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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

| **For the quarter ended 31 December 2013** | **Current Period** | | **Cumulative Period** | |
|---|---|---|---|---|
| **(All figures are stated in RM million)** | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** |
| **Revenue** | **3,590.3** | 2,455.3 | **11,212.0** | 9,822.3 |
| Operating cost | **(3,544.9)** | (2,366.0) | **(10,707.9)** | (9,313.9) |
| Profit from operations | **45.4** | 89.3 | **504.1** | 508.4 |
| Effects on privatisation of Al-Hadharah Boustead REIT | **136.8** | **-** | **136.8** | **-** |
| Interest income | **5.3** | 4.9 | **12.6** | 12.0 |
| Other investment results | **101.4** | 64.4 | **139.2** | 117.6 |
| Finance cost | **(69.1)** | (63.8) | **(260.7)** | (217.0) |
| Share of results of associates & joint ventures | **60.7** | 62.9 | **175.7** | 171.7 |
| **Profit before taxation** | **280.5** | 157.7 | **707.7** | 592.7 |
| Taxation | **(52.4)** | (5.8) | **(147.9)** | (94.2) |
| **Profit for the period** | **228.1** | 151.9 | **559.8** | 498.5 |
| *Profit for the period attributable to:* | | | | |
| Shareholders of the Company | **220.2** | 150.5 | **478.8** | 416.7 |
| Non-controlling interests | **7.9** | 1.4 | **81.0** | 81.8 |
| **Profit for the period** | **228.1** | 151.9 | **559.8** | 498.5 |
| **Earnings per share - sen** | | | | |
| Basic | **21.29** | 14.55 | **46.30** | 40.29 |

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 December 2013 | Current Period | | Cumulative Period | |
|---|---|---|---|---|
| **(All figures are stated in RM million)** | **2013** | **2012 (Restated)** | **2013** | **2012 (Restated)** |
| **Profit for the period** | **228.1** | 151.9 | **559.8** | 498.5 |
| Other comprehensive income/(loss) | | | | |
| *Items that may be reclassified to profit or loss* | | | | |
| Currency translation difference in respect of foreign operations | **(0.8)** | 0.3 | **(5.7)** | (7.6) |
| Net gain on available for sale investments | | | | |
| - Fair value changes | **(202.4)** | (59.2) | **(130.5)** | 99.0 |
| - Transfer to profit or loss on disposal | **(0.2)** | 0.1 | **(2.5)** | (0.8) |
| - Effects on privatisation of Al-Hadharah Boustead REIT | **(136.8)** | - | **(136.8)** | - |
| Share of other comprehensive income of investments accounted for using the equity method | **3.1** | - | **3.1** | - |
| **Total comprehensive income for the period** | **(109.0)** | 93.1 | **287.4** | 589.1 |
| *Attributable to:* | | | | |
| Shareholders of the Company | **(116.5)** | 90.7 | **210.5** | 510.2 |
| Non-controlling interests | **7.5** | 2.4 | **76.9** | 78.9 |
| Total comprehensive income for the period | **(109.0)** | 93.1 | **287.4** | 589.1 |

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**

| **As at 31 December 2013** | **Unaudited As at 31 December** | **Audited As at 31 December** | **Audited As at 1 January** |
|---|---|---|---|
| **(All figures are stated in RM million)** | **2013** | **2012** | **2012** |
| | | **(Restated)** | **(Restated)** |
| **ASSETS** | | | |
| **Non current assets** | | | |
| Property, plant and equipment | **4,621.4** | 3,706.8 | 3,424.1 |
| Biological assets | **1,239.5** | 664.5 | 347.6 |
| Investment properties | **1,320.8** | 1,273.4 | 1,212.9 |
| Development properties | **339.2** | 247.7 | 227.1 |
| Prepaid land lease payments | **69.0** | 68.8 | 39.6 |
| Long term prepayment | **152.2** | 157.3 | 143.3 |
| Deferred tax assets | **61.7** | 54.5 | 60.2 |
| Associates | **1,468.4** | 1,366.5 | 1,274.7 |
| Joint ventures | **122.5** | 95.3 | 53.0 |
| Available for sale investments | **45.1** | 693.5 | 592.8 |
| Intangible assets | **1,277.1** | 1,304.9 | 1,254.9 |
| | **10,716.9** | 9,633.2 | 8,630.2 |
| **Current assets** | | | |
| Inventories | **718.2** | 762.5 | 645.3 |
| Property development in progress | **36.4** | 42.9 | 12.2 |
| Due from customers on contracts | **1,199.8** | 1,304.6 | 730.9 |
| Receivables | **1,808.7** | 1,569.0 | 1,528.9 |
| Deposits, cash and bank balance | **637.9** | 375.1 | 919.8 |
| Assets of a disposal group classified as held for sale | **-** | 5.8 | 50.7 |
| | **4,401.0** | 4,059.9 | 3,887.8 |
| **TOTAL ASSETS** | **15,117.9** | 13,693.1 | 12,518.0 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to equity holders of the Company** | | | |
| Share capital | **517.1** | 517.1 | 470.1 |
| Perpetual Junior Sukuk | **678.6** | - | - |
| Reserves | **4,037.9** | 4,138.9 | 3,981.3 |
| **Shareholders' equity** | **5,233.6** | 4,656.0 | 4,451.4 |
| **Non-controlling interests** | **691.6** | 665.9 | 711.0 |
| Total equity | **5,925.2** | 5,321.9 | 5,162.4 |
| **Non current liabilities** | | | |
| Borrowings | **3,066.5** | 2,682.2 | 1,159.3 |
| Other payable | **26.7** | 29.4 | 27.5 |
| Deferred tax liabilities | **93.2** | 55.7 | 94.3 |
| | **3,186.4** | 2,767.3 | 1,281.1 |
| **Current liabilities** | | | |
| Borrowings | **3,569.5** | 3,927.4 | 3,929.4 |
| Trade and other payables | **2,316.6** | 1,605.6 | 2,021.4 |
| Due to customer on contracts | **97.8** | 44.8 | 59.5 |
| Taxation | **22.4** | 26.1 | 59.4 |
| Liabilities directly associated with a disposal group classified as held for sale | **-** | - | 4.8 |
| | **6,006.3** | 5,603.9 | 6,074.5 |
| **Total liabilities** | **9,192.7** | 8,371.2 | 7,355.6 |
| **TOTAL EQUITY AND LIABILITIES** | **15,117.9** | 13,693.1 | 12,518.0 |

