

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

For the quarter ended 31 December 2014	Current Period		Cumulative Period	
(All figures are stated in RM million)	2014	2013	2014	2013
Revenue	2,825.9	3,590.3	10,608.2	11,212.0
Operating cost	(2,630.3)	(3,544.9)	(9,975.1)	(10,707.9)
Profit from operations	195.6	45.4	633.1	504.1
Fair value gain on deemed disposal of investments	-	136.8	-	136.8
Interest income	8.9	5.3	29.1	12.6
Other investment results	94.5	101.4	96.1	139.2
Finance cost	(74.8)	(69.1)	(289.0)	(260.7)
Share of results of associates & joint ventures	132.2	60.7	216.4	175.7
Profit before taxation	356.4	280.5	685.7	707.7
Taxation	(32.4)	(52.4)	(152.4)	(147.9)
Profit for the period	324.0	228.1	533.3	559.8
<i>Profit for the period attributable to:</i>				
Shareholders of the Company	299.0	220.2	408.2	478.8
Holder of Perpetual Sukuk	18.0	-	54.5	-
Non-controlling interests	7.0	7.9	70.6	81.0
Profit for the period	324.0	228.1	533.3	559.8
Earnings per share - sen				
Basic	28.91	21.29	39.47	46.30

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 31 December 2014 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2014	2013	2014	2013
Profit for the period	324.0	228.1	533.3	559.8
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss</i>				
Currency translation difference in respect of foreign operations	4.5	(0.8)	3.9	(5.7)
Net gain/(loss) on available for sale investments				
- fair value changes	(4.0)	(202.4)	(4.6)	(130.5)
- transfer to profit or loss on disposal	1.8	(0.2)	1.3	(2.5)
- fair value gain on deemed disposal of investments	-	(136.8)	-	(136.8)
Share of OCI of investments accounted for using the equity method	(1.5)	3.1	4.7	3.1
Total comprehensive income for the period	324.8	(109.0)	538.6	287.4
Attributable to:				
Shareholders of the Company	296.8	(114.4)	411.2	210.5
Holder of Perpetual Sukuk	18.0	-	54.5	-
Non-controlling interests	10.0	5.4	72.9	76.9
Total comprehensive income for the period	324.8	(109.0)	538.6	287.4

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 31 December 2014	31 December	31 December
(All figures are stated in RM million)	2014	2013
ASSETS		
Non current assets		
Property, plant and equipment	5,003.3	4,621.4
Biological assets	1,261.2	1,239.5
Investment properties	1,534.2	1,320.8
Development properties	501.5	339.2
Prepaid land lease payments	62.6	69.0
Long term prepayment	153.7	152.2
Deferred tax assets	53.3	61.7
Associates	1,789.6	1,480.1
Joint ventures	363.0	110.8
Available for sale investments	38.3	45.1
Intangible assets	1,376.3	1,277.1
	12,137.0	10,716.9
Current assets		
Inventories	689.8	718.2
Property development in progress	163.7	36.4
Due from customers on contracts	1,312.8	1,199.8
Receivables	1,219.1	1,808.7
Deposits, cash and bank balance	1,157.9	637.9
	4,543.3	4,401.0
TOTAL ASSETS	16,680.3	15,117.9
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	517.1	517.1
Perpetual Sukuk	1,140.7	678.6
Reserves	4,222.0	4,037.9
Shareholders' equity	5,879.8	5,233.6
Non-controlling interests	1,693.5	691.6
Total equity	7,573.3	5,925.2
Non current liabilities		
Borrowings	2,196.0	3,066.5
Other payable	26.7	26.7
Deferred tax liabilities	90.3	93.2
	2,313.0	3,186.4
Current liabilities		
Borrowings	4,884.7	3,569.5
Trade and other payables	1,812.8	2,316.6
Due to customer on contracts	70.4	97.8
Taxation	26.1	22.4
	6,794.0	6,006.3
Total liabilities	9,107.0	9,192.7
TOTAL EQUITY AND LIABILITIES	16,680.3	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

