

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

<b>For the quarter ended 31 March 2013</b> <b>(All figures are stated in RM million)</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2013</b>	<b>2012</b> <b>(Restated)</b>	<b>2013</b>	<b>2012</b> <b>(Restated)</b>
<b>Revenue</b>	<b>2,531.1</b>	2,358.0	<b>2,531.1</b>	2,358.0
Operating cost	<b>(2,354.1)</b>	(2,149.9)	<b>(2,354.1)</b>	(2,149.9)
Profit from operations	<b>177.0</b>	208.1	<b>177.0</b>	208.1
Interest income	<b>1.8</b>	2.5	<b>1.8</b>	2.5
Other investment results	<b>19.3</b>	27.7	<b>19.3</b>	27.7
Finance cost	<b>(60.2)</b>	(56.0)	<b>(60.2)</b>	(56.0)
Share of results of Associates	<b>37.0</b>	40.6	<b>37.0</b>	40.6
<b>Profit before taxation</b>	<b>174.9</b>	222.9	<b>174.9</b>	222.9
Taxation	<b>(40.8)</b>	(34.2)	<b>(40.8)</b>	(34.2)
<b>Profit for the period</b>	<b>134.1</b>	188.7	<b>134.1</b>	188.7
<i>Profit for the period attributable to:</i>				
Shareholders of the Company	<b>99.9</b>	144.6	<b>99.9</b>	144.6
Non-controlling interests	<b>34.2</b>	44.1	<b>34.2</b>	44.1
<b>Profit for the period</b>	<b>134.1</b>	188.7	<b>134.1</b>	188.7
<b>Earnings per share - sen</b>				
Basic	<b>9.66</b>	13.98	<b>9.66</b>	13.98

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2012.

## Boustead Holdings Berhad (3871-H)

### UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 March 2013 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2013	2012 (Restated)	2013	2012 (Restated)
<b>Profit for the period</b>	<b>134.1</b>	188.7	<b>134.1</b>	188.7
Other comprehensive income/(loss)				
Currency translation difference in respect of foreign operations	-	(7.9)	-	(7.9)
Net gain on available for sale investments				
- fair value changes	7.5	92.2	7.5	92.2
- transfer to profit or loss on disposal	(0.5)	(0.5)	(0.5)	(0.5)
<b>Total comprehensive income for the period</b>	<b>141.1</b>	272.5	<b>141.1</b>	272.5
Attributable to:				
Shareholders of the Company	<b>106.9</b>	232.5	<b>106.9</b>	232.5
Non-controlling interests	<b>34.2</b>	40.0	<b>34.2</b>	40.0
<b>Total comprehensive income for the period</b>	<b>141.1</b>	272.5	<b>141.1</b>	272.5

The unaudited condensed statement of consolidated comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2012.

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

<b>As at 31 March 2013</b>	<b>Unaudited As at 31 March 2013</b>	<b>Audited As at 31 December 2012 (Restated)</b>	<b>Audited As at 1 January 2012 (Restated)</b>
<b>(All figures are stated in RM million)</b>			
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	3,671.3	3,706.8	3,424.1
Biological assets	670.1	664.5	347.6
Investment properties	1,360.3	1,273.4	1,212.9
Development properties	286.6	247.7	227.1
Prepaid land lease payments	67.2	68.8	39.6
Long term prepayment	151.2	157.3	143.3
Deferred tax assets	57.6	54.5	60.2
Associates	1,493.5	1,461.8	1,327.7
Available for sale investments	699.0	693.5	592.8
Intangible assets	1,295.5	1,304.9	1,254.9
	<b>9,752.3</b>	<b>9,633.2</b>	<b>8,630.2</b>
<b>Current assets</b>			
Inventories	701.3	762.5	645.3
Property development in progress	41.5	42.9	12.2
Due from customers on contracts	1,462.4	1,284.1	730.9
Receivables	1,677.9	1,552.3	1,528.9
Deposits, cash and bank balance	507.0	375.1	919.8
Assets of a disposal group classified as held for sale	5.8	5.8	50.7
	<b>4,395.9</b>	<b>4,022.7</b>	<b>3,887.8</b>
<b>TOTAL ASSETS</b>	<b>14,148.2</b>	<b>13,655.9</b>	<b>12,518.0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	517.1	517.1	470.1
Reserves	4,168.2	4,138.9	3,981.3
<b>Shareholders' equity</b>	<b>4,685.3</b>	<b>4,656.0</b>	<b>4,451.4</b>
<b>Non-controlling interests</b>	<b>695.0</b>	<b>665.9</b>	<b>711.0</b>
Total equity	<b>5,380.3</b>	<b>5,321.9</b>	<b>5,162.4</b>
<b>Non current liabilities</b>			
Borrowings	2,689.5	2,682.2	1,159.3
Other payable	28.4	29.4	27.5
Deferred tax liabilities	59.1	55.7	94.3
	<b>2,777.0</b>	<b>2,767.3</b>	<b>1,281.1</b>
<b>Current liabilities</b>			
Borrowings	4,371.5	3,927.4	3,929.4
Trade and other payables	1,502.6	1,605.6	2,021.4
Due to customer on contracts	81.1	7.6	59.5
Taxation	35.7	26.1	59.4
Liabilities directly associated with a disposal group classified as held for sale	-	-	4.8
	<b>5,990.9</b>	<b>5,566.7</b>	<b>6,074.5</b>
<b>Total liabilities</b>	<b>8,767.9</b>	<b>8,334.0</b>	<b>7,355.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,148.2</b>	<b>13,655.9</b>	<b>12,518.0</b>

