

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

<b>For the quarter ended 31 March 2015</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenue</b>	<b>1,892.3</b>	2,499.8	<b>1,892.3</b>	2,499.8
Operating cost	<b>(1,772.9)</b>	(2,333.9)	<b>(1,772.9)</b>	(2,333.9)
Profit from operations	<b>119.4</b>	165.9	<b>119.4</b>	165.9
Interest income	<b>6.3</b>	5.5	<b>6.3</b>	5.5
Other investment results	<b>0.4</b>	-	<b>0.4</b>	-
Finance cost	<b>(67.4)</b>	(68.4)	<b>(67.4)</b>	(68.4)
Share of results of associates & joint ventures	<b>10.8</b>	30.3	<b>10.8</b>	30.3
<b>Profit before taxation</b>	<b>69.5</b>	133.3	<b>69.5</b>	133.3
Taxation	<b>(26.4)</b>	(41.9)	<b>(26.4)</b>	(41.9)
<b>Profit for the period</b>	<b>43.1</b>	91.4	<b>43.1</b>	91.4
<i>Profit for the period attributable to:</i>				
Shareholders of the Company	<b>0.1</b>	56.4	<b>0.1</b>	56.4
Holder of Perpetual Sukuk	<b>17.2</b>	10.3	<b>17.2</b>	10.3
Non-controlling interests	<b>25.8</b>	24.7	<b>25.8</b>	24.7
<b>Profit for the period</b>	<b>43.1</b>	91.4	<b>43.1</b>	91.4
<b>Earnings per share - sen</b>				
Basic	<b>0.01</b>	5.45	<b>0.01</b>	5.45

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014.

## Boustead Holdings Berhad (3871-H)

### UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 March 2015 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2015	2014	2015	2014
<b>Profit for the period</b>	<b>43.1</b>	91.4	<b>43.1</b>	91.4
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss</i>				
Currency translation difference in respect of foreign operations	<b>1.3</b>	4.0	<b>1.3</b>	4.0
Net gain/(loss) on available for sale investments				
- fair value changes	<b>0.9</b>	(0.6)	<b>0.9</b>	(0.6)
- transfer to profit or loss on disposal	-	0.2	-	0.2
Share of OCI of investments accounted for using the equity method	<b>14.1</b>	1.6	<b>14.1</b>	1.6
<b>Total comprehensive income for the period</b>	<b>59.4</b>	96.6	<b>59.4</b>	96.6
Attributable to:				
Shareholders of the Company	<b>15.7</b>	58.7	<b>15.7</b>	58.7
Holder of Perpetual Sukuk	<b>17.2</b>	10.3	<b>17.2</b>	10.3
Non-controlling interests	<b>26.5</b>	27.6	<b>26.5</b>	27.6
<b>Total comprehensive income for the period</b>	<b>59.4</b>	96.6	<b>59.4</b>	96.6

The unaudited condensed statement of consolidated comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014.

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

	Unaudited As at 31 March 2015	Audited As at 31 December 2014
<b>As at 31 March 2015</b>		
<b>(All figures are stated in RM million)</b>		
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	5,002.8	5,003.3
Biological assets	1,261.4	1,261.2
Investment properties	1,545.8	1,534.2
Development properties	500.8	501.5
Prepaid land lease payments	60.9	62.6
Long term prepayment	154.5	153.7
Deferred tax assets	67.8	53.3
Associates	1,803.9	1,789.6
Joint ventures	369.1	363.0
Available for sale investments	38.9	38.3
Intangible assets	1,372.0	1,376.3
	<b>12,177.9</b>	<b>12,137.0</b>
<b>Current assets</b>		
Inventories	712.0	689.8
Property development in progress	142.6	163.7
Due from customers on contracts	1,447.3	1,312.8
Receivables	1,357.4	1,219.1
Deposits, cash and bank balance	989.4	1,157.9
	<b>4,648.7</b>	<b>4,543.3</b>
<b>TOTAL ASSETS</b>	<b>16,826.6</b>	<b>16,680.3</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	517.1	517.1
Perpetual Sukuk	1,151.7	1,140.7
Reserves	4,186.0	4,222.0
<b>Shareholders' equity</b>	<b>5,854.8</b>	<b>5,879.8</b>
<b>Non-controlling interests</b>	<b>1,692.8</b>	<b>1,693.5</b>
Total equity	<b>7,547.6</b>	<b>7,573.3</b>
<b>Non current liabilities</b>		
Borrowings	2,377.2	2,196.0
Other payable	30.8	26.7
Deferred tax liabilities	108.6	90.3
	<b>2,516.6</b>	<b>2,313.0</b>
<b>Current liabilities</b>		
Borrowings	5,059.8	4,884.7
Trade and other payables	1,637.9	1,812.8
Due to customer on contracts	38.2	70.4
Taxation	26.5	26.1
	<b>6,762.4</b>	<b>6,794.0</b>
<b>Total liabilities</b>	<b>9,279.0</b>	<b>9,107.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,826.6</b>	<b>16,680.3</b>

