

**Boustead Holdings Berhad 196001000193 (3871-H)**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

<b>For the period ended 30 September 2022</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>	<b>3,666.6</b>	3,680.3	<b>11,416.6</b>	8,345.2
<b>Operating cost</b>	<b>(3,702.9)</b>	(3,379.6)	<b>(10,775.1)</b>	(7,803.1)
<b>Results from operations</b>	<b>(36.3)</b>	300.7	<b>641.5</b>	542.1
Gain on disposal of properties	-	-	<b>367.7</b>	93.5
Other investment results	<b>14.9</b>	-	<b>14.9</b>	2.1
Share of results of associates	<b>186.2</b>	35.4	<b>251.0</b>	75.8
Share of results of joint ventures	<b>(8.5)</b>	(9.7)	<b>(19.5)</b>	(21.4)
<b>Profit before interest, taxation and zakat</b>	<b>156.3</b>	326.4	<b>1,255.6</b>	692.1
Finance cost	<b>(85.8)</b>	(92.6)	<b>(246.8)</b>	(266.4)
Interest income	<b>7.9</b>	6.1	<b>23.2</b>	16.7
<b>Profit before taxation and zakat</b>	<b>78.4</b>	239.9	<b>1,032.0</b>	442.4
Taxation	<b>11.8</b>	(82.0)	<b>(217.5)</b>	(153.3)
Zakat	<b>(3.3)</b>	(10.6)	<b>(9.9)</b>	(11.8)
<b>Profit for the period</b>	<b>86.9</b>	147.3	<b>804.6</b>	277.3
Attributable to:				
Shareholders of the Company	<b>99.6</b>	55.7	<b>464.3</b>	91.5
Holder of Perpetual Sukuk	<b>16.0</b>	14.6	<b>46.6</b>	42.1
Non-controlling interests	<b>(28.7)</b>	77.0	<b>293.7</b>	143.7
<b>Profit for the period</b>	<b>86.9</b>	147.3	<b>804.6</b>	277.3
<b>Earnings per share - sen</b>				
Basic/diluted	<b>4.91</b>	2.75	<b>22.91</b>	4.51

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**

<b>For the period ended 30 September 2022</b>	<b>Current Period</b>		<b>Cumulative Period</b>	
<b>(All figures are stated in RM million)</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Profit for the period</b>	<b>86.9</b>	147.3	<b>804.6</b>	277.3
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	-	4.9	<b>4.7</b>	0.8
Share of OCI of investments accounted for using the equity method	<b>18.0</b>	(14.4)	<b>(1.0)</b>	(68.0)
	<b>18.0</b>	(9.5)	<b>3.7</b>	(67.2)
<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	-	(0.2)
- Disposals	-	-	<b>0.3</b>	-
	-	0.1	<b>0.3</b>	(0.2)
<b>Total comprehensive income for the period, net of tax</b>	<b>104.9</b>	137.9	<b>808.6</b>	209.9
Attributable to:				
Shareholders of the Company	<b>116.0</b>	44.1	<b>465.7</b>	22.4
Holders of Perpetual Sukuk	<b>16.0</b>	14.6	<b>46.6</b>	42.1
Non-controlling interests	<b>(27.1)</b>	79.2	<b>296.3</b>	145.4
<b>Total comprehensive income for the period, net of tax</b>	<b>104.9</b>	137.9	<b>808.6</b>	209.9

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**

<b>As at 30 September 2022</b>	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>
<b>(All figures are stated in RM million)</b>		
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	4,185.1	4,007.2
Investment properties	1,296.9	1,295.0
Right-of-use assets	2,287.7	2,253.2
Deferred tax assets	28.1	29.4
Associates	2,439.7	2,198.5
Joint ventures	283.9	304.0
Other investments	1.9	5.0
Intangible assets	351.0	338.3
Inventories	543.6	811.2
Receivables	326.4	296.4
	<b>11,744.3</b>	<b>11,538.2</b>
<b>Current assets</b>		
Biological assets	36.8	47.0
Inventories	1,873.1	1,708.0
Contract assets and contract cost assets	787.4	1,120.0
Receivables	1,801.5	1,172.5
Deposits, cash and bank balances	613.4	463.5
Assets classified as held for sale	16.5	394.5
	<b>5,128.7</b>	<b>4,905.5</b>
<b>TOTAL ASSETS</b>	<b>16,873.0</b>	<b>16,443.7</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	2,735.7	2,735.7
Reserves	1,010.9	543.3
<b>Shareholders' equity</b>	<b>3,746.6</b>	<b>3,279.0</b>
<b>Perpetual Sukuk</b>	<b>625.6</b>	<b>609.6</b>
<b>Non-controlling interests</b>	<b>1,686.2</b>	<b>1,576.8</b>
<b>Total equity</b>	<b>6,058.4</b>	<b>5,465.4</b>
<b>Non current liabilities</b>		
Borrowings	2,900.1	3,057.2
Payables	18.2	10.5
Lease liabilities	99.4	48.4
Deferred tax liabilities	326.1	337.2
	<b>3,343.8</b>	<b>3,453.3</b>
<b>Current liabilities</b>		
Borrowings	3,821.7	3,934.7
Payables	3,488.5	3,132.9
Contract liabilities	66.6	190.8
Lease liabilities	12.4	12.9
Taxation	81.6	94.7
Liabilities associated with assets classified as held for sale	-	159.0
	<b>7,470.8</b>	<b>7,525.0</b>
<b>Total liabilities</b>	<b>10,814.6</b>	<b>10,978.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,873.0</b>	<b>16,443.7</b>

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 30 September 2022	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 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	-	-	-	2.1	-	2.1	-	2.6	4.7
Net gain/(loss) on equity investment designated at fair value through OCI	-	0.3	-	-	-	0.3	-	-	0.3
- disposal	-	3.0	-	-	(3.0)	-	-	-	-
- transfer upon disposal	-	-	-	-	-	-	-	-	-
Share of net (loss)/gain on financial assets designated at fair value through OCI of an associate	-	(1.6)	-	0.6	-	(1.0)	-	-	(1.0)
Total other comprehensive income/(loss) for the period	-	1.7	-	2.7	(3.0)	1.4	-	2.6	4.0
Profit for the period	-	-	-	-	464.3	464.3	46.6	293.7	804.6
Total comprehensive income for the period	-	1.7	-	2.7	461.3	465.7	46.6	296.3	808.6
Perpetual Sukuk	-	-	-	-	-	-	(30.6)	-	(30.6)
- Distribution	-	-	-	-	-	-	(30.6)	-	(30.6)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	2.3	2.3
Share options granted by a subsidiary	-	-	-	-	-	-	-	2.3	2.3
Share of an associate's movement in reserve	-	-	-	-	1.9	1.9	-	-	1.9
Transfer during the period	-	-	-	-	-	-	-	-	-
Regulatory reserve of an associate	-	-	(71.8)	-	71.8	-	-	-	-
Dividends	-	-	-	-	-	-	-	(189.2)	(189.2)
<b>Balance at 30 September 2022</b>	<b>2,735.7</b>	<b>18.8</b>	<b>76.4</b>	<b>415.4</b>	<b>500.3</b>	<b>3,746.6</b>	<b>625.6</b>	<b>1,686.2</b>	<b>6,058.4</b>

