Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the quarter ended 31 December 2017	**Current Period**		**Cumulative Period**	
(All figures are stated in RM million)	**2017**	**2016**	**2017**	**2016**
Revenue	**2,786.8**	2,422.2	**10,020.1**	8,371.3
Operating cost	**(2,507.0)**	(2,247.5)	**(9,295.9)**	(7,909.4)
Profit from operations	**279.8**	174.7	**724.2**	461.9
Gain on disposal of plantation land	**-**	6.4	**554.9**	124.2
Interest income	**11.6**	13.3	**41.8**	43.8
Other investment results	**5.6**	77.9	**6.4**	277.0
Finance cost	**(61.3)**	(68.8)	**(254.4)**	(293.6)
Share of results of associates	**38.2**	40.9	**112.0**	123.1
Share of results of joint ventures	**(33.4)**	16.8	**(67.9)**	4.0
Profit before taxation	**240.5**	261.2	**1,117.0**	740.4
Taxation	**(66.5)**	(76.3)	**(193.7)**	(151.3)
Profit for the period	**174.0**	184.9	**923.3**	589.1
Profit for the period attributable to:				
Shareholders of the Company	**86.1**	120.7	**462.0**	369.0
Holders of Perpetual Sukuk	**18.6**	18.6	**73.7**	73.7
Non-controlling interests	**69.3**	45.6	**387.6**	146.4
Profit for the period	**174.0**	184.9	**923.3**	589.1
Earnings per share - sen				
Basic/diluted	**4.25**	5.95	**22.79**	20.03

The condensed consolidated income statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2016.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

For the quarter ended 31 December 2017	Current Period		Cumulative Period	
(All figures are stated in RM million)	**2017**	**2016**	**2017**	**2016**
Profit for the period	**174.0**	184.9	**923.3**	589.1
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss				
Currency translation difference in respect of foreign operations	**(8.3)**	7.5	**(17.1)**	9.2
Net (loss)/gain on available for sale investments				
- fair value changes	**1.6**	0.1	**4.4**	(1.0)
- transfer to profit or loss on disposal	**0.1**	2.9	**0.1**	2.9
Share of OCI of investments accounted for using the equity method	**(10.1)**	(40.3)	**12.6**	(4.0)
Total comprehensive income for the period	**157.3**	155.1	**923.3**	596.2
Attributable to:				
Shareholders of the Company	**139.4**	86.7	**472.2**	371.0
Holders of Perpetual Sukuk	**18.6**	18.6	**73.7**	73.7
Non-controlling interests	**(0.7)**	49.8	**377.4**	151.5
Total comprehensive income for the period	**157.3**	155.1	**923.3**	596.2

The unaudited condensed statement of consolidated comprehensive income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2016.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017	Unaudited As at 31 December	Audited As at 31 December
(All figures are stated in RM million)	**2017**	**2016**
ASSETS		
Non current assets		
Property, plant and equipment	**4,845.3**	4,938.2
Biological assets	**1,234.9**	1,248.6
Investment properties	**1,804.8**	1,641.1
Development properties	**643.8**	636.6
Prepaid land lease payments	**51.7**	54.0
Long term prepayment	**201.8**	183.1
Deferred tax assets	**52.5**	46.3
Associates	**2,051.5**	1,973.7
Joint ventures	**552.4**	619.0
Available for sale investments	**35.7**	32.1
Intangible assets	**1,391.0**	1,435.2
	12,865.4	12,807.9
Current assets		
Inventories	**743.8**	863.9
Property development in progress	**38.8**	32.6
Due from customers on contracts	**1,166.6**	831.8
Receivables	**2,247.9**	1,617.6
Deposits, cash and bank balance	**631.1**	1,717.6
Assets classified as held for sale	**14.0**	60.1
	4,842.2	5,123.6
TOTAL ASSETS	**17,707.6**	17,931.5
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	**2,735.7**	1,013.5
Reserves	**3,173.2**	4,672.8
Shareholders' equity	**5,908.9**	5,686.3
Perpetual Sukuk	**1,207.7**	1,207.7
Non-controlling interests	**1,801.1**	1,606.9
Total equity	**8,917.7**	8,500.9
Non current liabilities		
Borrowings	**1,456.5**	1,440.6
Other payables	**35.7**	34.8
Deferred tax liabilities	**160.8**	125.6
	1,653.0	1,601.0
Current liabilities		
Borrowings	**4,727.4**	5,876.1
Trade and other payables	**2,296.4**	1,799.7
Due to customer on contracts	**82.1**	127.1
Taxation	**31.0**	26.7
	7,136.9	7,829.6
Total liabilities	**8,789.9**	9,430.6
TOTAL EQUITY AND LIABILITIES	**17,707.6**	17,931.5

The condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2016.

