

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

For the quarter ended 30 June 2014 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2014	2013	2014	2013
Revenue	2,588.2	2,390.1	5,088.0	4,921.2
Operating cost	(2,440.7)	(2,273.8)	(4,774.6)	(4,627.9)
Profit from operations	147.5	116.3	313.4	293.3
Interest income	5.7	2.1	11.2	3.9
Other investment results	1.4	0.7	1.4	20.0
Finance cost	(72.0)	(64.5)	(140.4)	(124.7)
Share of results of associates & joint ventures	27.3	38.5	57.6	75.5
Profit before taxation	109.9	93.1	243.2	268.0
Taxation	(42.2)	(18.4)	(84.1)	(59.2)
Profit for the period	67.7	74.7	159.1	208.8
<i>Profit for the period attributable to:</i>				
Shareholders of the Company	45.3	61.2	112.0	161.1
Non-controlling interests	22.4	13.5	47.1	47.7
Profit for the period	67.7	74.7	159.1	208.8
Earnings per share - sen				
Basic	4.38	5.92	10.83	15.58

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2013.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 30 June 2014 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2014	2013	2014	2013
Profit for the period	67.7	74.7	159.1	208.8
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss</i>				
Currency translation difference in respect of foreign operations	(0.5)	0.1	3.5	0.1
Net gain/(loss) on available for sale investments				
- fair value changes	0.6	3.0	-	10.5
- transfer to profit or loss on disposal	(0.7)	0.1	(0.5)	(0.4)
Share of OCI of investments accounted for using the equity method	2.0	-	3.6	-
Total comprehensive income for the period	69.1	77.9	165.7	219.0
Attributable to:				
Shareholders of the Company	46.0	64.2	115.0	171.1
Non-controlling interests	23.1	13.7	50.7	47.9
Total comprehensive income for the period	69.1	77.9	165.7	219.0

The unaudited condensed statement of consolidated comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2013.

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

	Unaudited	Audited
	As at	As at
As at 30 June 2014	30 June	31 December
(All figures are stated in RM million)	2014	2013
ASSETS		
Non current assets		
Property, plant and equipment	4,593.8	4,621.4
Biological assets	1,239.9	1,239.5
Investment properties	1,336.5	1,320.8
Development properties	374.1	339.2
Prepaid land lease payments	67.9	69.0
Long term prepayment	149.3	152.2
Deferred tax assets	81.4	61.7
Associates	1,791.3	1,480.1
Joint ventures	294.0	110.8
Available for sale investments	35.8	45.1
Intangible assets	1,377.6	1,277.1
	11,341.6	10,716.9
Current assets		
Inventories	727.0	718.2
Property development in progress	54.6	36.4
Due from customers on contracts	1,387.7	1,199.8
Receivables	1,627.4	1,808.7
Deposits, cash and bank balance	1,050.8	637.9
	4,847.5	4,401.0
TOTAL ASSETS	16,189.1	15,117.9
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	517.1	517.1
Perpetual Sukuk	878.5	678.6
Reserves	4,049.3	4,037.9
Shareholders' equity	5,444.9	5,233.6
Non-controlling interests	1,727.2	691.6
Total equity	7,172.1	5,925.2
Non current liabilities		
Borrowings	2,967.0	3,066.5
Other payable	28.4	26.7
Deferred tax liabilities	132.8	93.2
	3,128.2	3,186.4
Current liabilities		
Borrowings	4,247.7	3,569.5
Trade and other payables	1,608.0	2,316.6
Due to customer on contracts	-	97.8
Taxation	33.1	22.4
	5,888.8	6,006.3
Total liabilities	9,017.0	9,192.7
TOTAL EQUITY AND LIABILITIES	16,189.1	15,117.9

