

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

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT**

<b>For the year ended 31 December 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>3,692.6</b>	2,960.3	<b>15,109.2</b>	11,305.5
<b>Operating cost</b>	<b>(3,652.6)</b>	(2,551.7)	<b>(14,417.1)</b>	(10,340.2)
<b>Results from operations</b>	<b>40.0</b>	408.6	<b>692.1</b>	965.3
Gain on disposal of properties	<b>97.8</b>	10.4	<b>465.5</b>	103.9
Reversal/(Impairment) of property, plant and equipment	<b>78.1</b>	(0.6)	<b>78.1</b>	(0.6)
Impairment of goodwill	<b>(50.3)</b>	(8.8)	<b>(50.3)</b>	(8.8)
Writedown of inventories	<b>(561.8)</b>	(12.1)	<b>(572.4)</b>	(26.7)
Fair value gain on investment properties	<b>0.4</b>	1.1	<b>0.4</b>	1.1
Other investment results	<b>(6.1)</b>	(1.1)	<b>8.8</b>	1.0
Share of results of associates	<b>30.9</b>	41.6	<b>281.9</b>	117.4
Share of results of joint ventures	<b>(133.7)</b>	(42.7)	<b>(153.2)</b>	(64.1)
<b>(Loss)/Profit before interest, taxation and zakat</b>	<b>(504.7)</b>	396.4	<b>750.9</b>	1,088.5
Finance cost	<b>(89.8)</b>	(85.7)	<b>(336.6)</b>	(352.1)
Interest income	<b>8.4</b>	7.6	<b>31.6</b>	24.3
<b>(Loss)/Profit before taxation and zakat</b>	<b>(586.1)</b>	318.3	<b>445.9</b>	760.7
Taxation	<b>(94.7)</b>	(100.9)	<b>(312.2)</b>	(254.2)
Zakat	<b>5.2</b>	(15.5)	<b>(4.7)</b>	(27.3)
<b>(Loss)/Profit for the year</b>	<b>(675.6)</b>	201.9	<b>129.0</b>	479.2
Attributable to:				
Shareholders of the Company	<b>(402.3)</b>	78.6	<b>62.0</b>	170.1
Holder of Perpetual Sukuk	<b>16.1</b>	14.6	<b>62.7</b>	56.7
Non-controlling interests	<b>(289.4)</b>	108.7	<b>4.3</b>	252.4
<b>(Loss)/Profit for the year</b>	<b>(675.6)</b>	201.9	<b>129.0</b>	479.2
<b>(Loss)/earnings per share - sen</b>				
Basic/diluted	<b>(19.85)</b>	3.88	<b>3.06</b>	8.39

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 year ended 31 December 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>(Loss)/Profit for the year</b>	<b>(675.6)</b>	201.9	<b>129.0</b>	479.2
Other comprehensive (loss)/income				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	<b>(3.4)</b>	(2.2)	<b>1.3</b>	(1.4)
Share of OCI of investments accounted for using the equity method	<b>10.5</b>	31.6	<b>9.5</b>	(36.4)
	<b>7.1</b>	29.4	<b>10.8</b>	(37.8)
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Net (loss)/income on equity investment designated at fair value through OCI				
- Fair value changes	-	(0.3)	-	(0.5)
- Disposals	-	-	<b>0.3</b>	-
	-	(0.3)	<b>0.3</b>	(0.5)
<b>Total comprehensive (loss)/income for the year, net of tax</b>	<b>(668.5)</b>	231.0	<b>140.1</b>	440.9
Attributable to:				
Shareholders of the Company	<b>(390.3)</b>	109.0	<b>75.4</b>	131.4
Holder of Perpetual Sukuk	<b>16.1</b>	14.6	<b>62.7</b>	56.7
Non-controlling interests	<b>(294.3)</b>	107.4	<b>2.0</b>	252.8
<b>Total comprehensive (loss)/income for the year, net of tax</b>	<b>(668.5)</b>	231.0	<b>140.1</b>	440.9

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 31 December 2022</b>	<b>As at 31 December 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	4,260.7	4,007.2
Investment properties	1,300.3	1,295.0
Right-of-use assets	2,295.2	2,253.2
Deferred tax assets	-	29.4
Associates	2,393.1	2,198.5
Joint ventures	150.3	304.0
Other investments	1.9	5.0
Intangible assets	293.0	338.3
Inventories	451.8	811.2
Receivables	338.5	296.4
	<b>11,484.8</b>	<b>11,538.2</b>
<b>Current assets</b>		
Biological assets	31.8	47.0
Inventories	1,294.9	1,708.0
Contract assets and contract cost assets	790.4	1,120.0
Receivables	1,529.1	1,172.5
Deposits, cash and bank balances	764.3	463.5
Assets classified as held for sale	29.3	394.5
	<b>4,439.8</b>	<b>4,905.5</b>
<b>TOTAL ASSETS</b>	<b>15,924.6</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	589.9	543.3
<b>Shareholders' equity</b>	<b>3,325.6</b>	<b>3,279.0</b>
<b>Perpetual Sukuk</b>	<b>609.8</b>	<b>609.6</b>
<b>Non-controlling interests</b>	<b>1,362.8</b>	<b>1,576.8</b>
<b>Total equity</b>	<b>5,298.2</b>	<b>5,465.4</b>
<b>Non current liabilities</b>		
Borrowings	2,749.1	3,057.2
Payables	11.3	10.5
Lease liabilities	94.7	48.4
Deferred tax liabilities	333.3	337.2
	<b>3,188.4</b>	<b>3,453.3</b>
<b>Current liabilities</b>		
Borrowings	4,043.8	3,934.7
Payables	3,119.9	3,132.9
Contract liabilities	124.2	190.8
Lease liabilities	23.5	12.9
Taxation	70.0	94.7
Dividend payable	30.4	-
Liabilities associated with assets classified as held for sale	26.2	159.0
	<b>7,438.0</b>	<b>7,525.0</b>
<b>Total liabilities</b>	<b>10,626.4</b>	<b>10,978.3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>15,924.6</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 year ended 31 December 2022	Attributable to shareholders of the Company					Total	Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	(Accumulated Loss)/ Retained Earnings				
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	-	-	-	3.6	-	3.6	-	(2.3)	1.3
Net gain/(loss) on equity investment designated at fair value through OCI									
- disposal	-	0.3	-	-	-	0.3	-	-	0.3
- transfer upon disposal	-	3.0	-	-	(3.0)	-	-	-	-
Share of net gain on financial assets designated at fair value through OCI of an associate	-	9.0	-	0.5	-	9.5	-	-	9.5
Total other comprehensive income/(loss) for the year	-	12.3	-	4.1	(3.0)	13.4	-	(2.3)	11.1
Profit for the year	-	-	-	-	62.0	62.0	62.7	4.3	129.0
Total comprehensive income for the year	-	12.3	-	4.1	59.0	75.4	62.7	2.0	140.1
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(62.5)	-	(62.5)
Changes in ownership interests in subsidiaries									
- Share options granted by a subsidiary	-	-	-	-	-	-	-	(0.4)	(0.4)
Share of an associate's movement in reserve	-	-	-	-	1.6	1.6	-	-	1.6
Transfer during the year									
- Regulatory reserve of an associate	-	-	(57.5)	-	57.5	-	-	-	-
Dividends	-	-	-	-	(30.4)	(30.4)	-	(215.6)	(246.0)
<b>Balance at 31 December 2022</b>	<b>2,735.7</b>	<b>29.4</b>	<b>90.7</b>	<b>416.8</b>	<b>53.0</b>	<b>3,325.6</b>	<b>609.8</b>	<b>1,362.8</b>	<b>5,298.2</b>

