

Boustead
Holdings
Berhad



BUILDING ON RESILIENCE

INTEGRATED REPORT 2022

61st

Annual General Meeting



Online Platform:
TIIH Online Website at
<https://tiih.online> with Remote
Participation and Voting Facilities

Broadcast Venue:
Amphitheatre
Level 23, The Bousteador
No. 10 Jalan PJU 7/6
Mutiara Damansara
47800 Petaling Jaya



Date
15 June 2023



Time
9.30 a.m.

INSIDE THIS REPORT

BOUSTEAD HOLDINGS BERHAD INTEGRATED REPORT 2022

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Plantation Division



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Property & Industrial Division



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Pharmaceutical Division



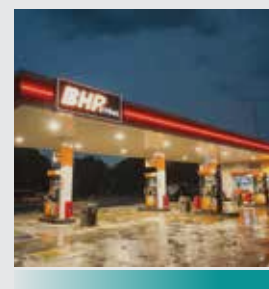
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Heavy Industries Division



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Trading, Finance & Investment Division



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INTEGRATED REPORT 2022 COVER RATIONALE



Boustead Holdings Berhad is dedicated to overcoming challenges and flexibly adapting to dynamic circumstances by choosing to view obstacles as opportunities to develop resilience.

In order to ensure long-term sustainability, Boustead Holdings Berhad is committed to formulating strategies that can withstand potential disruptions.

We are guided by the Reinventing Boustead strategy, which serves as a clarion call to build on our resilience, spearhead change, enhance performance in the Group's core businesses and diversify into high-growth, high-value sectors. By implementing Environmental, Social and Governance (ESG) principles and leveraging technology-driven solutions to optimise our operations, the Group is well-positioned to ensure long-term success and maximise value for our shareholders.

ABOUT THIS REPORT

INTEGRATED REPORTING APPROACH

Providing a comprehensive overview, Boustead Holdings Berhad's 2022 Integrated Report (IR) underscores the vital role played by our ongoing Reinventing Boustead strategy.

This marks the second year we have published our financial and non-financial performance in an integrated reporting format.

We trust this year's IR will allow our stakeholders to better understand what the Group does, our core values, the risks and opportunities we face, and how we shape short, medium, and long-term value for all stakeholders.

Icons and links have been utilised in this IR to ease navigation.

SCOPE AND BOUNDARY OF REPORTING

This year's Report encapsulates activities, initiatives and key events that occurred during the reporting period of 1 January 2022 to 31 December 2022 unless otherwise stated. The scope of this Report has been confined to entities the Group has management control over, which includes subsidiaries, associates and joint venture companies.

While the Group's business operations and activities, including those of overseas subsidiaries, are covered in our Sustainability Statement, joint venture firms and associate companies are not included in our reporting in order to provide a more accurate representation of our efforts over the past year.

MATERIALITY

This Report addresses issues that, in our assessment, are most consequential to our stakeholders and have the most significant influence on the Group's capacity to generate value for our stakeholders.

Material issues are assessed periodically, factoring in internal and external variables, including our primary stakeholders' demands, expectations, and concerns, as well as how these issues are reflected in the Group's strategy.

FORWARD-LOOKING STATEMENTS

Forward-looking statements in relation to future performance that are contained herein naturally carry uncertainty as they are predicated on current circumstances and assumptions that could shift. Actual outcomes could differ considerably from those indicated or inferred by these forward-looking statements due to variables.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board recognises the critical responsibility they are charged with in safeguarding the integrity of Boustead Holdings Berhad's 2022 IR.

The Board opines that the Report accurately assesses the Group's performance and covers all significant issues impacting the Group's capacity to generate value.

The Board approved this Report on 28 April 2023.

CROSS REFERENCES



This Report and additional information on Boustead Holdings Berhad can be accessed through our corporate website.

<https://www.boustead.com.my>

REPORTING FRAMEWORK

The preparation of our 2022 IR has been undertaken in accordance with the principles and requirements of:














- International Integrated Reporting Framework (IIRF) issued by the International Integrated Reporting Council (IIRC)
- Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia)
- Malaysian Code on Corporate Governance (MCCG) 2021 issued by the Securities Commission Malaysia
- Companies Act 2016 (CA 2016)
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Global Reporting Initiative (GRI) Standards
- Bursa Malaysia's Sustainability Reporting Guide (Second Edition)
- United Nations Sustainable Development Goals (UN SDGs)

NAVIGATION ICONS

OUR CAPITALS

-  Financial Capital
-  Manufactured Capital
-  Intellectual Capital
-  Human Capital
-  Social & Relationship Capital
-  Natural Capital

MATERIAL MATTERS

-  Economic & Business Performance
-  Technology & Innovation
-  Quality & Customer Satisfaction
-  Sustainability-Oriented Products & Services
-  Resource Efficiency & Pollution Prevention
-  Greenhouse Gas (GHG) & Climate Change
-  Diversity & Inclusion
-  Talent Management
-  Labour Practices
-  Safety & Health
-  Supporting Local Businesses
-  Community Investment & Contributions
-  Business Ethics & Corporate Governance

STAKEHOLDERS

-  Shareholders & Investors
-  Employees/Workers' Unions
-  Customers
-  Regulatory Bodies
-  Suppliers & Business Partners
-  Local Communities

SUSTAINABLE DEVELOPMENT GOALS (SDGs)



OVERVIEW

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SECTION

01



CORPORATE INFORMATION

Board of Directors

**DATO' AHMAD NAZIM ABD RAHMAN**

Non-Independent Non-Executive Chairman

LIEUTENANT GENERAL DATO' FADZIL MOKHTAR (R)

Independent Non-Executive Director

DATO' SERI ROSMAN MOHAMED

Independent Non-Executive Director

PAULINE TEH @ PAULINE TEH ABDULLAH

Independent Non-Executive Director

MUHAMMAD FITRI OTHMAN

Non-Independent Non-Executive Director

IRFAN HASHIM

Non-Independent Non-Executive Director
(Alternate Director to Dato' Ahmad Nazim Abd Rahman)

DAYANA ROGAYAH OMAR

Non-Independent Non-Executive Director
(Alternate Director to Muhammad Fitri Othman)

IZADDEEN DAUD

Group Chief Executive Officer

REGISTERED OFFICE

Level 23, The Bousteador
No. 10 Jalan PJU 7/6
Mutiarra Damansara
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 2141 9044
Fax : (03) 2141 9750
www.boustead.com.my

REGISTRAR

Tricor Investor & Issuing House Services
Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (03) 2783 9299
Fax : (03) 2783 9222

COMPANY SECRETARIES

Affendi Mohd Yob
Juniza Azizan

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Hwang Investment Bank Berhad
Alliance Bank Malaysia Berhad
Ambank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
United Overseas Bank Berhad

AUDITORS

Ernst & Young PLT

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Stock Name : BSTEAD
Stock Code : 2771

HOLDING CORPORATION

Lembaga Tabung Angkatan Tentera

VISION

Place the interest of our shareholders as the highest priority by maximising shareholder value, especially Lembaga Tabung Angkatan Tentera as our majority shareholder and enhance the lives of the Malaysian Armed Forces service members, veterans and their family members.

MISSION

- ▶ Embrace a strong value of creativity and innovation in all our work
- ▶ Improve corporate discipline in adherence to the highest standard of governance and integrity
- ▶ Nurture talent that will bring about a higher level of excellence in all endeavours that the Boustead Group undertakes

OVERVIEW OF BOUSTEAD HOLDINGS BERHAD

CORE VALUES

▶ Creativity

▶ Integrity

▶ Innovation

WHO WE ARE





Boustead Holdings Berhad was established in 1828 and is today a diversified conglomerate with a core portfolio spanning five divisions, Plantation, Property & Industrial, Pharmaceutical, Heavy Industries and Trading, Finance & Investment. In 1961, Boustead consolidated its various businesses and listed the Group. Currently, Boustead has over 80 listed and non-listed companies with a presence across Malaysia, Indonesia and the United Kingdom. The Group completed the fiscal year ended 31 December 2022 with a market capitalisation of RM1.3 billion and shareholders' funds of RM3.3 billion.

FINANCIAL CALENDAR


FINANCIAL YEAR

 **1 JANUARY 2022 TO
31 DECEMBER 2022**

RESULTS

-  **1st Quarter**
Announced 27 May 2022
-  **2nd Quarter**
Announced 26 August 2022
-  **3rd Quarter**
Announced 29 November 2022
-  **4th Quarter**
Announced 28 February 2023

DIVIDEND

-  **1st Interim**
Announcement date 29 December 2022
Entitlement date 28 February 2023
Payment date 27 March 2023

INTEGRATED REPORT

 **Issued
28 APRIL 2023**

ANNUAL GENERAL MEETING

 **To be held
15 JUNE 2023**

FINANCIAL HIGHLIGHTS



EARNINGS
PER SHARE

1.8
SEN

(2021: 8.4 Sen)



RETURN
ON EQUITY

1.1%

(2021: 5.3%)



NET ASSETS
PER SHARE

163
SEN

(2021: 162 Sen)



DIVIDEND

RM30
MILLION

(2021: RM Nil)



BORROWINGS

RM6.8
BILLION

(2021: RM7.0 Billion)



GEARING
RATIO

1.29
TIMES

(2021: 1.28 Times)

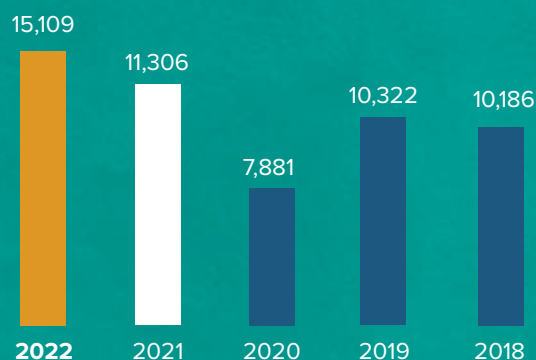
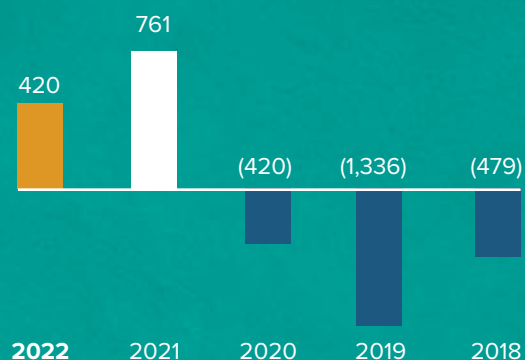
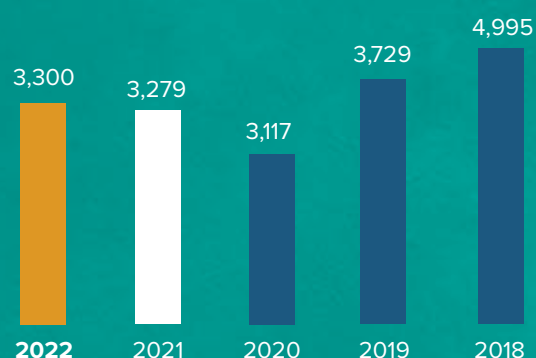
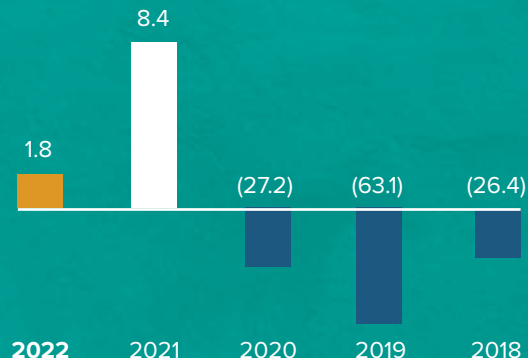
FIVE-YEAR GROUP FINANCIAL SUMMARY

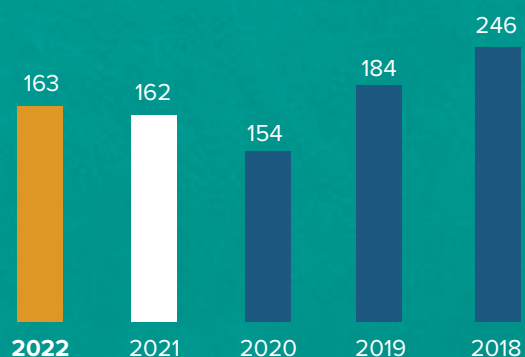
		Y2022	Y2021	Y2020	Y2019	Y2018
FINANCIAL PERFORMANCE						
Revenue		15,109	11,306	7,881	10,322	10,186
Profit/(loss) before tax and zakat		420	761	(420)	(1,336)	(479)
Profit/(loss) after tax and zakat		104	479	(501)	(1,386)	(554)
Profit/(loss) attributable to shareholders		37	170	(551)	(1,279)	(535)
Earnings/(loss) per share	sen	1.8	8.4	(27.2)	(63.1)	(26.4)
Return on equity	%	1.1	5.3	(16.1)	(29.3)	(9.9)
Return on assets	%	4.5	6.7	(0.4)	(5.6)	(1.3)
Return on revenue	%	4.6	8.5	3.2	1.7	(0.3)
DIVIDENDS						
Dividend payment		30	—	—	—	101
Net dividend per share	sen	1.5	—	—	—	5.0
Dividend yield	%	2.4	—	—	—	3.5
Dividend cover	times	1.2	—	—	—	(5.3)
GEARING						
Borrowings		6,793	6,992	7,584	7,910	7,533
Gearing (Debt to Total Equity)	times	1.29	1.28	1.48	1.39	0.97
Interest cover	times	2.4	3.3	(0.2)	(2.8)	(1.0)
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	163	162	154	184	246
Share price - high	sen	85	76	96	160	292
Share price - low	sen	52	53	35	93	136
Price earning ratio	times	35	6	*	*	*
Paid up share capital		2,736	2,736	2,736	2,736	2,736
Shareholders' equity		3,300	3,279	3,117	3,729	4,995
Total equity		5,273	5,465	5,119	5,688	7,804
Total assets		15,892	16,444	16,002	16,975	18,417

Notes:

- All figures are in RM million unless otherwise stated.
- The financial information relating to 2022, 2021, 2020, 2019 and 2018 are in accordance with MFRS Framework.
- * Not applicable due to loss per share for the year.

FIVE-YEAR FINANCIAL HIGHLIGHTS

Revenue (RM Million)

Profit/(Loss) Before Taxation (RM Million)

Shareholders' Equity (RM Million)

Earnings/(Loss) Per Share (Sen)

Dividend Per Share (Sen)

Net Assets Per Share (Sen)


SUSTAINABILITY HIGHLIGHTS

ENVIRONMENT

0.98 MIL tCO₂e

2021: 1.05 MIL tCO₂e

3.26 MIL GJ

2021: 2.74 MIL GJ

5,998 ML

2021: 6,347 ML

21%

2021: 49%

2.1 GWh

2021: 1.7 GWh

TOTAL GHG
EMISSIONS (SCOPE
1 & 2)

TOTAL ECONOMIC
VALUE DISTRIBUTED
TO EMPLOYEES

TOTAL ENERGY
CONSUMPTION

AMOUNT SPENT
ON RESEARCH AND
DEVELOPMENT

TOTAL WATER
WITHDRAWAL

AFFORDABLE
HIRE PURCHASE
FINANCING OF
GREEN VEHICLE

PERCENTAGE OF
TOTAL WASTE
RECYCLED

REDUCTION IN
ELECTRICITY
USAGE

GREEN BUILDING
CERTIFICATIONS

ECONOMIC

RM806.3 MIL

2021: RM736.9 MIL

RM38.4 MIL

2021: RM36.5 MIL

Boustead Credit
promotes green mobility
among staff with
affordable financing for
electric motorcycle

Achieved a provisional
GreenRE Certification
for Mutiara Hills while
The Bousteador
obtained a Gold Green
Building Certification

SOCIAL

ZERO

2021: 1 fatality

RM4.6 MIL

2021: RM2.3 MIL

1,154

2021: 712

12,975

2021: 14,259

RM23.0 MIL

2021: RM25.7 mil

2,100 DAYS

2021: 7,270 days

NUMBER OF
FATALITIESPERCENTAGE
OF WOMEN IN
BOARDFORMAL
TRAINING AND
DEVELOPMENT
SPENDINGINSTANCES FOR
WHICH FINES AND
NON-MONETARY
SANTIONS WERE
INCURREDNUMBER
OF FEMALE
EMPLOYEES HIREDNUMBER OF
CONFIRMED INCIDENTS
RELATED TO BRIBERY
AND CORRUPTIONNUMBER OF
EMPLOYEES

CSR SPENDING

NUMBER OF
ABMS CERTIFIEDTOTAL NUMBER
OF DAYS LOST

GOVERNANCE

40%

2021: 27%

ZERO

2021: Zero

ZERO

2021: Zero

5

2021: 3

WHAT WE DO

Underpinned by strategically diversified lines of business, Boustead Group has a presence in key sectors of the Malaysian economy via our five Divisions.



PLANTATION DIVISION



Across Peninsular Malaysia, Sabah, and Sarawak, the Plantation Division operates forty-two oil palm plantation estates and ten palm oil mills. The Division has established itself as a strong proponent of sustainability, with an unwavering focus on environmentally responsible practices ranging from oil palm cultivation and fresh fruit bunch collection, to the production and sale of crude palm oil and palm kernel.



PROPERTY & INDUSTRIAL DIVISION



The Property & Industrial Division's core activities include property development and investment, hotel management, project management, as well as the production and distribution of cellulose fibre cement products. In addition to owning and managing a sizeable portfolio of properties, the Division continues to manage award-winning townships and landmark residential and commercial properties across Kuala Lumpur, Selangor and Johor. The Division also operates its flagship hotel chain, Royale Chulan.



PHARMACEUTICAL DIVISION



Spearheaded by Malaysia's largest listed integrated pharmaceutical group, the Pharmaceutical Division has a strong presence within the pharmaceutical value chain. The Division is involved in logistics and distribution, manufacturing of generic drugs, over-the-counter medicines and nutraceuticals, in addition to sales and marketing, retail pharmacy as well as research and development.



HEAVY INDUSTRIES DIVISION



The Heavy Industries Division serves the maritime, aerospace and national defence sectors. This includes shipbuilding in addition to maintenance, repair and overhaul of ships, submarines and helicopters.



TRADING, FINANCE & INVESTMENT DIVISION



With a portfolio spanning multiple sectors of the Malaysian economy, the Division principally operates Malaysia's only other home-grown retail petroleum network. It is also involved in the provision of financial solutions, travel and tourism-related services and air charter, along with world-class education offerings.

GROUP STRUCTURE



PLANTATION DIVISION

BOUSTEAD PLANTATIONS BERHAD

BOUSTEAD ESTATES AGENCY
SDN BHDBOUSTEAD TELOK SENGAT
SDN BHDBOUSTEAD RIMBA NILAI
SDN BHDBOUSTEAD EMASTULIN
SDN BHDBOUSTEAD GRADIENT
SDN BHDBOUSTEAD PELITA KANOWIT
SDN BHDBOUSTEAD PELITA TINJAR
SDN BHDBOUSTEAD TRUNKLINE
SDN BHDBOUSTEAD AGENCY AND
CONSULTANCY SERVICES SDN BHDBOUSTEAD SOLANDRA
SDN BHDBOUSTEAD ELDRED
SDN BHDBOUSTEAD AGRO PLANTATIONS
SDN BHDAPPLIED AGRICULTURAL
RESOURCES SDN BHD

PROPERTY & INDUSTRIAL DIVISION

BOUSTEAD PROPERTIES BERHAD

UAC BERHAD

MUTIARA RINI SDN BHD

BOUSTEAD CURVE SDN BHD

BOUSTEAD REALTY SDN BHD

BOUSTEAD WELD COURT
SDN BHD

ASTACANGGIH SDN BHD

BOUSTEAD BALAU SDN BHD

DAMANSARA ENTERTAINMENT
CENTRE SDN BHD

MIDAS MAYANG SDN BHD

BOUSTEAD NUCLEUS SDN BHD

BOUSTEAD HOTELS & RESORTS
SDN BHDBOUSTEAD WELD QUAY
SDN BHDBOUSTEAD IKANO
SDN BHDPAVILION ENTERTAINMENT
CENTRE SDN BHDIRAT PROPERTIES
SDN BHD

■ Subsidiary (Public Listed)

■ Subsidiary

■ Associate/Joint Venture

■ Associate (Public Listed)

Note: please refer to pages 380 - 385
for a comprehensive list of companies
within the Group



PHARMACEUTICAL DIVISION

PHARMANIAGA BERHAD

PHARMANIAGA LOGISTICS
SDN BHD

PHARMANIAGA
MANUFACTURING BERHAD

IDAMAN PHARMA
MANUFACTURING SDN BHD

PHARMANIAGA LIFESCIENCE
SDN BHD

PHARMANIAGA RESEARCH
CENTRE SDN BHD

PHARMANIAGA BIOMEDICAL
SDN BHD

PHARMANIAGA MARKETING
SDN BHD

PRISTINE PHARMA
SDN BHD

PT MILLENNIUM PHARMACON
INTERNATIONAL TBK

PT ERRITA PHARMA



HEAVY INDUSTRIES DIVISION

BOUSTEAD HEAVY INDUSTRIES
CORPORATION BERHAD

BOUSTEAD PENANG SHIPYARD
SDN BHD

BOUSTEAD NAVAL SHIPYARD
SDN BHD

BHIC NAVALTECH SDN BHD

BOUSTEAD LANGKAWI SHIPYARD
SDN BHD

BHIC DEFENCE TECHSERVICES
SDN BHD

BHIC MARINE TECHNOLOGY
ACADEMY SDN BHD

BHIC SUBMARINE ENGINEERING
SERVICES SDN BHD

BHIC TRADING SDN BHD

BHIC BOFORS ASIA SDN BHD

BOUSTEAD DCNS NAVAL
CORPORATION SDN BHD

BHIC MSM SDN BHD

CONTRAVES ADVANCED
DEVICES SDN BHD

BHIC AEROSERVICES
SDN BHD

AIRBUS HELICOPTERS
SIMULATION CENTER SDN BHD



TRADING, FINANCE & INVESTMENT DIVISION

BOUSTEAD PETROLEUM MARKETING
SDN BHD

BOUSTEAD TRAVEL SERVICES
SDN BHD

BOUSTEAD SHIPPING AGENCIES
SDN BHD

BOUSTEAD CREDIT SDN BHD

BOUSTEAD GLOBAL RISK
SOLUTION SDN BHD

MHS AVIATION BERHAD

THE UNIVERSITY OF NOTTINGHAM
IN MALAYSIA SDN BHD

BOUSTEAD DIGITAL SERVICES
SDN BHD

BOUSTEAD TECHNOLOGY SDN BHD

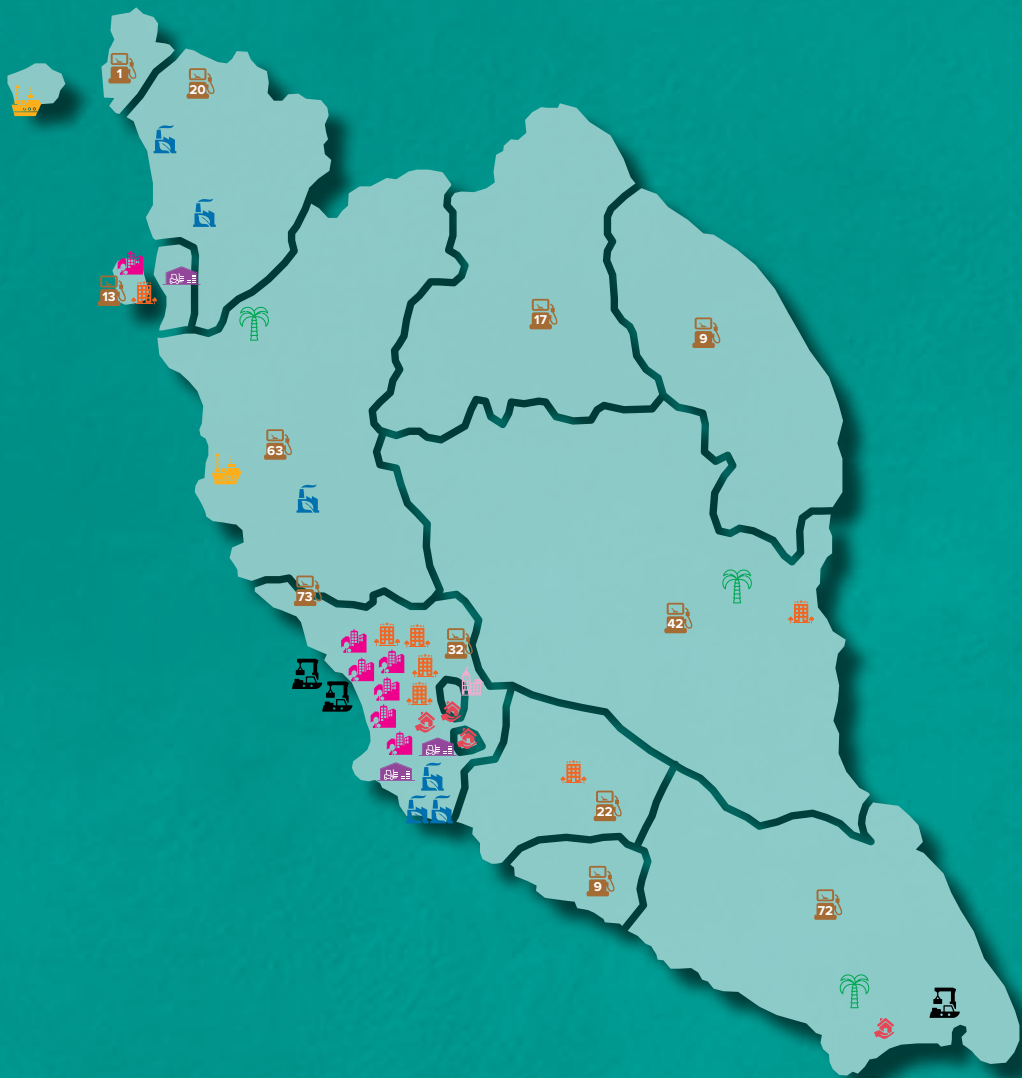
AFFIN BANK BERHAD

CADBURY CONFECTIONERY
MALAYSIA SDN BHD

DREW AMEROID (M) SDN BHD

BOUSTEAD WAH SEONG SDN BHD

WHERE WE OPERATE IN MALAYSIA



PLANTATIONS

- Sungai Jernih Business Unit
- Nak Business Unit
- Trong Business Unit
- Segamaha - Segaria Business Unit
- Telok Sengat Business Unit
- Rimba Nilai Business Unit
- Kanowit - Tinjar Business Unit
- Tawai Business Unit



PROPERTIES OWNED AND MANAGED

- the Curve
- Curve NX
- Menara Affin
- The Bousteador
- Menara Boustead & Wisma Boustead
- Menara Boustead (Penang)
- Menara UAC



TOWNSHIPS AND DEVELOPMENT

- Taman Mutiara Rini township
- Mutiara Damansara township
- Mutiara Hills township
- One Cochrane Residences



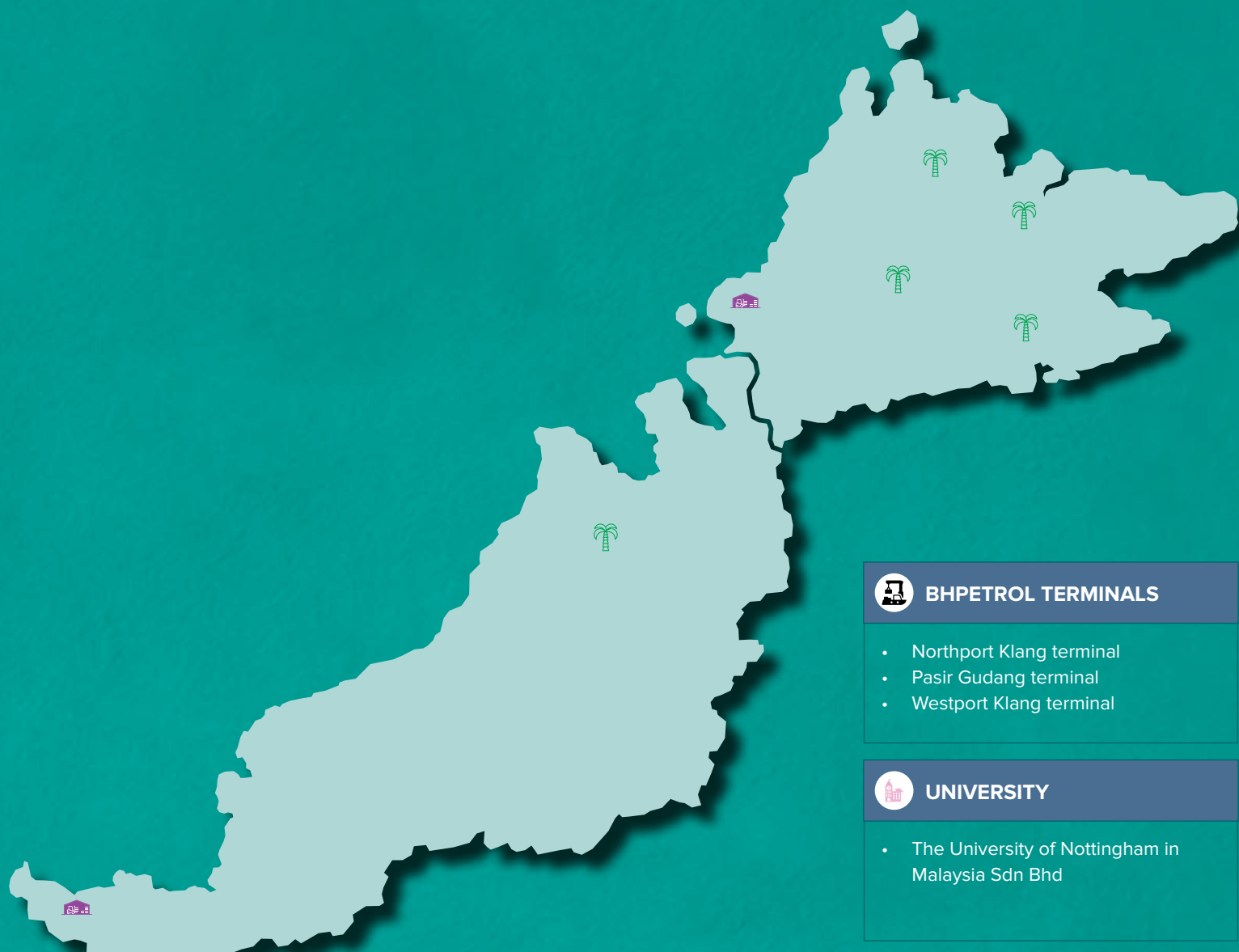
HOTELS AND RESORTS

- Royale Chulan Kuala Lumpur
- Royale Chulan Damansara
- Royale Chulan The Curve
- Royale Chulan Cherating
- Royale Chulan Seremban
- Royale Chulan Penang
- Royale Chulan Hyde Park (London, United Kingdom)*



SHIPYARDS

- Boustead Naval Shipyard
- Boustead Langkawi Shipyard



BHPETROL TERMINALS

- Northport Klang terminal
- Pasir Gudang terminal
- Westport Klang terminal



UNIVERSITY

- The University of Nottingham in Malaysia Sdn Bhd



LOGISTICS AND DISTRIBUTION SITES

- Pharmaniaga Logistics Sdn Bhd (Bukit Raja, Shah Alam)
- Pharmaniaga Logistics Sdn Bhd (Section 15, Shah Alam Branch)
- Pharmaniaga Logistics Sdn Bhd (Juru Branch)
- Pharmaniaga Logistics Sdn Bhd (Penang Branch)
- Pharmaniaga Logistics Sdn Bhd (Kuching Branch)
- Pharmaniaga Logistics Sdn Bhd (Kota Kinabalu Branch)
- Pharmaniaga Biomedical Sdn Bhd
- PT Millennium Pharmacon International TBK (Jakarta, Indonesia)*



MANUFACTURING SITES

- UAC Berhad
- Pharmaniaga Manufacturing Berhad
- Pharmaniaga LifeScience Sdn Bhd
- Idaman Pharma Manufacturing Sdn Bhd (Sungai Petani Branch)
- Idaman Pharma Manufacturing Sdn Bhd (Seri Iskandar Branch)
- Paradigm Industry Sdn Bhd
- PT Errita Pharma (Bandung, Indonesia)*



BHPETROL SERVICE STATIONS

- Selangor (73)
- Johor (72)
- Perak (63)
- Pahang (42)
- Wilayah Persekutuan (32)
- Negeri Sembilan (22)
- Kedah (20)
- Kelantan (17)
- Pulau Pinang (13)
- Terengganu (9)
- Melaka (9)
- Perlis (1)

* Operations which are not reflected on the map

CORPORATE HIGHLIGHTS

JAN 2022
16

Boustead Properties Berhad soft-launched Balau Homes Phase 1A2, comprising 66 units.


