

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

For the period ended 31 March 2022	Current Period		Cumulative Period	
(All figures are stated in RM million)	2022	2021	2022	2021
Revenue	3,438.4	2,086.7	3,438.4	2,086.7
Operating cost	(3,074.5)	(1,968.6)	(3,074.5)	(1,968.6)
Results from operations	363.9	118.1	363.9	118.1
Gain on disposal of property, plant and equipment	364.1	80.4	364.1	80.4
Share of results of associates	32.2	14.7	32.2	14.7
Share of results of joint ventures	(6.8)	(11.2)	(6.8)	(11.2)
Profit before interest, taxation and zakat	753.4	202.0	753.4	202.0
Finance cost	(77.4)	(85.8)	(77.4)	(85.8)
Interest income	7.1	5.1	7.1	5.1
Profit before taxation and zakat	683.1	121.3	683.1	121.3
Taxation	(120.2)	(33.3)	(120.2)	(33.3)
Zakat	(3.3)	(0.6)	(3.3)	(0.6)
Profit for the period	559.6	87.4	559.6	87.4
Attributable to:				
Shareholders of the Company	290.3	43.1	290.3	43.1
Holder of Perpetual Sukuk	15.1	13.6	15.1	13.6
Non-controlling interests	254.2	30.7	254.2	30.7
Profit for the period	559.6	87.4	559.6	87.4
Earnings per share - sen				
Basic/diluted	14.32	2.13	14.32	2.13

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2021.

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2022	Current Period		Cumulative Period	
(All figures are stated in RM million)	2022	2021	2022	2021
Profit for the period	559.6	87.4	559.6	87.4
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	1.3	(4.3)	1.3	(4.3)
Share of OCI of investments accounted for using the equity method	(6.4)	(80.3)	(6.4)	(80.3)
	(5.1)	(84.6)	(5.1)	(84.6)
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Net income/(loss) on equity investment designated at fair value through OCI				
- Fair value changes	0.1	(0.6)	0.1	(0.6)
- Disposals	0.3	0.4	0.3	0.4
	0.4	(0.2)	0.4	(0.2)
Total comprehensive income for the period, net of tax	554.9	2.6	554.9	2.6
Attributable to:				
Shareholders of the Company	285.3	(40.8)	285.3	(40.8)
Holders of Perpetual Sukuk	15.1	13.6	15.1	13.6
Non-controlling interests	254.5	29.8	254.5	29.8
Total comprehensive income for the period, net of tax	554.9	2.6	554.9	2.6

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2021.

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

As at 31 March 2022	As at 31 March 2022	As at 31 December 2021
(All figures are stated in RM million)		
ASSETS		
Non current assets		
Property, plant and equipment	3,969.0	4,007.2
Investment properties	1,295.1	1,295.0
Right-of-use assets	2,242.4	2,253.2
Deferred tax assets	22.4	29.4
Associates	2,221.9	2,198.5
Joint ventures	297.2	304.0
Other investments	2.4	5.0
Intangible assets	340.2	338.3
Inventories	709.8	811.2
Receivables	308.4	296.4
	11,408.8	11,538.2
Current assets		
Biological assets	61.4	47.0
Inventories	1,765.3	1,708.0
Contract assets and contract cost assets	1,139.3	1,120.0
Receivables	1,540.8	1,172.5
Deposits, cash and bank balances	855.2	463.5
Assets classified as held for sale	322.2	394.5
	5,684.2	4,905.5
TOTAL ASSETS	17,093.0	16,443.7
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	2,735.7	2,735.7
Reserves	828.6	543.3
Shareholders' equity	3,564.3	3,279.0
Perpetual Sukuk	624.7	609.6
Non-controlling interests	1,752.2	1,576.8
Total equity	5,941.2	5,465.4
Non current liabilities		
Borrowings	3,040.9	3,057.2
Payables	15.2	10.5
Lease liabilities	50.2	48.4
Deferred tax liabilities	337.1	337.2
	3,443.4	3,453.3
Current liabilities		
Borrowings	3,755.5	3,934.7
Payables	3,433.5	3,132.9
Contract liabilities	248.4	190.8
Lease liabilities	13.8	12.9
Taxation	117.9	94.7
Liabilities associated with assets classified as held for sale	139.3	159.0
	7,708.4	7,525.0
Total liabilities	11,151.8	10,978.3
TOTAL EQUITY AND LIABILITIES	17,093.0	16,443.7

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2021.

