

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

<b>For the quarter ended 30 September 2014</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenue</b>	<b>2,694.3</b>	2,700.5	<b>7,782.3</b>	7,621.7
Operating cost	<b>(2,570.2)</b>	(2,535.1)	<b>(7,344.8)</b>	(7,163.0)
Profit from operations	<b>124.1</b>	165.4	<b>437.5</b>	458.7
Interest income	<b>9.0</b>	3.4	<b>20.2</b>	7.3
Other investment results	<b>0.2</b>	17.8	<b>1.6</b>	37.8
Finance cost	<b>(73.8)</b>	(66.9)	<b>(214.2)</b>	(191.6)
Share of results of associates & joint ventures	<b>26.6</b>	39.5	<b>84.2</b>	115.0
<b>Profit before taxation</b>	<b>86.1</b>	159.2	<b>329.3</b>	427.2
Taxation	<b>(35.9)</b>	(36.3)	<b>(120.0)</b>	(95.5)
<b>Profit for the period</b>	<b>50.2</b>	122.9	<b>209.3</b>	331.7
<i>Profit for the period attributable to:</i>				
Shareholders of the Company	<b>18.2</b>	97.5	<b>109.2</b>	258.6
Holder of Perpetual Sukuk	<b>15.5</b>	-	<b>36.5</b>	-
Non-controlling interests	<b>16.5</b>	25.4	<b>63.6</b>	73.1
<b>Profit for the period</b>	<b>50.2</b>	122.9	<b>209.3</b>	331.7
<b>Earnings per share - sen</b>				
Basic	<b>1.76</b>	9.43	<b>10.56</b>	25.00

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 September 2014 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2014	2013	2014	2013
<b>Profit for the period</b>	<b>50.2</b>	122.9	<b>209.3</b>	331.7
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss</i>				
Currency translation difference in respect of foreign operations	<b>(4.1)</b>	(2.9)	<b>(0.6)</b>	(2.8)
Net gain/(loss) on available for sale investments				
- fair value changes	<b>(0.6)</b>	61.4	<b>(0.6)</b>	71.9
- transfer to profit or loss on disposal	-	(1.9)	<b>(0.5)</b>	(2.3)
Share of OCI of investments accounted for using the equity method	<b>2.6</b>	-	<b>6.2</b>	-
<b>Total comprehensive income for the period</b>	<b>48.1</b>	179.5	<b>213.8</b>	398.5
Attributable to:				
Shareholders of the Company	<b>20.4</b>	155.7	<b>114.4</b>	327.0
Holder of Perpetual Sukuk	<b>15.5</b>	-	<b>36.5</b>	-
Non-controlling interests	<b>12.2</b>	23.8	<b>62.9</b>	71.5
<b>Total comprehensive income for the period</b>	<b>48.1</b>	179.5	<b>213.8</b>	398.5

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

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

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
<b>As at 30 September 2014</b>	<b>30 September</b>	<b>31 December</b>
<b>(All figures are stated in RM million)</b>	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,620.2	4,621.4
Biological assets	1,240.7	1,239.5
Investment properties	1,483.9	1,320.8
Development properties	279.6	339.2
Prepaid land lease payments	68.6	69.0
Long term prepayment	150.4	152.2
Deferred tax assets	81.1	61.7
Associates	1,813.2	1,480.1
Joint ventures	298.8	110.8
Available for sale investments	37.5	45.1
Intangible assets	1,373.7	1,277.1
	<b>11,447.7</b>	<b>10,716.9</b>
<b>Current assets</b>		
Inventories	649.0	718.2
Property development in progress	170.8	36.4
Due from customers on contracts	1,367.7	1,199.8
Receivables	1,870.2	1,808.7
Deposits, cash and bank balance	1,301.3	637.9
	<b>5,359.0</b>	<b>4,401.0</b>
<b>TOTAL ASSETS</b>	<b>16,806.7</b>	<b>15,117.9</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	517.1	517.1
Perpetual Sukuk	1,095.3	678.6
Reserves	3,989.6	4,037.9
<b>Shareholders' equity</b>	<b>5,602.0</b>	<b>5,233.6</b>
<b>Non-controlling interests</b>	<b>1,721.8</b>	<b>691.6</b>
Total equity	<b>7,323.8</b>	<b>5,925.2</b>
<b>Non current liabilities</b>		
Borrowings	2,775.0	3,066.5
Other payable	28.0	26.7
Deferred tax liabilities	126.8	93.2
	<b>2,929.8</b>	<b>3,186.4</b>
<b>Current liabilities</b>		
Borrowings	4,677.5	3,569.5
Trade and other payables	1,860.6	2,316.6
Due to customer on contracts	-	97.8
Taxation	15.0	22.4
	<b>6,553.1</b>	<b>6,006.3</b>
<b>Total liabilities</b>	<b>9,482.9</b>	<b>9,192.7</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,806.7</b>	<b>15,117.9</b>