Attributable to shareholders of the Company										
For the financial period ended 31 December 2014	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 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 year	-	54.5	-	0.8	-	2.2	408.2	465.7	72.9	538.6
Transactions with owners										
Perpetual Sukuk										
- Issuance	-	451.0	-	-	-	-	(2.3)	448.7	-	448.7
- Coupons paid	-	(47.8)	-	-	-	-	-	(47.8)	-	(47.8)
Changes in ownership interests in Subsidiaries										
- Partial disposal of a Subsidiary	-	-	-	-	-	(39.4)	49.5	10.1	148.6	158.7
- Issue of shares by Subsidiaries	-	-	-	-	-	316.1	(253.8)	62.3	850.3	912.6
- Acquisition of a Subsidiary	-	-	-	-	-	-	-	-	8.4	8.4
- Additional investment in a Subsidiary	-	-	-	-	-	(0.1)	-	(0.1)	0.1	-
Share of effect on changes in group structure of an associate	-	-	-	-	-	-	2.1	2.1	-	2.1
Transfers during the period	-	4.4	-	-	45.8	-	(50.2)	-	-	-
Dividends	-	-	-	-	-	-	(294.8)	(294.8)	(78.4)	(373.2)
Balance at 31 December 2014	517.1	1,140.7	1,165.1	49.0	341.7	434.7	2,231.5	5,879.8	1,693.5	7,573.3
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 year	-	-	-	(266.7)	-	(1.6)	478.8	210.5	76.9	287.4
Transactions with owners										
Issue during the year	-	678.6	-	-	-	-	-	678.6	-	678.6
Additional investment in a Subsidiary	-	-	-	-	-	-	(1.1)	(1.1)	(2.4)	(3.5)
Transfers during the period	-	-	-	-	36.3	-	(36.3)	-	-	-
Issue of shares by a Subsidiary	-	-	-	-	-	-	-	-	0.2	0.2
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

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 31 December 2014**

(All figures are stated in RM million)	2014	2013
Operating activities		
Receipts from customers	11,357.8	10,680.4
Cash paid to suppliers and employees	(9,800.9)	(9,684.1)
	1,556.9	996.3
Income taxes paid less refund	(142.8)	(139.7)
Net cash from operating activities	1,414.1	856.6
Investing activities		
Biology assets and property plant & equipment purchased	(658.1)	(476.4)
Purchase and development of Investment property & development property	(365.0)	(224.5)
Disposal of investment property	-	113.9
Disposal of property plant & equipment and biological assets	36.3	47.0
Partial disposal of shares in a Subsidiary	158.7	-
Acquisition of a Subsidiary, net of cash acquired	(69.2)	-
Settlement of consideration on acquisition of a Subsidiary	(611.1)	-
Additional investment in a joint venture, associate and Subsidiary	(448.6)	(15.8)
Others	73.4	144.0
Net cash used in investing activities	(1,883.6)	(411.8)
Financing activities		
Transactions with owners	(294.8)	(310.4)
Transactions with holders of Perpetual Sukuk	400.9	678.6
Issue of shares by Subsidiaries	907.3	0.2
New loans	324.9	488.2
Loans repayment	(1,023.8)	(142.6)
Other borrowings	1,136.0	(471.8)
Interest paid	(383.9)	(354.0)
Others	(78.4)	(49.0)
Net cash from/(used in) financing activities	988.2	(160.8)
Net increase in cash and cash equivalents	518.7	284.0
Foreign currency translation difference	(0.3)	(1.1)
Cash and cash equivalent at beginning of period	607.8	324.9
Cash and cash equivalent at end of period	1,126.2	607.8
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	1,157.9	637.9
Overdrafts	(31.7)	(30.1)
Cash and cash equivalent at end of period	1,126.2	607.8

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 31 December 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 for annual period beginning on or after 1 July 2014

- Amendment to FRS 2 Share-Based Payments (Annual Improvements to FRSs 2010 – 2012 Cycle)
- Amendment to FRS 3 Business Combinations (Annual Improvements to FRSs 2010 – 2012 and 2011 – 2013 Cycles)
- Amendment to FRS 8 Operating Segments (Annual Improvements to FRSs 2010 – 2012 Cycle)
- FRS 13 Fair Value Measurement (Annual Improvements to FRSs 2011 - 2013 Cycle)
- Amendment to FRS 116 Property Plant and Equipment (Annual Improvements to FRSs 2010 – 2012 Cycle)
- Amendments to FRS 119 Defined Benefit Plans: Employee Contributions
- Amendment to FRS 124 Related Party Disclosures (Annual Improvements to FRSs 2010 – 2012 Cycle)
- Amendment to FRS 138 Intangible Assets (Annual Improvements to FRSs 2010 – 2012 Cycle)
- Amendment to FRS 140 Investment Property (Annual Improvements to FRSs 2011 - 2013 Cycle)