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

For the financial period ended 31 March 2022	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 2022	2,735.7	17.1	148.2	412.7	(34.7)	3,279.0	609.6	1,576.8	5,465.4
Currency translation difference in respect of foreign operations	-	-	-	1.0	-	1.0	-	0.3	1.3
Net gain/(loss) on equity investment designated at fair value through OCI									
- fair value changes	-	0.1	-	-	-	0.1	-	-	0.1
- disposal	-	0.3	-	-	-	0.3	-	-	0.3
- transfer upon disposal	-	1.6	-	-	(1.6)	-	-	-	-
Share of net loss on financial assets designated at fair value through OCI of an associate	-	(6.5)	-	-	-	(6.5)	-	-	(6.5)
Share of exchange differences on translation of foreign operations of associates	-	-	-	0.1	-	0.1	-	-	0.1
Total other comprehensive (loss)/income for the period	-	(4.5)	-	1.1	(1.6)	(5.0)	-	0.3	(4.7)
Profit for the period	-	-	-	-	290.3	290.3	15.1	254.2	559.6
Total comprehensive (loss)/income for the period	-	(4.5)	-	1.1	288.7	285.3	15.1	254.5	554.9
Changes in ownership interests in subsidiaries									
- Share options granted by a subsidiary	-	-	-	-	-	-	-	1.0	1.0
Transfer during the period									
- Regulatory reserve of an associate	-	-	(6.9)	-	6.9	-	-	-	-
Dividends	-	-	-	-	-	-	-	(80.1)	(80.1)
Balance at 31 March 2022	2,735.7	12.6	141.3	413.8	260.9	3,564.3	624.7	1,752.2	5,941.2

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

For the financial period ended 31 March 2021	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 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	-	-	-	(3.4)	-	(3.4)	-	(0.9)	(4.3)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.6)	-	-	-	(0.6)	-	-	(0.6)
- disposal	-	0.4	-	-	-	0.4	-	-	0.4
- transfer upon disposal	-	1.0	-	-	(1.0)	-	-	-	-
Share of net loss on financial assets designated at fair value through OCI of an associate	-	(80.7)	-	-	-	(80.7)	-	-	(80.7)
Share of exchange differences on translation of foreign operations of associates	-	-	-	0.4	-	0.4	-	-	0.4
Total other comprehensive loss for the period	-	(79.9)	-	(3.0)	(1.0)	(83.9)	-	(0.9)	(84.8)
Profit for the period	-	-	-	-	43.1	43.1	13.6	30.7	87.4
Total comprehensive (loss)/income for the period	-	(79.9)	-	(3.0)	42.1	(40.8)	13.6	29.8	2.6
Changes in ownership interests in subsidiaries									
- Share options granted by a subsidiary	-	-	-	-	-	-	-	0.1	0.1
- Additional investment in subsidiaries	-	-	-	-	(1.3)	(1.3)	-	1.3	-
Transfer during the period									
- Regulatory reserve of an associate	-	-	(12.2)	-	12.2	-	-	-	-
Dividends	-	-	-	-	-	-	-	(2.9)	(2.9)
Balance at 31 March 2021	2,735.7	(26.7)	141.6	431.7	(207.2)	3,075.1	622.9	1,420.7	5,118.7

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 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the period ended 31 March 2022**

(All figures are stated in RM million)	2022	2021
Operating activities		
Receipts from customers	3,179.7	1,977.5
Cash paid to suppliers and employees	(2,631.2)	(1,968.4)
	548.5	9.1
Tax and zakat paid	(90.9)	(33.3)
Net cash generated from/ (used in) operating activities	457.6	(24.2)
Investing activities		
Purchase of property, plant and equipment	(39.3)	(19.2)
Purchase of right-of-use assets	(0.4)	(5.5)
Purchase of intangible assets	(3.0)	(3.1)
Purchase and development of property development	(40.4)	(1.2)
Disposal of property, plant and equipment	-	0.7
Disposal of assets classified as held for sale	373.0	177.3
Deposit received	-	68.8
Dividends received - others	2.5	0.3
Disposal of quoted shares	2.9	-
Interest received - others	2.6	5.1
Subsequent expenditure on investment properties	(2.8)	(0.2)
Net cash generated from investing activities	295.1	223.0
Financing activities		
New loans	17.4	0.7
Loans repayment	(27.4)	(114.6)
Net (repayment)/withdrawal of revolving credits and bankers' acceptances	(193.9)	37.9
Interest paid	(81.2)	(89.8)
Repayment of lease liabilities	(6.4)	(3.9)
Dividend paid - others	(80.1)	(2.9)
Net cash used in financing activities	(371.6)	(172.6)
Net increase in cash and cash equivalent	381.1	26.2
Foreign currency translation difference	0.1	0.3
Cash and cash equivalent at beginning of period	432.2	441.0
Cash and cash equivalent at end of period	813.4	467.5
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	855.2	516.9
Overdrafts	(52.9)	(49.4)
Cash and bank balance classified as assets held for sale	11.1	-
Cash and cash equivalent at end of period	813.4	467.5

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 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****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 2021. 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 2022, 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 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

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
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 MFRS128 – 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 period ended 31 March 2022****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 2021, 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 (2021: Nil) in respect of the financial year ending 31 December 2022.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the period ended 31 March 2022