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 September 2014	Attributable to shareholders of the Company									Total Equity
	Share Capital	Perpetual Sukuk	*Share Premium	*Revaluation & Fair Value Reserve	*Statutory Reserve	*Other Reserves	Retained Profit	Total	Non-Controlling Interests	
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	-	36.5	-	5.6	-	(0.4)	109.2	150.9	62.9	213.8
<b>Transactions with owners</b>										
Perpetual Sukuk										
- Issuance	-	401.0	-	-	-	-	(2.3)	398.7	-	398.7
- 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	850.3	912.5
- Acquisition of a Subsidiary	-	-	-	-	-	-	-	-	5.0	5.0
Transfers during the period	-	-	-	-	9.1	-	(9.1)	-	-	-
Dividends	-	-	-	-	-	-	(232.8)	(232.8)	(36.5)	(269.3)
<b>Balance at 30 September 2014</b>	<b>517.1</b>	<b>1,095.3</b>	<b>1,165.1</b>	<b>53.8</b>	<b>305.0</b>	<b>431.2</b>	<b>2,034.5</b>	<b>5,602.0</b>	<b>1,721.8</b>	<b>7,323.8</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	-	-	-	69.7	-	(1.3)	258.6	327.0	71.5	398.5
<b>Transactions with owners</b>										
Additional investment in a Subsidiary	-	-	-	-	-	-	(1.1)	(1.1)	(2.4)	(3.5)
Transfers during the period	-	-	-	-	25.9	-	(25.9)	-	-	-
Dividends	-	-	-	-	-	-	(232.8)	(232.8)	(24.7)	(257.5)
<b>Balance at 30 September 2013</b>	<b>517.1</b>	<b>-</b>	<b>1,165.1</b>	<b>384.6</b>	<b>285.5</b>	<b>156.2</b>	<b>2,240.6</b>	<b>4,749.1</b>	<b>710.3</b>	<b>5,459.4</b>

**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 September 2014**

<b>(All figures are stated in RM million)</b>	<b>2014</b>	<b>2013</b>
<b>Operating activities</b>		
Receipts from customers	6,855.3	6,854.5
Cash paid to suppliers and employees	(6,341.1)	(7,091.1)
	<b>514.2</b>	(236.6)
Income taxes paid less refund	(99.9)	(78.9)
Net cash from/(used in) operating activities	<b>414.3</b>	(315.5)
<b>Investing activities</b>		
Capital expenditure & construction of investment property	(342.1)	(276.5)
Disposal of investment property	-	113.9
Disposal of property plant & equipment and biological assets	4.5	36.3
Partial disposal of shares in a Subsidiary	158.7	-
Acquisition of a Subsidiary, net of cash acquired	(69.4)	-
Settlement on acquisition of a Subsidiary	(564.5)	-
Additional investment in a joint venture, associate and Subsidiary	(436.1)	(15.7)
Others	(47.7)	21.9
Net cash used in investing activities	<b>(1,296.6)</b>	(120.1)
<b>Financing activities</b>		
Transactions with owners	(232.8)	(232.8)
Transactions with holders of Perpetual Sukuk	380.2	-
Issue of shares by Subsidiaries	912.6	-
New loans	108.2	226.2
Loans repayment	(267.0)	(102.7)
Other borrowings	955.0	823.2
Interest paid	(284.9)	(240.2)
Others	(36.5)	(24.7)
Net cash from financing activities	<b>1,534.8</b>	449.0
Net increase in cash and cash equivalents	<b>652.5</b>	13.4
Foreign currency translation difference	(0.8)	-
Cash and cash equivalent at beginning of period	<b>607.8</b>	324.9
<b>Cash and cash equivalent at end of period</b>	<b>1,259.5</b>	338.3
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	<b>1,301.3</b>	396.8
Overdrafts	(41.8)	(58.5)
<b>Cash and cash equivalent at end of period</b>	<b>1,259.5</b>	338.3

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:

	<b>Effective Date</b>
• 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). Adoption of the MFRS framework by Transitioning Entities will only be mandatory for annual periods beginning on or after 1 January 2017.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2017. When the Group presents its first MFRS financial statements in 1 January 2017, 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.



