

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

For the period ended 30 June 2021	Current Period		Cumulative Period	
(All figures are stated in RM million)	2021	2020	2021	2020
Revenue	2,578.2	1,499.3	4,664.9	3,760.2
Operating cost	(2,441.8)	(1,475.3)	(4,330.0)	(3,712.9)
Results from operations	136.4	24.0	334.9	47.3
Other investment results	2.1	-	2.1	-
Share of results of associates	25.7	18.8	40.4	44.7
Share of results of joint ventures	(0.5)	(11.1)	(11.7)	(18.3)
Profit before interest, taxation and zakat	163.7	31.7	365.7	73.7
Finance cost	(88.0)	(94.7)	(173.8)	(197.2)
Interest income	5.5	5.6	10.6	12.8
Profit/(loss) before taxation and zakat	81.2	(57.4)	202.5	(110.7)
Taxation	(38.0)	(8.7)	(71.3)	(30.9)
Zakat	(0.6)	-	(1.2)	-
Profit/(loss) for the period	42.6	(66.1)	130.0	(141.6)
Attributable to:				
Shareholders of the Company	(7.3)	(73.7)	35.8	(146.7)
Holder of Perpetual Sukuk	13.9	12.4	27.5	24.5
Non-controlling interests	36.0	(4.8)	66.7	(19.4)
Profit/(loss) for the period	42.6	(66.1)	130.0	(141.6)
(Loss)/earnings per share - sen				
Basic/diluted	(0.36)	(3.64)	1.77	(7.24)

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 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2021	Current Period		Cumulative Period	
(All figures are stated in RM million)	2021	2020	2021	2020
Profit/(loss) for the period	42.6	(66.1)	130.0	(141.6)
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	0.2	16.2	(4.1)	4.4
Share of OCI of investments accounted for using the equity method	26.7	47.4	(53.6)	(12.1)
	26.9	63.6	(57.7)	(7.7)
<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	0.3	0.6	(0.3)	(1.5)
- Disposals	(0.4)	(0.9)	-	-
	(0.1)	(0.3)	(0.3)	(1.5)
Total comprehensive income/(loss) for the period, net of tax	69.4	(2.8)	72.0	(150.8)
Attributable to:				
Shareholders of the Company	19.1	(18.7)	(21.7)	(157.7)
Holders of Perpetual Sukuk	13.9	12.4	27.5	24.5
Non-controlling interests	36.4	3.5	66.2	(17.6)
Total comprehensive income/(loss) for the period, net of tax	69.4	(2.8)	72.0	(150.8)

The unaudited Condensed Consolidated Statement of 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 CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 June 2021	As at 30 June	As at 31 December
(All figures are stated in RM million)	2021	2020
ASSETS		
Non current assets		
Property, plant and equipment	4,136.0	4,457.8
Investment properties	1,290.2	1,404.9
Right-of-use assets	2,262.6	2,289.4
Deferred tax assets	33.7	37.0
Associates	2,114.4	2,125.0
Joint ventures	352.7	483.9
Investments	5.0	5.8
Intangible assets	345.2	343.0
Inventories	922.1	916.3
Receivables	271.3	244.2
	11,733.2	12,307.3
Current assets		
Biological assets	39.3	25.0
Inventories	1,386.2	963.9
Contract assets and contract cost assets	1,106.8	1,057.2
Receivables	1,323.7	829.7
Deposits, cash and bank balances	456.7	496.4
Assets classified as held for sale	510.4	322.6
	4,823.1	3,694.8
TOTAL ASSETS	16,556.3	16,002.1
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	2,735.7	2,735.7
Reserves	378.3	381.5
Shareholders' equity	3,114.0	3,117.2
Perpetual Sukuk	609.4	609.3
Non-controlling interests	1,444.6	1,392.4
Total equity	5,168.0	5,118.9
Non current liabilities		
Borrowings	3,043.6	2,962.3
Payables	20.4	20.9
Lease liabilities	53.3	54.7
Deferred tax liabilities	330.3	325.7
	3,447.6	3,363.6
Current liabilities		
Borrowings	4,639.9	4,621.6
Payables	3,052.3	2,807.3
Contract liabilities	76.4	51.2
Lease liabilities	12.5	21.3
Taxation	55.0	18.2
Liabilities classified as held for sale	104.6	-
	7,940.7	7,519.6
Total liabilities	11,388.3	10,883.2
TOTAL EQUITY AND LIABILITIES	16,556.3	16,002.1

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 30 June 2021	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 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	-	-	-	(3.6)	-	(3.6)	-	(0.5)	(4.1)
Net (loss)/gain on equity investment designated at fair value through OCI	-	-	-	-	-	-	-	-	-
- fair value changes	-	(0.3)	-	-	-	(0.3)	-	-	(0.3)
- transfer upon disposal	-	1.0	-	-	(1.0)	-	-	-	-
Share of OCI investments accounted for using equity method	-	(53.8)	-	0.2	-	(53.6)	-	-	(53.6)
Total other comprehensive loss for the period	-	(53.1)	-	(3.4)	(1.0)	(57.5)	-	(0.5)	(58.0)
Profit for the period	-	-	-	-	35.8	35.8	27.5	66.7	130.0
Total comprehensive (loss)/income for the period	-	(53.1)	-	(3.4)	34.8	(21.7)	27.5	66.2	72.0
Perpetual Sukuk	-	-	-	-	-	-	-	-	-
- Distribution	-	-	-	-	-	-	(27.4)	-	(27.4)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-
- Partial disposal of shares in a subsidiary	-	-	-	(1.2)	20.2	19.0	-	4.6	23.6
- Share options granted by a subsidiary	-	-	-	-	0.8	0.8	-	(0.7)	0.1
- Additional investment in subsidiaries	-	-	-	-	(1.3)	(1.3)	-	1.3	-
Transfer during the period	-	-	-	-	-	-	-	-	-
- Regulatory reserve of an associate	-	-	(13.1)	-	13.1	-	-	-	-
Dividends	-	-	-	-	-	-	-	(19.2)	(19.2)
Balance at 30 June 2021	2,735.7	0.1	140.7	430.1	(192.6)	3,114.0	609.4	1,444.6	5,168.0

