

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

For the year ended 31 December 2021	Current Period		Cumulative Period	
(All figures are stated in RM million)	2021	2020	2021	2020
Revenue	2,960.3	2,230.0	11,305.5	7,881.0
Operating cost	(2,557.6)	(2,102.7)	(10,364.9)	(7,628.4)
Results from operations	402.7	127.3	940.6	252.6
Gain/(loss) on disposal of properties	6.2	5.1	103.9	(3.2)
Impairment of property, plant and equipment	(0.6)	(133.3)	(0.6)	(133.3)
Impairment of right-of-use assets	-	(37.9)	-	(37.9)
Impairment of goodwill	(8.8)	(36.1)	(8.8)	(36.1)
Fair value gain/(loss) on investment properties	1.1	(110.8)	1.1	(110.8)
Other investment results	(0.1)	37.5	2.0	37.6
Share of results of associates	40.6	(10.7)	116.4	47.6
Share of results of joint ventures	(42.7)	(49.0)	(64.1)	(75.2)
Profit/(loss) before interest, taxation and zakat	398.4	(207.9)	1,090.5	(58.7)
Finance cost	(87.3)	(94.4)	(353.7)	(387.2)
Interest income	7.2	7.0	23.9	25.6
Profit/(loss) before taxation and zakat	318.3	(295.3)	760.7	(420.3)
Taxation	(100.9)	(26.3)	(254.2)	(76.9)
Zakat	(15.5)	(2.4)	(27.3)	(3.5)
Profit/(loss) for the year	201.9	(324.0)	479.2	(500.7)
Attributable to:				
Shareholders of the Company	78.6	(352.3)	170.1	(550.9)
Holder of Perpetual Sukuk	14.6	13.0	56.7	50.5
Non-controlling interests	108.7	15.3	252.4	(0.3)
Profit/(loss) for the year	201.9	(324.0)	479.2	(500.7)
Earnings/(loss) per share - sen				
Basic/diluted	3.88	(17.38)	8.39	(27.18)

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021	Current Period		Cumulative Period	
(All figures are stated in RM million)	2021	2020	2021	2020
Profit/(loss) for the year	201.9	(324.0)	479.2	(500.7)
Other comprehensive (loss)/income				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	(2.2)	0.8	(1.4)	(4.2)
Share of OCI of investments accounted for using the equity method	31.6	1.4	(36.4)	6.5
	29.4	2.2	(37.8)	2.3
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Net (loss)/income on equity investment designated at fair value through OCI				
- Fair value changes	(0.3)	0.9	(0.5)	(0.9)
- Disposals	-	-	-	0.5
	(0.3)	0.9	(0.5)	(0.4)
Total comprehensive income/(loss) for the year, net of tax	231.0	(320.9)	440.9	(498.8)
Attributable to:				
Shareholders of the Company	109.0	(350.4)	131.4	(547.5)
Holders of Perpetual Sukuk	14.6	13.0	56.7	50.5
Non-controlling interests	107.4	16.5	252.8	(1.8)
Total comprehensive income/(loss) for the year, net of tax	231.0	(320.9)	440.9	(498.8)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 December 2021	As at 31 December 2021	As at 31 December 2020
(All figures are stated in RM million)		
ASSETS		
Non current assets		
Property, plant and equipment	4,002.3	4,457.8
Investment properties	1,295.0	1,404.9
Right-of-use assets	2,253.2	2,289.4
Deferred tax assets	34.3	37.0
Associates	2,198.5	2,125.0
Joint ventures	304.0	483.9
Investments	5.0	5.8
Intangible assets	338.3	343.0
Inventories	811.2	916.3
Receivables	296.4	244.2
	11,538.2	12,307.3
Current assets		
Biological assets	47.0	25.0
Inventories	1,718.0	963.9
Contract assets and contract cost assets	1,109.7	1,057.2
Receivables	1,190.5	829.7
Deposits, cash and bank balances	463.5	496.4
Assets classified as held for sale	412.9	322.6
	4,941.6	3,694.8
TOTAL ASSETS	16,479.8	16,002.1
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	2,735.7	2,735.7
Reserves	548.6	381.5
Shareholders' equity	3,284.3	3,117.2
Perpetual Sukuk	609.6	609.3
Non-controlling interests	1,571.5	1,392.4
Total equity	5,465.4	5,118.9
Non current liabilities		
Borrowings	3,052.4	2,962.3
Payables	21.6	20.9
Lease liabilities	48.4	54.7
Deferred tax liabilities	342.1	325.7
	3,464.5	3,363.6
Current liabilities		
Borrowings	3,939.5	4,621.6
Payables	3,140.0	2,807.3
Contract liabilities	191.1	51.2
Lease liabilities	12.9	21.3
Taxation	94.7	18.2
Liabilities classified as held for sale	171.7	-
	7,549.9	7,519.6
Total liabilities	11,014.4	10,883.2
TOTAL EQUITY AND LIABILITIES	16,479.8	16,002.1

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021	Attributable to shareholders of the Company								Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total	Perpetual Sukuk	Non-Controlling Interests	
As at 1 January 2021	2,735.7	53.2	153.8	434.7	(260.2)	3,117.2	609.3	1,392.4	5,118.9
Currency translation difference in respect of foreign operations	-	-	-	(1.9)	-	(1.9)	-	0.5	(1.4)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.5)	-	-	-	(0.5)	-	-	(0.5)
- transfer upon disposal	-	1.0	-	-	(1.0)	-	-	-	-
Share of OCI investments accounted for using equity method	-	(36.6)	-	0.3	-	(36.3)	-	(0.1)	(36.4)
Total other comprehensive (loss)/income for the year	-	(36.1)	-	(1.6)	(1.0)	(38.7)	-	0.4	(38.3)
Profit for the period	-	-	-	-	170.1	170.1	56.7	252.4	479.2
Total comprehensive (loss)/income for the year	-	(36.1)	-	(1.6)	169.1	131.4	56.7	252.8	440.9
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(56.4)	-	(56.4)
Share of an associate's movement in reserve	-	-	-	(17.5)	12.6	(4.9)	-	-	(4.9)
Changes in ownership interests in subsidiaries									
- Partial disposal of shares in a subsidiary	-	-	-	(2.9)	45.0	42.1	-	8.4	50.5
- Share options granted by a subsidiary	-	-	-	-	0.6	0.6	-	1.2	1.8
- Additional investment in subsidiaries	-	-	-	-	(2.1)	(2.1)	-	2.1	-
Transfer during the period									
- Regulatory reserve of an associate	-	-	(5.6)	-	5.6	-	-	-	-
Dividends	-	-	-	-	-	-	-	(85.4)	(85.4)
Balance at 31 December 2021	2,735.7	17.1	148.2	412.7	(29.4)	3,284.3	609.6	1,571.5	5,465.4

Boustead Holdings Berhad 196001000193 (3871-H)
UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D.)

For the financial year ended 31 December 2020	Attributable to shareholders of the Company						Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total			
As at 1 January 2020	2,735.7	51.3	143.6	435.1	363.7	3,729.4	608.9	1,349.8	5,688.1
Currency translation difference in respect of foreign operations	-	-	-	(2.7)	-	(2.7)	-	(1.5)	(4.2)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.9)	-	-	-	(0.9)	-	-	(0.9)
- disposal	-	0.5	-	-	-	0.5	-	-	0.5
- transfer upon disposal	-	(0.9)	-	-	0.9	-	-	-	-
Share of OCI investments accounted for using equity method	-	3.2	-	3.3	-	6.5	-	-	6.5
Total other comprehensive income/(loss) for the year	-	1.9	-	0.6	0.9	3.4	-	(1.5)	1.9
(Loss)/profit for the year	-	-	-	-	(550.9)	(550.9)	50.5	(0.3)	(500.7)
Total comprehensive income/(loss) for the year	-	1.9	-	0.6	(550.0)	(547.5)	50.5	(1.8)	(498.8)
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(50.1)	-	(50.1)
Share of an associate's movement in reserve	-	-	-	(1.0)	-	(1.0)	-	-	(1.0)
Changes in ownership interests in subsidiaries									
- Share options granted by a subsidiary	-	-	-	-	2.1	2.1	-	(1.2)	0.9
- Additional investment in a subsidiary	-	-	-	-	(65.8)	(65.8)	-	65.8	-
Transfer during the period									
- Regulatory reserve of an associate	-	-	10.2	-	(10.2)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(20.2)	(20.2)
Balance at 31 December 2020	2,735.7	53.2	153.8	434.7	(260.2)	3,117.2	609.3	1,392.4	5,118.9

NOTES

* Denotes non distributable reserves.

