

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENTS

For the quarter ended 31 March 2009	Current Period		Cumulative Period	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Revenue	1,215,584	1,843,884	1,215,584	1,843,884
Operating cost	(1,126,072)	(1,595,650)	(1,126,072)	(1,595,650)
Profit from operations	89,512	248,234	89,512	248,234
Interest income	3,874	6,161	3,874	6,161
Other investment results	8,532	10,058	8,532	10,058
Finance cost	(38,054)	(33,900)	(38,054)	(33,900)
Share of results of Associates	22,196	22,511	22,196	22,511
	86,060	253,064	86,060	253,064
Reduction of goodwill	-	(19,527)	-	(19,527)
Profit before taxation	86,060	233,537	86,060	233,537
Taxation	(18,289)	(35,878)	(18,289)	(35,878)
Net profit for the period	67,771	197,659	67,771	197,659
Attributable to:				
Shareholders of the Company	60,818	152,312	60,818	152,312
Minority interests	6,953	45,347	6,953	45,347
Net profit for the period	67,771	197,659	67,771	197,659
Earnings per share - sen				
Basic	9.34	24.21	9.34	24.21
Gross dividend per share - sen	5.00	5.00	5.00	5.00

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2008.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 March 2009	Audited 31 December	
	2009 RM'000	2008 RM'000
ASSETS		
Non current assets		
Property, plant and equipment	1,832,349	1,817,193
Biological assets	356,523	357,142
Investment properties	915,037	763,050
Development properties	205,949	208,347
Prepaid land lease payments	156,622	157,510
Long term prepayment	134,968	134,050
Offshore patrol vessel expenditure	455,341	455,341
Deferred tax assets	66,008	67,969
Associates	1,049,471	1,045,947
Investments	498,767	524,926
Goodwill	1,068,458	1,068,458
	6,739,493	6,599,933
Current assets		
Inventories	195,573	230,752
Property development in progress	39,351	49,329
Due from customers on contract	89,055	76,783
Receivables	875,846	1,052,845
Cash and bank balance	653,922	669,449
	1,853,747	2,079,158
TOTAL ASSETS	8,593,240	8,679,091
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	325,516	325,516
Reserves	2,645,735	2,585,255
	2,971,251	2,910,771
Shareholders' equity	388,237	385,244
Minority interests	3,359,488	3,296,015
Total equity		
Non current liabilities		
Long term borrowings	622,967	624,719
Other payable	20,562	20,217
Deferred tax liabilities	106,858	105,714
	750,387	750,650
Current liabilities		
Borrowings	2,939,337	2,878,661
Trade and other payables	1,069,224	1,065,553
Due to customer on contracts	444,090	630,232
Taxation	30,714	21,359
Dividend payable	-	36,621
	4,483,365	4,632,426
Total liabilities	5,233,752	5,383,076
TOTAL EQUITY AND LIABILITIES	8,593,240	8,679,091
NET ASSET PER SHARE - RM		
Attributable to ordinary shareholders of the Company	4.56	4.47

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2008.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 31 March 2009	Attributable to shareholders of the Company						Total	Minority Interests	Total Equity
	Share Capital	*Share Premium	'Revaluation Reserve	'Statutory Reserve	*Other Reserves	Retained Profit			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance at 1 January 2009	325,516	565,509	41,621	136,372	110,320	1,731,433	2,910,771	385,244	3,296,015
Exchange fluctuation	-	-	-	-	(338)	-	(338)	62	(276)
Net gain not recognised in the income statement	-	-	-	-	(338)	-	(338)	62	(276)
Net profit for the period	-	-	-	-	-	60,818	60,818	6,953	67,771
Dividends - Payable by Subsidiaries	-	-	-	-	-	-	-	(4,022)	(4,022)
Balance at 31 March 2009	325,516	565,509	41,621	136,372	109,982	1,792,251	2,971,251	388,237	3,359,488
Balance at 1 January 2008	314,520	439,052	41,621	101,891	118,747	1,345,090	2,360,921	847,913	3,208,834
Exchange fluctuation	-	-	-	-	82	-	82	130	212
Net loss not recognised in the income statement	-	-	-	-	82	-	82	130	212
Change in group structure - Disposal of shares in a Subsidiary	-	-	-	-	-	-	-	(3,158)	(3,158)
Net profit for the period	-	-	-	-	-	152,312	152,312	45,347	197,659
Balance at 31 March 2008	314,520	439,052	41,621	101,891	118,829	1,497,402	2,513,315	890,232	3,403,547

NOTES

* Denotes non distributable reserves.