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 31 December 2013** | **Share Capital** | **Perpetual Sukuk** | ***Share Premium** | ***Revaluation & Fair Value Reserve** | ***Statutory Reserve** | ***Other Reserves** | **Retained Profit** | **Total** | **Non-Controlling Interests** | **Total Equity** |
| 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 | **-** | **-** | **-** | **(266.7)** | **-** | **(1.6)** | **478.8** | **210.5** | **76.9** | **287.4** |
| Issue during the year | **-** | **678.6** | **-** | **-** | **-** | **-** | **-** | **678.6** | **-** | **678.6** |
| **Transactions with owners** | | | | | | | | | | |
| Changes in ownership interests in Subsidiaries | | | | | | | | | | |
| - Additional investment in Subsidiaries | **-** | **-** | **-** | **-** | **-** | **-** | **(1.1)** | **(1.1)** | **(2.4)** | **(3.5)** |
| Issue of shares by Subsidiaries | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0.2** | **0.2** |
| Transfers during the period | **-** | **-** | **-** | **-** | **36.3** | **-** | **(36.3)** | **-** | **-** | **-** |
| Dividends | **-** | **-** | **-** | **-** | **-** | **-** | **(310.4)** | **(310.4)** | **(49.0)** | **(359.4)** |
| **Balance at 31 December 2013** | **517.1** | **678.6** | **1,165.1** | **48.2** | **295.9** | **155.9** | **2,372.8** | **5,233.6** | **691.6** | **5,925.2** |
| 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 | - | - | - | 97.8 | - | (4.3) | 416.7 | 510.2 | 78.9 | 589.1 |
| **Transactions with owners** | | | | | | | | | | |
| Changes in ownership interests in Subsidiaries | | | | | | | | | | |
| - Acquisition of Subsidiaries | - | - | - | - | - | - | - | - | 3.7 | 3.7 |
| - Additional investment in Subsidiaries | - | - | - | - | - | - | (5.9) | (5.9) | (97.6) | (103.5) |
| - Partial disposal of a Subsidiary | - | - | - | - | - | 0.2 | 6.4 | 6.6 | 72.9 | 79.5 |
| - Disposal of Subsidiaries | - | - | - | - | - | 45.4 | - | 45.4 | (2.7) | 42.7 |
| Transfer during the period | - | - | - | - | 34.2 | - | (34.2) | - | - | - |
| Bonus issue during the period | 47.0 | - | (47.0) | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | (351.7) | (351.7) | (100.3) | (452.0) |
| **Balance at 31 December 2012** | 517.1 | - | 1,165.1 | 314.9 | 259.6 | 157.5 | 2,241.8 | 4,656.0 | 665.9 | 5,321.9 |

**NOTES**

All figures are stated in RM million.