27

Boustead Plantations Berhad completed disposal of Kulai Young land.


FEB 2022
25

Pharmaniaga LifeScience Sdn Bhd signed Memorandum of Understanding (MOU) with Thailand's BioNet Group for vaccine research and development.

Pharmaniaga Research Centre Sdn Bhd signed MOU with Thailand's Bio-Innova Co. Ltd. for bioequivalence solutions as well as pharmaceutical product development innovation.


MAR 2022
29

Boustead Plantations Berhad signed Document of Understanding (DOU) with Cargill Palm Products Sdn Bhd for the long-term supply of high-quality and sustainable crude palm oil.


30

Pharmaniaga Manufacturing Berhad (PMB) signed MOU with Prime Medical Store LLC, a subsidiary of PRIME Healthcare Group as the foundation to establish the framework that will grant Prime Medical the exclusive right to register, import, promote, market, sell and distribute PMB's pharmaceutical products in United Arab Emirates (UAE).


APR 2022
14

Boustead Credit Sdn Bhd received Shariah-compliant certification for its hire purchase financing from a professional Shariah advisory and consultancy firm specialised in end-to-end Islamic finance solutions.



MAY 2022	10	Boustead Petroleum Marketing Sdn Bhd secured Petroleum, Oil & Lubricants (POL) supply tender to Ministry of Defence Malaysia (MINDEF).	
	12	Boustead Holdings Berhad obtained MS ISO 37001:2016 Anti Bribery Management Systems (ABMS) Certification.	
JUN 2022	7	Boustead Plantations Berhad entered into an RM45 million green financing agreement with China Construction Bank (Malaysia) Berhad for replanting programme.	
	16	Boustead Holdings Berhad held its 60 th Annual General Meeting via hybrid on 16 June 2022 at Royale Chulan Damansara.	
	30	Boustead Properties Berhad signed DOU with Affin Bank Berhad to provide eligible homeowners with more flexibility in financing solutions under the latter's Home Step Fast/-i initiative.	
JUL 2022	7	DOU signed between Boustead Properties Berhad and K Ecomart (M) Sdn Bhd sets the stage for the grand opening of the biggest Korean premium food market in Malaysia, K Plus Food Market at the Curve shopping mall on 7 October 2022.	

CORPORATE HIGHLIGHTS

JUL 2022

8

Boustead Properties Berhad announced its collaboration with Forest Reserve Institute of Malaysia (FRIM) for the conservation and preservation of a 2.1 km river park development in Mutiara Hills in Semenyih.



15

Pharmaniaga Berhad entered into a Memorandum of Collaboration with China's Suzhou Ronnsi Pharma Co., Ltd. to commercialise Halal ovine (sheep and goat) anti-coagulant (blood clot thinner) in Malaysia.



SEP 2022

12

BHIC Bofors Asia Sdn Bhd received Letter of Acceptance from MINDEF for a RM15.7 million contract for the supply, delivery, maintenance and training of BOFORS naval guns 57MM/L70 to the Royal Malaysian Navy.



15

Mutiara Spaces, a new brand by Boustead Properties Berhad was launched to front all existing and new projects.



26

Pharmaniaga Logistics Sdn Bhd launched the use of electric vehicles for the delivery of medicines in several areas of the Klang Valley at the 50th Anniversary of the Lembaga Tabung Angkatan Tentera at Royal Malaysian Air Force Kuantan, Pahang.



OCT 2022

14

Pharmaniaga Berhad and Perisind Samudra Sdn Bhd signed a Heads of Agreement to facilitate the implementation of Pharmaniaga's Decarbonisation Programme towards embracing low-carbon economy and greener practices.



OCT 2022	18	Boustead Technology Sdn Bhd installed one unit of 22kW AC EV Charger Station – B Charge at Royale Chulan Cherating.	
	29	Soft launch of Green Army, a job-matching platform that allows users to explore job availabilities within the Boustead ecosystem in Kuantan, Pahang.	
	30	Mobilisation of the Tanky Wira programme which achieved approximately 25,000 downloads and successful donation of basic food supplies for army veterans and armed forces – benefiting approximately 100,000 households.	
	31	Pharmaniaga Berhad signed MOU with JDMAS Commerce Sdn Bhd to commercialise Pharmaniaga's over-the-counter (OTC) and subsequently pharmaceutical products in China through JD.Com.	
NOV 2022	24	Boustead Holdings Berhad launched Boustead Integrity and Governance Plan (BIG Plan).	
DEC 2022	13	Pharmaniaga LifeScience Sdn Bhd signed Research Collaboration Agreement with BioNet-Asia Co. Ltd of Thailand for the development of a 6-in-1 combination vaccine (Hexavalent vaccine) for children's healthcare, using BioNet formulation.	

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SECTION

02





Dato' Ahmad Nazim Abd Rahman
Chairman

CHAIRMAN'S STATEMENT

Dear Shareholder,

Boustead Holdings Berhad demonstrated remarkable resilience over the past year, skilfully navigating through obstacles as the country began its path towards recovery from the pandemic.

As the Group's Chairman since 2 March 2023, I am pleased to highlight some of our notable accomplishments during the fiscal year ended 31 December 2022.

CHAIRMAN'S STATEMENT

OUR OPERATING LANDSCAPE

Cushioned by a strong recovery in private consumption as well as improved labour market conditions and strategic Government policy measures, the Malaysian economy rebounded, despite global headwinds and geopolitical tensions, to record an 8.7% Gross Domestic Product (GDP) expansion in 2022.

FINANCIAL PERFORMANCE

Boustead Holdings Berhad delivered a consolidated profit after tax of RM104 million on the back of RM15.1 billion in revenue. The better revenue represents an impressive increase of 34% from the previous year, despite the challenges faced.

The Plantation Division, the largest contributor to the Group, posted a profit before tax of RM729 million, representing an exceptional increase from the RM345 million reported in the previous year. This impressive performance was attributed to higher crude palm oil prices and the successful implementation of land disposal and crop improvement programmes. Moreover, the Division achieved its highest revenue ever, reaching RM1.2 billion.

While most of the Divisions performed commendably, the Pharmaceutical Division was faced with a one-off impairment as a result of unsold vaccine inventories while the Heavy Industries Division registered a loss mainly due to higher allowances on expected credit losses.

As a testament to our commitment to delivering value to our shareholders, we are pleased to announce that we declared an interim dividend of 1.5 sen on 29 December 2022. The dividend was paid on 27 March 2023.

UPHOLDING GOOD ESG PRACTICES

During the year, we reaffirmed our focus on Environmental, Social And Governance (ESG) principles and our commitment to evolve sustainably and in a socially responsible manner.

As climate change continues to pose tremendous challenges across the globe and investor expectations and financial literacy mature in a rapidly changing business environment, the Group is fully aware that we play an important role in moving the agenda forward as well as contributing to the improvement of communities, the environment, and the economy.

Strengthening our performance through enhanced corporate governance is a key priority for the Group, and we remain committed to implementing best practices and programmes to guide us in this endeavour.

In addition to the Group's Anti-Bribery and Corruption Policy established in 2020 and other initiatives to enhance corporate governance, we also successfully attained the Anti-Bribery Management Systems (ABMS) certification in 2022 with zero Non-Conformity and Opportunity for Improvement.

As part of the Boustead Integrity and Governance Plan 2022-2025, ABMS reflects the Group's unwavering commitment to upholding the highest standards of corporate integrity, governance, and anti-corruption measures. By prioritising these best practices, we aim to safeguard our business growth and create a culture of transparency, accountability, and ethical conduct across all our operations.

OUTLOOK

Boustead largest shareholder, Lembaga Tabung Angkatan Tentera (LTAT), has made a conditional takeover offer for a 100% stake in Boustead, subject to regulatory requirements. As the situation develops, we will continue to keep our shareholders informed with timely updates, in line with corporate governance best practices.

Following the planned takeover, our top priorities will be restoring financial stability to the Group and creating a strong foundation that will allow us to concentrate on value-adding activities and driving sustainable growth over the long term. We are committed to executing this plan in a timely and effective manner, with a focus on creating value for all our stakeholders.

REVENUE



RM15.1
BILLION



The Group will continue to prioritise ESG principles as a cornerstone of corporate sustainability, while technological advances will continue to have a positive effect on our operational efficiencies.

Looking ahead, Boustead is well-positioned to build on its achievements. Despite continued uncertainties and challenges in the global economy, we remain focused on growth and innovation, leveraging our diverse portfolio of businesses and investments to create value for our stakeholders.

Through continued investment in our people, processes, and technologies, we are confident in our ability to drive sustainable growth and deliver long-term value to our shareholders.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to record our appreciation to Datuk Seri Mohd Redzuan Md Yusof who resigned as Chairman in January 2023 for his dedicated contribution to the Group last year and the same goes to our former Group Managing Director, Dato' Sri Mohammed Shazalli Ramly who resigned in November 2022 upon expiry of his contract.

I would also like to express our heartfelt appreciation to our outgoing members for their invaluable contributions to the Group during their tenure. We would like to extend our thanks to Dato' Nonee Ashirin Dato' Mohd Radzi, Tan Sri Abu Bakar Haji Abdullah, Senator Datuk Seri Hajjah Zurainah Musa, and Datuk Maulizan Bujang for their unwavering dedication, insights and guidance that have helped shape the Group's direction.

We are pleased to welcome the newly-appointed Board members in advancing the Group's growth and success, Muhammad Fitri Othman, who has been promoted from alternate to full Director, as well as Irfan Hashim and Dayana Rogayah Omar, who have been appointed as alternates. We are confident that their experience and expertise will contribute to the Group's growth and success.

As part of our senior leadership succession programme, we are glad to welcome the appointment of Izaddeen Daud as our new Group Chief Executive Officer. With his extensive experience and impressive track record in both the corporate sector and various leadership positions within the Group, we are confident that he is the ideal candidate to lead the Group towards continued success.

We would also like to extend our deep appreciation to our shareholders for their support and our gratitude to our financiers, business partners, suppliers, consultants as well as regulatory authorities for their invaluable contribution. Additionally, we would like to give a special acknowledgment to our senior management and Bousteadors for their unwavering dedication to the Group. Their commitment has been integral to our success and we are deeply grateful for their contributions.

Dato' Ahmad Nazim Abd Rahman
Chairman

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholder,

I am pleased to provide an overview of our Group's performance during the past year. Although it was undoubtedly a challenging period for us, we remained steadfast in our commitment to future-proofing Boustead.

Our diversified nature of business is critical to our overall performance as it offers us various opportunities for growth and expansion. This was evidenced by the solid performance recorded by the majority of our Divisions, despite some experiencing impairments and losses.





Izaddeen Daud
Group Chief Executive Officer

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT



The initiatives implemented in FY2022 were aligned with the Reinventing Boustead strategy, as we adopted a renewed approach towards our digital agenda to support our core businesses in reaching optimal performance, efficiency and productivity levels. We are dedicated to maintaining our focus on integrity, sustainability, creativity and innovation.

As of 31 December 2022, we achieved a market capitalisation of RM1.3 billion, with an increase in net assets per share from the previous year to RM1.63, and a gearing ratio of 1.29 times.

DIVISIONAL OVERVIEW

Our top performing Plantation Division recorded a 111% increase in profit before taxation and zakat (PBT) to RM729 million. Crude palm oil and palm kernel prices for the year, on average RM5,066 per metric tonne (MT) and RM3,156 per MT, respectively, contributed positively to the Division's earnings.

The Trading, Finance & Investment Division also delivered a solid performance with PBT rising by an impressive 109% to RM403 million. Boustead Petroleum Marketing Sdn Bhd (BHPetrol) was a significant contributor to the Division's results, thanks to increased average fuel prices and sales volume. Affin Bank Berhad also recorded positive results, with a gain achieved on the sale of Affin Hwang Asset Management Berhad.

“
Our top performing
Plantation Division
recorded a 111%
increase in PBT to
RM729 million.

”



REINVENTING BOUSTEAD

We understand that delivering sustainable value to our shareholders over the long term is essential for the continued success of our business. As such, we have remained committed to implementing initiatives that will not only improve our performance but also optimise our portfolio to deliver the most value for our shareholders.

During the year, we continued to focus on the Reinventing Boustead strategy, which is aimed at future-proofing our organisation. As part of this strategy, we implemented Performance Improving Programmes for some of our underperforming subsidiaries, to ensure that we are able to improve their performance and profitability. We continued to explore and leverage technology in driving innovation to further enhance our existing operations and tap into new growth opportunities.

The Property & Industrial Division also turned a PBT of RM35 million, marking a successful comeback for the Division. The year under review saw the sale of industrial and commercial land in addition to higher export sales, cost-effective pricing strategies, as well as higher hotel occupancy and room rates.

However, impairment resulting from the write-down of slow-moving COVID-19 vaccine inventories was the primary factor in the Pharmaceutical Division's RM583 million loss before tax in 2022.

The Heavy Industries Division also recorded RM164 million pre-tax loss that was heavily contributed by allowances on expected credit loss.

In addition to these initiatives, we continued to focus on portfolio optimisation to maximise long-term value for our shareholders by divesting non-core assets and investing in high-growth, high-value sectors.

Our Reinventing Boustead strategy will continue to keep us on track for sustainable growth and success in the years to come.

TALENT BUILDING

We recognise that our people are our most valuable asset, and we remain committed to cultivating a high-performing talent pipeline to achieve our business goals and objectives. As part of our Reinventing Boustead strategy, we have implemented a Talent Management Framework that has helped to identify talented individuals with potential across the Group. Through initiatives such as the Boustead Talent Reachout and Connect (TRAC), we have been able to attract, retain, and develop top talent within our organisation.

We also understand the importance of training and upskilling our staff to keep up with the rapidly changing business landscape. As such, we have invested in various training and development programmes to empower employees to develop new skills and competencies to support their growth and our business objectives. This approach has allowed us to build a capable and agile workforce that can effectively adapt to changes in our industry and contribute meaningfully towards our transformation goals.

GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

OUTLOOK

Since the factors that plagued 2022, such as inflationary pressure, sluggish global demand, and tightening of monetary policies in many countries, are likely to persist into 2023, we expect that it will continue to be a trying year.

The Plantation Division will focus on assets rebalancing and initiatives to enhance yield, estate efficiency and cost optimisation. The Division will also prioritise mechanisation and digitalisation in order to help accelerate our production rate and improve yield. At the same time, in order to reduce our portfolio of ageing palms, we will continue replanting efforts and remain open to strategic disposals.

Our Trading, Finance & Investment Division companies are expected to enter 2023 on a stronger financial footing mainly due to the global tourism recovery, strong logistics demand as well as the expected rise in Malaysian road traffic. The favourable interest rate climate in 2023 will be a further boon for our finance-related businesses.

The encouraging performance of the Property & Industrial Division in 2022 is expected to be sustained in 2023, notwithstanding concerns about slower economic growth domestically and internationally. We look to fine-tune business operations and position the Division in areas of continued growth while addressing emerging challenges.

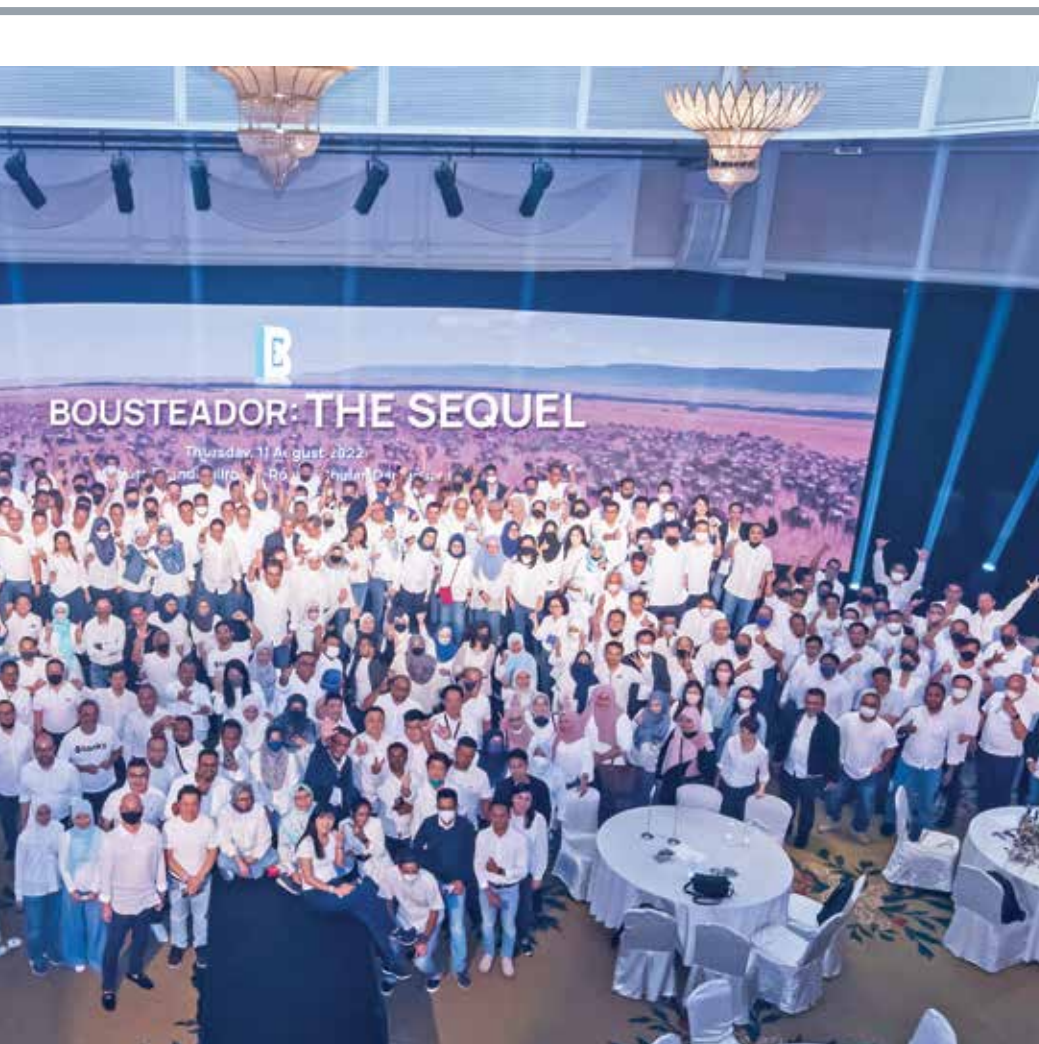
The Pharmaceutical Division's efforts to expand into the private sector are expected to continue into 2023. The Division is also

making strides to broaden its global reach, in order to take advantage of expanding opportunities, particularly in Indonesia. It is always important to identify new opportunities for growth, especially in the pharmaceutical industry, which is constantly evolving. Also, with Pharmaniaga's consistent track record and extensive infrastructure and ecosystem built over the years, we are confident that Pharmaniaga remains the right track for the pharmaceutical logistics and distribution concession renewal.

In addition, it is encouraging to note that Pharmaniaga Berhad's Practice Note 17 (PN17) board committee taskforce is already working on a regularisation plan to Bursa Malaysia. This shows the Division's firm commitment to meeting obligations to its stakeholders and shareholders, as well as its determination to overcome challenges and emerge stronger. Overall, the Pharmaceutical Division's focus on growth and commitment to regulatory compliance is a positive sign.

The forthcoming resumption of the Littoral Combat Ship project augurs well for the Heavy Industries Division, as it represents a major opportunity to generate revenue and build a strong reputation in the defence industry. In addition to its core defence-related activities, the Heavy Industries Division is also exploring new opportunities for growth. This includes evaluating new markets and customers, as well as considering strategic partnerships and collaborations. By leveraging its expertise and reputation in the shipbuilding and ship repair sectors, the Division is well-positioned to take advantage of emerging trends and opportunities in the global marketplace.





Recently, LTAT has made a conditional takeover offer for a 100% stake in Boustead. While the exercise is ongoing, the Management of Boustead wishes to assure that the Group continues to operate as usual and we remain focused in delivering results and maximising values for our shareholders.

Indeed, as we look to the future, we are optimistic on our ability to navigate the challenging business environment and achieve sustained growth and profitability. We remain focused on restructuring and optimising our operations to reduce costs and increase efficiency. Our goal is to build a more resilient business that is well-equipped to weather any future disruptions and economic challenges.

We are also continuously exploring new growth opportunities and investments that align with our strategic priorities, optimising our portfolio while simultaneously leveraging our existing capabilities and strengths to create shareholder value.

Izaddeen Daud

Group Chief Executive Officer

“
We are optimistic on our ability to navigate the challenging business environment and achieve sustained growth and profitability.
”

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

Dear Shareholder,

Boustead Holdings Berhad recorded a profit before tax of RM420 million for the financial year ended 31 December 2022, a reduction of 45% compared with the previous financial year.

This was attributable to the RM552 million write-down of COVID-19 inventories in the Pharmaceutical Division, which was undertaken in adherence with the requirements of the Malaysian Financial Reporting Standards (MFRS). In the Heavy Industries Division, the ongoing delay of the Littoral Combat Ship project also impacted our bottom line. Subsequently, profit after tax stood at RM104 million (FY2021: RM479 million).

Nevertheless, the Group recorded a solid performance by the majority of our other Divisions.

**REVENUE****RM15.1 BILLION**

(2021: RM11.3 Billion)

**EBITDA****RM957 MILLION**

(2021: RM1,333 Million)

**TOTAL ASSETS****RM15.9 BILLION**

(2021: RM16.4 Billion)

**CAPITAL EXPENDITURE****RM83 MILLION**

(2021: RM52 Million)

**PROFIT BEFORE TAXATION
AND ZAKAT****RM420.4 MILLION**

(2021: RM760.7 Million)

Fahmy Ismail

Group Chief Financial Officer

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

OPERATIONAL EXCELLENCE

In line with our Reinventing Boustead strategy and commitment to fiscal responsibility, the Group continued to implement smart debt management in order to pare down borrowings and reduce our gearing.

Our efforts clearly bore fruit, as the Group's borrowings decreased to RM6.8 billion for the financial year under review, as we were able to pare down revolving credit from various initiatives undertaken. Due to the lower borrowings, our finance costs were also reduced despite an increase in borrowing costs arising from the higher overnight policy rate (OPR).

However, total equity saw a decline as a result of lower profit and higher dividend payments to non-controlling interests. As a result, gearing stood at 1.29 times.

ASSET MONETISATION

To lead the Group forward on a more sustainable path and enhance our resilience, we continued our strategy to review our business model and monetise non-strategic assets, in order to focus our resources on our core divisions.

In line with this, we successfully completed the divestment of seven plots of industrial land in Bukit Raja and land held for development in Jalan Cochrane, for a total sales consideration of approximately RM790 million. In addition, we completed the disposal of plantation land, netting a one-off gain of RM459 million.

COMPANY PERFORMANCE

In 2022, the Company turned a profit of RM322 million before taxes and zakat, reversing a RM68 million deficit from the previous fiscal year, marking a significant turnaround.

The Company's major subsidiaries delivered better dividend income of RM434 million in 2022, up from RM116 million in the previous year. This is a testament to the Company's sound investment decisions and strong partnership with its subsidiaries.

In addition to this, the Company demonstrated prudent financial management by reducing its borrowings from RM3.3 billion in 2021 to RM3.1 billion in 2022. This has resulted in a substantial reduction in finance costs, to RM183 million from RM202 million in 2021 despite the increase in the cost of borrowings due to higher OPR.

The Company's ability to weather the challenging economic climate is reflected in our favourable financial indicators, which also highlight our dedication to delivering value to shareholders. To this end, we are pleased to announce that we declared an interim dividend of 1.5 sen on 28 December 2022. The dividend was paid on 27 March 2023.





DIVISIONAL OVERVIEW

Most of our Divisions delivered improved results, supported by the resumption of economic activities as Malaysia entered the endemic stage of COVID-19.

This was led by the Plantation Division, which benefitted from higher palm product prices during the year, followed by the Trading, Finance & Investment Division, mainly attributable to higher average fuel prices and sales volume, as well as a higher share of results from Affin Bank Berhad.

The Property & Industrial Division also turned in a better contribution driven by the sale of industrial land and land held for development, as well as an improved performance by the hotel and industrial segments.

The Pharmaceutical Division was impacted significantly by the write-down of COVID-19 inventories, with Pharmaniaga Berhad classified as a PN17 company. Given the present predicament, our current focus is to work towards uplifting the PN17 status. Meanwhile, the Heavy Industries Division continued to face challenges with reduced contributions from both shipbuilding and ship repair activities.