Effective for annual period beginning on or after 1 January 2016

- Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012 -2014 Cycle)
- Amendments to FRS 7 Financial Instruments Disclosures (Annual Improvements to FRSs 2012 – 2014 Cycle)
- Amendment to FRS 119 Employee Benefits (Annual Improvements to FRSs 2012 – 2014 Cycle)
- Amendment to FRS 134 Interim Financial Reporting (Annual Improvements to FRSs 2012 – 2014 Cycle)
- Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 128 Investment Entities (2011) – Investment Entities: Applying the Consolidation Exception
- Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investment in Associates and Joint Ventures (2011) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Effective for annual period beginning on or after 1 January 2016 (Cont'd.)

- Amendments to FRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
- FRS 14 Regulatory Deferral Accounts
- FRS 101 Presentation of Financial Statements – Disclosure Initiative (Amendments to MFRS 101)
- Amendments to FRS 116 Property Plant and Equipment and FRS 138 Intangible Assets Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127 Separate Financial Statements (2011) – Equity Method in Separate Financial Statements

Effective for annual period beginning on or after 1 January 2017

- FRS 15 Revenue from Contracts with Customers

Effective for annual period beginning on or after 1 January 2018

- FRS 9 Financial Instruments (2014)
- Amendments to FRS 7 Financial Instruments Disclosures – Mandatory Effective Date of FRS 9 and Transition Disclosures

(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 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.

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 31 March 2014, the Company paid a 4th interim dividend of 7.5 sen (2012: 7.5 sen) per share in respect of the previous financial year ended 31 December 2013 amounting to RM77.6 million (2012: RM77.6 million).
- (ii) On 30 June 2014, the Company paid a 1st interim dividend of 7.5 sen (2013: 7.5 sen) per share in respect of the current financial year ended 31 December 2014 amounting to RM77.6 million (2013: RM77.6 million).
- (iii) On 30 September 2014, the Company paid a 2nd interim dividend of 7.5 sen (2013: 7.5 sen) per share in respect of the current financial year ended 31 December 2014 amounting to RM77.6 million (2013: RM77.6 million).
- (iv) On 31 December 2014, the Company paid a 3rd interim dividend of 6.0 sen (2013: 7.5 sen) per share in respect of the current financial year ended 31 December 2014 amounting to RM62.0 million (2013: RM77.6 million).

For the current quarter, the Directors have declared a 4th interim dividend of 5 sen (2013: 7.5 sen) per share in respect of the year ended 31 December 2014. The dividend will be paid on 31 March 2015 to shareholders registered in the Register of Members at the close of business on 19 March 2015.

8. Segmental Information

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

RM million	Plantation	Heavy Industries	Property	Finance & Investment	Pharmaceutical	Trading & Industrial	Elim'n	Total
2014								
Revenue								
Group total sales	717.3	1,895.9	681.3	175.9	2,122.9	5,044.0	(29.1)	10,608.2
Inter-segment sales	-	-	(29.1)	-	-	-	29.1	-
External sales	717.3	1,895.9	652.2	175.9	2,122.9	5,044.0	-	10,608.2
Result								
Segment result								
- external	128.6	108.7	184.7	(2.2)	132.4	80.9	-	633.1
Finance cost	(53.8)	(96.3)	(64.6)	(84.3)	(33.6)	(31.0)	74.6	(289.0)
Interest income	11.3	3.6	11.8	69.4	1.3	6.3	(74.6)	29.1
Other investment result	-	(0.1)	80.6	7.2	-	8.4	-	96.1
Share of result of associates & joint ventures	3.7	10.3	82.1	120.3	-	-	-	216.4
Profit before taxation	89.8	26.2	294.6	110.4	100.1	64.6	-	685.7
Taxation								(152.4)
Profit for the period								533.3
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
Fair value gain on deemed disposal of investments								136.8
Profit before tax								707.7
Taxation								(147.9)
Profit for the period								559.8

9. Debts and Equity Securities

- (i) During the 2nd 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 3rd 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.
- (ii) During the current quarter, the Company issued Perpetual Sukuk at par value amounting to RM50.0 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 26 February 2015 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) During the 2nd 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 26 February 2015. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 31 December 2014:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	486.5	280.4
Proposed acquisition of a Subsidiary	-	4.0
	<u>486.5</u>	<u>284.4</u>

15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2013.

