Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2016	Current Period		Cumulative Period	
(All figures are stated in RM million)	**2016**	**2015**	**2016**	**2015**
Revenue	**2,422.2**	2,442.3	**8,371.3**	8,662.5
Operating cost	**(2,247.5)**	(2,431.9)	**(7,909.4)**	(8,349.7)
Profit from operations	**174.7**	10.4	**461.9**	312.8
Gain on disposal of plantation land	**6.4**	(0.1)	**124.2**	57.1
Interest income	**13.3**	7.6	**43.8**	31.6
Other investment results	**77.9**	72.3	**277.0**	73.4
Finance cost	**(68.8)**	(69.5)	**(293.6)**	(290.5)
Share of results of associates	**40.9**	18.8	**123.1**	66.2
Share of results of joint ventures	**16.8**	10.2	**4.0**	18.6
Profit before taxation	**261.2**	49.7	**740.4**	269.2
Taxation	**(76.3)**	(50.5)	**(151.3)**	(129.8)
Profit for the period	**184.9**	(0.8)	**589.1**	139.4
Profit for the period attributable to:				
Shareholders of the Company	**120.7**	4.2	**369.0**	13.2
Holders of Perpetual Sukuk	**18.6**	18.6	**73.7**	72.6
Non-controlling interests	**45.6**	(23.6)	**146.4**	53.6
Profit for the period	**184.9**	(0.8)	**589.1**	139.4
Earnings per share - sen				
Basic/diluted	**5.95**	0.26	**20.03**	0.80

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2015.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 December 2016	Current Period		Cumulative Period	
(All figures are stated in RM million)	2016	2015	2016	2015
Profit for the period	**184.9**	(0.8)	**589.1**	139.4
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss				
Currency translation difference in respect of foreign operations	**7.5**	3.7	**9.2**	13.6
Net gain/(loss) on available for sale investments				
- fair value changes	**0.1**	0.4	**(1.0)**	(4.9)
- transfer to profit or loss on disposal	**2.9**	3.7	**2.9**	3.7
Share of OCI of investments accounted for using the equity method	**(40.3)**	23.7	**(4.0)**	4.3
Total comprehensive income for the period	**155.1**	30.7	**596.2**	156.1
Attributable to:				
Shareholders of the Company	**86.7**	33.2	**371.0**	21.3
Holders of Perpetual Sukuk	**18.6**	18.6	**73.7**	72.6
Non-controlling interests	**49.8**	(21.1)	**151.5**	62.2
Total comprehensive income for the period	**155.1**	30.7	**596.2**	156.1

The unaudited condensed statement of consolidated comprehensive income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2015.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2016	Unaudited As at 31 December	Audited As at 31 December
(All figures are stated in RM million)	**2016**	**2015**
ASSETS		
Non current assets		
Property, plant and equipment	**4,938.2**	5,035.0
Biological assets	**1,248.6**	1,261.4
Investment properties	**1,641.1**	1,543.8
Development properties	**636.6**	638.9
Prepaid land lease payments	**54.0**	61.6
Long term prepayment	**183.1**	170.3
Deferred tax assets	**46.3**	50.1
Associates	**1,973.7**	1,843.5
Joint ventures	**619.0**	621.1
Available for sale investments	**32.1**	33.1
Intangible assets	**1,435.2**	1,406.3
	12,807.9	12,665.1
Current assets		
Inventories	**863.9**	812.8
Property development in progress	**32.6**	99.1
Due from customers on contracts	**831.8**	1,216.1
Receivables	**1,617.6**	1,382.6
Deposits, cash and bank balance	**1,717.6**	1,338.1
Assets classified as held for sale	**60.1**	105.8
	5,123.6	4,954.5
TOTAL ASSETS	**17,931.5**	17,619.6
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	**1,013.5**	517.1
Perpetual Sukuk	**1,207.7**	1,207.7
Reserves	**4,672.8**	4,025.5
Shareholders' equity	**6,894.0**	5,750.3
Non-controlling interests	**1,606.9**	1,607.5
Total equity	**8,500.9**	7,357.8
Non current liabilities		
Borrowings	**1,440.6**	2,175.6
Other payables	**34.8**	31.4
Deferred tax liabilities	**125.6**	105.7
	1,601.0	2,312.7
Current liabilities		
Borrowings	**5,876.1**	5,858.3
Trade and other payables	**1,799.7**	1,893.5
Due to customer on contracts	**127.1**	116.0
Taxation	**26.7**	19.3
Dividend payable	**-**	62.0
	7,829.6	7,949.1
Total liabilities	**9,430.6**	10,261.8
TOTAL EQUITY AND LIABILITIES	**17,931.5**	17,619.6

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2015.