REVIEW OF INCOME STATEMENTS

Revenue

The Group recorded a higher revenue of RM15.1 billion, which is up by 34% from RM11.3 billion in the previous financial year. Our revenue growth was mainly attributed to our Trading, Finance & Industrial Divisions, which delivered a revenue of RM9 billion. At the same time, higher commodity prices for our Plantation Division and BHPetrol, as well as sales of industrial plots and development land by our Property Division, have increased revenue for 2022.

Operating Cost

Total operating cost for the year was higher at RM14.4 billion, compared with RM10.3 billion in the previous financial year. Contributing factors were the increase in raw material and commodities prices, particularly higher fuel prices at BHPetrol. The Plantation Division also recorded higher manuring costs, while the Property & Industrial Division saw an increase in development costs associated with the disposal of land in Bukit Raja and Jalan Cochrane.

Gain on Disposal of Properties

The Group recorded a higher gain on disposal of RM465.5 million compared with RM103.9 million in the previous fiscal period. The majority of this arose from the Plantation Division, with disposal of land in its Kulai Young and Telok Sengat estates in Johor, as well as its Bukit Mertajam estate in Kedah.

Write-down of Inventories

The write-down of slow-moving COVID-19 vaccine inventories at Pharmaniaga Berhad amounted to RM552 million. This was in adherence with MFRS 102 – Inventories and good governance.

GROUP CHIEF FINANCIAL OFFICER'S STATEMENT

Impairment of Goodwill

The Group's bottom line was further impacted by the impairment of goodwill totalling RM50.3 million in PT Errita Pharma, a subsidiary of Pharmaniaga Berhad. This was necessary as the subsidiary incurred losses in the past and has limited prospects to support the carrying amount of goodwill.

Share of Results in Associates and Joint Ventures

For the year under review, the Group recorded a higher share of results in associates of RM256 million compared with RM117 million in the previous fiscal year. This was primarily due to the stronger contribution from Affin Bank Berhad, which posted a higher net profit of RM1.2 billion on the back of the gain on divestment of Affin Hwang Asset Management Berhad.

However, the Group recorded a higher share of loss in joint ventures, mainly attributable to a fair value loss on investment properties in Boustead Ikano Sdn Bhd.

Finance Cost

Finance costs were lower at RM337 million, a 4% decrease from the previous year. This was due to the reduction in borrowings, which mitigated the increased average interest rate of 5.2% due to the higher OPR, compared with 4.7% in the previous year.

Taxation and Zakat

Taxation and zakat rose to RM317 million compared with RM282 million last year. This was primarily attributable to the impact of Cukai Makmur on Boustead Plantations Berhad and Boustead Petroleum Marketing Sdn Bhd. The effective tax rate at the Group was also higher than the statutory rate as certain expenses were non-deductible for tax purposes, specifically, the write-down of inventories of COVID-19 vaccines at Pharmaniaga Berhad.

REVIEW OF STATEMENTS OF FINANCIAL POSITION

Although total assets and total equity saw a slight decline during the year, the Group's balance sheet remained at a healthy level, more so considering the volatile economic environment. This was further reflected by the increase in net assets per share to RM1.63.

Total Assets

Total assets for the year saw a marginal decrease to RM15.9 billion compared with RM16.4 billion in the last financial year. This reduction was largely due to the write-down of COVID-19 vaccine inventories at Pharmaniaga Berhad.

Nevertheless, the Group's receivables increased to RM1.5 billion on the back of higher subsidy receivables in Boustead Petroleum Marketing Sdn Bhd and the remaining proceeds from the disposal of plantation assets. Our cash balance was also higher at RM770 million, up from RM464 million in the previous year.

Total Liabilities

The Group's total liabilities stood at RM10.6 billion as of 31 December 2022. This marked a reduction of approximately RM400 million compared with RM11.0 billion last year, supported by the decrease in borrowings.

Total Equity

Total equity for the year was lower at RM5.3 billion due to combination of lower net profit of RM37.0 million and higher dividend payments of RM215.6 million to non-controlling interest, compared with RM85.4 million in the previous fiscal period.

REVIEW OF STATEMENTS OF CASH FLOW

The Group closed the year with cash and cash equivalents of RM674 million, an increase from RM383 million at the start of the financial year. This was primarily due to stronger cash inflow from operations and lower outflow from financing activities.

Cash inflow from operations stood at RM1,170 million, up from RM748 million last year, arising from higher net cash receipts from the Plantation Division due to better palm products prices. In addition, the Property & Industrial Division also generated higher net cash from operations on the sale of industrial land in Bukit Raja.

Total cash outflow from financing activities saw a reduction to RM840 million, mainly due to lower repayment of term loans. This was partially offset by the higher payment of dividends by our subsidiaries to non-controlling interests.



OUTLOOK

While the nation is firmly on the road to post-pandemic recovery, the global economic landscape remains volatile, amid various challenges such as rising inflation, commodity price fluctuations and tightening monetary policies in global markets.

Putting further pressure on margins are high raw material and input costs for fertiliser, electricity and fuel, amongst others. Finance cost will also be impacted by the increase in OPR, given that 70% of our borrowings are on a floating rate. Compounding this is direct staff cost, which is affected by the shortage of foreign labour, particularly in our plantation and hotel operations.

Nevertheless, the Malaysian economy is forecast to see moderate growth between 4% and 5% in 2023. Against this backdrop, we remain optimistic about Boustead Group's ability to navigate the challenges ahead. With a solid foundation in place and guided by our Reinventing Boustead strategy, we are confident in our ability to not only weather the challenges but also to create value and drive sustainable growth.

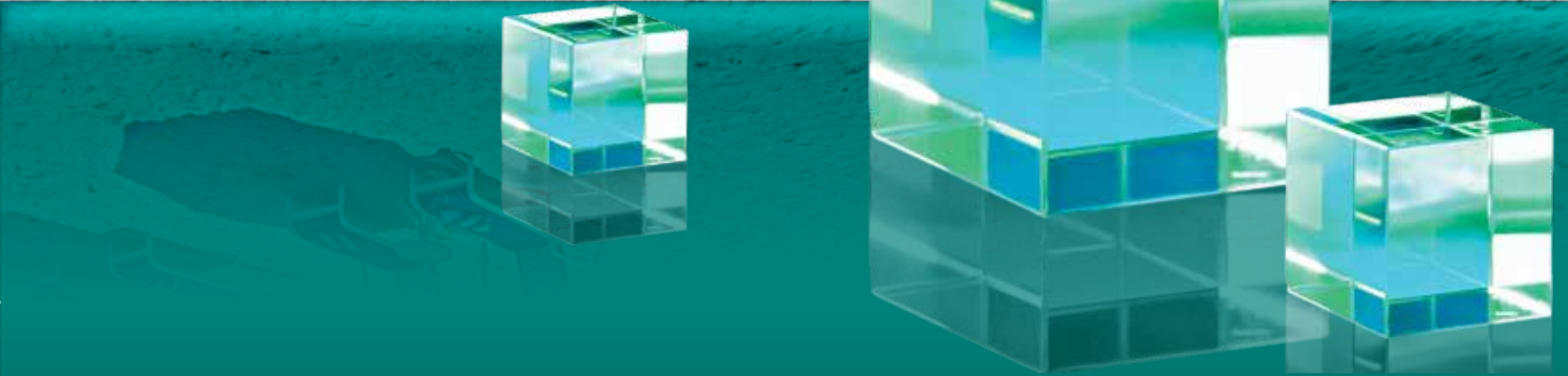
Fahmy Ismail
Group Chief Financial Officer

VALUE CREATION

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SECTION

03



VALUE CREATION

OUR KEY CAPITALS

The diverse resources and connections that each of our subsidiaries and associate companies draw upon to effectively manage their operations are critical in strengthening the Group's fundamentals. These interdependent key capitals are categorised as financial, manufactured, intellectual, human, social & relationship and natural.



FINANCIAL CAPITAL

Our financial capital covers all debt, retained earnings, and equity funding available to fuel innovation and growth. Our financial capital is primarily invested in disruptive technologies, capacity-building and competency-building, in addition to research and development. We remain committed to maintaining solid cash flow and a healthy balance sheet so that we can carry out our Reinventing Boustead strategy while being nimble in responding to opportunities and minimising risks.



MANUFACTURED CAPITAL

All of the tangible assets that we possess or deploy in the course of running our businesses are categorised as manufactured capital. These include our oil palm estates and palm oil mills, the properties developed by the Group, the properties under our management, our pharmaceutical plants and retail outlets, the fleet of vehicles utilised for distribution services, as well as our shipbuilding dockyards and fabrication yards. We maintain these assets in excellent shape and under proper management to maximise their worth.



INTELLECTUAL CAPITAL

Intellectual capital corresponds with our intangible assets, which include our organisation's inherent knowledge and capability, our reputation and the strong brands that we have developed, which are instrumental to the growth of the Group. We continue to invest in intellectual capital through research and development as well as strategic partnerships. Reinventing Boustead strategy has strengthened our intellectual capital and guides the Group and our subsidiaries in value creation for all our other key capitals.





HUMAN CAPITAL

Our people are at the heart of the Group and are pivotal to the success of our operations and strategies. We strongly believe in the significance of creating a healthy, high-performance corporate culture, which protects the welfare of our people and empowers them to realise their potential. As a result, we make significant investments in their well-being as well as their professional growth.



SOCIAL & RELATIONSHIP CAPITAL

Our many connections with the community, as well as our customers, employees, business partners, suppliers, regulators and policymakers are covered under social & relationship capital. Each stakeholder group is vital to us. Therefore, we work hard to involve them, learn their requirements, and accommodate them. Doing so establishes mutually beneficial partnerships built on trust that provide value for all parties involved.



NATURAL CAPITAL

All of the natural resources, both renewable and non-renewable, utilised by the Group are represented by our natural capital. Included in this category are resources such as fuel, water, and land, among others. As responsible corporate citizens, we recognise the importance of optimising our use of these limited resources. We are also committed to environmental preservation to ensure the long-term sustainability of our businesses and the planet as a whole. As a result, we are implementing strict measures to minimise our carbon footprint and ensure we perform our role in addressing environmental imperatives on a global scale.



VALUE CREATION OUR BUSINESS MODEL

OUR CAPITALS...



... ENABLE VALUE-ADDING



ACTIVITIES THAT CREATE ...

INPUTS



FINANCIAL CAPITAL

- Share capital of RM2.7 billion
- Total assets of RM15.9 billion
- Total equity of RM5.3 billion



MANUFACTURED CAPITAL

- Total property, plant & equipment, investment properties and right of use assets of RM7.9 billion
- Capital expenditure for the past five years of RM2.0 billion



INTELLECTUAL CAPITAL

- Strategic partnership with leading brand and companies
- The only local brand of petrol/fuel in Malaysia under BHPetrol
- Intensive R&D under Plantation, Pharmaceutical and Industrial Divisions
- Extensive usage of digitalisation and Internet of Things (IoT)



HUMAN CAPITAL

- 12,975 employees across the Group
- 28% of Senior Management consist of women
- Strong leadership team
- Diversified senior management



SOCIAL & RELATIONSHIP CAPITAL

- Vendors and suppliers development programmes
- Various CSR projects benefitting diverse deserving groups
- Main pillars of CSR contributions consist of education and welfare aid, and targeted in-kind-donations



NATURAL CAPITAL

- Energy usage supplemented by renewable sources such as solar and biomass
- 3.26 mil GJ of energy consumed in 2022
- 5,998 ML of water withdrawn in 2022

IN ALIGNMENT WITH OUR REINVENTING BOUSTEAD STRATEGY



FINANCIAL OUTCOMES

REVENUE

RM15.1 billion
2021: RM11.3 billion

PROFIT BEFORE TAXATION AND ZAKAT

RM420 million
2021: RM761 million

PROFIT AFTER TAXATION AND ZAKAT

RM104 million
2021: RM479 million

TOTAL ASSETS

RM15.9 billion
2021: RM16.4 billion

CAPEX & ACQUISITION

RM233 million
2021: RM154 million





... VALUE FOR OUR STAKEHOLDERS.

OUTPUTS

PLANTATION

- Harvesting of fresh fruit bunches
- Production of crude palm oil and palm kernel

PROPERTY & INDUSTRIAL

- Construction and sale of residential and commercial properties
- Rental of commercial properties
- Provision of hotel guest accommodations and related services
- Fabrication of cellulose fibre cement boards

PHARMACEUTICAL

- Logistics and distribution
- Manufacturing of general pharmaceutical and medical devices
- Marketing and sales of medical equipment and pharmaceutical products
- Operation of Community Pharmacy
- Pharmaceutical R&D

HEAVY INDUSTRIES

- MRO of military and commercial vessels and helicopters
- Shipbuilding and ship repair
- In-service support (ISS) for submarines

TRADING, FINANCE & INVESTMENT

- Operation of BHPetrol service stations
- Supply of liquefied petroleum gas (LPG) to households and commercial premises
- Distribution of lubricants
- Provision of travel management and related services
- Provision of shipping, logistics, sea and air freight services
- Tertiary education
- Financial products and services

OUTCOMES

**FINANCIAL CAPITAL**

- Revenue of RM15.1 billion
- Net profit of RM36.5 million
- Net assets per share of 163 sen

**MANUFACTURED CAPITAL**

- RSPO and MSPO certified estates and mills
- GBI certified office building
- Halal-certified manufacturing sites
- Pioneer in Euro5 diesel

**INTELLECTUAL CAPITAL**

- Distribution and manufacturing of filled and finished Sinovac COVID-19 vaccines
- Successful launching of new products
- Conducting virtual marketing, working and seminars during pandemic
- R&D, technology and digitalisation to optimise productivity

**HUMAN CAPITAL**

- Spending on formal training and development was RM4.6 mil
- 61 employees graduated from the Boustead Talent, Acceleration and Growth Programme
- 71% reduction in total number of lost days due to injuries
- Close to RM259,000 was provided in meal subsidies to employees of lower income bracket

**SOCIAL & RELATIONSHIP CAPITAL**

- 59 local vendors under our Vendor Development Programme (VDP)

**NATURAL CAPITAL**

- Zero non-compliance incidents against applicable environmental regulations
- 30% reduction in Greenhouse Gas (GHG) intensity against 2021
- 21% total waste recycled
- 16% increase in renewable energy generated

STAKEHOLDERS

- Shareholders & investors
- Regulatory bodies

- Customers
- Suppliers & business partners
- Regulatory bodies

- Customers
- Suppliers & business partners
- Regulatory bodies

- Employees/ Workers' union
- Regulatory bodies

- Local communities

- Regulatory bodies
- Local communities

VALUE CREATION STAKEHOLDER ENGAGEMENT

The Group’s work involves and is influenced by a wide range of stakeholders. To this end, our strategies and decisions consistently take stakeholder expectations into account. As trust is crucial to sustaining productive stakeholder relationships, we work hard to keep lines of communication open and honest at all times. Through comprehending their demands and being transparent with them, we aim to add value for all our stakeholders.



SHAREHOLDERS & INVESTORS

Why We Engage

Maintaining the trust of our shareholders and investors in the Group’s strategic management and our ability to deliver on our commitments is critical. We firmly believe that this trust can be built through consistent communication and transparent disclosures to the market.

Engagement Channels	Issues Of Interest And Concerns	How We Respond
<ul style="list-style-type: none">Virtual Annual General MeetingsQuarterly ReportsIntegrated/Annual ReportsSustainability ReportsAnnouncementsAnalyst briefingsCorporate websites – Group and subsidiaries	<ul style="list-style-type: none">Return on investmentMarket presenceSuccession planningSustainable earningsReputationTimely updates	<ul style="list-style-type: none">Execution of Reinventing Boustead strategyExecution of Talent Management Framework that addresses succession-planningAddressed all concerns that were raised during the Annual General MeetingFinancial performance and strategic direction communicated through briefingsImmediate announcement of major developments



EMPLOYEES/WORKERS' UNION

Why We Engage

Given the fact that the success of our business is predicated on our talented and diverse staff, we are dedicated to promoting an accountability-focused and high-performance culture that draws in and nurtures top talent.



Engagement Channels

- Employee engagement surveys
- Internal communications including:
 - o Emails
 - o Posters
 - o Cloud-based content
 - o collaboration and management platforms
 - o Internal social media channel via Boustead Engagement & Execution Platform (BEEP2)
- Employee engagement initiatives via virtual townhall sessions
- Whistleblowing channels, including hotline and email
- Corporate induction programmes
- One-on-one consultations
- Joint management-employee safety committees
- Periodic meetings and consultations

Issues Of Interest And Concerns

- Maintaining a healthy work-life balance and well-being
- Capacity building
- Rewards and remuneration
- Occupational safety and health
- Strategic direction
- Profitability
- Equal opportunities for professional advancement

How We Respond

- Continued flexible working arrangement
- Continued strategic remuneration assessment and salary benchmarking
- Ensured adherence to Occupational Safety & Health Policy and strengthened safety and health management within the Group
- Execution of Reinventing Boustead strategy
- Ensured adherence to Talent and Succession Management Policy
- Organised an annual, structured, and objective evaluation of performance and progress in the workplace
- Provided financial aid for staff affected by the floods

VALUE CREATION

STAKEHOLDER ENGAGEMENT



REGULATORY BODIES

Why We Engage

Having productive interactions with Government agencies and regulators can help us strengthen our connections, ensure we maintain our legal right to do business, and achieve mutually beneficial goals.



Engagement Channels

- Dialogue sessions
- Meetings
- Periodic reports
- On-site inspections and audits

Issues Of Interest And Concerns

- Legal and regulatory compliance
- Environmental stewardship
- Ethical business practices
- Support for local businesses
- Occupational safety and health

How We Respond

- Enhanced internal controls to guarantee compliance
- Focused on environmental sustainability
- Ensured adherence to Code of Ethics and Conduct (CoEC), Anti-Bribery and Corruption (ABAC) Policy, No-Gift Policy, and Whistleblowing Policy
- Continued implementation of Anti-Bribery Management System (ABMS)
- Prioritised local suppliers, guided by our Procurement Policy
- Ensured adherence to Occupational Safety & Health Policy and strengthened safety and health management within the Group



CUSTOMERS

Why We Engage

Our customers are central to our business. Prioritising our customers entails catering to their wants and needs, exceeding their expectations, and enhancing their experience as a whole.



Engagement Channels

- Dialogue sessions
- Customer satisfaction surveys
- Customer feedback channels, including hotline and email

Issues Of Interest And Concerns

- Quality, safety and sustainability of products and services
- Ethical business practices

How We Respond

- Executed several initiatives as part of the Reinventing Boustead strategy to improve our services
- Obtained ISO 9001:2015 Quality Management System
- Ensured adherence to CoEC, ABAC Policy, No-Gift Policy, and Whistleblowing Policy
- Continued implementation of ABMS



SUPPLIERS & BUSINESS PARTNERS

Why We Engage

Having reliable vendors and suppliers is essential to our ability to generate value. We take a keen interest in providing our vendors with ongoing support to help them grow and succeed.



Engagement Channels

- Periodic meetings
- Dialogue sessions
- Workshops and training sessions

Issues Of Interest And Concerns

- Licensing and certification
- Ethical business practices
- Supplier development initiatives
- Access to opportunities
- Occupational safety and health
- Quality, safety and sustainability of products and services
- Profitability

How We Respond

- Ensured adherence to CoEC, ABAC Policy, No-Gift Policy, and Whistleblowing Policy
- Continued implementation of ABMS
- Continued implementation of Vendor Development Programme (VDP) for Pharmaceutical and Heavy Industries Divisions
- Ensured adherence to Occupational Safety & Health Policy and strengthened safety and health management within the Group
- Continued implementation of relevant quality management systems
- Prioritised local suppliers, guided by our Procurement Policy
- Ensured more robust governance of partnerships and collaborations



LOCAL COMMUNITIES

Why We Engage

We engage with local communities as a proactive measure to ensure the long-term viability of our business. Both enhancing quality of life and preserving the natural environment are high on our list of priorities in the communities we operate within.



Engagement Channels

- Periodic meetings
- Dialogue sessions
- Corporate Social Responsibility (CSR) activities

Issues Of Interest And Concerns

- Community support and capacity building
- Support for local businesses
- Employment opportunities
- Pollution prevention
- Environmental stewardship
- Public safety and security

How We Respond

- Conducted a wide range of CSR activities and community outreach
- Continued implementation of VDP for Pharmaceutical and Heavy Industries Divisions
- Conscious of the importance of limiting the negative effects our business has on the surrounding community, we have continued to focus on minimising our impact in relation to noise, waste, wastewater discharge and air emissions

STRATEGIC AND BUSINESS REVIEW

STRATEGIC REVIEW

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SECTION

04



STRATEGIC REVIEW

KEY MARKET TRENDS SHAPING OUR BUSINESS

Anticipating and adapting to emerging market trends that could affect our operations is a top priority for Boustead Holdings Berhad. In our pursuit of sustainable growth, we proactively identify and address potential obstacles while seeking out promising new opportunities. Staying up-to-date with significant industry developments is critical to the Group's endeavours to create enduring value and maintain its sustainability.



UNCERTAINTIES IN CPO AND FUEL PRICES

In 2022, the global market witnessed significant fluctuations in both crude palm oil (CPO) and fuel prices. The Means of Platts Singapore (MOPS), the benchmark oil price for Asia, experienced significant variability throughout the year, ranging from USD98 per barrel to USD165 per barrel.

Outlook

CPO prices are expected to remain moderate in 2023 as production levels in Malaysia and Indonesia are projected to increase due to higher mature areas and the recovery in labour supply.

Despite the possibility of some fluctuations, we anticipate that fuel prices will remain stable at current levels. The demand for oil in Asia is expected to be higher than the global average in 2023, driven by strong growth in gasoline and diesel consumption in China, India, and Southeast Asia. However, there are concerns regarding China's ability to sustain its economic recovery and the potential impact of the recent banking crisis on the region.

Potential Impact

These fluctuations have had a significant impact on our earnings, particularly for the Plantation Division and the Trading, Finance & Investment Division, specifically Boustead Petroleum Marketing Sdn Bhd. The revenue of these Divisions is heavily dependent on CPO and fuel prices. Stockholdings gain or loss for Boustead Petroleum Marketing Sdn Bhd is also impacted by these price movements.

Our Response

CPO

- Taking advantage of higher prices by adjusting selling prices based on market conditions
- Adapting selling strategy to focus on markets closer to operations, reducing transportation costs and increasing competitiveness
- Conducting regular analysis of market and consumer trends and implementing relevant strategies to maintain or increase market share, despite fluctuations in prices

Fuel

- Practicing efficient and effective stock management to ensure optimal stock levels, including close monitoring of stock requirements and timely reordering from multiple fuel suppliers



RISING INPUT COSTS

A significant increase in input costs, including fertiliser, fuel, electricity, pulp, and building materials, affected our major subsidiaries in 2022. This rise can be attributed to a number of factors, including the ongoing Russia-Ukraine conflict, disruptions and shortages in fuel and coal supply, and an increase in exchange rates against major currencies. As a result, our operations were hampered, and we had to take necessary steps to address these challenges.

Outlook

While input costs are expected to stabilise in 2023, we anticipate that they will remain high. As a result, the Group will take steps to maintain our margins.

Potential Impact

Increasing operating costs will result in decreased profit margins, ultimately leading to a reduction in profits.

Our Response

- Implementing price adjustments to minimise the impact on margins, for example, end products such as UAC Berhad's fibre cement boards
- Recalibrating fertiliser application and optimising organic matter utilisation to reduce costs
- Continuously implementing cost-cutting measures



CLIMATE CHANGE & TRANSITION TO LOW-CARBON ECONOMY

Global warming is an undeniable fact, and we all have a role to play in reducing carbon emissions. Governments, businesses, and individuals must adopt low-carbon practices to mitigate its effects.

Outlook

Malaysia aims to be a carbon neutral country by 2050, with a 45% reduction in greenhouse gas emission intensity by 2030 and net-zero Greenhouse Gas (GHG) emissions by 2050. In addition, the National Energy Policy (NEP) 2022-2040 ensures access to clean energy, environmental protection, and economic growth. To this end, we look forward to disclosing full GHG emissions data including Scope 3. Digitalisation will play a crucial role in achieving this effectively.

Potential Impact

As the world realises the importance of transitioning to a low-carbon economy, demand for energy-efficient, clean, and alternative forms of energy will increase. Stakeholders will look to businesses for environmental stewardship. We recognise the importance of addressing climate change and acknowledge the recommendations made by the Task Force on Climate-related Financial Disclosures (TCFD). TCFD guidelines cover important aspects such as governance, strategy, risk management, metrics, and targets related to climate change.

Our Response

- Expanding and strengthening existing businesses
- Capitalising on new opportunities
- Driving value creation to maximise returns to shareholders
- Integrating ESG principles into our business
- Partnerships with a focus on renewable energy
- Utilisation of digital technologies
- Identifying climate change risks to our business and the environment based on recommendations by TCFD
- Mitigating climate change risks
- Incorporating business continuity plans to address physical climate hazards, such as soil erosion at Royale Chulan Cherating



DIGITALISATION & THE ADVENT OF IR4.0

Since the pandemic, the adoption of digital technology has accelerated, leading to increased operational and financial efficiency through the implementation of AI, machine learning, IoT, and other digital technologies. Businesses of all sizes have increased their spending on digitalisation due to the numerous advantages it brings.

Outlook

Digitalisation will be a critical factor in determining an organisation's long-term viability. It is going to become increasingly important to have a solution chain that is comprehensive in terms of processes, people and technology. It will have a significant impact on the way we live, work and conduct business.

Potential Impact

Businesses with the ability to do things quickly, efficiently, and cost effectively, will appeal to customers' need for instant, convenient, and more affordable services. The new workforce is largely comprised of "digital natives", who are more likely to be invested in businesses that provide remote, online collaboration tools.

Our Response

- The Reinventing Boustead strategy places significant emphasis on digitalisation
- Continuously digitising the Group's processes
- Collaborating with digital start-ups, aimed at developing digital-based ventures

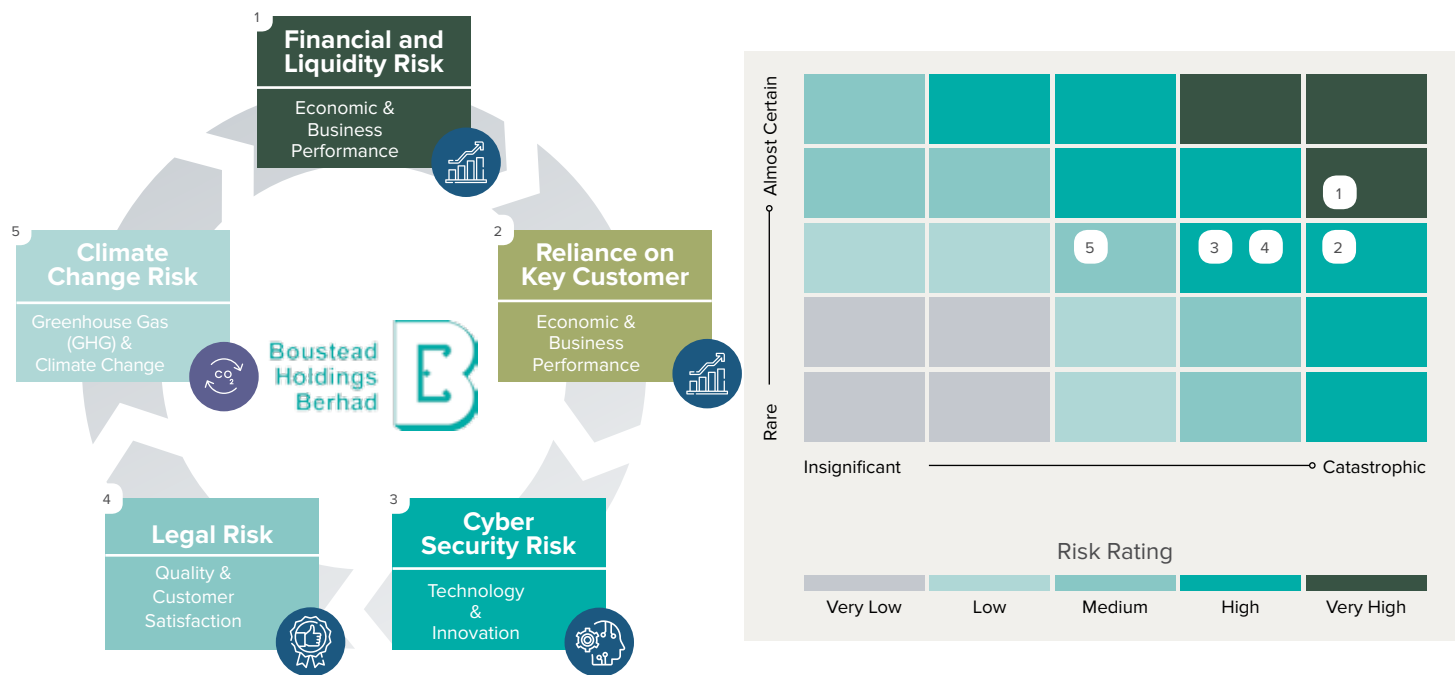
STRATEGIC REVIEW

KEY RISKS AND MITIGATION

INTRODUCTION

As a conglomerate involved in a wide array of industries, we operate within complex and dynamic environments, thus exposing us to industry specific risks. A fundamental component of managing potential and emerging risks effectively is to recognise, rank and mitigate these risks; and in doing so, we are guided by a comprehensive risk management framework. Consistent adoption of the framework enables us to consciously manage risks at an acceptable level.

