

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

<b>For the quarter ended 31 December 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>2,442.3</b>	2,825.9	<b>8,662.5</b>	10,608.2
Operating cost	<b>(2,431.9)</b>	(2,630.3)	<b>(8,349.7)</b>	(9,975.1)
Profit from operations	<b>10.4</b>	195.6	<b>312.8</b>	633.1
Gain on disposal of plantation land	<b>(0.1)</b>	-	<b>57.1</b>	-
Interest income	<b>7.6</b>	8.9	<b>31.6</b>	29.1
Other investment results	<b>72.3</b>	94.5	<b>73.4</b>	96.1
Finance cost	<b>(69.5)</b>	(74.8)	<b>(290.5)</b>	(289.0)
Share of results of associates & joint ventures	<b>29.0</b>	132.2	<b>84.8</b>	216.4
<b>Profit before taxation</b>	<b>49.7</b>	356.4	<b>269.2</b>	685.7
Taxation	<b>(50.5)</b>	(32.4)	<b>(129.8)</b>	(152.4)
<b>(Loss)/profit for the period</b>	<b>(0.8)</b>	324.0	<b>139.4</b>	533.3
<i>(Loss)/profit for the period attributable to:</i>				
Shareholders of the Company	<b>4.2</b>	299.0	<b>13.2</b>	408.2
Holder of Perpetual Sukuk	<b>18.6</b>	18.0	<b>72.6</b>	54.5
Non-controlling interests	<b>(23.6)</b>	7.0	<b>53.6</b>	70.6
<b>(Loss)/profit for the period</b>	<b>(0.8)</b>	324.0	<b>139.4</b>	533.3
<b>Earnings per share - sen</b>				
Basic	<b>0.41</b>	28.91	<b>1.28</b>	39.47

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 December 2015 (All figures are stated in RM million)	Current Period		Cumulative Period	
	2015	2014	2015	2014
<b>(Loss)/profit for the period</b>	<b>(0.8)</b>	324.0	<b>139.4</b>	533.3
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss</i>				
Currency translation difference in respect of foreign operations	<b>3.7</b>	4.5	<b>13.6</b>	3.9
Net gain/(loss) on available for sale investments				
- fair value changes	<b>0.4</b>	(4.0)	<b>(4.9)</b>	(4.6)
- transfer to profit or loss on disposal	<b>3.7</b>	1.8	<b>3.7</b>	1.3
Share of OCI of investments accounted for using the equity method	<b>23.7</b>	(1.5)	<b>4.3</b>	4.7
<b>Total comprehensive income for the period</b>	<b>30.7</b>	324.8	<b>156.1</b>	538.6
Attributable to:				
Shareholders of the Company	<b>33.2</b>	296.8	<b>21.3</b>	411.2
Holder of Perpetual Sukuk	<b>18.6</b>	18.0	<b>72.6</b>	54.5
Non-controlling interests	<b>(21.1)</b>	10.0	<b>62.2</b>	72.9
<b>Total comprehensive income for the period</b>	<b>30.7</b>	324.8	<b>156.1</b>	538.6

