

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

For the period ended 31 March 2023	Current Period		Cumulative Period	
(All figures are stated in RM million)	2023	2022	2023	2022
Revenue	3,237.5	3,438.4	3,237.5	3,438.4
Operating cost	(3,200.0)	(3,074.5)	(3,200.0)	(3,074.5)
Results from operations	37.5	363.9	37.5	363.9
Gain on disposal of properties	-	364.1	-	364.1
Share of results of associates	34.2	32.2	34.2	32.2
Share of results of joint ventures	(8.4)	(6.8)	(8.4)	(6.8)
Profit before interest, taxation and zakat	63.3	753.4	63.3	753.4
Finance cost	(89.7)	(77.4)	(89.7)	(77.4)
Interest income	10.5	7.1	10.5	7.1
(Loss)/profit before taxation and zakat	(15.9)	683.1	(15.9)	683.1
Taxation	(27.3)	(120.2)	(27.3)	(120.2)
Zakat	-	(3.3)	-	(3.3)
(Loss)/profit for the period	(43.2)	559.6	(43.2)	559.6
Attributable to:				
Shareholders of the Company	(62.8)	290.3	(62.8)	290.3
Holder of Perpetual Sukuk	16.6	15.1	16.6	15.1
Non-controlling interests	3.0	254.2	3.0	254.2
(Loss)/profit for the period	(43.2)	559.6	(43.2)	559.6
(Loss)/Earnings per share - sen				
Basic/diluted	(3.10)	14.32	(3.10)	14.32

The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2022.

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2023	Current Period		Cumulative Period	
(All figures are stated in RM million)	2023	2022	2023	2022
(Loss)/profit for the period	(43.2)	559.6	(43.2)	559.6
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Foreign currency translation	4.1	1.3	4.1	1.3
Share of OCI of investments accounted for using the equity method	9.1	(6.4)	9.1	(6.4)
	13.2	(5.1)	13.2	(5.1)
<i>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</i>				
Net income on equity investment designated at fair value through OCI				
- Fair value changes	-	0.1	-	0.1
- Disposals	-	0.3	-	0.3
	-	0.4	-	0.4
Total comprehensive (loss)/income for the period, net of tax	(30.0)	554.9	(30.0)	554.9
Attributable to:				
Shareholders of the Company	(51.7)	285.3	(51.7)	285.3
Holders of Perpetual Sukuk	16.6	15.1	16.6	15.1
Non-controlling interests	5.1	254.5	5.1	254.5
Total comprehensive (loss)/income for the period, net of tax	(30.0)	554.9	(30.0)	554.9

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2022.

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

As at 31 March 2023	As at 31 March 2023	As at 31 December 2022
ASSETS		
Non current assets		
Property, plant and equipment	4,239.4	4,285.7
Investment properties	1,302.4	1,299.0
Right-of-use assets	2,283.0	2,270.1
Deferred tax assets	13.1	22.9
Associates	2,420.2	2,367.6
Joint ventures	140.6	150.3
Other investments	2.0	1.9
Intangible assets	294.2	293.0
Inventories	490.7	451.8
Receivables	350.4	338.5
	11,536.0	11,480.8
Current assets		
Biological assets	29.2	31.8
Inventories	1,228.9	1,285.7
Contract assets and contract cost assets	802.1	802.4
Receivables	1,557.1	1,491.8
Deposits, cash and bank balances	565.8	769.7
Assets classified as held for sale	29.3	29.3
	4,212.4	4,410.7
TOTAL ASSETS	15,748.4	15,891.5
EQUITY AND LIABILITIES		
Equity attributable to shareholders of the Company		
Share capital	2,735.7	2,735.7
Reserves	512.7	564.4
Shareholders' equity	3,248.4	3,300.1
Perpetual Sukuk	626.4	609.8
Non-controlling interests	1,310.6	1,362.8
Total equity	5,185.4	5,272.7
Non current liabilities		
Borrowings	2,778.1	2,749.1
Payables	13.7	11.3
Lease liabilities	95.1	98.5
Deferred tax liabilities	337.8	359.7
	3,224.7	3,218.6
Current liabilities		
Borrowings	3,986.5	4,043.8
Payables	3,171.5	3,090.1
Contract liabilities	105.4	124.2
Lease liabilities	26.6	17.6
Taxation	46.1	92.2
Dividend payable	-	30.4
Liabilities associated with assets classified as held for sale	2.2	1.9
	7,338.3	7,400.2
Total liabilities	10,563.0	10,618.8
TOTAL EQUITY AND LIABILITIES	15,748.4	15,891.5

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the Year Ended 31 December 2022.

Boustead Holdings Berhad 196001000193 (3871-H)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial period ended 31 March 2023	Attributable to shareholders of the Company						Perpetual Sukuk	Non-Controlling Interests	Total Equity
	Share Capital	*Fair Value Reserve of Financial Assets at FVOCI	*Regulatory Reserve	*Other Reserves	Retained Earnings	Total			
As at 1 January 2023	2,735.7	29.4	90.7	416.8	27.5	3,300.1	609.8	1,362.8	5,272.7
Currency translation difference in respect of foreign operations	-	-	-	2.0	-	2.0	-	2.1	4.1
Share of net loss on financial assets designated at fair value through OCI of an associate	-	9.0	-	-	-	9.0	-	-	9.0
Share of exchange differences on translation of foreign operations of associates	-	-	-	0.1	-	0.1	-	-	0.1
Total other comprehensive income for the period	-	9.0	-	2.1	-	11.1	-	2.1	13.2
(Loss)/profit for the period	-	-	-	-	(62.8)	(62.8)	16.6	3.0	(43.2)
Total comprehensive income/(loss) for the period	-	9.0	-	2.1	(62.8)	(51.7)	16.6	5.1	(30.0)
Transfer during the period									
- Regulatory reserve of an associate	-	-	0.3	-	(0.3)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(57.3)	(57.3)
Balance at 31 March 2023	2,735.7	38.4	91.0	418.9	(35.6)	3,248.4	626.4	1,310.6	5,185.4

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

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

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 2022.