16. Intangible Assets

RM' million	Goodwill	Concession right	Pharmacy manufacturing licence and patents	Rights to supply	Total
Cost					
At 1 January 2014	1,180.3	75.0	-	105.0	1,360.3
Acquisition of a Subsidiary	48.8	-	18.9	-	67.7
Additions	-	-	-	56.5	56.5
Written-off	-	-	-	(51.1)	(51.1)
Foreign exchange fluctuation	0.7	-	0.5	-	1.2
At 31 December 2014	<u>1,229.8</u>	<u>75.0</u>	<u>19.4</u>	<u>110.4</u>	<u>1,434.6</u>
Accumulated amortisation and impairment					
At 1 January 2014	-	23.9	-	59.3	83.2
Amortisation	-	8.7	1.8	15.7	26.2
Written-off	-	-	-	(51.1)	(51.1)
At 31 December 2014	<u>-</u>	<u>32.6</u>	<u>1.8</u>	<u>23.9</u>	<u>58.3</u>
Net carrying amount					
At 31 December 2014	1,229.8	42.4	17.6	86.5	1,376.3
At 31 December 2013	<u>1,180.3</u>	<u>51.1</u>	<u>-</u>	<u>45.7</u>	<u>1,277.1</u>

Upon finalisation of the purchase price allocation exercise, the Group's share of the goodwill on acquisition of PT Errita Pharma was estimated at RM48.8 million.

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

17. Performance Review

For the 4th quarter, the Group posted an unaudited profit before tax of RM356.4 million, was 27% higher than the profit for the corresponding period last year of RM280.5 million. The Group's profit after tax totalling RM324.0 million for the current quarter was significantly higher than the corresponding period last year's net profit of RM228.1 million.

For the cumulative period, the Group registered revenue of RM10.6 billion, down 5% from that recorded during the corresponding period last year. Trading & Industrial Division's turnover was 5% lower than the previous year mainly due to decline in fuel prices. Plantation Division's revenue rose by 3% mainly on improved palm product prices. Pharmaceutical Division's revenue was 9% higher on improved contribution from all businesses. Property Division's cumulative revenue was 4% higher largely on stronger revenue from hotel segment. Heavy Industries Division's revenue for the cumulative period was lower than the corresponding period last year, in tandem with the progress of work from the Littoral Combat Ship project.

For the financial year under review, the Group posted a pre-tax profit of RM685.7 million, as compared to the gain of RM707.7 million for the same period last year. For the 12-month period, Plantation Division contributed a pre-tax profit of RM89.8 million which was lower than that for the previous year of RM130.7 million, which included the special dividend of RM53.7 million received in connection with privatisation of Boustead REIT. During the year, the Division achieved an average of RM2,401 (2013: RM2,353) per MT and RM1,679 (2013: RM1,284) per MT for CPO and palm kernel respectively, representing a year-on-year increase of 2% and 31%. Cumulative FFB crop totalling 1,036,582 MT was largely unchanged from the previous year.

Pharmaceutical Division reported a stronger set of result for the full year, posting a 41% increase with a pre-tax profit of RM100.1 million (2013: RM71.1 million) primarily driven by steady growth in revenue coupled with reduced operating expenses, including amortisation and provision for doubtful debts.

Finance & Investment Division posted a pre-tax profit of RM110.4 million for the current financial year, up 7% from the profit of RM103.4 million for the same period last year, helped by lower net interest cost. Trading & Industrial Division was impacted by stockholding loss arising from the sharp decline in fuel prices, and reported a lower pre-tax profit of RM64.6 million (2013: RM139.8 million).

Property Division registered a record profit of RM294.6 million for the current financial year, surpassing last financial year's gain of RM214.9 million mainly on account of fair value gain arising from the appreciation of its investment properties and the strong profit contribution from joint venture Boustead Ikano which also enjoyed substantial fair value gain on its Jalan Cochrane property.