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

For the financial period ended 30 September 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	-	-	-	(0.9)	-	(0.9)	-	1.7	0.8
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.2)	-	-	-	(0.2)	-	-	(0.2)
- transfer upon disposal	-	1.0	-	-	(1.0)	-	-	-	-
Share of net (loss)/gain on financial assets designated at fair value through OCI of an associate	-	(68.4)	-	0.4	-	(68.0)	-	-	(68.0)
Total other comprehensive (loss)/income for the period	-	(67.6)	-	(0.5)	(1.0)	(69.1)	-	1.7	(67.4)
Profit for the period	-	-	-	-	91.5	91.5	42.1	143.7	277.3
Total comprehensive (loss)/income for the period	-	(67.6)	-	(0.5)	90.5	22.4	42.1	145.4	209.9
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(27.5)	-	(27.5)
Changes in ownership interests in subsidiaries									
Partial disposal of shares in a subsidiary	-	-	-	(2.4)	41.7	39.3	-	11.3	50.6
Share options granted by a subsidiary	-	-	-	-	0.8	0.8	-	(0.3)	0.5
Additional investment in subsidiaries	-	-	-	-	(1.3)	(1.3)	-	1.3	-
Transfer during the period									
Regulatory reserve of an associate	-	-	(9.1)	-	9.1	-	-	-	-
Dividends	-	-	-	-	-	-	-	(53.3)	(53.3)
<b>Balance at 30 September 2021</b>	<b>2,735.7</b>	<b>(14.4)</b>	<b>144.7</b>	<b>431.8</b>	<b>(119.4)</b>	<b>3,178.4</b>	<b>623.9</b>	<b>1,496.8</b>	<b>5,299.1</b>

**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 30 September 2022**

<b>(All figures are stated in RM million)</b>	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Receipts from customers	<b>11,124.4</b>	8,121.6
Cash paid to suppliers and employees	<b>(10,143.4)</b>	(7,412.6)
	<b>981.0</b>	709.0
Tax and zakat paid	<b>(219.8)</b>	(153.2)
Net cash generated from operating activities	<b>761.2</b>	555.8
<b>Investing activities</b>		
Purchase of property, plant and equipment	<b>(141.2)</b>	(75.6)
Purchase of right-of-use assets	<b>(4.3)</b>	(11.9)
Purchase of intangible assets	<b>(9.6)</b>	(1.0)
Purchase and development of property development	<b>(88.0)</b>	(35.4)
Proceeds from the sale of an investment property	-	134.1
Disposal of property, plant and equipment	<b>0.4</b>	7.0
Disposal of assets classified as held for sale	<b>373.0</b>	143.0
Disposal of a subsidiary	-	225.9
Partial disposal of shares in a subsidiary	-	50.5
Deposit received	-	51.6
Dividends received - others	<b>29.6</b>	0.7
Disposal of quoted shares	<b>3.4</b>	0.4
Interest received - others	<b>18.7</b>	16.7
Subsequent expenditure on investment properties	-	(3.2)
Net cash generated from investing activities	<b>182.0</b>	502.8
<b>Financing activities</b>		
Transactions with holders of Perpetual Sukuk	<b>(30.6)</b>	(27.5)
New loans	<b>65.9</b>	-
Loans repayment	<b>(126.6)</b>	(342.4)
Net withdrawal of revolving credits and bankers' acceptances	<b>(213.4)</b>	(44.2)
Interest paid	<b>(246.4)</b>	(267.8)
Repayment of lease liabilities	<b>(23.3)</b>	(6.6)
Dividend paid - others	<b>(189.2)</b>	(53.3)
Net cash used in financing activities	<b>(763.6)</b>	(741.8)
Net increase in cash and cash equivalent	<b>179.6</b>	316.8
Foreign currency translation difference	<b>0.2</b>	0.3
Cash and cash equivalent at beginning of period	<b>382.8</b>	441.0
<b>Cash and cash equivalent at end of period</b>	<b>562.6</b>	758.1
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	<b>613.4</b>	763.4
Overdrafts	<b>(50.8)</b>	(43.8)
Cash and bank balance classified as assets held for sale	-	38.5
<b>Cash and cash equivalent at end of period</b>	<b>562.6</b>	758.1

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 30 September 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:

	<b>Effective for annual periods beginning on or after</b>
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:

	<b>Effective for annual periods beginning on or after</b>
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 16 – Lease Liability in a Sale and Leaseback	1 January 2024
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 30 September 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 dependent on CPO prices and FFB crop production. The cropping pattern of oil palms is also dependent on weather conditions. As such, FFB production is cyclical in nature where FFB production starts with a trough at the beginning of the year and increases gradually in the 2<sup>nd</sup> 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 30 September 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
<b>For the period ended 30 September 2022</b>							
<b>Revenue</b>							
Group total sales	943.0	913.4	107.4	2,648.0	6,819.4	(14.6)	11,416.6
Inter-segment sales	(14.6)	-	-	-	-	14.6	-
External sales	928.4	913.4	107.4	2,648.0	6,819.4	-	11,416.6
<b>Operating cost</b>	<b>(764.0)</b>	<b>(648.3)</b>	<b>(115.3)</b>	<b>(2,563.9)</b>	<b>(6,683.6)</b>	-	<b>(10,775.1)</b>
<b>Results from operations</b>	<b>164.4</b>	<b>265.1</b>	<b>(7.9)</b>	<b>84.1</b>	<b>135.8</b>	-	<b>641.5</b>
Gain on disposal of properties	-	367.7	-	-	-	-	367.7
Other investment results	-	-	-	-	14.9	-	14.9
Share of results of associates	(1.2)	6.5	-	-	245.7	-	251.0
Share of results of joint ventures	(18.3)	-	(1.2)	-	-	-	(19.5)
<b>Profit/(loss) before interest, taxation and zakat</b>	<b>144.9</b>	<b>639.3</b>	<b>(9.1)</b>	<b>84.1</b>	<b>396.4</b>	-	<b>1,255.6</b>
Finance cost	(69.8)	(24.2)	(66.9)	(28.9)	(132.0)	75.0	(246.8)
Interest income	17.7	4.0	0.1	0.7	75.7	(75.0)	23.2
<b>Profit/(loss) before taxation and zakat</b>	<b>92.8</b>	<b>619.1</b>	<b>(75.9)</b>	<b>55.9</b>	<b>340.1</b>	-	<b>1,032.0</b>
Taxation and zakat							(227.4)
<b>Profit for the period</b>							<b>804.6</b>
<b>Other Information</b>							
Depreciation and amortisation	(13.9)	(93.4)	(8.3)	(27.1)	(77.1)	-	(219.8)
Gain/(loss) on disposal							
- other assets	0.6	(5.4)	0.4	-	(0.1)	-	(4.5)
Other non-cash (expense)/income*	(3.5)	(3.0)	17.2	(11.2)	1.2	-	0.7