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**

<b>As at 31 December 2015</b>	<b>Unaudited As at 31 December 2015</b>	<b>Audited As at 31 December 2014</b>
<b>(All figures are stated in RM million)</b>		
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	5,035.0	5,003.3
Biological assets	1,261.4	1,261.2
Investment properties	1,543.8	1,534.2
Development properties	638.9	501.5
Prepaid land lease payments	61.6	62.6
Long term prepayment	170.3	153.7
Deferred tax assets	50.1	53.3
Associates	1,843.5	1,789.6
Joint ventures	621.1	363.0
Available for sale investments	33.1	38.3
Intangible assets	1,406.3	1,376.3
	<b>12,665.1</b>	<b>12,137.0</b>
<b>Current assets</b>		
Inventories	812.8	689.8
Property development in progress	99.1	163.7
Due from customers on contracts	1,216.1	1,312.8
Receivables	1,382.6	1,219.1
Deposits, cash and bank balance	1,338.1	1,157.9
Assets classified as held for sale	105.8	-
	<b>4,954.5</b>	<b>4,543.3</b>
<b>TOTAL ASSETS</b>	<b>17,619.6</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	1,207.7	1,140.7
Reserves	4,025.5	4,222.0
<b>Shareholders' equity</b>	<b>5,750.3</b>	<b>5,879.8</b>
<b>Non-controlling interests</b>	<b>1,607.5</b>	<b>1,693.5</b>
Total equity	<b>7,357.8</b>	<b>7,573.3</b>
<b>Non current liabilities</b>		
Borrowings	2,175.6	2,196.0
Other payable	31.4	26.7
Deferred tax liabilities	105.7	90.3
	<b>2,312.7</b>	<b>2,313.0</b>
<b>Current liabilities</b>		
Borrowings	5,858.3	4,884.7
Trade and other payables	1,893.5	1,812.8
Due to customer on contracts	116.0	70.4
Taxation	19.3	26.1
Dividend payable	62.0	-
	<b>7,949.1</b>	<b>6,794.0</b>
<b>Total liabilities</b>	<b>10,261.8</b>	<b>9,107.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>17,619.6</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 December 2015	Attributable to shareholders of the Company									
	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 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	-	72.6	-	5.2	-	2.9	13.2	93.9	62.2	156.1
<b>Transactions with owners</b>										
Perpetual Sukuk										
- Issuance	-	66.0	-	-	-	-	(0.7)	65.3	-	65.3
- Distribution	-	(71.6)	-	-	-	-	-	(71.6)	-	(71.6)
Transfers during the period	-	-	-	-	45.6	-	(45.6)	-	-	-
Dividends	-	-	-	-	-	-	(217.1)	(217.1)	(148.2)	(365.3)
<b>Balance at 31 December 2015</b>	<b>517.1</b>	<b>1,207.7</b>	<b>1,165.1</b>	<b>54.2</b>	<b>387.3</b>	<b>437.6</b>	<b>1,981.3</b>	<b>5,750.3</b>	<b>1,607.5</b>	<b>7,357.8</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	-	54.5	-	0.8	-	2.2	408.2	465.7	72.9	538.6
<b>Transactions with owners</b>										
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
Perpetual Sukuk										
- Issuance	-	451.0	-	-	-	-	(2.3)	448.7	-	448.7
- Distribution	-	(47.8)	-	-	-	-	-	(47.8)	-	(47.8)
Transfers during the period	-	4.4	-	-	45.8	-	(50.2)	-	-	-
Dividends	-	-	-	-	-	-	(294.8)	(294.8)	(78.4)	(373.2)
<b>Balance at 31 December 2014</b>	<b>517.1</b>	<b>1,140.7</b>	<b>1,165.1</b>	<b>49.0</b>	<b>341.7</b>	<b>434.7</b>	<b>2,231.5</b>	<b>5,879.8</b>	<b>1,693.5</b>	<b>7,573.3</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 December 2015**

