

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

<b>For the period ended 31 March 2021</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Revenue</b>	<b>2,086.7</b>	2,260.9	<b>2,086.7</b>	2,260.9
<b>Operating cost</b>	<b>(1,888.2)</b>	(2,237.6)	<b>(1,888.2)</b>	(2,237.6)
<b>Results from operations</b>	<b>198.5</b>	23.3	<b>198.5</b>	23.3
Share of results of associates	<b>14.7</b>	25.9	<b>14.7</b>	25.9
Share of results of joint ventures	<b>(11.2)</b>	(7.2)	<b>(11.2)</b>	(7.2)
<b>Profit before interest, taxation and zakat</b>	<b>202.0</b>	42.0	<b>202.0</b>	42.0
Finance cost	<b>(85.8)</b>	(102.5)	<b>(85.8)</b>	(102.5)
Interest income	<b>5.1</b>	7.2	<b>5.1</b>	7.2
<b>Profit/(loss) before taxation and zakat</b>	<b>121.3</b>	(53.3)	<b>121.3</b>	(53.3)
Taxation	<b>(33.3)</b>	(22.3)	<b>(33.3)</b>	(22.3)
Zakat	<b>(0.6)</b>	-	<b>(0.6)</b>	-
<b>Profit/(loss) for the period</b>	<b>87.4</b>	(75.6)	<b>87.4</b>	(75.6)
Attributable to:				
Shareholders of the Company	<b>43.1</b>	(73.1)	<b>43.1</b>	(73.1)
Holder of Perpetual Sukuk	<b>13.6</b>	12.1	<b>13.6</b>	12.1
Non-controlling interests	<b>30.7</b>	(14.6)	<b>30.7</b>	(14.6)
<b>Profit/(loss) for the period</b>	<b>87.4</b>	(75.6)	<b>87.4</b>	(75.6)
<b>Earning/(loss) per share - sen</b>				
Basic/diluted	<b>2.13</b>	(3.60)	<b>2.13</b>	(3.60)

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

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

<b>For the period ended 31 March 2021</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>Profit/(loss) for the period</b>	<b>87.4</b>	<b>(75.6)</b>	<b>87.4</b>	<b>(75.6)</b>
Other comprehensive (loss)/income				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	<b>(4.3)</b>	<b>(11.8)</b>	<b>(4.3)</b>	<b>(11.8)</b>
Share of OCI of investments accounted for using the equity method	<b>(80.3)</b>	<b>(59.5)</b>	<b>(80.3)</b>	<b>(59.5)</b>
	<b>(84.6)</b>	<b>(71.3)</b>	<b>(84.6)</b>	<b>(71.3)</b>
<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>(0.6)</b>	<b>(2.1)</b>	<b>(0.6)</b>	<b>(2.1)</b>
- Disposals	<b>0.4</b>	<b>0.9</b>	<b>0.4</b>	<b>0.9</b>
	<b>(0.2)</b>	<b>(1.2)</b>	<b>(0.2)</b>	<b>(1.2)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>2.6</b>	<b>(148.1)</b>	<b>2.6</b>	<b>(148.1)</b>
Attributable to:				
Shareholders of the Company	<b>(40.8)</b>	<b>(139.1)</b>	<b>(40.8)</b>	<b>(139.1)</b>
Holder of Perpetual Sukuk	<b>13.6</b>	<b>12.1</b>	<b>13.6</b>	<b>12.1</b>
Non-controlling interests	<b>29.8</b>	<b>(21.1)</b>	<b>29.8</b>	<b>(21.1)</b>
<b>Total comprehensive income/(loss) for the period, net of tax</b>	<b>2.6</b>	<b>(148.1)</b>	<b>2.6</b>	<b>(148.1)</b>

The unaudited Condensed Statement of Consolidated Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

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

<b>As at 31 March 2021</b>	<b>As at 31 March 2021</b>	<b>As at 31 December 2020</b>
<b>(All figures are stated in RM million)</b>		
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,401.4	4,457.8
Investment properties	1,405.2	1,404.9
Right-of-use assets	2,280.5	2,289.4
Deferred tax assets	29.3	37.0
Associates	2,058.5	2,125.0
Joint ventures	472.6	483.9
Investments	5.2	5.8
Intangible assets	345.0	343.0
Inventories	920.9	916.3
Receivables	260.5	244.2
	<b>12,179.1</b>	<b>12,307.3</b>
<b>Current assets</b>		
Biological assets	34.2	25.0
Inventories	996.9	963.9
Contract assets and contract cost assets	1,053.6	1,057.2
Receivables	1,210.9	829.7
Deposits, cash and bank balance	516.9	496.4
Assets classified as held for sale	264.1	322.6
	<b>4,076.6</b>	<b>3,694.8</b>
<b>TOTAL ASSETS</b>	<b>16,255.7</b>	<b>16,002.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	2,735.7	2,735.7
Reserves	339.4	381.5
<b>Shareholders' equity</b>	<b>3,075.1</b>	<b>3,117.2</b>
<b>Perpetual Sukuk</b>	<b>622.9</b>	<b>609.3</b>
<b>Non-controlling interests</b>	<b>1,420.7</b>	<b>1,392.4</b>
<b>Total equity</b>	<b>5,118.7</b>	<b>5,118.9</b>
<b>Non current liabilities</b>		
Borrowings	2,936.4	2,962.3
Payables	20.4	20.9
Lease liabilities	47.0	54.7
Deferred tax liabilities	321.6	325.7
	<b>3,325.4</b>	<b>3,363.6</b>
<b>Current liabilities</b>		
Borrowings	4,555.6	4,621.6
Payables	3,163.2	2,807.3
Contract liabilities	63.4	51.2
Lease liabilities	8.3	21.3
Taxation	21.1	18.2
	<b>7,811.6</b>	<b>7,519.6</b>
<b>Total liabilities</b>	<b>11,137.0</b>	<b>10,883.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,255.7</b>	<b>16,002.1</b>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