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2013.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 30 June 2014	Attributable to shareholders of the Company								Non-Controlling Interests	Total Equity
	Share Capital	Perpetual Sukuk	*Share Premium	*Revaluation & Fair Value Reserve	*Statutory Reserve	*Other Reserves	Retained Profit	Total		
As at 1 January 2014	517.1	678.6	1,165.1	48.2	295.9	155.9	2,372.8	5,233.6	691.6	5,925.2
Total comprehensive income for the period	-	-	-	3.5	-	(0.5)	112.0	115.0	50.7	165.7
Transactions with owners										
Perpetual Sukuk										
- Issuance	-	199.9	-	-	-	-	-	199.9	-	199.9
- Coupons paid	-	-	-	-	-	-	(20.8)	(20.8)	-	(20.8)
Changes in ownership interests in Subsidiaries										
- Partial disposal of a Subsidiary	-	-	-	-	-	(39.5)	49.7	10.2	148.5	158.7
- Issue of shares by Subsidiaries	-	-	-	-	-	315.2	(253.0)	62.2	850.4	912.6
- Acquisition of a Subsidiary	-	-	-	-	-	-	-	-	4.4	4.4
Dividends	-	-	-	-	-	-	(155.2)	(155.2)	(18.4)	(173.6)
Balance at 30 June 2014	517.1	878.5	1,165.1	51.7	295.9	431.1	2,105.5	5,444.9	1,727.2	7,172.1
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	-	-	-	10.0	-	-	161.1	171.1	47.9	219.0
Transactions with owners										
Additional investment in a Subsidiary	-	-	-	-	-	-	(1.1)	(1.1)	(2.4)	(3.5)
Dividends	-	-	-	-	-	-	(155.2)	(155.2)	(18.9)	(174.1)
Balance at 30 June 2013	517.1	-	1,165.1	324.9	259.6	157.5	2,246.6	4,670.8	692.5	5,363.3

NOTES

* Denotes non distributable reserves.

All figures are stated in RM million. The condensed consolidated statements of changes in equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2013.

Boustead Holdings Berhad (3871-H)**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the quarter ended 30 June 2014**

(All figures are stated in RM million)	2014	2013
Operating activities		
Receipts from customers	4,643.0	4,476.6
Cash paid to suppliers and employees	(4,445.6)	(4,604.0)
	197.4	(127.4)
Income taxes paid less refund	(48.2)	(26.9)
Net cash from/(used in) operating activities	149.2	(154.3)
Investing activities		
Capital expenditure & construction of investment property	(100.9)	(191.0)
Disposal of investment property	-	113.9
Disposal of property plant & equipment and biological assets	4.5	36.2
Partial disposal of shares in a Subsidiary	158.7	-
Acquisition of a Subsidiary, net of cash acquired	(74.8)	-
Settlement on acquisition of a Subsidiary	(564.5)	-
Additional investment in a joint venture, associate and Subsidiary	(436.1)	(15.7)
Others	(28.5)	2.0
Net cash used in investing activities	(1,041.6)	(54.6)
Financing activities		
Transactions with owners	(155.2)	(155.2)
Transactions with holders of Perpetual Sukuk	186.6	-
Issue of shares by Subsidiaries	912.6	-
New loans	19.9	198.8
Loans repayment	(66.4)	(73.1)
Other borrowings	600.7	480.6
Interest paid	(186.6)	(150.9)
Others	(25.9)	(18.9)
Net cash from financing activities	1,285.7	281.3
Net increase in cash and cash equivalents	393.3	72.4
Foreign currency translation difference	(4.5)	-
Cash and cash equivalent at beginning of period	607.8	324.9
Cash and cash equivalent at end of period	996.6	397.3
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	1,050.8	424.8
Overdrafts	(54.2)	(27.5)
Cash and cash equivalent at end of period	996.6	397.3

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 2013.

Boustead Holdings Berhad (3871-H)**Notes to the interim financial report for the quarter ended 30 June 2014****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 2013. 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 2014, the Group adopted the following amended FRS:-

- Amendments to FRS 10 Consolidated Financial Statements Investment Entities
- Amendments to FRS 12 Disclosures on Interests in Other Entities
- Amendments to FRS 127 Separate Financial Statements Investing Entities
- Amendments to FRS 132 Financial Instruments Presentation Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 7 Financial Instruments Disclosures: Mandatory Dates of FRS 9 and Transition Disclosures
- Amendments to FRS 136 Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to FRS 139 Financial Instruments Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting

Adoption of the above amendments did not have a material effect on the financial statements of the Group.