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

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

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 30 June 2021**

(All figures are stated in RM million)	2021	2020
Operating activities		
Receipts from customers	4,360.7	3,784.4
Cash paid to suppliers and employees	(4,540.7)	(3,739.5)
	(180.0)	44.9
Income taxes paid less refund	(71.2)	(21.9)
Net cash (used in)/generated from operating activities	(251.2)	23.0
Investing activities		
Purchase of property, plant and equipment	(53.7)	(43.3)
Purchase of right-of-use assets	(8.0)	(2.0)
Purchase of intangible assets	(1.0)	(2.4)
Purchase and development of property development	(12.6)	(66.4)
Proceeds from the sale of an investment property	134.2	-
Proceeds from the sale of property, plant and equipment	3.5	0.3
Deposit received	68.6	-
Disposal of assets classified as held for sale	177.3	-
Dividends received - others	0.3	1.6
Proceeds from partial disposal of shares in a subsidiary	23.9	-
Disposal of quoted shares	0.4	3.0
Interest received - others	10.6	12.8
Subsequent expenditure on investment properties	(1.5)	-
Net cash generated from/(used in) investing activities	342.0	(96.4)
Financing activities		
Transactions with owners	-	-
Transactions with holders of Perpetual Sukuk	(27.4)	(24.3)
New loans	-	2.8
Loans repayment	(301.5)	(168.9)
Net withdrawal of revolving credits and bankers' acceptances	419.5	176.5
Interest paid	(175.2)	(194.0)
Repayment of lease liabilities	(4.4)	(2.4)
Dividend paid - others	(19.2)	(10.4)
Net cash used in financing activities	(108.2)	(220.7)
Net decrease in cash and cash equivalent	(17.4)	(294.1)
Foreign currency translation difference	0.3	(0.1)
Cash and cash equivalent at beginning of period	441.0	894.8
Cash and cash equivalent at end of period	423.9	600.6
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	456.7	623.8
Overdrafts	(45.2)	(23.2)
Cash and bank balance classified as assets held for sale	12.4	-
Cash and cash equivalent at end of period	423.9	600.6

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 period ended 30 June 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 Interpretations**

On 1 January 2021, the Group adopted the following new and amended MFRS:

	Effective for annual periods beginning on or after
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

The adoption of the 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 for annual periods beginning on or after
Amendment to MFRS 16 – COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 period ended 30 June 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 period ended 30 June 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
For the period ended 30 June 2021							
Revenue							
Group total sales	252.6	414.7	157.7	1,970.6	1,879.4	(10.1)	4,664.9
Inter-segment sales	(10.1)	-	-	-	-	10.1	-
External sales	242.5	414.7	157.7	1,970.6	1,879.4	-	4,664.9
Operating cost	(142.9)	(305.7)	(162.4)	(1,902.9)	(1,816.1)	-	(4,330.0)
Results from operations	99.6	109.0	(4.7)	67.7	63.3	-	334.9
Other investment results	(1.4)	-	-	-	3.5	-	2.1
Share of results of associates	(0.5)	(0.6)	-	-	41.5	-	40.4
Share of results of joint ventures	(12.8)	-	1.1	-	-	-	(11.7)
Profit/(Loss) before interest, taxation and zakat	84.9	108.4	(3.6)	67.7	108.3	-	365.7
Finance cost	(53.3)	(25.3)	(39.2)	(16.8)	(99.7)	60.5	(173.8)
Interest income	8.9	0.2	0.1	0.4	61.5	(60.5)	10.6
Profit/(Loss) before taxation and zakat	40.5	83.3	(42.7)	51.3	70.1	-	202.5
Taxation and zakat							(72.5)
Profit for the period							130.0
Other Information							
Depreciation and amortisation	(9.9)	(64.1)	(5.4)	(16.5)	(52.5)	-	(148.4)
Profit/(Loss) on disposal							
- Other assets	97.7	(0.1)	-	-	3.5	-	101.1
Other non-cash (expense)/income*	(2.8)	0.1	(3.2)	(13.6)	(7.5)	-	(27.0)