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

For the financial period ended 31 March 2021	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 2021	2,735.7	53.2	153.8	434.7	(260.2)	3,117.2	609.3	1,392.4	5,118.9
Currency translation difference in respect of foreign operations	-	-	-	(3.4)	-	(3.4)	-	(0.9)	(4.3)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.6)	-	-	-	(0.6)	-	-	(0.6)
- disposal	-	0.4	-	-	-	0.4	-	-	0.4
- transfer upon disposal	-	1.0	-	-	(1.0)	-	-	-	-
Share of OCI investments accounted for using equity method	-	(80.7)	-	0.4	-	(80.3)	-	-	(80.3)
Total other comprehensive loss for the period	-	(79.9)	-	(3.0)	(1.0)	(83.9)	-	(0.9)	(84.8)
Profit for the period	-	-	-	-	43.1	43.1	13.6	30.7	87.4
Total comprehensive (loss)/income for the period	-	(79.9)	-	(3.0)	42.1	(40.8)	13.6	29.8	2.6
Changes in ownership interests in subsidiaries									
- Share options granted by a subsidiary	-	-	-	-	-	-	-	0.1	0.1
- Additional investment in a subsidiary	-	-	-	-	(1.3)	(1.3)	-	1.3	-
Transfer during the period									
- Regulatory reserve of an associate	-	-	(12.2)	-	12.2	-	-	-	-
Dividends	-	-	-	-	-	-	-	(2.9)	(2.9)
<b>Balance at 31 March 2021</b>	<b>2,735.7</b>	<b>(26.7)</b>	<b>141.6</b>	<b>431.7</b>	<b>(207.2)</b>	<b>3,075.1</b>	<b>622.9</b>	<b>1,420.7</b>	<b>5,118.7</b>

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

For the financial period ended 31 March 2020	Attributable to shareholders of the Company						Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total			
As at 1 January 2020	2,735.7	51.3	143.6	435.1	363.7	3,729.4	608.9	1,349.8	5,688.1
Currency translation difference in respect of foreign operations	-	-	-	(5.3)	-	(5.3)	-	(6.5)	(11.8)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(2.1)	-	-	-	(2.1)	-	-	(2.1)
- disposal	-	0.9	-	-	-	0.9	-	-	0.9
Share of OCI investments accounted for using equity method	-	(59.1)	-	(0.4)	-	(59.5)	-	-	(59.5)
Total other comprehensive loss for the period	-	(60.3)	-	(5.7)	-	(66.0)	-	(6.5)	(72.5)
(Loss)/profit for the period	-	-	-	-	(73.1)	(73.1)	12.1	(14.6)	(75.6)
Total comprehensive (loss)/income for the period	-	(60.3)	-	(5.7)	(73.1)	(139.1)	12.1	(21.1)	(148.1)
Changes in ownership interests in subsidiaries									
- Share options granted by a subsidiary	-	-	-	-	-	-	-	0.5	0.5
Transfer during the period									
- Regulatory reserve of an associate	-	-	(12.5)	-	12.5	-	-	-	-
Dividends	-	-	-	-	-	-	-	(3.4)	(3.4)
<b>Balance at 31 March 2020</b>	<b>2,735.7</b>	<b>(9.0)</b>	<b>131.1</b>	<b>429.4</b>	<b>303.1</b>	<b>3,590.3</b>	<b>621.0</b>	<b>1,325.8</b>	<b>5,537.1</b>

**NOTES**

\* Denotes non distributable reserves.

All figures are stated in RM million. The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

**Boustead Holdings Berhad 196001000193 (3871-H)****UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the period ended 31 March 2021**

<b>(All figures are stated in RM million)</b>	<b>2021</b>	<b>2020</b>
<b>Operating activities</b>		
Receipts from customers	1,977.5	2,238.8
Cash paid to suppliers and employees	(1,796.6)	(2,464.2)
	<b>180.9</b>	<b>(225.4)</b>
Income taxes paid less refund	(33.3)	25.1
Net cash generated from/(used in) operating activities	<b>147.6</b>	<b>(200.3)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(19.2)	(22.1)
Purchase of right-of-use assets	-	(2.0)
Purchase of intangible assets	(3.1)	-
Purchase and development of property development and investment properties	(1.2)	(1.9)
Proceeds from the sale of property, plant and equipment	0.7	0.3
Deposit received	68.8	-
Dividends received - others	0.3	0.7
Disposal of quoted shares	-	3.0
Interest received - others	5.1	7.2
Subsequent expenditure on investment properties	(0.2)	(1.1)
Net cash generated from/(used in) investing activities	<b>51.2</b>	<b>(15.9)</b>
<b>Financing activities</b>		
New loans	0.7	1.7
Loans repayment	(114.6)	(151.7)
Net withdrawal of revolving credits and bankers' acceptances	37.9	142.3
Interest paid	(89.8)	(126.8)
Repayment of lease liabilities	(3.9)	-
Dividend paid - others	(2.9)	(3.4)
Net cash used in financing activities	<b>(172.6)</b>	<b>(137.9)</b>
Net increase/(decrease) in cash and cash equivalent	<b>26.2</b>	<b>(354.1)</b>
Foreign currency translation difference	0.3	0.3
Cash and cash equivalent at beginning of period	441.0	894.8
<b>Cash and cash equivalent at end of period</b>	<b>467.5</b>	<b>541.0</b>
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	516.9	568.5
Overdrafts	(49.4)	(27.5)
<b>Cash and cash equivalent at end of period</b>	<b>467.5</b>	<b>541.0</b>

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 2020.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 2020. 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 2021, the Group adopted the following new and amended MFRS:

	<b>Effective Date</b>
Amendment 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
Amendment to MFRS 16: COVID-19 Related Rent Concessions beyond 30 June 2021	1 April 2021

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>
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 – Business Combinations (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 101 – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 – Definition of Accounting Estimates	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 March 2021**

**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 2020, 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 (2020: Nil) in respect of the financial year ended 31 December 2021.