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 period ended 31 March 2022							
Revenue							
Group total sales	328.8	324.2	36.6	962.2	1,791.6	(5.0)	3,438.4
Inter-segment sales	(5.0)	-	-	-	-	5.0	-
External sales	323.8	324.2	36.6	962.2	1,791.6	-	3,438.4
Operating cost	(261.7)	(173.0)	(39.8)	(916.9)	(1,683.1)	-	(3,074.5)
Results from operations	62.1	151.2	(3.2)	45.3	108.5	-	363.9
Gain on disposal of property, plant and equipment	-	364.1	-	-	-	-	364.1
Share of results of associates	(0.3)	1.8	-	-	30.7	-	32.2
Share of results of joint ventures	(6.3)	-	(0.5)	-	-	-	(6.8)
Profit/(loss) before interest, taxation and zakat	55.5	517.1	(3.7)	45.3	139.2	-	753.4
Finance cost	(21.3)	(8.8)	(20.6)	(8.7)	(42.5)	24.5	(77.4)
Interest income	4.7	1.2	-	0.3	25.4	(24.5)	7.1
Profit/(loss) before taxation and zakat	38.9	509.5	(24.3)	36.9	122.1	-	683.1
Taxation and zakat							(123.5)
Profit for the period							559.6
Other Information							
Depreciation and amortisation	(2.8)	(31.9)	(2.8)	(8.5)	(20.4)	-	(66.4)
Loss on disposal							
- other assets	-	-	-	-	(0.1)	-	(0.1)
Other non-cash (expense)/income*	(2.0)	-	2.2	(2.1)	1.0	-	(0.9)

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the period ended 31 March 2022

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 period ended 31 March 2021							
Revenue							
Group total sales	134.7	171.9	61.3	793.5	931.0	(5.7)	2,086.7
Inter-segment sales	(5.7)	-	-	-	-	5.7	-
External sales	129.0	171.9	61.3	793.5	931.0	-	2,086.7
Operating cost	(118.2)	(138.5)	(71.9)	(756.7)	(883.3)	-	(1,968.6)
Results from operations	10.8	33.4	(10.6)	36.8	47.7	-	118.1
Gain on disposal of property, plant and equipment	77.1	-	-	-	3.3	-	80.4
Share of results of associates	(0.2)	(1.5)	-	-	16.4	-	14.7
Share of results of joint ventures	(3.0)	-	(8.2)	-	-	-	(11.2)
Profit/(loss) before interest, taxation and zakat	84.7	31.9	(18.8)	36.8	67.4	-	202.0
Finance cost	(24.8)	(12.7)	(19.6)	(6.9)	(52.9)	31.1	(85.8)
Interest income	3.1	0.1	0.1	0.1	32.8	(31.1)	5.1
Profit/(loss) before taxation and zakat	63.0	19.3	(38.3)	30.0	47.3	-	121.3
Taxation and zakat							(33.9)
Profit for the period							87.4
Other Information							
Depreciation and amortisation	(6.3)	(32.2)	(2.8)	(8.3)	(26.1)	-	(75.7)
(Loss)/profit on disposal							
- other assets	-	(0.2)	-	-	0.1	-	(0.1)
Other non-cash (expense)/income*	(2.3)	-	4.2	(3.8)	0.8	-	(1.1)

* 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 period ended 31 March 2022

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	Pharmaceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 31 March 2022							
Sale of produce	-	324.2	-	-	-	-	324.2
Sale of petroleum products	-	-	-	-	1,751.4	-	1,751.4
Sale of pharmaceutical products	-	-	-	962.2	-	-	962.2
Sale of building materials	64.7	-	-	-	-	-	64.7
Shipbuilding and repair	-	-	35.8	-	-	-	35.8
Sale of development properties	212.2	-	-	-	-	-	212.2
Hotel operations	21.4	-	-	-	-	-	21.4
Tuition fees	-	-	-	-	37.2	-	37.2
Others	0.2	-	-	-	3.0	-	3.2
Revenue from contracts with customers	298.5	324.2	35.8	962.2	1,791.6	-	3,412.3
Rental income	25.3	-	0.8	-	-	-	26.1
Total revenue	323.8	324.2	36.6	962.2	1,791.6	-	3,438.4

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	274.2	324.2	0.9	962.2	1,754.4	-	3,315.9
- Over time	24.3	-	34.9	-	37.2	-	96.4
	298.5	324.2	35.8	962.2	1,791.6	-	3,412.3

RM million	Property & Industrial	Plantation	Heavy Industries	Pharmaceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 31 March 2021							
Sale of produce	-	171.7	-	-	-	-	171.7
Sale of petroleum products	-	-	-	-	885.2	-	885.2
Sale of pharmaceutical products	-	-	-	793.5	-	-	793.5
Sale of building materials	59.3	-	-	-	-	-	59.3
Shipbuilding and repair	-	-	60.5	-	-	-	60.5
Sale of development properties	33.6	-	-	-	-	-	33.6
Hotel operations	8.6	-	-	-	-	-	8.6
Tuition fees	-	-	-	-	40.7	-	40.7
Others	-	0.2	-	-	5.0	-	5.2
Revenue from contracts with customers	101.5	171.9	60.5	793.5	930.9	-	2,058.3
Rental income	27.5	-	0.8	-	0.1	-	28.4
Total revenue	129.0	171.9	61.3	793.5	931.0	-	2,086.7

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	95.6	171.7	0.4	793.5	890.2	-	1,951.4
- Over time	5.9	0.2	60.1	-	40.7	-	106.9
	101.5	171.9	60.5	793.5	930.9	-	2,058.3

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****9. Debts and Equity Securities**

There were no 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 27 May 2022 that will materially affect the financial statements of the financial period under review.