Heavy Industries Division posted a full-year surplus of RM26.2 million which was an improvement over the previous year's loss of RM89.0 million. MHS Aviation was helped by lower operating cost to turn in a pre-tax profit of RM14.0 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 RM356.4 million was ahead of the preceding quarter's pre-tax profit of RM86.1 million on strong contributions from Property, Finance & Investment and Pharmaceutical Divisions.

Plantation Division posted a lower operating profit of RM7.6 million (Preceding quarter: RM20.7 million) largely due to weaker palm product prices and lower FFB production. For the current quarter, the Division achieved an average price for CPO and palm kernel of RM2,183 (Preceding quarter: RM2,220) per MT and RM1,335 (Preceding quarter: RM1,495) per MT respectively. FFB crop production for the current quarter dropped by 4% to 262,245 MT from the immediate preceding quarter.

The Pharmaceutical Division's profit for the current quarter rose sharply to RM31.9 million (Preceding quarter: RM18.4 million), attributable to a 25% growth in revenue bolstered by higher demand from government hospitals. Trading & Industrial Division posted a small deficit of RM3.6 million (Preceding quarter: Profit of RM9.8 million) for the current quarter as revenue fell by 25% due to the drop in fuel prices and sales volume.

Property Division's pre-tax profit jumped to RM245.4 million (Preceding quarter: RM25.0 million) after registering higher fair value gain on investment properties coupled with a higher contribution from a joint venture, Boustead Ikano Sdn Bhd. Finance & Investment Division's profit for the current quarter rose to RM45.1 million (Preceding quarter: RM19.5 million) mainly on stronger profit contribution from Affin Holdings. Heavy Industries Division posted a profit of RM29.9 million for the current quarter as compared to the previous quarter's deficit of RM7.4 million, as better performance from the LCS project compensated for the weaker contribution from JVs, higher loss from chartering segment as well as impairment on receivables.

19. Prospects for the Coming 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. The drop in oil price may dampen growth of the oil & gas sector and result in unfavourable multiplier effects, but the Government's commitment to stay the course on spending on various construction and infrastructure projects would help to boost growth of the Malaysian economy. Going forward, the implementation of GST slated for April 2015, as well as the weakening of the Ringgit relative to the US Dollar may exert some inflationary pressures. Notwithstanding the uncertainties ahead, the diversified nature of the Group's businesses in six segments of the Malaysian economy would augur well for the Group.

Plantation Division's profitability for the coming year will be much impacted by the volatility of CPO prices and the challenging operating condition in certain areas of Sabah and Sarawak. Going forward, the weakness of crude oil prices, competition from Indonesian palm oil as well as from other edible oils, and the recent hike in import duty on vegetable oils and refined oils by India may dampen the prospects for CPO prices.

Given the current market trends and demand, the pharmaceutical sector in Malaysia continues to hold much potential for growth opportunities. The Pharmaceutical Division envisages stronger contribution from the manufacturing plant in Indonesia upon the completion of the acquisition and streamlining of activities at the plant. The Division will continue its efforts via the on-going manufacturing improvement processes, along with collaborations with multinational companies in the European Union region.

Progress billings from the ongoing and upcoming housing projects 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. The LCS project, defence related maintenance, repair and overhaul activities will contribute to the Heavy Industries Division's performance going forward.

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	46.3	151.7
- Deferred	(8.2)	5.6
	38.1	157.3
Under provision of prior years	(5.7)	(4.9)
	32.4	152.4

The Group's effective rate for the current quarter is lower than the statutory tax rate because certain income is taxable based on RPGT rate of tax. For the cumulative period, 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 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 (KSA). Upon incorporation of the JV Company, each Party will have a 50% equity interest in share capital of the JV Company. On 17 November 2014, the Parties have agreed to extend the validity of the JV Agreement for another six months until 16 May 2015 or such later date as both Parties shall agree in writing to finalise the fulfilment of conditions precedent.
- (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. During the current year, the Company further issued Perpetual Sukuk with a nominal value of RM451.0 million, bringing the cumulative amount raised under the Programme to RM1,134.0 million. The remainder of the Programme comprising RM66.0 million of Perpetual Sukuk will be implemented in the coming year.