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2014.

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

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

For the financial period ended 31 March 2015	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 2015	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
Total comprehensive income for the period	-	17.2	-	13.5	-	2.1	0.1	32.9	26.5	59.4
<b>Transactions with owners</b>										
Perpetual Sukuk										
- Distribution	-	(6.2)	-	-	-	-	-	(6.2)	-	(6.2)
Dividends	-	-	-	-	-	-	(51.7)	(51.7)	(27.2)	(78.9)
<b>Balance at 31 March 2015</b>	<b>517.1</b>	<b>1,151.7</b>	<b>1,165.1</b>	<b>62.5</b>	<b>341.7</b>	<b>436.8</b>	<b>2,179.9</b>	<b>5,854.8</b>	<b>1,692.8</b>	<b>7,547.6</b>
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	-	10.3	-	1.2	-	1.1	56.4	69.0	27.6	96.6
<b>Transactions with owners</b>										
Changes in ownership interests in Subsidiaries										
- Acquisition of a Subsidiary	-	-	-	-	-	-	-	-	4.9	4.9
Dividends	-	-	-	-	-	-	(77.6)	(77.6)	-	(77.6)
<b>Balance at 31 March 2014</b>	<b>517.1</b>	<b>688.9</b>	<b>1,165.1</b>	<b>49.4</b>	<b>295.9</b>	<b>157.0</b>	<b>2,351.6</b>	<b>5,225.0</b>	<b>724.1</b>	<b>5,949.1</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 2014.

**Boustead Holdings Berhad (3871-H)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the quarter ended 31 March 2015**

<b>(All figures are stated in RM million)</b>	<b>2015</b>	<b>2014</b>
<b>Operating activities</b>		
Receipts from customers	2,032.1	2,481.8
Cash paid to suppliers and employees	(2,267.5)	(2,408.0)
	<b>(235.4)</b>	73.8
Income taxes paid less refund	<b>(30.0)</b>	(13.0)
Net cash (used in)/from operating activities	<b>(265.4)</b>	60.8
<b>Investing activities</b>		
Biology assets and property plant & equipment purchased	<b>(64.9)</b>	(59.7)
Purchase and development of Investment property & development property	<b>(24.3)</b>	(29.0)
Disposal of property plant & equipment and biological assets	<b>1.0</b>	4.5
Acquisition of a Subsidiary, net of cash acquired	-	(74.8)
Settlement of consideration on acquisition of a Subsidiary	-	(611.1)
Additional investment in a joint venture, associate and Subsidiary	-	(180.0)
Others	<b>9.3</b>	12.3
Net cash used in investing activities	<b>(78.9)</b>	(937.8)
<b>Financing activities</b>		
Transactions with owners	<b>(51.7)</b>	(77.6)
Transactions with holders of Perpetual Sukuk	<b>(6.2)</b>	-
New loans	<b>7.1</b>	5.1
Loans repayment	<b>(22.9)</b>	(25.2)
Other borrowings	<b>318.1</b>	981.8
Interest paid	<b>(84.2)</b>	(88.6)
Others	<b>(27.2)</b>	-
Net cash from financing activities	<b>133.0</b>	795.5
Net decrease in cash and cash equivalents	<b>(211.3)</b>	(81.5)
Foreign currency translation difference	<b>(0.2)</b>	(2.6)
Cash and cash equivalent at beginning of period	<b>1,126.2</b>	607.8
<b>Cash and cash equivalent at end of period</b>	<b>914.7</b>	523.7
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	<b>989.4</b>	574.0
Overdrafts	<b>(74.7)</b>	(50.3)
<b>Cash and cash equivalent at end of period</b>	<b>914.7</b>	523.7

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 2014.