All figures are stated in RM million. The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the year ended 31 December 2021**

(All figures are stated in RM million)	2021	2020
Operating activities		
Receipts from customers	11,120.7	7,777.6
Cash paid to suppliers and employees	(10,190.6)	(7,251.7)
	930.1	525.9
Income taxes paid less refund	(154.5)	(74.6)
Net cash generated from operating activities	775.6	451.3
Investing activities		
Purchase of property, plant and equipment	(130.8)	(105.0)
Purchase of right-of-use assets	(20.1)	(9.9)
Purchase of intangible assets	(15.0)	(23.4)
Investment in an associate	(3.0)	-
Purchase and development of property development	(119.0)	(169.2)
Disposal of an investment property	130.0	-
Disposal of property, plant and equipment	23.6	26.3
Disposal of an asset classified as held for sale	143.0	-
Disposal of a subsidiary	225.9	-
Partial disposal of shares in a subsidiary	50.5	-
Deposit received	51.6	6.0
Disposal of an associate	-	67.3
Refund of deposit	-	3.8
Dividends received - others	7.3	44.1
Placement of fixed deposits	(0.4)	(7.6)
Disposal of quoted shares	0.4	4.1
Interest received - others	23.9	25.6
Subsequent expenditure on investment properties	(4.6)	(4.6)
Net cash generated from/(used in) investing activities	363.3	(142.5)
Financing activities		
Transactions with holders of Perpetual Sukuk	(56.4)	(50.1)
New loans	4.5	4.3
Loans repayment	(461.0)	(210.7)
Net repayment of revolving credits and bankers' acceptances	(120.7)	(132.5)
Interest paid	(380.8)	(407.3)
Repayment of lease liabilities	(17.0)	(36.9)
Advances (to)/from joint ventures	(35.3)	86.8
Dividend paid - others	(85.4)	(20.2)
Net cash used in financing activities	(1,152.1)	(766.6)
Net decrease in cash and cash equivalent	(13.2)	(457.8)
Foreign currency translation difference	0.1	0.3
Cash and cash equivalent at beginning of period	395.8	853.3
Cash and cash equivalent at end of period	382.7	395.8
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	463.5	496.4
Overdrafts	(45.4)	(55.4)
Deposits with maturity more than 3 months	(49.5)	(49.1)
Cash and bank balance classified as assets held for sale	14.1	3.9
Cash and cash equivalent at end of period	382.7	395.8

The Condensed Consolidated Statement of Cash Flows is unaudited, and should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2020.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****Part A - Explanatory Notes Pursuant to MFRS 134****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in compliance with the requirements of MFRS 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 2020. All figures are stated in RM million, unless otherwise stated.

2. Accounting Policies**Adoption of MFRSs, Amendments to MFRSs and IC Interpretations**

On 1 January 2021, the Group adopted the following new and amended MFRS:

	Effective for annual periods beginning on or after
Amendment to MFRS 16 – COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16 – Interest Rate Benchmark Reform (Phase 2)	1 January 2021

The adoption of the amended standards above did not have material impact on financial statements of the Group.

Standards Issued but not yet Effective

The Group has not early adopted the following MFRS that are not yet effective:

	Effective for annual periods beginning on or after
Amendment to MFRS 16 – COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 – Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 116 – Property, Plant and Equipment (Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 – Onerous Contract (Cost of Fulfilling a Contract)	1 January 2022
MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts	1 January 2023
Amendments to MFRS 17 – Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101 – Classification of Liabilities as Current or Non-Current	1 January 2023
Amendments to MFRS 101 – Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

There are no standards issued but not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the year ended 31 December 2021

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

The Plantation Division's operating result is influenced by both CPO prices and FFB crop production. The cropping pattern for oil palms is influenced by weather conditions. FFB production normally starts with a trough at the beginning of the year 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 2020, 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

For the current quarter, the Directors did not declare any dividend (2020: Nil) in respect of the financial year ended 31 December 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****8. Segmental Information**

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the year ended 31 December 2021							
Revenue							
Group total sales	645.5	1,050.0	373.7	4,815.0	4,441.6	(20.3)	11,305.5
Inter-segment sales	(20.3)	-	-	-	-	20.3	-
External sales	625.2	1,050.0	373.7	4,815.0	4,441.6	-	11,305.5
Operating cost	(587.8)	(659.4)	(311.6)	(4,503.6)	(4,302.5)	-	(10,364.9)
Results from operations	37.4	390.6	62.1	311.4	139.1	-	940.6
Gain on disposal of properties	100.6	-	-	-	3.3	-	103.9
Impairment of property, plant and equipment	(0.3)	-	-	-	(0.3)	-	(0.6)
Impairment of goodwill	-	-	(6.1)	(2.7)	-	-	(8.8)
Fair value gain/(loss) on investment properties	1.4	-	-	-	(0.3)	-	1.1
Other investment results	(1.6)	-	-	-	3.6	-	2.0
Share of results of associates	(3.7)	1.4	-	-	118.7	-	116.4
Share of results of joint ventures	(52.2)	-	(11.9)	-	-	-	(64.1)
Profit before interest, taxation and zakat	81.6	392.0	44.1	308.7	264.1	-	1,090.5
Finance cost	(106.8)	(48.1)	(85.3)	(39.2)	(189.7)	115.4	(353.7)
Interest income	18.1	0.9	0.9	1.5	117.9	(115.4)	23.9
Profit/(Loss) before taxation and zakat	(7.1)	344.8	(40.3)	271.0	192.3	-	760.7
Taxation and zakat							(281.5)
Profit for the period							479.2
Other Information							
Depreciation and amortisation	(24.0)	(130.3)	(11.3)	(33.4)	(92.0)	-	(291.0)
Profit/(Loss) on disposal							
- other assets	0.8	(0.7)	0.2	-	(0.5)	-	(0.2)
Other non-cash (expense)/income*	(0.3)	1.3	23.7	(37.7)	(6.5)	-	(19.5)

Boustead Holdings Berhad 196001000193 (3871-H)
Notes to the interim financial report for the year ended 31 December 2021
8. Segmental Information (Cont'd.)