(ii) Standards Issued but not yet Effective

The Group has not early adopted the following amended FRS that are not yet effective:

	Effective Date
• Amendments to FRS 119 Defined Benefit Plans: Employee Contributions	1 July 2014
• Annual Improvements to FRSS 2010 - 2012 Cycle	1 July 2014
• Annual Improvements to FRSS 2011 - 2013 Cycle	1 July 2014
• Amendments to FRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
• FRS 14 Regulatory Deferral Accounts	1 January 2016
• Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• FRS 9 Financial instruments (2009)	To be announced by MASB
• FRS 9 Financial instruments (2010)	To be announced by MASB

(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 an additional 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.

9. Debts and Equity Securities

During the current quarter, the Company issued Perpetual Sukuk at par value amounting to RM201.0 million. The Perpetual Sukuk is unrated and carries a semi-annual profit rate of about 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 25 August 2014 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

- (i) During the 1st quarter, the Company's Subsidiary Pharmaniaga Berhad acquired a 75% stake in PT Errita Pharma for a cash consideration of RM74 million.
- (ii) Upon completion of the initial public offering of Boustead Plantations Berhad (BPB) as referred to in Note 22(i), the Group's interest in BPB was reduced from 100% to 57.42%.

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

13. Changes in Contingent Liabilities and Contingent Assets

The status of the contingent liabilities disclosed in the FY2013 annual financial statements remains unchanged as at 25 August 2014. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 30 June 2014:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	<u>526.2</u>	<u>203.2</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 2013.

16. Intangible Assets

RM' million	Goodwill	Concession right	Right to supply	Total
Cost				
At 1 January 2014	1,180.3	75.0	105.0	1,360.3
Additions	59.2	-	52.5	111.7
At 30 June 2014	<u>1,239.5</u>	<u>75.0</u>	<u>157.5</u>	<u>1,472.0</u>
Accumulated amortisation and impairment				
At 1 January 2014	-	23.9	59.3	83.2
Amortisation	-	4.3	6.9	11.2
At 30 June 2014	<u>-</u>	<u>28.2</u>	<u>66.2</u>	<u>94.4</u>
Net carrying amount				
At 30 June 2014	1,239.5	46.8	91.3	1,377.6
At 31 December 2013	<u>1,180.3</u>	<u>51.1</u>	<u>45.7</u>	<u>1,277.1</u>

Goodwill arising from the acquisition of PT Errita Pharma (PT Errita) totalling RM59.2 million is based on a preliminary assessment as at 30 June 2014. The Group is currently in the midst of carrying out the purchase price allocation (PPA) exercise to allocate the values of tangible assets, liabilities, contingent liabilities and identifiable intangible assets of PT Errita. The results of the PPA exercise will determine the final value of goodwill.

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

17. Performance Review

For the 2nd quarter, the Group posted an unaudited profit before tax of RM109.9 million, an improvement of 18% over the profit for the corresponding period last year of RM93.1 million. The Group's profit after tax totalling RM67.7 million for the current quarter was however, lower than the corresponding period last year's net profit of RM74.7 million.

For the half-year, the Group registered revenue of RM5.1 billion, up 3% from that recorded during the corresponding period last year. Trading & Industrial Division's turnover was 12% ahead of the previous year mainly on volume growth, while Plantation Division's revenue also rose by 17% mainly on improved palm product prices. Pharmaceutical Division's revenue was 6% higher on improved contribution from non concession segment. Property Division's half-year revenue was 12% lower largely on lower progress billings. Heavy Industries Division's revenue for the 6-month period was 29% lower than the corresponding period last year, mainly due to lower progress of work from the Littoral Combat Ship project.

Plantation Division was once again the biggest contributor to the Group, delivering a pre-tax profit of RM61.4 million for the half-year period, signifying a 284% increase compared with the previous corresponding period's profit of RM16.0 million. The Division's strong results were attributed to improved average CPO prices of RM2,605 per MT, a 12% increase from RM2,328 per MT in the previous corresponding period. Fresh fruit bunches for the six-month period totalled 498,929 MT, a 3% increase compared with the previous year.