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 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
For the period ended 30 June 2020							
Revenue							
Group total sales	270.0	329.7	162.4	1,465.7	1,543.5	(11.1)	3,760.2
Inter-segment sales	(11.1)	-	-	-	-	11.1	-
External sales	258.9	329.7	162.4	1,465.7	1,543.5	-	3,760.2
Operating cost	(269.0)	(293.1)	(170.9)	(1,402.1)	(1,577.8)	-	(3,712.9)
Results from operations	(10.1)	36.6	(8.5)	63.6	(34.3)	-	47.3
Share of results of associates	(0.5)	2.0	-	-	43.2	-	44.7
Share of results of joint ventures	(17.0)	-	(1.3)	-	-	-	(18.3)
(Loss)/profit before interest, taxation and zakat	(27.6)	38.6	(9.8)	63.6	8.9	-	73.7
Finance cost	(48.4)	(32.8)	(48.7)	(21.8)	(115.9)	70.4	(197.2)
Interest income	7.5	0.2	0.5	0.4	74.6	(70.4)	12.8
(Loss)/profit before taxation and zakat	(68.5)	6.0	(58.0)	42.2	(32.4)	-	(110.7)
Taxation and zakat							(30.9)
Loss for the period							(141.6)
Other Information							
Depreciation and amortisation	(17.7)	(66.4)	(7.9)	(16.0)	(52.1)	-	(160.1)
Profit on disposal							
- Other assets	-	0.1	-	-	0.3	-	0.4
Other non-cash expense*	(5.0)	-	(10.1)	(7.3)	(1.6)	-	(24.0)

* 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 period ended 30 June 2021****8. Segmental Information (Cont'd.)**

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 30 June 2021							
Sale of produce	-	414.3	-	-	-	-	414.3
Sale of petroleum products	-	-	-	-	1,786.4	-	1,786.4
Sale of pharmaceutical products	-	-	-	1,970.6	-	-	1,970.6
Sale of building materials	108.3	-	-	-	-	-	108.3
Shipbuilding and repair	-	-	156.0	-	-	-	156.0
Sale of development properties	66.0	-	-	-	-	-	66.0
Hotel operations	19.6	-	-	-	-	-	19.6
Tuition fees	-	-	-	-	82.0	-	82.0
Others	0.2	0.4	-	-	10.7	-	11.3
Revenue from contracts with customers	194.1	414.7	156.0	1,970.6	1,879.1	-	4,614.5
Rental income	48.4	-	1.7	-	0.3	-	50.4
Total revenue	242.5	414.7	157.7	1,970.6	1,879.4	-	4,664.9

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	140.5	414.3	0.5	1,970.6	1,879.1	-	4,405.0
- Over time	53.6	0.4	155.5	-	-	-	209.5
	194.1	414.7	156.0	1,970.6	1,879.1	-	4,614.5

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 30 June 2020							
Sale of produce	-	329.3	-	-	-	-	329.3
Sale of petroleum products	-	-	-	-	1,448.0	-	1,448.0
Sale of pharmaceutical products	-	-	-	1,465.7	-	-	1,465.7
Sale of building materials	99.9	-	-	-	-	-	99.9
Shipbuilding and repair	-	-	160.6	-	-	-	160.6
Sale of development properties	82.4	-	-	-	-	-	82.4
Hotel operations	26.6	-	-	-	-	-	26.6
Tuition fees	-	-	-	-	78.4	-	78.4
Others	-	0.4	0.2	-	14.2	-	14.8
Revenue from contracts with customers	208.9	329.7	160.8	1,465.7	1,540.6	-	3,705.7
Rental income	50.0	-	1.6	-	2.9	-	54.5
Total revenue	258.9	329.7	162.4	1,465.7	1,543.5	-	3,760.2

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	108.2	329.3	0.3	1,465.1	1,462.3	-	3,365.2
- Over time	100.7	0.4	160.5	0.6	78.3	-	340.5
	208.9	329.7	160.8	1,465.7	1,540.6	-	3,705.7

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****9. Debts and Equity Securities**

During the quarter, the Company paid RM150 million Sukuk Murabahah which forms part of the RM2.35 billion of Islamic medium term notes issued.

There were no other issuances and repayments of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.

10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

11. Subsequent Events

There were no subsequent events as at 26 August 2021 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

There were no other changes in the composition of the Group during the period under review except for:

- (i) by Pharmaniaga Group, the acquisition of a total 20,000 ordinary shares of Paradigm Industry Sdn Bhd (PISB) for a purchase consideration of RM1.00 representing the remaining 20% of the total issued and paid-up capital of PISB. Upon acquisition, PISB is effectively 100% owned subsidiary of Pharmaniaga Group.
- (ii) by Pharmaniaga Group, the acquisition of 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, BCT is effectively 100% owned subsidiary of Pharmaniaga Group.
- (iii) the disposal of a total of 4,480,000 ordinary shares of Pharmaniaga Berhad by the Company during the quarter. Upon disposal, the shareholding of the Company in Pharmaniaga Berhad has reduced from 56% to 54%.

13. Changes in Contingent Liabilities and Contingent Assets

In respect of the contingent liabilities referred to in Note 35 (a) of 2020 Annual Report on the provision of Liquidated Damages (LD) by a joint venture company under Boustead Heavy Industries Corporation Berhad, Boustead DCNS Naval Corporation Sdn Bhd (BDNC), as at 31 December 2020, the total provision of LD after offsetting against billings issued by BDNC was RM172.8 million. On 11 June 2021, Ministry of Defence has further offset RM93.7 million against billings issued by BDNC. The balances of LD that have not been set off to date amounting to RM79.1 million.