## 9. Debts and Equity Securities

- (i) During the 2<sup>nd</sup> 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.
- (ii) During the current quarter, the Company issued Perpetual Sukuk at par value amounting to RM200.0 million. The Perpetual Sukuk is unrated and carries a semi-annual profit rate of about 6.25% 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 November 2014 that will materially affect the financial statements of the financial period under review.

## 12. Changes in Group Composition

- (i) During the 1<sup>st</sup> quarter, the Company's Subsidiary Pharmaniaga Berhad acquired a 75% stake in PT Errita Pharma for a cash consideration of RM74 million.
- (ii) During the 2<sup>nd</sup> quarter, the Group's interest in Boustead Plantations Berhad 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 27 November 2014. No other contingent liability has arisen since the financial year end.

## 14. Commitments

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

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	197.6	487.0
Proposed acquisition of a Subsidiary	-	4.0
	197.6	491.0

## 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

<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 2014	1,180.3	75.0	105.0	1,360.3
Additions	59.2	-	55.2	114.4
At 30 September 2014	1,239.5	75.0	160.2	1,474.7
<b>Accumulated amortisation and impairment</b>				
At 1 January 2014	-	23.9	59.3	83.2
Amortisation	-	6.5	11.3	17.8
At 30 September 2014	-	30.4	70.6	101.0
<b>Net carrying amount</b>				
At 30 September 2014	1,239.5	44.6	89.6	1,373.7
At 31 December 2013	1,180.3	51.1	45.7	1,277.1

Goodwill arising from the acquisition of PT Errita Pharma (PT Errita) totalling RM59.2 million is based on a preliminary assessment as at 30 September 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 3<sup>rd</sup> quarter, the Group posted an unaudited profit before tax of RM86.1 million, as compared to the profit for the corresponding period last year of RM159.2 million. The Group's profit after tax totalling RM50.2 million for the current quarter was also lower than the corresponding period last year's net profit of RM122.9 million.

For the cumulative period, the Group registered revenue of RM7.8 billion, up 3% from that recorded during the corresponding period last year. Trading & Industrial Division's turnover was 5% ahead of the previous year mainly on volume growth, while Plantation Division's revenue also rose by 11% mainly on improved palm product prices. Pharmaceutical Division's revenue was 8% higher on improved contribution from non concession segment. Property Division's cumulative revenue was 8% lower largely on lower progress billings. Heavy Industries Division's revenue for the 9-month period was 13% lower than the corresponding period last year, on slower progress of work from the Littoral Combat Ship project.

The Group posted a pre-tax profit of RM329.3 million for the current cumulative period, as compared to the gain of RM427.2 million for the same period last year. For the 9-month period, Plantation Division contributed a pre-tax profit of RM82.2 million (2013: RM45.8 million) mainly due to the better average CPO price of RM2,477 per MT, representing an increase of RM144 or 6% against last year corresponding period's average of RM2,333 per MT. Cumulative FFB crop totalling 773,937 MT was 3% above the previous year.

Pharmaceutical Division reported a stronger set of result for the 9-month period, posting a 79% increase with a pre-tax profit of RM68.2 million (2013: RM38.2 million) primarily driven by the contribution from operations and supported by lower expenses including amortisation and provision for doubtful debts.

Finance & Investment Division posted a pre-tax profit of RM65.0 million for the current cumulative period, down 12% from the profit of RM73.5 million for the same period last year, largely on weaker contribution from Affin Group. Trading & Industrial Division achieved a pre-tax profit of RM68.2 million, 34% short of the previous year's profit which had included a non-recurring gain on sale of property.