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 2016	**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 2016	**517.1**	**1,207.7**	**1,165.1**	**54.2**	**387.3**	**437.6**	**1,981.3**	**5,750.3**	**1,607.5**	**7,357.8**
Currency translation difference in respect of foreign operations	-	-	-	-	-	**4.2**	-	**4.2**	**5.0**	**9.2**
Net (loss)/gain on available for sale investments										
- fair value changes	-	-	-	**(1.0)**	-	-	-	**(1.0)**	-	**(1.0)**
- transfer to profit or loss on disposal	-	-	-	**2.9**	-	-	-	**2.9**	-	**2.9**
Share of OCI investments accounted for using equity method	-	-	-	**(1.8)**	-	**(2.3)**	-	**(4.1)**	**0.1**	**(4.0)**
Total other comprehensive income for the period	-	-	-	**0.1**	-	**1.9**	-	**2.0**	**5.1**	**7.1**
Profit for the period	-	**73.7**	-	-	-	-	**369.0**	**442.7**	**146.4**	**589.1**
Total comprehensive income for the period	-	**73.7**	-	**0.1**	-	**1.9**	**369.0**	**444.7**	**151.5**	**596.2**
Transactions with owners										
Share capital										
- Right issue	**206.8**	-	**846.7**	-	-	-	-	**1,053.5**	-	**1,053.5**
- Bonus issue	**289.6**	-	**(289.6)**	-	-	-	-	-	-	-
Perpetual Sukuk										
- Distribution	-	**(73.7)**	-	-	-	-	-	**(73.7)**	-	**(73.7)**
Changes in ownership interests in Subsidiaries										
- Additional investment in a Subsidiary	-	-	-	-	-	-	**(4.8)**	**(4.8)**	**(7.1)**	**(11.9)**
- Issue of shares by a Subsidiary	-	-	-	-	-	-	**(0.4)**	**(0.4)**	**3.1**	**2.7**
- Share options granted by a Subsidiary	-	-	-	-	-	-	-	-	**5.9**	**5.9**
- Disposal of a Subsidiary	-	-	-	-	-	-	-	-	**(5.4)**	**(5.4)**
Transfers during the period	-	-	-	-	**38.5**	-	**(38.5)**	-	-	-
Dividends	-	-	-	-	-	-	**(275.6)**	**(275.6)**	**(148.6)**	**(424.2)**
Balance at 31 December 2016	**1,013.5**	**1,207.7**	**1,722.2**	**54.3**	**425.8**	**439.5**	**2,031.0**	**6,894.0**	**1,606.9**	**8,500.9**

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

For the financial period ended 31 December 2015	Share Capital	Perpetual Sukuk	*Share Premium	*Revaluation & Fair Value Reserve	*Statutory Reserve	*Other Reserves	Retained Profit	Total	Non-Controlling Interests	Total Equity
	Attributable to shareholders of the Company									
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
Currency translation difference in respect of foreign operations	-	-	-	-	-	5.0	-	5.0	8.6	13.6
Net (loss)/gain on available for sale investments										
- fair value changes	-	-	-	(4.8)	-	-	-	(4.8)	(0.1)	(4.9)
- transfer to profit or loss on disposal	-	-	-	3.7	-	-	-	3.7	-	3.7
Share of OCI investments accounted for using equity method	-	-	-	6.3		(2.1)		4.2	0.1	4.3
Total other comprehensive income for the period	-	-	-	5.2	-	2.9	-	8.1	8.6	16.7
Profit for the period	-	72.6	-	-	-	-	13.2	85.8	53.6	139.4
Total comprehensive income for the period	-	72.6	-	5.2	-	2.9	13.2	93.9	62.2	156.1
Transactions with owners										
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)
Balance at 31 December 2015	517.1	1,207.7	1,165.1	54.2	387.3	437.6	1,981.3	5,750.3	1,607.5	7,357.8

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 2015.

Boustead Holdings Berhad (3871-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 December 2016

(All figures are stated in RM million)	2016	2015
Operating activities		
Receipts from customers	**8,814.7**	8,842.6
Cash paid to suppliers and employees	**(7,559.2)**	(8,067.7)
	1,255.5	774.9
Income taxes paid less refund	**(137.8)**	(131.9)
Net cash from operating activities	**1,117.7**	643.0
Investing activities		
Biological assets and property, plant & equipment purchased	**(297.8)**	(321.9)
Purchase and development of investment property & development property	**(204.9)**	(232.6)
Contribution to a joint venture's capital expenditure	**(142.8)**	-
Purchase of intangible assets	**(57.5)**	(66.8)
Disposal of property plant & equipment and biological assets	**291.5**	75.7
Disposal of investment property	**-**	33.7
Acquisition of a Subsidiary, net of cash acquired	**(3.0)**	-
Additional investment in a Subsidiary	**(11.9)**	-
Disposal of a Subsidiary	**60.0**	-
Disposal of an Associate	**167.2**	-
Acquisition of a joint venture	**-**	(250.0)
Others	**80.7**	82.4
Net cash from/(used in) investing activities	**(118.5)**	(679.5)
Financing activities		
Transactions with owners	**715.9**	(155.1)
Transactions with holders of Perpetual Sukuk	**(73.7)**	(6.3)
Issue of shares by a Subsidiary	**1.0**	-
New loans	**187.2**	131.6
Loans repayment	**(469.5)**	(326.0)
Other borrowings	**(400.4)**	1,086.7
Interest paid	**(398.0)**	(395.1)
Dividends paid to non-controlling interests	**(148.6)**	(148.2)
Net cash (used in)/from financing activities	**(586.1)**	187.6
Net increase in cash and cash equivalents	**413.1**	151.1
Foreign currency translation difference	**1.3**	1.2
Cash and cash equivalent at beginning of period	**1,278.5**	1,126.2
Cash and cash equivalent at end of period	**1,692.9**	1,278.5
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**1,717.6**	1,338.1
Overdrafts	**(24.7)**	(59.6)
Cash and cash equivalent at end of period	**1,692.9**	1,278.5

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 2015.