Boustead Holdings Berhad (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 31 December 2017	Attributable to shareholders of the Company									
	Share Capital	*Share Premium	*Revaluation & Fair Value Reserve	*Statutory & Regulatory Reserve	*Other Reserves	Retained Profit	Total	Perpetual Sukuk	Non-Controlling Interests	Total Equity
As at 1 January 2017	**1,013.5**	**1,722.2**	**54.3**	**425.8**	**439.5**	**2,031.0**	**5,686.3**	**1,207.7**	**1,606.9**	**8,500.9**
Effect of implementation of Companies Act 2016	**1,722.2**	**(1,722.2)**	-	-	-	-	-	-	-	-
Currency translation difference in respect of foreign operations	-	-	-	-	**(6.9)**	-	**(6.9)**	-	**(10.2)**	**(17.1)**
Net gain on available for sale investments										
- fair value changes	-	-	**4.4**	-	-	-	**4.4**	-	-	**4.4**
- transfer to profit or loss on disposal	-	-	**0.1**	-	-	-	**0.1**	-	-	**0.1**
Share of OCI investments accounted for using equity method	-	-	**12.1**	-	**0.5**	-	**12.6**	-	-	**12.6**
Total other comprehensive income for the period	-	-	**16.6**	-	**(6.4)**	-	**10.2**	-	**(10.2)**	-
Profit for the period	-	-	-	-	-	**462.0**	**462.0**	**73.7**	**387.6**	**923.3**
Total comprehensive income for the period	-	-	**16.6**	-	**(6.4)**	**462.0**	**472.2**	**73.7**	**377.4**	**923.3**
Transactions with owners										
Perpetual Sukuk										
- Distribution	-	-	-	-	-	-	-	**(73.7)**	-	**(73.7)**
Adjustments arising from the finalisation of purchase price allocation on acquisition of a Subsidiary	-	-	-	-	-	-	-	-	**0.3**	**0.3**
Share of effect on changes in group's structure of an Associates on dilution in Subsidiary	-	-	-	-	-	**(0.5)**	**(0.5)**	-	-	**(0.5)**
Changes in ownership interests in Subsidiaries										
- Issued of shares by a Subsidiary	-	-	-	-	-	**(0.5)**	**(0.5)**	-	**1.1**	**0.6**
- Share options granted by a Subsidiary	-	-	-	-	-	-	-	-	**6.9**	**6.9**
- Additional investment in a Subsidiary	-	-	-	-	-	**(5.4)**	**(5.4)**	-	**(10.8)**	**(16.2)**
Transfers during the period										
- Statutory reserve of an Associate ^	-	-	-	**(373.8)**	-	**373.8**	-	-	-	-
- Regulatory reserve of an Associate	-	-	-	**104.6**	-	**(104.6)**	-	-	-	-
Dividends	-	-	-	-	-	**(243.2)**	**(243.2)**	-	**(180.7)**	**(423.9)**
Balance at 31 December 2017	**2,735.7**	-	**70.9**	**156.6**	**433.1**	**2,512.6**	**5,908.9**	**1,207.7**	**1,801.1**	**8,917.7**

Boustead Holdings Berhad (3871-H)

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

For the financial period ended 31 December 2016	Attributable to shareholders of the Company									
	Share Capital	*Share Premium	*Revaluation & Fair Value Reserve	*Statutory & Regulatory Reserve	*Other Reserves	Retained Profit	Total	Perpetual Sukuk	Non-Controlling Interests	Total Equity
As at 1 January 2016	517.1	1,165.1	54.2	387.3	437.6	1,981.3	4,542.6	1,207.7	1,607.5	7,357.8
Currency translation difference in respect of foreign operations	-	-	-	-	4.2	-	4.2	-	5.0	9.2
Net loss 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	-	-	-	-	-	369.0	369.0	73.7	146.4	589.1
Total comprehensive income for the period	-	-	0.1	-	1.9	369.0	371.0	73.7	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)
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										
- Statutory reserve of an Associate	-	-	-	37.3	-	(37.3)	-	-	-	-
- Regulatory reserve of an Associate	-	-	-	1.2	-	(1.2)	-	-	-	-
Dividends	-	-	-	-	-	(275.6)	(275.6)	-	(148.6)	(424.2)
Balance at 31 December 2016	1,013.5	1,722.2	54.3	425.8	439.5	2,031.0	5,686.3	1,207.7	1,606.9	8,500.9

NOTES

* Denotes non distributable reserves.

\# With the Companies Act 2016 (New Act) coming into effect on 31 January 2017, the credit standing in the share premium account of RM1.722 billion has been transferred to the share capital account. Pursuant to subsection 618(3) of the New Act, the Company may exercise its right to use the credit amounts being transferred from share premium within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

^ Pursuant to Revised Policy Documents on Capital Funds and Capital Funds for Islamic Banks issued by Bank Negara Malaysia on 3 May 2017, the banking subsidiaries of an associate no longer require to maintain the Statutory Reserve. Hence, during the period, the entire balance of Statutory Reserve of RM1,806.7 million, of which our share is RM373.8 million, was transferred to Retained Profit.

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 2016.

Boustead Holdings Berhad (3871-H)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the quarter ended 31 December 2017

(All figures are stated in RM million)	**2017**	**2016**
Operating activities		
Receipts from customers	**9,745.1**	8,927.1
Cash paid to suppliers and employees	**(8,698.4)**	(7,721.2)
	1,046.7	1,205.9
Income taxes paid less refund	**(161.7)**	(93.7)
Net cash from operating activities	**885.0**	1,112.2
Investing activities		
Biological assets and property, plant & equipment purchased	**(253.7)**	(297.8)
Purchase and development of investment property & development property	**(228.6)**	(204.9)
Contribution to a joint venture's capital expenditure	**(120.5)**	(142.8)
Purchase of intangible assets	**(27.4)**	(57.5)
Disposal of property plant & equipment and biological assets	**621.5**	297.1
Acquisition of a Subsidiary, net of cash acquired	**-**	(3.0)
Additional investment in a Subsidiary	**(16.2)**	(11.9)
Disposal of an associate	**-**	167.2
Deposit paid on acquisition of land	**(75.0)**	-
Disposal of a Subsidiary	**-**	59.9
Investment in a joint venture	**(0.6)**	-
Others	**88.8**	80.7
Net cash used in investing activities	**(11.7)**	(113.0)
Financing activities		
Transactions with owners	**(243.2)**	715.9
Transactions with holders of Perpetual Sukuk	**(73.7)**	(73.7)
Issue of shares by a Subsidiary	**1.1**	1.0
New loans	**1,032.1**	187.2
Loans repayment	**(1,259.1)**	(469.5)
Other borrowings	**(896.1)**	(400.4)
Interest paid	**(351.8)**	(398.0)
Dividends paid to non-controlling interests	**(180.7)**	(148.6)
Net cash used in financing activities	**(1,971.4)**	(586.1)
Net (decrease)/increase in cash and cash equivalent	**(1,098.1)**	413.1
Foreign currency translation difference	**(2.8)**	1.3
Cash and cash equivalent at beginning of period	**1,692.9**	1,278.5
Cash and cash equivalent at end of period	**592.0**	1,692.9
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	**631.1**	1,717.6
Overdrafts	**(39.1)**	(24.7)
Cash and cash equivalent at end of period	**592.0**	1,692.9