The second highest contributor to the Group was Trading & Industrial Division which delivered a profit of RM58.4 million, lower compared to the previous year's profit which included a non-recurring gain on property sale. For the half-year period, Pharmaceutical Division reported a substantial 55% increase with a pre-tax profit of RM49.8 million (2013: RM32.1 million), due largely to the increase in sales revenue and a reduction in operating expenses

For the cumulative period, Property Division recorded a lower profit of RM24.5 million due mainly to lower revenue as well as the absence of the sale of investment properties and corporate lots. Finance and Investment Division reported a pre-tax profit of RM45.5 million, a reduction compared with the previous year as a result of weaker contribution from the AFFIN Group.

Heavy Industries Division recorded a lower profit of RM3.6 million primarily due to a drop in revenue and higher cost. At the same time, one of the key business units within the Division, MHS Aviation, performed well as a result of lower operating cost and delivered a profit of RM19.9 million.

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

The Group's pre-tax profit of RM109.9 million for the current quarter was lower than the preceding quarter's pre-tax profit of RM133.3 million mainly due to the weaker contributions from Plantation, Finance & Investment and Pharmaceutical Divisions.

Plantation Division posted a lower operating profit of RM21.0 million (Preceding quarter: RM40.5 million) mainly due to the reduction in sales volume, softer palm product prices coupled with increased manuring and replanting expenditure. Average palm oil price realised for the current quarter of RM2,581 per MT was 2% weaker than the preceding quarter's average of RM2,629 per MT. FFB crop of 245,821 MT was also 3% below the preceding quarter's crop of 253,108 MT.

Trading & Industrial Division's pre-tax profit for the current quarter of RM29.5 million was marginally better than the preceding quarter's profit of RM28.9 million. Pharmaceutical Division's profit for the current quarter was lower at RM18.1 million (Preceding quarter: RM31.7 million) on higher operating expenses mainly on provision for stock obsolescence, marketing and promotion.

Heavy Industries Division posted a surplus of RM7.7 million for the current quarter as compared to the previous quarter's loss of RM4.1 million, mainly on improved contributions from both the commercial and defence segment. Property Division's pre-tax profit rose to RM16.1 million (Preceding quarter: RM8.4 million) on improved performance by all the operating segments.

19. Prospects for the Year

Recovery of the global economy is expected to continue. On the domestic front, the Malaysian economy is expected to be helped by the supportive government policy measures and ETP initiatives, although inflationary pressures will be a concern in 2014.

Plantation Division's prospects for the second half year will be driven by palm product prices and FFB crop. While El Nino may impact CPO prices and FFB crop depending on its timing and severity, on a positive note, rising biodiesel mandates in a number of countries would help support the market for palm oil. As for FFB crop production, the effect of the hot and dry weather experienced during the first half year will continue for the next 12 to 18 months.

19. Prospects for the Year (Cont'd.)

The MOH concession business and the related manufacturing activities undertaken will be the main growth driver to boost the Pharmaceutical Division's earnings. Via its European Union (EU) certified plant, the Division aims to seek out collaborations with multinational companies in the EU region for contract manufacturing projects. The recently acquired manufacturing plant is also expected to have a positive impact on earnings and strengthen the Division's presence in Indonesia.

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. Following the signing of the formal contract for the LCS project in July 2014, progress of the LCS project would be accelerated to contribute significantly to the Division's performance going forward.

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	Cumulative Period
	2014	2014
	RM million	RM million
Malaysian taxation based on profit for the period:		
- Current	25.8	62.3
- Deferred	18.7	19.3
	44.5	81.6
Under provision of prior years	(2.3)	2.5
	42.2	84.1

The Group's effective tax rate is higher than the statutory tax rate mainly due to the non-deductibility of certain expenses and non-availability of group relief for losses of certain Subsidiaries.