Segment information for the cumulative period is presented in respect of the Group's business segments as follows (cont'd.):

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the year ended 31 December 2020							
Revenue							
Group total sales	623.2	763.0	575.2	2,725.1	3,214.8	(20.3)	7,881.0
Inter-segment sales	(20.3)	-	-	-	-	20.3	-
External sales	602.9	763.0	575.2	2,725.1	3,214.8	-	7,881.0
Operating cost	(602.6)	(623.6)	(549.6)	(2,656.0)	(3,196.6)	-	(7,628.4)
Results from operations	0.3	139.4	25.6	69.1	18.2	-	252.6
Loss on disposal of properties	(3.2)	-	-	-	-	-	(3.2)
Impairment of property, plant and equipment	(59.3)	(2.4)	-	-	(71.6)	-	(133.3)
Impairment of right-of-use assets	(16.8)	-	-	-	(21.1)	-	(37.9)
Impairment of goodwill	-	-	(36.1)	-	-	-	(36.1)
Fair value (loss)/gain on investment properties	(98.8)	-	2.1	-	(14.1)	-	(110.8)
Other investment result	0.1	-	-	-	37.5	-	37.6
Share of results of associates	(9.2)	4.8	-	-	52.0	-	47.6
Share of results of joint ventures	(70.8)	-	(4.4)	-	-	-	(75.2)
(Loss)/profit before interest, taxation and zakat	(257.7)	141.8	(12.8)	69.1	0.9	-	(58.7)
Finance cost	(103.2)	(59.2)	(96.9)	(39.9)	(231.3)	143.3	(387.2)
Interest income	17.7	0.7	2.3	0.6	147.6	(143.3)	25.6
(Loss)/profit before taxation and zakat	(343.2)	83.3	(107.4)	29.8	(82.8)	-	(420.3)
Taxation and zakat							(80.4)
Loss for the period							(500.7)
Other Information							
Depreciation and amortisation	(42.5)	(131.1)	(21.7)	(32.3)	(108.4)	-	(336.0)
(Loss)/Profit on disposal							
- other assets	-	(0.6)	0.3	-	0.6	-	0.3
Property, plant and equipment written off	-	(0.5)	(0.1)	(0.8)	(0.9)	-	(2.3)
Other non-cash (expense)/income*	(26.0)	0.6	(8.6)	(20.6)	(16.3)	-	(70.9)

* Other non-cash income/expenses exclude gain on disposal of other assets and also depreciation and amortisation

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

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the year ended 31 December 2021

8. Segmental Information (Cont'd.)

Disaggregation of revenue is presented in respect of the Group's business segments as follows:

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the year ended 31 December 2021							
Sale of produce	-	1,049.5	-	-	-	-	1,049.5
Sale of petroleum products	-	-	-	-	4,263.3	-	4,263.3
Sale of pharmaceutical products	-	-	-	4,815.0	-	-	4,815.0
Sale of building materials	229.1	-	-	-	-	-	229.1
Shipbuilding and repair	-	-	370.2	-	-	-	370.2
Sale of development properties	251.8	-	-	-	-	-	251.8
Hotel operations	51.7	-	-	-	-	-	51.7
Tuition fees	-	-	-	-	159.0	-	159.0
Others	0.6	0.5	0.2	-	19.0	-	20.3
Revenue from contracts with customers	533.2	1,050.0	370.4	4,815.0	4,441.3	-	11,209.9
Rental income	92.0	-	3.3	-	0.3	-	95.6
Total revenue	625.2	1,050.0	373.7	4,815.0	4,441.6	-	11,305.5

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	431.3	1,049.5	1.0	4,815.0	4,282.3	-	10,579.1
- Over time	101.9	0.5	369.4	-	159.0	-	630.8
	533.2	1,050.0	370.4	4,815.0	4,441.3	-	11,209.9

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the year ended 31 December 2020							
Sale of produce	-	762.3	-	-	-	-	762.3
Sale of petroleum products	-	-	-	-	3,015.1	-	3,015.1
Sale of pharmaceutical products	-	-	-	2,725.1	-	-	2,725.1
Sale of building materials	232.2	-	-	-	-	-	232.2
Shipbuilding and repair	-	-	571.5	-	-	-	571.5
Sale of development properties	195.3	-	-	-	-	-	195.3
Hotel operations	58.3	-	-	-	-	-	58.3
Tuition fees	-	-	-	-	174.0	-	174.0
Others	0.4	0.7	0.5	-	24.9	-	26.5
Revenue from contracts with customers	486.2	763.0	572.0	2,725.1	3,214.0	-	7,760.3
Rental income	116.7	-	3.2	-	0.8	-	120.7
Total revenue	602.9	763.0	575.2	2,725.1	3,214.8	-	7,881.0

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	331.1	762.3	0.4	2,725.1	3,040.0	-	6,858.9
- Over time	155.1	0.7	571.6	-	174.0	-	901.4
	486.2	763.0	572.0	2,725.1	3,214.0	-	7,760.3

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****9. Debts and Equity Securities**

During the year, the Company paid RM300 million Sukuk Murabahah which forms part of the RM2.35 billion of Islamic medium term notes issued.

There were no other issuances and repayments 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 28 February 2022 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

There were no other changes in the composition of the Group during the period under review except for:

- (i) by Pharmaniaga Group, the acquisition of a total 20,000 ordinary shares of Paradigm Industry Sdn Bhd (PISB) for a purchase consideration of RM1.00 representing the remaining 20% of the total issued and paid-up capital of PISB. Upon acquisition, PISB is effectively 100% owned subsidiary of Pharmaniaga Group.
- (ii) by Pharmaniaga Group, the acquisition of a total 600,000 ordinary shares of Bio-Collagen Technologies Sdn Bhd (BCT) for a purchase consideration of RM1.00 representing the remaining 30% of the total issued and paid-up capital of BCT. Upon acquisition, BCT is effectively 100% owned subsidiary of Pharmaniaga Group.
- (iii) the disposal of a total of 33,480,000 ordinary shares of Pharmaniaga Berhad by the Company during the period. Upon disposal, the shareholding of the Company in Pharmaniaga Berhad has reduced from 56% to 52%.
- (iv) on 23 September 2021, the Group completed the disposal of its entire equity interest in Boustead Cruise Centre Sdn Bhd or a total of 369,712,894 ordinary shares of RM1.00 each for a cash consideration of RM230 million.

13. Changes in Contingent Liabilities and Contingent Assets

In respect of the contingent liabilities referred to in Note 35 (a) of 2020 Annual Report on the provision of Liquidated Damages (LD) by a joint venture company under Boustead Heavy Industries Corporation Berhad, Boustead DCNS Naval Corporation Sdn Bhd (BDNC), as at 31 December 2021, the total provision of LD after offsetting against billings issued by BDNC was RM69.9 million.

The status of the other contingent liabilities as disclosed in the FY2020 annual financial statements remains unchanged as at 28 February 2022. No other contingent liability has arisen since the financial year end.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****14. Commitments**

The Group has the following commitments as at 31 December 2021:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	<u>703.1</u>	<u>171.7</u>

15. Financial Risk Management

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2020.

16. Intangible Assets

RM million	Goodwill	Concession rights	Rights to supply	Others	Total
Cost					
At 1 January 2021	269.0	75.0	342.8	86.7	773.5
Additions	-	-	-	15.6	15.6
Transfer from property, plant and equipment	-	-	-	0.8	0.8
Transfer to assets classified as held for sale	(1.6)	-	-	-	(1.6)
Write off	(8.8)	-	-	(5.9)	(14.7)
Foreign exchange fluctuation	1.1	-	-	0.5	1.6
At 31 December 2021	<u>259.7</u>	<u>75.0</u>	<u>342.8</u>	<u>97.7</u>	<u>775.2</u>
Accumulated amortisation and impairment					
At 1 January 2021	-	75.0	342.8	12.7	430.5
Amortisation	-	-	-	3.9	3.9
Impairment	-	-	-	2.1	2.1
Foreign exchange fluctuation	-	-	-	0.4	0.4
At 31 December 2021	<u>-</u>	<u>75.0</u>	<u>342.8</u>	<u>19.1</u>	<u>436.9</u>
Net carrying amount					
At 31 December 2021	259.7	-	-	78.6	338.3
At 31 December 2020	<u>269.0</u>	<u>-</u>	<u>-</u>	<u>74.0</u>	<u>343.0</u>

Included in the Group's other intangible assets are pharmacy manufacturing licences, trade name, intellectual property, software and capitalised development cost of work-in-progress.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia****17. Performance Review****Results for Current Quarter**