* 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 December 2013**

| **(All figures are stated in RM million)** | **2013** | **2012** |
|---|---|---|
| | | **(Restated)** |
| **Operating activities** | | |
| Receipts from customers | **10,680.4** | 8,352.1 |
| Cash paid to suppliers and employees | **(9,684.1)** | (8,785.4) |
| Cash generated from/(used in) operations | **996.3** | (433.3) |
| Income taxes paid less refund | **(139.7)** | (164.7) |
| Net cash from/(used in)operating activities | **856.6** | (598.0) |
| **Investing activities** | | |
| Capital expenditure and construction of investment & development properties | **(687.9)** | (893.9) |
| Disposal of investment property | **113.9** | 42.1 |
| Disposal of property plant & equipment and investments | **107.4** | 123.9 |
| Disposal of a Subsidiary & associates | **1.7** | 114.5 |
| Partial disposal of shares in a Subsidiary | **-** | 79.5 |
| Acquisition of Subsidiaries, net of cash acquired | **-** | (61.8) |
| Net cash inflow on acquisition of private property trust | **21.5** | - |
| Settlement on acquisition of a Subsidiary | **-** | (48.9) |
| Additional investments in Subsidiaries and joint ventures | **(15.8)** | (123.6) |
| Purchase of intangible assets | **(36.2)** | (56.7) |
| Dividends received | **92.7** | 102.9 |
| Others | **(9.1)** | 10.7 |
| Net cash used in investing activities | **(411.8)** | (711.3) |
| **Financing activities** | | |
| Transactions with owners | **(310.4)** | (351.7) |
| Issue of Perpetual Sukuk | **678.6** | - |
| New loans | **488.2** | 2,206.2 |
| Loans repayment | **(142.6)** | (317.5) |
| Other borrowings | **(471.8)** | (374.8) |
| Interest paid | **(354.0)** | (299.0) |
| Refund of pledged deposits | **-** | 500.0 |
| Others | **(48.8)** | (99.8) |
| Net cash (used in)/from financing activities | **(160.8)** | 1,263.4 |
| Net increase/(decrease) in cash and cash equivalents | **284.0** | (45.9) |
| Foreign currency translation difference | **(1.1)** | 0.5 |
| Cash and cash equivalent at beginning of period | **324.9** | 370.3 |
| **Cash and cash equivalent at end of period** | **607.8** | 324.9 |
| **Analysis of cash and cash equivalents** | | |
| Deposits, cash and bank balances | **637.9** | 375.1 |
| Overdrafts | **(30.1)** | (50.2) |
| **Cash and cash equivalent at end of period** | **607.8** | 324.9 |

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 December 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) Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group and the Company adopted the following new and amended FRS mandatory for annual financial periods beginning on or after 1 July 2012 and 1 January 2013. IC Interpretations 20 Stripping Costs in the Production Phase of a Surface Mine is not applicable to the Group as it is not relevant to the business of the Group.

- Improvements to FRS
- 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
- Amendments to FRS 10, FRS 11 and FRS 12 Consolidated financial statements, joint arrangements and disclosures on interests in other entities: transition guidance
- FRS 13 Fair value measurements
- Amendments to FRS 119 Employee benefits
- FRS 127 Separate financial statements
- FRS 128 Investments in associates and joint ventures
- IC Interpretation 20 Stripping costs in the production phase of a surface mine

The Group applied for the first time the above standards and amendments in 2013. While the adoption of FRS 10 Consolidated Financial Statements and FRS 11 Joint Arrangements require restatement of previous financial statements, the application of FRS 12 Disclosure of Interests in Other Entities has resulted in additional disclosures in the annual consolidated financial statements, while the Amendments to FRS 101 Presentation of Other Items of Other Comprehensive Income (OCI) introduce a grouping of items presented in OCI. The adoption of the other new or amended standards did not have any effect on the financial performance or the position of the Group and of the Company.

**<u>FRS 10 Consolidated Financial Statements</u>**

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all companies including special purpose entities. The changes introduced by FRS 10 require management to exercise significant judgement to determine which companies are controlled, and therefore are to be consolidated.

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. Previously, 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.

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, 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.)**

**(i) Changes in accounting policies (Cont'd.)**

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

**(a) Effects on income statement for FPE 31 December 2012**

| Increase/(decrease) | Current Quarter RM million | Cumulative Quarter RM million |
|---|---|---|
| Revenue | (223.7) | (388.8) |
| Share of results of Associates & joint ventures | 17.0 | 22.8 |
| Profit before taxation | (15.7) | (26.5) |
| Taxation | 2.3 | 7.3 |
| Non-controlling interests | 13.4 | 19.2 |

**(b) Effects on statement of financial position**

| Increase/(decrease) | As at 31 December 2012 RM million | As at 1 January 2012 RM million |
|---|---|---|
| Non-controlling interests | (59.7) | (40.9) |
| Total equity | (59.7) | (40.9) |
| Property plant and equipment | (38.4) | (20.9) |
| Investment in associates and joint ventures | 75.3 | 53.0 |
| Intangible assets | (2.5) | (2.5) |
| Inventories | (17.5) | (35.0) |
| Due from customers on contract | 403.8 | (0.4) |
| Receivables | (240.8) | 21.8 |
| Cash and bank balances | (374.1) | (220.9) |
| Short term borrowings | - | (6.8) |
| Payables | (131.8) | (156.1) |
| Due to customers on contract | (1.8) | (0.2) |
| Non-current liabilities | (0.9) | (0.9) |

**(c) Effects on statement of cash flows for FPE 31 December 2012**

| Increase/(decrease) | 2012 RM million |
|---|---|
| Net cash inflow/(outflow) from: | |
| - Operating activities | **(175.9)** |
| - Investing activities | **14.9** |
| - Financing activities | **6.5** |
| Cash and cash equivalents: | |
| - At beginning of period | **(219.6)** |
| - At end of period | **(374.1)** |

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

**(i) Changes in accounting policies (Cont'd.)**

**<u>FRS 11 Jointly Controlled Entities</u>**

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities – Non-monetary Contributions by Venturers. Under FRS 11 Investments in Joint Arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. FRS 11 removes the option to account for joint ventures using proportionate consolidation. Instead, jointly controlled entities 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 the arrangement and determined that this is a joint venture. Following the retrospective application of FRS 11, the carrying amount of the Group's investment in Boustead Ikano Sdn Bhd totalling RM20 million which was previously classified as an investment in Associate was restated as an investment in joint venture. The change does not have any other impact on the Group's consolidated financial position or performance.