The status of the other contingent liabilities as disclosed in the FY2020 annual financial statements remains unchanged as at 26 August 2021. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 30 June 2021:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	<u>237.7</u>	<u>168.5</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 period ended 30 June 2021****16. Intangible Assets**

RM million	Goodwill	Concession rights	Rights to supply	Others	Total
Cost					
At 1 January 2021	269.0	75.0	342.8	86.7	773.5
Additions	-	-	-	7.2	7.2
Transfer to assets classified as held for sale	(1.6)	-	-	-	(1.6)
Written off	-	-	-	(1.4)	(1.4)
At 30 June 2021	267.4	75.0	342.8	92.5	777.7
Accumulated amortisation and impairment					
At 1 January 2021	-	75.0	342.8	12.7	430.5
Amortisation	-	-	-	2.0	2.0
At 30 June 2021	-	75.0	342.8	14.7	432.5
Net carrying amount					
At 30 June 2021	267.4	-	-	77.8	345.2
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 period ended 30 June 2021****Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia****17. Performance Review****Results for Current Quarter**

For the quarter ended 30 June 2021 (All figures are stated in RM million)	Current Period		+ / (-)
	2021	2020	%
Revenue	2,578.2	1,499.3	72%
Operating cost:			
- Depreciation and amortisation	(72.7)	(76.1)	4%
- Other operating cost	(2,369.1)	(1,399.2)	-69%
Results from operations	136.4	24.0	468%
Other investment results	2.1	-	100%
Share of results of associates and joint ventures	25.2	7.7	227%
Profit before interest, tax and zakat	163.7	31.7	416%
Net finance cost	(82.5)	(89.1)	7%
Profit/(loss) before taxation and zakat	81.2	(57.4)	241%
Taxation and zakat	(38.6)	(8.7)	-344%
Profit/(loss) for the period	42.6	(66.1)	164%
Loss attributable to shareholders of the Company	(7.3)	(73.7)	90%
EBITDA	209.1	100.1	109%

For the 2nd quarter ended 30 June 2021 (2QFY21), the Group posted a profit before taxation and zakat (PBT) of RM81.2 million as compared with last year's corresponding quarter's (2QFY20) loss before taxation and zakat (LBT) of RM57.4 million. The improvement in performance is driven by better contributions from all divisions within the Group. The profit was also supported by higher share of results from associates and joint ventures and recognition of a one-off gain on disposal of an investment property of RM13.1 million. Meanwhile, the profit after taxation and zakat for 2QFY21 stood at RM42.6 million (2QFY20: loss after taxation and zakat of RM66.1 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group incurred a net loss of RM7.3 million (2QFY20: net loss of RM73.7 million).

In 2QFY21, the Group's earnings before interest, tax, depreciation and amortisation (EBITDA) surged to RM209.1 million from RM100.1 million in 2QFY20 as a result of better results from operations.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period**

For the period ended 30 June 2021 (All figures are stated in RM million)	Cumulative Period		+ / (-)
	2021	2020	%
Revenue:			
Property & Industrial	242.5	258.9	-6%
Plantation	414.7	329.7	26%
Heavy Industries	157.7	162.4	-3%
Pharmaceutical	1,970.6	1,465.7	34%
Trading, Finance & Investment	1,879.4	1,543.5	22%
	4,664.9	3,760.2	24%
Operating cost:			
- Depreciation and amortisation	(148.4)	(160.1)	7%
- Other operating cost	(4,181.6)	(3,552.8)	-18%
Results from operations	334.9	47.3	608%
Other investment results	2.1	-	100%
Share of results of associates and joint ventures	28.7	26.4	9%
Profit before interest, tax and zakat	365.7	73.7	396%
Net finance cost	(163.2)	(184.4)	11%
Profit/(loss) before taxation and zakat:			
Property & Industrial	40.5	(68.5)	159%
Plantation	83.3	6.0	1288%
Heavy Industries	(42.7)	(58.0)	26%
Pharmaceutical	51.3	42.2	22%
Trading, Finance & Investment	70.1	(32.4)	316%
	202.5	(110.7)	283%
Taxation and zakat	(72.5)	(30.9)	-134%
Profit/(loss) for the period	130.0	(141.6)	192%
Profit/(loss) attributable to shareholders of the Company	35.8	(146.7)	124%
EBITDA	483.3	207.4	133%

For the cumulative period ended 30 June 2021 (6MFY21), the Group achieved a turnaround with a PBT of RM202.5 million as compared with LBT of RM110.7 million in last year's corresponding period (6MFY20). All divisions, particularly Plantation and Trading, Finance & Investment delivered improved performance in 6MFY21. The bottom line was also bolstered by one-off gains on disposal of a hotel, Royale Chulan Bukit Bintang (RCBB) and an investment property of RM84.6 million and RM13.1 million respectively. After taxation and zakat, the Group registered a profit of RM130.0 million (6MFY20: loss after taxation and zakat of RM141.6 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM35.8 million (6MFY20: net loss of RM146.7 million).