The Unaudited Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2008.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the quarter ended 31 March 2009

	2009	2008
	RM'000	RM'000
Operating Activities		
Receipts from customers	1,413,061	1,851,267
Cash paid to suppliers and employees	(1,312,171)	(1,694,678)
	100,890	156,589
Tax paid less refund	(21,239)	(23,498)
Net cash from operating activities	79,651	133,091
Investing Activities		
Capital expenditure & construction of investment property	(46,885)	(51,430)
Disposal of investment property	9,792	-
Additional investments in Associates & Subsidiaries	-	(14,506)
Others	55,975	43,130
Net cash used in investing activities	18,882	(22,806)
Financing Activities		
Transactions with owners	(36,621)	(32,584)
New loans	6,080	5,199
Repayment of loans	(93,265)	(117,902)
Other borrowings	52,799	42,935
Interest paid	(53,224)	(49,768)
Others	(4,022)	-
Net cash (used in)/from financing activities	(128,253)	(152,120)
Net decrease in cash and cash equivalents	(29,720)	(41,835)
Cash and cash equivalent at beginning of period	614,694	714,693
Cash and Cash Equivalent at End of Period	584,974	672,858
Analysis of Cash and Cash Equivalents		
Deposits, cash and bank balances	653,922	732,813
Overdrafts	(68,948)	(65,260)
Cash and bank balance classified as held for sale	-	5,305
Cash and Cash Equivalent at End of Period	584,974	672,858

The Unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2008.

Boustead Holdings Berhad (3871-H)

Notes to the Interim Financial Report for the Quarter Ended 31 March 2009

Part A - Explanatory Notes Pursuant to FRS 134

A1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in compliance with the requirements of FRS 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 2008.

A2. Changes in Accounting Policies

The accounting policies and method of computation adopted by the Group are consistent with those used in the preparation of the Y2008 Audited Financial Statements.

The Group has not early adopted the following FRSs and IC Interpretations that are not yet effective:

FRS, Amendment to FRS & IC interpretations	Effective date
(i) FRS 4 : Insurance contracts	1 January 2010
(ii) FRS 7 : Financial instruments: disclosures	1 January 2010
(iii) FRS 8 : Operating segments	1 July 2009
(iv) FRS 139 : Financial instruments: recognition and measurement	1 January 2010
(v) IC Interpretation 9 : Reassessment of embedded derivatives	1 January 2010
(vi) IC Interpretation 10 : Interim financial reporting and impairment	1 January 2010

The Group has applied the transitional provisions in FRS 7 and FRS 139 which exempt entities from disclosing the possible impact arising from initial application of the respective standards on the financial statements of the Group. The adoption of the other FRSs and IC Interpretations is not expected to have a significant impact on the financial statements of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The audit report of the preceding audited financial statements was not qualified.

A4. Comments about Seasonal or Cyclical Factors

Plantation's result is influenced by both CPO prices and FFB crop production. The cyclical swing in FFB crop production is generally at its lowest in the first half of the year, with gradual increase to peak production towards the second half. The remainder of the Group's operations are not materially affected by any seasonal or cyclical events.

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

A6. Change in Estimates

There were no material changes in estimates of amounts reported in the prior interim periods of the current financial year or the previous financial year.