**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 31 March 2021</b>							
<b>Revenue</b>							
Group total sales	134.7	171.9	61.3	793.5	931.0	(5.7)	2,086.7
Inter-segment sales	(5.7)	-	-	-	-	5.7	-
External sales	129.0	171.9	61.3	793.5	931.0	-	2,086.7
<b>Operating cost</b>	(41.1)	(138.5)	(71.9)	(756.7)	(880.0)	-	(1,888.2)
<b>Results from operations</b>	87.9	33.4	(10.6)	36.8	51.0	-	198.5
Share of result of associates	(0.2)	(1.5)	-	-	16.4	-	14.7
Share of result of joint ventures	(3.0)	-	(8.2)	-	-	-	(11.2)
<b>Profit/(Loss) before interest, taxation and zakat</b>	84.7	31.9	(18.8)	36.8	67.4	-	202.0
Finance cost	(24.8)	(12.7)	(19.6)	(6.9)	(52.9)	31.1	(85.8)
Interest income	3.1	0.1	0.1	0.1	32.8	(31.1)	5.1
<b>Profit/(Loss) before taxation and zakat</b>	63.0	19.3	(38.3)	30.0	47.3	-	121.3
Taxation and zakat							(33.9)
<b>Profit for the period</b>							87.4
<b>Other Information</b>							
Depreciation and amortisation	(6.3)	(32.2)	(2.8)	(8.3)	(26.1)	-	(75.7)
Profit/(Loss) on disposal - Other assets	84.7	(0.2)	-	-	3.4	-	87.9
Other non-cash (expense)/income*	(2.3)	-	4.2	(3.8)	0.8	-	(1.1)

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 31 March 2020</b>							
<b>Revenue</b>							
Group total sales	172.5	162.7	86.2	819.9	1,025.5	(5.9)	2,260.9
Inter-segment sales	(5.9)	-	-	-	-	5.9	-
External sales	166.6	162.7	86.2	819.9	1,025.5	-	2,260.9
<b>Operating cost</b>	(166.0)	(145.4)	(94.7)	(779.5)	(1,052.0)	-	(2,237.6)
<b>Results from operations</b>	0.6	17.3	(8.5)	40.4	(26.5)	-	23.3
Share of result of associates	-	0.9	-	-	25.0	-	25.9
Share of result of joint ventures	(5.2)	-	(2.0)	-	-	-	(7.2)
<b>(Loss)/profit before interest, taxation and zakat</b>	(4.6)	18.2	(10.5)	40.4	(1.5)	-	42.0
Finance cost	(24.2)	(17.0)	(26.3)	(11.2)	(58.7)	34.9	(102.5)
Interest income	3.7	0.1	0.3	0.2	37.8	(34.9)	7.2
<b>(Loss)/profit before taxation and zakat</b>	(25.1)	1.3	(36.5)	29.4	(22.4)	-	(53.3)
Taxation and zakat							(22.3)
<b>Loss for the period</b>							(75.6)
<b>Other Information</b>							
Depreciation and amortisation	(8.7)	(33.2)	(5.5)	(9.1)	(27.5)	-	(84.0)
Profit on disposal							
- Other assets	0.1	-	-	-	0.3	-	0.4
Other non-cash expense*	(1.1)	-	(12.1)	(3.5)	(0.2)	-	(16.9)

\* 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 March 2021****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>Pharma- ceutical</b>	<b>Trading, Finance &amp; Investment</b>	<b>Elim'n</b>	<b>Total</b>
<b>For the period ended 31 March 2021</b>							
Sale of produce	-	171.7	-	-	-	-	171.7
Sale of petroleum products	-	-	-	-	885.2	-	885.2
Sale of pharmaceutical products	-	-	-	793.5	-	-	793.5
Sale of building materials	59.3	-	-	-	-	-	59.3
Shipbuilding and repair	-	-	60.5	-	-	-	60.5
Sale of development properties	33.6	-	-	-	-	-	33.6
Hotel operations	8.6	-	-	-	-	-	8.6
Tuition fees	-	-	-	-	40.7	-	40.7
Others	-	0.2	-	-	5.0	-	5.2
Revenue from contracts with customers	101.5	171.9	60.5	793.5	930.9	-	2,058.3
Rental income	27.5	-	0.8	-	0.1	-	28.4
<b>Total revenue</b>	<b>129.0</b>	<b>171.9</b>	<b>61.3</b>	<b>793.5</b>	<b>931.0</b>	<b>-</b>	<b>2,086.7</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	95.6	171.7	0.4	793.5	930.9	-	1,992.1
- Over time	5.9	0.2	60.1	-	-	-	66.2
	101.5	171.9	60.5	793.5	930.9	-	2,058.3

<b>RM million</b>	<b>Property &amp; Industrial</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Pharma- ceutical</b>	<b>Trading, Finance &amp; Investment</b>	<b>Elim'n</b>	<b>Total</b>
<b>For the period ended 31 March 2020</b>							
Sale of produce	-	162.4	-	-	-	-	162.4
Sale of petroleum products	-	-	-	-	974.7	-	974.7
Sale of pharmaceutical products	-	-	-	819.9	-	-	819.9
Sale of building materials	65.2	-	-	-	-	-	65.2
Shipbuilding and repair	-	-	85.2	-	-	-	85.2
Sale of development properties	47.7	-	-	-	-	-	47.7
Hotel operations	22.9	-	-	-	-	-	22.9
Tuition fees	-	-	-	-	38.8	-	38.8
Others	-	0.3	0.2	-	9.5	-	10.0
Revenue from contracts with customers	135.8	162.7	85.4	819.9	1,023.0	-	2,226.8
Rental income	30.8	-	0.8	-	2.5	-	34.1
<b>Total revenue</b>	<b>166.6</b>	<b>162.7</b>	<b>86.2</b>	<b>819.9</b>	<b>1,025.5</b>	<b>-</b>	<b>2,260.9</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	70.1	162.4	0.2	819.3	984.3	-	2,036.3
- Over time	65.7	0.3	85.2	0.6	38.7	-	190.5
	135.8	162.7	85.4	819.9	1,023.0	-	2,226.8

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

**12. Changes in Group Composition**

During the quarter, Pharmaniaga Group acquired a total 20,000 ordinary shares of Paradigm Industry Sdn Bhd (PISB) through Pristine Pharma Sdn Bhd, for a purchase consideration of RM1.00 representing the remaining 20% of the total issued and paid-up capital of PISB. The Pharmaniaga Group also acquired a total 600,000 ordinary shares of Bio-Collagen Technologies Sdn Bhd (BCT) for a purchase consideration of RM1.00 representing the remaining 30% of the total issued and paid-up capital of BCT. Upon acquisition, both PISB and BCT are effectively 100% owned subsidiaries of Pharmaniaga 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 FY2020 annual financial statements remains unchanged as at 31 May 2021. No other contingent liability has arisen since the financial year end.