## Boustead Holdings Berhad 196001000193 (3871-H)

## Notes to the interim financial report for the period ended 30 September 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	Pharmaceutical	Trading, Finance & Investment	Elim'n	Total
<b>For the period ended 30 September 2021</b>							
<b>Revenue</b>							
Group total sales	363.4	708.5	282.7	4,103.3	2,901.9	(14.6)	8,345.2
Inter-segment sales	(14.6)	-	-	-	-	14.6	-
External sales	348.8	708.5	282.7	4,103.3	2,901.9	-	8,345.2
<b>Operating cost</b>	<b>(327.8)</b>	<b>(466.4)</b>	<b>(272.2)</b>	<b>(3,926.4)</b>	<b>(2,810.3)</b>	<b>-</b>	<b>(7,803.1)</b>
<b>Results from operations</b>	<b>21.0</b>	<b>242.1</b>	<b>10.5</b>	<b>176.9</b>	<b>91.6</b>	<b>-</b>	<b>542.1</b>
Gain on disposal of properties	90.2	-	-	-	3.3	-	93.5
Other investment result	(1.4)	-	-	-	3.5	-	2.1
Share of results of associates	1.5	2.6	-	-	71.7	-	75.8
Share of results of joint ventures	(22.4)	-	1.0	-	-	-	(21.4)
<b>Profit before interest, taxation and zakat</b>	<b>88.9</b>	<b>244.7</b>	<b>11.5</b>	<b>176.9</b>	<b>170.1</b>	<b>-</b>	<b>692.1</b>
Finance cost	(81.1)	(37.6)	(60.0)	(29.8)	(146.5)	88.6	(266.4)
Interest income	13.7	0.5	0.1	1.0	90.0	(88.6)	16.7
<b>Profit/(loss) before taxation and zakat</b>	<b>21.5</b>	<b>207.6</b>	<b>(48.4)</b>	<b>148.1</b>	<b>113.6</b>	<b>-</b>	<b>442.4</b>
Taxation and zakat							(165.1)
<b>Profit for the period</b>							<b>277.3</b>
<b>Other Information</b>							
Depreciation and amortisation	(17.0)	(96.6)	(9.2)	(25.0)	(70.6)	-	(218.4)
Gain/(loss) on disposal							
- other assets	2.7	(0.1)	0.1	-	(0.1)	-	2.6
Other non-cash (expense)/income*	(4.0)	0.8	8.5	(38.0)	(8.6)	-	(41.3)

\* 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 30 September 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
<b>For the period ended 30 September 2022</b>							
Sale of produce	-	912.8	-	-	-	-	912.8
Sale of petroleum products	-	-	-	-	6,692.3	-	6,692.3
Sale of pharmaceutical products	-	-	-	2,648.0	-	-	2,648.0
Sale of building materials	200.1	-	-	-	-	-	200.1
Shipbuilding and repair	-	-	104.9	-	-	-	104.9
Sale of development properties	578.7	-	-	-	-	-	578.7
Hotel operations	75.0	-	-	-	-	-	75.0
Tuition fees	-	-	-	-	113.0	-	113.0
Others	1.8	0.6	-	-	14.1	-	16.5
Revenue from contracts with customers	855.6	913.4	104.9	2,648.0	6,819.4	-	11,341.3
Rental income	72.8	-	2.5	-	-	-	75.3
<b>Total revenue</b>	<b>928.4</b>	<b>913.4</b>	<b>107.4</b>	<b>2,648.0</b>	<b>6,819.4</b>	<b>-</b>	<b>11,416.6</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	718.9	912.8	0.1	2,648.0	6,706.4	-	10,986.2
- Over time	136.7	0.6	104.8	-	113.0	-	355.1
	<b>855.6</b>	<b>913.4</b>	<b>104.9</b>	<b>2,648.0</b>	<b>6,819.4</b>	<b>-</b>	<b>11,341.3</b>

RM million	Property & Industrial	Plantation	Heavy Industries	Pharmaceutical	Trading, Finance & Investment	Elim'n	Total
<b>For the period ended 30 September 2021</b>							
Sale of produce	-	707.9	-	-	-	-	707.9
Sale of petroleum products	-	-	-	-	2,764.2	-	2,764.2
Sale of pharmaceutical products	-	-	-	4,103.3	-	-	4,103.3
Sale of building materials	166.3	-	-	-	-	-	166.3
Shipbuilding and repair	-	-	279.9	-	-	-	279.9
Sale of development properties	85.3	-	-	-	-	-	85.3
Hotel operations	29.8	-	-	-	-	-	29.8
Tuition fees	-	-	-	-	121.8	-	121.8
Others	0.5	0.6	0.2	-	15.5	-	16.8
Revenue from contracts with customers	281.9	708.5	280.1	4,103.3	2,901.5	-	8,275.3
Rental income	66.9	-	2.6	-	0.4	-	69.9
<b>Total revenue</b>	<b>348.8</b>	<b>708.5</b>	<b>282.7</b>	<b>4,103.3</b>	<b>2,901.9</b>	<b>-</b>	<b>8,345.2</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	209.1	707.9	0.5	4,103.3	2,779.7	-	7,800.5
- Over time	72.8	0.6	279.6	-	121.80	-	474.8
	<b>281.9</b>	<b>708.5</b>	<b>280.1</b>	<b>4,103.3</b>	<b>2,901.5</b>	<b>-</b>	<b>8,275.3</b>

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 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 28 November 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 30 September 2022, the total provision of LD after offsetting against billings issued by BDNC was RM60.4 million.