For the quarter ended 31 December 2021 (All figures are stated in RM million)	Current Period		+/(-) %
	2021	2020	%
Revenue	2,960.3	2,230.0	33%
Operating cost:			
- Depreciation and amortisation	(72.6)	(93.5)	22%
- Other operating cost	(2,485.0)	(2,009.2)	-24%
Results from operations	402.7	127.3	216%
Gain on disposal of properties	6.2	5.1	22%
Impairment of property, plant and equipment	(0.6)	(133.3)	100%
Impairment of right-of-use assets	-	(37.9)	100%
Impairment of goodwill	(8.8)	(36.1)	76%
Fair value gain/(loss) on investment properties	1.1	(110.8)	101%
Other investment results	(0.1)	37.5	-100%
Share of results of associates and joint ventures	(2.1)	(59.7)	96%
Profit/(loss) before interest, tax and zakat	398.4	(207.9)	292%
Net finance cost	(80.1)	(87.4)	8%
Profit/(loss) before taxation and zakat	318.3	(295.3)	208%
Taxation and zakat	(116.4)	(28.7)	-306%
Profit/(loss) for the period	201.9	(324.0)	162%
Profit/(loss) attributable to shareholders of the Company	78.6	(352.3)	122%
EBITDA	481.5	225.9	113%

For the 4th quarter ended 31 December 2021 (4QFY21), the Group posted a profit before taxation and zakat (PBT) of RM318.3 million as compared with last year's corresponding quarter's (4QFY20) loss before taxation and zakat (LBT) of RM295.3 million. The improvement in results was driven by better contributions from all divisions within the Group during the quarter. The profit was also supported by better share of results from associates. Meanwhile, the profit after taxation and zakat for 4QFY21 stood at RM201.9 million (4QFY20: loss after taxation and zakat of RM324.0 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM78.6 million (4QFY20: net loss of RM352.3 million).

In 4QFY21, the Group's earnings before interest, tax, depreciation and amortisation (EBITDA) surged to RM481.5 million from RM225.9 million in 4QFY20 attributable to higher results from operations.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the year ended 31 December 2021

17. Performance Review (Cont'd.)

Results for Cumulative Period

For the year ended 31 December 2021 (All figures are stated in RM million)	Cumulative Period		+/(-)
	2021	2020	%
Revenue:			
Property & Industrial	625.2	602.9	4%
Plantation	1,050.0	763.0	38%
Heavy Industries	373.7	575.2	-35%
Pharmaceutical	4,815.0	2,725.1	77%
Trading, Finance & Investment	4,441.6	3,214.8	38%
	11,305.5	7,881.0	43%
Operating cost:			
- Depreciation and amortisation	(291.0)	(336.0)	13%
- Other operating cost	(10,073.9)	(7,292.4)	-38%
Results from operations	940.6	252.6	272%
Gain/(loss) on disposal of properties	103.9	(3.2)	3347%
Impairment of property, plant and equipment	(0.6)	(133.3)	100%
Impairment of right-of-use assets	-	(37.9)	100%
Impairment of goodwill	(8.8)	(36.1)	76%
Fair value gain/(loss) on investment properties	1.1	(110.8)	101%
Other investment results	2.0	37.6	-95%
Share of results of associates and joint ventures	52.3	(27.6)	289%
Profit/(loss) before interest, tax and zakat	1,090.5	(58.7)	1958%
Net finance cost	(329.8)	(361.6)	9%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(7.1)	(343.2)	98%
Plantation	344.8	83.3	314%
Heavy Industries	(40.3)	(107.4)	62%
Pharmaceutical	271.0	29.8	809%
Trading, Finance & Investment	192.3	(82.8)	332%
	760.7	(420.3)	281%
Taxation and zakat	(281.5)	(80.4)	-250%
Profit/(loss) for the year	479.2	(500.7)	196%
Profit/(loss) attributable to shareholders of the Company	170.1	(550.9)	131%
EBITDA	1,335.5	585.4	128%

For the cumulative period ended 31 December 2021 (FY2021), the Group achieved a turnaround with a PBT of RM760.7 million as compared with LBT of RM420.3 million in last year's corresponding period (FY2020). All divisions, particularly Plantation, Pharmaceutical and Trading, Finance & Investment delivered stronger performance in FY2021. The bottom line was also bolstered by one-off gains on disposal of properties totalling RM103.9 million, as well as lower impairments of assets. After taxation and zakat, the Group registered a profit of RM479.2 million (FY2020: loss after taxation and zakat of RM500.7 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM170.1 million (FY2020: net loss of RM550.9 million).

For FY2021, the Group rebounded with a stronger operational performance attaining earnings before interest, tax, depreciation and amortisation more than doubled at RM1.34 billion (FY2020: RM585.4 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue by Division**

The Group's revenue for FY2021 rose to RM11.31 billion, an increase of 43%, from RM7.88 billion recorded last year. An analysis of the revenue of each Division is as follows:

- (i) During the period, **Property & Industrial Division** registered a revenue of RM625.2 million, slightly higher by 4% from RM602.9 million recorded in FY2020. The improved revenue was driven by the sale of an industrial land in Bukit Raja, Klang under the property development segment as well as higher export revenue from UAC Berhad. This has more than compensated the lower progress billing and lower progress of work at site for our projects in Taman Mutiara Rini, Johor and One Cochrane Residences. For FY2021, property investment's segment revenue was affected by lower occupancy and rental rate at our malls and the hotel segment also faced lower occupancy rate.

- (ii) For FY2021, the **Plantation Division** recorded a higher revenue of RM1.05 billion (FY2020: revenue of RM763.0 million), an increase by 38%, on the back of higher palm product prices.

The average selling price and production of palm products for the period are as follows:-

	Cumulative Period		Variance	
	2021	2020		
Average selling prices	RM per MT	RM per MT	RM per MT	%
Crude palm oil (CPO)	4,341	2,811	1,530	54%
Palm kernel (PK)	2,922	1,628	1,294	79%
Palm product production	MT	MT	MT	%
CPO	220,773	243,080	(22,307)	-9%
PK	42,542	49,211	(6,669)	-14%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM373.7 million (FY2020: revenue of RM575.2 million) primarily due to the variation in milestones for Littoral Combat Ship (LCS) projects. However, the impact was cushioned by the revenue of Littoral Mission Ship (LMS) projects from the delivery of LMS 3 and LMS 4 in FY2021.

- (iv) For FY2021, the **Pharmaceutical Division** achieved a significant jump in revenue to RM4.82 billion from RM2.73 billion in FY2020 mainly due to strong demand from across the Division's concession, non-concession and Indonesian businesses, with sales of Sinovac COVID-19 Vaccine to Ministry of Health (MOH) and private sector as a key driver.

- (v) During the year, the **Trading, Finance & Investment Division** registered a higher revenue of RM4.44 billion, an increase of 38% from a year ago mainly driven by revenue from Boustead Petroleum Marketing (BPM) on higher average fuel prices.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****PBT/LBT by Division**

An analysis of the results of each division is as follows:

(i) Property & Industrial Division

For FY2021, Property & Industrial Division posted a lower LBT of RM7.1 million (FY2020: LBT of RM343.2 million) mainly due to the recognition of one-off gains on disposal of properties, as mentioned above and better results from the industrial segment.

At the operational level, in FY2021, the property development and investment segments recorded better contribution as last year's bottom line was impacted by the fair value losses on the investment properties. Meanwhile, the hotel segment incurred losses as the room and F&B revenues were still affected by lower occupancy rate.

The industrial segment closed the year with a better result as compared to FY2020 due to higher construction demand and export sales and lower fair value loss recognised.

(ii) Plantation Division

During the year, the Plantation Division registered a three-fold jump in PBT to RM344.8 million from RM83.3 million in FY2020 attributable to better palm products prices. However, FFB production for the year of 923,471 MT was lower by 8% from 1,001,557 MT recorded a year ago. The oil extraction rate for the year was slightly higher at 21.2% (FY2020: 21.1%), however the kernel extraction rate was lower at 4.1% (FY2020: 4.3%).