For 6MFY21, the Group rebounded with a stronger operational performance achieving a higher earnings before interest, tax, depreciation and amortisation of RM483.3 million (6MFY20: RM207.4 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue by Division**

The Group's revenue for 6MFY21 rose to RM4.7 billion, an increase of 24%, from RM3.8 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 RM242.5 million, lower by 6% from RM258.9 million recorded in 6MFY20. Revenue from property development segment dropped due to lower progress billing for our project at Mutiara Rini, Johor. For 6MFY21, property investment's segment revenue was affected by rental rebates given to tenants at our malls while the revenue from hotel segment reduced due to lower occupancy rate. On the other hand, industrial segment recorded better revenue due to an increase in export sales.
- (ii) For 6MFY21, the **Plantation Division** recorded a higher revenue of RM414.7 million (6MFY20: revenue of RM329.7 million), an increase by 26%, 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	%
Average selling prices				
Crude palm oil (CPO)	3,902	2,558	1,344	53%
Palm kernel (PK)	2,593	1,505	1,088	72%
Palm product production	MT	MT	MT	%
CPO	96,075	115,381	(19,306)	-17%
PK	18,781	23,552	(4,771)	-20%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM157.7 million (6MFY20: revenue of RM162.4 million) primarily due to variation in milestone achieved for LCS and ship repair projects, negating the higher revenue from LMS project.
- (iv) During the period, the **Pharmaceutical Division** recorded a higher revenue of RM2.0 billion (6MFY20: revenue of RM1.5 billion) mainly attributable to the sales of Sinovac COVID-19 vaccine to the government and strong demand from the concession business.
- (v) For 6MFY21, the **Trading, Finance & Investment Division** registered an improved revenue of RM1.9 billion, an increase of 22% from a year ago mainly driven by revenue from Boustead Petroleum Marketing (BPM) on higher average fuel prices. The University of Nottingham in Malaysia also contributed higher tuition fee on the back of an increase in student intakes.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****PBT/LBT by Division**

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

(i) Property & Industrial Division

During the period, Property & Industrial Division posted a PBT of RM40.5 million (6MFY20: LBT of RM68.5 million) mainly due to the recognition of one-off gains on disposal of RCBB and an investment property, as mentioned above. At the operational level, the hotel segment incurred lower losses attributable to reduced operating costs albeit the room and F&B revenues were still affected by the movement restrictions imposed due to the pandemic. Property investment segment also performed better on lower operating costs. Nevertheless, the contribution from property development segment was lower due to lower progress billing for our project at Mutiara Rini, Johor and rebates given for the One Cochrane project.

On the other hand, the industrial segment closed the period with a better result as compared to 6MFY20 due to higher construction demand and export sales.

(ii) Plantation Division

For 6MFY21, the Plantation Division registered a substantially higher PBT of RM83.3 million (6MFY20: PBT of RM6.0 million) primarily due to better palm products prices. However, FFB production for the period of 411,867 MT was lower by 14% from 480,240 MT recorded a year ago. The oil extraction and kernel extraction rates for the period were also lower at 20.8% (6MFY20: 21.0%) and 4.1% (6MFY20: 4.3%) respectively.

(iii) Heavy Industries Division

The Heavy Industries Division closed the period with a lower LBT of RM42.7 million (6MFY20: LBT of RM58.0 million) mainly due to better contribution from LMS project.

(iv) Pharmaceutical Division

The Pharmaceutical Division recorded a higher PBT of RM51.3 million (6MFY20: PBT of RM42.2 million) mainly attributable to the increased revenue from sales of Sinovac COVID-19 vaccine to government and strong demand from concession business.

(v) Trading, Finance & Investment Division

For 6MFY21, the Trading, Finance & Investment Division achieved a turnaround with a PBT of RM70.1 million compared favourably against a LBT of RM32.4 million in 6MFY20. The profits were driven by stockholding gain (6MFY20: stockholding loss) by BPM on the back of higher average fuel prices.

For the period, the contribution by our associate Affin Bank Berhad was largely consistent with last year. Nevertheless, the result of our tourism-related entities was still affected by the movement restrictions nationwide.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 30 June 2021, the Group's receivables have increased mainly due to sales of COVID-19 vaccines to the government, whereby the collections were received in July 2021. In addition, higher receivables were also due to advance payment made to the supplier on purchase of COVID-19 vaccines. Subsequently, the Group's inventories have increased due to the higher inventories for COVID-19 vaccines towards the end of the period. The Group's payables have also increased mainly due to the advance payment made by customers on sales of the COVID-19 vaccines. On the other hand, the Group's property, plant and equipment has decreased mainly due to a classification of property, plant and equipment as held for sale in relation to the proposed disposal of The University of Nottingham in Malaysia Sdn Bhd.

Statement of Cash Flows

For 6MFY21, the Group recorded a cash outflow from operation of RM251.2 million (6MFY20: cash inflow of RM23.0 million) mainly due to higher cash paid to suppliers. The Group recorded cash inflow from investing activities of RM342.0 million (6MFY20: cash outflow of RM96.4 million) mainly due to proceeds received from disposal of properties as mentioned above amounting to RM311.5 million. Meanwhile, the Group recorded a lower cash outflow from financing activities of RM108.2 million (6MFY20: cash outflow of RM220.7 million) mainly due to higher net drawdown of borrowings.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter**

For the period ended 30 June 2021	Current Period	Immediate Preceding Period	+/(-) %
(All figures are stated in RM million)	30.6.2021	31.03.2021	%
Revenue:			
Property & Industrial	113.5	129.0	-12%
Plantation	242.8	171.9	41%
Heavy Industries	96.4	61.3	57%
Pharmaceutical	1,177.1	793.5	48%
Trading, Finance & Investment	948.4	931.0	2%
	<u>2,578.2</u>	<u>2,086.7</u>	24%
Operating cost:			
- Depreciation and amortisation	(72.7)	(75.7)	4%
- Other operating cost	(2,369.1)	(1,812.5)	-31%
Results from operations	<u>136.4</u>	<u>198.5</u>	-31%
Other investment results	2.1	-	100%
Share of result of associates and joint ventures	25.2	3.5	620%
Profit before interest, taxation and zakat	<u>163.7</u>	<u>202.0</u>	-19%
Net finance cost	(82.5)	(80.7)	-2%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(22.5)	63.0	-136%
Plantation	64.0	19.3	232%
Heavy Industries	(4.4)	(38.3)	89%
Pharmaceutical	21.3	30.0	-29%
Trading, Finance & Investment	22.8	47.3	-52%
	<u>81.2</u>	<u>121.3</u>	-33%
Taxation and zakat	(38.6)	(33.9)	-14%
Profit for the period	<u>42.6</u>	<u>87.4</u>	-51%
(Loss)/profit attributable to shareholders of the Company	<u>(7.3)</u>	<u>43.1</u>	-117%
EBITDA	<u>209.1</u>	<u>274.2</u>	-24%