**14. Commitments**

The Group has the following commitments as at 31 March 2021:

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	<u>301.8</u>	<u>119.7</u>

**15. Financial Risk Management**

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2020.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 2021	269.0	75.0	342.8	86.7	773.5
Additions	-	-	-	3.2	3.2
Foreign exchange fluctuation	(0.1)	-	-	(0.2)	(0.3)
At 31 March 2021	268.9	75.0	342.8	89.7	776.4
<b>Accumulated amortisation and impairment</b>					
At 1 January 2021	-	75.0	342.8	12.7	430.5
Amortisation	-	-	-	1.0	1.0
Foreign exchange fluctuation	-	-	-	(0.1)	(0.1)
At 31 March 2021	-	75.0	342.8	13.6	431.4
<b>Net carrying amount</b>					
At 31 March 2021	268.9	-	-	76.1	345.0
At 31 December 2020	269.0	-	-	74.0	343.0

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 March 2021****Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia****17. Performance Review****Results for Cumulative Period**

<b>For the period ended 31 March 2021</b>	<b>Cumulative Period</b>		<b>+ / (-)</b>
<b>(All figures are stated in RM million)</b>	<b>2021</b>	<b>2020</b>	<b>%</b>
<b>Revenue:</b>			
Property & Industrial	<b>129.0</b>	166.6	-23%
Plantation	<b>171.9</b>	162.7	6%
Heavy Industries	<b>61.3</b>	86.2	-29%
Pharmaceutical	<b>793.5</b>	819.9	-3%
Trading, Finance & Investment	<b>931.0</b>	1,025.5	-9%
	<b>2,086.7</b>	2,260.9	-8%
<b>Operating cost:</b>			
- Depreciation and amortisation	<b>(75.7)</b>	(84.0)	10%
- Other operating cost	<b>(1,812.5)</b>	(2,153.6)	16%
<b>Results from operations</b>	<b>198.5</b>	23.3	752%
Share of results of associates and joint ventures	<b>3.5</b>	18.7	-81%
<b>Profit before interest, tax and zakat</b>	<b>202.0</b>	42.0	381%
Net finance cost	<b>(80.7)</b>	(95.3)	15%
<b>Profit/(loss) before taxation and zakat:</b>			
Property & Industrial	<b>63.0</b>	(25.1)	351%
Plantation	<b>19.3</b>	1.3	1385%
Heavy Industries	<b>(38.3)</b>	(36.5)	-5%
Pharmaceutical	<b>30.0</b>	29.4	2%
Trading, Finance & Investment	<b>47.3</b>	(22.4)	311%
	<b>121.3</b>	(53.3)	328%
Taxation and zakat	<b>(33.9)</b>	(22.3)	-52%
<b>Profit/(loss) for the period</b>	<b>87.4</b>	(75.6)	216%
<b>Profit/(loss) attributable to shareholders of the Company</b>	<b>43.1</b>	(73.1)	159%
<b>EBITDA</b>	<b>274.2</b>	107.3	156%

For the 1<sup>st</sup> quarter ended 31 March 2021 (1QFY21), the Group staged a turnaround with a profit before taxation and zakat (PBT) of RM121.3 million compared to a loss before taxation and zakat (LBT) of RM53.3 million in last year's corresponding period (1QFY20). The better performance delivered by major operating units in 1QFY21 was bolstered by a one-off gain on disposal of a hotel, Royale Chulan Bukit Bintang (RCBB) of RM84.6 million. After taxation and zakat, the Group registered a profit of RM87.4 million (1QFY20: loss after taxation and zakat of RM75.6 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM43.1 million (1QFY20: net loss of RM73.1 million).

In 1QFY21, the Group rebounded with a stronger operational performance achieving a higher earnings before interest, tax, depreciation and amortisation of RM274.2 million (1QFY21: RM107.3 million).

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue**

For 1QFY21, the Group registered a lower revenue of RM2.1 billion, a decrease of 8%, from RM2.3 billion recorded last year. An analysis of the revenue of each Division is as follows:

- (i) During the period, **Property & Industrial Division** registered a revenue of RM129.0 million, lower by 23% from RM166.6 million recorded in 1QFY20. Revenue from property development segment dropped due to lower progress billing for our project at Mutiara Rini, Johor. Meanwhile, property investment and hotel segments recorded lower revenue due to reduced rental income from malls and hotel occupancy. On the other hand, industrial segment recorded better revenue due to increase in export sales.
- (ii) In 1QFY21, the **Plantation Division** recorded a higher revenue of RM171.9 million (1QFY20: revenue of RM162.7 million), an increase by 6%, mainly due to higher palm product prices.

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

	Cumulative Period		Variance	
	2021	2020	RM per MT	%
<b>Average selling prices</b>				
Crude palm oil (CPO)	3,751	2,793	958	34%
Palm kernel (PK)	2,520	1,700	820	48%
<b>Palm product production</b>	<b>MT</b>	<b>MT</b>	<b>MT</b>	<b>%</b>
CPO	40,436	49,518	(9,082)	-18%
PK	8,003	10,148	(2,145)	-21%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM61.3 million (1QFY20: revenue of RM86.2 million) primarily due to variation in milestone achieved for LCS, LMS and ship repair projects.
- (iv) During the period, the **Pharmaceutical Division** recorded a lower revenue of RM793.5 million (1QFY20: revenue of RM819.9 million) mainly attributable to reduced demand from the Indonesian business.
- (v) In 1QFY21, the **Trading, Finance & Investment Division** registered a lower revenue of RM931.0 million, a drop of 9% from a year ago. The shortfall was mainly due lower sales volume from Boustead Petroleum Marketing (BPM) and the recovery of tourism-related businesses within the Group was still affected by the movement restrictions imposed due to the pandemic.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Performance by division**

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

**(i) Property & Industrial Division**

During the quarter, Property & Industrial Division posted a PBT of RM63.0 million (1QFY20: LBT of RM25.1 million) mainly due to recognition of a gain on disposal of RCBB of RM84.6 million as mentioned above. At the operational level, hotel segment incurred a loss of RM14.9 million (1QFY20: loss of RM19.3 million) as the room and F&B revenues were affected by the movement restrictions imposed due to the pandemic.