(iii) Heavy Industries Division

The Heavy Industries Division closed the year with a lower LBT of RM40.3 million (FY2020: LBT of RM107.4 million) mainly due to better contribution from LMS projects.

(iv) Pharmaceutical Division

The Pharmaceutical Division also recorded a significantly higher PBT of RM271.0 million (FY2020: PBT of RM29.8 million) mainly attributable to the increased revenue, driven by the sales from COVID-19 vaccine as mentioned above.

(v) Trading, Finance & Investment Division

For FY2021, the Trading, Finance & Investment Division achieved a turnaround with a PBT of RM192.3 million, compared favourably against a LBT of RM82.8 million in FY2020. The profits were driven by stockholding gain (FY2020: stockholding loss) by BPM on the back of higher average fuel prices.

The bottom line has also benefitted from the better contribution by our associate Affin Bank Berhad, attributable to improved net interest income, Islamic Banking income, net fee and commission income, lower modification loss and allowance for impairment losses.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 31 December 2021, the Group's inventories have increased due to the higher inventories for COVID-19 vaccines. The Group's payables have also increased mainly due to the purchase of inventories, mainly pharmaceutical products. In addition, the Group's receivables have increased due to higher subsidy receivable from the government.

On the other hand, the Group's property, plant and equipment has decreased mainly due to a classification of property, plant and equipment as held for sale in relation to the proposed disposal of The University of Nottingham in Malaysia Sdn Bhd.

Statement of Cash Flows

For FY2021, the Group recorded a higher cash inflow from operation of RM775.6 million (FY2020: cash inflow of RM451.3 million) mainly due to higher cash received from customers from Plantation Division. The Group also recorded cash inflow from investing activities of RM363.3 million (FY2020: cash outflow of RM142.5 million) mainly due to proceeds received from disposal of properties and a subsidiary. Meanwhile, the Group recorded a higher cash outflow from financing activities of RM1.15 billion (FY2020: cash outflow of RM766.6 million) mainly due to higher net repayment of borrowings.

Boustead Holdings Berhad 196001000193 (3871-H)
Notes to the interim financial report for the year ended 31 December 2021
18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter

For the year ended 31 December 2021	Current Period	Immediate Preceding Period	+/(-)
(All figures are stated in RM million)	31.12.2021	30.09.2021	%
Revenue:			
Property & Industrial	276.4	106.3	160%
Plantation	341.5	293.8	16%
Heavy Industries	91.0	125.0	-27%
Pharmaceutical	711.7	2,132.7	-67%
Trading, Finance & Investment	1,539.7	1,022.5	51%
	2,960.3	3,680.3	-20%
Operating cost:			
- Depreciation and amortisation	(72.6)	(70.0)	-4%
- Other operating cost	(2,485.0)	(3,309.6)	25%
Results from operations	402.7	300.7	34%
Impairment of property, plant and equipment	(0.6)	-	-100%
Impairment of goodwill	(8.8)	-	-100%
Gain on disposal of properties	6.2	-	100%
Fair value gain on investment properties	1.1	-	100%
Other investment results	(0.1)	-	-100%
Share of result of associates and joint ventures	(2.1)	25.7	-108%
Profit before interest, taxation and zakat	398.4	326.4	22%
Net finance cost	(80.1)	(86.5)	7%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(28.6)	(19.0)	-51%
Plantation	137.2	124.3	10%
Heavy Industries	8.1	(5.7)	242%
Pharmaceutical	122.9	96.8	27%
Trading, Finance & Investment	78.7	43.5	81%
	318.3	239.9	33%
Taxation and zakat	(116.4)	(92.6)	-26%
Profit for the period	201.9	147.3	37%
Profit attributable to shareholders of the Company	78.6	55.7	41%
EBITDA	481.5	370.7	30%

For 4QFY21, the Group posted a higher PBT of RM318.3 million as compared with RM239.9 million in the preceding quarter (3QFY21) as all Divisions, except for Property and Industrial Division, recorded better results. Profit after taxation and zakat for 4QFY21 stood at RM201.9 million (3QFY21: profit after taxation and zakat of RM147.3 million) and net profit stood at RM78.6 million (3QFY21: net profit of RM55.7 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter (Cont'd.)**

An analysis of the results of each division is as follows:

(i) Property & Industrial Division

For 4QFY21, Property & Industrial Division recorded a higher LBT of RM28.6 million (3QFY21: LBT of RM19.0 million). During the quarter, the results from operation were better mainly due to improved revenue from building material businesses, sale of industrial land and better occupancy rate at hotels. Nevertheless, this was offset by higher share of loss from a joint venture.

(ii) Plantation Division

During the quarter, the Plantation Division posted a higher PBT of RM137.2 million (3QFY21: PBT of RM124.3 million) driven by higher selling prices. The FFB production of 248,328 MT was lower than the 3QFY21 of 263,276 MT. The average CPO price stood at RM5,044 per MT in 4QFY21, an increase of RM713 compared to 3QFY21 of RM4,331 per MT.

(iii) Heavy Industries Division

For 4QFY21, the Heavy Industries Division recorded a PBT of RM8.1 million (3QFY21: LBT of RM5.7 million) mainly due to higher contribution from LMS projects.

(iv) Pharmaceutical Division

For the current quarter, the Pharmaceutical Division continued to register a higher PBT of RM122.9 million (3QFY21: PBT of RM96.8 million) attributable to lower operating expenses.

(v) Trading, Finance & Investment Division

For 4QFY21, the Trading, Finance & Investment Division registered a higher PBT of RM78.7 million (3QFY21: PBT of RM43.5 million) primarily due to higher sales volume for fuel from BPM and better share of results from Affin Bank Berhad.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****19. Prospects**

The sentiment amongst consumers and businesses continues to improve with the resumption of economic activities after a prolonged nationwide lockdown. The Group is anticipating growth for all its five divisions in 2022 driven by the Reinventing Boustead Strategy (RBS). Under the RBS, the Group aims to accelerate value creation with performance improvement programs, tap into new revenue streams, streamline non-strategic assets and embark into the technology and digital services sectors. The Group is stepping up its efforts to drive long term value through various environmental, social and governance initiatives and propositions.

Plantation Division

The Division's prospects will be driven largely by selling prices. Palm oil prices are expected to maintain at current levels in view of the lower production output due to the recent heavy rainfall and prolonged labour shortage. Malaysia's closing stock for oil palm for Q1 2022 is expected to remain low due to weaker production.

The tight supply of palm oil is also a result of the current La Nina phenomena in South America which had impacted the production of soybean followed by the expectation of China having to replenish its stock after the New Year festive season. This was further exacerbated by the call of the Indonesian Government on the fulfilment of domestic market obligation and domestic price obligation. These factors will also keep the palm oil price high.

Despite the challenges, the post pandemic outlook for the palm oil industry in Malaysia remains bright, backed by stable supply and demand coupled with recovery of the labour shortages situation. The Division has identified opportunities for recruitment of local workers which is a key tenet of the RBS. The Division will also continue its effort to improve performance through the implementation of various yield and productivity enhancement initiatives as well as cost management programs. In addition, in line with RBS, the Division will improve efficiencies in 2022 through mechanisation and digitalisation of its operations.

Pharmaceutical Division

In 2021, the Division played a critical role in fighting COVID-19 by supplying and manufacturing Sinovac COVID-19 vaccine nationwide. The venture into vaccine manufacturing with Sinovac Life Sciences Co Ltd has given the Division a record performance that will continue to be sustained via various strategies and plans for 2022 and beyond. In the coming years, the Division intends to export the vaccine to countries such as Indonesia, Philippines, Cambodia, Thailand and several African nations, that are facing vaccine supply shortages. The Division is actively negotiating with Sinovac Biotech Ltd to secure a deal to allow the Division to speed up the supply of vaccines to these countries. With its proven track record in vaccine management and wide distribution channels, the Division is optimistic that it will be able to secure the deal. Domestically, the continued demand for COVID-19 vaccine in Malaysia bodes well for the Division's future.