For 2QFY21, the Group posted a lower PBT of RM81.2 million as compared with RM121.3 million in the preceding quarter (1QFY21) mainly due to recognition of a one-off gain on disposal of RCBB, in 1QFY21. Profit after taxation and zakat for 2QFY21 stood at RM42.6 million (1QFY21: profit after taxation and zakat of RM87.4 million) and net loss incurred stood at RM7.3 million (1QFY21: net profit of RM43.1 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 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 2QFY21, Property & Industrial Division recorded a LBT of RM22.5 million (1QFY21: PBT of RM63.0 million) mainly due to the recognition of a one-off gain on disposal of RCBB in 1QFY21.

(ii) Plantation Division

During the quarter, the Plantation Division posted a higher PBT of RM64.0 million (1QFY21: PBT of RM19.3 million) mainly due to higher FFB production and selling prices. The FFB production of 231,702 MT was higher than the 1QFY21 of 180,165 MT. The average CPO price stood at RM4,014 per MT, an increase of RM263 compared to 1QFY21 of RM3,751 per MT.

(iii) Heavy Industries Division

For 2QFY21, the Heavy Industries Division recorded a lower LBT of RM4.4 million (1QFY21: LBT of RM38.3 million) on the back of better contribution from LMS project during the quarter.

(iv) Pharmaceutical Division

For the current quarter, the Pharmaceutical Division registered a lower PBT of RM21.3 million (1QFY21: PBT of RM30.0 million) primarily due to higher selling and distribution expenses incurred on the frequent delivery of COVID-19 vaccines to Pusat Pemberian Vaksin coupled with higher advertising and promotion expenses for over-the-counter consumer products.

(v) Trading, Finance & Investment Division

For 2QFY21, the Trading, Finance & Investment Division registered a lower PBT of RM22.8 million (1QFY21: PBT of RM47.3 million) mainly due to lower stockholding gain from BPM. Nevertheless, the contribution from our associate Affin Bank Berhad was higher in 2QFY21 primarily attributed to higher net interest income, lower allowance for impairments losses as well as higher net fee and commission income.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****19. Prospects**

With the challenges arising from the COVID-19 pandemic, the outlook for the rest of 2021 is highly dependent on the extent of resurgences of COVID-19 infection. Malaysia is expecting a slow economic growth and it may be further subdued by the prolonged movement restrictions, which may result in a stagnation of the economy. However, there is optimism that the current surge in cases can be contained given the increased efforts by the government to accelerate the vaccination programme. Against this uncertainty, the Group remains focused in charting a resilient recovery path through the Reinventing Boustead strategy. Under this strategy, the Group aims to accelerate value creation with performance improvement programmes, tap into new revenue sources, rationalise non-strategic assets and venture into the technology sector and digital services.

Plantation Division

The Division's prospects are largely influenced by the selling prices and crop production. CPO prices appreciated further in 6MFY2021 on account of ongoing production problems in Malaysia and the growth in purchases from major markets. Current inventories are still low which is keeping palm oil prices at an elevated level for now and will contribute positively to our bottom line. The CPO price will continue to be influenced by the new changes in import and export tax structure of the consuming and producing countries and the global supply-demand dynamics of competing edible oils.

The medium-term production prospect remains uncertain given the deteriorating supply outlook and labour problems in the palm oil sector. COVID-19-related restrictions are making it difficult for foreign workers to enter Malaysia resulting in acute shortage of workers which then leads to crop losses and lower yield. The Division will identify opportunities to recruit local workers to address this problem. The crop production will also be affected by the weather uncertainties with the possibility of La Nina returning in the last quarter of the year. This could lead to heavy rains and flooding in the oil palm growing areas in South East Asia.

The Division will also continue its effort to improve performance through implementation of various yield and productivity improvement initiatives as well as cost management programmes.

Pharmaceutical Division

The Division's prospects remain promising by leveraging the robust opportunities offered by the growing healthcare sector to meet Malaysia's healthcare needs. A proactive step was taken by the Division to accelerate the supply of Sinovac COVID-19 vaccine to the Government of Malaysia by importing finished vaccines from Sinovac, which were distributed in parallel with the supply of fill and finish vaccines from its own plant in Puchong. The Division has also successfully delivered the last batch of the COVID-19 vaccine totalling 12.4 million doses to the government 4.5 months ahead of the original contract schedule. With this excellent track record and its capability to continuously manufacture fill and finish Sinovac COVID-19 vaccine, the Division is at a strategic position to supply the vaccine to the Federal Government, the State Governments as well as the private sectors, to support the acceleration of the vaccination process. The Division is also in discussions with Sinovac Biotech Ltd to facilitate the export of the vaccine to countries that face challenges in securing sufficient supply.