(All figures are stated in RM million)	2015	2014
<b>Operating activities</b>		
Receipts from customers	8,842.8	11,098.8
Cash paid to suppliers and employees	(8,042.5)	(9,548.5)
	<b>800.3</b>	1,550.3
Income taxes paid less refund	(131.9)	(142.8)
Net cash from operating activities	<b>668.4</b>	1,407.5
<b>Investing activities</b>		
Acquisition of a Subsidiary, net of cash acquired	-	(69.2)
Additional investment in a joint venture, associate and Subsidiary	-	(448.6)
Settlement of consideration on acquisition of a Subsidiary	-	(611.1)
Partial disposal of shares in a Subsidiary	-	158.7
Acquisition of a Joint Venture	(250.0)	-
Biology assets and property plant & equipment purchased		
- Purchases	(319.4)	(665.1)
- Disposals	72.9	43.6
Purchase and development of Investment property & development property	(232.6)	(365.2)
Proceeds from disposal of investment property	35.1	-
Purchase of intangible assets	(66.8)	(56.5)
Dividends received	28.4	111.1
Others	25.5	35.1
Net cash used in investing activities	<b>(706.9)</b>	(1,867.2)
<b>Financing activities</b>		
Transactions with owners	(155.1)	(294.8)
Transactions with holders of Perpetual Sukuk	(6.3)	400.9
Issue of shares by Subsidiaries		
- Initial public offering of a Subsidiary	-	907.0
- Others	-	0.3
New loans	131.6	324.9
Loans repayment	(326.0)	(1,023.8)
Other borrowings	1,086.7	1,136.0
Interest paid	(393.1)	(393.7)
Dividends paid to non-controlling interests	(148.2)	(78.4)
Net cash from financing activities	<b>189.6</b>	978.4
Net increase in cash and cash equivalents	<b>151.1</b>	518.7
Foreign currency translation difference	1.2	(0.3)
Cash and cash equivalent at beginning of period	1,126.2	607.8
<b>Cash and cash equivalent at end of period</b>	<b>1,278.5</b>	1,126.2
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	1,338.1	1,157.9
Overdrafts	(59.6)	(31.7)
<b>Cash and cash equivalent at end of period</b>	<b>1,278.5</b>	1,126.2

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 December 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 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 2018

- FRS 9 Financial Instruments (2014)

#### Deferred

- Amendments to FRS 10 and FRS 128 – Sale or Contribution of Assets between an Investor and its Associates

### (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 2018.

The Group falls under the scope definition of Transitioning Entities and has opted to adopt MFRS for annual periods beginning on 1 January 2018. When the Group presents its first MFRS financial statements in 2018, 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.

At the date of these financial statements, the Group has not completed its quantification of the financial effects on the financial statements of the differences arising from the change from FRS to MFRS. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial years ended 31 December 2014 and 31 December 2015 could be different if prepared under the MFRS Framework.

## 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 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).
- (ii) On 30 June 2015, the Company paid a 1<sup>st</sup> interim dividend of 5 sen (2014: 7.5 sen) per share in respect of the current financial year ended 31 December 2015 amounting to RM51.7 million (2014: RM77.6 million).
- (iii) On 30 September 2015, the Company paid a 2<sup>nd</sup> interim dividend of 5 sen (2014: 7.5 sen) per share in respect of the current financial year ended 31 December 2015 amounting to RM51.7 million (2014: RM77.6 million).
- (iv) On 12 January 2016, the Company paid a 3<sup>rd</sup> interim dividend of 6.0 sen (2014: 6.0 sen) per share in respect of the current financial year ended 31 December 2015 amounting to RM62.0 million (2014: RM62.0 million).

For the current quarter, the Directors have declared a 4<sup>th</sup> interim dividend of 4.0 sen (2014: 5.0 sen) per share in respect of the financial year ended 31 December 2015. The dividend will be paid on 12 April 2016 to shareholders registered in the Register of Members at the close of business on 31 March 2016.

## 8. Segmental Information

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

RM million	Plantation	Heavy Industries	Property	Finance & Investment	Pharma- ceutical	Trading & Industrial	Elim'n	Total
<b>2015</b>								
<b>Revenue</b>								
Group total sales	615.2	1,422.3	665.2	196.5	2,189.3	3,595.3	(21.3)	8,662.5
Inter-segment sales	-	-	(16.2)	-	-	(5.1)	21.3	-
External sales	615.2	1,422.3	649.0	196.5	2,189.3	3,590.2	-	8,662.5
<b>Result</b>								
Segment result								
- external	60.2	(69.4)	144.7	(2.5)	118.1	61.7	-	312.8
Gain on disposal of plantation land	57.1	-	-	-	-	-	-	57.1
Interest income	14.5	6.1	10.7	69.9	1.1	1.9	(72.6)	31.6
Other investment result	-	(1.8)	67.9	12.5	-	(5.2)	-	73.4
Finance cost	(38.5)	(94.0)	(73.3)	(107.6)	(29.0)	(20.7)	72.6	(290.5)
Share of result of associates & joint ventures	1.8	22.3	(11.2)	71.9	-	-	-	84.8
<b>Profit before taxation</b>	95.1	(136.8)	138.8	44.2	90.2	37.7	-	269.2
Taxation								(129.8)
<b>Profit after taxation</b>								139.4
<b>2014</b>								
<b>Revenue</b>								
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
<b>Result</b>								
Segment result								
- external	128.6	108.7	184.7	(2.2)	132.4	80.9	-	633.1
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
Finance cost	(53.8)	(96.3)	(64.6)	(84.3)	(33.6)	(31.0)	74.6	(289.0)
Share of result of associates & joint ventures	3.7	10.3	82.1	120.3	-	-	-	216.4
<b>Profit before taxation</b>	89.8	26.2	294.6	110.4	100.1	64.6	-	685.7
Taxation								(152.4)
<b>Profit after taxation</b>								533.3