As for the concession business, the Division is finalising the agreement with MOH for the continuation of its medical supply logistics services to MOH facilities for a period of 10 years. The extension of the Division's concession business will continue to provide a steady and sustainable revenue stream for the foreseeable future.

The Division remains committed to expanding its non-concession businesses, of which the Division has embarked on establishing the world's first Halal vaccine and insulin facilities. Construction of the plant is progressing smoothly and is on track for commercialisation by 2025, barring any unforeseen circumstances. The Division also aims to maintain the growth momentum of its consumer healthcare segment and achieve double-digit growth in 2022 by ramping up marketing for its consumer healthcare products. In addition, the Division, in November 2021, inked a Memorandum of Collaboration with Malaysia Healthcare Travel Council (MHTC) to supply and distribute Hepatitis C drug to MHTC's designated hospitals and clinics. This will provide the Division with another source of recurring income, which will contribute positively to the Division's financial performance in the foreseeable future.

In Indonesia, despite the challenging year, the Division is optimistic about its improved profitability. This came on the back of the successful reorganisation of its business operations to enhance operational efficiency.

The Division is optimistic that its outlook is bright as its strategies and initiatives are in place and global economic markets are expected to maintain positive growth in 2022.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****19. Prospects (Cont'd)****Property & Industrial Division**

The property development sector expects to benefit from various housing ownership incentives provided by the government such as the removal of Real Property Gains Tax from the sixth year onwards, exemption of Stamp Duty and Housing Credit Guarantee Scheme which bode well with our efforts to increase the demand for our projects. The prospects for the Johor property market are expected to brighten once Malaysia-Singapore border completely reopens. However, the difficulty in getting financing during this period may dampen this effort.

While our property investment segment expects a steady stream of rental income from lettable assets and spaces, the oversupply market scenario may result in lower rental rates and competition for quality tenant will become more intense. The operations of the malls are also highly dependent on the government policy on the movement restrictions as well as the strict Standard Operating Procedures.

The hotel segment is expected to continue facing challenges in occupancy rate and F&B income due to the subdued travel demands worldwide.

The industrial segment, under UAC Berhad, will continue to focus on the export market and tap opportunities of IBS Wall Systems through collaboration with property developers in public and private sectors.

Heavy Industries Division

The Division will continue to rely on defence-related shipbuilding and ship repair activities for its earnings. Under shipbuilding activity, the LMS projects have progressed well with the delivery of LMS3 in October 2021 and LMS4 in December 2021. With regards to the LCS project, the Ministry of Defence (MINDEF) has announced on 7 May 2021 that Boustead Naval Shipyard (BNS) will continue with the project. The Group is currently in discussion with MINDEF and various government agencies on the details and mechanisms to resume the LCS project.

Under the maintenance, repair and overhaul (MRO) activity, the extension of contracts with Malaysian Maritime Enforcement Agency on the maintenance of helicopters and Royal Malaysian Navy on the maintenance of submarines is expected to contribute positively to the Division's bottom line.

The Heavy Industries Division will also continue to explore the aerospace sector with Airbus Defence and Space to expand the Division's business to undertake military fixed-wing MRO, as well as venturing into the commercial helicopter segment.

Trading, Finance & Investment

The earnings of the Division will be largely dependent on the performance of BPM and our associate, Affin Bank Berhad.

The contribution from BPM will be influenced by the movements in fuel price and sales volume. BPM will continue its expansion plan with the construction of new service stations to sustain the business.

Affin Bank is optimistic about its growth prospects for 2022 as the economy continues to recover. Loan growth is expected to improve compared to 2021, to be in line with GDP growth. Year 2022 will also see new entrants to the banking scene as five new digital banking licences will be issued to new players. In the near term the outlook for the bank is not expected to be impacted by these new entrants.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****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 2021 RM million	Cumulative Period 2021 RM million
Malaysian taxation based on profit for the period:		
- Current	8.8	233.6
- Deferred	93.3	22.9
	102.1	256.5
Over provision of prior years	(1.2)	(2.3)
	100.9	254.2

The Group's effective rate for the current quarter and cumulative period is higher than statutory tax rate as 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) Disposal of Royale Chulan Bukit Bintang Hotel**

On 15 March 2019, Boustead Hotel & Resorts Sdn Bhd (BHR), a wholly-owned subsidiary of Boustead Properties Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a conditional sale and purchase agreement (SPA) with Every Room A Home Sdn Bhd (the Purchaser), for a proposed disposal of Royale Chulan Bukit Bintang Hotel located on 2 parcels of freehold land measuring approximately 3,189 square meter which was held under GRN 70145, Lot 1297 and GRN 70146, Lot 1298, both in Seksyen 67, District of Kuala Lumpur (Property) and its business, including fixtures, fittings and furnishings but excluding goodwill, for a cash consideration of RM197 million (Disposal Consideration) (Disposal).

Due to the delay in fulfilling the conditions precedent and the adverse effect on the hotel industry as a result of worldwide pandemic, BHR and the Purchaser agreed to vary the Disposal Consideration to RM177.3 million (Revised Disposal Consideration) and certain conditions precedent were varied to conditions subsequent as evidenced in the Supplemental Agreement (SA) dated 29 December 2020.

The Purchaser had paid a deposit of RM19.7 million being 10% of the Disposal Consideration. Pursuant to the SA, the balance of the Revised Disposal Consideration totalling RM157.6 million shall be paid in the following manner:

- a) RM141.840 million shall be paid within one month from the Unconditional Date (as defined in the SA); and
- b) RM15.760 million shall be paid within one month from the Vacant Possession Date (as defined in the SA) subject to the fulfilment of the conditions subsequent.

The Disposal was completed on 22 February 2021. The Purchaser had on 22 February 2021 (Vacant Possession Date) settled RM157.6 million. However, for item (b) above, out of this amount, RM12.76 million (after deducting the amount refunded to the Purchaser in consideration of the Purchaser completing the remaining rectification works as provided in the SPA maximum of RM3.0 million) is held by the Solicitors as stakeholders. This will be released upon fulfilment of certain conditions subsequent.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****22. Corporate Proposals - Status (Cont'd.)****(a) Status of Corporate Proposal (Cont'd.)****(ii) Disposal of Boustead Cruise Centre Sdn Bhd**

On 19 March 2021, Boustead Holdings Berhad (BHB) entered into a conditional share sale agreement (SSA) with Westports Holdings Berhad and Klang Port Management Sdn Bhd (collectively as Purchasers) for the disposal of the entire equity interest in Boustead Cruise Centre Sdn Bhd or a total of 369,712,894 ordinary shares of RM1.00 each for a cash consideration of RM230 million (Sale Consideration) subject to the terms and conditions as stipulated in the SSA (Disposal).

The Disposal was completed on 23 September 2021.

(iii) Disposal of a freehold land by Mutiara Rini Sdn Bhd

In 2020, Mutiara Rini Sdn Bhd (MRSB), a wholly-owned subsidiary of Boustead Properties Berhad, which in turn is a wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with Binastra Synergy Sdn Bhd (the Purchaser) for the disposal of freehold land measuring approximately 11,188 square meters which was held under GRN 76763, Lot 20005, Seksyen 90, Kuala Lumpur for a total consideration of RM130.0 million (Disposal).

The Disposal was completed on 14 June 2021.

(iv) Proposed Disposal of a freehold land by Mutiara Rini Sdn Bhd

On 19 April 2021, MRSB entered into a sale and purchase agreement (SPA) with Sunway Rahman Putra Sdn Bhd (SRPSB) for the proposed disposal of a parcel of freehold land measuring 6.59 acres held under HSB 118499 PT 484 Section 90 Kuala Lumpur (Land) for a total cash consideration of RM233.4 million (Disposal Consideration) (Proposed Disposal).