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

For the financial year ended 31 December 2021	Attributable to shareholders of the Company					Total	Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	(Accumulated Loss)/ Retained Earnings				
As at 1 January 2021	2,735.7	53.2	153.8	434.7	(260.2)	3,117.2	609.3	1,392.4	5,118.9
Currency translation difference in respect of foreign operations	-	-	-	(1.9)	-	(1.9)	-	0.5	(1.4)
Net (loss)/gain on equity investment designated at fair value through OCI									
- fair value changes	-	(0.5)	-	-	-	(0.5)	-	-	(0.5)
- transfer upon disposal	-	1.0	-	-	(1.0)	-	-	-	-
Share of net loss on financial assets designated at fair value through OCI of an associate	-	(36.6)	-	-	-	(36.6)	-	-	(36.6)
Share of exchange differences on translation of foreign operations of associates	-	-	-	0.3	-	0.3	-	(0.1)	0.2
Total other comprehensive (loss)/income for the year	-	(36.1)	-	(1.6)	(1.0)	(38.7)	-	0.4	(38.3)
Profit for the year	-	-	-	-	170.1	170.1	56.7	252.4	479.2
Total comprehensive (loss)/income for the year	-	(36.1)	-	(1.6)	169.1	131.4	56.7	252.8	440.9
Perpetual Sukuk									
- Distribution	-	-	-	-	-	-	(56.4)	-	(56.4)
Share of an associate's movement in reserve	-	-	-	(17.5)	12.6	(4.9)	-	-	(4.9)
Changes in ownership interests in subsidiaries									
- Partial disposal of shares in a subsidiary	-	-	-	(2.9)	39.7	36.8	-	13.7	50.5
- Share options granted by a subsidiary	-	-	-	-	0.6	0.6	-	1.2	1.8
- Additional investment in subsidiaries	-	-	-	-	(2.1)	(2.1)	-	2.1	-
Transfer during the year									
- Regulatory reserve of an associate	-	-	(5.6)	-	5.6	-	-	-	-
Dividends	-	-	-	-	-	-	-	(85.4)	(85.4)
<b>Balance at 31 December 2021</b>	<b>2,735.7</b>	<b>17.1</b>	<b>148.2</b>	<b>412.7</b>	<b>(34.7)</b>	<b>3,279.0</b>	<b>609.6</b>	<b>1,576.8</b>	<b>5,465.4</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 year ended 31 December 2022**

<b>(All figures are stated in RM million)</b>	<b>2022</b>	<b>2021</b>
<b>Operating activities</b>		
Receipts from customers	15,182.5	10,979.6
Cash paid to suppliers and employees	(13,891.9)	(10,044.2)
	<u>1,290.6</u>	<u>935.4</u>
Tax and zakat paid	(311.6)	(187.6)
Net cash generated from operating activities	<u>979.0</u>	<u>747.8</u>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(222.3)	(131.4)
Purchase of right-of-use assets	(11.2)	(20.3)
Purchase of intangible assets	(19.3)	(15.0)
Investment in an associate	-	(3.0)
Purchase and development of property development	(152.7)	(78.5)
Disposal of investment property	-	129.0
Disposal of property, plant and equipment	26.6	19.9
Disposal of right-of-use assets	-	4.2
Disposal of assets classified as held for sale	387.7	138.1
Disposal of a subsidiary	-	225.9
Partial disposal of shares in a subsidiary	-	50.5
Deposit received	-	51.6
Dividends received - others	99.5	7.3
Placement of fixed deposits	-	(0.4)
Disposal of quoted shares	3.4	0.4
Interest received - others	31.6	8.0
Subsequent expenditure on investment properties	(6.1)	(4.7)
Net cash generated from investing activities	<u>137.2</u>	<u>381.6</u>
<b>Financing activities</b>		
Transactions with holders of Perpetual Sukuk	(62.5)	(56.4)
New loans	46.2	50.6
Loans repayment	(119.8)	(507.1)
Net withdrawal of revolving credits and bankers' acceptances	(116.6)	(120.7)
Interest paid	(332.4)	(364.0)
Repayment of lease liabilities	(28.9)	(24.3)
Advances to joint ventures	-	(35.3)
Dividend paid - others	(215.6)	(85.4)
Net cash used in financing activities	<u>(829.6)</u>	<u>(1,142.6)</u>
Net increase/(decrease) in cash and cash equivalent	286.6	(13.2)
Foreign currency translation difference	(0.4)	0.1
Cash and cash equivalent at beginning of year	382.7	395.8
<b>Cash and cash equivalent at end of year</b>	<u>668.9</u>	<u>382.7</u>
<b>Analysis of cash and cash equivalents</b>		
Deposits, cash and bank balances	764.3	463.5
Overdrafts	(36.5)	(45.4)
Deposits with maturity more than 3 months	(60.6)	(49.5)
Cash and bank balance classified as assets held for sale	1.7	14.1
<b>Cash and cash equivalent at end of year</b>	<u>668.9</u>	<u>382.7</u>