Boustead Holdings Berhad 196001000193 (3871-H)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****For the period ended 31 March 2023**

(All figures are stated in RM million)	2023	2022
Operating activities		
Receipts from customers	3,074.0	3,179.7
Cash paid to suppliers and employees	(2,974.2)	(2,631.2)
	99.8	548.5
Tax and zakat paid	(88.0)	(90.9)
Net cash generated from operating activities	11.8	457.6
Investing activities		
Purchase of property, plant and equipment	(44.1)	(39.3)
Purchase of right-of-use assets	(2.2)	(0.4)
Purchase of intangible assets	(2.1)	(3.0)
Purchase and development of property development	(36.8)	(40.4)
Disposal of property, plant and equipment	88.2	-
Disposal of assets classified as held for sale	-	373.0
Dividends received - others	-	2.5
Disposal of quoted shares	-	2.9
Interest received - others	2.5	2.6
Subsequent expenditure on investment properties	-	(2.8)
Net cash generated from investing activities	5.5	295.1
Financing activities		
New loans	23.6	17.4
Loans repayment	(34.5)	(27.4)
Net repayment of revolving credits and bankers' acceptances	(56.1)	(193.9)
Interest paid	(96.2)	(81.2)
Repayment of lease liabilities	(7.1)	(6.4)
Dividend paid by the Company	(30.4)	-
Dividend paid to non-controlling interests	(57.3)	(80.1)
Net cash used in financing activities	(258.0)	(371.6)
Net (decrease)/increase in cash and cash equivalent	(240.7)	381.1
Foreign currency translation difference	0.1	0.1
Cash and cash equivalent at beginning of period	734.9	432.2
Cash and cash equivalent at end of period	494.3	813.4
Analysis of cash and cash equivalents		
Deposits, cash and bank balances	565.8	855.2
Overdrafts	(71.5)	(52.9)
Cash and bank balance classified as assets held for sale	-	11.1
Cash and cash equivalent at end of period	494.3	813.4

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 2022.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****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 2022. 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 2023, the Group adopted the following new and amended MFRS:

	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts (including amendments on Initial Application of MFRS 17 and MFRS 9 – Comparative Information)	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: 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

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

Standards Issued but not yet Effective

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

	Effective for annual periods beginning on or after
Amendment to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

3. Auditors' Report on Preceding Annual Financial Statements

The audit report of the preceding audited financial statements was not qualified and unmodified with emphasis of matter in relation to the renewal of concession agreement of a Subsidiary.

4. Comments about Seasonal or Cyclical Factors

The Plantation Division's operating result is influenced by both CPO prices and FFB crop production. The cropping pattern for oil palms is influenced by weather conditions. FFB production normally starts with a trough at the beginning of the year and thereafter increases gradually to reach a peak during the second half of the year.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****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 2022, 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

On 27 March 2023, the Company paid a first interim dividend of 1.5 sen per share in respect of the financial year ended 31 December 2022 amounting to RM30.4 million.

For the current quarter, the Directors did not declare any dividend in respect of the financial year ending 31 December 2023.

8. Segmental Information

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 31 March 2023							
Revenue							
Group total sales	170.3	199.7	28.5	880.1	1,964.0	(5.1)	3,237.5
Inter-segment sales	(5.1)	-	-	-	-	5.1	-
External sales	165.2	199.7	28.5	880.1	1,964.0	-	3,237.5
Operating cost	(162.5)	(177.9)	(53.5)	(857.5)	(1,948.6)	-	(3,200.0)
Results from operations	2.7	21.8	(25.0)	22.6	15.4	-	37.5
Share of results of associates	(0.3)	0.4	-	-	34.1	-	34.2
Share of results of joint ventures	(7.6)	-	(0.8)	-	-	-	(8.4)
(Loss)/profit before interest, taxation and zakat	(5.2)	22.2	(25.8)	22.6	49.5	-	63.3
Finance cost	(21.7)	(9.8)	(23.6)	(14.0)	(44.7)	24.1	(89.7)
Interest income	5.4	1.1	1.5	0.7	25.9	(24.1)	10.5
(Loss)/profit before taxation and zakat	(21.5)	13.5	(47.9)	9.3	30.7	-	(15.9)
Taxation and zakat							(27.3)
Loss for the period							(43.2)
Other Information							
Depreciation and amortisation	(7.4)	(30.5)	(2.1)	(9.7)	(23.0)	-	(72.7)
Loss on disposal							
- other assets	-	(0.4)	-	-	-	-	(0.4)
Other non-cash income/(expense)*	0.2	(0.4)	(6.3)	(3.4)	0.7	-	(9.2)

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****8. Segmental Information (Cont'd.)**

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 31 March 2022							
Revenue							
Group total sales	328.8	324.2	36.6	962.2	1,791.6	(5.0)	3,438.4
Inter-segment sales	(5.0)	-	-	-	-	5.0	-
External sales	323.8	324.2	36.6	962.2	1,791.6	-	3,438.4
Operating cost	(261.7)	(172.9)	(39.8)	(916.9)	(1,683.2)	-	(3,074.5)
Results from operations	62.1	151.3	(3.2)	45.3	108.4	-	363.9
Gain on disposal of properties	-	364.1	-	-	-	-	364.1
Share of results of associates	(0.3)	1.8	-	-	30.7	-	32.2
Share of results of joint ventures	(6.3)	-	(0.5)	-	-	-	(6.8)
Profit/(loss) before interest, taxation and zakat	55.5	517.2	(3.7)	45.3	139.1	-	753.4
Finance cost	(21.3)	(8.8)	(20.6)	(8.7)	(42.5)	24.5	(77.4)
Interest income	4.7	1.1	-	0.3	25.5	(24.5)	7.1
Profit/(loss) before taxation and zakat	38.9	509.5	(24.3)	36.9	122.1	-	683.1
Taxation and zakat							(123.5)
Profit for the period							559.6
Other Information							
Depreciation and amortisation	(2.8)	(31.9)	(2.8)	(8.5)	(20.4)	-	(66.4)
Loss on disposal - other assets	-	-	-	-	(0.1)	-	(0.1)
Other non-cash (expense)/income*	(2.0)	-	2.2	(2.1)	1.0	-	(0.9)

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

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

Boustead Holdings Berhad 196001000193 (3871-H)
Notes to the interim financial report for the period ended 31 March 2023
8. Segmental Information (Cont'd.)