Boustead Holdings Berhad (3871-H)

Notes to the interim financial report for the quarter ended 31 December 2016

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 2015. 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 2016, the Group adopted the following amended FRS:-

- Amendment to FRS 5 Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements to FRSs 2012 – 2014 Cycle)
- Amendments to FRS 7 Financial Instruments : Disclosures (Annual Improvements to 2012 – 2014 Cycle)
- Amendment to FRS 119 Employee Benefits (Annual Improvements 2012 – 2014 Cycle)
- Amendment to FRS 134 Interim Financial Reporting (Annual Improvements 2012 – 2014 Cycle)
- Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures (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

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:

<u>Effective for annual period beginning on or after 1 January 2017</u>

- Amendments to FRS 12 Disclosure of Interests in Other Entities (Annual Improvements 2014 – 2016 Cycle)
- Amendment to FRS 107 Statement of Cash Flow - Disclosure Initiative
- Amendment to FRS 112 Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses

<u>Effective for annual period beginning on or after 1 January 2018</u>

- Amendments to FRS 1 First Time Adoption of Financial Reporting Standards (Annual Improvements 2014 – 2016 Cycle)
- Amendment to FRS 2 Share-based Payment - Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 4 Insurance Contracts (Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts)
- FRS 9 Financial Instruments (2014)
- Amendments to FRS 128 Investment in Associates and Joint Ventures (Annual Improvements 2014 – 2016 Cycle)
- Amendments to FRS 140 Investment Properties : Transfer of Investment Property
- IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

<u>Deferred</u>

- Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures (2011) – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

2. Accounting Policies (Cont'd.)

(iii) MFRS Framework

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is effective for annual periods beginning on or after 1 January 2012 for all entities except for entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called Transitioning Entities). On 8 September 2015, MASB announced that the 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.

Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of MFRS 141. Instead, MFRS 116 will apply. After initial recognition, bearer plants will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of MFRS 141 and are measured at fair value less costs of disposal.

The Group will also adopt MFRS 15 Revenue from Contracts with Customers which is effective on 1 January 2018. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new revenue standard will supersede all current revenue recognition requirements under the FRS Framework. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, with early adoption permitted.

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 2015 and 31 December 2016 could be different if prepared under the MFRS Framework.

The Group is in the process of assessing the impact of the new pronouncements that are yet to be adopted, including MFRS 141, MFRS 15 and MFRS 16 Leases. MFRS 16 Leases was issued by MASB on 15 April 2016 and is applicable to annual periods beginning on or after 1 January 2019.

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 cropping pattern for oil palm is influenced by weather conditions. FFB production normally starts with a trough and thereafter increases gradually to reach a peak during the second half of the year. 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

During the year, in view of the ongoing negotiations to finalise the terms and conditions for the extension of the concession, the Group has revised the remaining estimated useful life of the expenses incurred for the rights to supply under the Concession Agreement from 4 years to 14 years. The revision has been accounted for as a change in accounting estimate and as a result, the amortisation charge for the cumulative period as disclosed in Note 16 was reduced by RM23.4 million.

There were no other 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 12 April 2016, the Company paid a 4th interim dividend of 4 sen (2014: 5 sen) per share in respect of the previous financial year ended 31 December 2015 amounting to RM41.4 million (2014: RM51.7 million).

(ii) On 12 July 2016, the Company paid a 1st interim dividend of 5 sen (2015: 5 sen) per share in respect of the current financial year ending 31 December 2016 amounting to RM51.7 million (2015: RM51.7 million).

(iii) On 30 September 2016, the Company paid a 2nd interim dividend of 4 sen (2015: 5 sen) per share on enlarged share capital of 2,027.0 million shares (2015: 1,034.2 million shares) in respect of the current financial year ending 31 December 2016 amounting to RM81.1 million (2015: RM51.7 million).

(iv) On 22 December 2016, the Company paid a 3rd interim dividend of 5 sen (2015: 6 sen) per share on enlarged share capital of 2,027.0 million shares (2015: 1,034.2 million shares) in respect of the current financial year ending 31 December 2016 amounting to RM101.4 million (2015: RM62.0 million).

For the current quarter, the Directors have declared a 4th interim dividend of 3.5 sen (2015: 4 sen) per share on enlarged share capital of 2,027.0 million shares (2015: 1,034.2 million shares) in respect of the current financial year ending 31 December 2016. The dividend will be paid on 28 March 2017 to shareholders registered in the Register of Members at the close of business on 16 March 2017.