As we continue to achieve sustainable value for our stakeholders, risk assessment and monitoring are given utmost importance. Our key risks and the strategies that we have developed to mitigate its impact have been detailed below.




RISK CATEGORY GROUP	
S	Strategic Risk
F	Financial Risk
L	Legal/Regulatory Risk
O	Operational Risk

RISK MOVEMENT	
▲	Increase in risk rating as compared to the previous year
◄◄	No movement in risk rating as compared to the previous year
▼	Reduction in risk rating as compared to the previous year

Financial and Liquidity Risk

Context

Whilst the Group has achieved positive earnings despite post pandemic challenges, the Group remains vigilant in managing its financial and liquidity risks. This is pertinent given the uncertainties across industries in both the local and international stage, and hence the heightened need for continuous monitoring over fair value and cash flow.

Risk Category	Risk Movement	Material Matters
F	◀▶	
POTENTIAL IMPACT <ul style="list-style-type: none"> • Cross default • Breach of financial covenants • Legal repercussions • Inability to declare dividends to shareholders • Inability to raise new funds 		


Mitigation Strategies

- Implementation of the Reinventing Boustead strategy to maximise value creation by strengthening and improving the performance of core businesses.
- Ongoing engagements with the Board in determining way-forward strategies (for example, business plan discussion during Board Retreat sessions).
- Adoption of relevant and synergistic digital businesses to support core businesses and further enhance stakeholder value.
- Proactive and continuous engagement with financial institutions.
- Immediate, medium and long-term financial planning to raise funds.
- Rationalisation of low yielding and non-strategic assets as a means of improving cash flow position.

Reliance on Key Customers

Context

Several divisions within the Group are heavily reliant on certain key customers and will potentially be impacted in the event of a change in their business need or preference.

Risk Category	Risk Movement	Material Matters
S	◀▶	
POTENTIAL IMPACT <ul style="list-style-type: none"> • Loss of business opportunities • Financial loss • Disruption to the current initiatives 		

Mitigation Strategies


- Engagement with stakeholders on a regular basis to address issues and update them on progress of relevant initiatives.
- Ongoing contract renewal negotiations with customers.
- Strict adherence to contractual requirements to ensure business continuity.
- Identify new client/business segments to reduce dependency on current customers whilst growing overall market share.

KEY RISKS AND MITIGATION

Cyber Security Risk

Context

With the increased dependence on network connectivity to perform daily tasks, the threat of cyber security risk, including cybercrime, cyberterrorism, accidental loss of data and unauthorised use of confidential and information systems becomes greater.

Risk Category	Risk Movement	Material Matters
O	◀▶	
POTENTIAL IMPACT <ul style="list-style-type: none"> Breach of data privacy and leakage confidential data Tarnished reputation Business interruptions Financial loss 		


Mitigation Strategies

- Establishment of a Managed Detection and Response (MDR) infrastructure that utilises both automated and human processes to detect, monitor and respond to security threats.
- Cybersecurity management via anti-virus, firewalls, authorisation and authentication procedures.
- Cybersecurity awareness programmes conducted on a regular basis to improve staff's understanding of cybersecurity threats.
- Penetration tests performed periodically to ensure effectiveness of security and control measures.
- Establishment of the Boustead Cybersecurity Emergency Respond Team (CeRT) to respond to cybersecurity alerts and incidents.

Legal Risk

Context

Possibility of legal ramification against the Group due to an individual's or a company's actions, inactions, products, services and/or other events.

Risk Category	Risk Movement	Material Matters
L	◀▶	
POTENTIAL IMPACT <ul style="list-style-type: none"> Financial loss Reputational damage Injunction granted against the related company or group causing business disruption 		

Mitigation Strategies

- Close collaboration with the Group's appointed solicitors for legal advice.
- Seek alternative dispute resolution mechanism to reach an amicable solution and avoid litigation.
- Close monitoring of contract performance to safeguard the Group's interest.
- Ensure changes to laws and regulations are captured during the preparation of a contract.

Climate Change Risk

Context

Soil erosion, floods and infrastructure damage are some examples in which climate change can adversely affect the Group.

Risk Category	Risk Movement	Material Matters
S		
POTENTIAL IMPACT <ul style="list-style-type: none"> Financial loss Loss of business Reputational damage 		

Mitigation Strategies

- Tone from the top i.e., Board Sustainability Committee is tasked to oversee climate-related matters.
- Establishment of an internal Sustainability team to co-ordinate the management of climate-related matters, including climate-related data collection such as GHG emissions and mitigation efforts.
- Venturing into new sustainability-related businesses as a second growth engine, hence reducing growth from consumption-based carbon emission.
- Implementation of Business Continuity Management related procedures which addresses physical climate hazards such as natural disasters.



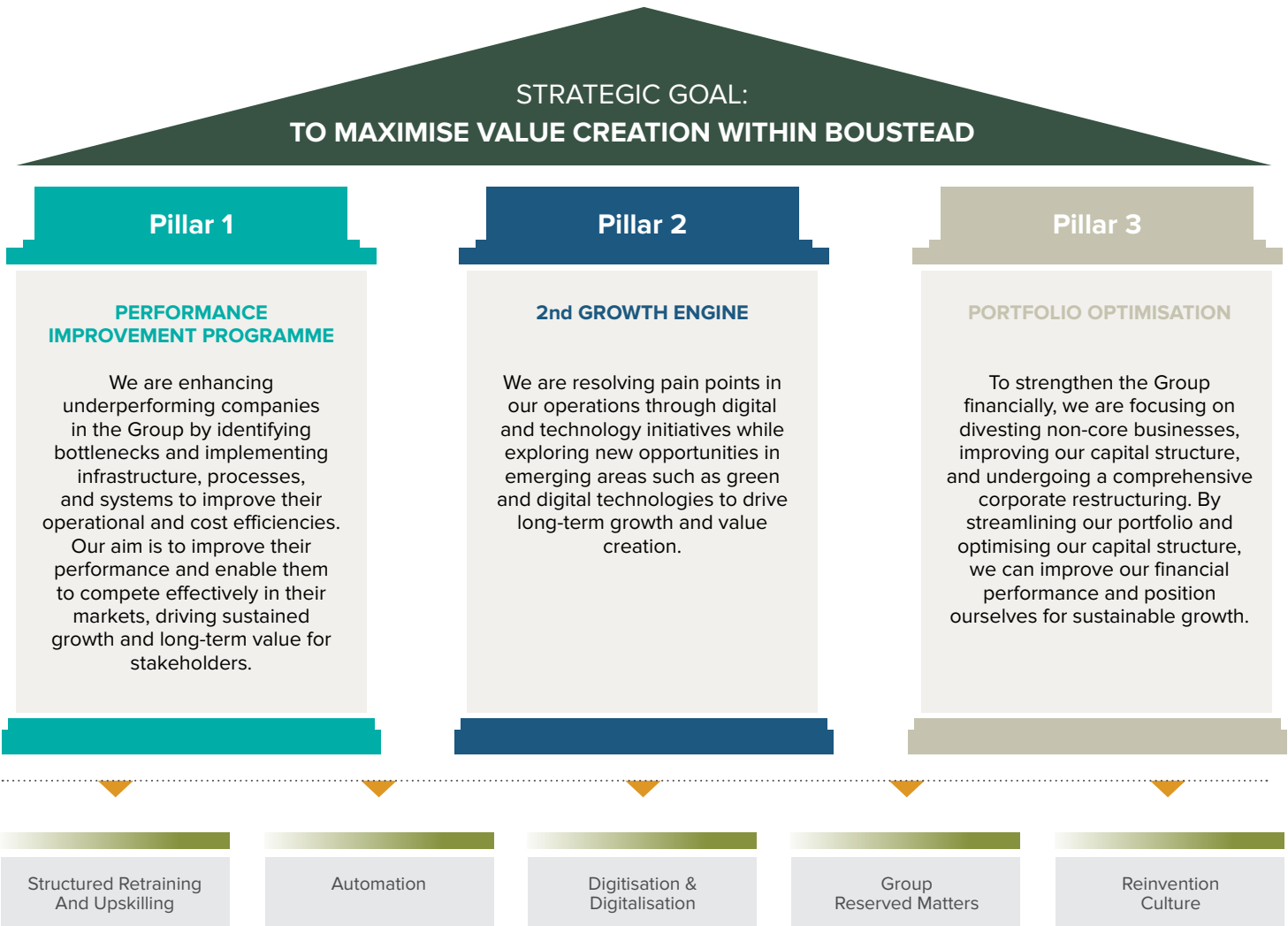
STRATEGIC REVIEW

REINVENTING BOUSTEAD STRATEGY

In 2022, Boustead Holdings Berhad continued to implement our Reinventing Boustead strategy, with a strong emphasis on enhancing value creation within the organisation. To this end, the Group has been investing in digitalisation and green technology to support important environmental, social and governance imperatives.

The Reinventing Boustead strategy initially comprised 43 initiatives, which expanded to 81 by 2022. To ensure proper oversight of all activities, key performance indicators were included in the operating companies’ scorecards at the end of the year. A performance management framework has also been established to outline the Group’s management strategy for these initiatives.

As we enter 2023, we are committed to prioritising finding solutions to our current challenges to sustain our ability to pay dividends over the long term. To address the challenges posed by the evolving business environment and to improve the Group’s financial performance, we intend to increase focus on portfolio optimisation. This emphasis on the Third Pillar of the Reinventing Boustead strategy will allow us to better allocate resources, streamline operations, and improve competitiveness. By optimising our portfolio, we aim to achieve sustained growth and enhance value for our stakeholders.





BUSINESS REVIEW

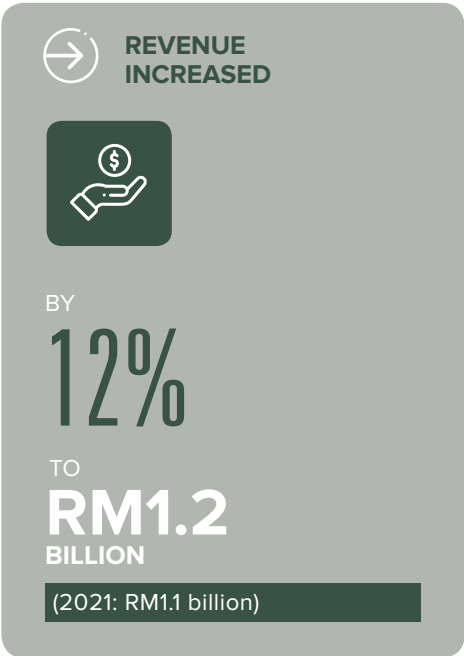
PLANTATION DIVISION



PLANTATION



The Plantation Division recorded a new record-high revenue and profit before taxation and zakat (PBT). Revenue increased substantially to RM1.2 billion from RM1.1 billion in the previous year, driven by more robust crude palm oil (CPO) and palm kernel (PK) prices. The bottom line further benefited from the gain on disposal of plantation lands of RM459 million. As a result, PBT rose to RM729 million, from RM345 million recorded a year earlier.



What We Do

As an upstream player with over 100 years of experience, we are involved in the planting and replanting of oil palm as well as the harvesting of fresh fruit bunches (FFB). We also produce CPO and PK.

As part of our efforts to improve crop production and yield, our 25-year replanting programme (RP25) is aimed at helping us achieve an ideal age profile for our trees. This programme is particularly necessary at this juncture given that approximately 45% of our total plantation - mainly in Sabah and Sarawak - comprise past prime oil palm trees aged above 20 years. In addition, we are also considering the prospect of selling selected plantations to stabilise the age profile of our trees.



Business Environment

Palm product prices surged to new highs at the start of 2022, going as high as RM6,857 per MT. However, CPO prices failed to hold their momentum. The average CPO price stood at RM5,066 per MT for 2022, while PK price settled at RM3,156 per MT.

Upstream operations continue to be labour-intensive, and to this end, we were not spared from the impact of skilled labour shortage, which drove down FFB production to 871,287 MT (2021: 923,471 MT), with an average yield of 13.0 MT per hectare (ha) (2021: 13.3 MT per ha).

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Operational efficiency	<ul style="list-style-type: none"> Mechanisation 2.0 Digitalisation 	<ul style="list-style-type: none"> Introduction of battery-powered electric cutter for harvesting of FFB Expansion of crop evacuation areas under Mechanical Assisted Infield Collection (MAIC) and Mechanize Platform Collection (MPC) Use of drone technology for area and elevation mapping of estates in Peninsular Malaysia and Sabah

BUSINESS REVIEW

PLANTATION DIVISION

Business Performance Review (cont'd)

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Enhanced productivity and yield	<ul style="list-style-type: none"> 25-Year Replanting Programme Soil fertility enhancement Oil extraction rate (OER) optimisation Young and prime potential yield improvement Good agricultural practices Mill operational efficiency Mill integration 	<ul style="list-style-type: none"> Establishment and execution of the 25-Year Replanting Programme 209,358 MT of empty fruit bunches (EFB) utilised as mulching at selected estates The Division's OER exceeded the Malaysian Palm Oil Board's (MPOB) average national threshold Significant yield improvement was observed due to the paring down of low-performing fields (292 reduced to 130) and fairly performing fields (223 reduced to 131) December 2022 vs July 2022 yield gap contracted (improvements progress in addressing yield gaps and increasing overall productivity): <ul style="list-style-type: none"> Peninsular Malaysia: 40% to 25% Sabah: 54% to 48% 58% of targeted areas underwent rehabilitation pruning, totalling 1,610 ha Soil moisture conservation was undertaken for the northern region, which faced low rainfall Harvesting productivity at Rimba Nilai Business Unit successfully increased through accessibility improvement programme Mill operational efficiency (oil and kernel losses) maintained above industry standard or at above 94% which indicates that milling losses are under control Upgrading and replacing old machinery with new, more efficient and cost-effective machinery Food safety initiative: <ul style="list-style-type: none"> Production of CPO with reduced Mineral Oil Saturated Hydrocarbon (MOSH) and Mineral Oil Aromatic Hydrocarbon (MOAH) content at the mills

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Sustainable operations	<ul style="list-style-type: none"> Biogas capture and conversion Recycled biomass 	<ul style="list-style-type: none"> Covered lagoon biodigester system successfully collected 1,407,217 m³ of biogas from 69,620 m³ of palm oil mill effluent Converted 89% of biogas to generate 1160 megawatt-hour (MWh) of electricity for the mill (2021: 819 MWh) Renewable energy production from the use of fibres and shells totalled 180,593 MT (2021: 182,969 MT) Utilised 209,358 MT of EFB for mulching

Key Operational Achievements 2022

	Pen. Malaysia	Sabah	Sarawak	Total
Total FFB production (MT)	366,724	432,404	72,159	871,287
FFB yield (MT/ha)	17.3	12.2	7.0	13.0
Total mill processing capacity (MT/hour)	130	215	105	450
Total CPO produced (MT)	77,397	114,331	24,319	216,047
Total PK produced (MT)	14,133	21,793	5,713	41,639
Average OER	20.8%	21.0%	18.1%	20.6%
Average KER	3.8%	4.0%	4.3%	4.0%

Awards



Best Quality PK Supplier

- Individual Mill Category – Rimba Nilai Palm Oil Mill



FTSE4GOOD Bursa Malaysia Index and FTSE4GOOD Bursa Malaysia Shariah Index



BUSINESS REVIEW

PLANTATION DIVISION

Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Labour shortage	<ul style="list-style-type: none"> Strengthened recruitment initiatives, focused on local recruitment Career Carnival Programme in collaboration with Social Security Organisation (SOC SO) Perak Participated in “Jelajah Aspirasi Keluarga Malaysia” coordinated by Lembaga Tabung Angkatan Tentera (LTAT) Partnerships with Yayasan LTAT and Jabatan Hal Ehwal Veteran Organised Open Day and engaged with local community 	<ul style="list-style-type: none"> 541 Malaysians recruited 2,763 migrant workers recruited Labour shortage improved in FY2022 compared to FY2021 <ul style="list-style-type: none"> – 1,520 compared with 2,083 in FY2021
Difficulties in harvesting old palm trees	<ul style="list-style-type: none"> Employed the use of lightweight carbon fibre poles for harvesting of FFB from trees that are 30 feet and above in height 	<ul style="list-style-type: none"> Overall productivity and efficiency improved by 42% from 1.5 MT/day in FY2021 to 2.1 MT/day in FY2022
Irregular weather patterns affecting yield performance	<ul style="list-style-type: none"> Drought and flood control strategies implemented Resource-saving steps, including rainwater collection and efficient irrigation enforced to counter erratic meteorological conditions 	<ul style="list-style-type: none"> Prospect of flooding lowered Improved moisture conservation at marginal soil area
Manage subsidy receivables from the Government	<ul style="list-style-type: none"> Close monitoring and maintain rapport with the Government 	<ul style="list-style-type: none"> Steady recovery from a period of slow collection
Delayed fertiliser delivery in Sabah	<ul style="list-style-type: none"> Improvement to supply chain management in relation to delivery scheduling Expansion in the usage of by-products from mills as organic fertiliser 	<ul style="list-style-type: none"> Improved fertiliser distribution to ensure timely manuring programmes

CHALLENGES	MITIGATING ACTIONS	RESULTS
Ganoderma infection in Sabah	<ul style="list-style-type: none"> Implemented integrated pest management measures, such as enhancing soil health, removing affected trees and utilising resistant varieties of oil palm 	<ul style="list-style-type: none"> Ganoderma infection minimised Economic lifespan of crop extended
Unfavourable hilly and steep terrain with no proper infrastructure development and small outlying divisions in Sabah	<ul style="list-style-type: none"> Construction of wider back terraces and roads for better access, wherever feasible Replanting with hilly terrain best practices, including contour planting and erosion management Best field design for difficult terrains prepared, incorporating Good Management Practices (GMP) and improved accessibility 	<ul style="list-style-type: none"> Higher yield can be achieved by optimising palm growth and improving field accessibility
Small divisions in remote in Sabah	<ul style="list-style-type: none"> Merging of small divisions 	<ul style="list-style-type: none"> Reduced employee turnover for a more stable workforce Operational synergies achieved Optimised transportation of goods and resources
Narrow terraces with extremely steep terrain in Sarawak	<ul style="list-style-type: none"> Accessibility improvement through terracing and the construction of suitable roads 	<ul style="list-style-type: none"> Our lands are now more accessible Optimisation of areas that are fit to be developed and managed

BUSINESS REVIEW

PLANTATION DIVISION

RESEARCH AND DEVELOPMENT

Through our 50%-owned associate, Applied Agricultural Resources Sdn Bhd (AAR), we have been consistently driving progress in the oil palm plantation sector and enhancing productivity across our estates.

Over the years, AAR has successfully produced advanced oil palm planting materials and formulated good agricultural practices that have resulted in high crop yield and profit, that are at the same time sustainable. AAR achieves this through multiple studies relating to agronomy, pathology, plant breeding, microbiology, biotechnology, entomology and emerging smart technologies.

Our relentless commitment to research has provided us with superior planting materials that are then utilised at our estates through conventional selective breeding. At the same time, we also employ genomic selection to enable early isolation of choice planting materials, maximising genetic gains.

AAR is actively involved in groundbreaking research aimed at propagating beneficial microbes that possess valuable attributes, such as nitrogen-fixing, phosphate-solubilising and disease-suppressing capabilities.

AAR has also heightened research on the utilisation of drones, digital sensors, and the Internet of Things as well as applications driven by Artificial Intelligence (AI) and Machine Learning.

FOCUS AREA	RECENT ACHIEVEMENTS
Integrating IR4.0 technologies into plantations to facilitate data-driven decision making	<ul style="list-style-type: none">Obtained accurate information from spatial data to enhance yield and crop recoveryDigital water-table monitoring wells were installedProtocols for recording the water-table in areas requiring proper drainage management were developedFirst round of drone mapping completed, with data utilised to assist in planting and replantingThe estates' latest stands per hectare (SPH) figures were calculated utilising AI palm countingAI was also used to create estate-specific CSI (Canopy Size Index) maps showing areas of poor or satisfactory growth
Propagation and dissemination of beneficial microbes to improve soil health and control basal stem rot disease	<ul style="list-style-type: none">Successfully isolated and patented potential Ganoderma disease suppressive microbes with field testing of their efficacy
Evaluation of sensors or cameras, as well as the development of data logging hubs and communication protocols, in order to automate and intensify data collection in the field	<ul style="list-style-type: none">Explored quantifying rats utilising thermal cameras and AI algorithms



OUTLOOK

We anticipate CPO prices to continue to stabilise after an uncertain market in 2022, supported by supply constraints exacerbated by geopolitical volatility and CPO's price competitiveness against other edible oils.

Indonesia's biodiesel programme, which could increase its domestic demand for palm, is also expected to balance surplus production in 2023.

As we dive into the year ahead, the Division's five-year Strategy Framework, underpinned by a keen focus on mechanisation and digitalisation, is expected to accelerate our productivity and yield improvement efforts further.

We look to explore various innovative solutions to further enhance the sustainability and productivity of our plantations. These include the use of smart fertiliser spreaders for higher efficiency in fertiliser application and nutrient recovery, thereby reducing losses. We are also leveraging smart farming technologies to improve our agronomists' ability to identify under-performing palms for site-specific correction, resulting in more efficient use of resources.

In addition to the utilisation of better tools and machinery, we also look to accelerate replanting and undertake strategic disposal of selected plantations to reduce the hectareage of ageing palms. At the same time, we will keep an eye out for new investment opportunities that align with strategic goals for the Division.

We will continue to utilise higher-yielding semi-clonal and bi-clonal planting materials, carefully select superior palms for cloning with lower mantling rates, and integrate advanced spatial information technologies for enhanced planning and monitoring. By implementing these measures, we aim to raise the standard of planting and ultimately achieve a higher, more sustainable yield, furthering our commitment to responsible and green business practices.

Moreover, we expect palm oil production to remain optimistic, complemented by the easing of labour shortage issues.

BUSINESS REVIEW

PLANTATION DIVISION

Group Agricultural Statistics

	2022	2021	2020	2019	2018
Planted area in hectares (ha)					
Past prime	32,964	34,972	32,952	32,505	26,438
Prime	19,991	20,173	21,672	27,167	29,750
Young	12,639	12,824	12,223	13,183	12,480
Total mature	65,594	67,969	66,847	72,855	68,668
Immature	6,697	5,484	6,647	6,551	6,364
Total planted	72,291	73,453	73,494	79,406	75,032
FFB crop metric tonnes (MT)					
	871,287	923,471	1,001,557	979,972	966,134
FFB yield (MT/ha)					
	13.0	13.3	15.0	13.9	14.9
Oil yield (MT/ha)					
	2.8	2.9	3.2	3.0	3.2
Mill production (MT)					
FFB processed	1,050,823	1,041,364	1,152,763	1,070,639	1,000,367
Crude palm oil	216,047	220,773	243,080	231,298	211,847
Palm kernel	41,639	42,542	49,211	47,113	43,601
Extraction rate (%)					
Crude palm oil	20.6	21.2	21.1	21.6	21.2
Palm kernel	4.0	4.1	4.3	4.4	4.4
Average selling price (RM/MT)					
FFB	1,143	946	552	391	426
Crude palm oil	5,066	4,341	2,811	2,134	2,261
Palm kernel	3,156	2,922	1,628	1,244	1,780

Plantation Area Statement

	2022		2021	
	Ha	%	Ha	%
Oil palms	72,291	74.2	73,453	74.8
Building sites, roads, unplatable areas, etc.	25,108	25.8	24,756	25.2
Total	97,399	100.0	98,209	100.0

AGE PROFILE OF PALMS

2022

Region	----- Mature ----->				Total planted
	Immature <3 years	Young 4-9 years	Prime 10-20 years	Past prime >20 years	
Peninsular Malaysia	2,689	4,864	9,949	5,834	23,336
Sabah	4,008	7,511	9,984	17,167	38,670
Sarawak	–	264	58	9,963	10,285
Total hectares	6,697	12,639	19,991	32,964	72,291

2021

Region	----- Mature ----->				Total planted
	Immature <3 years	Young 4-9 years	Prime 10-20 years	Past prime >20 years	
Peninsular Malaysia	2,356	5,543	10,007	6,230	24,136
Sabah	3,128	7,017	101,108	18,779	39,032
Sarawak	–	264	58	9,963	10,285
Total hectares	5,484	12,824	20,173	34,972	73,453

Location Of Group Plantation





PLANTED AREAS

72,300 ha



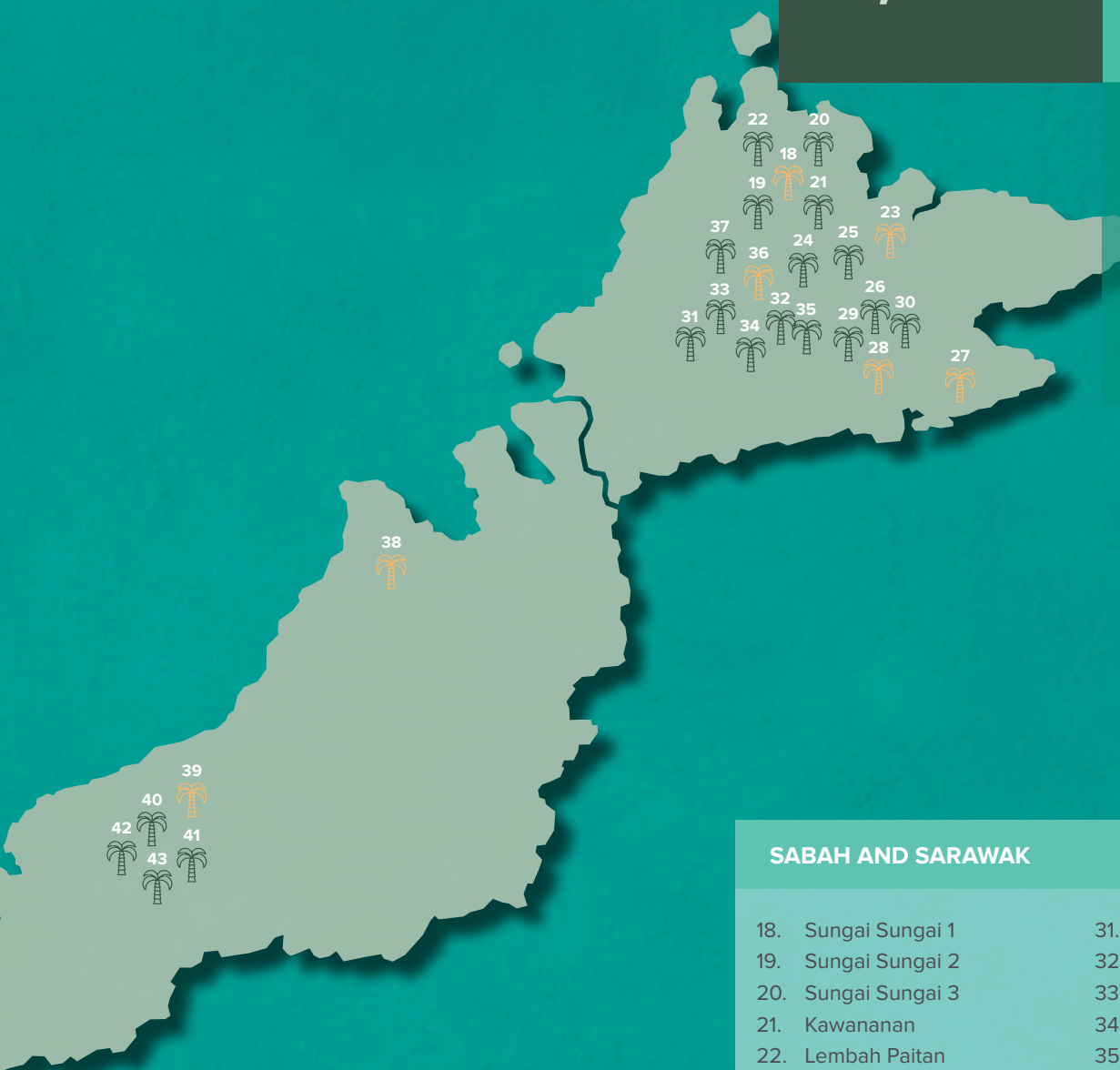
MATURED AREAS

65,000 ha



TOTAL LANDBANK

97,400 ha



SABAH AND SARAWAK

- | | |
|---------------------|---------------------------|
| 18. Sungai Sungai 1 | 31. Boustead Pertama |
| 19. Sungai Sungai 2 | 32. Boustead Ruku Ruku |
| 20. Sungai Sungai 3 | 33. Boustead Sapa Payau |
| 21. Kawananan | 34. Boustead Sungai Lokan |
| 22. Lembah Paitan | 35. Boustead Lokan Baru |
| 23. Nak | 36. Boustead Tawai 1 |
| 24. Resort | 37. Boustead Tawai 2 |
| 25. Sutera | 38. Loagan Bunut |
| 26. LTT-Sabah | 39. Jih |
| 27. Segaria | 40. Pedai |
| 28. Sungai Segamaha | 41. Kelimut |
| 29. Bukit Segamaha | 42. Bawan |
| 30. G&G | 43. Mapai |

LEGEND



Estate

Estate with
Palm Oil MillTissue culture
laboratory

BUSINESS REVIEW

PROPERTY & INDUSTRIAL DIVISION



PROPERTY & INDUSTRIAL



In 2022, the Property & Industrial Division recorded RM1.29 billion in revenue, a significant increase from RM625.2 million in the previous year. The Division also achieved a remarkable turnaround, with a profit before taxation (PBT) of RM34.6 million, compared to a loss before taxation of RM7.1 million in the previous corresponding year.