**Boustead Holdings Berhad (3871-H)****Notes to the interim financial report for the quarter ended 31 March 2015****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 2014. 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 2015, the Group adopted the following amended FRS:-

- 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)

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 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
- 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

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

### (ii) Standards Issued but not yet Effective (Cont'd.)

#### 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

On 31 March 2015, the Company paid a 4<sup>th</sup> interim dividend of 5 sen (2013: 7.5 sen) per share in respect of the previous financial year ended 31 December 2014 amounting to RM51.7 million (2013: RM77.6 million).

For the current quarter, the Directors have declared a 1<sup>st</sup> interim dividend of 5 sen (2014: 7.5 sen) per share in respect of the financial year ending 31 December 2015. The dividend will be paid on 30 June 2015 to shareholders registered in the Register of Members at the close of business on 17 June 2015.

## 8. Segmental Information

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

<b>RM million</b>	<b>Plantation</b>	<b>Heavy Industries</b>	<b>Property</b>	<b>Finance &amp; Investment</b>	<b>Pharmaceutical</b>	<b>Trading &amp; Industrial</b>	<b>Elim'n</b>	<b>Total</b>
<b>2015</b>								
<b>Revenue</b>								
Group total sales	135.4	224.1	156.9	47.1	471.9	864.2	(7.3)	1,892.3
Inter-segment sales	-	-	(4.1)	-	-	(3.2)	7.3	-
External sales	135.4	224.1	152.8	47.1	471.9	861.0	-	1,892.3
<b>Result</b>								
Segment result								
- external	13.5	19.4	28.7	0.6	40.1	17.1	-	119.4
Finance cost	(9.5)	(23.4)	(18.3)	(21.4)	(7.9)	(5.3)	18.4	(67.4)
Interest income	3.2	1.0	2.3	17.4	0.3	0.5	(18.4)	6.3
Other investment result	-	-	-	-	-	0.4	-	0.4
Share of result of associates & joint ventures	0.7	6.6	(2.9)	6.4	-	-	-	10.8
<b>Profit before taxation</b>	7.9	3.6	9.8	3.0	32.5	12.7	-	69.5
Taxation								(26.4)
<b>Profit after taxation</b>								43.1
<b>2014</b>								
<b>Revenue</b>								
Group total sales	200.3	251.5	134.8	39.0	468.7	1,412.4	(6.9)	2,499.8
Inter-segment sales	-	-	(6.9)	-	-	-	6.9	-
External sales	200.3	251.5	127.9	39.0	468.7	1,412.4	-	2,499.8
<b>Result</b>								
Segment result								
- external	54.6	18.8	20.2	(2.0)	39.3	35.0	-	165.9
Finance cost	(15.9)	(24.4)	(12.7)	(19.7)	(7.9)	(7.8)	20.0	(68.4)
Interest income	1.3	1.4	3.1	17.7	0.3	1.7	(20.0)	5.5
Share of result of associates & joint ventures	0.5	0.1	(2.2)	31.9	-	-	-	30.3
<b>Profit before taxation</b>	40.5	(4.1)	8.4	27.9	31.7	28.9	-	133.3
Taxation								(41.9)
<b>Profit after taxation</b>								91.4

## 9. Debts and Equity Securities

There were no issuances and repayment of debt and equity securities, share buybacks, share cancellations, shares held as treasury shares and resale of treasury shares in the current financial period.



## 10. Carrying Amount of Revalued Assets

There has been no revaluation of property, plant and equipment during the current financial period.

