled RM141.840 million and with this payment, the Proposed Disposal is now completed.

(iii) Proposed Disposal of Boustead Cruise Centre Sdn Bhd

On 19 March 2021, Boustead Holdings Berhad (BHB) has entered into a conditional share sale agreement (SSA) with Westports Holdings Berhad and Klang Port Management Sdn Bhd (collectively as Purchasers) for a proposed disposal of the entire equity interest in Boustead Cruise Centre Sdn Bhd or a total of 369,712,894 ordinary shares of RM1.00 each for a cash consideration of RM230 million (Sale Consideration) subject to the terms and conditions as stipulated in the SSA (Proposed Disposal).

The Sale Consideration shall be payable by the Purchasers to BHB in the following manner:

- a) Upon execution of the SSA, 30% of the Sale Consideration shall be made payable to BHB by the Purchasers in the ratio of 50:50; and
- b) On completion, the balance of 70% of the Sale Consideration shall be made payable to BHB by the Purchasers in the ratio of 50:50.

The 30% of the Sale Consideration amounting to RM69 million has been paid by the Purchasers on 19 March 2021. Subject to the fulfillment of all conditions precedents, the Proposed Disposal is expected to be completed by the 3rd quarter of 2021.

There were no other corporate proposals announced or pending completion as at 30 March 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****22. Corporate Proposals - Status (Cont'd.)****(b) Status on Utilisation of Proceeds from Rights Issue as at 15 March 2021**

	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 15 March 2021

	Proposed	Actual		Deviation		
(In RM Million)	Utilisation	Utilisation	Time Frame	Amount	%	Explanation
Refinancing of existing borrowings/ financing	1,962.4	1,958.4	Not applicable	4.0	0%	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>2,346.0</u>		<u>4.0</u>		

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 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 Court had on 18 January 2021, dismissed the Plaintiff's claim with costs of RM15,000.00 to be paid by the Plaintiff to the Defendant.
- (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. The Court fixed 8 October 2021 for hearing of the appeal.

In a separate development, on 25 March 2021, the Plaintiff filed a Notice of Motion (the sealed copy of which was received by BHB's and Bakti Wira's solicitors on 27 March 2021) for an Interim Injunction against BHB and Bakti Wira to:

1. restrain BHB and Bakti Wira from dealing with the lands which are part of the subject matter in this litigation; and
2. restrain Bakti Wira from dealing with its shares held in Astacanggih Sdn Bhd,

pending the disposal of the Plaintiff's appeal.

The hearing of this Notice of Motion at the Court of Appeal is fixed on 21 May 2021.

- (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 were intended to be used for commercial or mixed development purposes, then the commercial portion would be subject to GST. The Plaintiffs were not a 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 was an exempt supply under the GST (Exempt Supply) Order 2014 and was 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 22 March 2021 as the case management date. On 22 March 2021, the case management has been converted to a case management by way of email to the Court Registrar. As at to date, the Registrar has not replied to any of the emails and our solicitors will provide the update on the outcome of the case management accordingly.

- (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 was served with a winding up petition ("Petition") by the Plaintiff on 3 July 2020. By the Petition, the Plaintiff alleged that the Defendant was 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 filed application to stay/strike out Plaintiff's Petition. On 19 August 2020, the Court granted an ad-interim stay of all proceedings pending disposal of the Defendant's striking out / stay application. 6 creditors namely BHB, Axima Concept SA, Boustead Penang Shipyard Sdn Bhd., Naval Group SA, Naval Group Malaysia Sdn Bhd and Paksi Laksana have submitted notice of intention to oppose the Petition.

On 29 March 2021, the Court allowed Defendant's application to strike out the Petition.

On a related note, on 28 September 2020, the Defendant has then applied to the High Court of Kuala Lumpur for an order for a proposed scheme of arrangement and compromise between the Defendant and its creditors and a restraining order for all proceedings against the Defendant and/or its assets. The Defendant has also filed for a protective order over the Statement of Affairs and the Government correspondence.

On 24 February 2021, the Court has allowed the protective Order only over the Government correspondence.

The Court has fixed 30 April 2021 for the hearing of Defendant's application to convene the creditors' meeting and for a restraining order. The ad interim restraining order will continue until the disposal of the application for leave to convene the creditors' meeting.