The Disposal Consideration will be paid by SRPSB in the following manner:

- a) Payment of RM46.7 million, being 20% of the Disposal Consideration, the breakdown as follows:
 1. payment of RM0.9 million of initial deposit which was paid by SRPSB to MRSB prior to the execution of the SPA;
 2. payment of RM3.8 million, being 2% of the Disposal Consideration amounting to RM4.7 million less the initial deposit, which was paid by SRPSB upon its acceptance of letter of offer issued by MRSB dated 13 April 2021; and
 3. payment of RM42.0 million, being 18% of the Disposal Consideration, which was paid by SRPSB upon execution of the SPA.
- b) Payment of RM186.7 million, being 80% of the Disposal Consideration (Balance Disposal Consideration) on or by the expiry of 1 month following the conditional approval is deemed fulfilled pursuant to the terms of the SPA (Unconditional Date), or 6 months from the date of the SPA, whichever is the later but no later than 19 October 2021 or any other period as may be agreed in writing between the parties.
- c) Notwithstanding the non-fulfilment of the conditions precedent, SRPSB agreed to pay the Balance Disposal Consideration to MRSB's solicitors as stakeholders by 19 October 2021 in exchange for the original title and other documents necessary to affect the presentation of the MOT. The Balance Disposal Consideration shall be placed in an interest-bearing account and all interest accrued until the Unconditional Date shall belong to SRPSB and in consideration, SRPSB shall be at liberty to lodge a lienholder's caveat on the land at its own cost. On the Unconditional Date, MRSB's solicitors are authorised to release the Balance Disposal Consideration to MRSB. SRPSB had on 13 September 2021 and 28 January 2022 paid RM90.0 million and RM65.0 million respectively.

The Proposed Disposal is expected to be completed by the 1st quarter of 2022.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****22. Corporate Proposals - Status (Cont'd.)****(a) Status of Corporate Proposal (Cont'd.)****(v) Proposed Disposal of The University of Nottingham in Malaysia Sdn Bhd**

On 17 August 2021, Boustead Holdings Berhad (BHB) entered into a conditional share sale agreement (SSA) with UON Holding (Malaysia) Sdn Bhd (Purchaser) for the proposed disposal of 102,910,000 ordinary shares of (or 66.41% stake in) The University of Nottingham in Malaysia Sdn Bhd (UNIM), representing the entire equity interest held by BHB in UNIM, for a cash consideration in Ringgit Malaysia (RM) equivalent to £23,500,000 (based on the exchange rate on the date of payment) (Sale Consideration) subject to the terms and conditions as stipulated in the SSA (Proposed Disposal).

The Sale Consideration shall be payable by the Purchasers to BHB in the following manner:

- a) a sum in RM equivalent to £2,350,000 (based on the exchange rate on the date of payment), being a sum equivalent to 10% of the Sale Consideration upon execution of the SSA, as deposit, of which a sum equivalent to 3% of the Sale Consideration will be held by the solicitors for the purposes of payment towards the real property gains tax; and
- b) the balance amounting to a sum in RM equivalent to £21,150,000 (based on the exchange rate on the date of payment), being a sum equivalent to 90% of the Sale Consideration on completion.

On 15 February 2022, BHB and the Purchaser have mutually agreed to further extend the date by which the Conditions Precedent set out in the SSA are required to be fulfilled or obtained or waived in accordance to the terms and conditions of the SSA (Cut-Off Date) from 16 February 2022 to 16 August 2022. Save and except for the mutual extension of the Cut-Off Date, all other terms and conditions of the SSA remain unchanged.

Subject to the fulfilment of all Conditions Precedent, the Proposed Disposal is expected to be completed by the 3rd quarter of 2022.

(vi) Disposal of freehold land by Boustead Plantations Berhad

On 28 September 2021, CIMB Islamic Trustee Berhad, acting solely as trustee for Boustead Plantations Berhad (BPB) entered into a sale and purchase agreement with SIPP Power Sdn Bhd for the proposed disposal of 5 parcels of freehold land held under GRN 229629 Lot 3564, HSD 64784 PTD 109021, HSD 64789 PTD 109026, HSD 64796 PTD 109033 and HSD 64797 PTD 109034 all within Mukim of Kulai, District of Kulai, Johor measuring 663.98 hectares for a total cash consideration of RM428.8 million (Disposal).

The Disposal was completed on 27 January 2022.

(vii) Proposed Lease of land by Boustead Plantations Berhad

On 10 September 2021, Boustead Plantations Berhad (BPB) entered into a Conditional Land Lease Agreement (CLLA) with CIMB Islamic Trustee Berhad and Next Generation Oil Sdn Bhd (NGOSB) for NGOSB to lease between 1,040 to 1,286 acres of land in Telok Sengat Estate. BPB had received 15% of the total deposit of RM8.0 million, amounting RM1.2 million upon signing of the agreement. The CLLA is subject to the fulfilment of conditions precedent within a period of eighteen (18) months from the date of agreement.

There were no other corporate proposals announced or pending completion as at 28 February 2022.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the year ended 31 December 2021

23. Changes in Material Litigations

- (i) In respect of the litigation referred to in Note 35 (b) of 2020 Annual Report, Re: Deepak Jaikishan a/l Jaikishan Rewachand (Plaintiff) -v- Boustead Holdings Berhad (BHB) and Bakti Wira Development Sdn Bhd (BWSB) (Defendants), the updates are as follows:

1. Main case

On 8 October 2021, the Court of Appeal dismissed the Plaintiff's Appeal (against the striking out Order) and ordered costs of RM7,000.00 to be paid by the Plaintiff to BHB and BWSB.

The Plaintiff had on 3 November 2021, filed for leave to appeal to the Federal Court against the decision of the Court of Appeal on 8 October 2021. The Federal Court has fixed 21 March 2022 as the hearing date for this leave application.

2. Notice of Motion for an interim injunction against BHB and BWSB:

On 30 June 2021, upon the Plaintiff's application, the Court of Appeal made the following orders:

- i. the Plaintiff's application for injunction to restrain BHB and BWSB from dealing with the lands which are part of the subject matter in this litigation is refused;
- ii. BWSB is restrained from dealing with 3,800,000 of its shares held in Astacanggih Sdn Bhd (ASB) (equivalent to 19% of total shareholding in ASB) until the disposal of Plaintiff's appeal on 8 October 2021;
- iii. the Plaintiff is to provide an undertaking as to damages to BHB and BWSB; and
- iv. cost of the application is in the cause of appeal.

On 29 July 2021, the Plaintiff filed for leave to appeal to the Federal Court against the Court of Appeal's decision on 30 June 2021.

On 24 November 2021, the Federal Court dismissed this leave application with costs of RM30,000.00 to be paid by the Plaintiff to BHB and BWSB.

- (ii) In respect of the litigation referred to in Note 35 (c) of 2020 Annual Report, Re: Deepak Jaikishan a/l Jaikishan Rewachand (Plaintiff) -v- Boustead Holdings Berhad, Bakti Wira Development Sdn Bhd and Cebur Megah Development Sdn Bhd (Defendants), the updates are as follows:

On 23 August 2021, the Court of Appeal decided as follows:

- i. The Plaintiff's motion for leave to abridge the time for filing the Appeal Record was dismissed with cost of RM5,000.00; and
- ii. The Plaintiff's appeal was dismissed with costs of RM10,000.00.

On 22 September 2021, the Plaintiff filed for leave to appeal to the Federal Court against the decision by the Court of Appeal on 23 August 2021. The Federal Court fixed 21 March 2022 for hearing of this leave application.