22. Corporate Proposals - Status

- (i) The Group announced on 30 December 2013 that Boustead Plantations Berhad (BPB) will undertake an initial public offering (IPO) on the Main Market of Bursa Securities. On 26 June 2014, the entire issued and paid-up share capital of BPB comprising 1,600,000,000 BPB Shares of RM0.50 each was listed on the Main Market of Bursa Securities.

Pursuant to the IPO, 656 million BPB shares comprising 76 million existing BPB shares held by Boustead and 580 million new BPB shares were offered for sale. After taking into account the over-allotment of existing BPB shares that formed an integral part of the price stabilisation action which ended on 25 July 2014, the total existing BPB shares offered for sale by Boustead came to 101.33 million. Thus, gross proceeds raised from the IPO of 681.33 million of BPB shares came to RM1.09 billion.

Upon completion of the IPO and the price stabilisation action, the Group's interest in BPB is currently at 57.42%.

- (ii) Pharmaniaga had entered into a joint venture agreement (JVA) with Modern on 20 May 2013 to form and operate a joint venture limited liability company (JV Company) in the Kingdom of Saudi Arabia (KSA). Upon incorporation of the JV Company, each Party will have a 50% equity interest in share capital of the JV Company.
- (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) In FY2013, the Company established a hybrid equity programme involving the issuance of Junior Sukuk Musharakah (Perpetual Sukuk) under the Junior Islamic Medium Term Note Programme of up to RM1.2 billion nominal value, of which Perpetual Sukuk with a nominal value of RM683 million were issued in FY2013. In June and August 2014, the Company further issued Perpetual Sukuk with a nominal value of RM201.0 million and RM200.0 million respectively, bringing the cumulative amount raised under the Programme to RM1,084.0 million. The remainder of the Programme comprising RM116.0 million of Perpetual Sukuk will be implemented during the year under review.
- (v) On 23 July 2014, the Group's wholly owned Subsidiary Bestari Marine Sdn Bhd (Bestari Marine) entered into a conditional Sale and Purchase Agreement (SPA) with the vendors to purchase 9 parcels of land with a combined titled land area of 69.88 acres together with a cruise centre terminal and a jetty situated in Mukim and District of Klang, Selangor (Lands) at a cash consideration of RM310.0 million. A deposit of RM31.0 million representing 10% of the purchase price was paid and the balance purchase price totalling RM279.0 million is payable within 30 days from the date when all conditions precedent are fulfilled.
- The acquisition is subject to the approval from the Selangor State Authority for the transfer of the Lands to Bestari Marine to be fulfilled within 4 months from the date of the SPA or by 31 October 2014 whichever is earlier.

22. Corporate Proposals - Status (Cont'd.)

- (vi) On 6 August 2014, the Company entered into a conditional Shares Sale Agreement (SSA) with the shareholders (Vendors) of PFC Engineering Sdn Bhd (PFCE) in relation to the acquisition of 8,000,000 ordinary shares of RM1.00 each representing 80% of the issued and paid up share capital of PFCE for a cash consideration of RM20 million. The SSA shall be subject to the satisfactory results of due diligence investigations to be carried out by the Company during the period of 3 months commencing from the date of the SSA. The SSA is also conditional upon the following:
- Approval(s) and/or consent(s) by the Vendors' and PFCE's financiers including/pertaining to any specific covenants given by the Vendors under the SSA;
 - Delivery by the Vendors of the audited accounts of PFCE for the financial year ended 31 December 2013;
 - If required, approvals from the relevant licensing regulatory authorities including if applicable, from Petroleum Nasional Berhad (PETRONAS); and
 - Execution by both parties of a shareholders agreement and a call option agreement.
- (vii) On 24 July 2014 the Company entered into a Sale and Purchase Agreement (SPA) with Pastel Estate Limited (PEL) to purchase a freehold property known as Hyde Park Hotel which is situated at 23-26 Leister Square London W2 4NE for a cash consideration of £25,500,000 (equivalent to RM138,975,000 based on exchange rate of (£1 : RM5.45). A Deposit of £2,550,000 (equivalent to RM13,897,500) representing 10% of the purchase price was paid and the balance purchase price totalling to £22,950,000 (equivalent to RM125,077,500) is payable within 6 weeks from the exchange of the SPA.