For the cumulative period, Property Division registered a pre-tax profit of RM49.4 million which was well below last year's corresponding period's gain of RM124.5 million, on lower revenue and the absence of gain from disposal of investment properties.

Heavy Industries Division posted a small deficit of RM3.7 million (2013: Profit of RM42.1 million) during the 9-month period, mainly due to cost overruns on certain ship repair projects. MHS Aviation was helped by lower operating cost to turn in a pre-tax profit of RM15.3 million for the cumulative period.

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

The current quarter's pre-tax profit of RM86.1 million was lower than the preceding quarter's pre-tax profit of RM109.9 million on weaker contributions from Heavy Industries and Trading & Industrial Divisions.

Plantation Division posted a lower operating profit of RM20.7 million (Preceding quarter: RM21.0 million) primarily as a result of lower crude palm oil (CPO) prices and reduced sales volume. Average palm oil price realised for the current quarter of RM2,220 per MT was weaker than the preceding quarter's average of RM2,581 per MT. FFB crop production for the current quarter increased by 12% to 275,008 MT from the immediate preceding quarter.

Despite a small drop in turnover, the Pharmaceutical Division's profit for the current quarter was slightly up at RM18.4 million (Preceding quarter: RM18.1 million) mainly on improved margins. Trading & Industrial Division's pre-tax profit for the current quarter of RM9.8 million was lower than the preceding quarter's profit of RM29.5 million largely on stockholding loss and weaker performance from all operating units.

Finance & Investment Division's profit for the current quarter of RM19.5 million was an improvement over the preceding quarter's profit of RM17.6 million largely on improved contribution from Affin Holdings. Heavy Industries Division posted a deficit of RM7.4 million for the current quarter as compared to the previous quarter's profit of RM7.7 million, mainly on cost overruns on certain ship repair projects. Property Division's pre-tax profit rose to RM25.0 million (Preceding quarter: RM16.1 million) on improved property development profit from higher progress billings and sale of a corporate lot.

### 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. The diversified nature of the Group's businesses in six segments of the Malaysian economy should augur well for the Group.

Plantation Division's profitability for the rest of the year will be much impacted by the weakening of prices for CPO while operating condition in certain areas of Sabah and Sarawak remains challenging. While CPO came under selling pressure arising from the non-fulfilment of biodiesel targets by Malaysia/Indonesia coupled with supply/demand factors, the Government of Malaysia had achieved some success in containing the downward spiral in CPO prices with the implementation of zero export taxes for CPO. Nonetheless, competition from Indonesian palm oil as well as from other edible oils, and a possible hike in import duty on vegetable oils by India may dampen the prospects for CPO prices for the rest of the year.

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

Logistics & distribution 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.

The LCS project, defence related maintenance, repair and overhaul activities as well as positive progress within the Belum Satellite (BE-SA) Topsides Facilities for Murphy's Sarawak SK309/311 Gas Development project would contribute significantly to the Heavy Industries Division's performance going forward.

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. Affin Holdings will be a major profit contributor towards the Finance & Investment Division.

## 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</b>	<b>Cumulative Period</b>
	<b>2014</b>	<b>2014</b>
	<b>RM million</b>	<b>RM million</b>
Malaysian taxation based on profit for the period:		
- Current	43.1	105.4
- Deferred	(5.5)	13.8
	<u>37.6</u>	<u>119.2</u>
Under provision of prior years	(1.7)	0.8
	<u>35.9</u>	<u>120.0</u>

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) 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.
- (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) 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.
- (iv) 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 upon signing of the SPA. On 24 October 2014, the acquisition was completed and the balance purchase price totalling RM279.0 million was duly paid upon fulfilment of all conditions precedent.
- (v) 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 upon signing of the SPA. On 17 September 2014, the acquisition was completed and the balance purchase price totalling to £22,950,000 (equivalent to RM125,077,500) was duly paid.

**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:

- (a) 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;
- (b) Delivery by the Vendors of the audited accounts of PFCE for the financial year ended 31 December 2013;
- (c) If required, approvals from the relevant licensing regulatory authorities including if applicable, from Petroliam Nasional Berhad (PETRONAS); and
- (d) Execution by both parties of a shareholders agreement and a call option agreement.

The Company and the Vendors have mutually agreed to extend the period to fulfil the Conditions Precedent to 15 December 2014.