**(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:

| | |
|---|---|
| • Amendments to FRS 10 Consolidated financial statements investment entities | 1 January 2014 |
| • Amendments to FRS 12 Disclosures on interests in other entities | 1 January 2014 |
| • Amendments to FRS 127 Separate financial statements investing entities | 1 January 2014 |
| • Amendments to FRS 132 Financial instruments presentation offsetting financial assets and financial liabilities | 1 January 2014 |
| • Amendments to FRS 7 Financial instruments disclosures: mandatory dates of FRS 9 and transition disclosures | 1 January 2014 |
| • Amendments to FRS 136 Impairment of assets: recoverable amount disclosures for non-financial assets | 1 January 2014 |
| • Amendments to FRS 139 Financial instruments recognition and measurement: novation of derivatives and continuation of hedge accounting | 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). On 7 August 2013, MASB announced that it will permit agriculture and real estate companies to defer the adoption of MFRS for a further year, until annual periods beginning on or after 1 January 2015.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2015. When the Group presents its first MFRS financial statements in 1 January 2015, 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**

(i) On 29 March 2013, the Company paid a 4th 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).

(ii) On 28 June 2013, the Company paid a 1st interim single tier dividend of 7.5 sen (2012: 7.5 sen) per share in respect of the year ending 31 December 2013 amounting to RM77.6 million (2012: RM77.6 million).

(iii) On 30 September 2013, the Company paid a 2nd interim single tier dividend of 7.5 sen (2012: 7.5 sen) per share in respect of the year ending 31 December 2013 amounting to RM77.6 million (2012: RM77.6 million).

(iv) On 30 December 2013, the Company paid a 3rd interim single tier dividend of 7.5 sen (2012: 10.0 sen) per share in respect of the year ending 31 December 2013 amounting to RM77.6 million (2012: RM103.4 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 31 March 2014 to shareholders registered in the Register of Members at the close of business on 17 March 2014.

**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 | Pharma-ceutical | Trading & Industrial | Elim's | Total |
|---|---|---|---|---|---|---|---|---|
| **2013** | | | | | | | | |
| **Revenue** | | | | | | | | |
| Group total sales | 695.7 | 2,502.8 | 652.8 | 153.8 | 1,946.6 | 5,288.6 | (28.3) | 11,212.0 |
| Inter-segment sales | - | - | (28.3) | - | - | - | 28.3 | - |
| External sales | 695.7 | 2,502.8 | 624.5 | 153.8 | 1,946.6 | 5,288.6 | - | 11,212.0 |
| **Result** | | | | | | | | |
| Segment result - external | 58.9 | (13.0) | 203.3 | (0.4) | 102.9 | 152.4 | - | 504.1 |
| Finance cost | (34.5) | (100.3) | (42.9) | (93.7) | (33.1) | (29.8) | 73.6 | (260.7) |
| Interest income | 15.4 | 2.9 | 8.8 | 52.8 | 1.3 | 5.0 | (73.6) | 12.6 |
| Other investment result | 85.7 | 0.2 | 40.0 | 1.1 | - | 12.2 | - | 139.2 |
| Share of result of associates & joint ventures | 5.2 | 21.2 | 5.7 | 143.6 | - | - | - | 175.7 |
| | 130.7 | (89.0) | 214.9 | 103.4 | 71.1 | 139.8 | - | 570.9 |
| **Effects on privatisation of Al-Hadharah Boustead REIT** | | | | | | | | 136.8 |
| **Profit before taxation** | | | | | | | | 707.7 |
| Taxation | | | | | | | | (147.9) |
| **Profit for the period** | | | | | | | | 559.8 |
| **2012 (Restated)** | | | | | | | | |
| **Revenue** | | | | | | | | |
| Group total sales | 872.5 | 1,324.4 | 525.6 | 130.0 | 1,812.3 | 5,186.7 | (29.2) | 9,822.3 |
| Inter-segment sales | - | - | (29.2) | - | - | - | 29.2 | - |
| External sales | 872.5 | 1,324.4 | 496.4 | 130.0 | 1,812.3 | 5,186.7 | - | 9,822.3 |
| **Result** | | | | | | | | |
| Segment result - external | 151.3 | (62.7) | 133.0 | (5.2) | 114.1 | 177.9 | - | 508.4 |
| Finance cost | (13.5) | (98.0) | (31.8) | (104.4) | (34.5) | (36.4) | 101.6 | (217.0) |
| Interest income | 21.9 | 4.8 | 7.8 | 65.0 | 0.6 | 13.5 | (101.6) | 12.0 |
| Other investment result | 42.7 | 9.3 | 48.7 | 12.8 | - | 4.1 | - | 117.6 |
| Share of result of associates & joint ventures | 4.0 | 22.8 | 3.3 | 141.6 | - | - | - | 171.7 |
| **Profit before taxation** | 206.4 | (123.8) | 161.0 | 109.8 | 80.2 | 159.1 | - | 592.7 |
| Taxation | | | | | | | | (94.2) |
| **Profit for the period** | | | | | | | | 498.5 |

**9. Debts and Equity Securities**

(i) During the 2nd quarter, the Company issued RM160 million MTNs with a maturity date of 3 years from the date of issue. The AAA(bg) MTNs bear interest at an effective interest rate of 5.25% per annum.