## 11. Subsequent Events

There were no subsequent events as at 25 May 2015 that will materially affect the financial statements of the financial period under review.

## 12. Changes in Group Composition

There were no 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 FY2014 annual financial statements remains unchanged as at 25 May 2015. No other contingent liability has arisen since the financial year end.

## 14. Commitments

The Group has the following commitments as at 31 March 2015:

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	460.3	185.9
Subscription of shares in a joint venture (Note 22(v))	-	250.0
Share of joint venture's capital commitment	-	335.0
	460.3	770.9

## 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 2014.

## 16. Intangible Assets

<b>RM' million</b>	<b>Goodwill</b>	<b>Concession right</b>	<b>Pharmacy manufacturing licence and patents</b>	<b>Rights to supply</b>	<b>Total</b>
<b>Cost</b>					
At 1 January 2015	1,229.8	75.0	19.4	110.4	1,434.6
Additions	-	-	-	2.7	2.7
Foreign exchange fluctuation	0.2	-	0.1	-	0.3
At 31 March 2015	1,230.0	75.0	19.5	113.1	1,437.6
<b>Accumulated amortisation and impairment</b>					
At 1 January 2015	-	32.6	1.8	23.9	58.3
Amortisation	-	2.2	0.5	4.6	7.3
At 31 March 2015	-	34.8	2.3	28.5	65.6
<b>Net carrying amount</b>					
At 31 March 2015	1,230.0	40.2	17.2	84.6	1,372.0
At 31 December 2014	1,229.8	42.4	17.6	86.5	1,376.3

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

### 17. Performance Review

For the 1<sup>st</sup> quarter, the Group posted an unaudited profit before tax of RM69.5 million, as compared with the profit for the corresponding period last year of RM133.3 million. The Group's profit after tax totalling RM43.1 million for the current quarter was also lower than the corresponding period last year's net profit of RM91.4 million.

For the current period, the Group registered revenue of RM1.89 billion, down 24% from that recorded during the corresponding period last year. Trading & Industrial Division's turnover was 39% short of the previous year mainly on decline in volume and fuel prices. Plantation Division's revenue was also down by 32% mainly on a drop in FFB crop and palm product prices. Pharmaceutical Division's revenue was marginally better on improved contribution from Indonesian operation. Property Division's revenue rose 19% largely on higher progress billings. Heavy Industries Division's revenue for the 3-month period was 11% lower than the corresponding period last year, with the decline mainly from the air transportation segment.

For the 3-month period, Plantation Division contributed a pre-tax profit of RM7.9 million (2014: RM40.5 million) attributable mainly to decline in FFB production and bearish palm product prices. CPO registered an average price of RM2,236 per MT, representing a decline of RM393 or 15% against last year corresponding period's average of RM2,629 per MT, while PK achieved an average price of RM1,662 per MT as compared with RM1,945 per MT for the same period last year. Cumulative FFB crop totalling 211,674 MT was 16% below the previous year, due largely to effects of last year's dry weather conditions and floods, labour shortages and the continuing blockades in certain Sarawak estates. Oil extraction rate (OER) improved to 21.8% from 21.4% a year ago.

Pharmaceutical Division recorded an improved pre-tax profit of RM32.5 million, as compared with RM31.7 million in the year before. This was primarily attributable to higher profit margins as a result of improved operational efficiencies which contributed to a reduction of manufacturing costs. Property Division enjoyed higher revenue during the current period, and registered a pre-tax profit of RM9.8 million representing an improvement of 17% over last year's corresponding period's gain of RM8.4 million.

Finance & Investment Division posted a pre-tax profit of RM3.0 million for the 1<sup>st</sup> quarter, significantly lower than the profit of RM27.9 million for the same period last year, largely on weaker contribution from the Affin Group which was impacted by higher allowance for loan impairment as a result of a one off provisioning attributable to the commercial banking arm. Trading & Industrial Division achieved a pre-tax profit of RM12.7 million, 56% short of the previous year's profit on lower revenue.