Beyond the COVID-19 vaccines, the Division is aggressively pursuing the renewal of its contract to supply medicine and medical supplies to the Ministry of Health. The Division's strong and proven track record and its sophisticated facilities are the competitive advantage in making the renewal of the concession a viable prospect. Furthermore, in line with the Division's focus on leveraging digitalisation within its value chain, the Division has strengthened the automation system, particularly in its logistics segment to improve end-to-end transportation and distribution processes. The Division will also intensify its efforts in expanding the Indonesian operations through the continued expansion of distribution coverage as well as strong product pipeline.

The Division is steadfast in its long-term commitment to grow its other business segments, which is in line with its long-term plans for sustainable growth. One of the core areas that the Division is focusing on is the Halal sector. The Division has embarked on establishing the world's first Halal vaccine facility, progress is on track and completion is targeted by 2024. This will create a new income stream for the Division.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****19. Prospects (Cont'd)****Property & Industrial Division**

The property development sector will continue to capitalise on various incentives including the stimulus offered by the government such as extended Home Ownership Campaign, lower interest rate and exemption of Real Property Gains Tax, in bringing purchasers. However, the difficulty in getting financing during this period may dampen this effort. While our property investment segment expects a steady stream of rental income from office building properties, the oversupply scenario in the market may force rental to become lower. The operations of the malls are also highly dependent on the government policy on the movement restrictions.

Hotel segment is expected to continue facing challenges in occupancy rate and F&B income. However, when the travel restrictions are fully lifted, the hotel business will recover in tandem with the travel demands.

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 LMS project is progressing well with the delivery of LMS3 and LMS4 expected to be done in the 4th quarter of FY2021. With regards to LCS project, the Ministry of Defence (MINDEF) has made an announcement on 7 May 2021 that Boustead Naval Shipyard (BNS) will continue with the LCS project with conditions to be complied with by BNS. The Group is currently in discussion with MINDEF and various government agencies on the details and mechanisms to resume the LCS project.

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 and Royal Malaysian Navy on the maintenance of submarines 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 a 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 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 its expansion plan with construction of new service stations to sustain the business.

Meanwhile, the performance of tourism-related services remains in a challenging situation due to the prolonged movement restrictions nationwide.

Affin Bank will continue to build sustainable profit through the implementation of its transformation programme anchored on 5 key elements of value creation; technology, services, innovation, rewards and people & culture, in line with the bank's key strategic priorities which are to increase productivity and build a strong foundation with focus on digital initiatives, cost optimisation and managing asset quality.

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

	Current Quarter 2021 RM million	Cumulative Period 2021 RM million
Malaysian taxation based on profit for the period:		
- Current	64.1	98.3
- Deferred	(25.5)	(26.0)
	38.6	72.3
Over provision of prior years	(0.6)	(1.0)
	<u>38.0</u>	<u>71.3</u>

The Group's effective rate for the current quarter and cumulative period 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 period ended 30 June 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) (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 Disposal was completed on 22 February 2021. The Purchaser had on 22 February 2021 (Vacant Possession Date) settled RM157.6 million. However, for item (b) above, out of this amount, RM12.76 million (after deducting the amount refunded to the Purchaser in consideration of the Purchaser completing the remaining rectification works as provided in the SPA maximum of RM3.0 million) is held by the Solicitors as stakeholders. This will be released upon fulfilment of certain condition precedents.

(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 fulfillment of all conditions precedents, the Proposed Disposal is expected to be completed by the 3rd quarter of 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 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 4th quarter of 2021.

(iv) Proposed Disposal of The University of Nottingham in Malaysia Sdn Bhd

On 17 August 2021, Boustead Holdings Berhad (BHB) has entered into a conditional share sale agreement (SSA) with UON Holding (Malaysia) Sdn Bhd (Purchaser) for a proposed disposal of 102,910,000 ordinary shares of (or 66.41% stake in) The University of Nottingham in Malaysia Sdn Bhd (UNIM), representing the entire equity interest held by BHB in UNIM, for a cash consideration in Ringgit Malaysia (RM) equivalent to £23,500,000 (based on the exchange rate on the date of payment) (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) a sum in RM equivalent to £2,350,000 (based on the exchange rate on the date of payment), being a sum equivalent to 10% of the Sale Consideration upon execution of the SSA, as deposit, of which a sum equivalent to 3% of the Sale Consideration will be held by the solicitors for the purposes of payment towards the real property gains tax; and
- b) the balance amounting to a sum in RM equivalent to £21,150,000 (based on the exchange rate on the date of payment), being a sum equivalent to 90% of the Sale Consideration on completion.

Subject to the fulfilment of all conditions precedent, the Proposed Disposal is expected to be completed by the 4th quarter of 2021.

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

In 2020, MRSB had entered into a sales and purchase agreement 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 for a total consideration of RM130.0 million (Disposal).

The Disposal was completed on 14 June 2021.

There were no other corporate proposals announced or pending completion as at 26 August 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 2021****22. Corporate Proposals - Status (Cont'd.)****(b) Status on Utilisation of Proceeds from Issue of IMTNs as at 26 August 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 25 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.