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 2016.

Boustead Holdings Berhad (3871-H)

Notes to the interim financial report for the quarter ended 31 December 2017

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 2016. All figures are stated in RM million, unless otherwise stated. Certain comparative figures had been restated to conform with current year's presentation.

2. **Accounting Policies**

(i) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2017, the Group adopted the following amended FRS:-

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

Adoption of the above amendments did not have a material effect on the financial statements of the Group.

(ii) MFRS Framework

The Group and the Company will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2018. In presenting its first MFRS financial statements, the Group and the Company 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.

The Group and the Company have established a project team to plan and manage the adoption of the MFRS Framework. This project consists of the following phases:

(a) Assessment and planning phase

This phase involves the following:

(i) High level identification of the key differences between Financial Reporting Standards and accounting standards under the MFRS Framework and disclosures that are expected to arise from the adoption of MFRS Framework;

(ii) Evaluation of any training requirements; and

(iii) Preparation of a conversion plan.

The Group and the Company consider the assessment and planning phase to be complete as at the date of these financial statements.

(b) Implementation and review phase

This phase aims to:

(i) develop training programs for the staff;

(ii) formulate new and/or revised accounting policies and procedures for compliance with the MFRS Framework;

(iii) identify potential financial effects as at the date of transition, arising from the adoption of the MFRS Framework; and

(iv) develop disclosures required by the MFRS Framework.

The Group and the Company have not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2017 could be different if prepared under the MFRS Framework.

The Group and the Company consider that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2018.

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.

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

Other than as disclosed in the audited financial statement for year ended 31 December 2016, 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 28 March 2017, the Company paid 4th interim dividend of 3.5 sen (2015: 4.0 sen) per share on the enlarged share capital of 2,027.0 million shares (2015: 1,034.2 million shares) in respect of the previous financial year ended 31 December 2016 amounting to RM70.9 million (2015: RM41.4 million).

(ii) On 23 June 2017, the Company paid 1st interim dividend of 2.5 sen (2016: 5.0 sen) per share on enlarged share capital of 2,027.0 million shares (2016: 1,034.2 million shares) in respect of financial year ending 31 December 2017 amounting to RM50.7 million (2016: RM51.7 million).

(iii) On 28 September 2017, the Company paid 2nd interim dividend of 3.0 sen (2016: 4.0 sen) per share in respect of the financial year ending 31st December 2017 amounting to RM60.8 million (2016: RM81.1 million).

(iv) On 29 December 2017, the Company paid 3rd interim dividend of 3.0 sen (2016: 5.0 sen) per share in respect of the financial year ending 31st December 2017 amounting to RM60.8 million (2016: RM101.4 million).

For the current quarter, the Directors have declared a 4th interim dividend of 2.5 sen (2016: 3.5 sen) per share in respect of the financial year ending 31 December 2017. The dividend will be paid on 29 March 2018 to shareholders registered in the Register of Members at the close of business on 15 March 2018.

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
2017								
Revenue								
Group total sales	760.1	1,682.0	618.1	181.3	2,324.0	4,476.9	(22.3)	10,020.1
Inter-segment sales	-	-	(22.3)	-	-	-	22.3	-
External sales	760.1	1,682.0	595.8	181.3	2,324.0	4,476.9	-	10,020.1
Result								
Segment result								
- external	189.5	207.2	103.3	(7.0)	92.3	138.9	-	724.2
Gain on disposal of plantation land	554.9	-	-	-	-	-	-	554.9
Finance cost	(27.9)	(90.8)	(67.8)	(97.6)	(38.9)	(17.0)	85.6	(254.4)
Interest income	11.6	5.0	15.6	93.7	0.7	0.8	(85.6)	41.8
Other investment result	-	(34.7)	29.8	3.6	-	7.7	-	6.4
Share of result of associates	4.6	-	(4.0)	109.6	-	1.8	-	112.0
Share of result of joint ventures	-	(13.5)	(22.8)	(31.6)	-	-	-	(67.9)
Profit/(loss) before taxation	732.7	73.2	54.1	70.7	54.1	132.2	-	1,117.0
Taxation								(193.7)
Profit after taxation								923.3
Other Information								
Depreciation and amortisation	(44.0)	(83.6)	(23.1)	(21.9)	(55.0)	(67.3)	-	(294.9)
Profit on disposal								
- Other assets	-	(0.2)	-	-	-	1.1	-	0.9
Other non-cash (expenses)/income*	(9.9)	(95.7)	28.7	3.2	(6.6)	(12.8)	-	(93.1)