12. Changes in Group Composition

There were no changes in the composition of the Group during the period under review.

13. Changes in Contingent Liabilities and Contingent Assets

In respect of the contingent liabilities referred to in Note 35 (a) of 2021 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 March 2022, 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 FY2021 annual financial statements remains unchanged as at 27 May 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 period ended 31 March 2022****14. Commitments**

The Group has the following commitments as at 31 March 2022:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	<u>661.6</u>	<u>129.5</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 2021.

16. Intangible Assets

RM million	Goodwill	Others	Total
Cost			
At 1 January 2022	259.7	97.7	357.4
Additions	-	3.0	3.0
Write off	-	(0.4)	(0.4)
Foreign exchange fluctuation	0.2	0.2	0.4
At 31 March 2022	<u>259.9</u>	<u>100.5</u>	<u>360.4</u>
Accumulated amortisation and impairment			
At 1 January 2022	-	19.1	19.1
Amortisation	-	1.0	1.0
Foreign exchange fluctuation	-	0.1	0.1
At 31 March 2022	<u>-</u>	<u>20.2</u>	<u>20.2</u>
Net carrying amount			
At 31 March 2022	259.9	80.3	340.2
At 31 December 2021	<u>259.7</u>	<u>78.6</u>	<u>338.3</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 period ended 31 March 2022
Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia
17. Performance Review
Results for Cumulative Period

For the period ended 31 March 2022 (All figures are stated in RM million)	Cumulative Period		+ / (-)
	2022	2021	%
Revenue:			
Property & Industrial	323.8	129.0	151%
Plantation	324.2	171.9	89%
Heavy Industries	36.6	61.3	-40%
Pharmaceutical	962.2	793.5	21%
Trading, Finance & Investment	1,791.6	931.0	92%
	3,438.4	2,086.7	65%
Operating cost:			
- Depreciation and amortisation	(66.4)	(75.7)	12%
- Other operating cost	(3,008.1)	(1,892.9)	-59%
Results from operations	363.9	118.1	208%
Gain on disposal of property, plant and equipment	364.1	80.4	353%
Share of results of associates and joint ventures	25.4	3.5	626%
Profit before interest, tax and zakat	753.4	202.0	273%
Net finance cost	(70.3)	(80.7)	13%
Profit/(loss) before taxation and zakat:			
Property & Industrial	38.9	63.0	-38%
Plantation	509.5	19.3	2540%
Heavy Industries	(24.3)	(38.3)	37%
Pharmaceutical	36.9	30.0	23%
Trading, Finance & Investment	122.1	47.3	158%
	683.1	121.3	463%
Taxation and zakat	(123.5)	(33.9)	-265%
Profit for the period	559.6	87.4	540%
Profit attributable to shareholders of the Company	290.3	43.1	574%
EBITDA	794.4	274.2	190%

For the 1st quarter ended 31 March 2022 (1QFY22), the Group posted a five-fold jump in profit before taxation and zakat (PBT) of RM683.1 million, as compared with PBT of RM121.3 million recorded in the same period last year (1QFY21), mainly due to one-off gain from the disposal of plantation land of RM364.1 million by the Plantation Division. All other divisions, except for Property & Industrial Division, continued to deliver stronger performance in 1QFY22. The bottom line was also bolstered by higher share of results from an associate. After taxation and zakat, the Group registered a profit of RM559.6 million (1QFY21: profit after taxation and zakat of RM87.4 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM290.3 million (1QFY21: net profit of RM43.1 million).

In 1QFY22, the Group remained strong operationally, attaining earnings before interest, tax, depreciation and amortisation (EBITDA) of RM794.4 million (1QFY21: EBITDA of RM274.2 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)****Revenue by Division**

The Group's revenue for 1QFY22 rose to RM3.44 billion, an increase of 65%, from RM2.09 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 RM323.8 million, more than double from RM129.0 million recorded in 1QFY21. The improved revenue was mainly driven by the sale of industrial lands in Bukit Raja, Klang under the property development segment as well as improved revenue from hotel segment attributable to a higher occupancy rate. Meanwhile, property investment's segment revenue was affected by lower rental rate at our shopping mall.

The industrial segment also recorded higher revenue attributable to the revision of selling prices.

- (ii) For 1QFY22, the **Plantation Division** recorded a higher revenue of RM324.2 million (1QFY21: revenue of RM171.9 million), an increase by 89%, on the back of higher palm product prices and improved FFB production.