Heavy Industries Division posted a first quarter pre-tax profit of RM3.6 million (2014: Loss of RM4.1 million), mainly on better profit contribution from joint venture companies namely Contraves Advanced Devices Group and BHIC AeroServices Sdn Bhd. Boustead Naval Shipyard recorded higher loss in the current quarter, mainly due to fewer number of naval vessels entering the Lumut yard for repairs and ongoing restoration works on PD PERANTAU. For the period under review, MHS Aviation contributed a higher pre-tax profit of RM15.1 million (2014: RM9.6 million) mainly on account of rebates on insurance premium.

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

The current quarter's pre-tax profit of RM69.5 million was lower than the preceding quarter's pre-tax profit of RM356.4 million, as the Property Division's earnings for the preceding quarter was significantly better.

Plantation Division's profit of RM7.9 million for the current quarter is marginally better than the preceding quarter's operating profit of RM7.6 million mainly on account of lower operating cost. For the current quarter, the Division achieved a higher average price for CPO and PK of RM2,236 (Preceding quarter: RM2,183) per MT and RM1,662 (Preceding quarter: RM1,335) per MT respectively. However, FFB crop production for the current quarter dropped by 19% to 211,674 MT from the immediate preceding quarter.

Pharmaceutical Division's profit for the current quarter rose marginally to RM32.5 million (Preceding quarter: RM31.9 million), mainly due to improved manufacturing margin contributions albeit offset by lower revenue in the current quarter. Trading & Industrial Division posted a pre-tax profit of RM12.7 million (Preceding quarter: Deficit of RM3.6 million) as the non-recurrence of stockholding loss incurred during the preceding quarter had helped to cushion the effect arising from a drop in revenue.

Property Division's pre-tax profit for the current quarter was lower at RM9.8 million (Preceding quarter: RM245.4 million) as the preceding quarter's strong result was boosted by fair value gain on investment properties. Finance & Investment Division's profit for the current quarter dropped to RM3.0 million (Preceding quarter: RM45.1 million) reflecting the decline in contribution from the Affin Group. Heavy Industries Division posted a lower profit of RM3.6 million (Preceding quarter: RM29.9 million) during the current quarter, mainly due to lower contribution from BN Shipyard as a result of variations in the milestone achieved for LCS and other projects.

### 19. Prospects

We expect 2015 to be a challenging year, in light of the global economic uncertainties and challenging market conditions. On the domestic front, prospects remain positive as the Malaysian economy is well supported by the underlying strong economic fundamentals, sound financial system, accommodative monetary policy as well as the implementation of various government initiatives. The diversified nature of the Group's businesses in six segments of the Malaysian economy would augur well for the Group.

## 19. Prospects (Cont'd.)

Plantation Division's prospects are largely influenced by FFB production and CPO prices. Unresolved conflicts in certain Sarawak estates and the effects of dry weather conditions experienced in the previous year are likely to pose challenges to FFB production for the current year. The key influences for 2015 will be Indonesia's biodiesel demand, weather developments, Brent crude oil prices and US Dollar versus Malaysian exchange rates.

Prospects for the Pharmaceutical Division remains positive as the healthcare industry continues to experience steady growth, both globally and in the region. The Division's Manufacturing segment which has manufacturing facilities in both Malaysia and Indonesia will be the growth driver, and is committed to expanding its product portfolio through extensive research and development efforts in order to produce high quality products at par with international standards. The Logistics and Distribution segment is expected to deliver earnings growth alongside the implementation of cost optimisation measures.

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. The LCS project, defence related maintenance, repair and overhaul activities will contribute to the Heavy Industries Division's performance going forward. Finance & Investment Division's earnings will largely be driven by our associate, Affin Holdings.

## 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>2015</b>	<b>2015</b>
	<b>RM million</b>	<b>RM million</b>
Malaysian taxation based on profit for the period:		
- Current	28.1	28.1
- Deferred	(1.3)	(1.3)
	<hr/> 26.8	<hr/> 26.8
Under provision of prior years	(0.4)	(0.4)
	<hr/> 26.4	<hr/> 26.4

The Group's effective rate for the current quarter 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. The JVA expired on 16 May 2015, nevertheless, both parties are still open to explore other mechanism or possibilities to work together.
- (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 Acquisition was completed during the period under review.
- (iii) The Company's RM1.2 billion hybrid equity programme involving the issuance of Junior Sukuk Musharakah (Perpetual Sukuk) under the Junior Islamic Medium Term Note Programme was fully issued, following the issuance of RM66 million Perpetual Sukuk in April 2015.
- (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 was 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.