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

RM million	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Elim'n	Total
For the period ended 31 March 2023							
Sale of produce	-	199.6	-	-	-	-	199.6
Sale of petroleum products	-	-	-	-	1,924.3	-	1,924.3
Sale of pharmaceutical products	-	-	-	880.1	-	-	880.1
Sale of building materials	74.2	-	-	-	-	-	74.2
Shipbuilding and repair	-	-	27.6	-	-	-	27.6
Sale of development properties	37.5	-	-	-	-	-	37.5
Hotel operations	26.8	-	-	-	-	-	26.8
Tuition fees	-	-	-	-	37.2	-	37.2
Others	0.2	0.1	-	-	3.6	-	3.9
Revenue from contracts with customers	138.7	199.7	27.6	880.1	1,965.1	-	3,211.2
Rental income	25.5	-	0.8	-	-	-	26.3
Total revenue	164.2	199.7	28.4	880.1	1,965.1	-	3,237.5

Timing of Revenue Recognition

Goods/services transferred:

- At a point in time	98.3	199.6	-	880.1	1,927.8	-	3,105.8
- Over time	40.4	0.1	27.6	-	37.3	-	105.4
	138.7	199.7	27.6	880.1	1,965.1	-	3,211.2

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

Timing of Revenue Recognition

Goods/services transferred:

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

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.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****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 29 May 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 2022 Annual Report on the provision of Liquidated Damages (LD) by a joint venture company under Boustead Heavy Industries Corporation Berhad, Boustead DCNS Naval Corporation Sdn Bhd (BDNC), as at 31 March 2023, the total provision of LD after offsetting against billings issued by BDNC was RM60.0 million.

The status of the other contingent liabilities as disclosed in the FY2022 annual financial statements remains unchanged as at 29 May 2023. No other contingent liability has arisen since the financial year end.

14. Commitments

The Group has the following commitments as at 31 March 2023:

	Authorised but not contracted RM million	Authorised and contracted RM million
Capital expenditure	508.3	111.2

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 2022.

16. Intangible Assets

RM million	Goodwill	Others	Total
Cost			
At 1 January 2023	209.1	108.0	317.1
Additions	-	2.1	2.1
Foreign exchange fluctuation	0.1	1.2	1.3
At 31 March 2023	209.2	111.3	320.5
Accumulated amortisation and impairment			
At 1 January 2023	-	24.1	24.1
Amortisation	-	1.4	1.4
Foreign exchange fluctuation	-	0.8	0.8
At 31 March 2023	-	26.3	26.3
Net carrying amount			
At 31 March 2023	209.2	85.0	294.2
At 31 December 2022	209.1	83.9	293.0

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

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia****17. Performance Review****Results for Cumulative Period**

For the period ended 31 March 2023 (All figures are stated in RM million)	Cumulative Period		+ / (-)
	2023	2022	%
Revenue:			
Property & Industrial	165.2	323.8	-49%
Plantation	199.7	324.2	-38%
Heavy Industries	28.5	36.6	-22%
Pharmaceutical	880.1	962.2	-9%
Trading, Finance & Investment	1,964.0	1,791.6	10%
	3,237.5	3,438.4	-6%
Operating cost:			
- Depreciation and amortisation	(72.8)	(66.4)	-10%
- Other operating cost	(3,127.2)	(3,008.1)	-4%
Results from operations	37.5	363.9	-90%
Gain on disposal of properties	-	364.1	-100%
Share of results of associates and joint ventures	25.8	25.4	2%
Profit before interest, tax and zakat	63.3	753.4	-92%
Net finance cost	(79.2)	(70.3)	-13%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(21.5)	38.9	-155%
Plantation	13.5	509.5	-97%
Heavy Industries	(47.9)	(24.3)	-97%
Pharmaceutical	9.3	36.9	-75%
Trading, Finance & Investment	30.7	122.1	-75%
	(15.9)	683.1	-102%
Taxation and zakat	(27.3)	(123.5)	78%
(Loss)/profit for the period	(43.2)	559.6	-108%
(Loss)/profit attributable to shareholders of the Company	(62.8)	290.3	-122%
EBITDA	110.3	794.4	-86%

For the 1st quarter ended 31 March 2023 (1QFY23), Boustead Holdings Berhad Group (The Group), recorded a loss before taxation and zakat (LBT) of RM15.9 million as compared to profit before taxation and zakat (PBT) of RM683.1 million posted in the same period last year (1QFY22). The shortfall was mainly due to one-off gain achieved in 1QFY22 on disposal of plantation assets and weaker operational results in the current quarter.

The summary of performance between 1QFY23 and 1QFY22 by Divisions is as follows:-

Plantation Division – registered a lower PBT of RM13.5 million (1QFY22: RM509.5 million) mainly due to one-off gain on disposal of plantation assets of RM364.1 million recognised in 1QFY22 and lower profitability due to the decrease in palm product prices and unfavourable impact on valuation of FFB.