During the year, the Property Development & Property Investment segment contributed a higher PBT of RM36 million, mainly attributable to the sale of industrial land in Bukit Raja, Klang as well as commercial land in Jalan Cochrane, Kuala Lumpur. Meanwhile, UAC Berhad continued to focus on export sales complemented by a more cost-effective pricing strategy and recorded better sales volume which was translated into a PBT of RM13.4 million. Our Hotel segment also performed better operationally with the increase in occupancy and average room rates.



**PBT
INCREASED**



BY

587%

TO

**RM35
MILLION**

[2021: (RM7 million)]



**REVENUE
INCREASED**



BY

107%

TO

**RM1.3
BILLION**

(2021: RM625 million)

PROPERTY DEVELOPMENT & PROPERTY INVESTMENT SEGMENT

What We Do

We are an award-winning developer of notable townships such as Mutiara Damansara in Selangor and Mutiara Rini in Johor. Our current flagship development is Mutiara Hills, a 1,200-acre township in Semenyih. One Cochrane Residences in bustling Cheras, Kuala Lumpur is another development by the Group, and it will be handed over to buyers in 2023. The Curve, Malaysia's first pedestrianised shopping mall, is owned and managed by the Group and is located in Mutiara Damansara. In addition, we own and manage a portfolio of office buildings, the majority of which are in prime locations throughout the Klang Valley.

Business Environment

The Malaysian property market was able to stage a recovery as a result of the re-opening of the economy, particularly in the second half of the year. Property sales rebounded as the sector benefited from the pent-up demand, which was further aided by the Government's Home Ownership Campaign (HOC). Nevertheless, overall property sales growth for the year remained flattish, amidst the risk of inflation, Ringgit volatility and the threat of recession in several major economies.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Core business rejuvenation	<ul style="list-style-type: none"> Strategic asset monetisation programme through selective asset disposal 	<ul style="list-style-type: none"> A 9.3-acre industrial land in Bukit Raja, Klang, was sold
Achieving higher revenue from ongoing development projects	<ul style="list-style-type: none"> New project launches Sales from active projects Taman Mutiara Rini property completion and handover 	<ul style="list-style-type: none"> Soft launched Balau Homes Phase 1A1 in Mutiara Hills in Q1 2022, with 60 units or 90% sold as at end 2022 Handover of 101 units of double-storey terrace houses in Taman Mutiara Rini as at end 2022 Sold 85% of units at One Cochrane Residences by end 2022
Ensuring a stable recurring income from property management	<ul style="list-style-type: none"> Increased the Curve's visibility with more well-known retail and food and beverage (F&B) brands 	<ul style="list-style-type: none"> the Curve achieved 92% average occupancy and introduced new international retailers such as Forever 21, Auntie Anne's, Football Republic and Spy Game by Superdough Me'nate Steak House, Gigi Coffee Diner (first in Malaysia), Padi House and Flint are among the food and beverage establishments that have signed leases We also house Malaysia's first and largest premium Korean food market, K Plus
Embracing improved Environmental, Social and Governance (ESG) standards	<ul style="list-style-type: none"> Integration of ESG initiatives at the Mutiara Hills development 	<ul style="list-style-type: none"> The Mutiara Hills township development received Provisional GreenRE Certification (Bronze) for all five Phases in Sector 1
Boosting brand awareness of Mutiara Spaces	<ul style="list-style-type: none"> Creation of the Mutiara Spaces sub-brand represents Boustead Properties' new identity and persona 	<ul style="list-style-type: none"> The Mutiara Spaces sub-brand was successfully launched in September 2022

BUSINESS REVIEW

PROPERTY & INDUSTRIAL DIVISION

PROPERTY DEVELOPMENT & PROPERTY INVESTMENT SEGMENT (CONT'D.)



Awards



Star Property Awards 2022 (August 2022)

- Product : One Cochrane Residences
- Award: Close-to-Home Award (Honours)



9th Property Guru Asia Awards Malaysia (November 2022)

- Product : Mutiara Hills Semenyih
- Award Category: Best Mass Market Landed Development (Central)



Anugerah Bangunan Berprestasi MBPJ 2021 in January 2022 for the Curve (5 stars award)



Green Building Certification (Gold) by Green Building Index Sdn Bhd for The Bousteador Building (Non-Residential, New Construction Category)



Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Increasing cost of doing business	<ul style="list-style-type: none"> Joint project development with strategic partners 	<ul style="list-style-type: none"> Development risks were minimised with flexible payment structure
Oversupply of residential, commercial and office spaces	<ul style="list-style-type: none"> Value-added products paired with appealing packages to increase take-up rate 	<ul style="list-style-type: none"> 100% take-up rate recorded for Mutiara Hills Phase 1A1 Improved occupancy rate of 92% for retail spaces and above 95% for office towers
Changing consumer behaviour and purchasing patterns	<ul style="list-style-type: none"> Engaging with existing and prospective customers through digital platforms and social media and live streaming such as Facebook, Instagram and Tik Tok 	<ul style="list-style-type: none"> Generated more interest and leads via digital platforms



HOTEL SEGMENT

Throughout the year, whether hosting business events or family gatherings, the segment remains steadfast in upholding its tagline of “Malaysian Hospitality from the Heart”.

What We Do

Royale Chulan Hotels & Resorts is a full-service hotel chain based in Malaysia, founded and owned by Boustead Hotels & Resorts Sdn Bhd. The Group operates hotels in six different locations across Malaysia as well as one in London.

• Royale Chulan Kuala Lumpur • Royale Chulan Damansara • Royale Chulan The Curve • Royale Chulan Seremban • Royale Chulan Penang • Royale Chulan Cherating Villas • Royale Chulan Cherating Chalets • Royale Chulan Hyde Park, London

Business Environment

The COVID-19 pandemic had a profound impact on the hotel industry in 2020 and 2021, leading to lower occupancy rates, decreased revenues, and significant financial losses. The hotel industry made a progressive recovery in 2022 due to ongoing campaigns and the gradual easing of travel restrictions worldwide. While the hotel industry may still encounter some obstacles in 2023, the overall business environment is expected to improve further. As a result, hotels are increasingly exploring more flexible, innovative, and responsive ways to meet changing consumer needs, which is likely to position them better for success in the post-pandemic travel market.

BUSINESS REVIEW

PROPERTY & INDUSTRIAL DIVISION

HOTEL SEGMENT (CONT'D.)

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Enhancing revenue from hotel rooms	<ul style="list-style-type: none"> Dynamic pricing strategies to adjust room rates based on supply and demand, seasonality, and other factors have maximised revenue Initiated upselling and cross-selling within the Group Encouraged guests to upgrade their room or add-on amenities during the booking process or at check-in proved to be an effective way to boost revenue 	<ul style="list-style-type: none"> Average room occupancy of 52% was recorded in 2022 as compared to 31% in 2021 Average hotel room rate of RM293.00 was achieved in 2022 compared with RM167.20 in 2021
Achieving stronger revenue contribution from meetings, incentives, conferences, and exhibitions (MICE)	<ul style="list-style-type: none"> Tailored packages that catered to specific client needs and budget requirements Offered add ons such as team-building activities and food and beverage (F&B) options with add-on choices to boost revenue Improved the booking process and enhanced the overall guest experience Collaborated with event management companies to facilitate easy online booking and management of events for guests 	<ul style="list-style-type: none"> The MICE segment experienced a positive revenue increase of approximately RM3 million, exceeding the 2022 budget
Digitalisation of services	<ul style="list-style-type: none"> QR Code scanning for F&B menu and e-voucher via website was put in place 	<ul style="list-style-type: none"> Shifted to a more paperless environment
Adopting greener business operations	<ul style="list-style-type: none"> Reduced energy consumption 	<ul style="list-style-type: none"> Invested in improving machinery efficiency through regular maintenance and system upgrades A basic automation system was implemented to control lighting and related systems, resulting in more efficient energy consumption

Awards

- ➔ 2022 Hotels Combined Recognition of Excellence Award (Royale Chulan Cherating Chalets)
- ➔ Best Beach Resort 2022 by Pahang Tourism (Royale Chulan Cherating Villas)
- ➔ Best MICE Hotel 2022 by Malaysia Tourism Industry Award (Royale Chulan Kuala Lumpur)
- ➔ Top Producing Hotel by Trip.com Group 2022 (Royale Chulan Kuala Lumpur)
- ➔ Certificate of Appreciation for Outstanding Contributions during MAH NS CHAPTER FOOD FESTIVAL 2019, 2021 & 2022 (Royale Chulan Seremban)



Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Ensuring continued hotel maintenance	<ul style="list-style-type: none"> Actively resolved building waterproofing issues Necessary improvements were made to fix faulty machinery and electrical equipment Immediate refurbishment or facelift to address wear-and-tear 	<ul style="list-style-type: none"> Significant operational disruptions were avoided Refreshed ambience and updated facilities to reflect current trends
Ensuring employees are well-equipped to provide high-quality services	<ul style="list-style-type: none"> Improved employee training and development opportunities 	<ul style="list-style-type: none"> The improved employee training and development opportunities resulted in enhanced employee engagement, job satisfaction, and morale, which in turn led to increased workplace productivity Provided proper training and development opportunities to employees which enabled them to develop new skills that helped our hotels gain a competitive advantage

BUSINESS REVIEW

PROPERTY & INDUSTRIAL DIVISION

INDUSTRIAL SEGMENT

What We Do

The segment is led by UAC Berhad (UAC), Malaysia's leading manufacturer of eco-friendly cellulose fibre cement products under the UAC brand. UAC was founded in 1963 and now exports to over 60 countries worldwide. Various green standards have endorsed UAC's products, including Eco Label, Green Label Singapore, MyHijau. Mark, Taiwan Green Building Council, Korea Healthy Building (HB) Mark, British Board of Agreement (BBA), and the Green Environmental Product Declaration by Institut Bauen und Umwelt e.V., Germany.

Business Environment

The Malaysian construction sector continued to be adversely affected on the back of critical labour shortage, soaring cost of construction materials, supply chain disruptions as well as inflationary pressure stemming from the protracted Russia-Ukraine conflict.

As a supplier to this sector with a market share of 55% to 60%, UAC faced a challenging 2022. Rising raw material prices, particularly for pulp, cement, and Medium Fuel Oil (MFO), remained a major source of concern for UAC, as these increases had a direct impact on the company's profitability.

In spite of the headwinds, UAC successfully sustained its growth and profitability in 2022 through a number of strategic business initiatives. These included appropriate price adjustments, prioritisation of sales to markets with better margins and cost optimisation exercises to mitigate the impact of escalating raw material costs.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Improve operational excellence	<ul style="list-style-type: none"> Special task force for cost containment initiatives 	<ul style="list-style-type: none"> Successfully achieved cost savings amounting to RM3.1 million in 2022
Embrace greener operations	<ul style="list-style-type: none"> Enhanced sustainability through the Energy Efficiency Practitioner of Compressed Air Plant (EEP-CA) programme and the replacement of fluorescent tubes/bulbs with LED 	<ul style="list-style-type: none"> Reduction of 2,069,029kw in electricity usage Reduction of approximately 330kg in hazardous waste Energy savings of approximately RM0.2 million in 2022
Improving long-term business growth	<ul style="list-style-type: none"> Focused on export markets to offset impacted local market demand 	<ul style="list-style-type: none"> Export market revenue contribution grew by 10.1% compared with 2021

Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Lower demand from the Malaysian market following slow construction sector recovery	<ul style="list-style-type: none"> Enhanced sales through focus on export market 	<ul style="list-style-type: none"> Revenue from export markets successfully offset the slower sales from the local market
Rising raw material prices for construction	<ul style="list-style-type: none"> Prices of products were revised to tackle the rising cost of raw material prices 	<ul style="list-style-type: none"> Successfully closed 2022 with a PBT of RM13.4 million

OUTLOOK

To strengthen the Division's financial sustainability and branding, the Property Development & Property Investment segment will launch new properties in 2023 for the Mutiara Rini and Mutiara Hills projects. Furthermore, the Division is exploring new business opportunities for future development of its strategic assets and landbanks through strategic partnerships.

Moving forward, the Hotel segment is expected to be a key growth driver, fueled by increased business for our offerings in terms of rooms, MICE and F&B. The F&B initiatives planned for the next five years, in particular, will catalyse demand for rooms and MICE. Our goal is to achieve a 30% average F&B contribution to total revenue within the next five years, representing a 9% increase from 2022. We are also in the midst of establishing new revenue streams via strategic collaborations. This will spearhead the business sustainability of our Royale Chulan Hotels & Resorts.

We are positive that the Industrial segment will achieve revenue growth in 2023, continuing the recovery that commenced in 2022. The growth of this segment in 2023 will be underpinned by price adjustment strategies, prioritisation of sales to markets with better margin, cost optimisation, and expansion of export markets. In addition, we expect an increase in sales of UAC's SolidPanel Industrialised Building System due to projects carried over from 2022 due to delays. Each of these factors will play a role in driving the segment's growth.

BUSINESS REVIEW

PHARMACEUTICAL DIVISION



PHARMACEUTICAL



The Pharmaceutical Division recorded a revenue of RM3.5 billion and a loss before tax of RM582.5 million in 2022, with bottom line primarily impacted by impairment arising from the write-down of slow-moving COVID-19 vaccine inventories amounting RM552.3 million and the impairment loss on the goodwill of the Indonesia manufacturing cash-generating unit of RM50.3 million.

However, the Division's results were bolstered by encouraging growth in the concession business, improved contribution from private sector clients and the Indonesian logistic and distribution segment's continued promising performance.



BUSINESS ENVIRONMENT

Although the Logistics & Distribution Division faced a challenging period of managing demand and supply volatility throughout the year, it was still able to complement and support the healthcare ecosystem by capitalising on its efficient business process and system in meeting the demand via strategic Distribution Centres located nationwide. We were able to capitalise on underserved areas of the ecosystem, thanks to the good relationship cultivated with established service providers.

Since many of the active ingredients and other raw materials we use in production are internationally sourced, we felt the effects of currency exchange rate fluctuations in our Manufacturing Division. Uncertainty in geopolitics increased the price of raw materials and increased the time needed to complete orders.

In 2022, treatment for non-COVID-19 related diseases had increased, thus boosting the demand for products for cardiovascular, diabetes and pain management. This is due to the accessibility of healthcare centres by patients. As such, the demand for non-COVID-19-related medication has also increased. This resulted in an increase in sales for our products in our non-concession and private market compared to the same period in 2021. This situation is faced by both Malaysia and Indonesia markets.

Our existing logistics infrastructure has made it more viable for customers to get products from us outside of the concession segment.

LOGISTICS & DISTRIBUTION

What We Do

We supply and distribute pharmaceutical products, including drugs and medical devices, to the Ministry of Health (MOH) facilities in Malaysia. As of 2022, we distribute over 700 products from over 90 suppliers, through the Approved Products Purchase List (APPL), including our own manufacturing subsidiaries, to public sector clients. In addition, we also distribute our products to private sector clients.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Strengthen position as the Government's preferred partner	<ul style="list-style-type: none"> • Solid performance track record and capabilities • Prioritising in-house products to boost APPL revenue • Participation in MOH's Centralised Tenders & Local Purchase Orders and distributorship agreements 	<ul style="list-style-type: none"> • Achieved 98.7% compliance with MOH performance standards for medicine and medical supply delivery • Scored 4.40 on customer satisfaction survey for public sector clients • APPL in-house product sales rose over 30% from 2021
Optimised operations	<ul style="list-style-type: none"> • Expansion of warehouse capacity • Improvements to research and development in the fields of supply chain management, operations management, data science, and artificial intelligence (AI) • Robotic Processing Automation (RPA) as an Internet of Things initiative • Embracing electric vehicles (EV) 	<ul style="list-style-type: none"> • Established two new warehouses • Completed the first stage of collaboration with the University of Technology Malaysia (UTM), Johor on the Sample Automation Project • Developed a supply chain management system with AI for predictive stock forecasting, stock holding, and pallet capacity planning with UTM KL • Increased daily RPA use, especially in order processing • Embarked on the utilisation of two electric vans for the delivery of medicines to health clinics and government hospitals within Klang Valley resulted in approximately 70% and 45% of reduction in fuel cost and GHG emissions, respectively.

BUSINESS REVIEW

PHARMACEUTICAL DIVISION

MANUFACTURING

What We Do

Under the Manufacturing Division, we produce a diversified range of generic pharmaceuticals and over-the-counter (OTC) products. We are also embarking on biopharmaceuticals, namely vaccine and insulin which are targeted to be commercialised in 2025.

The Division's ultimate goal is to provide a comprehensive portfolio of affordable healthcare products to meet the needs of its customers.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Boosting business growth	<ul style="list-style-type: none"> Becoming a global biopharmaceutical manufacturer Global market expansion Registration of new products 	<ul style="list-style-type: none"> Expanded vaccine and insulin manufacturing facility UAE manufacturing site registration Obtained 12 new pharmaceutical products registration
Strengthening profitability	<ul style="list-style-type: none"> Capacity growth for private and OTC markets Lean Manufacturing approach to reduce cost of goods sold Competitive pricing 	<ul style="list-style-type: none"> Increased oral solid filling line capacity by upgrading tablet manufacturing Installed new sachet filling machine Multi-tip punches compression for oral solids implemented to increase manufacturing capacity Powder filling line upgraded to enhance capacity Filling machine installed and commissioned Reduced batch changeovers, process cycle time, testing, and waste by optimising product batch sizes Active pharmaceutical ingredients and packaging cost reduced
Building trust	<ul style="list-style-type: none"> Robust supply chain for market consistency Maintain high product quality standards 	<ul style="list-style-type: none"> Business Intelligence (BI)-based real-time manufacturing and delivery performance visualisation Demand forecasting was improved with data analytics and lean tools Demand-based strategic inventory management Maintained multiple Good Manufacturing Practices Certifications ISO 37001: 2016 Anti-Bribery Management Systems (ABMS) certification for all manufacturing sites

INDONESIAN OPERATIONS

What We Do

PT Millennium Pharmacon International TBK (MPI), is a pharmaceutical, OTC food supplement and consumer products distributor with 33 branches across Indonesia, while PT Errita Pharma (Errita), a manufacturing facility based in Bandung, produces generic pharmaceuticals.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
To be the leading manufacturer of generic pharmaceutical brands specialising in targeted Area Therapeutic Class products	<ul style="list-style-type: none"> 2023-2030 New Product Developent (NPD) strategy blueprint 	<ul style="list-style-type: none"> Sales and marketing division established Made good progress in sales and marketing efforts
High level of engagement with healthcare professionals in order to broaden business network	<ul style="list-style-type: none"> Collaboration with: <ul style="list-style-type: none"> The Indonesian Medical Association Indonesian clinic associations Engagement with national pharmacy account 	<ul style="list-style-type: none"> Contract with Tangerang-Banten-Serang Associations has been established in February 2023 150 clinics have signed the contracts for clinics accreditation programme with ERRITA in February 2023 <ul style="list-style-type: none"> - Target revenue for clinics: Close to RM1 million K-24 and Kimia Farma has listed our products and signed the trading terms in 2023 <ul style="list-style-type: none"> - Target revenue for K-24 and Kimia Farma: Approximately RM7.5 million
Expanding our principal/supplier network to gain market share	<ul style="list-style-type: none"> On-boarded new principals/suppliers 	<ul style="list-style-type: none"> Revenue increased by 10%, owing primarily to increased sales of drugs and medical disposables Obtained new distributorship agreement

BUSINESS REVIEW

PHARMACEUTICAL DIVISION

Awards


The EDGE Malaysia ESG Awards 2022

Best Performing Company by Bursa Sector Classification, Healthcare Sector (Silver)


HR Asia Awards 2023

Best Companies to Work for 2022


MSOSH Occupational Safety & Health Awards 2022

Logistics and Transportation Sectors Category (Silver Award)


TheBrandLaureate BestBrands Award

Nation's Pride Brand of the Year: Integrated Pharmaceutical Solutions 2022



Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Rising financing costs	<ul style="list-style-type: none"> Stock optimisation strategy such as prudent in spending, stock optimisation exercise and business streamlining 	<ul style="list-style-type: none"> Improve profitability
The Indonesian Badan Pengawas Obat dan Makanan (BPOM) expressed concern about the use of ethylene glycol and diethylene glycol in syrup-based products	<ul style="list-style-type: none"> Collaborated with several accredited labs to conduct tests to ensure that our products met BPOM specifications 	<ul style="list-style-type: none"> More than 30% of our products have passed laboratory tests, with more in progress

OUTLOOK

The overall business environment is likely to face greater headwinds in 2023, amidst the slowdown in global demand, elevated cost pressures and increase in financing costs. At the same time, we expect growth in generic pharmaceuticals, biopharmaceuticals and OTC segment to continue into 2023.

The Pharmaceutical Division is well-positioned to navigate through the market challenges, underpinned by the continued growth in our key segments.

The Division is working positively with MOH on the concession renewal, which is targeted to be awarded by the end of the interim period, 30 June 2023. The negotiations are being deliberated and are in the final stages. At the same time, our Indonesian operations

will remain a key growth engine in 2023 as we expand our footprint in the country.

There is a continuous increase in demand for more affordable healthcare products in the market. More customers from the private market are seeking for alternatives with similar safety and efficacy to the innovators, but at a lower cost. This is our opportunity to develop and introduce healthcare products that can serve a wider population in the government and private sectors.

Overall, we are optimistic that the Pharmaceutical Division will rebound in 2023, riding on the robust medium-term prospects for the Southeast Asia pharmaceutical market.



BUSINESS REVIEW

HEAVY INDUSTRIES DIVISION



HEAVY INDUSTRIES



Despite facing challenges in 2022, the Heavy Industries Division managed to maintain a revenue of RM139 million, demonstrating resilience in the face of adversity. While there was a decrease in revenue from submarine projects and defence-related maintenance, repair and overhaul (MRO) projects and the variation in milestones for the littoral combat ship (LCS) project also posed a challenge, the Division remains a critical player in the defence industry and is committed to delivering excellence to its clients.



Although the loss before tax and zakat widened to RM163.5 million in FY2022, the Division is implementing strategies to improve its financial performance and is confident in its ability to bounce back.

What We Do

The Heavy Industries Division is dedicated to providing top-quality products and services across three primary segments: marine, aerospace, as well as weapons and combat systems. Within the marine segment, our business units are focused on shipbuilding, ship repair, and MRO services.

In the aerospace segment, we offer a range of MRO services for helicopters and specialise in manufacturing electronic products for commercial, industrial, defence, and aerospace applications. Under the weapons and combat systems segment, we provide MRO services for weapons and combat systems to Government defence and security agencies.

Business Environment

Although COVID-19 restrictions were relaxed in 2022, the shipbuilding industry still faced a challenging operating environment due to a sluggish supply chain, which impeded a full recovery. As a result, many businesses put off fleet expansion and maintenance, and shipyards saw only a modest increase in their order books. Nonetheless, there were still some promising openings in the industry in 2022.

Despite the challenges presented by the market, the Heavy Industries Division managed to secure several Government defence contracts and continued to undertake MRO works on commercial and private vessels.

While there was lower revenue contribution from submarine contracts and other defence-related MRO projects, the Division remained resilient and focused on delivering high-quality work.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Strengthening core businesses	<ul style="list-style-type: none"> By collaborating with trustworthy and reputable new partners, we expanded the market for our existing marine, aerospace, and weapons and combat systems segments 	<ul style="list-style-type: none"> Boustead Naval Shipyard Sdn Bhd (BNS) is working together with the Malaysia Offshore Support Vessels Owners' Association and Association of Marine Industries Malaysia in a newbuild programme for Petronas Offshore Support Vessels (OSV)
Enhancing operational capability	<ul style="list-style-type: none"> Assessed the need for dredging works in the BNS basin and upgrading our shiplift and floating jetty to enhance our marine capacity Strengthened our in-house MRO capabilities to handle high-value scope of work 	<ul style="list-style-type: none"> Completed feasibility study to determine the optimal upgrade option In-house team established for MRO works with the aim of reducing reliance on subcontractors and increasing control during execution
Corporate and financial restructuring	<ul style="list-style-type: none"> Additional equity was raised to mitigate cash flow risks and reduce debt Non-performing and non-core business units were divested or closed to achieve an optimal organisational structure and streamline operations 	<ul style="list-style-type: none"> Sold the Kota Kinabalu Industrial Park Land Liquidated the assets at the BPS Jerejak Shipyard to sell it as vacant land

BUSINESS REVIEW

HEAVY INDUSTRIES DIVISION



STRATEGIC PRIORITIES

Talent development

KEY INITIATIVES

- Promoted skills development through certification and the Transfer of Know-How programme
- Developed a mobility programme to broaden employees' leadership skills and knowledge, enabling personal growth and advancement

ACHIEVEMENTS

- Increased the number of qualified local technicians through the Transfer of Know-How programme, enabling them to undertake submarine MRO works
- Incorporated B100 (senior leadership) and B300 (high potential talent) into the Talent Management programme
- Several employees received professional certifications while the usage of an in-house online training module called MyLearning has increased
- BHIC AeroServices Sdn Bhd (BHICAS) expanded its services by developing the capability to provide helicopter battery maintenance services
- Boustead Langkawi Shipyard (BLS) expanded its portfolio beyond white boats, personal crafts, and ferries by securing MRO contracts for eight vessels belonging to Government agencies

Business diversification

- Implemented an aerospace and marine expansion plan

Key Achievements

- ➡ Successfully completed the fourth supplementary contract for the Royal Malaysian Navy's (RMN) Scorpene-class submarines' core maintenance services
- ➡ Signed the fifth supplementary contract with the Ministry of Defence (MINDEF) for the procurement of Littoral Combat Ships
- ➡ Completed MRO works on several RMN vessels, including KD MAHAWANGSA, KD LEKIR, KD HANG TUAH, and KD GAGAH SAMUDERA
- ➡ Completed MRO works for eight Government vessels, 17 passenger ferries, and 53 white boats at BLS, expanding their portfolio beyond small boats and ferries
- ➡ Successfully upheld submarine facilities for the RMN by BHIC Submarine Engineering Services Sdn Bhd (BSES)
- ➡ BHIC BOFORS Asia Sdn Bhd was awarded a RM15.7 million contract to provide spare parts, MRO services, and training services for the 57 mm Bofors guns installed on RMN ships
- ➡ BNS secured a RM19.2 million contract for the procurement, maintenance, repair, modification, installation, and overhaul of the RMN ship KD KASTURI
- ➡ BNS won a RM7.9 million contract for the procurement, maintenance, repair, modification, installation, and overhaul of RMN ship KD LEDANG

Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Cash flow constraints	<ul style="list-style-type: none"> Regular meetings were held to assess and address the cashflow position and obligations Disposed the Kota Kinabalu Industrial Park land 	<ul style="list-style-type: none"> Managed finances and debt to meet loan obligations and operational commitments
Legal action	<ul style="list-style-type: none"> Engaged with relevant creditors to seek interim solutions and where viable, established payment plans Engaged external lawyers to strategise our defense, handle existing / potential litigation and counter-claim actions, and advise on settlement 	<ul style="list-style-type: none"> Halted legal actions and pursued out of court settlement with payments made in tranches based on affordability Specifically in relation to MTU Services (Malaysia) Sdn Bhd (MSM), MSM requested an adjournment for its appeal hearing to allow for settlement negotiations with BNS. The hearing date had been set for June 2023

OUTLOOK

The projected slower global and domestic economic performances in 2023 are expected to have an impact on the expenditure within the defence and security, marine and aerospace sectors.