(ii) During the 4th quarter, the Company issued the first and second tranches of Junior Sukuk Musharakah (Perpetual Sukuk) at par value amounting to RM683 million. The Perpetual Sukuk is unrated and carries a semi-annual profit rate of 6.1% per annum up to year 5.

There were no other 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 27 February 2014 that will materially affect the financial statements of the financial period under review.

**12. Changes in Group Composition**

(i) During the 2nd quarter, BHIC Allied Defence Technology Sdn Bhd (formerly known as Atlas Defence Technology Sdn Bhd) became a wholly owned subsidiary of the Boustead Heavy Industries Berhad (BHIC).

(ii) On 28 November 2013, the Group disposed of its entire stake in Asia Smart Cards Centre (M) Sdn Bhd comprising 50,000 ordinary shares of RM1 each at a cash consideration of RM1.6 million.

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 23, the status of the contingent liabilities disclosed in the FY2012 annual financial statements remains unchanged as at 27 February 2014. No other contingent liability has arisen since the financial year end.

**14. Commitments**

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

| | **Authorised but not contracted RM million** | **Authorised and contracted RM million** |
|---|---|---|
| Capital expenditure | 298.9 | 282.5 |
| Additional investment in a joint venture | 180.0 | - |
| Proposed acquisition of a Subsidiary | - | 70.2 |
| | 478.9 | 352.7 |

**15. Intangible Assets**

| **RM' million** | **Goodwill** | **Concession right** | **Right to supply** | **Total** |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2013 | 1,180.3 | 75.0 | 89.8 | 1,345.1 |
| Additions | - | - | 15.2 | 15.2 |
| At 31 December 2013 | 1,180.3 | 75.0 | 105.0 | 1,360.3 |
| **Accumulated amortisation and impairment** | | | | |
| At 1 January 2013 | - | 15.2 | 25.0 | 40.2 |
| Amortisation | - | 8.7 | 34.3 | 43.0 |
| At 31 December 2013 | - | 23.9 | 59.3 | 83.2 |
| **Net carrying amount** | | | | |
| At 31 December 2013 | 1,180.3 | 51.1 | 45.7 | 1,277.1 |
| At 31 December 2012 | 1,180.3 | 59.8 | 64.8 | 1,304.9 |

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

**16. 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.

**17. Performance Review**

For the 4$^{th}$ quarter, the Group posted an unaudited profit before tax of RM280.5 million representing an improvement of 78% over the profit for the corresponding period last year of RM157.7 million. The Group's profit after tax totalling RM228.1 million for the current quarter was also better than the corresponding period last year's net profit of RM151.9 million by RM76.2 million or 50%.

The Group's revenue for the full year totalling RM11.21 billion was 14% better than that recorded during the corresponding period last year. Heavy Industries Division's revenue rose to RM2.50 billion (2012: RM1.32 billion), attributable mainly to the increased level of activity of the Littoral Combat Ship (LCS) project. The Trading & Industrial Division's turnover was marginally better than the previous year, while the Plantation Division’s revenue dipped 20% mainly due to the soft palm product prices which were significantly lower. The Pharmaceutical Division’s revenue was 7% higher at RM1.95 billion (2012: RM1.81 billion) on stronger contribution from non-concession business with new tenders awarded during the year as well as organic growth for the concession business. Property Division’s revenue for the cumulative period of RM624.5 million was 26% better on higher progress billings and sale of corporate lots.

The Group’s cumulative pre-tax profit of RM707.7 million was 19% higher than the pre-tax profit of RM592.7 million for the same period last year. During the current quarter, the Group booked in a gain of RM136.8 million on deemed disposal of investments, following the privatisation of Al-Hadharah Boustead REIT. Excluding this gain, the Group's pre-tax profit of RM570.9 million was 4% less than the previous financial year.

For the current financial year, the Plantation Division contributed a pre-tax profit of RM130.7 million (2012: RM206.4 million) mainly due to the lower average CPO price of RM2,353 per MT, representing a decrease of RM549 or 19% against last year corresponding period's average of RM2,902 per MT. In addition, FFB crop totalling 1,043,280 MT was 5% short of the previous year.

The Property Division was the top profit contributor, registering a pre-tax profit of RM214.9 million (2012: RM161.0 million) for the 12-month period, an increase of 33%. The sale of corporate lots and higher progress billings from property development projects accounted for the stronger performance.

The Trading & Industrial Division achieved a pre-tax profit of RM139.8 million, representing a drop of RM19.3 million as the previous year's gain on disposal of property was significantly higher at RM40 million (2013: RM9 million). Excluding this non-recurring gain, the Division's profit was 10% better on the back of strong performance by BH Petrol operations which produced a 19% increase with a pre-tax operating profit of RM128 million (2012: RM108 million) on higher sales volume. The Industrial segment result was affected by sluggish sales.