Property & Industrial Division – recorded a LBT of RM21.5 million (1QFY22: PBT of RM38.9 million) as the Division's bottom line for 1QFY22 was boosted by the sale of industrial land in Bukit Raja Klang.

Pharmaceutical Division – posted a reduced PBT of RM9.3 million (1QFY22: PBT of RM36.9 million) as revenue was affected by the lower demand from customers in both concession and Indonesian segments.

Heavy Industries Division – incurred a higher LBT of RM47.9 million (1QFY22: LBT of RM24.3 million) mainly due to lower contribution from ship repair segment and higher unrealised forex loss.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****17. Performance Review (Cont'd.)****Results for Cumulative Period (Cont'd.)**

Trading, Finance & Investment Division – registered a lower PBT of RM30.7 million (1QFY22: PBT of RM122.1 million) mainly due to a decrease in stockholding gain recorded by Boustead Petroleum Marketing (BPM) on the back of lower average fuel prices.

The Group's bottom line was also affected by the higher finance cost of RM89.7 million (1QFY22: RM77.4 million) resulting mainly from the increase in borrowings and average lending rate in Pharmaceutical Division.

Consequently, the Group registered loss after taxation and zakat (LAT) for the quarter of RM43.2 million (1QFY22: profit after taxation and zakat (PAT) of RM559.6 million) while the net loss after allocation to non-controlling interest and perpetual sukuk stood at RM62.8 million (1QFY22: net profit of RM290.3 million).

For the 1st quarter, the Group posted a lower earnings before interest, tax, depreciation and amortisation (EBITDA) of RM110.3 million as compared to RM794.4 million in 1QFY22.

Revenue by Division

The Group's revenue for the 1st quarter of FY2023 was lower by 6% at RM3.2 billion (1QFY22: RM3.4 billion) as only Trading, Finance & Investment Division registered better revenue. The analysis of revenue by Division is as follows:-

- (i) During the quarter, **Property & Industrial Division**'s revenue decreased by 49% to RM165.2 million (1QFY22: RM323.8 million) as the revenue for 1QFY22 was boosted by the sale of industrial lands in Bukit Raja.
- (ii) For 1QFY23, the **Plantation Division** also recorded a reduction of 38% in revenue to settle at RM199.7 million (1QFY22: RM324.2 million), on the back of lower palm product prices.

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

	Cumulative Period		Variance	
	2023	2022		
Average selling prices	RM per MT	RM per MT	RM per MT	%
Crude palm oil (CPO)	4,017	6,030	(2,013)	-33%
Palm kernel (PK)	2,126	4,655	(2,529)	-54%
Palm product production	MT	MT	MT	%
CPO	43,885	45,573	(1,688)	-4%
PK	8,675	9,163	(488)	-5%

- (iii) The **Heavy Industries Division** posted a lower revenue of RM28.5 million (1QFY22: RM36.6 million), downed by 22%, mainly due to variation of milestones achieved for the submarine contracts and other defence related Maintenance, Repair and Operation (MRO) projects.
- (iv) In 1QFY23, the **Pharmaceutical Division** registered a revenue of RM880.1 million (1QFY22: RM962.2 million), which was lower by 9%, on the back of reduced demand from concession and Indonesian segments.
- (v) On the other hand, revenue from the **Trading, Finance & Investment Division** was higher at RM1.96 billion (1QFY22: RM1.79 billion), mainly due to the increase in the sales volume of Boustead Petroleum Marketing (BPM).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****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

The Property & Industrial Division closed the quarter with a LBT of RM21.5 million, against a PBT of RM38.9 million achieved in 1QFY22, which was boosted by the sale of industrial land in Bukit Raja Klang.

Property development segment recorded weaker performance during the quarter on the reason above as well as lower progress billing for ongoing projects in Mutiara Rini Johor and Mutiara Hills Semenyih. Industrial segment also posted a lower PBT mainly due to higher input cost which offset the increase in revenue. On the other hand, hotel segment recorded better operational profit due to higher average room rates and occupancy.

(ii) Plantation Division

For 1QFY23, the Plantation Division registered a much lower PBT of RM13.5 million (1QFY22: RM509.5 million) as last year's corresponding period's bottom line was boosted by the one-off gain on the disposal of plantation assets of RM364.1 million and higher profit from operation.

At the operating level, profit for the quarter of RM21.8 million (1QFY22: RM151.3 million) was affected by the drop in palm products prices and the unfavourable impact of FFB valuation.

During the quarter, FFB production of 190,400 MT was 3% below 1QFY22's crop of 195,882 MT with a yield of 3.0 MT (1QFY22: 2.9 MT) per hectare. The quarter's oil and kernel extraction rates were also lower at 20.4% (1QFY22: 20.6%) and 4.0% (1QFY22: 4.1%) respectively.

(iii) Heavy Industries Division

The Heavy Industries Division ended the quarter with a higher LBT of RM47.9 million (1QFY22: LBT of RM24.3 million) mainly due to lower contribution from ship repair segment on the variation of milestone attained as well as higher unrealised forex loss against Euro from outstanding trade payables.

(iv) Pharmaceutical Division

For 1QFY23, the Pharmaceutical Division registered a lower PBT of RM9.3 million (1QFY22: RM36.9 million) mainly due to slower demand from customers in both concession and Indonesian segments. The bottom line was also affected by the higher finance cost due to the increase in borrowing and lending rates.

(v) Trading, Finance & Investment Division

In the first quarter, the Trading, Finance & Investment Division posted a lower pre-tax profit of RM30.7 million (1QFY22: RM122.1 million). The shortfall was mainly due to lower stockholding gain recorded by BPM on the back of reduced average fuel prices.