Meanwhile, property investment segment recorded a lower loss on reduced operating cost. The industrial segment also closed the quarter with a better result as compared to 1QFY20 due to higher construction demand and export sales. On the other hand, the contribution from property development segment was lower due to lower progress billing for our project at Mutiara Rini, Johor and rebates given for One Cochrane project.

**(ii) Plantation Division**

In 1QFY21, the Plantation Division registered a higher PBT of RM19.3 million (1QFY20: PBT of RM1.3 million) primarily due to better palm products prices. However, FFB production for the period of 180,165 MT was lower by 14% from 209,857 MT recorded a year ago. The oil extraction and kernel extraction rates for the period were also lower at 20.3% (1QFY20: 21.0%) and 4.0% (1QFY20: 4.3%) respectively.

**(iii) Heavy Industries Division**

The Heavy Industries Division closed the quarter with a higher LBT of RM38.3 million (1QFY20: LBT of RM36.5 million) mainly due to higher loss from Boustead Heavy Industries Corporation (BHIC). In 1QFY21, BHIC incurred higher loss mainly due to lower revenue from variation in milestone achieved for LCS, LMS and ship repair projects.

**(iv) Pharmaceutical Division**

The Pharmaceutical Division recorded a marginally higher PBT of RM30.0 million (1QFY20: PBT of RM29.4 million) as the lower operating profit due to decreased revenue was compensated by the reduction in finance cost.

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

In 1QFY21, the Trading, Finance & Investment Division achieved a turnaround with a PBT of RM47.3 million compared favourably against a LBT of RM22.4 million in 1QFY20 on the back of stockholding gain (1QFY20: stockholding loss) by BPM as a result of higher average fuel prices. However, the result of our tourism-related entities was still affected by COVID-19 pandemic.

Our associate Affin Bank Berhad, registered a lower contribution due to lower non-interest income and higher operating expenses, cushioned by higher net interest income, lower allowance for impairment losses and higher income from islamic banking.



**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 31 March 2021, the Group's receivables have increased mainly due to pending collection on advance payment made on the purchase of pharmaceutical products.

**Statement of Cash Flows**

For 1QFY21, the Group recorded a cash inflow from operation of RM147.6 million (1QFY20: cash outflow of RM200.3 million) mainly due to surplus on net cash receipts from customers. The Group also recorded cash inflow from investing activities of RM51.2 million (1QFY20: cash outflow of RM15.9 million) mainly due to deposit received from disposal of Boustead Cruise Centre Sdn Bhd. Meanwhile, the Group recorded a cash outflow from financing activities of RM172.6 million (1QFY20: cash outflow of RM137.9 million) mainly due to lower net withdrawal of revolving credits and bankers' acceptances.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter**

<b>For the period ended 31 March 2021</b>	<b>Current Period</b>	<b>Immediate Preceding Period</b>	<b>+ / (-)</b>
<b>(All figures are stated in RM million)</b>	<b>31.3.2021</b>	<b>31.12.2020</b>	<b>%</b>
<b>Revenue:</b>			
Property & Industrial	129.0	206.2	-37%
Plantation	171.9	227.6	-24%
Heavy Industries	61.3	340.9	-82%
Pharmaceutical	793.5	634.6	25%
Trading, Finance & Investment	931.0	820.7	13%
	<b>2,086.7</b>	<b>2,230.0</b>	<b>-6%</b>
<b>Operating cost:</b>			
- Depreciation and amortisation	(75.7)	(93.5)	19%
- Other operating cost	(1,812.5)	(2,004.1)	10%
<b>Results from operations</b>	<b>198.5</b>	<b>132.4</b>	<b>50%</b>
Impairment of property, plant and equipment	-	(133.3)	100%
Impairment of right-of-use assets	-	(37.9)	100%
Impairment of goodwill	-	(36.1)	100%
Fair value loss on investment properties	-	(110.8)	100%
Other investment results	-	37.5	-100%
Share of result of associates and joint ventures	3.5	(59.7)	106%
<b>Profit/(loss) before interest, taxation and zakat</b>	<b>202.0</b>	<b>(207.9)</b>	<b>197%</b>
Net finance cost	(80.7)	(87.4)	8%
<b>Profit/(loss) before taxation and zakat:</b>			
Property & Industrial	63.0	(260.0)	124%
Plantation	19.3	49.7	-61%
Heavy Industries	(38.3)	(18.6)	-106%
Pharmaceutical	30.0	(14.9)	301%
Trading, Finance & Investment	47.3	(51.5)	192%
	<b>121.3</b>	<b>(295.3)</b>	<b>141%</b>
Taxation and zakat	(33.9)	(28.7)	-18%
<b>Profit/(loss) for the period</b>	<b>87.4</b>	<b>(324.0)</b>	<b>127%</b>
<b>Profit/(loss) attributable to shareholders of the Company</b>	<b>43.1</b>	<b>(352.3)</b>	<b>112%</b>
<b>EBITDA</b>	<b>274.2</b>	<b>225.9</b>	<b>21%</b>

For 1QFY21, the Group posted a PBT of RM121.3 million as compared to LBT of RM295.3 million in the preceding quarter (4QFY20) mainly due to recognition of a gain on disposal of RCBB of RM84.6 million as mentioned above. In addition, the Group's result for 4QFY20 was affected mainly by the impairment of property, plant and equipment, right-of-use assets and goodwill amounting to RM207.3 million and fair value loss on investment properties of RM110.8 million. Profit after taxation and zakat and net profit for 1QFY21 stood at RM87.4 million (4QFY20: loss after taxation and zakat of RM324.0 million) and RM43.1 million (4QFY20: net loss of RM352.3 million) respectively.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 follows:

**(i) Property & Industrial Division**

For 1QFY21, Property & Industrial Division recorded a PBT of RM63.0 million (4QFY20: LBT of RM260.0 million) mainly due to recognition of a gain on disposal of RCBB of RM84.6 million as mentioned above. In addition, the Division's result for 4QFY20 was affected by fair values losses on investment properties and impairment on property, plant and equipment.