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2012.

**Boustead Holdings Berhad (3871-H)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Attributable to shareholders of the Company									
For the financial period ended	Share	*Share	*Revaluation & Fair Value	*Statutory	*Other	Retained		Non-	Total
31 March 2013	Capital	Premium	Reserve	Reserve	Reserves	Profit	Total	Controlling	Equity
								Interests	
<b>(All figures are stated in RM million)</b>									
As at 1 January 2013	517.1	1,165.1	314.9	259.6	157.5	2,241.8	4,656.0	665.9	5,321.9
Total comprehensive income for the period	-	-	7.0	-	-	99.9	106.9	34.2	141.1
<b>Transactions with owners</b>									
Dividends	-	-	-	-	-	(77.6)	(77.6)	(5.1)	(82.7)
<b>Balance at 31 March 2013</b>	<b>517.1</b>	<b>1,165.1</b>	<b>321.9</b>	<b>259.6</b>	<b>157.5</b>	<b>2,264.1</b>	<b>4,685.3</b>	<b>695.0</b>	<b>5,380.3</b>
As at 1 January 2012	470.1	1,212.1	217.1	225.4	116.2	2,210.5	4,451.4	711.0	5,162.4
Total comprehensive income for the period	-	-	91.4	-	(3.5)	144.6	232.5	40.0	272.5
<b>Transactions with owners</b>									
Changes in ownership interests in Subsidiaries									
- Investment in Subsidiaries	-	-	-	-	-	(14.1)	(14.1)	(3.9)	(18.0)
Bonus issue during the period	47.0	(47.0)	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	(93.1)	(93.1)	(11.9)	(105.0)
<b>Balance at 31 March 2012</b>	<b>517.1</b>	<b>1,165.1</b>	<b>308.5</b>	<b>225.4</b>	<b>112.7</b>	<b>2,247.9</b>	<b>4,576.7</b>	<b>735.2</b>	<b>5,311.9</b>

**NOTES**

\* Denotes non distributable reserves.

The condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2012.

**Boustead Holdings Berhad (3871-H)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the quarter ended 31 March 2013**