Our associate, Affin Bank Berhad (ABB) recorded a better net profit in 1QFY23 on the back of higher writeback of impairment losses and an increase in net income.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****17. Performance Review (Cont'd.)****Statement of Financial Position**

As at 31 March 2023, the Group's receivables have increased mainly due to higher subsidy receivable from the government and slower repayment on sales of pharmaceutical products. The Group's deposits, cash and bank balances have decreased due to working capital commitment.

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

Statement of Cash Flows

For 1QFY23, the Group recorded a cash inflow from operation of RM11.8 million (1QFY22: cash inflow of RM457.6 million) mainly due to decrease on net cash receipts from customers. The Group also recorded lower cash inflow from investing activities of RM5.5 million (1QFY22: cash inflow of RM295.1 million) mainly due to proceeds received from disposal of plantation land in 1QFY22. Meanwhile, the Group recorded a slightly lower cash outflow from financing activities of RM258.0 million (1QFY22: cash outflow of RM371.6 million) mainly due to lower net repayment of borrowings.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****18. Material Changes in Quarterly Results Compared to The Results of the Immediate Preceding Quarter**

For the period ended 31 March 2023	Current Period	Immediate Preceding Period	+ / (-)
(All figures are stated in RM million)	31.3.2023	31.12.2022	%
Revenue:			
Property & Industrial	165.2	362.9	-54%
Plantation	199.7	263.5	-24%
Heavy Industries	28.5	31.2	-9%
Pharmaceutical	880.1	863.1	2%
Trading, Finance & Investment	1,964.0	2,171.9	-10%
	<u>3,237.5</u>	<u>3,692.6</u>	-12%
Operating cost:			
- Depreciation and amortisation	(72.8)	(99.3)	27%
- Other operating cost	(3,127.2)	(3,553.3)	12%
Results from operations	<u>37.5</u>	<u>40.0</u>	-6%
Gain on disposal of properties	-	97.8	-100%
Reversal of impairment of property, plant and equipment	-	78.1	-100%
Impairment of goodwill	-	(50.3)	100%
Writedown of inventories	-	(561.8)	100%
Fair value gain on investment properties	-	0.4	-100%
Other investment results	-	(6.1)	100%
Share of result of associates and joint ventures	25.8	(128.3)	120%
Profit/(loss) before interest, taxation and zakat	<u>63.3</u>	<u>(530.2)</u>	112%
Net finance cost	(79.2)	(81.4)	3%
(Loss)/profit before taxation and zakat:			
Property & Industrial	(21.5)	(58.2)	63%
Plantation	13.5	109.9	-88%
Heavy Industries	(47.9)	(87.6)	45%
Pharmaceutical	9.3	(638.4)	101%
Trading, Finance & Investment	30.7	62.7	-51%
	<u>(15.9)</u>	<u>(611.6)</u>	97%
Taxation and zakat	(27.3)	(89.5)	69%
Loss for the period	<u>(43.2)</u>	<u>(701.1)</u>	94%
Loss attributable to shareholders of the Company	<u>(62.8)</u>	<u>(427.8)</u>	85%
EBITDA	<u>110.3</u>	<u>(246.6)</u>	145%

For 1QFY23, the Group recorded a significantly lower LBT of RM15.9 million against preceding quarter (4QFY22) of RM611.6 million. The higher variance with the preceding quarter was mainly attributable to the one-off items recorded in 4QFY22 for all Divisions particularly the writedown of Covid-19 vaccine inventories in the Pharmaceutical Division. Details comparison of the Divisions' variances between 1QFY23 with 4QFY22 is presented in the next section.

The Group's LAT for the quarter stood RM43.2 million (4QFY22: LAT of RM701.1 million) while net loss after allocation to non-controlling interest and perpetual sukuk was at RM62.8 million (4QFY22: net loss of RM427.8 million).

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****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

During the quarter, the Property & Industrial Segment posted a lower LBT of RM21.5 million (4QFY22: LBT of RM58.2 million). The variance was mainly due to higher share of loss in a joint venture, offset by the gain on disposal of land held for development, which were accounted for in the preceding quarter.

(ii) Plantation Division

For the current quarter, the Plantation Division recorded a lower PBT of RM13.5 million (4QFY22: PBT of RM109.9 million) as the preceding quarter's bottom line was bolstered by the gain on the disposal of plantation assets of RM91.0 million.

At the operating level, the profit was lower at RM21.8 million (4QFY22: RM29.5 million) mainly due to a decrease in FFB production which offset the better palm product prices. In 1QFY23, the average CPO price achieved of RM4,017 per MT was RM59 better than 4QFY22's price of RM3,958 per MT. On the hand, the current quarter's FFB production of 190,400 MT was 24% below the preceding quarter's crop of 251,715 MT. The shortfall in crops was mainly due to heavy rainfall which affected harvesting during the quarter.

(iii) Heavy Industries Division

During the quarter, the Heavy Industries Division registered a lower LBT of RM47.9 million (4QFY22: LBT of RM87.6 million) mainly due to the reversal of provision on expected credit loss (ECL) of RM4.0 million as compared to the allowance ECL's provision of RM32.6 million in the preceding quarter.

(iv) Pharmaceutical Division

In 1QFY23, the Pharmaceutical Division recorded a PBT of RM9.3 million against the LBT of RM638.4 million in 4QFY22. The preceding quarter's bottom line was impacted by the writedown of COVID-19 vaccine inventory of RM552.3 million and the impairment of goodwill in an Indonesian subsidiary of RM50.3 million.

(v) Trading, Finance & Investment Division

For the current quarter, the Trading, Finance & Industrial Division posted a lower PBT of RM30.7 million (4QFY22: PBT of RM62.7 million) as the preceding quarter's result was helped by the reversal of impairment on property, plant and equipment of RM67.1 million.

During the quarter, the Division enjoyed better profit from the operation, largely contributed by the stockholding gain in BPM, on the back of higher average fuel price. In addition, the share of results in an associate, Affin Bank Berhad (ABB) was also higher on the writeback of impairment losses.