## 9. Debts and Equity Securities

- (i) During the 2<sup>nd</sup> quarter, the Company issued Perpetual Sukuk at par value amounting to RM66.0 million.
- (ii) During the 3<sup>rd</sup> quarter, the Group redeemed RM140 million of Asset-backed Bonds.

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



## 10. Carrying Amount of Revalued Assets

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

## 11. Subsequent Events

There were no subsequent events as at 25 February 2016 that will materially affect the financial statements of the financial period under review.

## 12. Changes in Group Composition

During the 2<sup>nd</sup> quarter, Irat Properties Sdn Bhd became a 50% joint venture of the Company. 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 FY2014 annual financial statements remains unchanged as at 25 February 2016. No other contingent liability has arisen since the financial year end.

## 14. Commitments

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

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	784.9	258.5
Share of joint venture's capital commitment	-	326.1
Proposed acquisition of a Subsidiary	3.5	-
	788.4	584.6

## 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	-	-	-	66.8	66.8
Foreign exchange fluctuation	6.3	-	2.4	-	8.7
At 31 December 2015	1,236.1	75.0	21.8	177.2	1,510.1
<b>Accumulated amortisation and impairment</b>					
At 1 January 2015	-	32.6	1.8	23.9	58.3
Amortisation	-	8.6	2.5	26.5	37.6
Impairment	7.4	-	-	-	7.4
Foreign exchange fluctuation	-	-	0.5	-	0.5
At 31 December 2015	7.4	41.2	4.8	50.4	103.8
<b>Net carrying amount</b>					
At 31 December 2015	1,228.7	33.8	17.0	126.8	1,406.3
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 4<sup>th</sup> quarter, the Group posted an unaudited profit before tax of RM49.7 million, as compared with profit for the corresponding period last year of RM356.4 million. The Group recorded a loss after tax totalling RM0.8 million for the current quarter was also lower than the corresponding period last year's net profit of RM324.0 million.

For the cumulative period, the Group registered revenue of RM8.7 billion, down 18% from that recorded during the corresponding period last year. Trading & Industrial Division's turnover was 29% below the previous year, attributable mainly to fall in BHPetrol revenue on account of the decline in volume and fuel price. Plantation Division's revenue was also down by 14% due mainly to the drop in palm products prices. Pharmaceutical Division's revenue was 3% better on the back of improved contributions from non-concession business, in particular the Group's overseas operations. Property Division's cumulative revenue was largely in line with the previous financial year, while Heavy Industries Division's revenue was 25% lower mainly on lower revenue from LCS project and air transportation.

For the financial year under review, the Group posted a pre-tax profit of RM269.2 million, as compared to the gain of RM685.7 million for the same period last year. For the 12-month period, Plantation Division contributed a higher pre-tax profit of RM95.1 million (2014: RM89.8 million) as gains on disposal of land totalling RM57.1 million compensated for the unfavourable effects from the bearish palm product prices and foreign exchange loss. For the cumulative period, CPO registered an average price of RM2,148 per MT, representing a decline of RM253 or 11% against last year corresponding period's average of RM2,401 per MT, while PK achieved an average price of RM1,533 per MT as compared with RM1,679 per MT for the same period last year. Cumulative FFB crop totalling 1,037,163 MT was largely the same as the previous year. Oil extraction rate (OER) and kernel extraction rate (KER) of 21.9% and 4.6% respectively were marginally better than last year.