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

	Cumulative Period		Variance	
	2022	2021		
Average selling prices	RM per MT	RM per MT	RM per MT	%
Crude palm oil (CPO)	6,030	3,751	2,279	61%
Palm kernel (PK)	4,655	2,520	2,135	85%
Palm product production	MT	MT	MT	%
CPO	45,573	40,436	5,137	13%
PK	9,163	8,003	1,160	14%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM36.6 million (1QFY21: revenue of RM61.3 million) primarily due to the variation in milestones for Littoral Mission Ship (LMS) projects. However, the impact was cushioned by the improved revenue from the maintenance, repair and overhaul (MRO) activities for submarine contracts.
- (iv) For 1QFY22, the **Pharmaceutical Division** achieved a higher revenue of RM962.2 million as compared with RM793.5 million in 1QFY21 mainly due to positive growth across the Group's concession and Indonesian businesses as a result of strong demand from the customers.
- (v) During the period, the **Trading, Finance & Investment Division** registered a commendable revenue of RM1.79 billion, an increase of 92% from a year ago mainly driven by revenue from Boustead Petroleum Marketing (BPM) on higher average fuel prices and sales volume.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****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 1QFY22, Property & Industrial Division posted a lower PBT of RM38.9 million (1QFY21: PBT of RM63.0 million). During the same period last year, the Division had benefitted from a one-off gain on disposal of a hotel of RM77.1 million.

At the operational level, in 1QFY22, the property development and hotel segments recorded better contribution mainly due the sale of industrial lands in Bukit Raja, Klang and improved room revenues from better occupancy rate. Meanwhile, the property investment segment posted higher losses due to higher share of loss from a joint venture and lower rental rate for our shopping mall.

The industrial segment closed the period with a higher profit due to better revenue as mentioned above.

(ii) Plantation Division

During the period, the Plantation Division registered a significantly higher PBT of RM509.5 million (1QFY21: PBT of RM19.3) attributable to a one-off gain on disposal of plantation land as mentioned above. At the operational level, the Division recorded a higher profit from operations of RM151.2 million (1QFY21: profit from operations of RM33.4 million) driven by higher palm product prices and FFB production. During the quarter, FFB production for the period of 195,882 MT was 9% higher than 180,165 MT recorded a year ago. The oil and kernel extraction rates for the period were slightly higher at 20.6% (1QFY21: 20.3%) and 4.1% (1QFY21: 4.0%) respectively.

(iii) Heavy Industries Division

The Heavy Industries Division closed the period with a lower LBT of RM24.3 million (1QFY21: LBT of RM38.3 million) mainly due to better contribution from submarines' MRO activities.

(iv) Pharmaceutical Division

The Pharmaceutical Division recorded a higher PBT of RM36.9 million (1QFY21: PBT of RM30.0 million) mainly driven by higher revenue as mentioned above.

(v) Trading, Finance & Investment Division

For 1QFY22, the Trading, Finance & Investment Division's PBT more than doubled to RM122.1 million from RM47.3 million in 1QFY21. The profits were mainly driven by a higher stockholding gain as compared to last year's corresponding period 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 and allowance for impairment losses.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 31 March 2022, the Group's receivables have increased mainly due to higher subsidy receivable from the government and lower repayment received from the government on sales of pharmaceutical products. The Group's deposits, cash and bank balances have also increased mainly due to proceeds received from the disposal of plantation land.

On the other hand, the Group's payables have increased mainly attributable to purchase of fuels at higher prices.

Statement of Cash Flows

For 1QFY22, the Group recorded a cash inflow from operation of RM457.6 million (1QFY21: cash outflow of RM24.2 million) mainly due to surplus on net cash receipts from customers. The Group also recorded higher cash inflow from investing activities of RM295.1 million (1QFY21: cash inflow of RM223.0 million) mainly due to proceeds received from disposal of plantation land. Meanwhile, the Group recorded a higher cash outflow from financing activities of RM371.6 million (1QFY21: cash outflow of RM172.6 million) mainly due to higher net repayment of borrowings.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the period ended 31 March 2022

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

For the period ended 31 March 2022	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	31.3.2022	31.12.2021	%
Revenue:			
Property & Industrial	323.8	276.4	17%
Plantation	324.2	341.5	-5%
Heavy Industries	36.6	91.0	-60%
Pharmaceutical	962.2	711.7	35%
Trading, Finance & Investment	1,791.6	1,539.7	16%
	<u>3,438.4</u>	<u>2,960.3</u>	16%
Operating cost:			
- Depreciation and amortisation	(66.4)	(72.8)	9%
- Other operating cost	(3,008.1)	(2,486.8)	-21%
Results from operations	<u>363.9</u>	<u>400.7</u>	-9%
Gain on disposal:			
- Property, plant and equipment	364.1	3.6	10014%
- Right-of-use assets	-	2.6	-100%
Impairment of assets:			
- Property, plant and equipment	-	(0.6)	100%
- Goodwill	-	(8.8)	100%
Fair value gain on investment properties	-	1.1	-100%
Other investment results	-	(1.1)	100%
Share of result of associates and joint ventures	25.4	(1.1)	2409%
Profit before interest, taxation and zakat	<u>753.4</u>	<u>396.4</u>	90%
Net finance cost	(70.3)	(78.1)	10%
Profit/(loss) before taxation and zakat:			
Property & Industrial	38.9	(28.6)	236%
Plantation	509.5	137.2	271%
Heavy Industries	(24.3)	8.1	-400%
Pharmaceutical	36.9	122.9	-70%
Trading, Finance & Investment	122.1	78.7	55%
	<u>683.1</u>	<u>318.3</u>	115%
Taxation and zakat	(123.5)	(116.4)	-6%
Profit for the period	<u>559.6</u>	<u>201.9</u>	177%
Profit attributable to shareholders of the Company	<u>290.3</u>	<u>78.6</u>	269%
EBITDA	<u>794.4</u>	<u>479.7</u>	66%