Boustead Holdings Berhad 196001000193 (3871-H)

Notes to the interim financial report for the period ended 31 March 2023

19. Prospects

In 2023, Malaysia's GDP growth is projected to be modest, with concern about elevated costs of living and input costs are expected to impact spending by households and businesses. The Group's diversified portfolios and the implementation of the Reinventing Boustead Strategy offer opportunities to accelerate value creation by way of performance improvement programs, exploration of new revenue streams, and streamlining non-strategic assets.

Plantation Division

The Division's profitability is mainly driven by CPO price and crop production. It is optimistic that with the gradual return of foreign workers, together 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, which will improve the yield, and can partially offset the impact of lower CPO prices and rising costs.

It is anticipated that CPO production is to trend higher in second half of 2023 following the potential improvement in weather condition in the months ahead.

Nevertheless, CPO prices are forecasted to weaken in the second half of 2023 due to expected higher CPO production season, high inventory level and subdued demand.

Pharmaceutical Division

The Group is poised to further penetrate the Indonesian market and reinforce its position as a leading healthcare provider in the region. At the same time, we are proactively working to enhance the Manufacturing Division's operational efficiency, expand its product portfolio, and increase its global presence. Moving forward, we are set to capitalise on the opportunities arising from higher capacity utilisation through our contract manufacturing business.

On the renewal of concession agreement, the Division is actively collaborating with Ministry of Health on the renewal process and the concession agreement is expected to be signed and awarded to the Division in the 2nd quarter of 2023.

In order to exit from the PN 17 status, the Division together with its principal adviser is working on the regularisation plan to improve the shareholders' equity of Pharmaniaga Berhad. It is targeted that the PN17 issue will be settled by 1st quarter of 2024.

Property & Industrial Division

After a challenging period in recent years, the property market is anticipated to show signs of recovery and stabilization. However, challenges such as potential interest rate hikes and stricter lending policies, may pose some risks. Overall, while the property sector is expected to improve in 2023, it is essential for investors and developers to carefully assess market conditions and adapt their strategies accordingly.

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, retailers will need to adapt by integrating digital strategies and creating unique shopping experiences to attract customers. Additionally, the sector may also face challenges related to oversupply, particularly in certain locations or segments.

The hotel segment's performance will depend on several factors, including the recovery of international tourism, domestic travel patterns, and government policies. Malaysia's efforts to revive the tourism industry, such as promoting domestic tourism and implementing safety measures, are anticipated to support hotel occupancy and revenue.

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 31 March 2023****19. Prospects (Cont'd)****Heavy Industries Division**

The Division will continue to seek out new contracts while exploring viable opportunities to further strengthen its prospects, particularly in the commercial segment. This will be supported by its established facilities which include shipyards and an aeroservices centre, coupled with its experienced personnel in shipbuilding and maintenance.

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.

Moving forward, the Division will continue to rebuild its reputation by ensuring timely delivery of projects within cost expectations. The Division will pursue to build on the momentum generated by our dedicated focus on transforming BHIC into a sustainable, high performing organisation, in line with the Reinventing Boustead Strategy. With the support of the Government and our commercial customers, we are poised to unlock value to serve them better and deliver value to our shareholders.

Trading, Finance & Investment

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

The contribution from BPM will be influenced by the movements in fuel price and sales volume. It is expected that the fuel price to hover around USD85 per barrel, subject to demand and supply and key decisions made by the oil producer countries. BPM will continue its expansion plan with the construction of new service stations to sustain the business.

Affin Bank Berhad will continue to focus on building from the success of its AIM22 transformation plan to pursue its strategic vision of enhancing customers’ journey, promoting digital adoption and advancing responsible banking practices in 2023. The strategic focus will remain on achieving sustainable profitability, improving asset quality and maintaining cost efficiency.

20. Notes on Variance in Actual Profit and Shortfall in Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and non-controlling interests and shortfall in profit guarantee are not applicable.

21. Taxation

	Current Quarter 2023	Cumulative Period 2023
	RM million	RM million
Malaysian taxation based on profit for the period:		
- Current	25.7	25.7
- Deferred	3.0	3.0
	28.7	28.7
Over provision of prior years	(1.4)	(1.4)
	27.3	27.3

The Group’s effective tax rate for the quarter was higher than the statutory tax rate mainly due to losses incurred by some Subsidiaries, non-availability of group relief for certain Subsidiaries and some expenses were non-deductible for tax purpose.

22. Corporate Proposals - Status

The disclosure requirements on the status of corporate proposal is not applicable.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****23. Changes in Material Litigations**

- (i) In respect of the litigation referred to in Note 35 (c) of 2022 Annual Report, Re: MTU Services (Malaysia) Sdn Bhd (MSM) (Plaintiff) -v- Boustead Naval Shipyard Sdn Bhd (BNS) (Defendant), the updates are as follows:-

On 11 August 2020, BNS filed Application to Stay/Strike Out MSM's Petition. On 19 August 2020, the Court granted an ad-interim stay of all proceedings pending disposal of BNS's Striking Out/Stay Application. 6 creditors namely BHB, Axima Concept SA, Boustead Penang Shipyard Sdn Bhd, Naval Group SA, Naval Group Malaysia Sdn Bhd and Paksi Laksana Sdn Bhd have submitted Notice of Intention to Oppose the Petition.

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 Court of Appeal fixed 26 June 2023 for hearing of the appeal.

- (ii) In respect of the litigation referred to in Note 35 (d) of 2022 Annual Report, Re: Contraves Advanced Devices Sdn Bhd ("CAD") and Contraves Electrodynamics Sdn Bhd ("CED") ("Plaintiffs") filed a Writ of Summons and Statement of Claim against BHIC, BHIC Defence Technologies Sdn Bhd ("BHICDT") and Boustead Naval Shipyard Sdn Bhd ("BNS") and two BHICDT Nominee Directors in CAD. The Plaintiffs seek several reliefs, including a declaration that the 12 letters of award to CAD from BNS are still valid and subsisting, payment of outstanding amounts, damages and injunctions to restrain the defendants from various actions.