For the current financial year, Pharmaceutical Division recorded a pre-tax profit of RM90.2 million as compared with RM100.1 million in the previous year, primarily attributable to reduced Government orders and amortisation for the Pharmacy Information System during the year. Property Division registered a pre-tax profit of RM138.8 million for FY2015, down 53% over last financial year's gain of RM294.6 million. The Division's result for the previous year had benefitted from the sale of commercial land, while FY2014 profit contribution from joint venture Boustead Ikano was boosted by very substantial fair value gain on its Cochrane property.

Finance & Investment Division posted a pre-tax profit of RM44.2 million for FY2015, significantly lower than the previous year's profit of RM110.4 million, largely on weaker contribution from Affin Group and funding cost of investments. Trading & Industrial Division achieved a pre-tax profit of RM37.7 million for FY2015, 42% short of the previous year's profit largely on losses from the tiles and paints manufacturing segment.

Heavy Industries Division posted a higher pre-tax loss of RM136.8 million (2014: Profit of RM26.2 million), attributable mainly to a drop in revenue, provision for liquidated ascertained damages (LAD) made for KD KASTURI under the Service Life Extension Programme (SLEP), higher project cost and provision of foreseeable loss for the restoration of KD PERANTAU. Nevertheless, contribution from joint venture companies, namely Contraves Advanced Devices Group and BHIC AeroServices Sdn Bhd was better at RM22.3 million (2014: RM10.3 million).

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

The Group's pre-tax profit of RM49.7 million for the current quarter was lower than the preceding quarter's pre-tax profit of RM66.7 million on the back of weaker contribution from Plantation and Heavy Industries Divisions.

Plantation Division's pre-tax profit for the current quarter was lower at RM6.4 million (Preceding quarter: RM27.6 million) attributable mainly to the absence of gain from land sale (Preceding quarter: RM18.1 million) and a drop in sales volume. Average CPO price realised for the current quarter of RM2,115 per MT was RM25 better than the preceding quarter's average of RM2,090 per MT. Nevertheless, the FFB production for current quarter of 265,080 MT was 9% lower than the preceding quarter.

Finance & Investment Division's profit for the current quarter rose to RM22.9 million (Preceding quarter: RM3.3 million) attributable mainly to the fair value gain on investment property and improved contributions from UNMC operations, while Trading & Industrial Division posted a small loss of RM1.5 million (Preceding quarter: Profit of RM4.0 million) on impairment of goodwill.

Pharmaceutical Division's pre-tax profit for the current quarter of RM19.6 million was comparable to that in the preceding quarter. For the current quarter, the Division enjoyed a 29.7% increase in revenue attributable mainly to orders from Government hospitals under the concession and non-concession businesses. During the current quarter, Property Division was helped by fair value gain on investment properties and posted a higher pre-tax profit of RM107.5 million (Preceding quarter: RM13.8 million). Heavy Industries Division incurred a loss of RM105.2 million (Preceding quarter: Loss of RM1.2 million) on account of LAD charges, additional project cost, as well as the impairment of chemical tankers and receivables.

## 19. Prospects

The coming year is expected to be challenging both globally and domestically, due mainly to economic uncertainties and the difficult market conditions. On the domestic front, the economy is expected to remain resilient and poised to grow at 4% to 4.5%, notwithstanding the volatile commodity prices and depreciation of the Ringgit, as well as rising inflation which may impede growth. 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 FY2016 remains challenging due to the volatility in CPO prices, as well as the effects on FFB production brought on by dry weather conditions and the enforcement of the Division's rights over lands in certain estates in Sarawak. Amid the outlook of challenging global environment coupled with the weakening of China's economy, CPO prices are projected to improve due to expectations of constrained production and declining stocks arising from El Nino phenomenon. However, competition from soy oil will prevent palm oil from rallying too high.