As at 30 March 2021, 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.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****24. Loss Per Share - Basic/diluted**

	Current Period		Cumulative Period	
	2020	2019	2020	2019
Net loss for the period (RM million)	(352.3)	(1,125.7)	(550.9)	(1,278.8)
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)	(17.38)	(55.54)	(27.18)	(63.09)

25. Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2020 are as follows:-

	31.12.2020	31.12.2019
	RM million	RM million
Non-current:		
Term loans		
- Denominated in RM	893.7	1,085.1
- Denominated in Great Britain Pound	47.6	60.6
	941.3	1,145.7
Islamic medium term notes	2,342.2	2,339.8
Revolving credits	410.0	420.0
	3,693.5	3,905.5
Less: repayable in 1 year	596.0	382.6
	3,097.5	3,522.9
Current:		
Bank overdrafts	55.4	46.6
Bankers' acceptances		
- Denominated in RM	380.4	310.4
- Denominated in Indonesian Rupiah	123.4	160.8
Islamic medium term notes	299.9	-
Revolving credits	3,330.2	3,486.3
Short term loans	296.1	382.6
	4,485.4	4,386.7
Total borrowings	7,582.9	7,909.6

As at 31 December 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 5.0% (FY2019: 5.5%) per annum. The proportion of debt based on fixed and floating interest rate is 31% (FY2019: 30%) and 69% (FY2019: 70%) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 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 RM28.7 million (2019: RM42.8 million) and revolving credits of RM674.4 million (2019: RM674.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM3.6 million (2019: RM4.7 million) which is secured against a property owned by the subsidiary.

A subsidiary has a term loan of RM14.6 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 RM47.6 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 31 December 2020****25. Group Borrowings and Debt Securities (Cont'd.)**

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	<u>31.12.2020</u>	<u>31.12.2019</u>
Denominated in Great Britain Pound	8.7	11.3
Denominated in Indonesian Rupiah	431,469	545,085
Exchange rate:		
- Great Britain Pound	5.49	5.38
- Indonesian Rupiah	0.0286	0.0295

26. Additional Disclosures

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

	<u>Current Quarter</u>		<u>Cumulative Quarter</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>RM million</u>	<u>RM million</u>	<u>RM million</u>	<u>RM million</u>
Net fair value loss on investment properties	110.8	7.6	110.8	7.6
Depreciation and amortisation	89.1	93.9	331.6	395.3
Provision for/(Reversal of provision for) expected credit losses	25.4	(14.3)	20.7	(6.5)
Provision for and write off of inventories	9.4	22.8	20.1	30.9
Impairment of property, plant and equipment	106.4	164.9	106.4	288.1
Impairment of goodwill	36.1	725.2	36.1	763.3
Gain on disposal of plantation land	-	-	-	(119.5)
(Gain)/loss on disposal of other property, plant and equipment	(3.2)	(9.9)	4.7	(9.2)
Gain on disposal of an associate	(44.5)	-	(44.5)	-
Loss on measurement of assets classified as held for sale to fair value less costs of disposal	47.9	-	47.9	-
Foreign exchange loss/(income)	9.3	(2.0)	31.9	(10.9)
Net fair value loss on derivatives	4.1	6.2	1.4	6.3

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the quarter ended 31 December 2020****27. Other Disclosures****a) 'Second Generation Patrol Vessels Littoral Combat Ship (Frigate Class)' (LCS) Project**

On 16 December 2011, Boustead Naval Shipyard (BNS) a subsidiary of BHB received a letter of award from the Government of Malaysia (GOM) to design, construct, equip, install, commission, integrate, test and trials and deliver 6 units of LCS with combatant capabilities for Royal Malaysian Navy (RMN) at a ceiling price of RM9.0 billion. The formal contract with GOM was signed on 17 July 2014.

In 2019, the Minister of Defence at that time made a statement in the Parliament on the delay in delivering the LCS. It was announced that BNS has requested a variation order to complete the project. Subsequently, series of discussions and negotiations were held between GOM and BNS. Based on the progress of these deliberations, as at 31 December 2020, the Group is of the view that a satisfactory resolution will be reached with GOM. Accordingly, no provision has been made to the accounts for the LCS project.

Subsequently in March 2021, BNS had submitted a formal proposal on the way forward for the LCS project which is pending approval by the GOM.

b) Plantation Statistics

		Cumulative Period	
		2020	2019
(i) Crop production and yield			
FFB (MT)		1,001,557	979,972
FFB (MT/ha)		15.0	13.9
Crude palm oil (CPO) production (MT)		243,080	231,298
Palm kernel (PK) production (MT)		49,211	47,113
(ii) Average selling prices (RM per MT)			
FFB		552	391
CPO		2,811	2,134
PK		1,628	1,244
(iii) Oil extraction rate (%)			
CPO		21.1	21.6
PK		4.3	4.4
(iv) Planted areas (hectares)			
		As at	As at
		31.12.2020	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