8. Segmental Information (Cont'd.)

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 on disposal								
Subsidiary	33.4	-	-	-	-	-	-	33.4
Associates	-	-	209.6	-	-	-	-	209.6
Other assets	(0.1)	(3.3)	10.5	-	-	35.4	-	42.5
Other non-cash (expenses)/income*	(13.5)	(49.0)	15.5	(5.2)	(7.7)	10.7	-	(49.2)

* Other non-cash income/expenses exclude profit/loss on disposal of plantation land, 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 year, the Company issued RM1.0 billion Islamic Medium Term Notes (IMTN) that comprise 2 tranches of RM500 million IMTN each, under the RM2.0 billion and RM500 million 10-year Sukuk Murabahah Programmes respectively. The maturity dates of the tranches issued are for 7 years, at a profit rate of 5.90% per annum.

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 other subsequent events as at 28 February 2018 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

(i) On 15 December 2017, our Subsidiary Pharmaniaga Berhad, through its wholly owned Subsidiary, Pharmaniaga International Corporation Sdn Bhd, completed the subscription of 535,137,534 ordinary shares of PT Pharmacon Millenium International Tbk (PT MPI) for total consideration of IDR58,865,124,740 pursuant to PT MPI's right issue exercise. Consequently, the Group's effective interest in PT MPI was increased from 31% to 41%.

(ii) On 20 December 2017, our Subsidiary Pharmaniaga Berhad, through PT MPI acquired 574,992 ordinary shares representing 15% of the issued and paid-up equity interest of PT Errita Pharma (PT Errita) for a total consideration of USD3.6 million and IDR10,024,531,778 which collectively amounted to IDR54,000,000,000. Consequently, the Group's effective interest in PT Errita increased from 48% to 54%.

There was no other change in the composition of the Group during the period under review.

13. Changes in Contingent Liabilities and Contingent Assets

The status of the contingent liability as disclosed in the FY2016 annual financial statements remains unchanged as at 28 February 2018. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 31 December 2017:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	400.9	180.6
Acquisition of plantation land	-	675.0
Share of joint venture's capital commitment	20.3	36.2
	421.2	891.8

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 2016.

16. Intangible Assets

RM' million	Goodwill	Concession right	Pharmacy manufacturing licence, patents &intellectual properties	Rights to supply	Total
Cost					
At 1 January 2017	1,233.9	75.0	23.9	234.7	1,567.5
Additions	-	-	3.1	24.3	27.4
Adjustment arising from the finalisation of purchase price allocation	(0.7)	-	0.6	-	(0.1)
Foreign exchange fluctuation	(6.5)	-	(3.2)	-	(9.7)
At 31 December 2017	1,226.7	75.0	24.4	259.0	1,585.1
Accumulated amortisation and impairment					
At 1 January 2017	11.9	50.0	8.3	62.1	132.3
Amortisation	-	8.7	2.7	14.9	26.3
Impairment	38.0	-	-	-	38.0
Foreign exchange fluctuation	-	-	(2.5)	-	(2.5)
At 31 December 2017	49.9	58.7	8.5	77.0	194.1
Net carrying amount					
At 31 December 2017	1,176.8	16.3	15.9	182.0	1,391.0
At 31 December 2016	1,222.0	25.0	15.6	172.6	1,435.2

On completion of the purchase price allocation in the current financial period, the fair value of the identifiable net assets of Bio-Collagen Technologies Sdn Bhd attributable to the Group at acquisition date was increased from RM0.1 million to RM0.7 million with a corresponding decrease in goodwill of the same amount.

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

17. Performance Review

For the quarter ended 31 December 2017	**Current Period**		**+/(-)**	**Cumulative Period**		**+/(-)**
(All figures are stated in RM million)	**2017**	**2016**	**%**	**2017**	**2016**	**%**
Revenue	2,786.8	2,422.2	15%	10,020.1	8,371.3	20%
Profit from operations	279.8	174.7	60%	724.2	461.9	57%
Profit before interest and taxation	290.2	316.7	-8%	1,329.6	990.2	34%
Profit before taxation	240.5	261.2	-8%	1,117.0	740.4	51%
Profit for the period	174.0	184.9	-6%	923.3	589.1	57%
Profit attributable to shareholders of the Company	86.1	120.7	-29%	462.0	369.0	25%

For the 4th quarter of FY2017 (4QFY17), the Group recorded a profit before tax (PBT) of RM240.5 million, a 8% decline from RM261.2 million registered in 4th quarter of FY2016 (4QFY16). Despite the fact that operating profit was higher in 4QFY17, this was offset by weaker other operating income and share of loss in joint venture companies. The Group posted after-tax profit (PAT) of RM174.0 million for the quarter under review, lower than RM184.9 million recorded in 4QFY16.

For the 2017 financial year (FY2017), the Group's PBT jumped to RM1,117.0 million, a 51% increase from last financial year's (FY2016) contribution of RM740.4 million. This commendable performance was mainly due to higher gain on disposal of plantation land and lower finance cost as well as better operating results from Plantation and Heavy Industries Divisions.