<b>(All figures are stated in RM million)</b>	<b>2013</b>	<b>2012</b>
		<b>(Restated)</b>
<b>Operating activities</b>		
Receipts from customers	<b>2,262.9</b>	2,109.8
Cash paid to suppliers and employees	<b>(2,336.4)</b>	(1,892.2)
	<b>(73.5)</b>	217.6
Income taxes paid less refund	<b>(15.4)</b>	(48.5)
Net cash (used in)/from operating activities	<b>(88.9)</b>	169.1
<b>Investing activities</b>		
Capital expenditure & construction of investment property	<b>(122.0)</b>	(61.1)
Disposal of investment property	-	45.0
Disposal of property plant & equipment and biological assets	<b>25.5</b>	45.0
Settlement on acquisition of a Subsidiary	-	(48.9)
Additional investments in Associates & Subsidiaries	-	(18.0)
Dividends received	<b>19.0</b>	27.6
Others	<b>2.6</b>	6.7
Net cash used in investing activities	<b>(74.9)</b>	(3.7)
<b>Financing activities</b>		
Transactions with owners	<b>(77.6)</b>	(93.1)
New loans	-	172.1
Loans repayment	<b>(16.4)</b>	(29.6)
Other borrowings	<b>442.4</b>	33.5
Interest paid	<b>(67.9)</b>	(54.5)
Others	<b>(5.1)</b>	(12.0)
Net cash from financing activities	<b>275.4</b>	16.4
Net increase in cash and cash equivalents	<b>111.6</b>	181.8
Cash and cash equivalent at beginning of period	<b>324.9</b>	370.3
<b>Cash and cash equivalent at end of period</b>	<b>436.5</b>	552.1
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	<b>507.0</b>	1,144.1
Overdrafts	<b>(70.5)</b>	(92.0)
	<b>436.5</b>	1,052.1
Deposit pledged	-	(500.0)
<b>Cash and cash equivalent at end of period</b>	<b>436.5</b>	552.1

The Condensed Consolidated Cash Flow Statement is unaudited, and should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2012.

## Boustead Holdings Berhad (3871-H)

### Notes to the interim financial report for the quarter ended 31 March 2013

#### Part A - Explanatory Notes Pursuant to FRS 134

##### 1. 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 2012. All figures are stated in RM million, unless otherwise stated.

##### 2. Accounting Policies

###### (i) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2013, the Group adopted the following new and amended FRS and IC Interpretations:-

- Improvements to FRS (2012)
- Amendments to FRS 7 Disclosures – Offsetting financial assets and financial liabilities
- Amendments to FRS 101 Presentation of other Items of other comprehensive income
- FRS 10 Consolidated financial statements
- FRS 11 Joint arrangements
- FRS 12 Disclosures on interests in other entities
- FRS 13 Fair value measurements
- FRS 119 Employee benefits
- FRS 127 Separate financial statements
- FRS 128 Investments in associates and joint ventures

Adoption of the above standards and interpretations did not have any effect on the financial performance or presentation of the financial statements of the Group, except for the changes arising from FRS 10 and FRS 11 as described below:

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements (FRS 127) that deals with consolidated financial statements and IC Interpretation 112 Consolidation – Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its investment with the investee, and (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. This new control model differs from how previously companies were assessed to be a subsidiary. Under FRS 127, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers. The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. FRS 11 removes the option to account for jointly controlled entities (JCE) using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

Boustead Ikano Sdn Bhd was previously treated as an Associate of the Group and accounted for using the equity accounting method. The Directors have assessed and noted that this is a joint venture under FRS 11. Other than reclassification, the change has no impact on the amounts reported in the Group's consolidated financial statements.

The Group's investments in BHIC Bofors Sdn Bhd, BYO Marine Sdn Bhd, Boustead DCNS Naval Corporation Sdn Bhd, Contraves Advanced Devices Sdn Bhd, BHIC MSM Sdn Bhd and BHIC Aeroservices Sdn Bhd held through Boustead Heavy Industries Corporation Berhad were previously accounted for as subsidiaries in the Group's consolidated financial statements. Following the adoption of FRS 10 and FRS 11, the Directors have assessed that these companies are joint ventures rather than subsidiaries and are to be equity accounted for in the Group's consolidated financial statements.

## 2. Accounting Policies (Cont'd.)

The effects of the above changes which were applied retrospectively, are as follows:

### (i) Adoption of FRSs, Amendments to FRSs and IC Interpretations (Cont'd.)

#### (a) Effects on statement on financial position

RM million	As at 31 December 2012			As at 1 January 2012		
	As Previously Reported	Effects of FRS 10 & FRS 11	As Restated	As Previously Reported	Effects of FRS 10 & FRS 11	As Restated
Non-controlling interests	725.6	(59.7)	<b>665.9</b>	751.9	(40.9)	<b>711.0</b>
Total equity	5,381.6	(59.7)	<b>5,321.9</b>	5,203.3	(40.9)	<b>5,162.4</b>
Property plant and equipment	3,745.2	(38.4)	<b>3,706.8</b>	3,445.0	(20.9)	<b>3,424.1</b>
Investment in associates and joint ventures	1,386.5	75.3	<b>1,461.8</b>	1,274.7	53.0	<b>1,327.7</b>
Intangible assets	1,307.4	(2.5)	<b>1,304.9</b>	1,257.4	(2.5)	<b>1,254.9</b>
Inventories	780.0	(17.5)	<b>762.5</b>	680.3	(35.0)	<b>645.3</b>
Due from customers on contract	900.8	383.3	<b>1,284.1</b>	731.3	(0.4)	<b>730.9</b>
Receivables	1,809.8	(257.5)	<b>1,552.3</b>	1,507.1	21.8	<b>1,528.9</b>
Cash and bank balances	749.2	(374.1)	<b>375.1</b>	1,140.7	(220.9)	<b>919.8</b>
Short term borrowings	3,927.4	-	<b>3,927.4</b>	3,936.2	(6.8)	<b>3,929.4</b>
Payables	1,737.4	(131.8)	<b>1,605.6</b>	2,177.5	(156.1)	<b>2,021.4</b>
Due to customers on contract	46.6	(39.0)	<b>7.6</b>	59.7	(0.2)	<b>59.5</b>
Non-current liabilities	2,768.2	(0.9)	<b>2,767.3</b>	1,282.0	(0.9)	<b>1,281.1</b>

#### (b) Effects on income statement

RM million	FPE 31 March 2012		
	As Previously Reported	Effects of FRS 10	As Restated
Revenue	2,404.4	(46.4)	2,358.0
Share of results of Associates & joint ventures	39.3	1.3	40.6
Profit before taxation	224.1	(1.2)	222.9
Taxation	(34.8)	0.6	(34.2)
Non-controlling interests	(44.7)	0.6	(44.1)

#### (c) Effects on statement of cash flows

RM million	FPE 31 March 2012		
	As Previously Reported	Effects of FRS 10	As Restated
Net cash inflow / (outflow) from:			
- Operating activities	102.4	66.7	169.1
- Investing activities	(4.7)	1.0	(3.7)
- Financing activities	10.2	6.2	16.4
Cash and cash equivalent:			
- At beginning of period	589.9	(219.6)	370.3
- At end of period	697.8	(145.7)	552.1

## 2. Accounting Policies (Cont'd.)

### (ii) Standards Issued but not yet Effective

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

• FRS 9 Financial instruments (issued by IASB in October 2011)	1 January 2015
• FRS 10 Consolidated financial statements investment entities	1 January 2014
• FRS 12 Disclosures on interests in other entities investing entities	1 January 2014
• FRS 127 Separate financial statements investing entities	1 January 2014
• FRS 132 Financial instruments presentation offsetting financial assets and financial liabilities	1 January 2014
• Amendments to FRS 7 Financial instruments disclosures offsetting financial assets and financial liabilities	1 January 2014
• Amendments to FRS 132 Financial instruments presentation: offsetting financial assets and financial liabilities	1 January 2014

### (iii) MFRS Framework

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called transitioning Entities).

The Group which falls under the scope definition of Transitioning Entities has opted to adopt MFRS for annual periods beginning on 1 January 2014. When the Group presents its first MFRS financial statements in 1 January 2014, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

### 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

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.

### 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

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.

### 7. Dividends

On 29 March 2013, the Company paid a 4<sup>th</sup> interim single tier dividend of 7.5 sen (2011: 9 sen) per share in respect of the previous financial year ended 31 December 2012 amounting to RM77.6 million (2011: RM93.1 million).

For the current quarter, the Directors have declared a single tier dividend of 7.5 sen (2012: 7.5 sen) per share in respect of the year ending 31 December 2013. The dividend will be paid on 28 June 2013 to shareholders registered in the Register of Members at the close of business on 17 June 2013.