**(ii) Plantation Division**

During the quarter, the Plantation Division posted a lower PBT of RM19.3 million (4QFY20: PBT of RM49.7 million) mainly due to lower FFB production. The FFB production of 180,165 MT was lower than the 4QFY20 of 247,693 MT. Nevertheless, the average CPO price stood at RM3,751 per MT, an increase of RM427 compared to 4QFY20 of RM3,324 per MT.

**(iii) Heavy Industries Division**

For 1QFY21, the Heavy Industries Division recorded a higher LBT of RM38.3 million (4QFY20: LBT of RM18.6 million) mainly due to lower revenue from shipbuilding and ship repair activities during the quarter.

**(iv) Pharmaceutical Division**

For the current quarter, the Pharmaceutical Division registered a PBT of RM30.0 million (4QFY20: LBT of RM14.9 million) on the back of higher revenue attributable to stronger demand from government and private hospitals in Malaysia.

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

In 1QFY21, the Trading, Finance and Investment Division registered a PBT of RM47.3 million (4QFY20: LBT of RM51.5 million) primarily due to the higher stockholding gain from Boustead Petroleum Marketing, arising from improved fuel prices. In addition, the loss in 4QFY20 was attributable to the fair values loss on investment properties and impairment on property, plant and equipment.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****19. Prospects**

As Malaysia rolls out its COVID-19 vaccination campaign, the prospect of recovery has improved with an expectation that the economy and labour market will recover. 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 continue with the efforts to seek new opportunities to strengthen its performance. This is in line with the Reinventing Boustead strategy, of which the Group is focusing on performance improvement programme and new value creation within the Group's existing core businesses, creatively changing business models for new revenue sources, venturing into the digital services and technology sector, focusing on talent development, and rationalising non-strategic assets.

**Plantation Division**

The current high CPO prices shall contribute positively to this year's Division earnings but may be moderated by lower production due to the existing labour shortage at the estates. The Division, through one of the initiatives under the Reinventing Boustead strategy, is working on a programme to employ the ex-servicemen to overcome the labour shortage at the Division's estates.

World edible oil of sunflower oil, rapeseed oil, soy oil and palm oil prices reached their multi-year high in 1<sup>st</sup> quarter of 2021. The surge in prices was contributed by lower production, growing demand and tightening stocks. The global shortage of vegetable oils is likely to worsen in the near to medium term as palm oil production is recovering slower than expected.

However, the recent resurgence of COVID-19 cases particularly in India and Asian Swine Flu (ASF) in China could curb demand for palm oil and soybean. The price pressure on oilseeds and vegetable oils is expected from July/September onward, based on the prospect of large production increases in 2021/2022. However, palm oil prices are likely to stay elevated and above average throughout 2021.

The Division will continue to be guided by the Group's Reinventing Boustead strategy that will put us on a stronger footing to take on new opportunities and challenges in the coming months and years.

**Pharmaceutical Division**

Given new waves of cases around the world, the Division is focused on the supply and distribution of COVID-19 vaccines. The Division is making good progress on this front, with the approval granted by the National Pharmaceutical Regulatory Agency for the fill and finish manufacturing of the Sinovac COVID-19 vaccine. The distribution of the 1<sup>st</sup> batch of 290,480 doses of the vaccine to the market has commenced on 11 May 2021. With this, the Division is on track to meet its contractual obligation to the Government on the agreed delivery schedule. Upon completion of the obligation to the Government, the Division can start offering Sinovac COVID-19 vaccine to the private sector.

As part of the long-term sustainable growth plans, the Division aims to accelerate the growth of vaccine manufacturing business by embarking on a Halal vaccine project. This will see the Division establishing the world's first Halal vaccine facility, which is targeted for completion by 2024, creating a new stream of income. On this background, the Division is pursuing aggressively on the renewal of contract to supply medicine and medical supplies to Ministry of Health facilities. The Division is also leveraging digitalisation within the value chain and utilising advanced technologies in the logistics supply chain, such as the newly implemented Oracle Transport Management System, which will help automate the end-to-end transportation business processes.

The Division will continue to enhance efficiencies across its operations, expand its product pipeline via research and development and strengthen its private sector business via strategic advertising and marketing campaigns, with a strong focus on the consumer healthcare segment. With strategic plans already in motion, the Division is expected to record better revenue and profit in the coming quarters.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****19. Prospects (Cont'd)****Property & Industrial Division**

Hotel segment is expected to continue facing challenges in occupancy rate and F&B income due to the movement restrictions, nevertheless is prepared for the guest once the doors are open again, hopefully in the near future.

Property development segment will continue to capitalise on low interest rate environment to encourage purchasers to grab the opportunity with the list of products offered by the Group. Meanwhile, our property investment segment shall expect a steady stream of rental income from building properties. Malls are also expected to recover with better walk-in ratio by customers as the rollover of vaccines provides positive mood all around.

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 4<sup>th</sup> quarter of FY2021. With regard to LCS project, the Ministry of Defence has made an announcement that Boustead Naval Shipyard (BNS) will continue with the LCS project with conditions to be complied with by BNS.

Under the maintenance, repair and overhaul (MRO) 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 MRO works 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.

Affin Bank continues to take a cautious stance for 2021 amid the ongoing movement restriction which is still in effect in most states. It committed to its transformation plan and continues to progress on its key focus areas which include building on their stable annuity income base and improving the overall productivity of workforce to better serve the stakeholders.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 2021 RM million</b>	<b>Cumulative Quarter 2021 RM million</b>
Malaysian taxation based on profit for the period:		
- Current	34.2	34.2
- Deferred	(0.5)	(0.5)
	33.7	33.7
Over provision of prior years	(0.4)	(0.4)
	33.3	33.3

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 March 2021****22. Corporate Proposals - Status****(a) Status of Corporate Proposal****(i) 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, BHR 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.