For 1QFY22, the Group posted a higher PBT of RM683.1 million as compared with RM318.3 million in the preceding quarter (4QFY21) mainly due to the disposal of plantation land as mentioned above. Profit after taxation and zakat for 1QFY22 was higher at RM559.6 million (4QFY21: profit after taxation and zakat of RM201.9 million) while net profit was better at RM290.3 million (4QFY21: net profit of RM78.6 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****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 1QFY22, Property & Industrial Division recorded a PBT of RM38.9 million (4QFY21: LBT of RM28.6 million) mainly due to the disposal of industrial lands as mentioned above.

(ii) Plantation Division

During the quarter, the Plantation Division posted a higher PBT of RM509.5 million (4QFY21: PBT of RM137.2 million) mainly due to the recognition of a one-off gain on disposal of plantation land. The average CPO price stood at RM6,030 per MT in 1QFY22, an increase of RM986 compared to 4QFY21 of RM5,044 per MT. However, the FFB production of 195,882 MT was 21% lower than the 4QFY21 of 248,328 MT.

(iii) Heavy Industries Division

For 1QFY22, the Heavy Industries Division recorded a LBT of RM24.3 million (4QFY21: PBT of RM8.1 million) mainly due to variation in milestones achieved for the LMS projects.

(iv) Pharmaceutical Division

For the current quarter, the Pharmaceutical Division posted a lower PBT of RM36.9 million (4QFY21: PBT of RM122.9 million) mainly due to lower contribution from the sales of the Sinovac COVID-19 vaccine.

(v) Trading, Finance & Investment Division

For 1QFY22, the Trading, Finance & Investment Division registered a better PBT of RM122.1 million (4QFY21: PBT of RM78.7 million) primarily due to higher average fuel prices which resulted in increased shareholding gain by BPM.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****19. Prospects**

For the year 2022, it is forecasted that Malaysia's economy will see a firmer growth mainly supported by stronger consumption and domestic demand as economic activities continue to normalise with the easing of pandemic restrictions and the reopening of international borders. The Group is optimistic that these positive factors coupled with the Reinventing Boustead Strategy (RBS) will drive a better performance throughout the Group's diversified ventures. 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.

Plantation Division

The Division's profitability is mainly driven by CPO price, crop production, Plantation Performance Improvement Programs (PPIP) and the Group's Reinventing Boustead strategy. Both PPIP and Reinventing Boustead strategy are currently progressing as planned.

Prices of palm oil are expected to remain strong for the remaining of 2nd quarter of 2022 as a result of the ongoing Ukraine-Russia conflict coupled with the tight CPO production and export restrictions of palm oil by the Indonesia government.

Palm oil supply is expected to improve over the 2nd half of the year as labour shortage issues being addressed. The demand of palm oil is expected to increase arising from the good price spread between palm oil and soybean oil and the switching application from sunflower oil to palm oil as a result of the Ukraine-Russia conflict.

With the COVID-19 reaches the endemic phase, the outlook of the Division remains positive as local consumption is expected to increase gradually arising from higher demand from the hospitality sector and the upcoming festivities.

The Division will remain focus on PPIP to further improve productivity in the coming quarters to take advantage of the strong CPO price. PPIP main initiative is on mechanisation and digitalisation, in line with the Boustead Reinventing Strategy. The Division also expects to realise more benefit in the coming months from its mechanisation efforts.

Pharmaceutical Division

For the concession business, the Division is in the midst of finalising the logistics and distribution concession extension agreement with Ministry of Health Malaysia and is slated to be completed by the 3rd quarter of 2022. As Malaysia has begun transitioning into the endemic phase with high vaccination rates, the Division is moving alongside the nation to focus on growing its core businesses of logistics concession of medical supply, as well as manufacturing of generic pharmaceutical and consumer healthcare products.

The Division is also collaborating with Malaysia Healthcare Travel Council to supply and distribute the Hepatitis C drug, Ravidasvir, COVID-19 vaccine as well as other vaccines to participating hospitals/healthcare centres. This collaboration is expected to provide the Division with another recurring income stream and contribute to the bottom line going forward.

With the Division's construction of the world's first Halal vaccine and insulin facilities progressing on track for commercialisation by 2025 and leveraging on its proven track record in handling and distributing vaccines, the Division is committed to bringing its experience and expertise to other developing countries. This would enhance and expedite these countries' vaccination programmes.