On 15 March 2015, BHB and the Vendors mutually agreed not to further extend the period to fulfil the Conditions Precedent of the Shares Sale Agreement (SSA). Accordingly, the SSA in relation to the Acquisition is deemed rescinded, terminated and completely discharged pursuant to the terms of the SSA.

- (v) On 6 March 2015, the Company announced its intention to subscribe for 60,000,000 new Irat Shares representing 50% of the issued and paid-up ordinary share capital in Irat for a cash consideration of RM127.8 million or RM2.13 per new Irat Share. The Proposed Subscription (First Subscription) was duly completed on 14 April 2015.

In addition to the First Subscription, the Company had on 14 April 2015 subscribed for an additional 33,333,333 new Irat Shares at the issue price of RM2.13 per Irat Share, for a cash consideration of RM71.0 million (Second Subscription). Subsequent to the First Subscription and the Second Subscription, the Company had on 28 April 2015 further subscribed for 24,037,559 new Irat Shares at the issue price of RM2.13 per Irat Share, for a cash consideration of RM51.2 million.

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

- (vi) On 19 May 2015, the Company's Subsidiary Boustead Plantations Berhad (BPB) announced that, CIMB Islamic Trustee Berhad, acting solely in the capacity as a trustee for BPB, had entered into sales and purchase agreements with third parties for the proposed disposals of part of 2 parcels of freehold land held under GRN 368030 Lot 44930 and GRN 236290 Lot 2939 in Mukim Kulai, District of Kulaijaya, State of Johor measuring a total of approximately 88.17 Ha for a total cash consideration of approximately RM48.99 million (Proposed Disposal). The completion of the Proposed Disposal is subject to, amongst others, the approval of relevant land authorities in respect for the subdivision and issuance of the subdivided titles of the lands.

There were no other corporate proposals announced or pending completion as at 25 May 2015.

## 23. Changes in Material Litigations

Boustead Yachts Sdn Bhd (Plaintiff), a wholly owned Subsidiary of Boustead Naval Shipyard Sdn Bhd, had on 23 December 2014 filed a Writ of Summons against the Defendant who is the owner of the vessel known as MY Sunchaser (Vessel). The Plaintiff had earlier entered into Points of Agreement dated 29 August 2011 (Points of Agreement) to provide the Defendant with exterior painting work of the Vessel to be carried out at the Plaintiff's yard. The Plaintiff was however, unable to complete the task following two incidences of fires occurring on the Vessel. The Defendant had since abandoned the Vessel and the Vessel continues to be in open space at the Plaintiff's yard.

On 23 March 2015, the Defendant filed their Defence and Counterclaim against the Plaintiff, denying that the Plaintiff is entitled to charge for handstand, utility and any services rendered to the Vessel and also alleging that the Plaintiff acted negligently and failed to take reasonable care and precaution for the safety and security of the Vessel whilst the Vessel was under the Plaintiff's care and custody. The Defendant is claiming for a sum no less than USD8,000,000.00 being the market value of the Vessel or such sum as may be determined by the Court as fair market value of the Vessel as at the time of the fire, the sum of USD1,200,000.00 and a sum of RM536,896.17 being the costs and expenses incurred and payments effected pursuant to the said Points of Agreement.

The Directors, in consultation with the solicitors, are of the view that Plaintiff has a good claim and the Defendant's counterclaim is without merit thus, no financial losses are expected. The counterclaim is not expected to have financial and operational impact to the Group.

As at 25 May 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 2014.