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 and 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 Quarter</b>	<b>Cumulative Quarter</b>
	<b>2015</b>	<b>2015</b>
	<b>RM million</b>	<b>RM million</b>
Malaysian taxation based on profit for the period:		
- Current	34.2	125.9
- Deferred	18.4	18.5
	52.6	144.4
Over provision of prior years	(2.1)	(14.6)
	50.5	129.8

The Group's effective rate for the current and cumulative 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) On 16 June 2015, the Group's Subsidiary Boustead Plantations Berhad (BPB) announced that, CIMB Islamic Trustee Berhad, acting solely in the capacity as a trustee for BPB, entered into a sale and purchase agreement for the proposed disposal of part of 3 parcels of freehold lands held under GRN 401071 Lot 86499, GRN 236290 Lot 2939 and GRN 368030 Lot 44930 in Mukim Kulai, District of Kulaijaya, State of Johor measuring a total of approximately 57.03 Ha for a total cash consideration of approximately RM12.3 million.

On the same date, BPB also announced that Boustead Sungai Manar Sdn Bhd, a wholly-owned Subsidiary of BPB, had entered into a sale and purchase agreement for the proposed disposal of 5 parcels of freehold land held under GRN 405928 Lot 44926, GRN 405929 Lot 44927, GRN 405930 Lot 44928, GRN 405931 Lot 44929 and GRN 400949 Lot 44931 and part of a parcel of freehold land held under GRN 353782 Lot 44925 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 102.12 Ha for a cash consideration of approximately RM81.9 million.

The above disposals which are subject to, amongst others, the approval of relevant land and state authorities, are due for completion during the first quarter of FY2016.

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

- (ii) On 8 September 2015, BPB announced that, CIMB Islamic Trustee Berhad, acting solely in the capacity as a trustee for BPB, entered into a sale and purchase agreement for the proposed disposal of freehold lands held under GRN 401071 Lot 86499, GRN 236290 Lot 2939 and GRN 368030 Lot 44930 in Mukim Kulai, District of Kulaijaya, State of Johor measuring a total of approximately 52.69 Ha for a total cash consideration of approximately RM30.1 million.

The above disposal is expected to complete during the first quarter of FY2016.

- (iii) On 8 September 2015, BPB also announced that Boustead Sungai Manar Sdn Bhd, a wholly-owned Subsidiary of BPB, had entered into a sale and purchase agreement for the proposed disposal of freehold land in Mukim Kulai, District of Kulaijaya, State of Johor measuring a total of approximately 33.26 Ha (SPA 1) and 18.45 Ha (SPA 2) for a total cash consideration of approximately RM19.7 million and RM10.9 million respectively.

SPA 1 was completed on 23 September 2015 and a gain on disposal of RM18.1 million was recognised in the third quarter, while SPA 2 is expected to complete during the first quarter of FY2016.

- (iv) On 28 August 2015, the Group's Subsidiary Pharmaniaga Berhad entered into a conditional Share Purchase Agreement (Share SPA) with Dato' Dr Kattayat Mohandas A/L C P Narayana (Vendor) for the acquisition of 1,400,000 ordinary shares of RM1.00 each in Bio-Collagen Technologies Sdn Bhd (BCTSB) representing 70% of the total issued and paid up shares capital of BCTSB for a total cash consideration of RM3.5 million only. Completion of the proposed acquisition of BCTSB is pending fulfilment of conditions precedent by the Vendor.

- (v) On 17 December 2015, the Group's Subsidiary Johan Ceramics Berhad (JCB) entered into a conditional sale & purchase agreement (SPA) with Kim Hin Ceramic (Seremban) Sdn Bhd (Purchaser) for the proposed disposal of property and assets (including trademark assignment) of JCB for a cash consideration of RM28.0 million. The proposed disposal which is expected to complete in the first quarter of FY2016 is subject to the approvals of the shareholders of the Purchaser, and other relevant authorities.