In regard to its Indonesian business, the Division successfully staged a swift turnaround, highlighting the effectiveness of the reorganisation of the Indonesian business to enhance its operational efficiency through an ongoing stock optimisation exercise and aggressive payment collection. Going forward, the Division is strengthening its business footprint in Indonesia as it has huge untapped potential. The Division will revamp the current business model of its logistics and distribution arm, PT. Millennium Pharmacon International Tbk and increase the products portfolio of its manufacturing arm, PT Errita Pharma. With strategic business and marketing plans in place, the Division is focusing to double up the revenue for the Indonesian segment.

Through the implementation of various strategies and initiatives, the Division is optimistic of maintaining its business growth going forward.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****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 transition to the endemic phase with complete reopening of Malaysia-Singapore border, the segment expects better prospects for the Johor property market. The segment will also benefit from the economic recovery and better financing access that will help garner stronger buying interest.

While the 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. However, the removal of certain restrictions and other relaxations on the Standard Operating Procedures for endemic phase have seen an increased in footfall of our shopping mall which will contribute positively to the segment.

The hotel segment is expected to show some improvement due to the fact of international border had open and Meeting Incentive Convention Exhibition (MICE) expected to roll out, hence this will be an opportunity for hospitality industry throughout the nation and specifically to Hospitality sector.

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. The easing of pandemic-related restrictions augurs well for the Division's business growth, especially in the commercial segment of the marine sector. The Division expects the reopening of the borders to benefit its shipyards in Lumut and Langkawi as more commercial vessels, sailboats and leisure crafts make their way to the islands and Malaysian waters. In the aerospace sector, the Division will continue to explore with Airbus Defence and Space on potential opportunities in the maintenance, repair and overhaul (MRO) of fixed-wing aircraft.

The announcement in April 2022 by the Government to continue with the LCS project should improve the financial situation of BNS and by extension the BHIC Group. The Division foresees this, and the existing contracts on MRO, to have a positive impact on its earnings in the upcoming quarters.

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 and financing growth is expected to be in line with 2021 levels based on the expected GDP growth. The bank will focus on realising its key priorities as it enters its final year of the AIM22 Transformation journey.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****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 2022 RM million	Cumulative Period 2022 RM million
Malaysian taxation based on profit for the period:		
- Current	129.4	129.4
- Deferred	1.0	1.0
	<u>130.4</u>	<u>130.4</u>
Over provision of prior years	(10.2)	(10.2)
	<u>120.2</u>	<u>120.2</u>

The Group's effective rate for the current quarter and cumulative period is lower than statutory tax rate due to lower tax rates applicable to gain on disposal of plantation land while certain expenses were non-deductible for tax purposes, as well as non-availability of group relief for certain subsidiaries. The provision for current taxation had taken into account the impact of Cukai Makmur introduced by the Government in Budget 2022.

22. Corporate Proposals - Status**(a) Status of Corporate Proposal****(i) Disposal of Royale Chulan Bukit Bintang Hotel**

On 15 March 2019, the Group's wholly-owned subsidiary Boustead Hotel & Resorts Sdn Bhd (BHR), 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 due to the 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 pursuant to 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 Purchaser had on 22 February 2021 (Vacant Possession Date) settled RM157.6 million. The Disposal was completed on 22 February 2021 upon transfer of final titles to the Purchaser and a gain on disposal of property, plant and equipment of RM77.1 million was recognised in profit or loss. 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 fulfillment of certain conditions subsequent.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****22. Corporate Proposals - Status (Cont'd.)****(a) Status of Corporate Proposal (Cont'd.)****(ii) Disposal of a freehold land by Mutiara Rini Sdn Bhd**

On 19 April 2021, the Group's wholly-owned subsidiary Mutiara Rini Sdn Bhd (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) (Disposal).

The Disposal was completed on 20 April 2022.

(iii) 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.

(iv) 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.

(v) 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 27 May 2022.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the period ended 31 March 2022

23. Changes in Material Litigations

- (i) In respect of the litigation referred to in Note 35 (b) of 2021 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 27 May 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 2021 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 27 May 2022 for hearing of this leave application.

- (iii) In respect of the litigation referred to in Note 35 (d) of 2021 Annual Report, Re: MTU Services (Malaysia) Sdn Bhd (MSM) (Plaintiff) -v- Boustead Naval Shipyard Sdn Bhd (BNS) (Defendant), the updates are as follows:-

On 29 March 2021, the Court allowed BNS's application to strike out the Petition. On 21 April 2021, MSM filed their Notice of Appeal, against the High Court's decision and the case management was set for 11 June 2021. In light of the Restraining Order and ad interim Restraining Order obtained by BNS in relation to its application for the Scheme of Arrangement, the case management for the Appeal has been postponed a few times. During the case management on 22 April 2022, MSM's solicitors have informed the Court of Appeal that MSM is in the midst of considering whether to withdraw the appeal and requested for a further Case Management to be fixed. In this regard, the Court of Appeal had fixed the next Case Management on 27 May 2022 to update the Court on whether MSM intends to withdraw the appeal or otherwise.