At the same time, the Heavy Industries Division aims to improve its financial performance, focusing on defence-related shipbuilding and ship repair activities while exploring new opportunities in the commercial segment as we leverage our skilled human capital and strong infrastructure.

BUSINESS REVIEW

TRADING, FINANCE & INVESTMENT DIVISION



TRADING, FINANCE & INVESTMENT



The Trading, Finance & Investment Division completed the fiscal year with a higher profit before tax (PBT) of RM403 million, compared with RM192 million last year. This was achieved on the back RM9.0 billion in revenue, which had more than doubled compared with RM4.4 billion in 2021.

The sharp improvement in revenue was primarily contributed by our subsidiary, Boustead Petroleum Marketing Sdn Bhd (BHPetrol), due to higher average fuel prices and sales volume, as well as higher share of results from our associate, Affin Bank Berhad, which benefitted from a gain on the divestment of Affin Hwang Asset Management Berhad.



**PBT
INCREASED**



BY

110%

TO

**RM403
MILLION**

(2021: RM192 million)



**REVENUE
INCREASED**



BY

102%

TO

**RM9.0
BILLION**

(2021: RM4.4 billion)

BOUSTEAD PETROLEUM MARKETING SDN BHD (BHPETROL)

What We Do

BHPetrol, established in 2006, is Malaysia's leading marketer and distributor of petroleum products, as well as the first in Malaysia to introduce ultra-clean fuel, Euro5 Diesel. We run a network in the region of 390 retail service stations across Peninsula Malaysia and operate approximately 300 convenience stores (BHPetromart) within stations to provide customers with further convenience. In addition, BHPetrol distributes liquefied petroleum gas (LPG) to households and commercial premises as well as supplies lubricants for commercial and private vehicles.

Business Environment

The operating environment for retail service stations was challenging in 2022, amidst fluctuating global oil prices. The competitive nature of the sector, with its regulated margins, has added to the operational challenges. However, this was mitigated by the increase in sales volume seen at BHPetrol. In addition, the lifting of movement restrictions and heightened economic activity post-pandemic, which translated into higher road traffic and greater demand for fuel, that has propelled the Division to its best financial performance in many years.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Contribute towards the revision of the Automatic Pricing Mechanism (APM)	<ul style="list-style-type: none"> Participated in the revision of APM with the Ministry of Finance and the Ministry of Domestic Trade and Cost of Living by collaborating with other downstream oil companies 	<ul style="list-style-type: none"> Several engagements with the relevant ministries were made during year 2022. Discussions is still on-going
Widening Non-Fuel income base	<ul style="list-style-type: none"> Expanded the range of pharmaceutical products in our retail stores via installation of vending machines through collaboration with Pharmaniaga Widened our network of food alliances to generate rental income and increase footfall Boosted the number of services offered in our stores to enhance consumer convenience 	<ul style="list-style-type: none"> Installed 6 vending machines in 2022 2 McDonald's Quick Service Restaurants (QSR) were opened in 2022 Opened 23 clip-ins, kiosks and food outlets including Pizza Hut, Richiamo Coffee, Texas Chicken, Subway, MBE in 2022
Boosting growth by expanding network of stations	<ul style="list-style-type: none"> Launched new BHPetrol stations nationwide 	<ul style="list-style-type: none"> 13 new stations were opened in 2022 Mini stations opened within Army camps
Digitalisation of business processes	<ul style="list-style-type: none"> Forged tie-ups with local partners to boost digital transactions 	<ul style="list-style-type: none"> Increased the adoption of electronic wallets for payment Introduced mobile of mobile apps for fleetcard customers to track usage and make payments Engaged business partners to roll out digitalisation and enhance marketing initiatives, for instance via Shopee, Boost and Maxis

BUSINESS REVIEW

TRADING, FINANCE & INVESTMENT DIVISION

BOUSTEAD PETROLEUM MARKETING SDN BHD (BHPETROL) (CONT'D.)

Challenges And Mitigating Actions

CHALLENGES	MITIGATING ACTIONS	RESULTS
Delays in construction of new petrol stations due to the staggered uptake in the economy	<ul style="list-style-type: none"> In order to expedite approval, we provided assistance to landowners or investors to expedite construction of the stations We directly engaged with relevant authorities 	<ul style="list-style-type: none"> Approvals for at least 10 out of 13 stations have been obtained
Risk of dealers switching brands	<ul style="list-style-type: none"> Strengthened ties with existing dealers and addressing their issues within a short timeframe is a top priority Accelerated retail network expansion to build brand loyalty Introduction of enhanced business model and package for dealers 	<ul style="list-style-type: none"> We were successful in preventing the migration of some dealers
Minimising stockholding loss	<ul style="list-style-type: none"> Optimised operations through active stock management 	<ul style="list-style-type: none"> In 2022, BHPetrol recorded stockholding gains
Manage subsidy receivables from the Government	<ul style="list-style-type: none"> Closely monitored and maintained rapport with the Government 	<ul style="list-style-type: none"> Steadily recovered from a period of slow collection

Awards



Putra Brand Aria Award 2022
Automotive – Fuel, Lubricants & Accessories (Bronze)



BOUSTEAD TRAVEL SERVICES SDN BHD

What We Do

Boustead Travel Services Sdn Bhd (BTS) is one of the largest travel management companies in Malaysia, specialising in domestic and international travel for business and leisure, as well as essential travel. The Company also organises events, conferences, meetings, and incentive trips. BTS has a long history in the leisure industry as one of Rail Europe's most trusted general sale agents in Malaysia and is Malaysia's sole Corporate Travel Management (CTM) global partner.

Business Environment

After a challenging year in 2021 due to extensive travel restrictions, the domestic and international travel and tourism landscapes have improved considerably in 2022. Amid the pent-up demand for tourism, many tourist destinations saw continued increases in footfall and higher tourist expenditure.

However, the travel and tourism industry's return to pre-pandemic levels may take some time. With jet fuel prices remaining relatively high, cost of travel has also increased and there is no indication of any downward pressure at this point of time. Other challenges to our business include competition from online travel agents and online promotional products & fares from the principals.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Retention and acquisition of new corporate clients	<ul style="list-style-type: none"> Existing business partnerships were solidified through in-person and virtual engagements To expand our customer base, we actively participated in Request for Proposal exercises 	<ul style="list-style-type: none"> More than 90% of existing clients were retained Returned to profitability in 2022 as a result of the opening of international borders
Adoption of digitalisation	<ul style="list-style-type: none"> Our automation hub enhanced the operations of the corporate services team Presented online booking tool as an alternative booking channel for corporate clients 	<ul style="list-style-type: none"> Improved ticketing deadline management for corporate travellers Additional platform for clients to obtain air fare quotations and make reservations
Building the Meetings, Incentives, Conferences, and Exhibitions (MICE) & cruise businesses	<ul style="list-style-type: none"> Provided consistent updates on the reopening of major destinations Established new partnerships 	<ul style="list-style-type: none"> MICE business picked up in 2022 with a very good yield New revenue stream from cruise passengers as we build specialised packages for shore excursions

BUSINESS REVIEW

TRADING, FINANCE & INVESTMENT DIVISION

BOUSTEAD SHIPPING AGENCIES SDN BHD

What We Do

Boustead Shipping Agencies Sdn Bhd (BSA) has been in the shipping and logistics business for more than 180 years, making it a pioneer in Malaysia's transportation industry. Its traditional commitment to service and meeting customers' specific needs are backed by state-of-the-art technology and highly experienced personnel.

Today, the Company offers fully integrated logistics services encompassing local and international sea freight and air freight forwarding, customs clearance, land trucking, warehousing services and other logistics related services. Its headquarters in Port Klang handles its sea freight logistics activities while its KLIA office acts as its air freight operations office.

Business Environment

High fuel prices and the disruption in the shipping industry lifted freight rates to very high levels for the most part of 2022. By the end of the third quarter of 2022, freight rates had only begun to stabilise slowly as the lifting of travel restrictions in many jurisdictions helped ease the disruption in the shipping industry.

Port congestion, vessel delay and rate increases severely impacted cargo movement to Sabah and Sarawak. The recovery in the global logistics landscape provided a good growth catalyst in the latter part of 2022.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Operating and service cost containment	<ul style="list-style-type: none"> Internal cost structure was reviewed and adjusted Cost control measures were implemented without jeopardising quality of service delivery 	<ul style="list-style-type: none"> Reduced operational cost by RM180,000 or 5.8% in 2022 compared with the previously estimated cost for 2022
Improving customer loyalty	<ul style="list-style-type: none"> Maintained consistent contact with clients through frequent visits and courtesy calls Pursuant to these engagements, efforts were taken to address issues raised 	<ul style="list-style-type: none"> Profit before tax increased by RM580,000 in 2022 as compared to a year earlier
Widening customer base to avoid high-reliance on small pool of customers	<ul style="list-style-type: none"> Regionalised marketing to prospects and clients Service rates were adjusted to be more competitive and market-driven 	<ul style="list-style-type: none"> In FY2022, the Company saw a 20% increase in sales contribution from external and new clients

BOUSTEAD CREDIT SDN BHD

What We Do

Boustead Credit Sdn Bhd (BCredit) mission is to serve the unserved and underserved by offering access to affordable consumer financing and by providing alternative financing to small and medium-sized businesses (SMEs). Our range of financial services include financing for motor vehicles, consumer goods and business equipment, as well as an invoice factoring facility for small businesses, which enables these companies to finance their receivables or invoices.

The moneylending license recently issued by Kementerian Pembangunan Kerajaan Tempatan (KPKT) allows the Company to operate as a licensed money lender. The Hire Purchase Act of 1967 and the Moneylenders Act of 1951 govern our hire purchase financing, which we have provided for the past 43 years, and our recently introduced money lending activities, respectively.

Business Environment

There has been an uptick in both domestic travel and tourism activity in Malaysia since the country's borders were reopened resulting in a reduction in non-performing loans.

The addition of a new revenue stream from hire purchase financing to Boustead Group companies and other corporate clients also contributed to the turnaround.

Business Performance Review

STRATEGIC PRIORITIES	KEY INITIATIVES	ACHIEVEMENTS
Providing hire purchase financing within Boustead Group	<ul style="list-style-type: none"> Provided hire purchase financing to Boustead Group for capital expenditure items 	<ul style="list-style-type: none"> Disbursed RM5.2 million in hire purchase financing within Boustead Group
Offering hire purchase financing to corporate clients	<ul style="list-style-type: none"> Corporate clients, including Boustead's suppliers, were offered hire purchase financing 	<ul style="list-style-type: none"> Disbursed RM6.1 million in hire purchase financing to corporate clients
Hire purchase financing to individuals/businesses	<ul style="list-style-type: none"> Offered hire purchase financing to Bousteadors and external customers 	<ul style="list-style-type: none"> Disbursed RM1.0 million in hire purchase financing to Bousteadors and external customers
Funding for Ar Rahnu operators	<ul style="list-style-type: none"> Purchased Surat Akuan Gadaian (SAG) from Ar Rahnu operators 	<ul style="list-style-type: none"> Purchased RM1.7 million of SAGs

BUSINESS REVIEW

TRADING, FINANCE & INVESTMENT DIVISION

BOUSTEAD DIGITAL SERVICES SDN BHD

Boustead Digital Services Sdn Bhd (BDigital), established in 2021, is the corporate investment and incubation arm of the Group. BDigital's primary objective is to invest in high-growth start-ups and early-stage companies in the digital space. In addition to this, the company also aims to explore new business opportunities by co-creating with partners to drive internal operational efficiencies through digital solutions.

BDigital operates in three key areas: digital investments, partnership/ecosystem orchestration and venture building.

Marking its first full year of operations in 2022, BDigital made direct investments in three digital companies, namely MyAngkasa Digital Services, BrioHR, and Proficient. Additionally, BDigital developed the Tanky App and Green Army platform in the venture building segment.

BDigital is firmly committed to its mandate to drive digital transformation across the Group.

BOUSTEAD TECHNOLOGY SDN BHD

Boustead Technology Sdn Bhd (Boustech) was founded in 2022 to coordinate technology initiatives, provide co-creation technology solutions, scout for new technologies to be adopted or incubated, and collaborate with Boustead Innovators, Creators, and Ecosystem Partners (BICEPs), to maximise synergy.

Despite the challenges faced in 2022, Boustech completed the development of a technology management framework and tools ahead of schedule.

Looking ahead, the industry landscape remains dynamic, and Boustech will focus on prudent cost control and selective collaboration to ensure enough working capital is available for sustainability and growth.

THE UNIVERSITY OF NOTTINGHAM IN MALAYSIA SDN BHD

The University of Nottingham in Malaysia Sdn Bhd implemented its Strategic Plan - People and Partnerships 2022-2026, which was aligned to the University of Nottingham's tri-campus strategy, but taking into account the opportunities and challenges that are specific to Malaysia and the ASEAN region. The Strategic Plan focuses on three key areas including increased enrolment, attracting and retaining talent and building strategic partnerships.

BOUSTEAD GLOBAL RISK SOLUTION SDN BHD

Since 2016, the Group has owned Boustead Global Risk Solution Sdn Bhd (BGRS) in its entirety. BGRS is a general insurance agency that offers a wide range of professional insurance solution services, primarily to Boustead companies. BGRS was able to turn a profit amidst a challenging operating environment.

MHS AVIATION BERHAD

MHS Aviation Berhad (MHS) has over four decades of experience providing helicopter services to the offshore oil and gas industry. The company also provides helicopter maintenance and works on projects involving the operations and maintenance of unmanned aircraft systems. MHS was able to dispose of one aircraft during the year, the Sikorsky S76C, as part of its focus on streamlining its fleet. MHS also signed a strategic collaboration agreement to jointly establish a remote pilot training organisation with Politeknik Banting Selangor. During the year, MHS locked in a project related to the delivery of medicine and related goods utilising drones, in partnership with a local healthcare provider.

AFFIN BANK BERHAD

Affin Bank Berhad's (Affin) financials have continued to show resilience, stability, and consistency. In comparison to the previous fiscal year, PAT increased by 107% to RM1.2 billion. Net income rose by 47.1% to RM3.3 billion. The banking group's Return on Equity improved to 11.5%, from 5.4%.

The bottom line improvement was achieved on the back of an increase in Affin's Group Net Interest Income (NII), which rose by 11.1% to RM1.1 billion in FY2022, as well as an increase of 39.3% to RM346 million in Affin Islamic Bank Berhad's PBT. In addition, the gains from the divestment of Affin Hwang Asset Management Berhad (AHAM) also led to the stronger bottomline. The divestment was completed on 29 July 2022, whereby AHAM ceased to be a subsidiary of Affin Group.

Asset quality has strengthened as the bank continued to show significant improvement in Gross Impaired Loan (GIL) ratio. The GIL decreased to 1.97 in FY2022 due to strong recovery efforts and tighter underwriting standards.

CADBURY CONFECTIONERY MALAYSIA SDN BHD

Cadbury Confectionery Malaysia Sdn Bhd (Cadbury) closed the year with another commendable performance as the bottom line was boosted by better sales from both local and domestic markets. This was achieved through aggressive advertising campaigns to promote new and existing products. Moving forward, Cadbury will look to strengthen its position as the country's leading chocolatier by producing innovative and well-liked products.

DREW AMEROID (M) SDN BHD

Drew Ameroid (M) Sdn Bhd achieved noteworthy results with steady growth in its water chemical business and notable revenue growth in its pulp and paper chemical business. Moving forward, the company will focus on enhancing its market position by introducing innovative products and providing high-quality services.

OUTLOOK

With the Malaysian economy expected to witness increased headwinds in 2023 amidst the slowdown in global demand, domestic businesses could face a tougher operating environment. Nevertheless, pockets of opportunities are expected to continue to be present, underpinned by resilient domestic demand and the continued recovery in several sectors.

On the back of our business strategies, we are positive that all of our Trading, Finance & Investment companies will be on better footing in 2023. Notably, the continued recovery in the global tourism landscape is expected to uplift the demand for BTS, while the robust demand for logistics amidst the rise in trade activities and e-commerce shipments will provide a boost for BSA.

The projected increase in vehicles on Malaysian roads would further contribute to higher sales volume of BHPetrol in 2023. Our efforts to widen our product offerings in BHPetromart is also expected to widen our revenue base.

Meanwhile, the high interest rate environment expected in 2023 could continue to be a key catalyst for BCredit and Affin in raising margins, amidst resilient demand from the market.

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SECTION

05

BHB BOARD RETREAT 2022



REINVESTING EXECUTION TOWARDS SUSTAINABILITY





**LIEUTENANT GENERAL
DATO' FADZIL MOKHTAR (R)**
Independent Non-Executive
Director

**DATO' SERI ROSMAN
MOHAMED**
Independent Non-Executive
Director

**DATO' AHMAD NAZIM
ABD RAHMAN**
Non-Independent Non-Executive
Chairman



**PAULINE TEH @
PAULINE TEH ABDULLAH**
Independent Non-Executive
Director

MUHAMMAD FITRI OTHMAN
Non-Independent
Non-Executive Director

IRFAN HASHIM
Non-Independent
Non-Executive Director
*(Alternate Director to Dato' Ahmad
Nazim Abd Rahman)*

DAYANA ROGAYAH OMAR
Non-Independent
Non-Executive Director
*(Alternate Director to Muhammad
Fitri Othman)*

PROFILE OF DIRECTORS



DATO' AHMAD NAZIM ABD RAHMAN

Non-Independent Non-Executive Chairman

Appointed on 1 July 2021



MALE



47



MALAYSIAN

LENGTH OF SERVICE

1 YEAR

DATE OF LAST RE-ELECTION

16 JUNE 2022

NUMBER OF BOARD MEETINGS ATTENDED

10/11

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD

DIRECTORSHIP IN PUBLIC COMPANIES:

- NIL

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- Bachelor of Laws (LL.B) (Honours), International Islamic University Malaysia
- Master of Laws (LL.M) (J William Fulbright Fellow), Georgetown University, Washington DC
- Master of Public Affairs (Economics and Public Policy), Institut d'Etudes Politiques de Paris - Sciences Po, Paris

Working Experience:

- June 2001 to June 2007 - Senior Associate, Securities Commission
- June 2007 to December 2008 - Associate, Norton Rose Fulbright LLP, London
- April 2009 to April 2012 - Director, National Bank of Abu Dhabi, United Arab Emirates
- July 2013 to October 2018 - Chief Executive Officer, Pelaburan MARA Berhad
- May 2015 to June 2021 - Non-Executive Director, Regulus Advisors Pte Ltd., Singapore
- October 2019 to June 2021 - Managing Director (Southeast Asia), Allied Investment Partners PJSC, Singapore
- April 2020 to present - Member of the Board, National Higher Education Fund Corporation (PTPTN)
- May 2020 to present - Member of the Board/Chairman of Economic Committee, Energy Commission
- June 2021 to present - Chief Executive, Lembaga Tabung Angkatan Tentera

Board Committee(s):

- Member of Nominating and Remuneration Committee



LIEUTENANT GENERAL DATO' FADZIL MOKHTAR (R)

Independent Non-Executive Director

Appointed on 15 July 2019



MALE



64



MALAYSIAN

LENGTH OF SERVICE

4 YEARS

DATE OF LAST RE-ELECTION

24 JUNE 2021

NUMBER OF BOARD MEETINGS ATTENDED

11/11

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- NIL

DIRECTORSHIP IN PUBLIC COMPANIES:

- NIL

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- Bachelor of Laws (First Class Honours), Universiti Teknologi MARA
- Master of Public Management, National University of Singapore
- Master of Arts, Universiti Kebangsaan Malaysia

Working Experience:

- Lieutenant General Dato' Fadzil has served in the Malaysian Armed Forces for more than 41 years, during which he held various senior command and staff positions including:
 - 1997 - Legal Adviser to the Malaysian Contingent in Bosnia Herzegovina
 - 2011 to 2013 - Head of Human Resource, Malaysian Army
 - 2013 to 2014 - Head of Mission, International Monitoring Team in Mindanao, Philippines
 - 2015 to 2016 - General Officer Commanding 2nd Division
 - 2016 to 2018 (retirement) - Joint Force Commander, Malaysian Armed Forces
- Others:
 - 2002 - Lee Kuan Yew Fellow, National University of Singapore
 - Present - Academic Fellow, National Defence University of Malaysia

Board Committee(s):

- Chairman of Risk Committee
- Member of Audit Committee
- Member of Sustainability Committee

PROFILE OF DIRECTORS



DATO' SERI ROSMAN MOHAMED

Independent Non-Executive Director

Appointed on 1 July 2021



MALE



61



MALAYSIAN

LENGTH OF SERVICE

1 YEAR

DATE OF LAST RE-ELECTION

16 JUNE 2022

NUMBER OF BOARD MEETINGS ATTENDED

11/11

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- KHIND HOLDINGS BERHAD
- ECO WORLD DEVELOPMENT GROUP BERHAD

DIRECTORSHIP IN PUBLIC COMPANIES:

- NIL

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- 1982 - Diploma in Accountancy, Ungku Omar Polytechnic, Perak
- 1991 - Executive Diploma in Marketing and Selling Bank Services, International Management Centre, Buckingham
- 1985 - Bachelor of Business Administration (Accounting), Urbana University, Ohio
- 1987 - Master of Business Administration, Saint Louis University, Missouri

Working Experience:

- August 1982 to December 1983 - Executive Accounting Officer, Road Transport Department, Malaysia
- August 1988 to January 1993 - Head of Training/Credit Manager, Maybank
- February 1993 to December 1997 - Founder and Consultant, Growthworks (Asia) Sdn Bhd
- January 1998 to November 2001 - Senior Manager, Change Management, British American Tobacco Malaysia
- December 2001 to June 2008 - Regional Business Development & HR Director Asia Pacific, Malaysia, Cabot Corporation
- July 2008 to June 2012 - Managing Director, Kaizen Business Development and Human Resources, Jeddah, Saudi Arabia, Abdul Latif Jameel
- October 2012 to December 2013 - Senior General Manager, Corporate Services, Bank Rakyat
- January 2014 to June 2015 - Managing Partner, LDS (M) Sdn Bhd and Top Performers Leadership Centre
- July 2015 to April 2018 - Managing Director, Centre of Excellence, Abdul Latif Jameel
- April 2019 to January 2021 - Board Member/Acting Managing Director/Chief Executive Officer, Bank Rakyat

Board Committee(s):

- Chairman of Nominating and Remuneration Committee
- Member of Audit Committee
- Member of Risk Committee



PAULINE TEH @ PAULINE TEH ABDULLAH

Independent Non-Executive Director

Appointed on 13 September 2021



FEMALE



52



MALAYSIAN

LENGTH OF SERVICE

1 YEAR

DATE OF LAST RE-ELECTION

16 JUNE 2022

NUMBER OF BOARD MEETINGS ATTENDED

10/11

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- NIL

DIRECTORSHIP IN PUBLIC COMPANIES:

- TAURUS INVESTMENT MANAGEMENT BERHAD (FORMERLY KNOWN AS LIBRA INVEST BERHAD)
- EXPORT-IMPORT BANK OF MALAYSIA BERHAD

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- Bachelor of Commerce (Accounting) Business Administration, Saint Mary University, Halifax Nova Scotia, Canada
- Masters in Business Administration (Finance), University of Hull, United Kingdom

Working Experience:

- 1994 to 1996 - Senior Operations Officer, Public Bank Berhad
- 1996 to 1998 - Assistant Vice President, Perdana Merchant Bankers Berhad
- 1998 to 2000 - Associate Director, Hanifah Teo & Associates
- 2000 to 2008 - Director, BDO Capital Consultants Sdn Bhd
- 2008 to 2021 - Executive Director and Head of Department, Crowe Advisory Sdn Bhd

Board Committee(s):

- Chairman of Audit Committee
- Member of Risk Committee
- Member of Nominating and Remuneration Committee

PROFILE OF DIRECTORS



MUHAMMAD FITRI OTHMAN

Non-Independent Non-Executive Director

Appointed on 1 December 2022



MALE



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MALAYSIAN

LENGTH OF SERVICE

LESS THAN 1 YEAR

DATE OF LAST RE-ELECTION

—

NUMBER OF BOARD MEETINGS ATTENDED

1/1

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- NIL

DIRECTORSHIP IN PUBLIC COMPANIES:

- AFFIN ISLAMIC BANK BERHAD

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- Bachelor of Economics and Finance (First Class Honours), University of Southampton, United Kingdom
- Master of Economics, London School of Economics and Political Science (LSE), United Kingdom
- Chartered Financial Analyst, CFA Institute, United States of America

Working Experience:

- March 2007 to February 2013 - Portfolio Manager and Industrial Sector and Currency Analyst, International Fund Management (IFM), Permodalan Nasional Berhad (PNB)
- March 2013 to November 2014 - Head of Portfolio Management, IFM, PNB
- December 2014 to December 2017 - Head of Fund Management, PNB Asset Management (Japan), Tokyo
- January 2018 to April 2019 - Senior Manager / Global Equity Strategist, PNB
- May 2019 to January 2020 - Head of Foreign Equity Investment, Social Security Organization
- January 2020 to August 2021 - Head of Public Markets, Lembaga Tabung Angkatan Tentera (LTAT)
- September 2021 to present - Chief Investment Officer, LTAT

Board Committee(s):

- NIL



IRFAN HASHIM

Non-Independent Non-Executive Director (Alternate Director to Dato' Ahmad Nazim Abd Rahman)

Appointed on 1 December 2022



MALE



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MALAYSIAN

LENGTH OF SERVICE

LESS THAN 1 YEAR

DATE OF LAST RE-ELECTION

—

NUMBER OF BOARD MEETINGS ATTENDED

—

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- BOUSTEAD HEAVY INDUSTRIES CORPORATION BERHAD (ALTERNATE DIRECTOR TO DATO' AHMAD NAZIM ABD RAHMAN)

DIRECTORSHIP IN PUBLIC COMPANIES:

- NIL

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- Bachelor of Engineering (First Class Honours), University of Southampton, United Kingdom
- Chartered Financial Analyst, CFA Institute, United States of America. (Charter holder since July 2010)

Working Experience:

- 2006 to 2014 - Corporate Finance Department, Permodalan Nasional Berhad
- February 2011 to September 2011 - Seconded to UMW Holdings Berhad
- October 2013 to January 2014 - Attachment with Wasserstein & Co, LP, New York Office
- 2015 to 2019 - Assistant Vice President, Private Equity, Kumpulan Wang Persaraan
- February 2020 to present - Head of Corporate Finance, Lembaga Tabung Angkatan Tentera

Board Committee(s):

- NIL

PROFILE OF DIRECTORS



DAYANA ROGAYAH OMAR

Non-Independent Non-Executive Director (*Alternate Director to Muhammad Fitri Othman*)

Appointed on 1 December 2022



FEMALE



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MALAYSIAN

LENGTH OF SERVICE

LESS THAN 1 YEAR

DATE OF LAST RE-ELECTION

—

NUMBER OF BOARD MEETINGS ATTENDED

—

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD:

- NIL

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES:

- NIL

DIRECTORSHIP IN PUBLIC COMPANIES:

- NIL

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY:

- NO

CONFLICT OF INTERESTS WITH THE COMPANY:

- NO

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR:

- NIL

Qualifications:

- July 2004 to July 2007 - B.Sc Actuarial Science (First Class Honours), London School of Economics
- September 2007 to September 2008 - M.Sc Risk & Stochastics (Merit), London School of Economics
- June 2016 to May 2017 - MBA, Sloan Fellows Programme, MIT Sloan

Working Experience:

- July 2008 to July 2009 - Analyst, Legal & General Investment Management, Active Fixed Income Department
- August 2009 to March 2011 - Investment Analyst, Permodalan Nasional Berhad
- April 2011 to September 2014 - Associate, Managing Director's Office, Khazanah Nasional Berhad (Khazanah)
- October 2014 to May 2016 - Assistant Vice President, Managing Director's Office, Khazanah
- Vice President, Investments, Khazanah
 - June 2017 to September 2018 : Portfolio Strategy, Value Creation through Big Data and Machine Learning
 - October 2018 to January 2020 : Asset Allocation
- February 2020 to present - Head of Strategic Asset Allocation, Lembaga Tabung Angkatan Tentera (LTAT)
- August 2021 to present - Director of Strategy, LTAT

Board Committee(s):