- (vi) On 23 December 2015, wholly owned Subsidiaries of Boustead Heavy Industries Berhad namely BHIC Marine Carriers Sdn Bhd, BHIC Marine Ventures Sdn Bhd and BHIC Marine Transport Sdn Bhd entered into Memoranda of Agreement with Jasa Merin (Labuan) PLC for sale of the three chemical tankers, MT CHULAN 1, MT CHULAN 2 and MT CHULAN 3. The proposed disposal of these chemical tankers for the aggregate cash consideration of USD17.1 million is expected to complete during the first quarter of 2016.

- (vii) On 29 December 2015, Bakti Wira Sdn Bhd (BWSB), a wholly-owned Subsidiary of the Group, entered into a conditional share sale agreement with Cascara Sdn Bhd (Cascara) for the proposed disposal of BWSB's entire 30% stake in Jendela Hikmat Sdn Bhd (JHSB) comprising 12,600,000 ordinary shares of RM1.00 each in JHSB for a cash consideration of RM180.0 million (Proposed Disposal). Concurrent with the Proposed Disposal, Lembaga Tabung Angkatan Tentera (LTAT), the Company's parent company, had on 29 December 2015 executed a share sale agreement with Cascara for the disposal of its 30% equity interest in JHSB for a cash consideration of RM180.0 million (LTAT Disposal).

The Proposed Disposal is subject to the approval of the Company's shareholders at an extraordinary general meeting to be convened.

- (viii) On 18 January 2016, the Company announced its intention to undertake the following proposals:

- (a) Proposed Rights Issue of up to 413,671,222 ordinary shares of RM0.50 each (Right Shares), on the basis of 2 Right Shares for every 5 existing shares held on the entitlement date to be determined later.
- (b) Proposed Bonus Issue of up to new ordinary shares of RM0.50 each (Bonus Shares), on the basis of 2 Bonus Shares for every 5 existing shares held after the completion of the Proposed Rights Issue.
- (c) Proposed increase of authorised share capital to RM2 billion comprising 4 billion ordinary shares of RM0.50 each.

The above proposals which are expected to complete during the second quarter of FY2016 are subject to the approvals of Bursa Securities and the Company's shareholders at an extraordinary general meeting to be convened.

There were no other corporate proposals announced or pending completion as at 25 February 2016.

### 23. Changes in Material Litigations

- (i) Boustead Yachts Sdn Bhd (Plaintiff), a wholly owned Subsidiary of Boustead Naval Shipyard Sdn Bhd (BNS), 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 USD8.0 million 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 USD1.2 million and a sum of RM536,896.17 being costs and expenses incurred and payments effected pursuant to the said Points of Agreement.

The Plaintiff filed a Notice of Application and Affidavit in Support on 4 March 2015 for an order for sale of the Vessel. The Defendant has served a reply on 27 March 2015, with no objections to the application. On 19 May 2015, the Court has granted the Plaintiff's application for an Order for Sale of the Vessel.

The Plaintiff filed the Reply to Defence and Defence to Counterclaim on 5 May 2015 and the Court fixed the matter for Case Management on 12 August 2015. The case finally ended when the parties agreed to record a consent judgment on 16 November 2015 where the Defendant (Sunchaser) agreed to pay the Plaintiff on a without admission of liability basis a sum of RM400,000 and with no order as to costs.

- (ii) A customer of the Group issued a notice of arbitration dated 7 December 2012 against our Subsidiary for alleged breach of contract, making a claim for USD4,935,000 together with interest and costs. Our Subsidiary, in response, initiated a counter-claim against the customer for the sums of USD684,766 and RM55,760,483 together with interest and costs. The case is currently pending further directions from the Arbitration Tribunal on exchange of witness statements and expert witness statements. The discovery of document process is completed, with our Subsidiary's rights to further disclosure reserved. Our Subsidiary is applying to amend its Defence and Counterclaim. The Arbitration tribunal will fix further dates upon conclusion of this amendment process.
- (iii) In respect of the litigation referred to in Note 36(a) of the 2014 Annual Report, the Federal Court heard the Plaintiffs' appeal against the Court of Appeal's decision on 10 September 2015. After hearing extensive arguments from respective parties, the Federal Court delivered a unanimous decision to dismiss the Plaintiffs' Motion with no order as to costs.
- (iv) In respect of the litigation referred to in 36(b) of the 2014 Annual Report, our Subsidiary BNS filed an application for leave to appeal to the Federal Court on 10 December 2013. The Court fixed the next Case Management on 21 March 2016 pending the availability of the Grounds of Judgment from the Court of Appeal.