The status of the other contingent liabilities as disclosed in the FY2021 annual financial statements remains unchanged as at 28 November 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 30 September 2022****14. Commitments**

The Group has the following commitments as at 30 September 2022:

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	<u>605.9</u>	<u>139.0</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**

<b>RM million</b>	<b>Goodwill</b>	<b>Others</b>	<b>Total</b>
<b>Cost</b>			
At 1 January 2022	259.7	97.7	357.4
Additions	1.6	12.5	14.1
Write off	-	(0.5)	(0.5)
Foreign exchange fluctuation	2.2	5.3	7.5
At 30 September 2022	<u>263.5</u>	<u>115.0</u>	<u>378.5</u>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2022	-	19.1	19.1
Amortisation	-	3.2	3.2
Foreign exchange fluctuation	-	5.2	5.2
At 30 September 2022	<u>-</u>	<u>27.5</u>	<u>27.5</u>
<b>Net carrying amount</b>			
At 30 September 2022	263.5	87.5	351.0
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 30 September 2022

## 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 30 September 2022 (All figures are stated in RM million)	Current Period		+/(-)
	2022	2021	%
<b>Revenue</b>	<b>3,666.6</b>	3,680.3	0%
<b>Operating cost:</b>			
- Depreciation and amortisation	(86.8)	(70.0)	-24%
- Other operating cost	(3,616.1)	(3,309.6)	-9%
<b>Results from operations</b>	<b>(36.3)</b>	300.7	-112%
Other investment results	14.9	-	100%
Share of results of associates and joint ventures	177.7	25.7	591%
<b>Profit before interest, tax and zakat</b>	<b>156.3</b>	326.4	-52%
Net finance cost	(77.9)	(86.5)	10%
<b>Profit before taxation and zakat</b>	<b>78.4</b>	239.9	-67%
Taxation and zakat	8.5	(92.6)	109%
<b>Profit for the period</b>	<b>86.9</b>	147.3	-41%
<b>Profit attributable to shareholders of the Company</b>	<b>99.6</b>	55.7	79%
<b>EBITDA</b>	<b>50.5</b>	370.7	-86%

For the 3<sup>rd</sup> quarter ended 30 September 2022 (3QFY22), the Group posted a lower profit before taxation and zakat (PBT) of RM78.4 million as compared with last year's corresponding quarter's (3QFY21) PBT of RM239.9 million, mainly on lower contributions from the Plantation and Pharmaceutical Divisions during the quarter. Nevertheless, this was partly compensated by higher share of results in associates arising from Affin's contribution. The profit after taxation and zakat (PAT) for 3QFY22 stood at RM86.9 million (3QFY21: PAT of RM147.3 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM99.6 million (3QFY21: net profit of RM55.7 million).

In 3QFY22, the Group's posted a lower earnings before interest, tax, depreciation and amortisation (EBITDA) of RM50.5 million from RM370.7 million in 3QFY21 attributable to lower results from operations.

## Boustead Holdings Berhad 196001000193 (3871-H)

## Notes to the interim financial report for the period ended 30 September 2022

## 17. Performance Review (Cont'd.)

**Results for Cumulative Period**

<b>For the period ended 30 September 2022</b> (All figures are stated in RM million)	<b>Cumulative Period</b>		<b>+ / (-)</b>
	<b>2022</b>	<b>2021</b>	<b>%</b>
<b>Revenue:</b>			
Property & Industrial	<b>928.4</b>	348.8	166%
Plantation	<b>913.4</b>	708.5	29%
Heavy Industries	<b>107.4</b>	282.7	-62%
Pharmaceutical	<b>2,648.0</b>	4,103.3	-35%
Trading, Finance & Investment	<b>6,819.4</b>	2,901.9	135%
	<b>11,416.6</b>	8,345.2	37%
<b>Operating cost:</b>			
- Depreciation and amortisation	<b>(219.8)</b>	(218.4)	-1%
- Other operating cost	<b>(10,555.3)</b>	(7,584.7)	-39%
<b>Results from operations</b>	<b>641.5</b>	542.1	18%
Gain on disposal of properties	<b>367.7</b>	93.5	293%
Other investment results	<b>14.9</b>	2.1	610%
Share of results of associates and joint ventures	<b>231.5</b>	54.4	326%
<b>Profit before interest, tax and zakat</b>	<b>1,255.6</b>	692.1	81%
Net finance cost	<b>(223.6)</b>	(249.7)	10%
<b>Profit/(loss) before taxation and zakat:</b>			
Property & Industrial	<b>92.8</b>	21.5	332%
Plantation	<b>619.1</b>	207.6	198%
Heavy Industries	<b>(75.9)</b>	(48.4)	-57%
Pharmaceutical	<b>55.9</b>	148.1	-62%
Trading, Finance & Investment	<b>340.1</b>	113.6	199%
	<b>1,032.0</b>	442.4	133%
Taxation and zakat	<b>(227.4)</b>	(165.1)	-38%
<b>Profit for the period</b>	<b>804.6</b>	277.3	190%
<b>Profit attributable to shareholders of the Company</b>	<b>464.3</b>	91.5	407%
<b>EBITDA</b>	<b>1,229.0</b>	854.0	44%

For the cumulative period ended 30 September 2022 (9MFY22), the Group posted a commendable PBT of RM1,032.0 million, as compared with PBT of RM442.4 million recorded in the same period last year (9MFY21). The better performance was mainly due to one-off gain from the disposal of plantation land of RM367.7 million by the Plantation Division. In addition, all other Divisions with the exception of Heavy Industries and Pharmaceutical Divisions, continued to deliver stronger performance in 9MFY22. The bottom line was also bolstered by higher share of results from an associate, Affin Bank Berhad. After taxation and zakat, the Group registered a profit of RM804.6 million (9MFY21: PAT of RM277.3 million). After taking into account the allocation to non-controlling interests and perpetual sukuk holders, the Group posted a net profit of RM464.3 million (9MFY21: net profit of RM91.5 million).

For 9MFY22, the Group remained strong operationally, attaining EBITDA of RM1.23 billion (9MFY21: EBITDA of RM854.0 million).

**Boustead Holdings Berhad 196001000193 (3871-H)**

**Notes to the interim financial report for the period ended 30 September 2022**

**17. Performance Review (Cont'd.)**

**Results for Cumulative Period (Cont'd.)**

**Revenue by Division**

The Group's revenue for 9MFY22 rose to RM11.4 billion, an increase of 37%, from RM8.3 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 RM928.4 million, 166% more than RM348.8 million recorded in 9MFY21. The improved revenue was mainly driven by the sale of industrial lands in Bukit Raja, Klang and land held for development in Jalan Cochrane under the property development segment as well as improvement from hotel segment arising from higher occupancy and average room rates.

The industrial segment also recorded better revenue as a result of the upward revision of selling prices and increase in export sales.

- (ii) For 9MFY22, the **Plantation Division** recorded a higher revenue of RM913.4 million (9MFY21: revenue of RM708.5 million), an increase by 29%, on the back of better palm product prices.