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

(iv) 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 March 2015.

There were no other corporate proposals announced or pending completion as at 26 February 2015.

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 that the Sibu High Court made on 30 April 2012. The Plaintiffs/Respondents then, on 5 September 2014, filed an application for leave to appeal to the Federal Court and the matter is now pending hearing at a date to be fixed.

As at 26 February 2015, 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)	299.0	220.2	408.2	478.8
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)	28.91	21.29	39.47	46.30

25. Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2014 are as follows:-

	31.12.2014	31.12.2013
	RM million	RM million
Non-current:		
Term loans		
- Denominated in US Dollar	57.0	60.1
- Denominated in Great Britain Pound	72.3	-
- Denominated in Indonesian Rupiah	61.0	43.6
- Denominated in RM	1,124.8	1,828.7
	1,315.1	1,932.4
Asset-backed bonds	896.9	896.2
Bank guaranteed medium term notes	921.7	998.0
	3,133.7	3,826.6
Less: repayable in 1 year	937.7	760.1
	2,196.0	3,066.5
Current:		
Bank overdrafts	31.7	30.1
Bankers' acceptances	175.9	201.5
Revolving credits		
- Denominated in US Dollar	39.9	37.4
- Denominated in RM	3,699.5	2,540.4
Short term loans	937.7	760.1
	4,884.7	3,569.5
Total borrowings	7,080.7	6,636.0

26. Retained Earnings

	31.12.2014	31.12.2013
	RM million	RM million
Total retained earnings of Boustead Holdings Berhad and its Subsidiaries		
Realised	2,679.4	2,794.3
Unrealised	367.2	233.8
	<u>3,046.6</u>	<u>3,028.1</u>
Total share of retained earnings of associates and joint ventures		
Realised	849.2	759.0
Unrealised	81.6	60.2
	<u>3,977.4</u>	<u>3,847.3</u>
Consolidation adjustments	(1,745.9)	(1,474.5)
Total retained earnings of the Group as per consolidated accounts	<u>2,231.5</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
Net fair value gain on investment properties	(92.6)	(48.4)	(92.6)	(48.4)
Depreciation and amortisation	77.5	94.4	295.7	297.0
Provision for and write off of receivables	10.2	63.8	15.7	81.5
Provision for and write off of inventories	7.0	8.9	19.5	15.2
Impairment of property plant and equipment	-	16.7	-	16.7
(Gain)/loss on disposal of associates	(0.9)	2.8	(0.9)	2.8
Gain on sale of quoted and unquoted investments	(0.9)	(1.2)	(1.6)	(4.7)
Gain on disposal of properties	(18.5)	(7.0)	(18.5)	(30.8)
Stockholding loss/(gain)	35.0	(5.5)	50.0	(12.0)
Foreign exchange loss/(gain)	10.7	(4.4)	(4.1)	9.9
Net fair value (gain)/loss on derivatives	(12.0)	0.6	(0.2)	(11.2)

28. Plantation Statistics

	Cumulative Period	
	2014	2013
(a) Planted areas (hectares)		
Oil palm - immature	6,042	5,243
- young mature	12,636	12,542
- prime mature	38,436	42,922
- past prime	13,464	9,631
	<u>70,578</u>	<u>70,338</u>
	Cumulative Period	
	2014	2013
(b) Crop production (MT)		
FFB	1,036,582	1,043,280
(c) Average selling prices (RM per MT)		
FFB	511	486
Palm oil	2,401	2,353
Palm kernel	1,679	1,284

29. Economic Profit

	Cumulative Period	
	2014	2013
	RM million	RM million
For the period ended 31 December	<u>(77.0)</u>	<u>(34.5)</u>

30. Headline KPIs

	2014	2014	2015
	Actual	Target	Target
Return on Equity (ROE)	7.3%	8.0%	5.5%
Return on Assets (ROA)	6.1%	6.5%	5.6%
Dividend per share	26 sen	30 sen	20 sen

The targets for ROE and ROA were not achieved for FY2014, mainly due to the weaker than expected contributions from the Trading & Industrial and Heavy Industries Divisions. Dividend per share declared for FY2014 is in accordance with Boustead's dividend policy.

The headline KPIs for 2015 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.