The litigation timeline includes several defences and subsequently BHIC as well as other defendants had filed an application to strike out the claims.

The decision for the Striking Out application which was originally fixed on 3 May 2023 has been adjourned by the Court and will be rescheduled to another date to be decided by the Court. The matter has been fixed for a case management on 3 July 2023 for the parties to update the Court on the status of the settlement.

- (iii) In respect of the litigation referred to in Note 35 (e) of 2022 Annual Report, Re: R Zain Associates (Petitioner) -v- Midas Mayang Sdn Bhd (Midas Mayang), the updates are as follows:-

By the Petition, the Petitioner alleges that Midas Mayang is indebted to them for the total sum of RM1,366,914.59 purportedly being their professional fees for the work done pertaining to the development of Phase 2, Royale Chulan Villas Cherating project. The Court has fixed the matter for case management on 30 May 2023.

As at 29 May 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 2022.

24. (Loss)/ Earnings Per Share - Basic/diluted

	Current Period		Cumulative Period	
	2023	2022	2023	2022
Net profit for the period (RM million)	(62.8)	290.3	(62.8)	290.3
Weighted average number of ordinary shares in issue (million)	2,027.0	2,027.0	2,027.0	2,027.0
Basic/diluted (loss)/earnings per share (sen)	(3.10)	14.32	(3.10)	14.32

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****25. Group Borrowings and Debt Securities**

Total borrowings as at 31 March 2023 are as follows:-

	31.3.2023	31.12.2022	31.3.2022
	RM million	RM million	RM million
Non-current:			
Term loans			
- Denominated in RM	706.1	711.2	732.2
- Denominated in Great Britain Pound	-	-	44.5
	706.1	711.2	776.7
Islamic medium term notes	2,044.4	2,046.5	2,044.4
Revolving credits	189.7	189.7	389.4
	2,940.2	2,947.4	3,210.5
Less: repayable in 1 year	162.1	198.3	169.6
	2,778.1	2,749.1	3,040.9
Current:			
Bank overdrafts	71.5	36.5	52.9
Bankers' acceptances			
- Denominated in RM	764.7	737.2	549.3
- Denominated in Indonesian Rupiah	213.1	173.1	154.7
Revolving credits	2,775.1	2,898.7	2,829.0
Short term loans	162.1	198.3	169.6
	3,986.5	4,043.8	3,755.5
Total borrowings	6,764.6	6,792.9	6,796.4

As at 31 March 2023, the Group's borrowing has decreased as compared with 31 December 2022 mainly due to repayment of revolving credits.

During the financial period, the weighted average interest rate of borrowings is 5.1% (FY2022: 5.2%) per annum. The proportion of debt based on fixed and floating interest rate is 31% (FY2022: 30%) and 69% (FY2022: 70%) respectively.

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

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****25. Group Borrowings and Debt Securities (Cont'd.)**

A subsidiary has a term loan of RM19.1 million (FY2022: RM19.1 million) and revolving credits of RM584.0 million (2022: RM588.0 million) which are secured by way of an assignment on contract proceeds.

A subsidiary has a term loan of RM1.0 million (FY2022: RM1.3 million) which is secured against an investment property owned by the subsidiary.

A subsidiary has a term loan of RM25.3 million (FY2022: RM14.3 million) which is secured against the subsidiary's hire purchase contracts.

A subsidiary has a term loan of RM40.1 million (FY2022: RM38.8 Million) which is secured against the subsidiary's property owned by the subsidiary.

All the other borrowings are unsecured.

The amount of borrowings denominated in foreign currencies:

(All figures are stated in million)

	<u>31.3.2023</u>	<u>31.12.2022</u>	<u>31.3.2022</u>
Denominated in Great Britain Pound	-	-	8.1
Denominated in Indonesian Rupiah	722,373	613,830	527,986

Exchange rate:

- Great Britain Pound	-	-	5.52
- Indonesian Rupiah	0.0295	0.0282	0.0293

As at 31 March 2023, a subsidiary of the Company did not meet certain financial covenants for its non-current and current borrowings on bankers' acceptances and revolving credits, as follows:

- The consolidated ratio of a subsidiary's Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) to finance expenses shall not be less than 4 times;
- The consolidated ratio of a subsidiary's net debt to EBITDA shall not be more than 3.5 times;
- The consolidated Debt Service Coverage Ratio (DSCR) of a subsidiary, calculated as ratio of EBITDA to interest expense, must not be less than 1.5;
- The consolidated tangible net worth and net worth of a subsidiary must not be less than RM149.9 million and RM336.0 million respectively;
- The value of the assets of any Group member of a subsidiary must not be less than its liabilities, taking into account contingent and prospective liabilities.

The carrying amount of the borrowings in breach of the covenants as at the end of reporting period is RM244.4 million, which is presented as current liabilities as at 31 March 2023. On 4 April 2023, the subsidiary was allowed to continue utilising the RM131.1 million facilities. However, the utilisation of the facilities beyond 30 June 2023 is subject to the:

- Renewal of concession by Ministry of Health (MOH);
- The subsidiary not declaring dividends without the prior consent of the bank; and
- Adherence to the ratio of EBITDA to finance expenses and Net Debt to EBITDA

The remaining borrowings balance without indulgence is RM113.3 million.

As at the date of the subsidiary's interim quarterly report was approved by its directors, the banks had not requested early repayment of borrowings and the subsidiary did not default on any repayment obligations.