- NIL

OUR APPRECIATION TO FORMER DIRECTORS



**DATUK SERI
MOHD REDZUAN
MD YUSOF**

Resigned with effect from (w.e.f.) 10 January 2023



**DATO' SRI
MOHAMMED SHAZALLI
RAMLY**

Resigned w.e.f. 30 November 2022



**DATO'
NONEE ASHIRIN
DATO' MOHD RADZI**

Resigned w.e.f. 10 January 2023



**TAN SRI
ABU BAKAR
HAJI ABDULLAH**

Retired w.e.f. 16 June 2022



**SENATOR DATUK SERI
HAJJAH ZURAINAH
MUSA**

Resigned w.e.f. 10 January 2023



**DATUK
MAULIZAN
BUJANG**

Resigned w.e.f. 15 December 2022



FAHMY ISMAIL
Group Chief Financial Officer

IZADDEEN DAUD
Group Chief Executive Officer

**AHMAD SHAHREDZUAN
MOHD SHARIFF**
Group Chief Reinvention &
Strategy Officer

PROFILE OF EXECUTIVE COMMITTEE MEMBERS



IZADDEEN DAUD



Group Chief Executive Officer

Date of Appointment to present position:
1 December 2022



MALE



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MALAYSIAN

QUALIFICATION

- Certified Financial Planner, Financial Planning Association of Malaysia
- Fellow Member, Institute of Public Accountants, Australia
- B.Sc (Hons) Accounting and Law, De Monfort University, Leicester, United Kingdom

WORKING EXPERIENCE

- 1991 - Auditor, Ernst & Young
- 1992 - Senior Officer, Oriental Bank Berhad
- 1992 to 1998 - Senior Manager, Perwira Affin Merchant Bank Berhad
- 1999 to 2007 - Assistant Vice President, Permodalan Nasional Berhad
- 2007 to 2008 - Chief Executive Officer (CEO), ASM Investment Services Berhad
- 2008 to 2009 - Managing Director, MARA Incorporated
- 2013 to January 2021 - Executive Chairman, E&E Gas Sdn Bhd
- July 2020 to February 2021 - Executive Director, Group Business Development, Boustead Holdings Berhad (BHB)
- November 2020 to March 2022 - Acting CEO, Boustead Properties Berhad
- 1 March 2021 to 30 November 2022 - Deputy Group Managing Director, BHB
- 1 December 2022 to present - Group Chief Executive Officer, BHB

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Pharmaniaga Berhad (*Chairman*)
- Boustead Plantations Berhad
- Boustead Heavy Industries Corporation Berhad
- Olympia Industries Berhad

DIRECTORSHIP IN PUBLIC COMPANIES

- Boustead Properties Berhad (*Chairman*)
- UAC Berhad (*Chairman*)

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

PROFILE OF EXECUTIVE COMMITTEE MEMBERS



FAHMY ISMAIL

Group Chief Financial Officer

Date of Appointment to present position: 1 October 2017

WORKING EXPERIENCE

- 1999 to 2005 – Began his career as a management trainee and assumed several finance roles within the Renong Group, ranging from accounting, performance reporting, treasury and corporate finance. Last held position prior to joining Boustead Holdings Berhad (BHB) was Assistant Manager, Corporate Finance for SapuraCrest Petroleum Berhad
- 2006 – Manager, Corporate Planning Department, BHB
- 2009 – Chief Executive Officer (CEO), Boustead REIT Managers Sdn Bhd, the Manager of Al-Hadharah Boustead REIT
- 2014 to May 2018 – CEO, Boustead Plantations Berhad (BPlant)
- January 2019 to July 2020 – Chief Operating Officer, BHB
- 2017 to present – Group Finance Director, BHB. Redesignated to Group Chief Financial Officer effective 1 March 2023
- November 2022 to present – Acting CEO, BPlant

QUALIFICATION

- 1998 - Bachelor of Commerce in Accounting and Finance, University of Sydney, Australia
- 2003 - Certified Practising Accountant, CPA Australia
- 2003 - Chartered Accountant, Malaysian Institute of Accountants

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Boustead Plantations Berhad
- Boustead Heavy Industries Corporation Berhad

DIRECTORSHIP IN PUBLIC COMPANIES

- MHS Aviation Berhad
- Boustead Properties Berhad

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil



AHMAD SHAHREDZUAN MOHD SHARIFF

Group Chief Reinvention & Strategy Officer

Date of Appointment to present position: 1 March 2021

WORKING EXPERIENCE

- August 2006 to June 2015 - Various positions in Permodalan Nasional Berhad. Last position was Senior Manager at the Office of President and Group Chief Executive
- June 2015 to November 2019 - Implementation Consultant, McKinsey & Company, Kuala Lumpur, Malaysia
- November 2019 to April 2020 - Senior General Manager, Boustead Holdings Berhad (BHB)
- May 2020 to February 2021 - Chief Transformation Officer, BHB
- March 2021 to present - Chief Reinvention & Strategy Officer, BHB. Redesignated to Group Chief Reinvention & Strategy Officer effective 1 March 2023

QUALIFICATION

- 2006 - BSc. Economics, University of Warwick, United Kingdom
- 2012 - Graduate Diploma of Applied Finance, Kaplan Higher Education, Australia

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Pharmaniaga Berhad

DIRECTORSHIP IN PUBLIC COMPANIES

- UAC Berhad

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

HEADS OF DEPARTMENTS



FAHMY ISMAIL
Group Chief Financial Officer
Group Finance &
Administration



AHMAD SHAHREDZUAN MOHD SHARIFF
Group Chief Reinvention &
Strategy Officer
Group Reinvention & Strategy



DATUK AZNI HASAN BASRI
Group Chief People Officer
Group Human Capital
Management



MOHD ZAIDI ZAINOL RASHID
Head
Group Legal & Compliance



PREMILA RAJARATNAM
Head
Group Internal Audit & Risk
Management



ROSMAN JOHAR ABDULLAH
Head
Group Integrity &
Governance



MUZAMIR SHAH MOHAMED SHARIFF
Head
Group Information
Technology & Digital



AFFENDI MOHD YOB
Head
Group Secretarial



NIK ADINA TATY NIK ZAININ
Head
Group Engagement &
Communications

PROFILE OF HEADS OF DEPARTMENTS

DATUK AZNI HASAN BASRI

Group Chief People Officer
Group Human Capital Management

Date of Appointment to present position: 1 December 2021

WORKING EXPERIENCE

- 1990 to 1993 - Head, Human Resources and Administration, Central Region Office, Projek Lebuh raya Utara Selatan Berhad
- 1993 to 1994 - Head, Training & IR, Johnson & Johnson Medical Manufacturing Sdn Bhd
- 1994 to 1998 - Manager, Human Resource, City Television Sdn Bhd
- 2000 to 2005 - Manager, Human Resource, Asia Pacific Auction Centre Sdn Bhd
- 2005 to 2012 - Senior Vice President, Human Capital, Malaysian Biotechnology Corporation Sdn Bhd
- 2012 to 2019 - Senior Vice President, Human Capital, Perbadanan PR1MA Malaysia (PR1MA)
- 1 December 2021 to present - Group Chief People Officer, Boustead Holdings Berhad

QUALIFICATION

- Bachelor of Business Administration, University of Missouri, United States of America

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

MOHD ZAIDI ZAINOL RASHID

Head
Group Legal & Compliance

Date of Appointment to present position: 1 September 2013

WORKING EXPERIENCE

- 1998 to 2000 - Legal Executive, Percon Corporation Sdn Bhd (Permodalan Nasional Berhad Group)
- 2000 to 2004 - Officer, Listing Division, Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Securities Berhad)
- 2009 to 2013 - Manager, Legal Services, Boustead Holdings Berhad (BHB)
- 2013 to June 2022 - General Manager, Group Legal & Compliance, BHB
- July 2022 to present - Head, Group Legal & Compliance, BHB

QUALIFICATION

- 1995 - LLB Degree, International Islamic University Malaysia
- 1996 - Advocate & Solicitor, High Court of Malaya

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

PREMILA RAJARATNAM

Head
Group Internal Audit & Risk Management

Date of Appointment to present position: 1 August 2021

WORKING EXPERIENCE

- 2004 to 2010 - Manager, Internal Audit, Risk & Compliance Services, KPMG Malaysia
- 2010 to 2011 - Finance Manager, Boustead Engineering Sdn Bhd
- 2011 to 2015 - Financial Controller, MHS Aviation Berhad
- 2016 to 2021 - Deputy General Manager (Finance), Pharmaniaga Berhad (Manufacturing)
- 1 August 2021 to present - Head, Group Internal Audit and Risk Management, Boustead Holdings Berhad

QUALIFICATION

- Association of Chartered Certified Accountants (ACCA)
- Fellow, ACCA
- Chartered Accountant, Malaysian Institute of Accountants

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

ROSMAN JOHAR ABDULLAH

Head
Group Integrity & Governance

Date of Appointment to present position: 1 October 2021

WORKING EXPERIENCE

- 1997 to 2010 - Certified Insurance Loss Adjuster in several local and international firms
- 2010 to 2011 - Assistant Manager, Special Affairs/Group Internal Audit, Telekom Malaysia Berhad (Telekom)
- 2011 to 2015 - Manager, Special Affairs/Group Internal Audit, Telekom
- 2015 to 2017 - Assistant General Manager, Special Affairs/Group Internal Audit, Telekom
- 2017 to 2019 - Head of Fraud Management/Group Business Assurance, Telekom
- 2019 to 2021 - Head, Group Integrity & Governance, Telekom
- 1 October 2021 to present - Head, Group Integrity & Governance, Boustead Holdings Berhad

QUALIFICATION

- Certified Integrity Officer, Malaysian Anti-Corruption Commission
- Certified Insurance Loss Adjuster, Malaysian Insurance Institute
- Master of Business Administration in Finance, Universiti Putra Malaysia
- Bachelor of Business Administration (Hons) in Finance, Universiti Utara Malaysia

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

PROFILE OF HEADS OF DEPARTMENTS

MUZAMIR SHAH MOHAMED SHARIFF

Head
Group Information Technology & Digital

Date of Appointment to present position: 23 March 2020

WORKING EXPERIENCE

- 1991 to 1993 - Analyst Programmer, MBf Food Division Sdn Bhd
- 1993 to 1995 - Analyst Programmer, Solsis (M) Sdn Bhd
- 1995 to 1996 - Executive of System Development, TV3
- 1996 to 1998 - Senior Executive of Special Project, TV3
- 1998 to 2000 - Head of IT Special Project, TV3
- 2000 to 2003 - Manager of System Development, TV3
- 2003 to 2006 - Manager of MIS, TV Networks and Media Prima Berhad (TVN and Media Prima)
- 2006 to 2011 - Head, IT Operations, TVN and Media Prima
- 2011 to 2014 - General Manager, IT Operations, TVN and Media Prima
- 2014 to 2016 - General Manager, Head of IT Infrastructure, Media Prima
- 2016 to 2019 - Senior General Manager MIS/Chief Technology Officer, QSR Brands (M) Holdings Bhd (QSR)
- 2019 to 2020 - Head, Innovative Solutions and Special Project, QSR
- March 2020 to present - Head, Group IT & Digital, Boustead Holdings Berhad

QUALIFICATION

- Master of Science in Business Information System, University of East London, United Kingdom
- Executive Master of Business Administration, University of Bern, Switzerland
- Cambridge International Diploma in Management, Cambridge University
- Post Graduate Diploma, Computer Science & Information Technology, Informatics (M) and NCC Education and Diploma NCC Threshold in Computer Studies, United Kingdom
- Member of Institute of Corporation Directors (ICDM), ICDM Member
- Corporate Integrity Development Centre of the Malaysia Anti-Corruption, Certified Integrity Officer

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

AFFENDI MOHD YOB

Head
Group Secretarial

Date of Appointment to present position: 1 January 2020

WORKING EXPERIENCE

- 2002 - Assistant Company Secretary, Mega-Wan Secretarial Services Sdn Bhd
- 2002 - Assistant Company Secretary, Konsortium Peniaga-Peniaga Bandaraya Sdn Bhd
- 2003 to 2009 - Assistant Company Secretary, Inter Millenia Services Sdn Bhd (IMS)
- 2009 to 2010 - Company Secretary, IMS
- 2010 to 2014 - Company Secretary, Prudential BSN Takaful Berhad
- 2014 to 2016 - Assistant Vice President, CIMB Investment Bank Berhad
- 2016 to present - Company Secretary, Boustead Holdings Berhad (BHB) and Boustead Plantations Berhad
- 1 January 2020 to present - Head, Group Secretarial, BHB

QUALIFICATION

- 1999 - Diploma in Public Administration, Universiti Teknologi MARA (UiTM)
- 2001 - Bachelor of Corporate Administration, UiTM

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

NIK ADINA TATY BINTI NIK ZAININ

Head

Group Engagement & Communications

Date of Appointment to present position: 15 February 2023

WORKING EXPERIENCE

- 1993 to 1995 – Psychology Officer, Celcom Academy
- 1997 to 2000 – Senior Executive, Facilitation Department, Multimedia Development Corporation
- 2002 to 2009 – Vice President, Channels & Partnerships, CRADLE Investment
- 2009 to 2011 – Vice President, Marketing & Donor Management, Strategic Human Capital Management, Khazanah Nasional Berhad
- 2011 to 2015 – Vice President, Partnerships & Outreach, CIMB Investment Bank Berhad
- 2018 to 2020 – Specialist, CSR & Sustainability, edotco Group
- 2020 to 2022 – Group Head of Communications, AirAsia Berhad
- 2022 to 2023 – Head of Corporate Affairs & Government Relations, Capital A Berhad
- 2023 to present – Head, Group Engagement & Communications, Boustead Holdings Berhad

QUALIFICATION

- Bachelor of Science (Industrial Psychology), Western Michigan University, Kalamazoo, United States of America

DETAILS OF ANY INTEREST IN THE SECURITIES OF BOUSTEAD HOLDINGS BERHAD

- Nil

DIRECTORSHIP IN OTHER PUBLIC LISTED COMPANIES

- Nil

DIRECTORSHIP IN PUBLIC COMPANIES

- Nil

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE COMPANY

- No

CONFLICT OF INTERESTS WITH THE COMPANY

- No

OTHER THAN TRAFFIC OFFENCES, ANY CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND OTHER PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR

- Nil

HEADS OF DIVISIONS AND SUBSIDIARIES



KHAIRUL AZIZI ISMAIL
Divisional Director
Property & Industrial Division
Chief Executive Officer
Boustead Properties Berhad
Acting Chief Executive Officer
Boustead Hotels & Resorts
Sdn Bhd



SHARIFUDDIN MD ZAINI AL-MANAF
Divisional Director
Trading, Finance & Investment Division
Executive Director
MHS Aviation Berhad



FAHMY ISMAIL
Acting Chief Executive Officer
Boustead Plantations Berhad



FEROZ RAZI RAMLI
Chief Executive Officer
Boustead Heavy Industries Corporation Berhad



ZULKIFLI JAFAR
Deputy Chief Executive Officer
Pharmaniaga Berhad



IR. AZIZUL AZILY AHMAD
Chief Executive Officer
Boustead Petroleum Marketing Sdn Bhd



GAN BOON TING
Chief Executive Officer
UAC Berhad



SURIZAN HASHIM
Head
Boustead Global Risk Solution Sdn Bhd



CHOO KOK LEONG
General Manager
Boustead Travel Services
Sdn Bhd



RAMZI MASDUKI
General Manager
Boustead Shipping
Agencies Sdn Bhd



NAZRI SUHAIMIE
MOHD NASIR
General Manager
Boustead Credit Sdn Bhd



NURUL AZILAH
AHMAD KAMIL
Chief Executive Officer
Boustead Digital Services
Sdn Bhd



IR. AZRIL HISHAM
ABU HASSAN
Chief Executive Officer
Boustead Technology
Sdn Bhd

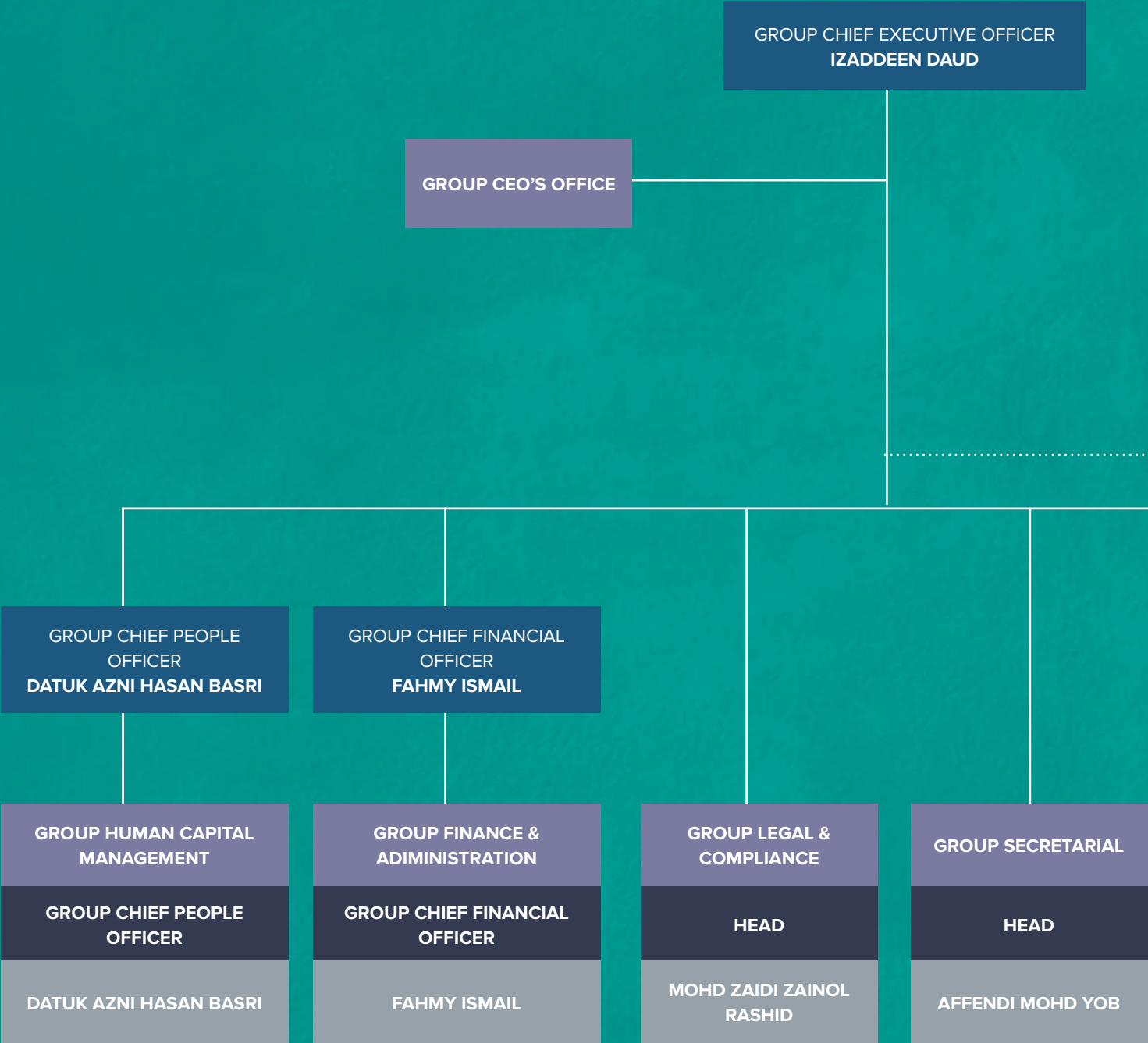


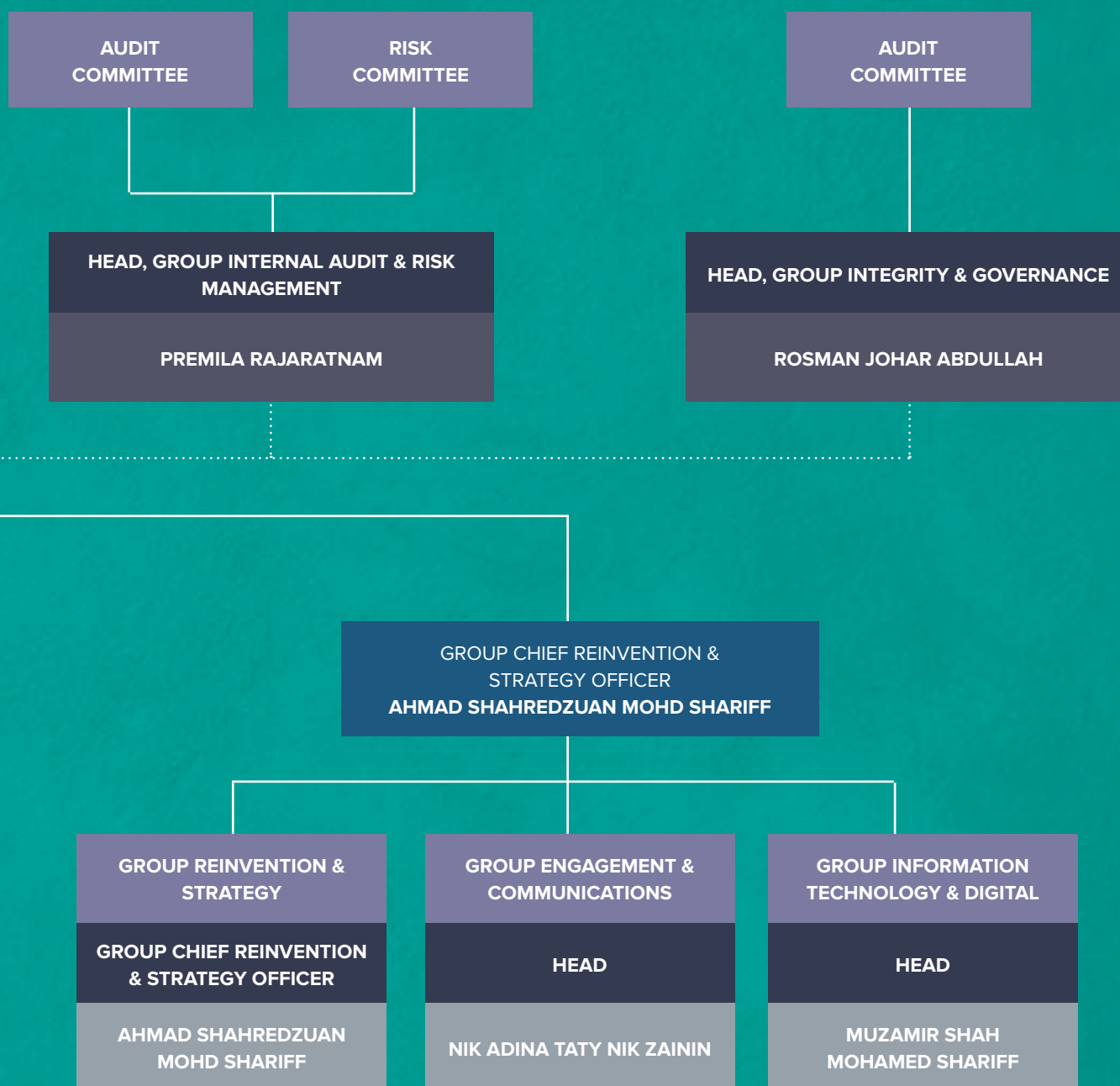
MOHD FAKHRUL
ARRIFIN ADINAN
Chief Executive Officer
MHS Aviation Berhad



PROFESSOR SARAH
METCALFE
Provost/Chief Executive
Officer
The University of
Nottingham in Malaysia
Sdn Bhd

ORGANISATION STRUCTURE





GOVERNANCE

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SECTION

06

STEAD HOLDINGS BERHAD INT

2019 her Royal Chik Mansa



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (Board) of Boustead Holdings Berhad (BHB or the Company) believes that good corporate governance is testament of the Board's commitment to achieve the highest standards of professionalism. The Board strives to ensure that it is practiced throughout BHB and its subsidiaries (collectively referred to as the Group) as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and raise the performance of the Group.

This Corporate Governance Overview Statement sets out the principal features of BHB Group's corporate governance approach, summary of corporate governance practices during the year under review as well as key focus areas and future priorities in relation to corporate governance. The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). Guidance was also drawn from Practice Note 9 of MMLR and the Corporate Governance Guide issued by Bursa Malaysia.

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Group's website at www.boustead.com.my as well as via an announcement on the website of Bursa Malaysia.

This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Integrated Report namely, the Statement on Risk Management and Internal Control, Audit Committee Report, Risk Committee Report and Sustainability Statement.

OUR CORPORATE GOVERNANCE APPROACH

The Board of BHB is committed towards reinforcing its market position in the five core business areas of the Group, whilst remaining true to the Group's well-established corporate governance philosophies and values. The Board believes that a robust and dynamic corporate governance framework is essential to form the bedrock of responsible and responsive decision-making in the Group.

The Group's overall approach to corporate governance is to:

- 1 promote heightened accountability at the leadership level, namely Board and Senior Management;
- 2 adopt in substance the corporate governance enumerations and not merely in form;
- 3 conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- 4 identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- 5 find a balance in meeting the expectations of the different groups of stakeholders of the Group.

The Board forms the pivot of good governance in the Group. As such, it plays a leading role in steering effort to promote a meaningful and thoughtful application of good corporate governance practices. The Group regularly reviews its corporate governance arrangements and practices to ascertain that they reflect prevailing norms, market dynamics, emerging trends, developments in the regulatory framework and evolving stakeholder expectations.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

The Board is committed in ensuring that there is a strong and effective system of corporate governance in place to support the successful execution of the Group's strategies.

As a Group driven by its responsibility to shareholders and a broader group of stakeholders, good governance for BHB is imperative to its long-term success. The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group.

An important role of corporate governance is to ensure sustainable long-term performance, maximise returns for stakeholders and create long-term economic value and growth.

As a manifestation of the Group's commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as the best practices in corporate governance.

During the year under review, BHB applied all the Practices encapsulated in MCCG 2021 except:

Practice 8.2

Disclosure of the top five Senior Management personnel's remuneration on a named basis in bands of RM50,000.

In line with the latitude accorded in the application mechanism of MCCG, the Company has provided explanations for the departures from the said practices supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

CORPORATE GOVERNANCE FRAMEWORK

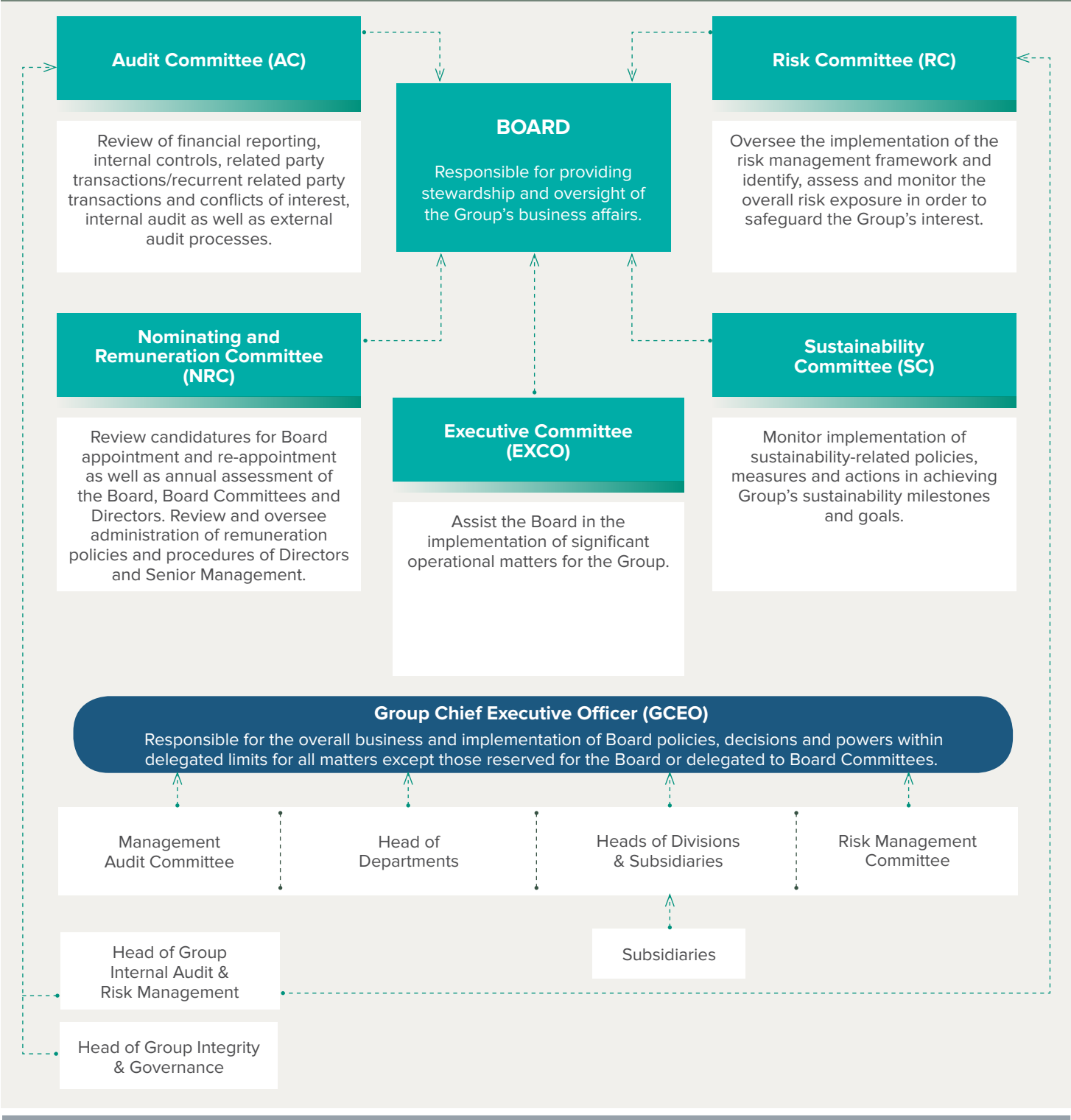
The Board discharges its responsibilities within a clear defined governance framework and robust mechanisms in place. Through this framework, the Board, without abdicating its responsibilities, delegates its governance responsibilities to key Committees of the Board and other Management Committees. The Board retains ultimate accountability and responsibility for the performance and affairs of the Company.