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 year ended 31 December 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 101 – Non-current Liabilities with Covenants	1 January 2024
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 year ended 31 December 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 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 2<sup>nd</sup> half of the year.

**5. Unusual Items Due to Their Nature, Size or Incidence**

During the year, there was a writedown of slow moving Covid-19 vaccines inventories amounting to RM552.3 million in Pharmaniaga Berhad, a 52% subsidiary of Boustead Holdings Berhad. The writedown is made in adherence to the requirement of MFRS 102- Inventories.

Hence, Pharmaniaga Berhad had triggered one of the prescribed criteria under Paragraph 2.1 (a) of Practice Note 17 (PN17) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), as the shareholders' equity of Pharmaniaga Berhad is less than RM40 million and is 25% or less of its issued and paid-up capital. Pharmaniaga Berhad is currently looking into formulating a plan to regularise its financial condition ("Regularisation Plan") for submission to the relevant authorities.

There were no other unusual items affecting assets, liabilities, equity, net income, or cash flows during the year except the items mentioned above.

**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**

The Directors had on 29 December 2022 declared a 1<sup>st</sup> interim dividend of 1.5 sen (2021: Nil) per share in respect of the financial year ending 31 December 2022. The dividend will be paid on 27 March 2023 to shareholders registered in the Register of Members at the close of business on 28 February 2023.



## Boustead Holdings Berhad 196001000193 (3871-H)

## Notes to the interim financial report for the year ended 31 December 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 year ended 31 December 2022</b>							
<b>Revenue</b>							
Group total sales	1,310.7	1,176.9	138.6	3,511.1	8,991.3	(19.4)	15,109.2
Inter-segment sales	(19.4)	-	-	-	-	19.4	-
External sales	1,291.3	1,176.9	138.6	3,511.1	8,991.3	-	15,109.2
<b>Operating cost</b>	<b>(1,032.3)</b>	<b>(884.2)</b>	<b>(224.3)</b>	<b>(3,430.5)</b>	<b>(8,845.8)</b>	-	<b>(14,417.1)</b>
<b>Results from operations</b>	<b>259.0</b>	<b>292.7</b>	<b>(85.7)</b>	<b>80.6</b>	<b>145.5</b>	-	<b>692.1</b>
Gain on disposal of properties	-	458.7	6.8	-	-	-	465.5
Reversal/(Impairment) of property, plant and equipment	8.7	2.4	(0.1)	-	67.1	-	78.1
Impairment of goodwill	-	-	-	(50.3)	-	-	(50.3)
Writedown of inventories	-	(0.5)	-	(571.9)	-	-	(572.4)
Fair value gain on investment properties	0.4	-	-	-	-	-	0.4
Other investment results	-	-	-	-	8.8	-	8.8
Share of results of associates	(5.9)	4.9	-	-	282.9	-	281.9
Share of results of joint ventures	(155.3)	-	2.1	-	-	-	(153.2)
<b>Profit/(loss) before interest, taxation and zakat</b>	<b>106.9</b>	<b>758.2</b>	<b>(76.9)</b>	<b>(541.6)</b>	<b>504.3</b>	-	<b>750.9</b>
Finance cost	(92.5)	(34.3)	(87.6)	(41.8)	(177.2)	96.8	(336.6)
Interest income	20.2	5.1	1.0	0.9	101.2	(96.8)	31.6
<b>Profit/(loss) before taxation and zakat</b>	<b>34.6</b>	<b>729.0</b>	<b>(163.5)</b>	<b>(582.5)</b>	<b>428.3</b>	-	<b>445.9</b>
Taxation and zakat							(316.9)
<b>Profit for the year</b>							<b>129.0</b>
<b>Other Information</b>							
Depreciation and amortisation	(21.3)	(126.0)	(35.6)	(36.4)	(99.8)	-	(319.1)
Gain/(loss) on disposal - other assets	0.7	(6.8)	0.2	-	0.3	-	(5.6)
Other non-cash expense*	(0.4)	-	(0.1)	-	-	-	(0.5)

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 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
<b>For the year ended 31 December 2021</b>							
<b>Revenue</b>							
Group total sales	645.5	1,050.0	373.7	4,815.0	4,441.6	(20.3)	11,305.5
Inter-segment sales	(20.3)	-	-	-	-	20.3	-
External sales	625.2	1,050.0	373.7	4,815.0	4,441.6	-	11,305.5
<b>Operating cost</b>	(587.8)	(659.4)	(313.6)	(4,476.9)	(4,302.5)	-	(10,340.2)
<b>Results from operations</b>	37.4	390.6	60.1	338.1	139.1	-	965.3
Writedown of inventories	-	-	-	(26.7)	-	-	(26.7)
Gain on disposal of properties	100.6	-	-	-	3.3	-	103.9
Impairment of property, plant and equipment	(0.3)	-	-	-	(0.3)	-	(0.6)
Impairment of goodwill	-	-	(6.1)	(2.7)	-	-	(8.8)
Fair value gain/(loss) on investment properties	1.4	-	-	-	(0.3)	-	1.1
Other investment result	(1.6)	-	-	-	2.6	-	1.0
Share of results of associates	(3.7)	1.4	-	-	119.7	-	117.4
Share of results of joint ventures	(52.2)	-	(11.9)	-	-	-	(64.1)
<b>Profit before interest, taxation and zakat</b>	81.6	392.0	42.1	308.7	264.1	-	1,088.5
Finance cost	(106.8)	(48.1)	(83.3)	(39.2)	(190.1)	115.4	(352.1)
Interest income	18.1	0.9	0.9	1.5	118.3	(115.4)	24.3
<b>(Loss)/profit before taxation and zakat</b>	(7.1)	344.8	(40.3)	271.0	192.3	-	760.7
Taxation and zakat							(281.5)
<b>Profit for the year</b>							479.2
<b>Other Information</b>							
Depreciation and amortisation	(24.0)	(130.3)	(11.5)	(33.4)	(92.0)	-	(291.2)
Gain/(loss) on disposal							
- other assets	0.8	(0.7)	0.2	-	(0.5)	-	(0.2)
Other non-cash income/(expense)*	3.0	1.3	25.0	(38.2)	(8.6)	-	(17.5)