A7. Dividends Paid

- (i) 3rd interim dividend of 7.5 sen (2007: Nil) per share less tax in respect of the year ended 31 December 2008 amounting to RM36.6 million was paid on 16 January 2009.
- (ii) Final dividend of 12.5 sen (2007: Final & bonus totalling 16 sen) per share less tax in respect of the financial year ended 31 December 2008 amounting to RM61.0 million will be paid on 18 May 2009.

A8. Segmental Information

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

	Plantation	Heavy Industries	Property development	Property investment	Finance & Investment	Trading	Manufacturing & Services	Elim'n	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2009									
Revenue									
Group total sales	164,768	243,090	67,494	37,976	94,836	532,589	93,126	(18,295)	1,215,584
Inter-segment sales	-	-	-	(2,056)	(9,526)	(6,713)	-	18,295	-
External sales	164,768	243,090	67,494	35,920	85,310	525,876	93,126	-	1,215,584
Result									
Segment result									
- external	9,447	37,426	12,940	12,171	574	10,353	6,601	-	89,512
Interest expense	(7,489)	(7,721)	(5,407)	(9,684)	(19,540)	(8,958)	(4,831)	25,576	(38,054)
Interest income	13,596	311	2,830	5,003	3,390	1,328	2,992	(25,576)	3,874
Other investment result	7,326	-	-	-	890	-	316	-	8,532
Share of result of Associates	797	875	-	14	18,862	440	1,208	-	22,196
Profit before taxation	23,677	30,891	10,363	7,504	4,176	3,163	6,286	-	86,060
Taxation									(18,289)
Net profit for the period									67,771

	Plantation	Heavy Industries	Property development	Property investment	Finance & Investment	Trading	Manufacturing & Services	Elim'n	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2008									
Revenue									
Group total sales	239,290	371,186	71,731	31,794	90,050	965,221	95,992	(21,380)	1,843,884
Inter-segment sales	-	-	-	(3,088)	(9,023)	(9,269)	-	21,380	-
External sales	239,290	371,186	71,731	28,706	81,027	955,952	95,992	-	1,843,884
Result									
Segment result									
- external	89,114	92,177	14,564	11,060	3,550	31,624	6,145	-	248,234
Interest expense	(8,274)	(6,735)	(1,840)	(6,449)	(12,101)	(10,408)	(5,161)	17,068	(33,900)
Interest income	10,912	1,230	1,112	1,267	3,864	1,491	3,353	(17,068)	6,161
Other investment result	11,608	-	-	-	(2,208)	-	658	-	10,058
Share of result of Associates	777	750	-	1,008	18,844	63	1,069	-	22,511
Profit before taxation	104,137	87,422	13,836	6,886	11,949	22,770	6,064	-	253,064
Reduction of goodwill on consolidation	-	(19,527)	-	-	-	-	-	-	(19,527)
Profit before taxation	104,137	67,895	13,836	6,886	11,949	22,770	6,064	-	233,537
Taxation									(35,878)
Net profit for the period									197,659

A9. Debts and Equity Securities

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

A10. Carrying Amount of Revalued Assets

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

A11. Subsequent Events

There were no subsequent events as at 15 May 2009 that will materially affect the financial statements of the financial period under review.

A12. Changes in Group Composition

There were no changes in the composition of the Group during the period under review.

A13. Changes in Contingent Liabilities and Contingent Assets

The status of the contingent liabilities disclosed in the 2008 Annual Report remains unchanged as at 15 May 2009. No other contingent liability has arisen since the financial year end.

A14. Capital Commitments

The Group has the following commitments as at 31 March 2009:

	Authorised but not contracted RM'000	Authorised and contracted RM'000
Capital expenditure	<u>420,000</u>	<u>235,000</u>

Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia

B15. Performance Review

For the three months ended 31 March 2009, the Group posted an unaudited profit before tax of RM86.1 million which is 63% lower than last year's corresponding period's gain of RM233.5 million. The Group's profit after tax and MI totalling RM60.8 million is short of last year's net profit of RM152.3 million.