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
2016								
Revenue								
Group total sales	707.9	994.0	685.9	196.2	2,189.0	3,614.0	(15.7)	8,371.3
Inter-segment sales	-	-	(15.7)	-	-	-	15.7	-
External sales	707.9	994.0	670.2	196.2	2,189.0	3,614.0	-	8,371.3
Result								
Segment result - external	143.5	(57.4)	127.0	(7.6)	96.0	160.4	-	461.9
Gain on disposal of plantation land	124.2	-	-	-	-	-	-	124.2
Finance cost	(42.1)	(89.9)	(74.6)	(104.8)	(45.2)	(19.2)	82.2	(293.6)
Interest income	14.2	6.1	15.3	87.0	1.1	2.3	(82.2)	43.8
Other investment result	32.9	-	239.4	2.0	-	2.7	-	277.0
Share of result of associates	3.4	-	-	118.5	-	1.2	-	123.1
Share of result of joint ventures	-	21.2	16.4	(33.6)	-	-	-	4.0
Profit/(loss) before taxation	276.1	(120.0)	323.5	61.5	51.9	147.4	-	740.4
Taxation								(151.3)
Profit after taxation								589.1
Other Information								
Depreciation and amortisation	(43.2)	(92.2)	(23.1)	(21.7)	(54.6)	(62.4)	-	(297.2)
Profit/(loss) on disposal								
- Subsidiary	33.4	-	-	-	-	-	-	33.4
- Associate	-	-	209.6	-	-	-	-	209.6
- Other assets	(0.1)	(3.3)	10.5	-	-	35.4	-	42.5
Other non-cash income/(expenses)*	(13.5)	(49.0)	15.5	(5.2)	(7.7)	10.7	-	(49.2)

8. Segmental Information (Cont'd.)

RM million	Plantation	Heavy Industries	Property	Finance & Investment	Pharma-ceutical	Trading & Industrial	Elim'n	Total
2015								
Revenue								
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
Result								
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
Finance cost	(38.5)	(94.0)	(73.3)	(107.6)	(29.0)	(20.7)	72.6	(290.5)
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
Share of result of associates	1.8	-	(7.5)	71.9	-	-	-	66.2
Share of result of joint ventures	-	22.3	(3.7)	-	-	-	-	18.6
Profit/(loss) before taxation	95.1	(136.8)	138.8	44.2	90.2	37.7	-	269.2
Taxation								(129.8)
Profit after taxation								139.4
Other Information								
Depreciation and amortisation	(42.5)	(99.0)	(22.9)	(20.4)	(65.7)	(57.8)	-	(308.3)
Profit/(loss) on disposal of other assets	1.7	-	(0.5)	-	-	0.6	-	1.8
Other non-cash income/(expenses)*	(8.3)	(45.4)	79.7	9.0	(0.7)	25.5	-	59.8

* Other non-cash income/expenses exclude profit/loss on disposal of plantation land, Subsidiary, Associate and other assets and depreciation and amortisation

The segment information based on geographical segment is not presented as the Group operates predominantly in Malaysia

9. Debts and Equity Securities

During the 2nd quarter, the Company issued 413,671,221 new BHB shares of RM0.50 each on the basis of 2 Rights shares for every 5 existing shares held at an issue price of RM2.55 per Right shares. The Company's issued and paid up capital was then increased to RM723.9 million comprising 1,447,849,274 ordinary shares of RM0.50 each.

During the 3rd quarter, the Company's issued and paid up share capital was further increased to RM1,013.5 million comprising 2,026,987,997 ordinary shares of RM0.50 each, upon Bonus Issue of 579,138,723 ordinary shares of RM0.50 each which were listed on Bursa Malaysia on 15 July 2016.

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 23 February 2017 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

(i) During the 1st quarter, the Group's effective interest in PT Errita Pharma was increased from 42% to 48%.

(ii) During the 2nd quarter, Bio-Collagen Technologies Sdn Bhd became a Subsidiary of the Group with an effective interest of 39.5%.

(iii) During the 2nd quarter, Jendela Hikmat Sdn Bhd has ceased to become our associate.

(iv) Pursuant to Note 22 (a) (ii), the Group's has disposed the entire equity interest of Boustead Sedili Sdn Bhd during the current quarter.

13. Changes in Contingent Liabilities and Contingent Assets

In respect of contingent liability referred to in Note 38 (d) of 2015 Annual Report, following a final hearing of the claims made by E*HealthLine.com Inc. (EHL) against Modern Industrial Investment Holding Group Company Ltd (Modern) and Group's Subsidiary, Pharmaniaga Berhad (Pharmaniaga) in April 2016 relating to a non-binding Memorandum of Collaboration which has lapsed, a Final Award was subsequently issued by the Tribunal on 2 November 2016. In the Final Award, the Tribunal dismissed all of EHL's claims against Modern and Pharmaniaga. The case is now closed.