For FY2017, the Group's revenue stood at RM10.0 billion, up by 20% from RM8.4 billion registered in FY2016. Plantation Division's revenue for FY2017 was RM760.1 million, 7% higher than RM707.9 million recorded in FY2016 on the back of better palm products prices and increase in FFB production. The Trading & Industrial Division's revenue improved to RM4.5 billion from RM3.6 billion in FY2016, primarily due to higher fuel prices. For Heavy Industries Division, revenue grew by 69% on higher billing for Littoral Combat Ship (LCS) and ship repair projects as well as recognition of revenue from Littoral Mission Ship project. The Pharmaceutical Division recorded 6% increase in revenue, mainly due to higher orders from concession business and growth in Indonesia segment. On the other hand, Property Division recorded a lower revenue of RM595.8 million, a reduction of 11%, on lower contribution from property development activities in Taman Mutiara Rini, Johor. Similarly, revenue from Finance & Investment Division declined by 8% to RM181.3 million.

Plantation Division ended FY2017 with a commendable pre-tax profit of RM732.7 million (FY2016: RM276.1 million). This was mainly due to the higher gain on disposal of plantation land of RM554.9 million (FY2016: RM124.2 million). Excluding this gain and FY2016's profit on disposal of a Subsidiary of RM33.4 million, PBT for FY2017 improved by 50%, on the back of better CPO prices. The average selling price of CPO for FY2017 was RM2,810 per MT, up by RM226 or 9% from RM2,584 per MT last year. Similarly, the average price for PK of RM2,505 per MT grew by RM45 or 2% compared with RM2,460 per MT recorded last year. FFB production for FY2017 stood at 973,513 MT, an improvement of 7% from last year. The better crop was mainly due to recovery in yield post El-Nino in the 1st half of the year under review. Oil and kernel extraction rates averaged at 21.0% (FY2016: 21.5%) and 4.3% (FY2016: 4.4%) respectively.

For FY2017, Trading & Industrial Division posted a lower PBT of RM132.2 million compared with RM147.4 million for FY2016, which benefitted from a gain on disposal of BPM's lands of RM34.0 million. Excluding this gain, the PBT for the year was higher by 17%, mainly due to better contribution from both BPM and UAC. Finance & Investment Division closed FY2017 with a higher PBT of RM70.7 million (FY2016: RM61.5 million). This was primarily due to reduced net finance cost of RM3.9 million (FY2016: RM17.8 million) arising from lower borrowings and placement of surplus funds from Right issue proceeds. Nevertheless, share of profit in associates was lower mainly due to weaker result from Affin Holdings, which recorded reduced PBT. Despite an increase in net fee and commission income, this was offset by higher overhead expenses and allowance for loan impairment.

In FY2017, Heavy Industries Division registered a surplus of RM73.2 million, which was an improvement from FY2016's deficit of RM120.0 million. This was mainly driven by stronger contribution from Boustead Naval Shipyard (BNS) and MHS Aviation (MHSA) although was partly offset by the impairment of goodwill for MHSA. BNS continued to make good progress on LSC and ship repair projects. BNS's bottom line had also benefitted from income on Littoral Mission Ship project and reversal of provision for Liquidated Ascertain Damages (LAD) on ship repair project. In FY2017, MHSA recorded a surplus, on the back of compensation accrued for the termination of Joint Operation contract and recognition of monthly standing charges that was previously deferred pending the negotiation of the settlement for Joint Operation contract. On the other hand, Boustead Heavy Industries Corporation (BHIC) posted a weaker results as the bottom line was impacted by the share of loss in joint venture company which resulted from provision from LAD for In-Service Support for the Royal Malaysian Navy SCORPENE Submarines contract.

Pharmaceutical Division registered a higher PBT for FY2017 of RM54.1 million (Y2016: RM51.9 million) on the back of better result from Indonesia segment, reduction in finance cost as well as compensation received in relation to a previous joint venture company in China. For FY2017, the Property Division recorded a lower PBT of RM54.1 million, compared with RM323.5 million in FY2016, which benefitted from the one-off gain on disposal of an associate company amounting to RM209.6 million. In the year under review, the Division was impacted by the share of loss in a joint venture due to start-up cost of the newly opened MyTOWN shopping centre and lower earnings from property development activities in Taman Mutiara Rini, Johor.

17. Performance Review (Cont'd.)

Statement of Financial Position

As at 31 December 2017, the Group's receivables was higher as compared to 31 December 2016 partly due to compensation receivable for MHSA and contribution for capital expenditure of joint ventures. The increase in due from customers on contracts and trade & other payables as compared with last year was mainly due to variation in milestones achieved for LCS project under BNS. On the other hand, cash and bank balances decreased as compared to last year's position mainly due to settlement of borrowings during the year.

Statement of Cash Flows

During the year, the Group recorded a lower cash flow from operating activities of RM885.0 million (FY2016: RM1,112.2 million) mainly due to reduced collection from BNS projects and property development activities, which had offset the effect of higher palm product prices and better collection from Pharmaniaga's concession business. In FY2017, the Group also received RM615.0 million from the sale of plantation assets which was partly used to pare down borrowings.

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

For the quarter ended 31 December 2017	Current Period	Immediate Preceding Period	+/(-)
(All figures are stated in RM million)	**31.12.2017**	**30.9.2017**	**%**
Revenue	2,786.8	2,471.9	13%
Profit from operations	279.8	127.6	119%
Profit before interest and taxation	290.2	696.2	-58%
Profit before taxation	240.5	643.1	-63%
Profit for the period	174.0	581.4	-70%
Profit attributable to shareholders of the Company	86.1	312.4	-72%

For 4QFY17, the Group recorded a lower PBT of RM240.5 million compared with RM643.1 million in 3QFY17, which benefitted from gain on disposal of plantation land.