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

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

## Boustead Holdings Berhad 196001000193 (3871-H)

## Notes to the interim financial report for the year ended 31 December 2022

## 8. Segmental Information (Cont'd.)

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

RM million	Property & Plantation		Heavy Industries	Pharmaceutical	Trading, Finance & Investment	Elim'n	Total
	Industrial	Plantation					
<b>For the year ended 31 December 2022</b>							
Sale of produce	-	1,176.2	-	-	-	-	1,176.2
Sale of petroleum products	-	-	-	-	8,805.6	-	8,805.6
Sale of pharmaceutical products	-	-	-	3,511.1	-	-	3,511.1
Sale of building materials	271.7	-	-	-	-	-	271.7
Shipbuilding and repair	-	-	135.1	-	-	-	135.1
Sale of development properties	789.4	-	-	-	-	-	789.4
Hotel operations	109.3	-	-	-	-	-	109.3
Tuition fees	-	-	-	-	166.9	-	166.9
Others	3.6	0.7	0.2	-	18.8	-	23.3
Revenue from contracts with customers	1,174.0	1,176.9	135.3	3,511.1	8,991.3	-	14,988.6
Rental income	117.3	-	3.3	-	-	-	120.6
<b>Total revenue</b>	<b>1,291.3</b>	<b>1,176.9</b>	<b>138.6</b>	<b>3,511.1</b>	<b>8,991.3</b>	<b>-</b>	<b>15,109.2</b>

**Timing of Revenue Recognition**

Goods/services transferred:

- At a point in time	954.6	1,176.2	-	3,511.1	8,824.4	-	14,466.3
- Over time	219.4	0.7	135.3	-	166.9	-	522.3
	<b>1,174.0</b>	<b>1,176.9</b>	<b>135.3</b>	<b>3,511.1</b>	<b>8,991.3</b>	<b>-</b>	<b>14,988.6</b>

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

**Timing of Revenue Recognition**

Goods/services transferred:

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

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 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 February 2023 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 December 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 February 2023. No other contingent liability has arisen since the financial year end.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 2022****14. Commitments**

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

	<b>Authorised but not contracted RM million</b>	<b>Authorised and contracted RM million</b>
Capital expenditure	<u>658.7</u>	<u>89.4</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	17.7	19.3
Write off	-	(6.5)	(6.5)
Foreign exchange fluctuation	(1.9)	(0.9)	(2.8)
At 31 December 2022	<u>259.4</u>	<u>108.0</u>	<u>367.4</u>
<b>Accumulated amortisation and impairment</b>			
At 1 January 2022	-	19.1	19.1
Amortisation	-	5.9	5.9
Impairment	50.3	-	50.3
Foreign exchange fluctuation	-	(0.9)	(0.9)
At 31 December 2022	<u>50.3</u>	<u>24.1</u>	<u>74.4</u>
<b>Net carrying amount</b>			
At 31 December 2022	209.1	83.9	293.0
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 year ended 31 December 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 31 December 2022 (All figures are stated in RM million)	Current Period		+/(-)
	2022	2021	%
<b>Revenue</b>	<b>3,692.6</b>	2,960.3	25%
<b>Operating cost:</b>			
- Depreciation and amortisation	(99.3)	(72.8)	-36%
- Other operating cost	(3,553.3)	(2,478.9)	-43%
<b>Results from operations</b>	<b>40.0</b>	408.6	-90%
Gain on disposal of properties	97.8	10.4	840%
Reversal/(Impairment) of property, plant and equipment	78.1	(0.6)	13117%
Writedown of inventories	(561.8)	(12.1)	-4543%
Impairment of goodwill	(50.3)	(8.8)	-472%
Fair value gain on investment properties	0.4	1.1	-64%
Other investment results	(6.1)	(1.1)	-455%
Share of results of associates and joint ventures	(102.8)	(1.1)	-9245%
<b>(Loss)/Profit before interest, tax and zakat</b>	<b>(504.7)</b>	396.4	-227%
Net finance cost	(81.4)	(78.1)	-4%
<b>(Loss)/Profit before taxation and zakat</b>	<b>(586.1)</b>	318.3	-284%
Taxation and zakat	(89.5)	(116.4)	23%
<b>(Loss)/ Profit for the period</b>	<b>(675.6)</b>	201.9	-435%
<b>(Loss)/ Profit attributable to shareholders of the Company</b>	<b>(402.3)</b>	78.6	-612%
<b>(LBITDA)/EBITDA</b>	<b>(246.6)</b>	479.1	-151%

For the 4<sup>th</sup> quarter ended 31 December 2022 (4QFY22), the Group posted a loss before taxation and zakat (LBT) of RM586.1 million against last year's corresponding quarter's (4QFY21) PBT of RM318.3 million. The deficit was mainly due to the writedown of slow moving Covid-19 vaccine inventories of RM552.3 million in Pharmaceutical Division in adherence to the requirement of MFRS 102 - Inventories, as well as weaker contributions from the other Divisions.