## 24. Earnings Per Share - Basic

	Current Period		Cumulative Period	
	2015	2014	2015	2014
Net profit for the period (RM million)	0.1	56.4	0.1	56.4
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)	0.01	5.45	0.01	5.45

## 25. Group Borrowings and Debt Securities

Total group borrowings as at 31 March 2015 are as follows:-

	31.3.2015	31.12.2014
	RM million	RM million
Non-current:		
Term loans		
- Denominated in US Dollar	69.8	57.0
- Denominated in Great Britain Pound	53.9	72.3
- Denominated in Indonesian Rupiah	70.1	61.0
- Denominated in RM	1,107.8	1,124.8
	<b>1,301.6</b>	1,315.1
Asset-backed bonds	897.1	896.9
Bank guaranteed medium term notes	930.2	921.7
	<b>3,128.9</b>	3,133.7
Less: repayable in 1 year	751.7	937.7
	<b>2,377.2</b>	2,196.0
Current:		
Bank overdrafts	74.7	31.7
Bankers' acceptances	261.6	175.9
Revolving credits		
- Denominated in US Dollar	42.3	39.9
- Denominated in RM	3,929.5	3,699.5
Short term loans	751.7	937.7
	<b>5,059.8</b>	4,884.7
Total borrowings	<b>7,437.0</b>	7,080.7

**26. Retained Earnings**

	<b>31.3.2015</b>	<b>31.12.2014</b>
	<b>RM million</b>	<b>RM million</b>
Total retained earnings of Boustead Holdings Berhad and its Subsidiaries		
Realised	2,647.8	2,679.4
Unrealised	362.8	367.2
	<u>3,010.6</u>	<u>3,046.6</u>
Total share of retained earnings of associates and joint ventures		
Realised	738.7	859.9
Unrealised	73.8	75.6
	<u>3,823.1</u>	<u>3,982.1</u>
Consolidation adjustments	(1,643.2)	(1,750.6)
Total retained earnings of the Group as per consolidated accounts	<u>2,179.9</u>	<u>2,231.5</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>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>	<b>RM million</b>
Depreciation and amortisation	<b>76.6</b>	74.2	<b>76.6</b>	74.2
Provision for and write off of receivables	<b>0.9</b>	2.0	<b>0.9</b>	2.0
Provision for and write off of inventories	<b>0.4</b>	1.4	<b>0.4</b>	1.4
Impairment of property plant and equipment	<b>0.1</b>	-	<b>0.1</b>	-
(Gain)/loss on sale of quoted and unquoted investments	<b>(0.1)</b>	0.2	<b>(0.1)</b>	0.2
Stockholding loss	<b>1.1</b>	2.7	<b>1.1</b>	2.7
Foreign exchange loss/(gain)	<b>10.4</b>	(12.2)	<b>10.4</b>	(12.2)
Net fair value (gain)/loss on derivatives	<b>(9.4)</b>	12.0	<b>(9.4)</b>	12.0

**28. Plantation Statistics**

	<b>Cumulative Period</b>	
	<b>2015</b>	<b>2014</b>
<b>(a) Planted areas (hectares)</b>		
Oil palm - immature	<b>6,622</b>	5,257
- young mature	<b>12,389</b>	11,750
- prime mature	<b>36,149</b>	41,430
- past prime	<b>14,226</b>	11,839
	<u><b>69,386</b></u>	<u>70,276</u>
	<b>Cumulative Period</b>	
	<b>2015</b>	<b>2014</b>
<b>(b) Crop production (MT)</b>		
FFB	<b>211,674</b>	253,108
<b>(c) Average selling prices (RM per MT)</b>		
FFB	<b>495</b>	586
Crude Palm oil (CPO)	<b>2,236</b>	2,629
Palm kernel (PK)	<b>1,662</b>	1,945

**29. Economic Profit**

	<b>Cumulative Period</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM million</b>	<b>RM million</b>
For the period ended 31 March	<b>(49.7)</b>	(12.3)

**30. Headline KPIs**

	<b>2015</b>	<b>2015</b>
	<b>(3 months)</b>	<b>(12 months)</b>
	<b>Actual</b>	<b>Target</b>
Return on Equity (ROE)	0.0%	5.5%
Return on Assets (ROA)	0.8%	5.6%