The status of the other contingent liabilities as disclosed in the FY2015 annual financial statements is mentioned in Note 23 (i) and (ii) below. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 31 December 2016:

	Authorised but not contracted RM million	**Authorised and contracted RM million**
Capital expenditure	302.3	298.2
Acquisition of a Subsidiary	-	0.5
Share of joint venture's capital commitment	20.3	66.9
	322.6	365.6

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 2015.

16. Intangible Assets

RM' million	**Goodwill**	**Concession right**	**Pharmacy manufacturing licence and patents**	**Rights to supply**	**Total**
Cost					
At 1 January 2016	1,236.1	75.0	21.8	177.2	1,510.1
Acquisition of Subsidiary	3.4	-	0.2	-	3.6
Additions	-	-	-	57.5	57.5
Derecognition of goodwill upon disposal of an Associate	(9.7)	-	-	-	(9.7)
Foreign exchange fluctuation	4.1	-	1.9	-	6.0
At 31 December 2016	1,233.9	75.0	23.9	234.7	1,567.5
Accumulated amortisation and impairment					
At 1 January 2016	7.4	41.3	4.8	50.3	103.8
Amortisation	-	8.7	2.7	11.8	23.2
Impairment	4.5	-	-	-	4.5
Foreign exchange fluctuation	-	-	0.8	-	0.8
At 31 December 2016	11.9	50.0	8.3	62.1	132.3
Net carrying amount					
At 31 December 2016	1,222.0	25.0	15.6	172.6	1,435.2
At 31 December 2015	1,228.7	33.7	17.0	126.9	1,406.3

16. Intangible Assets (Cont'd.)

On 23 May 2016, the Group completed the acquisition of Bio-Collagen Technologies Sdn Bhd (Bio-Collagen). As of the date of this report, management has yet to finalise the purchase price allocation (PPA) for the business combination, as required by FRS 3 - Business Combination. The excess of cost of business over the Group's interest in the fair value of identifiable net assets acquired arising from the business combination has been derived only on a provisional basis.

Based on the preliminary assessment, the goodwill on acquisition is estimated at RM3.4 million. Management has 12 months from the date of completion of the acquisition to complete the PPA and the initial accounting for the transaction. The results of the PPA exercise will determine the final value of goodwill arising from the acquisition of Bio-Collagen. Upon finalisation of the PPA, the Group will recognise any adjustments to the provisional values of the excess of the cost of business over the Group's interest in the fair value of identifiable net assets acquired from the business combination.

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 pre-tax profit of RM261.2 million, which was significantly higher than the profit for the corresponding period's last year of RM49.7 million. The Group's profit after tax for the quarter totaling RM184.9 million was a turnaround against last year's net loss after tax of RM0.8 million. Cumulatively, the Group's pre-tax profit stood at RM740.4 million, an increase of 175% over previous year's pre-tax profit of RM269.2 million mainly due to gain on divestments of Jendela Hikmat and Boustead Sedili as well as sale of lands. In addition, the operating results from Plantation and Trading & Industrial Divisions were also better.

The Group's revenue for the full year totaling RM8.4 billion was 3% down from the corresponding period last year. Plantation Division's revenue was 15% higher on the back of improved palm products prices. For the year, Property Division was marginally better mainly due to higher progress billings. The cumulative revenue for Pharmaceutical and Trading & Industrial Divisions were largely in line with the previous year. On the other hand, Heavy Industries Division's cumulative revenue was 30% below the previous year mainly on lower revenue contribution from LCS project and suspension of operation for H225 aircraft in Kerteh and slowdown in oil & gas industry.

For the cumulative period, Plantation Division registered an improved pre-tax profit of RM276.1 million (2015: RM95.1 million) mainly due to higher gain on disposal of lands of RM124.2 million (2015: RM57.1 million) and profit on divestment Boustead Sedili of RM33.4 million. The bottom line was also bolstered by the higher palm products prices and lower operating expenditure. For the cumulative period, CPO registered an average price of RM2,584 per MT, an increase of RM436 or 20% over last year's corresponding period's average of RM2,148 per MT. PK also recorded a better price of RM2,460 per MT, up by RM927 or 60% over last year's corresponding period's average price of RM1,533 per MT. Cumulative FFB crops of 908,576 MT was 12% below previous year's crop of 1,037,163 MT. The shortfall in production was mainly due to adverse effect of the El-Nino phenomenon, land disputes in Sarawak and shortage of labour for tall palms. For the cumulative period, oil and kernel extraction rates were marginally lower at 21.5% (2015: 21.9%) and 4.4% (2015: 4.6%) respectively.

Property Division's pre-tax profit for the financial year increased to RM323.5 million (2015: RM138.8 million) on the back of gain on disposal of an associate, Jendela Hikmat of RM209.6 million. Nevertheless, the operating profit attained was lower at RM127.0 million (2015: RM144.7 million) mainly due to weakened hotel segment's performance and unrealised forex loss. Pharmaceutical Division closed the year with a lower pre-tax profit of RM51.9 million (2015: RM90.2 million) mainly due to reduced Government orders while the operating and finance costs were higher.