For the current quarter, the Plantation Division contributed a pre-tax profit of RM23.7 million (2008: RM104.1 million) mainly due to the significantly lower palm product prices. For the three months, the Division achieved an average palm oil price of RM1,886 per MT against last year's corresponding period's average of RM3,029 per MT. The cumulative FFB crop totalling 300,805 MT was 3% lower than the corresponding period last year.

Heavy Industries Division contributed 36% of the Group's bottom line with a pre-tax profit of RM30.9 million. The current quarter's result is lower than the previous year largely due to slower progress billings and higher cost. Property Division's pre-tax profit of RM17.9 million for the three months' period is 14% lower than last year. While the property development operations have reported a decline in earnings, the hotel and retail mall operations have reported improved earnings on the back of a 20% increase in revenue.

During the current quarter, the Finance and Investment Division reported a pre-tax profit of RM4.2 million (2008: RM11.9 million) mainly due to an increase in funding cost on investments. For the 1st quarter, BH Insurance posted a lower pre-tax profit of RM6.7 million (2008: RM7.6 million), mainly due to lower underwriting income and higher doubtful debt provision. Affin Group posted a marginally lower pre-tax profit of RM120.3 million (2008: RM124.4 million) for the quarter ended 31 March 2009, due largely to the decrease in other operating income which was substantially offset by the higher net interest income and lower amounts incurred for overhead expenses and impairment loss on securities. The Trading Division posted a small profit of RM3.2 million (2008: RM22.8 million) as last year's corresponding period's bottom line was boosted by a significant stockholding gain.

B16. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter

The current quarter's pre-tax profit of RM86.1 million is an improvement over the preceding quarter's pre-tax profit of RM20.4 million.

Plantation Division's operating profit for the current quarter is higher than the preceding quarter mainly due to lower spending on manuring which had more than offset against the lower CPO price of RM1,886 (Last quarter: RM1,968) per MT. Heavy Industries Division turned around during the current quarter due to improvement in contribution from vessel construction, while the Property Division earnings for the preceding quarter was boosted by fair value gain on investment properties. Trading Division is profitable this quarter, in the absence of large stockholding loss which had adversely impacted the preceding quarter's bottom line.

B17. Prospect for the current financial year

Plantation's earnings for the remainder of the year are expected to be better, in view of the improvement in palm oil prices. The Heavy Industries Division will continue to derive satisfactory earnings from vessel construction and other shipbuilding activities. The Property Division earnings will be driven by the ongoing developments at Mutiara Damansara and Rini townships, while the investment properties and hotels which are in strategic locations are expected to turn in good profit.

B18 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 minority interests and shortfall in profit guarantee are not applicable.

B19. Taxation

	Current Period	Cumulative Period
	2009	2009
	RM'000	RM'000
Malaysian taxation based on profit for the period:		
- Current	15,578	15,578
- Deferred	534	534
	<u>16,112</u>	<u>16,112</u>
Over provision of prior years	2,177	2,177
	<u>18,289</u>	<u>18,289</u>
	Current Period	Cumulative Period
	2009	2009
	RM'000	RM'000

B20. Sale of Unquoted Investments and Properties

There were no sale of unquoted investments and properties for the period under review other than as disclosed below:

Gain on disposal of MGS and bonds	<u>557</u>	<u>557</u>
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B21. Quoted Securities

(i) Purchases or disposals of quoted securities other than securities in existing Subsidiaries and Associates during the current financial period.

Purchases	17	17
Sale proceeds	2,123	2,123
Gain on disposal	195	195

(ii) Investments in quoted securities as at 31 March 2009:

At cost	425,494
At carrying value/book value	400,788
At market value	<u>402,560</u>