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

	Cumulative Period		Variance	
	2022	2021		
<b>Average selling prices</b>		<b>RM per MT</b>		<b>%</b>
Crude palm oil (CPO)	<b>5,527</b>	4,072	1,455	36%
Palm kernel (PK)	<b>3,567</b>	2,572	995	39%
<b>Palm product production</b>		<b>MT</b>		<b>%</b>
CPO	<b>152,664</b>	159,801	(7,137)	-4%
PK	<b>29,649</b>	30,956	(1,307)	-4%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM107.4 million (9MFY21: revenue of RM282.7 million) primarily due to the variation in milestones for the Littoral Mission Ship (LMS) projects and lower maintenance, repair and overhaul (MRO) activities for the submarine contracts.
- (iv) For 9MFY22, the **Pharmaceutical Division** recorded a lower revenue of RM2.6 billion as compared with RM4.1 billion in 9MFY21 as the country entered the endemic phase. However, the impact was partially offset by the positive growth in the Government concession and Indonesian businesses as a result of strong demand from the customers.
- (v) During the period, the **Trading, Finance & Investment Division** registered an improved revenue of RM6.8 billion, a significant increase from RM2.9 billion recorded in 9MFY21. This was mainly contributed by Boustead Petroleum Marketing (BPM) from higher average fuel prices and sales volume.



**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 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**

During the period, Property & Industrial Division posted a higher PBT of RM92.8 million (9MFY21: PBT of RM21.5 million) arising mainly from the sale of industrial lands in Bukit Raja and land held for development in Jalan Cochrane.

The property investment segment posted higher losses due to higher staff and maintenance costs incurred compared to last year. The hotel segment recorded better operational performance compared with 9MFY21 on the back of the increased in F&B sales as well as occupancy and higher average room rates post pandemic.

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

**(ii) Plantation Division**

For 9MFY22, the Plantation Division registered a significantly higher PBT of RM619.1 million (9MFY21: PBT of RM207.6 million) attributable to a one-off gain on disposal of plantation land amounting to RM367.7 million. At the operational level, the Division recorded a better profit from operations of RM265.1 million (9MFY21: profit from operations of RM242.1 million) mainly driven by higher palm product prices. During the period, FFB production of 619,572 MT was 8% lower than 675,143 MT recorded a year ago. The oil and kernel extraction rate for the period were lower at 20.5% (9MFY21: 21.1%) and 4.0% (9MFY21: 4.1%) respectively.

**(iii) Heavy Industries Division**

The Heavy Industries Division closed the period with a higher loss before taxation and zakat (LBT) of RM75.9 million (9MFY21: LBT of RM48.4 million) mainly due to lower contribution from both shipbuilding and ship repair activities.

**(iv) Pharmaceutical Division**

The Pharmaceutical Division recorded a lower PBT of RM55.9 million (9MFY21: PBT of RM148.1 million) in line with lower revenue. The bottom line was also impacted by the increase in advertising and promotional cost incurred for the private sector segment as well as higher finance cost.

**(v) Trading, Finance & Investment Division**

For 9MFY22, the Trading, Finance & Investment Division's PBT more than doubled to RM340.1 million from RM113.6 million in 9MFY21. The better result was mainly contributed by BPM and share of results in an associate, Affin Bank Berhad.

The contribution by BPM was driven by the better revenue resulted from higher sales volume and product prices.

Meanwhile, in 9MFY22, Affin Bank Berhad registered a net profit of RM1.2 billion (9MFY21: RM357.9 million) mainly due to gain on the divestment of Affin Hwang Asset Management Berhad in 3QFY22 which boosted our share of profit in associates and joint venture.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 2022****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 30 September 2022, the Group's receivables have increased mainly due to higher subsidy receivable from the Government and slower repayment from the Government on sales of pharmaceutical products. The Group's deposits, cash and bank balances have also improved mainly due to proceeds received from the disposal of plantation land.

The Group's payables have increased attributable to purchase of fuels at higher prices and reclassification from liabilities held for sale as the disposal of University of Nottingham in Malaysia has been aborted.

**Statement of Cash Flows**

For 9MFY22, the Group recorded a cash inflow from operation of RM761.2 million (9MFY21: RM555.8 million) due to surplus on net cash receipts from customers, mainly from Property & Industrial and Plantation Divisions. The Group also recorded lower cash inflow from investing activities of RM182.0 million (9MFY21: RM502.8 million) due to higher purchase of property, plant and equipment and cost incurred for property development as well as lower proceeds from disposal of assets. Meanwhile, the Group recorded a higher cash outflow from financing activities of RM763.6 million (9MFY21: RM741.8 million) mainly due to higher dividend paid by subsidiaries to non-controlling interest.

## Boustead Holdings Berhad 196001000193 (3871-H)

## Notes to the interim financial report for the period ended 30 September 2022

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

For the period ended 30 September 2022	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	30.9.2022	30.6.2022	%
<b>Revenue:</b>			
Property & Industrial	153.5	451.1	-66%
Plantation	240.3	348.9	-31%
Heavy Industries	45.2	25.6	77%
Pharmaceutical	924.7	761.1	21%
Trading, Finance & Investment	2,302.9	2,724.9	-15%
	<b>3,666.6</b>	<b>4,311.6</b>	<b>-15%</b>
<b>Operating cost:</b>			
- Depreciation and amortisation	(86.8)	(66.6)	-30%
- Other operating cost	(3,616.1)	(3,931.1)	8%
<b>Results from operations</b>	<b>(36.3)</b>	<b>313.9</b>	<b>-112%</b>
Gain on disposal of properties	-	3.6	-100%
Other investment results	14.9	-	100%
Share of result of associates and joint ventures	177.7	28.4	526%
<b>Profit before interest, taxation and zakat</b>	<b>156.3</b>	<b>345.9</b>	<b>-55%</b>
Net finance cost	(77.9)	(75.4)	-3%
<b>(Loss)/Profit before taxation and zakat:</b>			
Property & Industrial	(15.8)	69.7	-123%
Plantation	(2.1)	111.7	-102%
Heavy Industries	(24.5)	(27.1)	10%
Pharmaceutical	14.9	4.1	263%
Trading, Finance & Investment	105.9	112.1	-6%
	<b>78.4</b>	<b>270.5</b>	<b>-71%</b>
Taxation and zakat	8.5	(112.4)	108%
<b>Profit for the period</b>	<b>86.9</b>	<b>158.1</b>	<b>-45%</b>
<b>Profit attributable to shareholders of the Company</b>	<b>99.6</b>	<b>74.4</b>	<b>34%</b>
<b>EBITDA</b>	<b>50.5</b>	<b>384.1</b>	<b>-87%</b>

For 3QFY22, the Group posted a lower PBT of RM78.4 million as compared with RM270.5 million in the preceding quarter (2QFY22) mainly due to weaker performance from most of the Divisions as explained below. PAT for 3QFY22 was also lower at RM86.9 million (2QFY22: PAT of RM158.1 million). Nevertheless, the net profit was higher at RM99.6 million (2QFY22: net profit of RM74.4 million) mainly due to lower allocation to non-controlling interest on lower contribution from Plantation Division and BPM.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 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 3QFY22, Property & Industrial Division recorded a LBT of RM15.8 million (2QFY22: PBT of RM69.7 million) as previous quarter's bottom line was bolstered by the profit from the disposal of land held for development in Jalan Cochrane and sale of industrial lot in Bukit Raja.