For the year, Finance & Investment Divisions recorded a higher pre-tax profit of RM61.5 million (2015: RM44.2 million) mainly due to better contribution from Affin Group, which recorded lower allowance for loan impairment as well as improved other operating income, Islamic banking income and net interest income. The Division's bottom line also benefitted from the higher interest income from placement of surplus funds from Right Issue proceeds. Trading & Industrial Division also ended the year with a better pre-tax profit of RM147.4 million (2015: RM37.7 million) on the back of better contribution from Boustead Petroleum Marketing (BPM) and UAC Berhad as well as gain on disposal of assets by BPM.

For year 2016, Heavy Industries Division recorded a lower deficit of RM120.0 million (2015: RM136.8 million) mainly due to improved performance from Boustead Heavy Industries Corporation, which had partly compensated for the deficit incurred by Boustead Naval Shipyard (BNS) and MHS Aviation (MHSA). For the cumulative period, BNS's bottom line was impacted by the variation orders for LCS project, additional cost to completion for KD Perantau as well as lack of new ship repair and shipbuilding projects. The deficit incurred by MHSA was mainly due to suspension of operation for H225 aircraft in Kerteh and slowdown in oil & gas industry.

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

The Group's pre-tax profit of RM261.2 million for the current quarter was very much higher than the preceding quarter's pre-tax profit of RM120.4 million mainly due to better performance from Property, Trading & Industrial and Heavy Industries Divisions as well as gain on disposal of Boustead Sedili and BPM's assets.

Plantation Division's pre-tax profit for the current quarter was higher at RM81.1 million (Preceding quarter: RM50.2 million) mainly due to the gain on disposal of Boustead Sedili of RM33.4 million and better palm products prices achieved, which was partly negated by the impairment of biological assets. Average CPO price realised for the quarter of RM2,883 per MT was higher by RM324 from the preceding quarter's average of RM2,559 per MT. The current quarter's price for PK was also higher at RM2,891 per MT, an increase of RM314 or 12%. The FFB production for the current quarter of 248,080 MT declined by 5% from the preceding quarter.

During the current quarter, Property Division was helped by fair value gain on investment properties to post a higher pre-tax profit of RM84.2 million (Preceding quarter: RM38.8 million). On the other hand, Pharmaceutical Division registered a deficit of RM1.0 million for the current quarter (Preceding quarter: surplus of RM15.0 million) mainly due to revision of estimated useful life of the expenses incurred for rights to supply under the Concession Agreement from 4 years to 14 years in the preceding quarter.

Trading & Industrial Division ended the current quarter with a higher pre-tax profit of RM67.1 million (Preceding quarter: RM29.8 million) mainly due to higher profit on disposal of property and stockholding gain recorded by BPM. Finance & Investment Division closed the current quarter with a pre-tax profit of RM16.0 million (Preceding quarter: RM20.9 million) as the better contribution from Affin Group was negated by the higher deficit from a joint venture company.

For the 4th quarter, Heavy Industries Division recorded a surplus of RM13.8 million (Preceding quarter: deficit of RM34.3 million) on the back of better performance from Boustead Heavy Industries Corporation.

19. Prospects

We expect 2017 to be another challenging year, both globally and domestically, due mainly to uncertainties surrounding global economy, contagious effect of Brexit in Euro market, future changes in US policies and other geopolitical risks. On the domestic front, the economy is expected to expand between 4% to 5%, notwithstanding the depreciation of Ringgit and volatile commodity prices which may impede growth. The diversified nature of the Group's business in six segments of Malaysian economy would augur well for the Group.

Plantation Division's prospects for the coming year will be much driven by CPO prices and crop production. The Group is positive on crop production as the effect of El-Nino should be tapering off and field blockades in Sarawak will be closely monitored and kept in check. CPO prices surged to its highest in four years during the last quarter of 2016 and ended the year at RM3,218 per MT. Slower production, dwindling stocks, weaker Ringgit and higher crude mineral oil price lent support to the price. For the first half of 2017, improving demand from India and low based palm oil stocks should be supportive for palm oil price despite the shrinking support from China who appears to favour soybean oil consumption. However, as the El Nino impact fades coupled with positive outlook for soya bean crop in South America, the softening of palm oil prices is possible.

We are optimistic that Pharmaceutical Division is well positioned to capitalise on opportunities in the growing healthcare sector, both domestically and internationally. The Division remains committed to reinforcing its leadership position in Malaysia's pharmacuetical sector by leveraging this growth potential, coupled with its ongoing drive to tighten operational efficiencies.