The Pharmaceutical Division reported a pre-tax profit of RM71.1 million, 11% short of last year’s corresponding period’s gain of RM80.2 million. The reduced profit was attributable to lower gross profits and higher operating expenses such as provision for doubtful debts.

The Heavy Industries Division posted a deficit of RM89.0 million (2012: RM123.8 million) for the 12-month period. Gross margin for the LCS project was adjusted during the quarter, following the upward revision of the LCS project cost as a result of further scope of work upon discussion with various stakeholders, including the navy and original equipment manufacturers. In addition, the Division’s result was also affected by cost overruns from ship repair projects and impairment of long outstanding trade receivables. MHS Aviation had turned in a pre-tax profit of RM26.4 million (2012: RM18.4 million) largely attributable to an improvement in revenue.

The Finance & Investment Division posted a pre-tax profit of RM103.4 million for the cumulative period, which was 6% short of the previous year's profit. Neverthesless, the Division's main profit earner Affin Holdings Berhad performed well to record a higher pre-tax profit of RM854 million (2012: RM827 million).

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

The current quarter’s pre-tax profit of RM280.5 million was 76% higher than the preceding quarter’s result of RM159.2 million. Effects on the privatisation of BREIT accounted for a pre-tax gain of RM136.8 million during the current quarter.

The Plantation Division posted a profit of RM84.8 million, an improvement over the preceding quarter’s gain of RM29.8 million, attributable to higher dividend income while both FFB crop and palm product prices have also improved. FFB production for the current quarter of 288,553 MT was 7% better than the preceding quarter's 269,382 MT, while the average palm oil price realised for the quarter of RM2,407 per MT was also higher than the preceding quarter’s average of RM2,342 per MT.

**18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter (Cont'd.)**

Trading & Industrial Division's pre-tax profit for the current quarter of RM36.8 million was marginally lower than the preceding quarter of RM38.6 million mainly due to the weaker results from building materials segment. Property Division's bottom line for the current quarter improved to RM90.3 million (Preceding quarter: RM47.7 million) mainly helped by the fair value gain on investment properties. Pharmaceutical Division's profit for the current quarter was significantly higher at RM32.9 million (Last quarter: RM6.1 million) as the Division achieved a 29% revenue growth to RM567.8 million (Preceding quarter: RM440.8 million) with increase from both concession and non-concession businesses.

Heavy Industries Division turned in a deficit of RM131.1 million during the current quarter (Preceding quarter: gain of RM12.8 million), as the Division's performance was impacted by the revision of the LCS project cost, impairment of long outstanding trade receivables as well as higher cost of ship repair projects. Air transportation and support services segment under MHS Aviation produced a better set of results on improved revenue.

**19. Prospects for the Coming Year**

The coming year will be challenging. Generally, there is cautious optimism that the US economic recovery will gain strength in the coming year, and that the Eurozone recovery will also gather pace. While the economic recovery of US and EU will augur well for Malaysia, lingering fears over the slowing of China's economy and uncertainty over the effects and pace of tapering by US Federal Reserve remain a concern. On the domestic front, the Malaysian economy is expected to be helped by the supportive government policy measures and ETP initiatives. On the other hand, inflationary pressures will pose a challenge in 2014.

CPO price is expected to strengthen in the coming months in tandem with the softer outlook on the palm oil inventory for the first half of 2014, as well as the expected better biodiesel consumption fuelled by the biodiesel policies of Malaysia and Indonesia. Another accompanying factor that might have a positive impact would be the tighter control on the use of trans fats in the US, which should shore up demand for CPO. The IPO of Boustead Plantations Berhad slated for completion in mid 2014 will unlock the value of the merged plantation assets and place the Plantation Division on a stronger footing for expansion and cost efficiencies.

The MOH concession business will be the main growth driver to boost the Pharmaceutical Division's earnings, while the recently awarded European Union (EU) certification would open up opportunities for contract manufacturing projects from multinational companies in the EU. The newly acquired manufacturing plant in Indonesia will also provide the platform for the Division to grow revenue.

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 LCS project, while the on-going MRO activities and the recently awarded RM108 million oil and gas project by Murphy Oil will also contribute to the bottom line. With the discussion on scope of supply completed and known committed costs accounted for, the profit margin for the LCS project is not expected to be materially adjusted in 2014.

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**

| | Current Period 2013 RM million | Cumulative Period 2013 RM million |
|---|---|---|
| Malaysian taxation based on profit for the period: | | |
| - Current | 24.2 | 128.6 |
| - Deferred | 30.9 | 35.8 |
| | 55.1 | 164.4 |
| Over provision of prior years | (2.7) | (16.5) |
| | 52.4 | 147.9 |

**22. Corporate Proposals - Status**

(i) On 16 July 2013, the Company's wholly owned Subsidiary Boustead Plantations Berhad (BPB) issued a letter to the Board of Boustead REIT Managers Sdn Bhd (Manager) and CIMB Islamic Trustee Berhad, being the manager and trustee of Al-Hadharah Boustead REIT (BREIT) respectively, to notify that BPB intends to convert BREIT from being a collective investment scheme to a private property trust.