The **Plantation Division** recorded a reduced PBT of RM109.9 million (4QFY21: RM137.2 million) mainly due to lower palm products prices and an increase in estates' input costs. Nevertheless, this was partly negated by the profit on disposal of land during the quarter. In 4QFY22, the **Trading, Finance & Investment Division** posted a higher PBT of RM88.2 million (4QFY21: RM78.7 million) due to reversal of impairment on property, plant and equipments. In 4QFY22, **Property & Industrial Division** incurred a LBT of RM58.2 million (4QFY21: LBT of RM28.6 million) mainly due to higher share of loss in a joint venture. The **Heavy Industries Division** also recorded a deficit for the quarter of RM87.6 million (4QFY21: PBT of RM8.1 million) on variation of milestone achieved for both shipbuilding and ship repair segments and provision on expected credit loss. As for **Pharmaceutical Division**, the current quarter loss after the writedown of slow moving Covid-19 vaccine inventories stood at RM638.4 million (4QFY21: PBT of RM122.9 million).

Consequently, the Group registered loss after taxation and zakat (LAT) for the quarter of RM675.6 million as compared to profit after taxation and zakat (PAT) for 4QFY21 of RM201.9 million while the net loss after allocation to non-controlling interest and perpetual sukuk stood at RM402.3 million (4QFY21: net profit of RM78.6 million).

In 4QFY22, the Group's posted a loss before interest, tax, depreciation and amortisation (LBITDA) of RM246.6 million against RM479.1 million of earnings before interest, tax, depreciation and amortisation (EBITDA) in 4QFY21 attributable to lower results from operations and the writedown of slow moving Covid-19 vaccine inventories in Pharmaceutical Division.

## Boustead Holdings Berhad 196001000193 (3871-H)

## Notes to the interim financial report for the year ended 31 December 2022

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

**Results for Cumulative Period**

<b>For the year ended 31 December 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	1,291.3	625.2	107%
Plantation	1,176.9	1,050.0	12%
Heavy Industries	138.6	373.7	-63%
Pharmaceutical	3,511.1	4,815.0	-27%
Trading, Finance & Investment	8,991.3	4,441.6	102%
	<b>15,109.2</b>	<b>11,305.5</b>	<b>34%</b>
<b>Operating cost:</b>			
- Depreciation and amortisation	(319.1)	(291.2)	-10%
- Other operating cost	(14,098.0)	(10,049.0)	-40%
<b>Results from operations</b>	<b>692.1</b>	<b>965.3</b>	<b>-28%</b>
Gain on disposal of properties	465.5	103.9	348%
Reversal/(Impairment) of property, plant and equipment	78.1	(0.6)	13117%
Writedown of inventories	(572.4)	(26.7)	-2044%
Impairment of goodwill	(50.3)	(8.8)	-472%
Fair value gain on investment properties	0.4	1.1	-64%
Other investment results	8.8	1.0	780%
Share of results of associates and joint ventures	128.7	53.3	141%
<b>Profit before interest, tax and zakat</b>	<b>750.9</b>	<b>1,088.5</b>	<b>-31%</b>
Net finance cost	(305.0)	(327.8)	7%
<b>Profit/(loss) before taxation and zakat:</b>			
Property & Industrial	34.6	(7.1)	587%
Plantation	729.0	344.8	111%
Heavy Industries	(163.5)	(40.3)	-306%
Pharmaceutical	(582.5)	271.0	-315%
Trading, Finance & Investment	428.3	192.3	123%
	<b>445.9</b>	<b>760.7</b>	<b>-41%</b>
Taxation and zakat	(316.9)	(281.5)	-13%
<b>Profit for the year</b>	<b>129.0</b>	<b>479.2</b>	<b>-73%</b>
<b>Profit attributable to shareholders of the Company</b>	<b>62.0</b>	<b>170.1</b>	<b>-64%</b>
<b>EBITDA</b>	<b>982.4</b>	<b>1,333.1</b>	<b>-26%</b>

For the cumulative period ended 31 December 2022 (FY2022), the Group posted a lower PBT of RM445.9 million as compared to PBT of RM760.7 million recorded last year (FY2021). The shortfall in PBT was mainly attributable to the writedown of slow moving Covid-19 vaccine inventories of RM552.3 million as mentioned earlier which negated the higher gain from the disposal of plantation lands and a better share of profit in Affin Bank. Details of performance by Divisions are discussed in the following sections.

The Group also recorded a lower PAT of RM129.0 million (FY2021: RM479.2 million) while the net profit for the year (after allocation to non-controlling and perpetual sukuk) stood at RM62.0 million (FY2021: RM170.1 million).

Consequently, EBITDA for the year was also lower at RM982.4 million (FY2021: EBITDA of RM1,333.1 million).

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

The Group's revenue for FY2022 stood at RM15.11 billion, an increase of 34%, from RM11.31 billion recorded last year. An analysis of the revenue of each Divisions is as follows:

- (i) During the year, **Property & Industrial Division's** revenue increased to RM1,291.3 million, more than double from RM625.2 million attained a year ago. This was achieved on the back of sale of industrial land in Bukit Raja, Klang and land held for development in Jalan Cochrane. The improvement in revenue was also contributed by revision of sales price and higher export sales from UAC Berhad as well as better occupancy and average room rates attained by our hotels.
- (ii) For FY2022, the **Plantation Division** recorded better revenue of RM1,176.9 million (FY2021: RM1,050.0 million), an increase of 12%, mainly due to 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>5,066</b>	4,341	725	17%
Palm kernel (PK)	<b>3,156</b>	2,922	234	8%
<b>Palm product production</b>		<b>MT</b>		<b>%</b>
CPO	<b>216,047</b>	220,773	(4,726)	-2%
PK	<b>41,639</b>	42,542	(903)	-2%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM138.6 million (FY2021: RM373.7 million) primarily due to the variation in milestones for the Littoral Mission Ship (LMS) project and lower maintenance, repair and overhaul (MRO) activities for the submarine contracts.
- (iv) For FY2022, the **Pharmaceutical Division** recorded a lower revenue of RM3.5 billion (FY2021: RM4.8 billion) as Malaysia entered the endemic phase. Nevertheless, the impact was partly offset by the positive growth in concession business, private sector and Indonesian segment.
- (v) During the year, the **Trading, Finance & Investment Division** registered an improved revenue of RM9.0 billion, more than double from RM4.4 billion achieved in FY2021. The main driver is Boustead Petroleum Marketing, on the back of higher sales volume and better average fuel prices.