## 8. Segmental Information

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

RM million	Plantation	Heavy Industries	Property	Finance & Investment	Pharmaceutical	Trading & Industrial	Elim's	Total
<b>2013</b>								
<b>Revenue</b>								
Group total sales	182.3	359.2	172.3	36.2	500.3	1,287.7	(6.9)	2,531.1
Inter-segment sales	-	-	(6.9)	-	-	-	6.9	-
External sales	182.3	359.2	165.4	36.2	500.3	1,287.7	-	2,531.1
<b>Result</b>								
<b>Segment result</b>								
- external	17.0	43.8	44.2	(1.9)	38.5	35.4	-	177.0
Finance cost	(8.2)	(21.7)	(10.0)	(20.9)	(9.1)	(7.5)	17.2	(60.2)
Interest income	3.6	0.3	1.0	12.7	0.2	1.2	(17.2)	1.8
Other investment result	18.5	-	-	-	-	0.8	-	19.3
Share of result of associates & joint ventures	-	3.7	(1.9)	35.2	-	-	-	37.0
<b>Profit before taxation</b>	<b>30.9</b>	<b>26.1</b>	<b>33.3</b>	<b>25.1</b>	<b>29.6</b>	<b>29.9</b>	<b>-</b>	<b>174.9</b>
Taxation								(40.8)
<b>Profit for the period</b>								<b>134.1</b>
<b>2012 (Restated)</b>								
<b>Revenue</b>								
Group total sales	263.8	258.4	99.9	32.4	446.7	1,264.0	(7.2)	2,358.0
Inter-segment sales	-	-	(7.2)	-	-	-	7.2	-
External sales	263.8	258.4	92.7	32.4	446.7	1,264.0	-	2,358.0
<b>Result</b>								
<b>Segment result</b>								
- external	61.0	20.4	43.7	(1.6)	44.6	40.0	-	208.1
Finance cost	(2.2)	(29.0)	(6.6)	(25.7)	(9.0)	(9.9)	26.4	(56.0)
Interest income	5.6	0.7	1.4	16.9	0.1	4.2	(26.4)	2.5
Other investment result	26.8	0.1	-	-	-	0.8	-	27.7
Share of result of associates & joint ventures	0.9	1.3	1.9	36.5	-	-	-	40.6
<b>Profit before taxation</b>	<b>92.1</b>	<b>(6.5)</b>	<b>40.4</b>	<b>26.1</b>	<b>35.7</b>	<b>35.1</b>	<b>-</b>	<b>222.9</b>
Taxation								(34.2)
<b>Profit for the period</b>								<b>188.7</b>

## 9. 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.

## 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 22 May 2013 that will materially affect the financial statements of the financial period under review.

## 12. Changes in Group Composition

Pursuant to Note 2(i), following the adoption of FRS 10 Consolidated Financial Statements, the Group's investments in BHIC Bofors Sdn Bhd, BYO Marine Sdn Bhd, Boustead DCNS Naval Corporation Sdn Bhd, Contraves Advanced Devices Sdn Bhd, BHIC MSM Sdn Bhd and BHIC Aeroservices Sdn Bhd held through Boustead Heavy Industries Corporation Berhad which were previously recognised as subsidiaries are now classified as joint ventures.

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

### 13. Changes in Contingent Liabilities and Contingent Assets

Other than the changes in the material litigations as described in Note 24, the status of the contingent liabilities disclosed in the FY2012 annual financial statements remains unchanged as at 22 May 2013. No other contingent liability has arisen since the financial year end.

### 14. Commitments

The Group has the following commitments as at 31 March 2013:

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	523.7	251.4
Proposed acquisition of a Subsidiary	63.0	-
	<u>586.7</u>	<u>251.4</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 2012.

### 16. Intangible Assets

<b>RM' million</b>	<b>Goodwill</b>	<b>Concession right</b>	<b>Right to supply</b>	<b>Total</b>
<b>Cost</b>				
At 1 January 2013	1,180.3	75.0	89.8	1,345.1
Additions	-	-	1.0	1.0
At 31 March 2013	<u>1,180.3</u>	<u>75.0</u>	<u>90.8</u>	<u>1,346.1</u>
<b>Accumulated amortisation and impairment</b>				
At 1 January 2013	-	15.2	25.0	40.2
Amortisation	-	2.2	8.2	10.4
At 31 March 2013	<u>-</u>	<u>17.4</u>	<u>33.2</u>	<u>50.6</u>
<b>Net carrying amount</b>				
At 31 March 2013	1,180.3	57.6	57.6	1,295.5
At 31 December 2012	<u>1,180.3</u>	<u>59.8</u>	<u>64.8</u>	<u>1,304.9</u>

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

### 17. Performance Review

For the 1<sup>st</sup> quarter, the Group posted an unaudited profit before tax of RM174.9 million, lower than the corresponding period last year of RM222.9 million. The Group's results were strongly influenced by lower crude palm oil prices which impacted the Plantation Division.