**(ii) Plantation Division**

During the quarter, the Plantation Division posted a LBT of RM2.1 million (2QFY22: PBT of RM111.7 million) mainly due to lower palm product price and higher manuring cost. Lower palm product prices had also adversely affected the valuation of the FFB, CPO and PK. The average CPO price stood at RM4,089 per MT in 3QFY22, lower by of RM2,522 per MT as compared to 2QFY22 of RM6,611 per MT. On the positive side, the FFB production for the quarter of 227,335 MT was 15% higher than 196,355 MT in 2QFY22.

**(iii) Heavy Industries Division**

For 3QFY22, the Heavy Industries Division recorded a lower LBT of RM24.5 million (2QFY22: LBT of RM27.1 million) mainly due to higher contribution from maintenance, repair and overhaul (MRO) activities during the current quarter.

**(iv) Pharmaceutical Division**

For the current quarter, the Pharmaceutical Division posted a higher PBT of RM14.9 million (2QFY22: PBT of RM4.1 million) mainly due to higher revenue from concession, non-concession and Indonesia businesses as demand rebounded after the festive season in 2QFY2022.

**(v) Trading, Finance & Investment Division**

For 3QFY22, the Trading, Finance & Investment Division registered a lower PBT of RM105.9 million (2QFY22: PBT of RM112.1 million) as the higher share of profit in an associate in Affin Bank Berhad during the quarter (as mentioned above) was offset by the stockholding loss in BPM (2QFY22: stockholding gain) due to the decrease in average fuel prices.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 2022****19. Prospects**

Malaysia's economy is projected to continue expanding for the remaining of 2022 underpinned by domestic demand. The outlook for 2023 is also expected to remain favourable despite inflationary pressures, supply chain issues and geopolitical uncertainties. With Reinventing Boustead Strategy, the Group aims to accelerate value creation with performance improvement programmes, 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 and crop production. The Division expects to increase crop production, in line with the progress of its Plantation Performance Improvement Programs, the relaxation of regulations for foreign workers and the Boustead Group's Reinventing Boustead strategy that emphasises mechanisation and digitalisation.

However, prices of palm oil are expected to remain volatile for the remaining of 2022 due to higher inventory levels in Malaysia and Indonesia, crop losses impacted by poor weather conditions in Europe and the America continents as well as the on-going Ukraine-Russia conflict which have impacted supply chains for edible oils.

Production cost is also expected to remain at higher levels owing to the minimum wage policy and the increase in fertiliser and diesel prices.

Despite the challenges, the Division is positive about the outcome of the ongoing effort to manage costs through prudent spending and crop improvement initiatives.

**Pharmaceutical Division**

For the remaining of 2022, the Pharmaceutical Division remains cautiously optimistic of its performance, considering the volatility of the international economic and geopolitical climate. The Division has strategic plans to cushion the impact of the risks on its operations.

On the domestic front, the Division forecasts that the private business segment will register approximately 60% revenue growth for the year 2022, leveraging its business portfolio in private hospitals, clinics and pharmacies. As for the concession business segment, the revenue growth for the year is targeted at 8% with the addition of new products by the Ministry of Health to the Approved Products Purchase List.

The Indonesia segment will continue to be the main growth driver for the Division with an increase in profitability through enhanced operational efficiency and digitalisation, ongoing stock optimisation exercise as well as increasing the product portfolio and is targeting revenue growth of 15% for the year 2022.

**Property & Industrial Division**

The property market has demonstrated some signs of recovery as shown by the growth in the volume and value of property transactions in the first half of 2022 and should stay on its recovery path. Property developers are still adopting a prudent stand as building material costs have gone up substantially and the market has not yet recovered satisfactorily to allow them to recover the increase in costs from the buyers.

The property investment segment will continue to benefit from resilient rental income streams from lettable assets and spaces (particularly in industrial and retail segments) and property assets in prime locations such as the city centre. The transition to the endemic phase has also seen the increase in footfall in our shopping malls which contributed positively to the segment.

With the relaxation of COVID-19 restrictions post-pandemic, the hotel segment is expected to see improvement for the rest of the year in room and F&B revenue resulting from higher arrival of domestic and foreign tourists as well as the increase in the number of events organised.

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 the public and private sectors.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 2022****19. Prospects (Cont'd)****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 Government of Malaysia is committed to completing the Littoral Combat Ship ("LCS") project within the timeframe set and this augurs well for the Division. Following bilateral meetings between the officials of the Malaysia government, French government and Naval Group (the project's main subcontractor), both French entities have expressed their commitment to support efforts to continue the project. The Division will continue to explore new business opportunities by harnessing on its skilled and experienced human capital and showcasing its facilities. Moving forward, the Division will continue to rebuild its reputation by ensuring timely delivery of projects within cost expectations.

**Trading, Finance & Investment**

The earnings of the Division will largely be 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. For the remaining of the year, the fuel price is expected to hover below USD100 per barrel, lower than the first 3 quarters of the year. BPM will continue its expansion plan with the construction of new service stations to sustain the business.

Affin will remain cautious during this time of uncertainty and closely monitor the asset quality of its portfolios. It continues its initiatives in support of its customers who are potentially affected by the Covid-19 pandemic or financial challenges. Affin now turns its focus towards the second phase of the transformation journey, which centres around three main thrusts: Unrivalled Customer Service, Digital Leadership and Responsible Banking with Impact.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 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**

	<b>Current Quarter 2022 RM million</b>	<b>Cumulative Period 2022 RM million</b>
Malaysian taxation based on profit for the period:		
- Current	(0.4)	220.7
- Deferred	(11.8)	(3.6)
	(12.2)	217.1
Under provision of prior years	0.4	0.4
	(11.8)	217.5

The Group's effective rate for the current quarter is lower than statutory tax rate as the bulk of the PBT comes from the share of profit in associates and joint venture which are non-taxable.

The effective tax rate for the cumulative quarter was also lower than statutory tax rate due to lower tax rate applicable to gain on disposal of plantation land and non-taxability of share of profits in associates and joint ventures, partially offset by certain non-deductible expenses for tax purposes and 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 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 30 September 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.

BHB and the Purchaser had mutually agreed that the SSA has lapsed on 16 August 2022, being a cut-off date, as the Conditions Precedent remain unfulfilled in their respective terms at the end of business on that date.