There were no other corporate proposals announced or pending completion as at 27 November 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 Sibiu High Court on 30 October 2012.

As at 27 November 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)	18.2	97.5	109.2	258.6
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)	1.76	9.43	10.56	25.00

**25. Group Borrowings and Debt Securities**

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

	30.9.2014	31.12.2013
	RM million	RM million
Non-current:		
Term loans		
- Denominated in US Dollars	63.3	60.1
- Denominated in Great Britain Pound	69.0	-
- Denominated in Indonesian Rupiah	49.5	43.6
- Denominated in RM	1,591.8	1,828.7
	1,773.6	1,932.4
Asset-backed bonds	896.7	896.2
Bank guaranteed medium term notes	1,006.1	998.0
	3,676.4	3,826.6
Less: repayable in 1 year	901.4	760.1
	2,775.0	3,066.5
Current:		
Bank overdrafts	41.8	30.1
Bankers' acceptances	290.8	201.5
Revolving credits		
- Denominated in US Dollars	37.4	37.4
- Denominated in RM	3,406.1	2,540.4
Short term loans	901.4	760.1
	4,677.5	3,569.5
Total borrowings	7,452.5	6,636.0

**26. Retained Earnings**

	<b>30.9.2014</b>	<b>31.12.2013</b>
	<b>RM million</b>	<b>RM million</b>
Total retained earnings of Boustead Holdings Berhad and its Subsidiaries		
Realised	2,659.8	2,649.9
Unrealised	272.2	284.7
	<u>2,932.0</u>	<u>2,934.6</u>
Total share of retained earnings of associates and joint ventures		
Realised	834.6	758.8
Unrealised	72.8	63.7
	<u>3,839.4</u>	<u>3,757.1</u>
Consolidation adjustments	<u>(1,804.9)</u>	<u>(1,384.3)</u>
Total retained earnings of the Group as per consolidated accounts	<u>2,034.5</u>	<u>2,372.8</u>

**27. Additional Disclosures**

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

	<b>Current Quarter</b>		<b>Cumulative Quarter</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
Depreciation and amortisation	<b>73.3</b>	68.9	<b>218.2</b>	202.6
Provision for and write off of receivables	<b>0.8</b>	3.5	<b>5.5</b>	17.7
Provision for and write off of inventories	<b>4.6</b>	2.1	<b>12.5</b>	6.3
Gain on sale of quoted and unquoted investments	<b>(0.1)</b>	(2.5)	<b>(0.7)</b>	(3.5)
Gain on disposal of properties	-	-	-	(23.8)
Stockholding loss/(gain)	<b>10.8</b>	(7.9)	<b>15.0</b>	(6.5)
Foreign exchange loss/(gain)	<b>1.3</b>	10.1	<b>(14.8)</b>	14.3
Net fair value (gain)/loss on derivatives	<b>(1.3)</b>	(10.1)	<b>11.8</b>	(11.8)

**28. Plantation Statistics**

	<b>Cumulative Period</b>	
	<b>2014</b>	<b>2013</b>
<b>(a) Planted areas (hectares)</b>		
Oil palm - immature	<b>5,810</b>	5,459
- young mature	<b>12,190</b>	11,834
- prime mature	<b>39,085</b>	39,194
- past prime	<b>13,277</b>	12,041
	<u><b>70,362</b></u>	<u>68,528</u>
	<b>Cumulative Period</b>	
	<b>2014</b>	<b>2013</b>
<b>(b) Crop production (MT)</b>		
FFB	<b>773,937</b>	754,728
<b>(c) Average selling prices (RM per MT)</b>		
FFB	<b>530</b>	475
Palm oil	<b>2,477</b>	2,333
Palm kernel	<b>1,802</b>	1,190

**29. Economic Profit**

	<b>Cumulative Period</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM million</b>	<b>RM million</b>
For the period ended 30 September	<b>(88.0)</b>	(47.5)

**30. Headline KPIs**

	<b>2014</b>	<b>2014</b>
	<b>(9 months)</b>	<b>(12 months)</b>
	<b>Actual</b>	<b>Target</b>
Return on Equity (ROE)	2.0%	8.0%
Return on Assets (ROA)	3.4%	6.5%