Group revenue for the Q1-2013 of RM2.53 billion was 7% higher than that recorded during the corresponding period last year, as most of the Divisions had recorded an increase. While the Trading & Industrial Division turnover was largely the same as the previous year, the Plantation Division's revenue had dipped 31% mainly due to lower crop while palm product prices were also significantly lower. The Pharmaceutical Division's revenue was 12% higher at RM500 million (2012: RM447 million) due to increase in demand from both the government and private sector customers. Property Division's revenue for the current quarter of RM165 million was more by 78% on higher progress billings and the sale of a corporate lot. The Heavy Industries Division's revenue for the 3-month period of RM359 million was 39% better than the corresponding period last year, on higher progress of work from the Littoral Combat Ship project.

The Plantation Division was severely impacted by depressed commodity prices and a decline in crop production for the period under review, thus registering a lower profit of RM30.9 million compared with RM92.1 million for the same period last year. The average palm oil price was RM2,335 per MT, representing a decline of 26% compared with last year's corresponding period's average of RM3,164 per MT. Crop production of 258,394 MT for the first quarter of 2013 was 6% less when compared with the previous year.

The Property Division was the major profit contributor with a higher pre-tax profit of RM33.3 million for the 3-month period. However, it is a decline of 18% compared with RM40.4 million for the corresponding period last year as the previous year's results had benefited by the inclusion of a RM25.5 million gain from the disposal of an investment property.

## 17. Performance Review (Cont'd.)

The Pharmaceutical Division reported a significant profit of RM29.6 million compared with RM1.4 million posted in the previous quarter. However, it is a decline of 17% when compared with the profit of RM35.7 million registered in the same period last year as the Division's performance was impacted by higher doubtful debt provision and lower gross margin as a result of higher direct overheads.

The Trading & Manufacturing Division which was renamed Trading & Industrial Division to better reflect the nature of its activities had achieved a pre-tax profit of RM29.9 million (2012: RM35.1 million) for the current quarter. The BHPetrol operations produced a higher turnover on increased volume, but ended the current quarter with a lower profit as the stockholding gain was lower at RM3.4 million (2012: RM11.9 million).

As the Heavy Industries Division's performance was no longer impacted by costs from legacy projects, the Division recorded a profit of RM26.1 million, a marked improvement compared with the deficit of RM6.5 million recorded in the same quarter last year. Higher progress achieved on the Littoral Combat Ship project also had a positive impact on the quarter's results. MHS Aviation's sale of an aircraft in addition to lower maintenance costs also benefitted the Division.

The Group's Finance and Investment Division registered a profit of RM25.1 million for the quarter under review, a slight 4% decline compared with RM26.1 million recorded in 2012's corresponding quarter. The Division's results were supported by contribution from the Affin Group and Cadbury.

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

The current quarter's pre-tax profit of RM174.9 million was higher than the preceding quarter's result of RM157.7 million, attributable mainly to the turnaround of the Heavy Industries Division and better result from the Pharmaceutical Division.

The Plantation Division's pre-tax profit for the current quarter of RM30.9 million was lower than the preceding quarter's surplus of RM44.5 million, mainly attributable to the decline in FFB production which was to some extent compensated by the dividend income from Boustead REIT. FFB production for the current quarter of 258,394 MT fell from the preceding quarter of 317,251 MT by 19%. The average CPO price realised for the quarter of RM2,335 per MT was also marginally lower than the preceding quarter's average of RM2,361 per MT.

The Property Division's profit for the current quarter was lower at RM33.3 million (Preceding quarter: RM85.5 million) as the preceding quarter's result has benefited from fair value gain on investment properties. The Pharmaceutical Division's profit for the current quarter was also higher at RM29.6 million (Last quarter: RM1.4 million) on improved margins.

The Heavy Industries Division was profitable for the current quarter because the Division had performed better operationally. This is a marked improvement over the preceding quarter's loss sustained of RM62.2 million as the previous quarter's result was also impacted by the impairment of its chemical tankers totalling RM21 million. The Trading & Industrial Division's pre-tax for the current quarter of RM29.9 million was lower than the preceding quarter of RM56.0 million as the preceding quarter's earnings had included a gain on sale of land.

## 19. Prospects for the Year

The global economic outlook remains uncertain, due to the lingering Eurozone debt crisis and the cooling down of China's economy. On the other hand, the Malaysian economy is expected to be domestic-driven, helped by the supportive government policy measures and ETP initiatives.