**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 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 FY2022, the Property & Industrial Division posted a higher PBT of RM34.6 million (FY2021: LBT of RM7.1 million) arising mainly from the sale of industrial lands in Bukit Raja and land held for development in Jalan Cochrane, negated by the share of fair value loss on an investment property in a joint venture.

The hotel segment recorded better operational performance as compared with FY2021 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 year with a lower profit due to higher material and maintenance costs.

**(ii) Plantation Division**

During the year the Plantation Division registered a commendable PBT of RM729.0 million (FY2021: PBT of RM344.8 million) mainly due to gain on disposal of plantation lands amounting to RM458.7 million.

At the operational level, the Division recorded a reduced profit from operation of RM294.6 million (FY2021: RM390.6 million) on lower FFB production, higher operating cost and unfavourable effect on fair value movement of biological assets.

For FY2022, the Division's FFB production of 871,287 MT was 6% below FY2021's crop of 923,471 MT. FFB yield reduced from 13.3 MT per Hectare in FY2021 to 13.0 MT per Hectare. Oil and kernel extraction rates for the year were also lower at 20.6% (FY2021: 21.2%) and 4.0% (FY2021: 4.1%) respectively.

**(iii) Heavy Industries Division**

The Heavy Industries Division closed the year with a higher LBT of RM163.5 million (FY2021: LBT of RM40.3 million) on lower contribution from both shipbuilding and ship repair activities. In addition, the bottom line was also hit by allowance of expected credit losses of RM28.2 million.

**(iv) Pharmaceutical Division**

In FY2022, the Pharmaceutical Division incurred a huge LBT of RM582.5 million (FY2021: PBT of RM271.0 million). As mentioned earlier, the Division's bottom line was hit by the writedown of slow moving Covid-19 vaccine inventories of RM552.3 million, in adherence to the requirement of MFRS 102 - Inventories. In addition, the Division had made an impairment of goodwill of RM50.3 million during the period.

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

For FY2022, the Trading, Finance & Industrial Division posted a PBT of RM428.3 million, an increase of 123%, from FY2021's PBT of RM192.3 million. The main contributors for the good performance were BPM and Affin Bank. The bottom line was also helped by the reversal on impairment of property, plant and equipment of RM67.1 million.

During the year, BPM registered a higher PBT on the back of better revenue as mentioned earlier.

In FY2022, Affin Bank Berhad registered a net profit of RM1.3 billion (FY2021: RM580.3 million) having benefitted from gain on the divestment of Affin Hwang Asset Management Berhad which boosted our share of result in associate.

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

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

The lower inventories were mainly due to the writedown of slow moving Covid-19 vaccine inventories amounting to RM552.3 million.

**Statement of Cash Flows**

For FY2022, the Group recorded a cash inflow from operation of RM979.0 million (FY2021: RM747.8 million) due to surplus on net cash receipts from customers, mainly from Property & Industrial and Plantation Divisions. Meanwhile, the Group recorded lower cash inflow from investing activities of RM137.2 million (FY2021: RM381.6 million) mainly due to higher purchase of property, plant and equipment and cost incurred for property development. The Group recorded a lower cash outflow from financing activities of RM829.6 million (FY2021: RM1,142.6 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 year ended 31 December 2022

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

For the year ended 31 December 2022	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	31.12.2022	30.9.2022	%
<b>Revenue:</b>			
Property & Industrial	362.9	153.5	136%
Plantation	263.5	240.3	10%
Heavy Industries	31.2	45.2	-31%
Pharmaceutical	863.1	924.7	-7%
Trading, Finance & Investment	2,171.9	2,302.9	-6%
	<u>3,692.6</u>	<u>3,666.6</u>	1%
<b>Operating cost:</b>			
- Depreciation and amortisation	(99.3)	(86.8)	-14%
- Other operating cost	(3,553.3)	(3,613.8)	2%
<b>Results from operations</b>	<u>40.0</u>	<u>(34.0)</u>	218%
Gain on disposal of properties	97.8	-	100%
Reversal/ (Impairment) of impairment of property, plant and equipment	78.1	-	100%
Writedown of inventories	(561.8)	(2.3)	-24326%
Impairment of goodwill	(50.3)	-	-100%
Fair value gain on investment properties	0.4	-	100%
Other investment results	(6.1)	14.9	-141%
Share of result of associates and joint ventures	(102.8)	177.7	-158%
<b>(Loss)/Profit before interest, taxation and zakat</b>	<u>(504.7)</u>	<u>156.3</u>	-423%
Net finance cost	(81.4)	(77.9)	-4%
<b>(Loss)/Profit before taxation and zakat:</b>			
Property & Industrial	(58.2)	(15.8)	-268%
Plantation	109.9	(2.1)	5333%
Heavy Industries	(87.6)	(24.5)	-258%
Pharmaceutical	(638.4)	14.9	-4385%
Trading, Finance & Investment	88.2	105.9	-17%
	<u>(586.1)</u>	<u>78.4</u>	-848%
Taxation and zakat	(89.5)	8.5	-1153%
<b>(Loss)/ Profit for the year</b>	<u>(675.6)</u>	<u>86.9</u>	-877%
<b>(Loss)/Profit attributable to shareholders of the Company</b>	<u>(402.3)</u>	<u>99.6</u>	-504%
<b>(LBITDA)/EBITDA</b>	<u>(246.6)</u>	<u>50.5</u>	-588%

For 4QFY22, the Group incurred a LBT of RM586.1 million as compared with PBT of RM78.4 million for the quarter ended 30 September 2022 (3QFY22). In addition to the writedown of slow moving Covid-19 vaccine inventories of RM552.3 million during the quarter, the other Divisions (barred Plantation Division) recorded weaker results. Details of comparison for the Divisions' performance between 4QFY22 and 3QFY22 is presented on the next section.