There were no other corporate proposals announced or pending completion as at 25 August 2014.

23. Changes in Material Litigations

In respect of the litigation referred to in Note 37(a) of the FY2013 annual financial statements, the Court of Appeal had on 6 August 2014, allowed the appeal by Boustead Plantations Berhad and other Defendants/Appellants against the Plaintiffs/Respondents and accordingly reversed the decision of the Sibu High Court on 30 October 2012.

As at 25 August 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 2013.

24. Earnings Per Share - Basic

	Current Period		Cumulative Period	
	2014	2013	2014	2013
Net profit for the period (RM million)	45.3	61.2	112.0	161.1
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)	4.38	5.92	10.83	15.58

25. Group Borrowings and Debt Securities

Total group borrowings as at 30 June 2014 are as follows:-

	30.6.2014	31.12.2013
	RM million	RM million
Non-current:		
Term loans		
- Denominated in US Dollars	62.1	60.1
- Denominated in Indonesian Rupiah	41.8	43.6
- Denominated in RM	1,781.5	1,828.7
	1,885.4	1,932.4
Asset-backed bonds	896.5	896.2
Bank guaranteed medium term notes	998.6	998.0
	3,780.5	3,826.6
Less: repayable in 1 year	813.5	760.1
	2,967.0	3,066.5
Current:		
Bank overdrafts	54.2	30.1
Bankers' acceptances	290.4	201.5
Revolving credits		
- Denominated in US Dollars	36.7	37.4
- Denominated in RM	3,052.9	2,540.4
Short term loans	813.5	760.1
	4,247.7	3,569.5
Total borrowings	7,214.7	6,636.0

26. Retained Earnings

	30.6.2014	31.12.2013
	RM million	RM million
Total retained earnings of Boustead Holdings Berhad and its Subsidiaries		
Realised	2,681.7	2,649.9
Unrealised	259.5	284.7
	<u>2,941.2</u>	<u>2,934.6</u>
Total share of retained earnings of associates and joint ventures		
Realised	807.3	758.8
Unrealised	73.5	63.7
	<u>3,822.0</u>	<u>3,757.1</u>
Consolidation adjustments	(1,716.5)	(1,384.3)
Total retained earnings of the Group as per consolidated accounts	<u>2,105.5</u>	<u>2,372.8</u>

27. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2014	2013	2014	2013
	RM million	RM million	RM million	RM million
Depreciation and amortisation	70.7	68.1	144.9	133.7
Provision for and write off of receivables	2.7	7.3	4.7	14.2
Provision for and write off of inventories	6.5	3.5	7.9	4.2
Gain on sale of quoted and unquoted investments	(0.8)	(1.0)	(0.6)	(1.0)
Gain on disposal of properties	-	(23.8)	-	(23.8)
Stockholding loss	1.5	4.8	4.2	1.4
Foreign exchange (gain)/loss	(3.9)	3.9	(16.1)	4.2
Net fair value loss/(gain) on derivatives	1.1	(2.3)	13.1	(1.7)

28. Plantation Statistics

	Cumulative Period	
	2014	2013
(a) Planted areas (hectares)		
Oil palm - immature	5,788	5,459
- young mature	12,126	11,834
- prime mature	38,879	38,982
- past prime	13,609	11,156
	<u>70,402</u>	<u>67,431</u>
	Cumulative Period	
	2014	2013
(b) Crop production (MT)		
FFB	498,929	485,346
(c) Average selling prices (RM per MT)		
FFB	573	469
Palm oil	2,605	2,328
Palm kernel	1,958	1,143

29. Economic Profit

	Cumulative Period	
	2014	2013
	RM million	RM million
For the period ended 30 June	(44.5)	(37.8)

30. Headline KPIs

	2014	2014
	(6 months)	(12 months)
	Actual	Target
Return on Equity (ROE)	2.1%	8.0%
Return on Assets (ROA)	2.5%	6.5%