Outlook for CPO will be challenging, as weaker demand due to slower global economic growth could dampen CPO prices in 2013, although supply constraints that may be brought on by erratic weather patterns and a moderation of economic woes would hopefully mitigate the downward pressures on CPO prices.

The prospects for the Malaysian pharmaceutical industry remain reasonably bright. The MOH concession business will be the main growth driver to boost the Pharmaceutical Division's earnings. The Trading & Industrial Division's earnings will be driven by Boustead Petroleum Marketing which is expected to produce satisfactory results on the back of its BHPetrol operations.

Progress billings from on-going housing phases will contribute positively to the Property Division's bottom line, while the Division's portfolio of well located investment properties will generate good rentals as well as appreciation in value over time. The Heavy Industries Division's earnings will largely be derived from the Littoral Combat Ship project, the aerospace electronics manufacturing as well as the on-going MRO activities.

The diversified nature of the Group's businesses in six segments of the Malaysian economy augurs well for the Group, and would enable the Group to deliver a satisfactory set of results for the year under review.

## 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 Period 2013 RM million</b>	<b>Cumulative Period 2013 RM million</b>
Malaysian taxation based on profit for the period:		
- Current	38.3	38.3
- Deferred	7.3	7.3
	<u>45.6</u>	<u>45.6</u>
Over provision of prior years	(4.8)	(4.8)
	<u>40.8</u>	<u>40.8</u>

**22. Corporate Proposals - Status**

- (i) The Novation Agreement between Idaman Pharma Sdn Bhd and Pharmaniaga's wholly owned Subsidiaries Pharmaniaga Logistics Sdn Bhd and Idaman Pharma Manufacturing Sdn Bhd for a cash consideration of RM51.1 million was effective from 23 March 2012. The Novation Consideration of RM51.1 million was settled in two separate payments with RM30.0 million on 18 April 2012 and the balance of RM21.1 million in March 2013.
- (ii) The Group's Subsidiaries Astacanggih Sdn Bhd and Bakti Wira Development Sdn Bhd entered into an agreement with a third party to acquire 200 acres of development land located in Bukit Raja (Land Acquisition), Klang, Selangor for a total cash consideration of RM130 million. The land will be acquired free from all charges, liens and encumbrances with vacant possession, and the completion of the Land Acquisition is subject to the approvals of relevant authorities.
- (iii) On 1 April 2013, a Memorandum of Understanding (MOU) was entered into by Pharmaniaga Berhad and Glenn Rahyu Adli Ariff (collectively referred to as 'Purchasers') and Sutjipto Tjengudororo and Hendrijanto Surjosuseno (collectively referred to as 'Vendors') in relation to the proposed acquisition of 40,000 ordinary shares in PT Errita Pharma (PTEP) representing the entire issued and paid up share capital of PTEP. Under the MOU, Pharmaniaga will take up a 75% stake in PTEP.
- (iv) On 18 May 2013, Pharmaniaga Berhad (Pharmaniaga) entered into a joint venture agreement with Modern Healthcare Solutions Company Limited ('Modern') for the construction and operation of a pharmaceutical manufacturing plant in the Kingdom of Saudi Arabia ('Proposed Joint Venture'). The Proposed Joint Venture involves Pharmaniaga and Modern forming a Saudi Arabian limited liability company to be headquartered in Riyadh. Pharmaniaga and Modern will each have a 50% equity interest in the share capital of the JV Company. The Proposed Joint Venture is subject to the approvals being obtained from the the Ministry of Health, Saudi Food and Drug Authority and Saudi Arabian Standards Organisation; the Saudi Arabian General Investment Authority, the Saudi Arabian Ministry of Commerce and Industry and other relevant authorities.

There were no other corporate proposals announced or pending completion as at 22 May 2013.