Plantation Division posted a lower PBT of RM47.7 million (3QFY17: RM599.1 million) as the preceding quarter’s earnings were boosted by the gain on disposal of plantation land of RM554.9 million. Average CPO price realised for 4QFY17 was RM2,666 per MT, a reduction of RM34 from 3QFY17. Average PK price of RM2,571 per MT was an increase of RM342 from preceding quarter. FFB production of 276,845 MT was also better than 3QFY17 by 8%.

The Heavy Industries Division posted a surplus of RM50.0 million (3QFY17: deficit of RM22.7 million) after accruing the compensation receivable from Petronas for the settlement of termination on Joint Operation contract. In addition, BNS also registered better result for the quarter. The Division bottom line was however partly hampered by the share of loss in BHIC's joint venture and impairment of goodwill for MHSA.

Property Division delivered an improved PBT for 4QFY17 of RM59.9 million (3QFY17: RM9.2 million). This was achieved on the back of fair value gain on investment properties, sale of bungalow lot in Mutiara Damansara, Selangor and higher earnings from property development activities in Taman Mutiara Rini, Johor. Similarly, Pharmaceutical Division posted a higher PBT of RM14.8 million (3QFY17: RM10.6 million) mainly due to reduced finance cost and compensation received in relation to a previous joint venture company in China.

Finance & Investment Division closed 4QFY17 with a pre-tax profit of RM23.2 million (3QFY17: RM7.0 million) mainly due to higher share of profit in Affin Group. During the quarter, Affin Group recorded a higher PBT, resulted from increase in non-interest income coupled with lower allowance for loan impairment. For 4QFY17, Trading & Industrial Division recorded a higher PBT of RM44.9 million (3QFY17: RM39.9 million) mainly due to fair value gain on investment property and better performance by UAC Berhad.

19. Prospects

The outlook is positive for the year ahead, on the back of sustained growth in advanced economies and key emerging markets. On the domestic front, growth momentum is anticipated to continue, underpinned once again by domestic demand and private consumptions. Nevertheless, global downside risk such as sluggish productivities in major economies and geopolitical uncertainties as well as volatility of commodity prices and concern on cost of living on domestic front may impede growth. Long-term prospects for Malaysia economy are positive, which are supported by strong economic fundamentals, a sound financial system, an accommodative monetary policy as well as the implementation of various Government initiatives. As such, the diversified nature of BHB in six core areas of the Malaysian economy certainly augurs well for the Group.

In the last quarter of 2017, palm oil prices declined because supplies outstripped demand leading to high stockpiles. The market sentiment also became bearish when the Indian government raised import taxes for edible oils to curb imports. To spur demand and boost prices, the Malaysian government has suspended export taxes for CPO for three months. In the coming year, CPO prices are anticipated to soften after 1st quarter 2018 on expectations of robust output, increased soybean acreages in the US and competition from Indonesia for the Indian market share. The likelihood of Indonesia increasing its biodiesel mandate will lend support to palm oil prices. In 2018, the operating conditions in Sugut, Sabah and Sarawak regions will continue to influence the Division’s crop production. Nonetheless, the proposed acquisition of approximately 11,579 hectares of oil palm plantations in the district of Labuk and Sugut in Sabah, upon completion in the 2nd quarter of 2018, should contribute positively to the Division’s crop production.

Pharmaceutical Division, driven by research and development efforts, remains on track to deliver new product offerings to both local and overseas market for the coming years ahead, which would further strengthen the Division's earnings potential as we scale new heights in the pharmaceutical arena. In 2018, the Division is focused on ensuring sustainable business growth and improving operational efficiencies whilst unlocking strategic prospects domestically, regionally and internationally.

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. 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 and LMS projects as well as 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 Bank Berhad.

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 2017 RM million	Cumulative Quarter 2017 RM million
Malaysian taxation based on profit for the period:		
- Current	47.9	161.5
- Deferred	18.8	28.1
	66.7	189.6
Under provision of prior years	(0.2)	4.1
	66.5	193.7

The Group's effective rate for 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 rate for the year is lower than the statutory tax 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 pending the approval of the State Authority for the transfer of the Bukit Jalil Lands to BCSB and completion of the infrastructure works by the Vendor.

(ii) On 30 October 2017, Boustead Rimba Nilai Sdn Bhd (BRNSB), a wholly-owned Subsidiary of Boustead Plantation Berhad (BPB) entered into a Sale & Purchase Agreement (SPA) with Pertama Land & Development Sdn Bhd (PLDSB) for the acquisition of 42 parcels of plantation land measuring 11,579.31 hectares within the district of Labuk & Sugut, Sabah inclusive of all buildings, agricultural machineries, vehicles, equipment and other amenities located at the property (Plantation Asset) for a total cash consideration of RM750 million. BRNSB has paid a 10% deposit. The SPA is conditional upon approval of shareholders of BPB, shareholders of Dutaland Berhad (parent company of PLDSB) and applicable regulatory authorities.

(iii) On 12 September 2017, the Company had issued RM500 million of Islamic Medium Term Notes (IMTN) under the RM2.0 billion programme and on 28 September 2017, the Company issued another RM500 million of IMTN under the RM500 million programme. Both IMTN programmes have a combined size of RM2.5 billion with tenure of 10 years. The IMTN programmes are unrated and are implemented under Securities Commission Malaysia's Guidelines on Unlisted Capital Market Products under The Lodge and Launch Framework. The proceeds to be raised from the IMTN programmes are to be utilised, amongst others, to finance future property development projects and capital expenditures, investments in subsidiaries and/or associates, working capital requirements and to finance existing borrowings of the Company.