The Group's LAT for the quarter stood at RM675.6 million (3QFY22: PAT of RM86.9 million) while net loss after allocation to non-controlling interest and perpetual sukuk was at RM402.3 million (3QFY22: net profit of RM99.6 million).

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 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 4QFY22, the Property & Industrial Division incurred a higher LBT of RM58.2 million (3QFY22: LBT of RM15.8 million) as better gain on disposal of land held for development during the quarter was offset by the increase in share of loss in a joint venture due to fair value loss on its investment property.

**(ii) Plantation Division**

During the quarter, the Plantation Division posted a PBT of RM109.9 million against the LBT of RM2.1 million in 3QFY22, on the back of gain from the disposal of plantation land of RM91.0 million. At the operating level, the profit was also higher due to better FFB production, lower manuring cost and lower fair value loss on biological assets.

The average CPO price for 4QFY22 stood at RM3,958 per MT, lower by RM131 as compared with last quarter's price of RM4,089 per MT. On the other hand, FFB production for the quarter of 251,715 MT improved by 11% from 3QFY22's crop of 227,335 MT.

**(iii) Heavy Industries Division**

In 4QFY22, the Heavy Industries Division recorded a higher LBT of RM87.6 million (3QFY22: LBT of RM24.5 million) on variation of milestone for both shipbuilding and ship repair activities as well as allowance for expected credit loss.

**(iv) Pharmaceutical Division**

For the current quarter, the Pharmaceutical Division recorded a huge LBT of RM638.4 million (3QFY22: PBT of RM14.9 million) on the writedown of slow moving Covid-19 vaccine inventories and impairment of goodwill of RM50.3 million as explained earlier.

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

For 4QFY22, the Trading, Finance & Investment registered a lower PBT of RM88.2 million (3QFY22: PBT of RM105.9 million). The bottom line for previous quarter was boosted by one-off gain of disposal of Affin Hwang Assets Management Berhad which resulted in higher share of profit in associates for 3QFY22.

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

For 2023, the Malaysian GDP growth is expected to be modest with inflationary pressure, tightening monetary policy in many countries and slowing in external trade on sluggish global demand. Nonetheless, the Group's diversified portfolios together with the Reinventing Boustead Strategy can accelerate value creation with performance improvement programmes, tap into new revenue streams and streamline non-strategic assets.

**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.

Prices of palm oil are expected to stabilise in 2023 after a volatile market in 2022 on higher inventory levels in Malaysia and Indonesia following of expected increase in mature areas, better weather conditions as well as improved labour supply.

Meanwhile, production cost is expected to remain at higher levels in 2023 due to global inflation.

Despite the challenges, the Division is positive on its production for the coming year on better labour supply and efforts to mechanise, automate and digitalise operations.

**Pharmaceutical Division**

In the coming year, the Division is confident to be able to register better performance as both domestic and Indonesian segments are expected to maintain growth.

On the domestic front, the Division forecasts that the private market segment to maintain the similar growth in 2023. As for the concession business segment, the date of finalisation for renewal of the concession agreement was extended to June 2023 and the Division is hopeful of a favourable outcome. Meanwhile, the Division will continue its effort to negotiate with various parties including overseas market for the sale of the remaining Covid-19 vaccine inventories.

The Division is optimistic that the Indonesia segment will continue to perform well and will be crucial for the Division's future growth by gaining more foothold in the country.

**Property & Industrial Division**

The property market has demonstrated signs of staying on its recovery path. The OPR hike pause by Bank Negara and temporary easing of rules on hiring of foreign workers as announced by the Home Ministry may see an increase in earnings for 2023 due to the speeding up of site progress and earnings recognition.

The property investment segment will continue to benefit from resilient rental income streams from lettable assets and spaces. Generally, the market has seen an increase in office leasing activity as most corporate occupiers are either back in the office or have moved into hybrid working arrangements. Meanwhile for the retail segment, the biggest challenges are the substantial rise in prices of goods and services, the shortage of staff, and the increase in the supply of retail floor space with the completion and impending completion of several new malls, especially in the Klang Valley.

With the relaxation of COVID-19 restrictions post-pandemic, particularly from China, the hotel segment is expected to see improvement for 2023 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 year ended 31 December 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. 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 2023, the fuel price is expected to average between USD80 and USD95 per barrel. 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 year ended 31 December 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	47.4	268.1
- Deferred	19.4	15.8
	66.8	283.9
Under provision of prior years	27.9	28.3
	94.7	312.2

The Group's effective rate for the current and cumulative quarter is higher than statutory tax rate as certain expenses are non-deductible for tax purposes and non-availability of group relief for certain subsidiaries.

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****(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 year ended 31 December 2022****22. Corporate Proposals - Status (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 (SPA) 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 while the balances will be paid in 2023.

The disposal was completed on 20 December 2022 as the condition precedents in the SPA has been fulfilled. The balance of the purchase consideration was received in January 2023.

There were no other corporate proposals announced or pending completion as at 28 February 2023.



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

On 16 November 2022, BHIC and BHICDT filed the application to strike out the suit while BNS filed the same application on 25 November 2022. The Court has fixed 5 April 2023 for the hearing of the striking out applications.