On 30 June 2021, upon hearing the Plaintiff's Notice of Motion, the Court of Appeal made the following orders:

- i. the Plaintiff's application for injunction to restrain BHB and Bakti Wira from dealing with the lands which are part of the subject matter in this litigation is refused;
- ii. Bakti Wira is restrained from dealing with 3,800,000 of its shares held in Astacanggih Sdn Bhd until the disposal of the Plaintiff's appeal on 8.10.2021 (the said 3,800,000 shares are equivalent to 19% of the total shareholding in Astacanggih Sdn Bhd);
- iii. the Plaintiff is to provide an undertaking as to damages to BHB and Bakti Wira; and
- iv. costs of the application is in the cause of the appeal.

The Plaintiff had on 29 July 2021, filed a Notice of Motion for leave to appeal to the Federal Court in respect of the Court of Appeal's decision on 30 June 2021. The Federal Court has yet to fix a date for the hearing of the motion for leave to appeal.

- (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 and had on 21 August 2021, filed a motion for leave to abridge the time for filing the Appeal Record. The Court of Appeal had on 23 August 2021, decided as follows:

- i. The Plaintiff's motion for leave to abridge the time for filing the Appeal Record was dismissed with costs of RM5,000.00; and
- ii. The Plaintiff's appeal was dismissed with costs of RM10,000.00.

- (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 has fixed 6 September 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 26 August 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 period ended 30 June 2021****24. (Loss)/Earnings Per Share - Basic/diluted**

	Current Period		Cumulative Period	
	2021	2020	2021	2020
Net (loss)/profit for the period (RM million)	(7.3)	(73.7)	35.8	(146.7)
Weighted average number of ordinary shares in issue (million)	2,027.0	2,027.0	2,027.0	2,027.0
Basic/diluted (loss)/earnings per share (sen)	(0.36)	(3.64)	1.77	(7.24)

25. Group Borrowings and Debt Securities

Total borrowings as at 30 June 2021 are as follows:-

	30.6.2021	31.12.2020	30.6.2020
	RM million	RM million	RM million
Non-current:			
Term loans			
- Denominated in RM	745.6	893.8	920.3
- Denominated in Great Britain Pound	46.9	47.5	58.3
	792.5	941.3	978.6
Islamic medium term notes	2,193.3	2,342.2	2,341.0
Revolving credits	386.0	270.0	420.0
	3,371.8	3,553.5	3,739.6
Less: repayable in 1 year	328.2	591.2	242.3
	3,043.6	2,962.3	3,497.3
Current:			
Bank overdrafts	45.2	55.4	23.2
Bankers' acceptances			
- Denominated in RM	781.5	380.4	618.6
- Denominated in Indonesian Rupiah	141.1	123.4	201.3
Islamic medium term notes	150.0	299.9	-
Revolving credits	3,343.9	3,471.2	3,314.1
Short term loans	178.2	291.3	242.3
	4,639.9	4,621.6	4,399.5
Total borrowings	7,683.5	7,583.9	7,896.8

As at 30 June 2021, the Group's borrowing has increased as compared with 31 December 2020 mainly due to additional borrowings for the purchase of COVID-19 vaccines, offset by repayment of IMTN and term loan during the quarter.

During the financial period, the weighted average interest rate of borrowings is 4.7% (FY2020: 5.0%) per annum. The proportion of debt based on fixed and floating interest rate is 29% (FY2020: 30%) and 71% (FY2020: 70%) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 30 June 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) 1 tranche of RM150 million Sukuk Murabahah, which was issued in 2018, with maturity 3 years from the date of issue and carries 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 RM23.8 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 RM3.0 million (FY2020: RM3.6 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM10.8 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 RM46.9 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 period ended 30 June 2021****25. Group Borrowings and Debt Securities (Cont'd.)**

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	30.6.2021	31.12.2020	30.6.2020
Denominated in Great Britain Pound	8.2	8.7	11.1
Denominated in Indonesian Rupiah	493,357	431,469	671,000
Exchange rate:			
- Great Britain Pound	5.74	5.49	5.27
- Indonesian Rupiah	0.0286	0.0286	0.0300

26. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2021	2020	2021	2020
	RM million	RM million	RM million	RM million
Depreciation and amortisation	72.7	76.1	148.4	160.1
Provision for /(reversal of provision for) expected credit losses	6.7	(4.5)	9.0	(1.0)
Provision for and write off of inventories	9.6	4.3	12.5	7.7
Gain on disposal of an investment property	(13.1)	-	(13.1)	-
Gain on disposal of other property, plant and equipment	(0.1)	-	(88.0)	(0.4)
Foreign exchange loss	8.1	0.3	3.4	20.0
Net fair value loss/(gain) on derivatives	2.3	0.2	(1.1)	(8.7)

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

Given the nature of the project, the Group is actively in discussion with MINDEF and various government agencies on the details and mechanisms to resume the LCS project.

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

		Cumulative Period	
		2021	2020
(i) Crop production and yield			
FFB (MT)		411,867	480,240
FFB (MT/ha)		5.9	7.2
Crude palm oil (CPO) production (MT)		96,075	115,381
Palm kernel (PK) production (MT)		18,781	23,552
(ii) Average selling prices (RM per MT)			
FFB		863	500
CPO		3,902	2,558
PK		2,593	1,505
(iii) Oil extraction rate (%)			
CPO		20.8	21.0
PK		4.1	4.3
(iv) Planted areas (hectares)			
		As at	As at
		30.6.2021	31.12.2020
Oil palm	- immature	4,235	6,647
	- young mature	12,824	12,223
	- prime mature	20,220	21,672
	- past prime	36,175	32,952
		73,454	73,494