(iv) On 22 December 2017, the Group's wholly owned Subsidiary, Mutiara Rini Sdn Bhd (MRSB) entered into a sale and purchase agreement with LTAT to purchase land measuring 6.59 hectares held under HSD 118499 PT 484 Section 90, Town of Kuala Lumpur, District of Kuala Lumpur, State of Wilayah Persekutuan Kuala Lumpur (Jalan Cochrane land) for a total cash consideration of RM143,513,065 (Proposed Acquisition).

The Proposed Acquisition is conditional upon the approval of the relevant State Authority for the transfer of the Jalan Cochrane Land to MRSB. The application to the relevant State Authority is expected to be made in the 1st quarter of 2018.

(v) On 24 January 2018, Boustead Plantation Berhad (BPB) announced that CIMB Islamic Trustee Berhad (CITB), acting solely as trustee for BPB, entered in a sale and purchase agreement with Sunrich Conquest Sdn. Bhd. (SCSB) for the disposal of 82.84 hectares of freehold land situated in Mukim 12, Daerah Seberang Perai Utara, Pulau Pinang by BPB to SCSB for cash consideration of approximately RM81.0 million, subject to the term and conditions contained therein.

On the same date, CITB, acting solely as trustee for BPB, entered into a sale and purchase agreement with Titanium Greenview Sdn Bhd (TGSB) for the disposal of 56.05 hectares of freehold land situated in Mukim 12, Daerah Seberang Perai Utara, Pulau Pinang by BPB to TGSB for cash consideration of approximately RM55.0 million, subject to the term and conditions contained therein.

A total deposit of RM9.5 million or 7% of the combined sale proceeds has been received since the end of 2017. The sale of the lands are expected to be completed in the 3rd quarter of 2018.

There were no other corporate proposals announced or pending completion as at 28 February 2018.

(b) Status on Utilisation of Proceeds from Rights Issue as at 15 February 2018:

(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	78.5	Within 24 months	428.5	85%	To be utilised
Working capital	60.5	60.5	Within 12 months	-		
Right issue expenses	1.3	1.3	Within 6 months	-		
	1,054.8	626.3		428.5		

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

(c) Status on Utilisation of Proceeds from the Issuance of IMTN as at 15 February 2018:

(In RM Million)	Proposed Utilisation	Actual Utilisation	Time Frame	Deviation Amount
Refinancing of existing borrowings	962.4	962.4	Not applicable	-
Funding of reserve account of IMTN programme	37.6	37.6	Not applicable	-
	1,000.0	1,000.0		-

23. Changes in Material Litigations

(i) In respect of the litigation referred to in Note 38 (a) of 2016 Annual Report, subsequent to the hearing of discharge application on 21 March 2017, new solicitors were appointed by the Plaintiff. During the hearing of appeal at the Federal Court on 22 August 2017, the judges unanimously set aside the decision of the Court of Appeal and High Court and ordered the matter to be tried at the Ipoh High Court. The court also ordered cost in cause and deposit to be refunded. During the case management on 16 November 2017, the court had directed the Plantiff to file the application to examine the evidence of the case on or before 24 November 2017. The hearing as well as the decision for Plantitff's said application is fixed on 26 January 2018.

During the Hearing, the Court directed the parties to file additional Affidavits and the Hearing of the Plaintiff's application will be continued on 28 March 2018. Case Management of the main suit has also been fixed to 28 March 2018.

(ii) In respect of Notice of Arbitration issued by MHS Aviation (MHSA) to PETRONAS Carigali Sdn Bhd (PCSB) referred to in Note 44 (e) of 2016 Annual Report, MHSA had received a termination notice dated 9 June 2017 from PCSB giving 90 days notice to terminate the Contract without cause. MHSA received the said notice of termination while discussions between the parties regarding the above arbitration proceedings were ongoing.

Pursuant to the PCSB's termination of the Contract, on 16 June 2017, MHSA had also received termination notice from Sapura Exploration Production (PM) Inc. On 19 June 2017, MHSA received the termination notice from EQ Petroleum Production Malaysia Ltd and ExxonMobil Exploration and Production Malaysia Inc. Together with PCSB, all the three companies above are Joint Operating Partners for the Contract.

MHSA has put on record that it did not agree that these termination notices have been validly issued. MHSA views this as a breach of the Contract and will treat any attempt to terminate the said Contract on the basis of such notice as a repudiatory breach of the Contract.

Currently, MHSA has not proceeded with the arbitration proceeding as the ongoing negotiations for settlement of claims are at the final stage.

As at 28 February 2018, 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 2016.

24. Earnings Per Share - Basic/diluted

	Current Period		Cumulative Period	
	2017	**2016**	**2017**	**2016**
Net profit for the period (RM million)	**86.1**	120.7	**462.0**	369.0
Weighted average number of ordinary shares in issue (million)	**2,027.0**	2,027.0	**2,027.0**	1,842.1
Basic/diluted earnings per share (sen)	**4.25**	5.95	**22.79**	20.03

25. Group Borrowings and Debt Securities

Total group borrowings as at 31 December 2017 are as follows:-

	31.12.2017 RM million	31.12.2016 RM million
Non-current:		
Term loans		
- Denominated in US Dollar	-	137.3
- Denominated in Great Britain Pound	**66.0**	68.7
- Denominated in Indonesian Rupiah	**102.7**	116.6
- Denominated in RM	**519.2**	845.9
	687.9	1,168.5
Asset-backed bonds	**758.9**	758.2
Bank guaranteed medium term notes	-	763.7
Islamic medium term notes	**992.5**	-
	2,439.3	2,690.4
Less: repayable in 1 year	**982.8**	1,249.8
	1,456.5	1,440.6
Current:		
Bank overdrafts	**39.1**	24.7
Bankers' acceptances		
- Denominated in Indonesian Rupiah	**15.0**	11.1
- Denominated in RM	**317.0**	363.5
Revolving credits	**3,373.5**	4,227.0
Short term loans	**982.8**	1,249.8
	4,727.4	5,876.1
Total borrowings	**6,183.9**	7,316.7

The Islamic Medium Term Notes (IMTN), which were issued during the period, comprise 2 tranches of RM500 million Sukuk Murabahah with maturity 7 years from the date of issue and carry profit rates of 5.90% per annum.