- (iii) In respect of the litigation referred to in Note 35 (d) of 2020 Annual Report, Re: MTU Services (Malaysia) Sdn Bhd (MSM) (Plaintiff) -v- Boustead Naval Shipyard Sdn Bhd (BNS) (Defendant), the updates are as follows:-

On 25 January 2022, the High Court of Kuala Lumpur granted an extension of time for leave to convene the creditors' meeting and an extension of the Receiving Order for a further three (3) months from 2 December 2021.

In view of the extension of the Receiving Order, the case management for the winding-up action by MSM has been postponed to 9 March 2022.

As at 28 February 2022, 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 2020.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****24. Earnings/(Loss) Per Share - Basic/diluted**

	Current Period		Cumulative Period	
	2021	2020	2021	2020
Net profit/(loss) for the period (RM million)	78.6	(352.3)	170.1	(550.9)
Weighted average number of ordinary shares in issue (million)	2,027.0	2,027.0	2,027.0	2,027.0
Basic/diluted earnings/(loss) per share (sen)	3.88	(17.38)	8.39	(27.18)

25. Group Borrowings and Debt Securities

Total borrowings as at 31 December 2021 are as follows:-

	31.12.2021	31.12.2020
	RM million	RM million
Non-current:		
Term loans		
- Denominated in RM	741.4	893.8
- Denominated in Great Britain Pound	45.4	47.5
	786.8	941.3
Islamic medium term notes	2,044.4	2,342.2
Revolving credits	392.3	270.0
	3,223.5	3,553.5
Less: repayable in 1 year	171.1	591.2
	3,052.4	2,962.3
Current:		
Bank overdrafts	45.4	55.4
Bankers' acceptances		
- Denominated in RM	559.2	380.4
- Denominated in Indonesian Rupiah	146.7	123.4
Islamic medium term notes	-	299.9
Revolving credits	3,017.1	3,471.2
Short term loans	171.1	291.3
	3,939.5	4,621.6
Total borrowings	6,991.9	7,583.9

As at 31 December 2021, the Group's borrowing has decreased as compared with 31 December 2020 mainly due to repayment of IMTN and revolving credits.

During the financial period, the weighted average interest rate of borrowings is 4.8% (FY2020: 5.0%) per annum. The proportion of debt based on fixed and floating interest rate is 29% (FY2020: 31%) and 71% (FY2020: 69%) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****25. Group Borrowings and Debt Securities (Cont'd.)**

The Islamic medium term notes (IMTN) comprise:-

- i) 2 tranches of RM500 million Sukuk Murabahah, which were issued in 2017, with maturity 7 years from the date of issue and carry profit rate of 5.9% per annum
- ii) 1 tranche of RM200 million Sukuk Murabahah, which was issued in 2018, with maturity 7 years from the date of issue and carries profit rate of 6.2% per annum
- iii) 1 tranche of RM200 million Sukuk Murabahah, which was issued in 2019, with maturity 7 years from the date of issue and carries profit rate of 6.2% per annum
- iv) 1 tranche of RM650 million Sukuk Murabahah, which was issued in 2019, with maturity 5 years from the date of issue and carries profit rate of 6.5% per annum

A subsidiary has a term loan of RM23.9 million (FY2020: RM28.6 million) and revolving credits of RM675.4 million (2020: RM675.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM2.4 million (FY2020: RM3.6 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM8.9 million (FY2020: RM14.6 million) which is secured against the subsidiary's hire purchase contracts.

A subsidiary has a term loan denominated in Great Britain Pound equivalent to RM45.4 million (FY2020: RM47.5 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)

	<u>31.12.2021</u>	<u>31.12.2020</u>
Denominated in Great Britain Pound	8.1	8.7
Denominated in Indonesian Rupiah	502,397	431,469
Exchange rate:		
- Great Britain Pound	5.63	5.49
- Indonesian Rupiah	0.0292	0.0286

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****26. Additional Disclosures**

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

	Current Quarter		Cumulative Quarter	
	2021 RM million	2020 RM million	2021 RM million	2020 RM million
Net fair value (gain)/loss on investment properties	(1.1)	110.8	(1.1)	110.8
Depreciation and amortisation	72.6	93.5	291.0	336.0
Provision for expected credit losses	1.1	16.7	12.3	12.0
Provision for and write off of inventories	11.2	10.8	25.8	21.5
Impairment of property, plant and equipment	0.6	133.3	0.6	133.3
Impairment of goodwill	8.8	36.1	8.8	36.1
Impairment and write off of other intangible assets	6.8	3.9	8.0	4.8
(Gain)/loss on disposal of properties	(6.2)	(5.1)	(103.9)	3.2
Loss/(gain) on disposal of other property, plant and equipment	3.5	0.1	0.2	(0.3)
Foreign exchange (gain)/loss	(16.5)	10.9	(21.5)	33.5
Net fair value loss on derivatives	1.5	4.0	0.2	1.3

27. Other Disclosures**a) 'Second Generation Patrol Vessels Littoral Combat Ship (Frigate Class)' (LCS) Project**

On 16 December 2011, Boustead Naval Shipyard Sdn Bhd (BNS), a subsidiary of BHB received a letter of award from the Government of Malaysia (GOM) to design, construct, equip, install, commission, integrate, test and trials and deliver 6 units of Littoral Combat Ship (LCS) with combatant capabilities for Royal Malaysian Navy (RMN) at a ceiling price of RM9.0 billion. The formal contract with GOM was signed on 17 July 2014.

In 2019, the Minister of Defence at that time made a statement in the Parliament on the delay in delivering the LCS. It was announced that BNS has requested for a variation order to complete the project. A series of discussions and negotiations were held between GOM and BNS.

On 3 March 2021, the Group had submitted a formal proposal on the way forward in relation to the building and maintenance of the LCS. On 5 May 2021, the LCS project was discussed and deliberated in the cabinet meeting. Based on the press announcement made by the Ministry of Defence (MINDEF) on 7 May 2021, the GOM has agreed that the Group will resume and continue with the LCS project with conditions to be complied by the Group. It was mentioned that the GOM's decision has taken into consideration the interest of employees, vendors, suppliers, LTAT's beneficiaries and bankers.

Given the nature of the project, the Group has actively engaged with MINDEF and various government agencies since 7 May 2021 via a series of discussion and workshop to deliberate on mechanism to resume the LCS project. The Group will continue engaging MINDEF until a conclusion can be attained for the LCS project.

The steady progress of the engagement is validated by the current Senior Minister of Defence, Datuk Seri Hishamuddin Hussein, who in the Dewan Rakyat on 15 November 2021 informed that the Defence Ministry is in the final stages of the negotiation to prepare the recovery plan. The workshops involving all the stakeholders for the LCS recovery plan were also held to ensure comprehensive recovery recommendations before bringing this up again to the Cabinet for approval and further action. The Minister also said that with resumption of the LCS project, the Royal Malaysian Navy is expected to receive the first LCS in 2025*.

Based on the recent developments as mentioned above, no further provisions were made for contract and/or liquidated ascertained damages on the LCS project.

* <https://www.thestar.com.my/news/nation/2021/11/15/navy-to-receive-first-littoral-combat-ship-in-2025-says-hisham>

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the year ended 31 December 2021****27. Other Disclosures (Cont'd.)****b) Plantation Statistics**

		Cumulative Period	
		2021	2020
(i) Crop production and yield			
FFB (MT)		923,471	1,001,557
FFB (MT/ha)		13.3	15.0
Crude palm oil (CPO) production (MT)		220,773	243,080
Palm kernel (PK) production (MT)		42,542	49,211
(ii) Average selling prices (RM per MT)			
FFB		946	552
CPO		4,341	2,811
PK		2,922	1,628
(iii) Oil extraction rate (%)			
CPO		21.2	21.1
PK		4.1	4.3
(iv) Planted areas (hectares)			
		As at	As at
		31.12.2021	31.12.2020
Oil palm	- immature	5,483	6,647
	- young mature	12,824	12,223
	- prime mature	20,173	21,672
	- past prime	34,973	32,952
		73,453	73,494