**(ii) 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 fulfilment of all conditions precedents, the Proposed Disposal is expected to be completed by the 3<sup>rd</sup> quarter of 2021.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****22. Corporate Proposals - Status (Cont'd.)****(a) Status of Corporate Proposal (Cont'd)****(iii) Proposed Disposal of a freehold land by Mutiara Rini Sdn Bhd**

On 19 April 2021, Mutiara Rini Sdn Bhd (MRSB), a wholly-owned subsidiary of Boustead Properties Berhad, which in turn is a wholly-owned subsidiary of the Company, has entered into a sale and purchase agreement (SPA) with Sunway Rahman Putra Sdn Bhd (SRPSB) for a proposed disposal of a parcel of freehold land measuring 6.59 acres held under HSB 118499 PT 484 Section 90 Kuala Lumpur (Land) for a total cash consideration of RM233.39 million (Disposal Consideration) (Proposed Disposal).

The Disposal Consideration will be paid by SRPSB in the following manner:

- a) Payment of RM46.7 million, being 20% of the Disposal Consideration, the breakdown as follows:
  1. payment of RM0.9 million of initial deposit which was paid by SRPSB to MRSB prior to the execution of the SPA;
  2. payment of RM3.8 million, being 2% of the Disposal Consideration amounting to RM4.7 million less the initial deposit, which was paid
  3. payment of RM42.0 million, being 18% of the Disposal Consideration, which was paid by SRPSB upon execution of the SPA.
- b) Payment of RM186.7 million, being 80% of the Disposal Consideration (Balance Disposal Consideration) on or by the expiry of 1 month following the conditional approval is deemed fulfilled pursuant to the terms of the SPA (Unconditional Date), or 6 months from the date of the SPA, whichever is the later but no later than 19 October 2021 or any other period as may be agreed in writing between the parties. MRSB's solicitors are authorised to release the Balance Disposal Consideration to SRPSB 14 days after the presentation of the Memorandum of Transfer (MOT) and charge, if applicable.
- c) Notwithstanding the non-fulfilment of the conditions precedent, SRPSB agrees to pay the Balance Disposal Consideration to MRSB's solicitors as stakeholders by 19 October 2021 in exchange for the original title and other documents necessary to affect the presentation of the MOT. The Balance Disposal Consideration shall be placed in an interest-bearing account and all interest accrued until the Unconditional Date shall belong to SRPSB and in consideration, SRPSB shall be at liberty to lodge a lienholder's caveat on the land at its own cost. In this event, MRSB's solicitors are authorised to release the Balance Disposal Consideration to SRPSB on the Unconditional Date.

The Proposed Disposal is expected to be completed by the 4<sup>th</sup> quarter of 2021.

**(iv) Proposed Disposal of a freehold land by Mutiara Rini Sdn Bhd**

In 2020, MRSB had entered into a sales and purchase agreement (SPA) with Binastra Synergy Sdn Bhd (the Purchaser) for a proposed disposal of freehold land measuring approximately 11,188 square meters which was held under GRN 76763, Lot 20005, Seksyen 90, Kuala Lumpur (Property) for a total consideration of RM130.0 million (Disposal Consideration).

The Purchaser had paid a deposit of RM13.8 million and the balance of the Disposal Consideration will be settled within 3 months from the date of the SPA or 1 month from extended conditional Date (as defined in the SPA), whichever is later.

The Proposed Disposal is subject to the following remaining conditions precedent:

- a) The approvals of relevant authorities
- b) The conditions stipulated in the SPA.

The Proposed Disposal is subject to approval from relevant authorities and is expected to complete in 2<sup>nd</sup> quarter of 2021.

There were no other corporate proposals announced or pending completion as at 31 May 2021.



**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****22. Corporate Proposals - Status (Cont'd.)****(b) Status on Utilisation of Proceeds from Issue of IMTNs as at 14 May 2021**

(In RM Million)	Proposed Utilisation	Actual Utilisation	Time Frame
Refinancing of existing borrowings/ financing	1,962.4	1,962.4	Not applicable
Funding of reserve account and expenses of IMTN programme	44.4	44.4	Not applicable
Funding of working capital	343.2	343.2	Not applicable
	2,350.0	2,350.0	

**23. Changes in Material Litigations**

- (i) In respect of the litigation referred to in Note 35 (b) of 2020 Annual Report, Deepak Jaikishan a/l Jaikishan Rewachand (Plaintiff) -v- Boustead Holdings Berhad (BHB) and Bakti Wira Development Sdn Bhd (BWSB) (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 27 March 2021, BHB and BWSB have been served with a Notice of Motion for an Interim Injunction against BHB and BWSB to:

1. restrain BHB and BWSB from dealing with the lands which are part of the subject matter in this litigation; and
2. restrain BWSB 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 30 June 2021.

- (ii) In respect of the litigation referred to in Note 35 (c) of 2020 Annual Report, Deepak Jaikishan a/l Jaikishan Rewachand (Plaintiff) -v- Boustead Holdings Berhad, Bakti Wira Development Sdn Bhd and Cebur Megah Development Sdn Bhd (Defendants), the Plaintiff obtained an ex-parte interim injunction order on 19 June 2020 against the Defendants to restrain the Defendants from conducting any dealings with respect to the said Lands. The High Court had on 9 July 2020, dismissed the Plaintiff's application for interim injunction and allowed Cebur Megah Development Sdn Bhd's application to strike out the Plaintiff's suit with cost of RM25,000.00.

The Plaintiff had on 7 August 2020, filed an appeal at the Court of Appeal against the High Court's decision on 9 July 2020 to strike out the claim against Cebur Megah Development Sdn Bhd.

The hearing for the appeal against Cebur Megah Development Sdn Bhd is fixed on 29 July 2021.

- (iii) In respect of the litigation referred to in Note 35 (d) of 2020 Annual Report, MTU Services (Malaysia) Sdn Bhd (MSM) (Plaintiff) -v- Boustead Naval Shipyard Sdn Bhd (BNS) (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 in debted to them for the total sum of RM56.0 million for the equipment supplied and services provided to the Defendant.

The Court fixed 2 June 2021 for the decision of BNS' Originating Summons. With regards to Notice of Appeal to appeal against the Court's decision on 29 March 2021 filed by MSM, the Court has fixed 11 June 2021 for case management.