**23. Group Borrowings and Debt Securities**

Total group borrowings as at 31 March 2013 are as follows:-

	<b>31.3.2013 RM million</b>	<b>31.12.2012 RM million</b>	<b>1.1.2012 RM million</b>
Non-current:			
Term loans		(Restated)	(Restated)
- Denominated in US Dollars	28.9	29.8	71.1
- Denominated in Indonesian Rupiah	36.4	36.4	37.3
- Denominated in RM	1,592.2	1,607.9	749.3
	<u>1,657.5</u>	<u>1,674.1</u>	<u>857.7</u>
Asset-backed bonds	895.7	895.5	-
Bank guaranteed medium term notes	843.8	838.7	674.1
	<u>3,397.0</u>	<u>3,408.3</u>	<u>1,531.8</u>
Less: repayable in 1 year	707.5	726.1	372.5
	<u>2,689.5</u>	<u>2,682.2</u>	<u>1,159.3</u>
Current:			
Bank overdrafts	70.5	50.2	50.3
Bankers' acceptances	315.7	308.0	367.0
Revolving credits			
- Denominated in US Dollars	35.8	34.9	36.2
- Denominated in RM	3,242.0	2,808.2	3,103.4
Short term loans	707.5	726.1	372.5
	<u>4,371.5</u>	<u>3,927.4</u>	<u>3,929.4</u>
Total borrowings	<u>7,061.0</u>	<u>6,609.6</u>	<u>5,088.7</u>

## 24. Changes in Material Litigations

In respect of the litigation referred to in Note 35(c) of the FY2012 annual financial statements, the High Court had on 14 March 2013 allowed Boustead Naval Shipyard Sdn Bhd's (BNS) application to strike out the Plaintiff's claim with costs of RM5,000 to be paid by the Plaintiff to BNS. With reference to our announcement dated 5 October 2012, the Court had on the same date instructed BNS to file a fresh suit to proceed with the claims against the Plaintiff and five others.

As at 22 May 2013, 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 2012.

## 25. Earnings Per Share - Basic

	Current Period		Cumulative Period	
	2013	2012	2013	2012
Net profit for the period (RM million)	99.9	144.6	99.9	144.6
Weighted average number of ordinary shares in issue (million)	1,034.2	1,034.2	1,034.2	1,034.2
Basic earnings per share (sen)	9.66	13.98	9.66	13.98

## 26. Retained Earnings

	31.3.2013	31.12.2012	1.1.2012
	RM million	RM million	RM million
Total retained earnings of Boustead Holdings Berhad and its Subsidiaries			
Realised	2,288.7	2,235.1	2,236.1
Unrealised	291.4	299.3	237.0
	2,580.1	2,534.4	2,473.1
Total share of retained earnings of Associates			
Realised	692.7	648.4	580.8
Unrealised	46.1	53.9	7.6
	3,318.9	3,236.7	3,061.5
Consolidation adjustments	(1,054.8)	(994.9)	(851.0)
Total retained earnings of the Group as per consolidated accounts	2,264.1	2,241.8	2,210.5

## 27. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2013	2012	2013	2012
	RM million	RM million	RM million	RM million
	(Restated)		(Restated)	
Depreciation and amortisation	65.6	57.1	65.6	57.1
Provision for and write off of receivables	6.9	10.8	6.9	10.8
Provision for and write off of inventories	6.5	0.8	6.5	0.8
Gain on disposal of properties	-	(25.5)	-	(25.5)
Foreign exchange loss/(gain)	0.3	(6.6)	0.3	(6.6)
Net fair value loss on derivatives	0.6	5.6	0.6	5.6

## 28. Plantation Statistics

	Cumulative Period	
	2013	2012
(a) Planted areas (hectares)		
Oil palm - prime mature	55,468	54,741
- young mature	7,601	8,036
- immature	5,459	5,598
	68,528	68,375

\* Includes 19,945 hectares leased from Al Hadharah Boustead REIT.

**28. Plantation Statistics (Cont'd.)**

	<b>Cumulative Period</b>	
	<b>2013</b>	<b>2012</b>
<b>(b) Crop production (MT)</b>		
FFB	258,394	273,873
<b>(c) Average selling prices (RM per MT)</b>		
FFB	462	676
Palm oil	2,335	3,164
Palm kernel	1,111	1,878

**29. Economic Profit**

	<b>Cumulative Period</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM million</b>	<b>RM million</b>
For the period ended 31 March	5.7	(67.2)

**30. Headline KPIs**

	<b>2013</b>	<b>2013</b>
	<b>(3 month)</b>	<b>(12 months)</b>
	<b>Actual</b>	<b>Target</b>
Return on Equity (ROE)	2.1%	9.5%
Return on Assets (ROA)	1.7%	6.5%