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 February 2023, 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 year ended 31 December 2022****24. (Loss)/ Earnings Per Share - Basic/diluted**

	<b>Current Period</b>		<b>Cumulative Period</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net (loss)/ profit for the period (RM million)	<b>(402.3)</b>	78.6	<b>62.0</b>	170.1
Weighted average number of ordinary shares in issue (million)	<b>2,027.0</b>	2,027.0	<b>2,027.0</b>	2,027.0
Basic/diluted (loss)/earnings per share (sen)	<b>(19.85)</b>	3.88	<b>3.06</b>	8.39

**25. Group Borrowings and Debt Securities**

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

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>RM million</b>	<b>RM million</b>
<b>Non-current:</b>		
Term loans		
- Denominated in RM	<b>711.2</b>	740.9
- Denominated in Great Britain Pound	-	45.9
	<b>711.2</b>	786.8
Islamic medium term notes	<b>2,046.5</b>	2,044.4
Revolving credits	<b>282.3</b>	392.3
	<b>3,040.0</b>	3,223.5
Less: repayable in 1 year	<b>290.9</b>	166.3
	<b>2,749.1</b>	3,057.2
<b>Current:</b>		
Bank overdrafts	<b>36.5</b>	45.4
Bankers' acceptances		
- Denominated in RM	<b>737.2</b>	559.2
- Denominated in Indonesian Rupiah	<b>173.1</b>	146.7
Revolving credits	<b>2,806.1</b>	3,017.1
Short term loans	<b>290.9</b>	166.3
	<b>4,043.8</b>	3,934.7
<b>Total borrowings</b>	<b>6,792.9</b>	6,991.9

As at 31 December 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 5.2% (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.

One of the subsidiaries, Pharmaniaga Berhad, did not meet certain financial covenants for the term loan and term out revolving credit facilities as at 31 December 2022. Accordingly, the carrying value of the term loan and term out revolving credit facilities of RM93.5 million were classified as current liabilities. Pharmaniaga Berhad is currently engaging with financiers to obtain the indulgence.

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 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 RM588.0 million (2021: RM675.4 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM1.3 million (FY2021: RM2.4 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM14.3 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 was secured against a property owned by the subsidiary.

All the other borrowings are unsecured.

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	<u>31.12.2022</u>	<u>31.12.2021</u>
Denominated in Great Britain Pound	-	8.1
Denominated in Indonesian Rupiah	<b>613,830</b>	502,397
Exchange rate:		
- Great Britain Pound	<b>5.29</b>	5.64
- Indonesian Rupiah	<b>0.0282</b>	0.0292

**Boustead Holdings Berhad 196001000193 (3871-H)****Notes to the interim financial report for the year ended 31 December 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
Net fair value gain on investment properties	(0.4)	(1.1)	(0.4)	(1.1)
Depreciation and amortisation	99.3	72.8	319.1	291.2
Net provision for expected credit losses	22.1	2.9	24.9	14.1
Writedown/(writeback) of inventories	561.8	11.2	572.4	25.8
Impairment of property, plant and equipment	0.5	0.6	0.5	0.6
Reversal of impairment of property, plant and equipment	(78.6)	-	(78.6)	-
Impairment of goodwill	50.3	8.8	50.3	8.8
Impairment and write off of intangible assets	6.0	6.8	6.5	8.0
Gain on disposal of properties	(97.8)	(10.4)	(465.5)	(103.9)
Loss on disposal of other property, plant and equipment	1.1	2.8	5.6	0.2
Net foreign exchange (gain)/loss	(1.7)	(17.6)	23.5	(22.6)
Net fair value loss/(gain) on derivatives	15.7	(1.4)	(20.1)	(2.7)

**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 year ended 31 December 2022****27. Other Disclosures (Cont'd.)****b) Variation of terms and conditions of the Perpetual Sukuk**

On 28 December 2022, Boustead Holdings Berhad (the Company) received approval from the Sukuk holders of the Junior Islamic Medium Term Notes Programme of up to RM1.2 billion (Perpetual Sukuk) to vary the terms and conditions of the Perpetual Sukuk. As of 31 December 2022, the carrying amount of Perpetual Sukuk in the Company's book stood at RM609.8 million.

The variation to the terms and conditions of the Perpetual Sukuk involves optional redemption of any tranche of the Perpetual Sukuk where the Company is given the option to redeem part (not whole) of the such tranche of Perpetual Sukuk on any date (irrespective of the periodic distribution date of such tranche), provided that the Company also redeems all the other tranches on a proportionate basis, on the same redemption date (irrespective of the periodic distribution dates of such other tranches) together with payment of profit calculated from the most recent periodic distribution dates of such other tranches to the same redemption date.

On 2 February 2023, the Company entered into supplementary agreements to the trust deed and programme agreement with Pacific Trustee Berhad as the trustee and Affin Hwang Investment Bank Berhad as the lead arranger and facility agent respectively to effect the variation to the terms and conditions of the Perpetual Sukuk.

**c) Plantation Statistics**

		<b>Cumulative Period</b>	
		<b>2022</b>	<b>2021</b>
<b>(i) Crop production and yield</b>			
	FFB (MT)	<b>871,287</b>	923,471
	FFB (MT/ha)	<b>13.0</b>	13.3
	Crude palm oil (CPO) production (MT)	<b>216,047</b>	220,773
	Palm kernel (PK) production (MT)	<b>41,639</b>	42,542
<b>(ii) Average selling prices (RM per MT)</b>			
	FFB	<b>1,143</b>	946
	CPO	<b>5,066</b>	4,341
	PK	<b>3,156</b>	2,922
<b>(iii) Oil extraction rate (%)</b>			
	CPO	<b>20.6</b>	21.2
	PK	<b>4.0</b>	4.1
<b>(iv) Planted areas (hectares)</b>			
		<b>As at</b>	<b>As at</b>
		<b>31.12.2022</b>	<b>31.12.2021</b>
Oil palm	- immature	<b>7,333</b>	5,484
	- young mature	<b>12,639</b>	12,824
	- prime mature	<b>19,939</b>	20,173
	- past prime	<b>32,380</b>	34,972
		<b>72,291</b>	<b>73,453</b>