As at 25 February 2016, 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)	4.2	299.0	13.2	408.2
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)	0.41	28.91	1.28	39.47

## 25. Group Borrowings and Debt Securities

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

	<b>31.12.2015</b>	<b>31.12.2014</b>
	<b>RM million</b>	<b>RM million</b>
Non-current:		
Term loans		
- Denominated in US Dollar	61.1	57.0
- Denominated in Great Britain Pound	82.0	72.3
- Denominated in Indonesian Rupiah	80.4	61.0
- Denominated in RM	<b>1,068.4</b>	1,124.8
	<b>1,291.9</b>	1,315.1
Asset-backed bonds	757.6	896.9
Bank guaranteed medium term notes	<b>922.8</b>	921.7
	<b>2,972.3</b>	3,133.7
Less: repayable in 1 year	<b>796.7</b>	937.7
	<b>2,175.6</b>	2,196.0
Current:		
Bank overdrafts	59.6	31.7
Bankers' acceptances	<b>148.7</b>	175.9
Revolving credits		
- Denominated in US Dollar	48.9	39.9
- Denominated in RM	<b>4,804.4</b>	3,699.5
Short term loans	<b>796.7</b>	937.7
	<b>5,858.3</b>	4,884.7
Total borrowings	<b>8,033.9</b>	7,080.7

## 26. Retained Earnings

	<b>31.12.2015</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	2,191.2	2,679.4
Unrealised	441.9	367.2
	<b>2,633.1</b>	3,046.6
Total share of retained earnings of associates and joint ventures		
Realised	813.5	761.6
Unrealised	183.8	173.9
	<b>3,630.4</b>	3,982.1
Consolidation adjustments	<b>(1,649.1)</b>	<b>(1,750.6)</b>
Total retained earnings of the Group as per consolidated accounts	<b>1,981.3</b>	2,231.5

## 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>
Net fair value gain on investment properties	<b>(83.1)</b>	(92.6)	<b>(83.1)</b>	(92.6)
Depreciation and amortisation	<b>79.2</b>	77.5	<b>308.3</b>	295.7
Provision for and write off of receivables	<b>18.2</b>	10.2	<b>21.0</b>	15.7
Provision for and write off of inventories	<b>7.1</b>	4.1	<b>8.6</b>	16.6
Impairment of property plant and equipment	<b>12.9</b>	-	<b>12.9</b>	-
Gain on disposal of a Subsidiary and Associate	-	(0.9)	-	(0.9)
Loss/(gain) on sale of quoted and unquoted investments	<b>0.1</b>	(0.9)	-	(1.6)
Gain on disposal of plantation assets and properties	<b>(7.5)</b>	(18.5)	<b>(64.7)</b>	(18.5)
Stockholding loss	<b>8.9</b>	35.0	<b>19.0</b>	50.0
Foreign exchange (gain)/loss	<b>(18.5)</b>	10.7	<b>42.0</b>	(4.1)
Net fair value loss/(gain) on derivatives	<b>7.7</b>	(12.0)	<b>(34.6)</b>	(0.2)

**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>	6,042
- young mature	<b>12,387</b>	12,636
- prime mature	<b>33,533</b>	38,436
- past prime	<b>13,138</b>	13,464
	<b>65,680</b>	70,578
	<b>Cumulative Period</b>	
	<b>2015</b>	<b>2014</b>
<b>(b) Crop production (MT)</b>		
FFB	<b>1,037,163</b>	1,036,582
<b>(c) Average selling prices (RM per MT)</b>		
FFB	<b>458</b>	511
Crude Palm oil (CPO)	<b>2,148</b>	2,401
Palm kernel (PK)	<b>1,533</b>	1,679