B22. Status of Corporate Proposals

- (i) On 16 February 2009, the Group's wholly owned Subsidiary, Mutiara Rini Sdn Bhd, entered into a share sale agreement with Samburu Holdings Sdn Bhd (Vendor), for the purchase of all the remaining equity capital of our 50% Associate, Damansara Entertainments Centre Sdn Bhd (DEC). Purchase of the stake comprising 15 million ordinary shares of RM1.00 each and 1 million redeemable preference shares of RM0.01 each at a total consideration of RM27.3 million will be settled by way of cash. The Group also undertakes to settle on behalf of DEC, an additional sum of RM1.3 million and RM1.6 million being debt and trade debt respectively due to companies related to the Vendor. The acquisition is expected to complete during the second quarter.
- (ii) On 10 March 2009, our Subsidiary, Boustead Estates Agency Sdn Bhd contracted to sell to Green Land Garden Trading Sdn Bhd, its entire stake in the 43% Associate, Boustead Bulking Sdn Bhd comprising 430,000 ordinary shares of RM1 each for a cash consideration of RM860,000. The disposal was subsequently completed in May 2009.

There were no other corporate proposals announced or pending completion as at 15 May 2009.

B23. Group Borrowings and Debt Securities

Total group borrowings as at 31 March 2009 are as follows:-

	31.3.2009	31.12.2008
	RM'000	RM'000
Long Term Loans	1,431,494	1,439,562
Less: repayable in 1 year	<u>808,527</u>	<u>814,843</u>
	<u>622,967</u>	<u>624,719</u>
Short term borrowings		
- Bank overdrafts	68,948	54,755
- Bankers' acceptances	161,562	150,563
- Revolving credits	1,900,300	1,858,500
- Short term loans	<u>808,527</u>	<u>814,843</u>
	<u>2,939,337</u>	<u>2,878,661</u>

Included above is a short term loan of RM46.3 million (US Dollar: 12.70 million) which is denominated in US Dollar. All other borrowings are denominated in Ringgit Malaysia.

B24. Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments as at 15 May 2009.

B25. Changes in Material Litigations

When the litigation referred to in Note 41(a) of the 2008 Annual Report came up on 22 April 2009 for case management before the Deputy Registrar, the Deputy Registrar has fixed the matter for mention on 15 May 2009 for the parties to appear before the Managing Judge. As at 15 May 2009, there were no other changes in material litigation, including the status of pending material litigation since the last annual balance sheet as at 31 December 2008.

B26. Dividend Payable

- (i) A final dividend of 12.5 sen (2007: Final & bonus of 18 sen) per share less tax in respect of the year ended 31 December 2008 payable on 18 May 2009 was approved by shareholders at an AGM held on 2 April 2009.
- (ii) The Directors have declared a 1st interim dividend of 5 sen (2008: 5 sen) per share less 25% tax in respect of the year ending 31 December 2009. The dividend will be paid on 20 July 2009 to shareholders registered in the Register of Members at the close of business on 30 June 2009.

B27. Earnings Per Share

	Current Period		Cumulative Period	
	2009	2008	2009	2008
Basic earnings per share				
Net profit for the period (RM'000)	60,818	152,312	60,818	152,312
Weighted average number of ordinary shares in issue ('000)	651,032	629,039	651,032	629,039
Basic earnings per share (sen)	9.34	24.21	9.34	24.21

28. Plantation Statistics

	Cumulative Period	
	2009	2008
(a) Planted areas (hectares)		
Oil palm - prime mature	61,892	62,634
- young mature	4,978	5,147
- immature	7,500	6,708
	74,370	74,489
Others	193	203
	74,563	74,692

* Includes 48,927 hectares leased under the Asset Backed Securitisation Programme and from Al Hadharah Boustead REIT.

	Cumulative Period	
	2009	2008
(b) Crop Production		
FFB - MT	300,805	309,894
(c) Average Selling Prices (RM)		
FFB (per MT)	357	677
Palm oil (per MT)	1,886	3,029
Palm kernel (per MT)	773	1,975

29. Economic Profit

	Cumulative Period	
	2009	2008
	RM'000	RM'000
For the period ended 31 March	9,171	123,061
	2009	2009
	(3 Months)	(12 Months)
	Actual	Target

30. Headline KPIs

Return on Equity (ROE)	2.1%	10.0%
Return on Assets (ROA)	1.4%	7.0%