Progress billings from the ongoing and upcoming housing projects will contribute positively to the Property Division's bottom line. The Division's portfolio of well located investment properties will generate good rentals as well as appreciation in value over time. Meanwhile, the Division's hotel activities are expected to achieve satisfactory performance going forward but will continue to face challenges of occupancies and rates. The LCS project and defence related maintenance, repair and overhaul activities will contribute to 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

	Current Quarter 2016 RM million	Cumulative Quarter 2016 RM million
Malaysian taxation based on profit for the period:		
- Current	47.9	141.2
- Deferred	30.8	23.0
	78.7	164.2
Over provision of prior years	(2.4)	(12.9)
	76.3	151.3

The Group's effective rate for the current quarter is higher than statutory tax rate as certain expenses are non-deductible for tax purposes and non-availability of group relief for certain Subsidiaries. On the other hand, the Group's effective tax rate for the cumulative quarter is lower than statutory rate as certain income is taxable based on RPGT rate of tax, while certain expenses are non-deductible for tax purposes and non-availability of group relief for certain Subsidiaries.

22. Corporate Proposals - Status

(a) Status of Corporate Proposal

(i) On 19 December 2016, the Group's wholly owned Subsidiary Boustead Construction Sdn Bhd (BCSB) entered into a sale and purchase agreement with Lembaga Tabung Angkatan Tentera, to purchase lands measuring 10.74 acres out of 53.39 acres held under PN 31560, Lot No. 37825, Mukim Petaling, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (collectively known as the Bukit Jalil Lands) for a total cash consideration of RM172,780,035.48 (Proposed Acquisition).

The Proposed Acquisition is conditional upon the approval of the relevant State Authority for the transfer of the Bukit Jalil Lands to BCSB. The application to the relevant State Authority is expected to be made in the 1st quarter of 2017.

(ii) On 21 December 2016, the Group's Subsidiary, Boustead Plantations Berhad, entered into a share sale agreement with Permodalan Darul Ta'zim Sdn. Bhd. (PDT) for the disposal of its 5,864,529 shares of RM1.00 each in Boustead Sedili Sdn Bhd (Boustead Sedili) to PDT, representing 76.1% equity interest in Boustead Sedili, for cash consideration of RM60 million. The disposal was completed on 30 December 2016.

(iii) On 22 December 2016, 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 (SPA) with Setia Recreation Sdn Bhd (SRSB) for the proposed sale of 5 adjoining parcels of freehold land held under GM 59 Lot 1557, GM 966 Lot 1826, GRN 39095 Lot 1829, GRN 46378 Lot 2457 and GRN 35373 Lot 2466, all within Mukim 06, District of Seberang Perai Utara, Pulau Pinang measuring 677.78 Ha. for a total cash consideration of RM620.1 million (Proposed Disposal). SRSB has paid a deposit of RM62.0 million towards the disposal consideration.

The Proposed Disposal is subject to the approval of BPB's shareholders at an extraordinary general meeting to be convened, as well as the approvals of the Estate Land Board and other relevant authorities. The Proposed Disposal is expected to be completed in the 3rd quarter of 2017.

There were no other corporate proposals announced or pending completion as at 23 February 2017.

(b) Status on Utilisation of Proceeds from Rights Issue as at 31 January 2017

(In RM Million)	Proposed Utilisation	Actual Utilisation	Time Frame	Deviation Amount	%	Explanation
Repayment of bank borrowings	486.0	486.0	Within 12 months	-		
Property development activities	507.0	43.5	Within 24 months	463.5	91%	To be utilised
Working capital	60.5	56.1	Within 12 months	4.4	7%	To be utilised
Right issue expenses	1.3	1.3	Within 6 months	-		
	1,054.8	586.9		467.9		

23. Changes in Material Litigations

(i) In respect of the litigation referred to in Note 38 (b) of 2015 Annual Report, the Federal Court had, at a hearing on 13 July 2016, granted Boustead Naval Shipyard Sdn Bhd (BN Shipyard) a leave to appeal to the Federal Court against the Court of Appeal's decision on 11 November 2013 that the case be tried at High Court. The Federal Court also allowed six (6) leave questions and ordered that cost be in the cause, and the deposit paid by BN Shipyard be refunded. The Hearing of appeal on 5 December 2016 was adjourned as Ingat Kawan’s counsel has filed a Notice of Motion to discharge himself from acting for Ingat Kawan and the discharge application has now been fixed for Case Management on 21 February 2017.

(ii) In respect of the litigation referred to in Note 38 (c) of 2015 Annual Report, Boustead Penang Shipyard (BPS) had on 12 October 2016 entered into a Settlement Agreement with the customer pursuant to which BPS agreed to pay the customer a sum of USD1.5 million as full and final settlement of all claims and counterclaims in this matter with each party to bear its own legal costs including but not limited to the costs incurred in the arbitration under the Kuala Lumpur Regional Centre for Arbitration (KLRCA) Rules 2013. BPS paid the settlement sum on 25 October 2016 and had withdrawn the arbitration on 28 October 2016. Meanwhile, the property in and ownership of all goods and materials bought or supplied by either party for the construction of the Vessels, presently located at BPS’ premises, shall vest in BPS.

(iii) On 1 September 2016, the Group’s Subsidiary MHS Aviation Berhad (MHS) issued a Notice of Arbitration against Petronas Carigali Sdn Bhd (PCSB) in connection with a contract dated 29 June 2011 made between MHS and PCSB for the Provision of Rotary Wing Aircraft, Equipment and Services (for Heavy Type Aircraft-EC225) (the Contract). In the Contract, MHS was engaged to provide PCSB with five (5) EC225 helicopters for use in PCSB’s oil and gas exploration and production operations. Nevertheless, the use of all five helicopters was suspended by PCSB unilaterally following an incident that was unconnected to MHS and PCSB.