As at 27 May 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 2021.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****24. Earnings Per Share - Basic/diluted**

	Current Period		Cumulative Period	
	2022	2021	2022	2021
Net profit for the period (RM million)	290.3	43.1	290.3	43.1
Weighted average number of ordinary shares in issue (million)	2,027.0	2,027.0	2,027.0	2,027.0
Basic/diluted earnings per share (sen)	14.32	2.13	14.32	2.13

25. Group Borrowings and Debt Securities

Total borrowings as at 31 March 2022 are as follows:-

	31.3.2022 RM million	31.12.2021 RM million	31.3.2021 RM million
Non-current:			
Term loans			
- Denominated in RM	732.2	740.9	769.2
- Denominated in Great Britain Pound	44.5	45.9	47.7
	776.7	786.8	816.9
Islamic medium term notes	2,044.4	2,044.4	2,342.8
Revolving credits	389.4	392.3	260.0
	3,210.5	3,223.5	3,419.7
Less: repayable in 1 year	169.6	166.3	483.3
	3,040.9	3,057.2	2,936.4
Current:			
Bank overdrafts	52.9	45.4	49.4
Bankers' acceptances			
- Denominated in RM	549.3	559.2	480.1
- Denominated in Indonesian Rupiah	154.7	146.7	123.4
Islamic medium term notes	-	-	299.9
Revolving credits	2,829.0	3,017.1	3,419.4
Short term loans	169.6	166.3	183.4
	3,755.5	3,934.7	4,555.6
Total borrowings	6,796.4	6,991.9	7,492.0

As at 31 March 2022, the Group's borrowing has decreased as compared with 31 December 2021 mainly due to repayment of revolving credits.

During the financial period, the weighted average interest rate of borrowings is 4.7% (FY2021: 4.7%) per annum. The proportion of debt based on fixed and floating interest rate is 30% (FY2021: 29%) and 70% (FY2021: 71%) respectively.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****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 (FY2021: RM23.9 million) and revolving credits of RM675.4 million (2021: RM675.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM2.2 million (FY2021: RM2.4 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM7.4 million (FY2021: RM8.9 million) which is secured against the subsidiary's hire purchase contracts.

A subsidiary has a term loan denominated in Great Britain Pound equivalent to RM44.5 million (FY2021: RM45.9 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>31.3.2022</u>	<u>31.12.2021</u>	<u>31.3.2021</u>
Denominated in Great Britain Pound	8.1	8.2	8.4
Denominated in Indonesian Rupiah	527,986	502,397	432,982
Exchange rate:			
- Great Britain Pound	5.52	5.63	5.71
- Indonesian Rupiah	0.0293	0.0292	0.0285

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2022****26. Additional Disclosures**

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

	Current Quarter		Cumulative Quarter	
	2022	2021	2022	2021
	RM million	RM million	RM million	RM million
Depreciation and amortisation	66.4	75.7	66.4	75.7
Provision for expected credit losses	0.8	2.3	0.8	2.3
Provision for and write off of inventories	2.2	2.9	2.2	2.9
Write off of intangible assets	0.4	-	0.4	-
Gain on disposal of property, plant and equipment	(364.1)	(80.4)	(364.1)	(80.4)
Loss on disposal of other property, plant and equipment	0.1	0.1	0.1	0.1
Foreign exchange gain	(1.4)	(4.7)	(1.4)	(4.7)
Net fair value gain on derivatives	(0.2)	(3.4)	(0.2)	(3.4)

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. A series of discussion and workshop with Ministry of Defence (MINDEF) and various other GOM agencies had been held to deliberate on mechanism to resume the LCS project.

Based on the media conference by Minister of Defence on 30 March 2022, the Cabinet has agreed to carry on with the LCS project where it is part of the RMN's 15-5 development plan which aimed to strengthen the country's naval assets. It was mentioned that the decision has taken into consideration the interest of employees, vendors, suppliers, LTAT's beneficiaries and bankers.

Subsequently, the Minister of Defence announced that the Cabinet had on 20 April 2022 unanimously approved the continuance of the LCS project.

The Group is currently actively engaging with MINDEF and various government agencies to formalise the detailed implementation of the project.

Based on the progress of these deliberations, the Group is of the view that a satisfactory resolution will be reached with MINDEF and GOM. Accordingly, no further provisions were made for contract and/or liquidated ascertained damages on the LCS project.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the period ended 31 March 2022

27. Other Disclosures (Cont'd.)

b) Plantation Statistics

		Cumulative Period	
		2022	2021
(i) Crop production and yield			
	FFB (MT)	195,882	180,165
	FFB (MT/ha)	2.9	2.6
	Crude palm oil (CPO) production (MT)	45,573	40,436
	Palm kernel (PK) production (MT)	9,163	8,003
(ii) Average selling prices (RM per MT)			
	FFB	1,481	835
	CPO	6,030	3,751
	PK	4,655	2,520
(iii) Oil extraction rate (%)			
	CPO	20.6	20.3
	PK	4.1	4.0
(iv) Planted areas (hectares)			
		As at	As at
		31.3.2022	31.12.2021
Oil palm	- immature	4,510	5,484
	- young mature	12,626	12,824
	- prime mature	19,984	20,173
	- past prime	35,311	34,972
		72,431	73,453