The Directors of BNS, upon consultation with their solicitors, are of the view that BNS has a fair chance of succeeding in defeating this Petition.

As at 31 May 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 2020.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****24. Earnings/(Loss) Per Share - Basic/diluted**

	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Net profit/(loss) for the period (RM million)	<b>43.1</b>	(73.1)	<b>43.1</b>	(73.10)
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 earnings/(loss) per share (sen)	<b>2.13</b>	(3.60)	<b>2.13</b>	(3.60)

**25. Group Borrowings and Debt Securities**

Total group borrowings as at 31 March 2021 are as follows:-

	<b>31.3.2021</b>	<b>31.12.2020</b>	<b>31.3.2020</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
<b>Non-current:</b>			
Term loans			
- Denominated in RM	769.2	893.8	935.5
- Denominated in Great Britain Pound	47.7	47.5	59.3
	<u>816.9</u>	<u>941.3</u>	<u>994.8</u>
Islamic medium term notes	2,342.8	2,342.2	2,340.4
Revolving credits	260.0	270.0	400.0
	<u>3,419.7</u>	<u>3,553.5</u>	<u>3,735.2</u>
Less: repayable in 1 year	483.3	591.2	245.4
	<u>2,936.4</u>	<u>2,962.3</u>	<u>3,489.8</u>
<b>Current:</b>			
Bank overdrafts	49.4	55.4	27.5
Bankers' acceptances			
- Denominated in RM	480.1	380.4	695.6
- Denominated in Indonesian Rupiah	123.4	123.4	140.8
Islamic medium term notes	299.9	299.9	-
Revolving credits	3,419.4	3,471.2	3,263.4
Short term loans	183.4	291.3	245.4
	<u>4,555.6</u>	<u>4,621.6</u>	<u>4,372.7</u>
<b>Total borrowings</b>	<u>7,492.0</u>	<u>7,583.9</u>	<u>7,862.5</u>

As at 31 March 2021, the Group's borrowing was lower as compared with 31 December 2020 due to the repayment of borrowings.

During the financial period, the weighted average interest rate of borrowings is 4.9% (FY2020: 5.0%) per annum. The proportion of debt based on fixed and floating interest rate is 31% (FY2020: 30%) and 69% (FY2020: 70%) respectively.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****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 in 2019, 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 in 2019, 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 RM28.6 million (FY2020: RM28.6 million) and revolving credits of RM675.4 million (2020: RM675.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM3.3 million (FY2020: RM3.6 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM12.6 million (FY2020: RM14.6 million) which is secured against the subsidiary's hire purchase contracts.

A subsidiary has a term loan denominated in Great Britain Pound equivalent to RM47.7 million (FY2020: RM47.5 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 March 2021****25. Group Borrowings and Debt Securities (Cont'd.)**

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	<u>31.3.2021</u>	<u>31.12.2020</u>	<u>31.3.2020</u>
Denominated in Great Britain Pound	8.4	8.7	11.0
Denominated in Indonesian Rupiah	432,982	431,469	533,333
Exchange rate:			
- Great Britain Pound	5.71	5.49	5.38
- Indonesian Rupiah	0.0285	0.0286	0.0264

**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>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>RM million</u>	<u>RM million</u>	<u>RM million</u>	<u>RM million</u>
Depreciation and amortisation	<b>75.7</b>	84.0	<b>75.7</b>	84.0
Provision for expected credit losses	<b>2.3</b>	3.5	<b>2.3</b>	3.5
Provision for and write off of inventories	<b>2.9</b>	3.4	<b>2.9</b>	3.4
Gain on disposal of other property, plant and equipment	<b>(87.9)</b>	(0.4)	<b>(87.9)</b>	(0.4)
Foreign exchange (income)/loss	<b>(4.7)</b>	19.7	<b>(4.7)</b>	19.7
Net fair value gain on derivatives	<b>(3.4)</b>	(8.9)	<b>(3.4)</b>	(8.9)

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2021****27. Other Disclosures****a) 'Second Generation Patrol Vessels Littoral Combat Ship (Frigate Class)' (LCS) Project**

On 16 December 2011, Boustead Naval Shipyard Sdn Bhd (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

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 provisions have been made to the accounts for the LCS project.

On 3 March 2021, the Group had submitted a formal proposal on the way forward in relation to the building and maintenance of the LCS. Subsequently, on 5 May 2021, the LCS project was discussed and deliberated in the cabinet meeting. Based on the press announcement made by Ministry of Defence on 7 May 2021, GOM has agreed that the Group will resume and continue with the LCS project with conditions to be complied by the Group. It was mentioned that the GOM's decision has taken into consideration the interest of employees, vendors, suppliers, LTAT's beneficiaries and bankers.

The formal communication on the details and specifics of the approval granted has yet to be received by the Group at the date of this report given delays caused by festive holidays and COVID-19 pandemic. However, we expect to receive the official details in due course.

Based on the recent developments as mentioned above, we believed no further provisions are required to be made for onerous contract and/or liquidated ascertained damages on the LCS project.

**b) Plantation Statistics**

		<b>Cumulative Period</b>	
		<b>2021</b>	<b>2020</b>
<b>(i) Crop production and yield</b>			
FFB (MT)		<b>180,165</b>	209,857
FFB (MT/ha)		<b>2.6</b>	3.1
Crude palm oil (CPO) production (MT)		<b>40,436</b>	49,518
Palm kernel (PK) production (MT)		<b>8,003</b>	10,148
<b>(ii) Average selling prices (RM per MT)</b>			
FFB		<b>835</b>	534
CPO		<b>3,751</b>	2,793
PK		<b>2,520</b>	1,700
<b>(iii) Oil extraction rate (%)</b>			
CPO		<b>20.3</b>	21.0
PK		<b>4.0</b>	4.3
<b>(iv) Planted areas (hectares)</b>			
		<b>As at</b>	<b>As at</b>
		<b>31.3.2021</b>	<b>31.3.2020</b>
Oil palm	- immature	<b>4,590</b>	6,647
	- young mature	<b>13,103</b>	12,223
	- prime mature	<b>20,199</b>	21,672
	- past prime	<b>35,561</b>	32,952
		<b>73,453</b>	73,494