The asset-backed bonds comprise 3 classes of senior bonds which are rated AAA and 3 classes of guaranteed bonds which are rated AA2(bg) and AAA(fg). The senior bonds are secured by a debenture over the assets of a Subsidiary, a special purpose vehicle created for the bonds issuance. The maturity dates of the asset-backed bonds range from 6 years to 7 years with the effective interest rate of 5.50% per annum.

A Subsidiary has a term loan of RM234.3 million (FY2016: RM391.9 million) which is repayable within 4 years commencing from 27 April 2016. This Subsidiary also has revolving credits of RM1,029.3 million (FY2016: RM1,289.5 million) which are secured by way of an assignment on contract proceeds.

A Subsidiary has a term loan of RM114.0 million (FY2016: RM142.5 million) which is secured by five aircrafts of the Subsidiary, proceeds account and the said Subsidiary’s present and future rights, title, benefit and interest in and under the lease agreement of those aircrafts.

A Subsidiary has a term loan denominated in Great Britain Pound equivalent to RM66.0 million (FY2016: RM68.7 million) which is secured against a property owned by the Subsidiary.

All the other borrowings are unsecured.

The amount of borrowings denominated in foreign currencies:
(All figures are stated in million)

	31.12.2017	31.12.2016
Denominated in US Dollar	-	30.6
Denominated in Great Britain Pound	**12.1**	12.5
Denominated in Indonesian Rupiah	**394,966**	383,483
Exchange rate:		
- US Dollar	-	4.49
- Great Britain Pound	**5.47**	5.51
- Indonesian Rupiah	**0.0298**	0.0333

As at 31 December 2017, the Group's borrowing was lower at RM6.2 billion (As at 31 December 2017: RM7.3 billion).The decrease was mainly due to utilisation of proceeds from the disposal of plantation asset and collection from BNS's projects to pare down borrowings. Nevertheless, this was partly offset by the issuance of IMTN by the Company and drawdown of borrowings for property development activities.

As at 31 December 2017, the weighted average interest rate of borrowings is 5.2% (As at 31 December 2016: 5.1%) per annum. The proportion of debt based on fixed and floating interest rate is 28% (As at 31 December 2016: 24%) and 72% (As at 31 December 2016: 76%) respectively.

The amount borrowed in foreign currencies is not hedged as the Group does not expect material fluctuation in the exchange rate.

26. Additional Disclosures

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

	Current Quarter		Cumulative Quarter	
	2017	**2016**	**2017**	**2016**
	RM million	**RM million**	**RM million**	**RM million**
Net fair value gain on investment properties	**(43.9)**	(40.3)	**(43.9)**	(40.3)
Depreciation and amortisation	**74.8**	78.7	**294.9**	297.2
Provision for and write off of receivables	**4.8**	6.3	**11.2**	12.2
Provision for and write off of inventories	**(0.9)**	35.8	**6.0**	40.4
Impairment of property, plant and equipment	**46.9**	4.6	**46.9**	4.6
Impairment of biological assets	**10.0**	10.4	**10.0**	10.4
Impairment of other receivables	**12.7**	14.3	**12.7**	14.3
Impairment of goodwill	**38.0**	4.5	**38.0**	4.5
Gain on sale of quoted and unquoted investments	**(0.1)**	-	**(0.1)**	-
Gain on disposal of properties & plantation land	**-**	(22.0)	**(554.9)**	(174.6)
Loss/(gain) on disposal of other property, plant and equipment	**0.2**	3.7	**(0.9)**	7.9
Gain on disposal of a Subsidiary	**-**	(33.4)	**-**	(33.4)
Gain on disposal of an associate	**-**	(11.3)	**-**	(209.6)
Stockholding loss/(gain)	**(8.0)**	(15.4)	**(14.1)**	(15.0)
Foreign exchange (gain)/loss	**(20.6)**	28.3	**(31.1)**	28.5
Net fair value loss/(gain) on derivatives	**8.5**	(13.2)	**22.5**	(9.1)

28. Plantation Statistics

		Cumulative Period	
		2017	**2016**
(a)	**Crop production and yield**		
	FFB (MT)	**973,513**	908,576
	FFB (MT/ha)	**16.7**	15.6
	CPO production (MT)	**226,843**	217,561
(b)	**Average selling prices (RM per MT)**		
	FFB	**610**	598
	Crude palm oil (CPO)	**2,810**	2,584
	Palm kernel (PK)	**2,505**	2,460
(c)	**Oil extraction rate (%)**		
	Crude palm oil	**21.0**	21.5
	Palm kernel	**4.3**	4.4

(d) Planted areas (hectares)

		As at 31.12.2017	As at 31.12.2016
Oil palm	- immature	**5,876**	7,071
	- young mature	**12,179**	11,964
	- prime mature	**32,363**	33,199
	- past prime	**14,569**	12,234
		64,987	64,468