MHS views this suspension as a breach of contract by PCSB and is claiming in the Arbitration, among others, damages of RM42,760,810.68, general damages, declaration that PCSB is liable to pay MHS the Monthly Standby Rate and the Monthly Standing Charges during the suspension period, interest on the awarded sum, cost and any further sum in damages and other orders deemed fit by the Arbitral Tribunal appointed.

The Rules of the Kuala Lumpur Regional Centre For Arbitration apply to this Arbitration. The parties are in the midst of negotiations with the view of settling MHS’s claims amicably.

As at 23 February 2017, 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 2015.

24. Earnings Per Share - Basic/diluted

	Current Period		**Cumulative Period**	
	2016	**2015**	**2016**	**2015**
Net profit for the period (RM million)	**120.7**	4.2	**369.0**	13.2
Weighted average number of ordinary shares in issue (million)	**2,027.0**	1,640.4	**1,842.1**	1,640.4
Basic/diluted earnings per share (sen)	**5.95**	0.26	**20.03**	0.80

25. Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2016 are as follows:-

	31.12.2016 RM million	31.12.2015 RM million
Non-current:		
Term loans		
- Denominated in US Dollar	**137.3**	61.1
- Denominated in Great Britain Pound	**68.7**	82.0
- Denominated in Indonesian Rupiah	**116.6**	80.4
- Denominated in RM	**845.9**	1,068.4
	1,168.5	1,291.9
Asset-backed bonds	**758.2**	757.6
Bank guaranteed medium term notes	**763.7**	922.8
	2,690.4	2,972.3
Less: repayable in 1 year	**1,249.8**	796.7
	1,440.6	2,175.6
Current:		
Bank overdrafts	**24.7**	59.6
Bankers' acceptances		
- Denominated in Indonesian Rupiah	**11.1**	4.3
- Denominated in RM	**363.5**	144.4
Revolving credits		
- Denominated in US Dollar	**-**	48.9
- Denominated in RM	**4,227.0**	4,804.4
Short term loans	**1,249.8**	796.7
	5,876.1	5,858.3
Total borrowings	**7,316.7**	8,033.9

26. Retained Earnings

	31.12.2016 RM million	31.12.2015 RM million
Total retained earnings of Boustead Holdings Berhad and its Subsidiaries		
Realised	**2,174.9**	2,191.2
Unrealised	**472.5**	441.9
	2,647.4	2,633.1
Total share of retained earnings of associates and joint ventures		
Realised	**920.5**	813.5
Unrealised	**216.2**	183.8
	3,784.1	3,630.4
Consolidation adjustments	**(1,753.1)**	(1,649.1)
Total retained earnings of the Group as per consolidated accounts	**2,031.0**	1,981.3

27. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2016	**2015**	**2016**	**2015**
	RM million	**RM million**	**RM million**	**RM million**
Net fair value gain on investment properties	**(40.3)**	(83.1)	**(40.3)**	(83.1)
Depreciation and amortisation	**78.7**	79.2	**297.2**	308.3
Provision for and write off of receivables	**6.3**	18.2	**12.2**	21.0
Provision for and write off of inventories	**35.8**	10.1	**40.4**	11.6
Impairment of property plant and equipment	**4.6**	12.9	**4.6**	12.9
Impairment of biological assets	**10.4**	-	**10.4**	-
Impairment of other receivables	**14.3**	-	**14.3**	-
Gain on disposal of a Subsidiary	**(33.4)**	-	**(33.4)**	-
Gain on disposal of an associate	**(11.3)**	-	**(209.6)**	-
Gain on sale of quoted and unquoted investments	**-**	-	**-**	(0.1)
Gain on disposal of properties & plantation land	**(29.3)**	(7.5)	**(174.6)**	(64.7)
(Gain)/loss on disposal of other property, plant and equipment	**3.7**	7.5	**7.9**	5.8
Stockholding (gain)/loss	**(15.4)**	8.9	**(15.0)**	19.0
Foreign exchange loss/(gain)	**28.3**	(18.5)	**28.5**	42.0
Net fair value (gain)/loss on derivatives	**(13.2)**	7.7	**(9.1)**	(34.6)

28. Plantation Statistics

		Cumulative Period	
		2016	**2015**
(a)	**Crop production (MT)**		
	FFB	**908,576**	1,037,163
(b)	**Average selling prices (RM per MT)**		
	FFB	**598**	458
	Crude palm oil (CPO)	**2,584**	2,148
	Palm kernel (PK)	**2,460**	1,533

(c) Planted areas (hectares)

		As at 31.12.2016	As at 31.12.2015
Oil palm	- immature	**7,071**	6,622
	- young mature	**11,964**	12,387
	- prime mature	**33,199**	33,533
	- past prime	**12,234**	13,138
		64,468	65,680