**(iv) 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.

On 17 August 2022, the management of BPB had received a Notice of Termination of the CLLA from NGOSB, pursuant to Clause 3.5 of the CLLA which provides that in the event that any of the conditions precedent is not fulfilled within the prescribed period, the agreement shall lapse and be terminated. BPB and the parties to the agreement have mutually agreed not to further extend the period to fulfill the condition precedents which have expired six (6) months from the execution of the CLLA. Accordingly, the CLLA is deemed rescinded, terminated, and completely discharged pursuant to the terms of the CLLA.

BPB has refunded the deposit of RM1.2 million on 29 August 2022 to NGOSB.

**(v) Proposed Land Disposal by Boustead Plantations Berhad**

On 22 July 2022, CIMB Islamic Trustee Berhad, acting solely as trustee for Boustead Plantations Berhad (BPB) entered into a sale and purchase agreement with Nur Solar Sdn Bhd (NSSB) for the disposal of land held under Geran Mukim 577, Lot 15 and Geran 39039, Lot 1314 and partial of land under Geran 32397, Lot 277 Mukim Padang China, Daerah Kulim, Kedah measuring 300 acres for a total cash consideration of RM98.0 million. BPB had received 10% deposit amounting to RM9.8 million upon signing of the agreement (Proposed Disposal).

The Proposed Disposal is expected to be completed in the 4<sup>th</sup> quarter of 2022.

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



## Boustead Holdings Berhad 196001000193 (3871-H)

### Notes to the interim financial report for the period ended 30 September 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. On 27 May 2022, the Federal Court heard the Plaintiff's leave application and dismissed the said application with costs of RM30,000.00 to be paid by the Plaintiff to BHB and BWSB.

The Plaintiff had on 3 June 2022, filed an application to the Federal Court seeking a review of the abovementioned Federal Court's decision ("Review Application"). On 6 October 2022, the Federal Court heard the Review Application and dismissed the Review Application with costs of RM25,000.00 collectively to be paid by the Plaintiff to BHB and BWSB.

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.

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.

On 27 May 2022, the Federal Court heard the Plaintiff's leave application and dismissed the said application with costs of RM30,000.00 to be paid by the Plaintiff to CMSB.

The Plaintiff had on 3 June 2022, filed an application to the Federal Court seeking a review of the abovementioned Federal Court's decision ("Review Application"). On 6 October 2022, the Federal Court heard the Review Application and dismissed Review Application with costs of RM12,500.00 to be paid by the Plaintiff to CMSB.

- (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 which was then further extended to 31 October 2022.

The Court also fixed the hearing date on 14 November 2022. However, MSM had written to Court requesting for adjournment pending settlement negotiation with BNS. The Court has allowed MSM's adjournment request and the hearing date has now been converted to a case management for parties to update Court and obtain further directions. The Court has allowed for the case management and hearing to be rescheduled to 12 June 2023 and 26 June 2023 respectively.

## Boustead Holdings Berhad 196001000193 (3871-H)

### Notes to the interim financial report for the period ended 30 September 2022

#### 23. Changes in Material Litigations (Cont'd.)

- (iv) On 27 September 2022, Contraves Advanced Devices Sdn Bhd (“CAD”) and Contraves Electrodynamics Sdn Bhd (“CED”) (both CAD and CED are collectively known as the “Plaintiff”) has filed a Writ of Summons and Statement of Claim (“WSSC”) against the Group’s subsidiaries, Boustead Naval Shipyard Sdn Bhd (“BNS”), Boustead Heavy Industries Corporation Berhad (“BHIC”), BHIC Defence Technologies Sdn Bhd (“BHICDT”), (Dr.) Salihin Abang (“(Dr.) Salihin”) (a Nominee Director of BHICDT in CAD and CED) and Vice Admiral Dato’ Syed Zahiruddin Putra Syed Osman (Retired) (“Dato’ Syed Zahiruddin”) (a Nominee Director of BHICDT in CAD) (BNS, BHIC, BHICDT, (Dr.) Salihin and Dato’ Syed Zahiruddin are collectively known as the “Defendants”).

Under the WSSC, the Plaintiffs are seeking for the following:

- i. A declaration that the 12 letters of award (“LOAs”) to the Plaintiffs, from BNS, pertaining to, amongst others, procurement, engineering, integration and supply of combat management system, fire control, communication system, ammunition, radars, torpedos and missiles in relation to the contract for the design, construct, equip, install, commission, integrate, test, trials and delivery of the 6 (six) Second Generation Patrol Vessels with Littoral Combat Ships capability for the Royal Malaysian Navy (“LCS Project”) are not void and/or are valid and subsisting;
- ii. An order that BNS pays CAD the following alleged outstanding amounts:
  - a) Ringgit Malaysia (RM) 880,068.21;
  - b) Euro 39,871,994.66;
  - c) Great Britain Pound 3,784,937.02; and
  - d) Swedish Krona 55,938,157.90.
- iii. An order that BNS pays CED the alleged outstanding amount of RM216,652,305.94;
- iv. An order by way of specific performance of the 12 LOAs;
- v. Damages in lieu of and/or in addition to the specific performance to be assessed by the Court; alternatively, damages to be assessed and/or sums to be determined for quantum meruit;
- vi. A declaration that (Dr.) Salihin and/or Dato’ Syed Zahiruddin have allegedly breached their fiduciary duties and/or common law duties and/or statutory duties owed to the Plaintiffs under the provisions of Companies Act 2016 (“CA 2016”) including but not limited to sections 213, 217 and 218;
- vii. A declaration that BNS and/or BHIC and/or BHICDT had allegedly dishonestly assisted and/or aided and abetted and/or was an accessory to (Dr.) Salihin’s and/or Dato’ Syed Zahiruddin’s alleged breach of their respective fiduciary duties and/or common law duties and/or statutory duties owed to the Plaintiffs under the provision of CA 2016;
- viii. A declaration that the Defendants had allegedly wrongfully conspired and/or combined with each other and/or acted in concert to injure and/or defraud the Plaintiffs;
- ix. A declaration that the Defendants had allegedly wrongfully procured and/or induced any or all CAD’s and/or CED’s Original Equipment Manufacturers (“OEMs”) under the LCS Project to breach the OEM’s respective LOAs with CAD and/or CED and/or unlawfully interfered with the actions of any or all CAD’s and/or CED’s OEMs and/or the OEM’s respective LOAs with CAD and/or CED;
- x. An injunction to restrain the Defendants whether by itself/himself, its directors, agents, servants, nominees or otherwise howsoever from continuing with the alleged breach and/or assistance of the alleged breach of (Dr.) Salihin’s and/or Dato’ Syed Zahiruddin’s respective fiduciary duties and/or common law duties and/or statutory duties owed to the Plaintiffs under the provisions of CA 2016 including but not limited to sections 213, 217 and 218 owed to CAD and/or CED;
- xi. An injunction to restrain BNS and/or BHIC and/or BHICDT whether by itself, its directors, agents, servants, nominees or otherwise howsoever from directly communicating and/or contracting with CAD’s and/or CED’s OEMs under the LCS Project in connection with and for purposes of any of the scope of work under the 12 LOAs for the LCS Project;
- xii. An injunction to restrain (Dr.) Salihin and/or Dato’ Syed Zahiruddin whether by himself, his agents, servants, nominees or otherwise howsoever from utilising, disclosing, distributing, propagating or otherwise howsoever from any internal documents and/or information of the Plaintiffs to any unauthorised persons and/or general public;
- xiii. Damages, whether general and/or aggravated and/or exemplary and/or equitable to be assessed by the Court;
- xiv. An order that the Defendants pay such damages as assessed together with the interest on the same to the Plaintiffs;
- xv. Interest at such rate and for such period as the Court deems fit in respect of any sums awarded to the Plaintiffs until full and final settlement of such sums awarded;
- xvi. Cost; and
- xvii. Such further and/or other relief as the Court may deem fit and just to grant.