In this regard, BPB had requested the Manager to undertake the redemption of all undivided interest in BREIT as constituted by the Trust Deed (Units) held by the fund's unitholders (save and except for the Units held by BPB) on the basis of a cash repayment of RM1.94 per Unit to the fund's unitholders (excluding BPB) (Proposed SUR) and a final special dividend of RM0.16 per Unit to all unitholders (including BPB) of the fund (Special Dividend). The cash payment under the Proposed SUR and the Special Dividend will collectively amount to RM2.10 per Unit.

The privatisation of BREIT was duly completed on 10 December 2013, and the settlement of the Special Dividend and Proposed SUR was effected on 28 January 2014 and 29 January 2014 respectively. The BREIT Units were delisted on 23 December 2013.

Following the privatisation of BREIT, the Company announced on 30 December 2013 that BPB will undertake an initial public offering (IPO) on the Main Market of Bursa Securities. The proposed IPO of up to 656 million ordinary shares of RM0.50 each which represents up to 41% of the enlarged issued and paid-up share capital of BPB will comprise 76 million existing BPB shares offered for sale by the Company and 580 million new BPB shares to be issued by BPB. The proposed IPO and listing of and quotation for the entire enlarged issued and paid-up share capital of BPB on the Main Market of Bursa Securities of RM800 million comprising 1.6 billion ordinary shares of RM0.50 each is subject to the approval of the Company's shareholders, Securities Commission and other relevant authorities.

Barring any unforeseen circumstances, the proposed IPO and listing of BPB are expected to complete by mid 2014.

(ii) Pharmaniaga entered into a joint venture agreement (JVA) with Modern Healthcare Solutions Company Limited on 20 May 2013 to form and operate a joint venture limited liability company (JV Company) in the Kingdom of Saudi Arabia. Upon incorporation of the JV Company, each party will have a 50% equity interest in share capital of the JV Company. The fulfilment of the conditions precedent under the JVA is on-going and target for completion by end of the year.

(iii) 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.

(iv) On 29 August 2013, the Group announced that Pharmaniaga International Corporation Sdn Bhd (Pharmaniaga Corp), a wholly-owned Subsidiary of Pharmaniaga Berhad, and PT Dasar Technologi (collectively referred to as the Purchasers) had entered into a Binding Agreement (BA) with Sutjipto Tjengundoro and Hendrijanto Surjosuseno (collectively referred to as the Sellers) to acquire 40,000 ordinary share in PT Errita Pharma (ERRITA) representing the entire issued and paid up share capital of ERRITA for a cash payment to the Sellers of USD18.0 million and cash payment of up to USD6.0 million representing the total liabilities of ERRITA.

On 18 February 2014, both the Sellers and Purchasers entered into a Supplementary Agreement and Escrow Agreement to vary and amend the terms and conditions of the BA. On even day, the acquisition of ERRITA was completed upon fulfilment of the conditions precedent as set out in the BA.

Besides the liabilities of ERRITA which shall be payable in the manner as set out in the Escrow Agreement, the remaining outstanding liability payable by the Purchasers shall be a sum not exceeding USD5.4 million being the amount of tax payable to the relevant authorities pursuant to the BA. The Purchasers are expected to settle the said tax liability for a sum not exceeding USD5.4 million by 10 March 2014.

The total cost incurred by the Purchasers for the purpose of this acquisition shall be USD29.4 million, of which Pharmaniaga Corp shall bear USD22.05 million representing 75% of its equity interest in ERRITA.

(v) The acquisition of 2 pieces of contiguous leasehold land held under country lease measuring approximately 2,409.8 hectares located in the District of Lahad Datu, Sabah at a cash consideration of RM184.6 million by Boustead Rimba Nilai Sdn Bhd, a wholly-owned subsidiary of Boustead Plantations Berhad was completed on 30 December 2013.

(vi) On 18 November 2013, the Company announced its intention to establish a hybrid equity programme of up to RM1.2 billion involving the issuance of Junior Sukuk Musharakah (Perpetual Sukuk) under the perpetual Junior Sukuk Programme. On 23 December 2013, the Company issued the first tranche of the Perpetual Sukuk at par value amounting to RM683 million which bear a coupon of 6.1% per annum. The remainder of the programme will be issued in 2014.

There were no other corporate proposals announced or pending completion as at 27 February 2014.

**23. Changes in Material Litigations**

(i) In respect of the litigation referred to in Note 35(b) of the FY2012 annual financial statements, hearing on the appeal was heard on 11 November 2013, where the Court of Appeal had allowed the Plaintiff's appeal and ordered the matter to be tried at the High Court. The hearing date for the case is yet to be fixed.

(ii) The litigation referred to in Note 35(c) of the FY2012 annual financial statements came to an end on 25 July 2013 when the Federal Court dismissed with costs of RM20,000 Meridien's application for leave to appeal to the Federal Court against the Court of Appeal's decision.

As at 27 February 2014, 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.