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****26. Additional Disclosures**

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

	Current Quarter		Cumulative Quarter	
	2023 RM million	2022 RM million	2023 RM million	2022 RM million
Depreciation and amortisation	72.7	66.4	72.7	66.4
Provision for expected credit losses	2.0	0.8	2.0	0.8
Provision for and write off of inventories	3.1	2.2	3.1	2.2
Write off of intangible assets	-	0.4	-	0.4
Gain on disposal of properties	-	(364.1)	-	(364.1)
Loss on disposal of other property, plant and equipment	0.4	0.1	0.4	0.1
Foreign exchange loss/(gain)	4.9	(1.4)	4.9	(1.4)
Net fair value gain on derivatives	(3.2)	(0.2)	(3.2)	(0.2)

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

With regards to the LCS Project, the updates are as follows:-

- (i) On 26 May 2023, BHB announced that Boustead Naval Shipyard (BNS), a subsidiary of BHB, and Ministry of Defence (acting on behalf of the Government of Malaysia) have signed a Sixth Supplemental Agreement (SA6) for the continuation of LCS Project; and
- (ii) On 29 May 2023, BHB announced that it had received a letter from Ministry of Finance (Incorporated) of their intention to acquire 68.85% or BHB's entire equity interest in BNS, which is reported under Heavy Industries Division. The terms of the acquisition are subject to negotiations between the parties.

BHB will make further announcements on any material developments of the matters above.

b) Updates on Practice Note 17 status of Pharmaniaga Berhad

With regards to the status on Practice Note (PN) 17 status of Pharmaniaga Berhad, our 51.85% subsidiary, the updates are as follows:-

- (i) Pharmaniaga Berhad had announced on 2 May 2023 that it has triggered an additional prescribed criteria under Paragraph 2.1 (e) of Practice Note 17 (PN17) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia). This is due to the fact that its external auditor, PricewaterhouseCoopers have issued an unmodified audit opinion with emphasis of matter on material uncertainty relating to Pharmaniaga's ability to continue as going concern in the audited financial statements for financial year ended 31 December 2022; and
- (ii) Further announcement by Pharmaniaga Berhad on 26 May 2023 stated that it is still in the midst of formulating the regularisation plan to address its financial condition. Pharmaniaga has approximately 9 months from the date of the announcement to submit the plan to relevant authorities for approval.

c) Updates on status of Offer by Lembaga Tabung Angkatan Tentera (LTAT) to acquire the remaining shares in the Company

With regards to the notice of conditional voluntary take-over offer from UOB Kay Hian Securities (M) Sdn Bhd (UOBKH), on behalf of Lembaga Tabung Angkatan Tentera (LTAT) to acquire all the remaining ordinary shares in BHB (Offer Shares), not already held by LTAT for a cash offer price of RM0.855 per Offer Share (Offer), the updates are as follows: -

- (i) On 18 May 2023, BHB received a press notice from UOBKH informing that the closing time and date for the acceptance of the Offer has been extended from 5:00 p.m. (Malaysian time) on Monday, 22 May 2023 to 5:00 p.m. (Malaysian time) on Monday, 12 June 2023, being the last day for the fulfilment of Bank Negara Malaysia (BNM) Conditions (as defined herein); and

Boustead Holdings Berhad 196001000193 (3871-H)**Notes to the interim financial report for the period ended 31 March 2023****27. Other Disclosures (Cont'd)****c) Updates on status of Offer by Lembaga Tabung Angkatan Tentera (LTAT) to acquire the remaining shares in the Company (Cont'd)**

- (ii) On 22 May 2023, BHB received a press notice from UOBKH informing that BNM had vide its letter dated 19 May 2023, granted its approval pursuant to section 90(3)(a) of Financial Services Act 2013 (FSA) and section 102(3) of Islamic Financial Services Act 2013 (IFSA) in respect of section 87 of FSA and section 99 of IFSA, respectively, to LTAT to increase its aggregate effective interest in shares in Affin Bank Berhad Group (ABBG) of up to 49.2% (i.e by virtue of LTAT acquiring up to 100% equity interest in BHB which may entail consequential changes to the effective equity interest of LTAT in ABBG (BNM Conditions).

Accordingly, the BNM Conditions are fulfilled and the Offer has become unconditional on 19 May 2023.

In addition, as at 5.00 p.m. on 19 May 2023, LTAT has received valid acceptances in the Offer Shares, together with such BHB shares that are already acquired, held or entitled to be acquired or held by LTAT, which resulted in LTAT holding 92.48% of the total voting shares of BHB. In view of LTAT's holding is more than 90% of BHB shares and LTAT does not intend to maintain the listing status of BHB, Bursa Malaysia Securities Berhad (Bursa Securities) shall suspend the trading in BHB shares immediately upon the expiry of 5 market days from the closing date of the Offer. Therefore, LTAT will procure BHB to take the requisite steps to withdraw its listing status from the Official List of Bursa Securities, in accordance with paragraph 16.07 of the Main Market Listing Requirements of Bursa Securities. Accordingly, if BHB is delisted from the Official List of Bursa Securities, the BHB shares will no longer be traded on the Main Market of Bursa Securities.

d) Plantation Statistics

		Cumulative Period	
		2023	2022
(i) Crop production and yield			
FFB (MT)		190,400	195,882
FFB (MT/ha)		3.0	2.9
Crude palm oil (CPO) production (MT)		43,885	45,573
Palm kernel (PK) production (MT)		8,675	9,163
(ii) Average selling prices (RM per MT)			
FFB		757	1,481
CPO		4,017	6,030
PK		2,126	4,655
(iii) Oil extraction rate (%)			
CPO		20.4	20.6
PK		4.0	4.1
(iv) Planted areas (hectares)			
		As at	As at
		31.3.2023	31.12.2022
Oil palm	- immature	9,689	6,697
	- young mature	10,317	12,639
	- prime mature	21,203	19,991
	- past prime	30,998	32,964
		72,207	72,291