The first case management was held on 11 October 2022 and during the case management, to provide for pre-trial directions, the Court has fixed a further case management date on 30 November 2022.

BNS, BHIC and BHICDT categorically deny the allegations made by the Plaintiffs. The allegations are baseless, frivolous, vexatious and unjustifiable. The Boards of BNS, BHIC and BHICDT believe that the Plaintiffs’ claims are untenable and are therefore positive that the companies will prevail in this litigation.

As at 28 November 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 30 September 2022****24. Earnings Per Share - Basic/diluted**

	Current Period		Cumulative Period	
	2022	2021	2022	2021
Net profit for the period (RM million)	99.6	55.7	464.3	91.5
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)	4.91	2.75	22.91	4.51

**25. Group Borrowings and Debt Securities**

Total borrowings as at 30 September 2022 are as follows:-

	30.9.2022 RM million	31.12.2021 RM million	30.9.2021 RM million
<b>Non-current:</b>			
Term loans			
- Denominated in RM	723.1	740.9	739.7
- Denominated in Great Britain Pound	-	45.9	45.5
	723.1	786.8	785.2
Islamic medium term notes	2,046.0	2,044.4	2,193.9
Revolving credits	276.0	392.3	577.6
	3,045.1	3,223.5	3,556.7
Less: repayable in 1 year	145.0	166.3	331.3
	2,900.1	3,057.2	3,225.4
<b>Current:</b>			
Bank overdrafts	50.8	45.4	43.8
Bankers' acceptances			
- Denominated in RM	686.2	559.2	439.2
- Denominated in Indonesian Rupiah	182.6	146.7	196.7
Islamic medium term notes	-	-	150.0
Revolving credits	2,757.1	3,017.1	2,987.2
Short term loans	145.0	166.3	181.3
	3,821.7	3,934.7	3,998.2
<b>Total borrowings</b>	<b>6,721.8</b>	<b>6,991.9</b>	<b>7,223.6</b>

As at 30 September 2022, the Group's borrowing has marginally decreased as compared with 31 December 2021 mainly due to repayment of loan and revolving credits.

During the financial period, the weighted average interest rate of borrowings is 4.9% (FY2021: 4.7%) per annum. The proportion of debt based on fixed and floating interest rate is 31% (FY2021: 29%) and 69% (FY2021: 71%) respectively.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 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 RM19.1 million (FY2021: RM23.9 million) and revolving credits of RM608.0 million (2021: RM675.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM1.6 million (FY2021: RM2.4 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM5.9 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 RM nil (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)

	<b>30.9.2022</b>	<b>31.12.2021</b>	<b>30.9.2021</b>
Denominated in Great Britain Pound	-	8.2	8.1
Denominated in Indonesian Rupiah	<b>600,658</b>	502,397	687,762
Exchange rate:			
- Great Britain Pound	<b>5.20</b>	5.63	5.64
- Indonesian Rupiah	<b>0.0304</b>	0.0292	0.0286

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the period ended 30 September 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 RM million	2021 RM million	2022 RM million	2021 RM million
Depreciation and amortisation	86.8	70.0	219.8	218.4
Provision for expected credit losses	(1.8)	2.2	2.8	11.2
Provision for and write off of inventories	2.3	7.9	10.6	14.6
Write off of intangible assets	-	(0.2)	0.5	1.2
Gain on disposal of properties	-	-	(367.7)	(93.5)
Loss/(gain) on disposal of other property, plant and equipment	4.9	(2.5)	4.5	(2.6)
Net foreign exchange loss/(gain)	36.4	(8.4)	25.2	(5.0)
Net fair value gain on derivatives	(35.6)	(0.2)	(35.8)	(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 (Contract) with GOM was signed on 17 July 2014.

In 2019, the Ministry 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 Ministry 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 Ministry of Defence announced that the Cabinet had on 20 April 2022 unanimously approved the continuance of the LCS project.

On 31 May 2022, BNS and Ministry of Defence have entered into a supplementary contract (Supplementary Contract) to remobilise the project, amongst others, to resume payment to creditors (Original Equipment Manufacturers, vendors and financial institutions). Apart from the activities to be undertaken by BNS towards remobilising the project, there are no significant differences between the substance of the Contract and the Supplementary Contract.

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 30 September 2022

## 27. Other Disclosures (Cont'd.)

## b) Plantation Statistics

		<b>Cumulative Period</b>	
		<b>2022</b>	<b>2021</b>
<b>(i) Crop production and yield</b>			
FFB (MT)		<b>619,572</b>	675,143
FFB (MT/ha)		<b>9.2</b>	9.7
Crude palm oil (CPO) production (MT)		<b>152,664</b>	159,801
Palm kernel (PK) production (MT)		<b>29,649</b>	30,956
<b>(ii) Average selling prices (RM per MT)</b>			
FFB		<b>1,260</b>	887
CPO		<b>5,527</b>	4,072
PK		<b>3,567</b>	2,572
<b>(iii) Oil extraction rate (%)</b>			
CPO		<b>20.5</b>	21.1
PK		<b>4.0</b>	4.1
<b>(iv) Planted areas (hectares)</b>			
		<b>As at</b>	<b>As at</b>
		<b>30.9.2022</b>	<b>31.12.2021</b>
Oil palm	- immature	<b>5,713</b>	5,484
	- young mature	<b>12,655</b>	12,824
	- prime mature	<b>20,101</b>	20,173
	- past prime	<b>33,962</b>	34,972
		<b>72,431</b>	73,453