**24. Earnings Per Share - Basic**

| | **Current Period** | | **Cumulative Period** | |
|---|---|---|---|---|
| | **2013** | **2012** | **2013** | **2012** |
| Net profit for the period (RM million) | **220.2** | 150.5 | **478.8** | 416.7 |
| 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) | **21.29** | 14.55 | **46.30** | 40.29 |

**25. Group Borrowings and Debt Securities**

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

| | **As at 31 December 2013 RM million** | **As at 31 December 2012 RM million** | **As at 1 January 2012 RM million** |
|---|---|---|---|
| Non-current: | | **(Restated)** | **(Restated)** |
| Term loans | | | |
| - Denominated in US Dollars | **60.1** | 62.4 | 71.1 |
| - Denominated in Indonesian Rupiah | **43.6** | 36.4 | 37.3 |
| - Denominated in RM | **1,828.7** | 1,575.3 | 749.3 |
| | **1,932.4** | 1,674.1 | 857.7 |
| Bank guaranteed medium term notes | **998.0** | 838.7 | 674.1 |
| Asset-backed bonds | **896.2** | 895.5 | - |
| | **3,826.6** | 3,408.3 | 1,531.8 |
| Less: repayable in 1 year | **760.1** | 726.1 | 372.5 |
| | **3,066.5** | 2,682.2 | 1,159.3 |
| Current: | | | |
| Bank overdrafts | **30.1** | 50.2 | 50.3 |
| Bankers' acceptances | **201.5** | 308.0 | 367.0 |
| Revolving credits | | | |
| - Denominated in US Dollars | **37.4** | 34.9 | 36.2 |
| - Denominated in RM | **2,540.4** | 2,808.2 | 3,103.4 |
| Short term loans | **760.1** | 726.1 | 372.5 |
| | **3,569.5** | 3,927.4 | 3,929.4 |
| Total borrowings | **6,636.0** | 6,609.6 | 5,088.7 |

**26. Retained Earnings**

| | **As at 31 December 2013 RM million** | **As at 31 December 2012 RM million** | **As at 1 January 2012 RM million** |
|---|---|---|---|
| Total retained earnings of Boustead Holdings Berhad and its Subsidiaries | | | |
| Realised | **2,794.3** | 2,235.1 | 2,236.1 |
| Unrealised | **233.8** | 299.3 | 237.0 |
| | **3,028.1** | 2,534.4 | 2,473.1 |
| Total share of retained earnings of associates and joint ventures | | | |
| Realised | **759.0** | 648.4 | 580.8 |
| Unrealised | **60.2** | 53.9 | 7.6 |
| | **3,847.3** | 3,236.7 | 3,061.5 |
| Consolidation adjustments | **(1,474.5)** | (994.9) | (851.0) |
| Total retained earnings of the Group as per consolidated accounts | **2,372.8** | 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)** |
| Net fair value gain on investment properties | **48.4** | 61.5 | **48.4** | 61.5 |
| Depreciation and amortisation | **94.4** | 81.5 | **297.0** | 265.4 |
| Provision for and write off of receivables | **63.7** | 1.8 | **81.5** | 13.6 |
| Provision for and write off of inventories | **8.8** | - | **15.2** | 4.4 |
| Impairment of property plant and equipment | **16.7** | 21.3 | **16.7** | 21.3 |
| Loss/(gain) on disposal of Associates/Subsidiaries | **2.8** | (1.7) | **2.8** | (9.4) |
| Gain on sale of quoted and unquoted investments | **(1.2)** | (0.4) | **(4.7)** | (1.6) |
| Gain on disposal of properties | **(7.0)** | (29.9) | **(30.8)** | (70.1) |
| Stockholding (gain)/loss | **(5.5)** | 6.6 | **(12.0)** | 2.6 |
| Foreign exchange (gain)/loss | **(4.4)** | (1.0) | **9.9** | (15.5) |
| Net fair value loss/(gain) on derivatives | **0.6** | 0.9 | **(11.2)** | 11.7 |

**28. Plantation Statistics**

| | | Cumulative Period | |
|---|---|---|---|
| | | **2013** | **2012** |
| **(a) Planted areas (hectares)** | | | |
| Oil palm | - prime mature | **53,193** | 54,741 |
| | - young mature | **10,653** | 8,036 |
| | - immature | **6,492** | 5,598 |
| | | **70,338** | 68,375 |

| | Cumulative Period | |
|---|---|---|
| | **2013** | **2012** |
| **(b) Crop production (MT)** | | |
| FFB | **1,043,280** | 1,100,409 |
| **(c) Average selling prices (RM per MT)** | | |
| FFB | **486** | 577 |
| Palm oil | **2,353** | 2,902 |
| Palm kernel | **1,284** | 1,568 |

**29. Economic Profit**

| | Cumulative Period | |
|---|---|---|
| | **2013** | **2012** |
| | **RM million** | **RM million** |
| For the year ended 31 December | **(34.5)** | (26.6) |

**30. Headline KPIs**

| | **2013** | **2013** | **2014** |
|---|---|---|---|
| | **Actual** | **Target** | **Target** |
| Return on Equity (ROE) | 9.7% | 9.5% | 8.0% |
| Return on Assets (ROA) | 6.7% | 6.5% | 6.5% |
| Dividend per share | 30 sen | 30 sen | 30 sen |

The headline KPIs for 2014 represent the main corporate targets set for these periods and act as a transparent performance management practice. It shall not be construed as either forecasts, projections or estimates and is not intended to represent any future performance, occurrence or matter as the KPIs are merely a set of targets/aspirations of future performance aligned to Boustead's strategy.