The Group's governance structure and practices create value for all its stakeholders by:

- 1 promoting the Company's future through sound sustainable practices;
- 2 building cogency through principled leadership;
- 3 securing the integrity and quality of financial reporting; and
- 4 ensuring good reputation with accountable behaviour.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The table below illustrates the Group’s governance structure, an overview of the Board Committees and Management Committees:



THE BOARD CHARTER

The Board and the Board Committees are guided by a Board Charter and the respective Terms of Reference (TOR) which set out the ethos of the Board and the Board Committees as well as its structure and authority. The Board Charter is a primary document that elucidates on the governance of the Board, Board Committees and individual Directors.

Aside from setting out the governance structure, authority and TORs of the Board, Board Committees and Management, as well as clearly identifying their respective roles and responsibilities and what is expected of them in terms of commitment, the Board Charter sets out the issues and decisions reserved for the Board.

The Board Charter and the TORs of the Board Committees are made available on the BHB's website at www.boustead.com.my. The TORs of the AC, RC and NRC were last reviewed on 4 April 2022, 25 February 2020 and 2 December 2021 respectively.

BOARD'S ROLES AND RESPONSIBILITIES

The Board is collectively responsible for the overall leadership of the Group, meeting its objectives and goals and for promoting its long-term sustainability and success within a framework of prudent and effective controls.

In discharging its functions, the main roles and responsibilities of the Board are as follows:

- 1 To review, approve and monitor the strategic business plans, goals and key policies proposed by the Management;
- 2 To ensure that appropriate policies are in place, adopted effectively and regularly reviewed;
- 3 To review and approve financial statements;
- 4 To review and manage principal risks and adequacy of BHB's internal controls systems;
- 5 To ensure there is an appropriate succession plan for members of the Board and Senior Management; and
- 6 To ensure there is effective communication with stakeholders.

The Board safeguards stakeholder value creation and ensures that the strategic plan of the Group supports long-term value creation and includes strategies on environmental, social and governance (ESG) considerations, which in turn will strengthen the integration of sustainability in the Group's operations.

Together with Management, the Board promotes good corporate governance culture within the Group, ensuring honest and ethical leadership, prudent and professional behaviour in the conduct of its business and in all aspects of its business operations.

Prudent and effective controls make it possible for the Board to assess and manage emerging risks and opportunities continuously to ensure long-term sustainable development and growth.

The balance on the Board with the presence of Non-Executive Directors (NEDs) ensures that no individual or small group of Directors are able to dominate the decision-making process and that the interests of shareholders are protected. The Board considers each NED to be independent in character and judgement.

The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities. The current composition of Directors has a blend of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge and decide on Management's proposals and empower the GCEO to implement strategies approved by the Board.

During the year under review, the Board deliberated on business strategies and critical issues concerning the Group, including its business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators.

BOARD MEETINGS AND ATTENDANCE

The Board meets at least four times a year with additional meetings convened as and when necessary. Relevant members of the Management attend Board meetings by invitation and report to the Board on matters pertinent to their respective areas of responsibility.

The Chairman and the Company Secretary ensure that Directors receive clear and timely information on all relevant matters. Board and Board Committee papers and reading materials are circulated at least five business days ahead of a meeting to ensure there is adequate time for the Directors to read, have an understanding of the subject matter, be prepared to deal with matters to be discussed at the meeting to enable the Board and Board Committees to make effective decisions. This facilitates a robust and informed discussion by the Board, ensuring that opportunities are given to all Directors to participate and contribute to an effective decision-making process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Directors can access the Board papers online through a secured collaborative software and confer with other Board members and the Company Secretary electronically. The software eases the process of distribution of meeting papers and minimises leakage of sensitive and confidential information.

Presentations to the Board are prepared and delivered in a manner that ensures clear and adequate understanding of the subject matter. If there are any urgent matters or there are additional documents, the Management will take the Board through the documents for a more detailed explanation.

The Minutes of Board meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director had abstained from voting or deliberating on a particular matter.

All Directors have unrestricted access to the Management and the Company Secretary who is qualified to act as company secretary in accordance with Section 235 of the Companies Act 2016 (CA 2016). The Company Secretary acts as advisor to the Board particularly with regard to the Company's Constitution, policies and procedures and its compliance with regulatory requirements, codes, guidelines and legislations. The Company Secretary ensures that discussions and deliberations at the Board and Board Committee meetings are well documented and communicated to the relevant Management for appropriate actions.

All Directors complied with the minimum attendance requirement of 50% of Board meetings held during the year under review. The Directors' commitment in discharging their duties and responsibilities is affirmed by their attendance at the Board meetings held during the year under review. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities.

The pandemic has changed the way the Board and the Management undertook their respective activities. Board and Board Committee meetings were carried out both online and by physical attendance of members during the year under review.

The Board conducted eleven meetings during the year under review. The Board meetings continued to be held via a hybrid meeting arrangement. Aside from Board meetings, urgent matters were also decided via Directors' Circular Resolutions which were signed by all Directors.

In discharging their responsibilities during Board and Board Committee meetings, the Board and Board Committees practice active and open discussions so as to ensure that opportunities are given to all Directors to participate and contribute to the decision-making process. Robust discussions and intense deliberations at these meetings ensure that the process of constructive and healthy dialogue is achieved.

Directors must immediately declare if they have any interest in transactions that are to be entered into directly or indirectly with the Company. They must disclose the extent and nature of their interest at a Board meeting or as soon as practicable after they become aware of the conflict of interest. They must abstain from participating in the deliberation and Board decision on the matter as he/she is an interested party.

Attendance of individual Directors at Board and Board Committee meetings during the year under review is shown below:

Director	Board	AC	RC	NRC	SC
Executive Director					
Dato' Sri Mohammed Shazalli Ramly ¹	7/10				
Izaddeen Daud ²	9/10				
Independent Non-Executive Directors					
Datuk Seri Mohd Redzuan Md Yusof ³	11/11				
Lieutenant General Dato' Fadzil Mokhtar (R)	11/11	6/6	4/4		2/2
Dato' Nonee Ashirin Dato' Mohd Radzi ³	11/11				2/2
Tan Sri Abu Bakar Haji Abdullah ⁴	4/4	3/3	3/3	5/5	
Dato' Seri Rosman Mohamed	11/11	6/6	1/1	8/8	
Pauline Teh @ Pauline Teh Abdullah	10/11	6/6	4/4		
Datuk Maulizan Bujang ⁵	8/11				1/2
Non-Independent Non-Executive Directors					
Senator Datuk Seri Hajjah Zurainah Musa ³	11/11			8/8	2/2
Dato' Ahmad Nazim Abd Rahman	10/11			8/8	
Muhammad Fitri Othman ⁶	1/1				

● Board/Board Committee Chairman

● Member

Note:

¹ Resigned with effect from (w.e.f.) 30 November 2022.

² Resigned as Deputy Group Managing Director w.e.f. 30 November 2022 and appointed as Group Chief Executive Officer w.e.f. 1 December 2022.

³ Resigned w.e.f. 10 January 2023.

⁴ Retired w.e.f. 16 June 2022.

⁵ Resigned w.e.f. 15 December 2022.

⁶ Resigned as an Alternate Director w.e.f. 1 December 2022 and appointed as Non-Independent Non-Executive Director w.e.f. 1 December 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMMITTEES

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to Committees with their own TORs.

The Chairman of the Board is not a member of any Board Committee. The Chairman of all Committees will report to the Board on the decision or outcome of Committee meetings.

In delegating its authority to Board Committees, the Board does not abdicate its responsibility and exercises collective oversight at all times.

The reports of the AC, RC and SC are set out on pages 148 to 152 and 153 to 154 of this Integrated Report.

SEPARATE ROLES OF THE CHAIRMAN AND GCEO

There is clear delineation of roles of the Board and Management. The positions of the Chairman and GCEO are held separately by two individuals. The segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the GCEO's responsibility to manage the Company's business. Separation of the role of the Chairman and the GCEO is imperative as both roles have different expectations and serve distinct primary audiences.

The GCEO is the intermediary between the Board and the Management in driving the success of the Group's governance and management function. The GCEO implements the Board's policies and decisions towards meeting the Company's business objectives. The Chairman is responsible for leading and guiding the Board whilst maintaining the highest standard of governance. The Chairman also serves as the main link between the Board and Management, particularly between the Board and the GCEO.

INTEGRITY AND ETHICS

The Board is committed to a corporate culture that encompasses ethical conduct within the Group by adopting numerous policies which serve to achieve this commitment.

Integrity is a core value of the Group. The Board is cognisant of its responsibility to set the ethical tone for the Group. The Code of Ethics and Conduct, Whistleblowing Policy and Anti-Corruption Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without any risk of reprisal. The Policies are reviewed periodically by the Board and published on the Group's website www.boustead.com.my.

BOARD COMPOSITION

As at the date of this Statement, the Board comprises five members, three of whom are Independent Non-Executive Directors (INEDs). Two of the five Board members are Non-Independent Non-Executive Directors (NINEDs). The composition of INEDs on the Board is above the requirement of the MMLR. The Board strives to ensure that it has an appropriate mix of skills, qualifications and experience to discharge its roles and responsibilities effectively. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

The Board's size ensures that the purpose involvement, participation harmony and a sense of responsibility of the Directors are not jeopardised and that it achieves the correct balance to realise the Group's strategic objectives.

The Board believes that the current overall Board composition is adequate in terms of size, skills, experience, diversity of age and gender to ensure inclusiveness of views as well as to facilitate effective decision-making and constructive deliberations during meetings.

The Board has determined that the three INEDs are independent in line with the requirements of Paragraph 15.02 of the MMLR. All Board members are persons of high calibre and integrity with diverse professional backgrounds, sound knowledge and understanding of the Group's business.

The Board acknowledges that NEDs may hold external directorships and other business interests, which varied exposure will benefit the Company significantly. The Board annually reviews the declarations made by Directors on the number and nature of their external directorships that they hold as well as their assurances on time commitment in carrying out their duties and responsibilities to the Company. As at the date of this Statement, none of the Directors hold more than five directorships in any other public listed companies.

During the year under review, the Board saw changes made to its composition:

- i) The Board appointed Muhammad Fitri Othman as NINED, Irfan Hashim as Alternate Director to Dato' Ahmad Nazim Abd Rahman and Dayana Rogayah Omar as Alternate Director to Muhammad Fitri Othman on 1 December 2022.
- ii) The Board expressed its gratitude to the following Directors who had resigned:
 - Datuk Seri Mohd Redzuan Md. Yusof
 - Tan Sri Abu Bakar Haji Abdullah
 - Dato' Sri Mohammed Shazalli Ramly
 - Datuk Maulizan Bujang
 - Dato' Nonee Ashirin Dato' Mohd Radzi
 - Senator Datuk Seri Hajjah Zurainah Musa

Article 117 of the Company's Constitution further provides that at every Annual General Meeting (AGM) of the Company, one-third of the Directors shall retire from the Board by rotation. If eligible, such Directors may offer themselves for re-election.

Article 123 of the Company's Constitution further provides that any new Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following AGM and shall be eligible for re-election. The NRC, upon its evaluation has recommended for the re-election of the relevant Directors at the forthcoming AGM. The Directors have given their consent for the re-election.

Article 117

- Lieutenant General Dato' Fadzil Mokhtar (R)

Article 123

- Muhammad Fitri Othman

Appointments of the Board are made via a formal, rigorous and transparent process, premised on meritocracy. The Board considers the current composition of the Board, the tenure of each Director on the Board and evaluates the need to bring new skills and perspectives to the Board.

The Board takes into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board to help shape and steer the Group's strategic direction. In the case of the appointment of an INED, the Board assesses the candidate's ability to bring the element of detached impartiality and objective judgment to boardroom deliberations.

Overall, the Board is of the view that the Board comprises a good mix of members with diverse academic backgrounds to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group's businesses.

The Board is satisfied that there is mutual respect among Directors contributing to a democratic environment that allows for constructive deliberations and a robust decision-making process.

BOARD CONDUCT

The Board commits itself and its Directors to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

All Board members discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Group. They act with integrity, lead by example, keep abreast of their responsibilities as Directors and of the conduct, business and development of the Group.

In directing or managing the Group's business and affairs, they exercise reasonable care, skill and diligence by applying their knowledge, skill and experience.

The Board ensures that key transactions or critical decisions are deliberated on by the Board in a meeting. The Board also ensures that decisions and basis for those decisions, including any dissenting views are made known and properly minuted.

MATTERS RESERVED FOR THE DECISION OF THE BOARD

The Board discharges some of its responsibilities directly and delegates certain responsibilities to its Committees to assist in carrying out its functions of ensuring independent oversight and stewardship.

The Board also delegates authority for the operational management of the Company's business to the GCEO for further delegation by him in respect of matters that are necessary for the effective day-to-day running of the Group's business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A clear schedule of Matters Reserved for the Board are reviewed periodically against industry best practices and corporate governance provisions and guidance. Below are matters reserved for the Board:

- 1

approval of strategic directions, plans and key policies;
- 2

approval of annual budgets, including major capital commitments and capital expenditure budgets;
- 3

approval of material acquisitions and disposition of assets not in the ordinary course of business;
- 4

key changes to management and control structure within the Company;
- 5

appointment of GCEO, Board members, Board Committee members and Company Secretary; and
- 6

any matters or transactions that fall within the ambit of the Board pursuant to the Companies Act, MMLR, the Company's Constitution or any other applicable laws and regulations.

DIVERSITY

Diversity is important to ensure that the Group remains relevant, resilient and sustainable in the rapidly transforming and evolving business environment. While it is important to promote diversity, the normal selection criteria of a Director based on an effective blend of competencies, skills, experience and knowledge in areas identified by the Board remains a priority.

The Board is committed to ensure that its composition not only reflects the diversity as recommended by the MCCG, as best as it can, it will also have the right mix of skills and balance to contribute to the achievement of the Group's goals.

The Board through the NRC, assesses the appropriate skills, experience, independence and diversity as part of its selection process. The NRC is empowered also to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions.

INDEPENDENCE

The Board recognises the important contributions that INEDs make to good corporate governance. All Directors, regardless of their independent status are required to act in the best interest of the Company and to exercise unfettered and independent judgement.

To date, all the INEDs satisfy the following criteria:

- independent from Management and free from any other relationship which could interfere with their independent judgement or the ability to act in the best interests of the Company.
- not involved in the day-to-day operations of the Company.
- declared their interest or any possible conflict of interest in any matter tabled prior to the commencement of Board meetings.

Board decisions are made taking into account the views of the INEDs which carry substantial weight. They fulfil their roles in ensuring that strategies proposed by Management are deliberated and examined taking into account the interests of the shareholders and stakeholders.

In reviewing the independence of INEDs the NRC adopts a qualitative approach. This entails an assessment on whether they possess the intellectual honesty and moral courage to advocate professional views without fear or favour. The Board is cognisant of the rebuttable presumption that extended tenure leads to entrenchment. As such, the Board remains watchful for such indicators of entrenchment amongst long serving INEDs.

Upon completion of nine years as INED, an INED may continue to serve on the Board as a NINED. If the Board intends to retain an INED beyond nine years, it will provide justification and seek annual shareholders' approval through a two-tier voting process. In this regard, the Board will undertake a rigorous review to determine whether the 'independence' of the INED has been impaired.

BOARD EFFECTIVENESS EVALUATION

The Board Effectiveness Evaluation (BEE) is to evaluate the performance of the Board, Board Committees and individual members of the Board as well as identify any gaps or areas of improvement, where required.

The Board reviews its performance, the Board Committees and individual Directors on an annual basis based on a set of predetermined criteria deliberated by the NRC. During the year under review, the NRC deliberated and assessed the overall performance and effectiveness of the Board and Board Committees.

The Board through the NRC reviewed the outcome of the BEE and noted the findings and areas that required further improvements. The NRC is satisfied that the composition of the Board and Board Committees has fulfilled the criteria required and features the right blend of knowledge, experience and appropriate skills. The NRC is also of the view that the Board and Board Committees are committed to the highest standards of good governance and the Board continues to be considered as an excellent Board with satisfactory support from the Management. The findings of the evaluation for individual Directors will also be used as a basis for determining the re-election of Directors at the AGM of the Company.

OUR SUSTAINABILITY COMMITMENT

The Board together with the Management take responsibility for the governance of sustainability in the Company, including setting its sustainability strategies, priorities and targets. A designated senior employee is tasked to focus on the management of sustainability strategically, including integration of sustainability considerations in the Group's operations.

The Board acknowledges that our long-term success and continued relevance are dependent on the prosperity and trust of the communities we serve and the environment we operate in. Our financial outcomes are inexorably linked to our ability to manage Environmental, Social and Governance (ESG) risks and opportunities as much as we recognise that an inclusive society built on human dignity and the responsible use of human capital is essential for all of us to thrive. The Board ensures that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to all stakeholders.

The well-being of customers, employees and other stakeholders as well as the environment is crucial to sustaining our long-term performance. The Board factors in these sustainability considerations and ensures that the Group's strategies, priorities and targets are communicated to internal and external stakeholders. As such we incorporate ESG risks and opportunities into our business decisions given their heightened materiality in decision-making considerations of stakeholders. The Group considers the integration of ESG factors as a component of the Board's fiduciary responsibility, and accountable therefore to the oversight and management of sustainability.

Our sustainability agenda aims to make us more resilient to disruptions, flexible to change and accountable to the 'triple bottom line' of People, Planet and Profit. We view sustainability as an ongoing and rewarding journey which the Company is committed to continuously engage in and undertake.

Our Sustainability Statement for 2022 articulates our commitment to improving the Group's sustainability practices so that we are more competitive, more resilient and adaptable to change which has been reinforced amid the unprecedented challenges. The report sets out in detail the scope of our sustainability reporting and sustainability framework that addresses stakeholder expectations across various sustainability issues.

REMUNERATION

The Board has established a formal and transparent process in determining the appropriate remuneration package for the Board. The Board, with the assistance of the NRC, reviews the level of remuneration of Directors to ensure that it is sufficient to attract and retain the Directors needed to lead the Company to success. The level of remuneration reflects the experience and level of responsibilities undertaken by the Directors.

The NRC is also responsible to implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior-Management.

A review on the quantum and composition of NED's remuneration is undertaken once every four years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The details for the remuneration of Directors for the financial year ended 31 December 2022 for BHB and its Group of companies are as follows:

In RM'000	Group						
Directors	Fees	Salaries	Bonuses	Retirement funds	Meeting, travelling and other allowances	Benefits in kind	Total
Executive Directors							
Dato' Sri Mohammed Shazalli Ramly ¹	–	2,608	600	417	–	17	3,642
Izaddeen Daud ²	–	1,175	263	220	–	6	1,664
Non-Executive Directors							
Lieutenant General. Dato' Fadzil Mokhtar (R)	171	–	–	–	44	–	215
Dato' Seri Rosman Mohamed	182	–	–	–	51	–	233
Dato' Ahmad Nazim Abd Rahman	270 [#]	–	–	–	47	–	317
Pauline Teh @ Pauline Teh Abdullah	209	–	–	–	43	–	252
Muhammad Fitri Othman ³	11 [#]	–	–	–	4	–	15
Tan Sri Abu Bakar Haji Abdullah ⁴	92	–	–	–	23	–	115
Datuk Maulizan Bujang ⁵	114	–	–	–	23	–	137
Datuk Seri Mohd Redzuan Md Yusof ⁶	182	–	–	–	108	27	317
Dato' Nonee Ashirin Dato' Mohd Radzi ⁶	164	–	–	–	35	–	199
Senator Datuk Seri Hajjah Zurainah Musa ⁶	138	–	–	–	38	–	176
Total	1,533	3,783	863	637	416	50	7,282

Note:

¹ Resigned w.e.f. 30 November 2022.

² Resigned as Deputy Group Managing Director w.e.f. 30 November 2022 and appointed as Group Chief Executive Officer w.e.f. 1 December 2022.

³ Resigned as an Alternate Director w.e.f. 30 November 2022 and appointed as Non-Independent Non-Executive Director w.e.f. 1 December 2022.

⁴ Retired w.e.f. 16 June 2022.

⁵ Resigned w.e.f. 15 December 2022.

⁶ Resigned w.e.f. 10 January 2023.

[#] Fees are paid to Lembaga Tabung Angkatan Tentera.

In RM'000	Company						
Directors	Fees	Salaries	Bonuses	Retirement funds	Meeting, travelling and other allowances	Benefits in kind	Total
Executive Directors							
Dato' Sri Mohammed Shazalli Ramly ¹	–	2,608	600	417	–	17	3,642
Izaddeen Daud ²	–	1,175	263	220	–	6	1,664
Non-Executive Directors							
Lieutenant General Dato' Fadzil Mokhtar (R)	171	–	–	–	44	–	215
Dato' Seri Rosman Mohamed	167	–	–	–	50	–	217
Dato' Ahmad Nazim Abd Rahman	134 [#]	–	–	–	23	–	157
Pauline Teh @ Pauline Teh Abdullah	169	–	–	–	41	–	210
Muhammad Fitri Othman ³	11 [#]	–	–	–	4	–	15
Tan Sri Abu Bakar Haji Abdullah ⁴	67	–	–	–	21	–	88
Datuk Maulizan Bujang ⁵	114	–	–	–	23	–	137
Datuk Seri Mohd Redzuan Md Yusof ⁶	182	–	–	–	108	27	317
Dato' Nonee Ashirin Dato' Mohd Radzi ⁶	134	–	–	–	31	–	165
Senator Datuk Seri Hajjah Zurainah Musa ⁶	138	–	–	–	38	–	176
Total	1,287	3,783	863	637	383	50	7,003

Note:

¹ Resigned w.e.f. 30 November 2022.

² Resigned as Deputy Group Managing Director w.e.f. 30 November 2022 and appointed as Group Chief Executive Officer w.e.f. 1 December 2022.

³ Resigned as an Alternate Director w.e.f. 30 November 2022 and appointed as Non-Independent Non-Executive Director w.e.f. 1 December 2022.

⁴ Retired w.e.f. 16 June 2022.

⁵ Resigned w.e.f. 15 December 2022.

⁶ Resigned w.e.f. 10 January 2023.

[#] Fees are paid to Lembaga Tabung Angkatan Tentera.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

AUDIT COMMITTEE

The Audit Committee's (AC) role, amongst others, is to provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

The AC is chaired by an INED who is not the Chairman of the Board. All members of the AC are financially literate. The Chairman of the AC is an experienced accounting professional. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the year under review as well as the attendance record of each member are set out in the AC Report in this Integrated Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its corporate objective. This is done by providing risk-related information which facilitate the formulation of the Group's strategies and decision-making. The Group has established policies and framework related to management of its business risks by adopting a Risk Management Policy. The Group Risk Management Department, reviews and maintains detailed risk registers which are updated quarterly. Key focus areas of risks are reported and deliberated at the RC meetings.

The Board through the RC reviews the effectiveness, adequacy and integrity of the risk management framework and internal controls system of the Group to ensure that significant risks faced by the Group are being managed appropriately to respond to the changes in the business environment.

The Board confirms that it has monitored the Company's risk management and internal controls system and that there is a process in place to identify, evaluate and manage the significant risks faced by the Company. The Company's system of internal financial control is primarily aimed at safeguarding the Company's assets, ensuring proper accounting records are kept, identifying and managing business risk and maintaining compliance with appropriate legislations and regulations.

The internal audit function is carried out by the Group Internal Audit Department (GIAD) of BHB. The GIAD reports directly to the AC and is independent of the activities which it audits. GIAD's authority, scope and responsibilities are governed by an Internal Audit Charter which is approved by the AC.

Further information on the Group's Risk Management and Internal Control framework is made available in the Statement on Risk Management and Internal Control of this Integrated Report.

COMMUNICATION WITH STAKEHOLDERS

Regular communication and engagement between stakeholders and the Group are critical for the sustainable growth of our business as this gives stakeholders a much better insight of the Group and facilitates mutual understanding of each other's expectations. As such we have consistently maintained an open dialogue with relevant stakeholder groups such as regulatory agencies, employees, shareholders, investors, consumers and general public, non-governmental associations, industry and trade associations and suppliers. Their views and concerns on the Company's business, its policies on governance, the environment and social responsibility are given due consideration in our decision-making process.

The protection of shareholders' and stakeholders' interests both in the short and long term is central to the way the Board operates. This has been the primary governing principle behind the Board's response to the pandemic. Its impact on all key stakeholders was always considered in Management's decisions. Effective engagement has been crucial in understanding the views of our stakeholders in order to make informed choices.

The Group upholds its commitment in ensuring transparent, accurate and timely communication with the shareholders and stakeholders to enable them to make informed decisions to their benefit.

The Group also places strong emphasis on timely and equitable dissemination of information to shareholders and stakeholders. The main modes of communication include the Integrated Report, quarterly results, announcements to Bursa Malaysia, Sustainability Report and its corporate website at www.boustead.com.my.

Enquiries with regard to investor relations matters of the Group can be made at ir@boustead.com.my.

CONDUCT OF ANNUAL GENERAL MEETING

The AGM is the principal forum of open dialogue with shareholders. The notice and agenda of AGM together with the proxy form are given to shareholders not less than twenty-eight days before the AGM. Each item of ordinary business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

During the AGM, the GCEO presented a comprehensive review of the Group's performance during the financial year. There was active engagement between the Board and shareholders and there was opportunity for shareholders to have real-time interaction with the Board and the GCEO. Questions which were posed by shareholders were responded to.

Answers to the queries by Minority Shareholders Watch Group (MSWG) prior to the AGM were also shared with the shareholders on the AGM day. Summary of the key matters discussed at the AGM is published on the Group's website, www.boustead.com.my.



The 61st AGM
of the Company will be held on
15 June 2023

FOCUS AREAS ON CORPORATE GOVERNANCE

The Board is committed towards continuous enhancement of governance practices throughout the Group. In 2022 the Group embarked on the following activities:

1 Independence of the Board

It is acknowledged that having objectivity in the boardroom extends beyond quantitative measures such as number of independent directors and their respective tenures. In order to harness the collective wisdom from greater participation of INEDs, INEDs have access to key gatekeepers of the Group such as external and internal auditors to discuss or share concerns about the Group and exchange views on potential improvements in governance.

2 Boardroom Diversity

The Board recognises the importance of diversity in averting “groupthink” and “blindspots” in the deliberation and decision-making process. Recognising gender as a key facet of the various diversity dimensions, the Board is committed to developing a corporate culture that also embraces the aspect of gender diversity.

3 Professional Development of Directors

During the year under review, Directors were accorded with a host of opportunities to develop and maintain their skills and knowledge. Directors attended various training programmes to keep themselves abreast of changes in legislative promulgations and industry practices. The Board, through the NRC was satisfied with the type of programmes attended by each Director during the year to enhance their knowledge and performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The training programmes that were attended by the Board members during the year under review are outlined below:

Name	Programme Title and Organiser	Date(s)
Independent Non-Executive Directors		
Lieutenant General Dato' Fadzil Mokhtar (R)	<ul style="list-style-type: none"> Audit Oversight Board Conversation with Audit Committees (Securities Commission Malaysia (SC)) Seminar on Defence Science, Technology and Innovation 2022 (Science & Technology Research Institute for Defence) Seminar on Building a Company of Integrity (Malaysia Institute of Corporate Governance) Inflation, Looming Recession & Climate Change: A Tricky Balancing Act? (Asia School of Business (ASB)) Boustead Holdings Berhad (BHB) Board Retreat 2022 (Management of BHB) Audit Oversight Board Conversation with Audit Committees (SC) 	7 April 2022 27 to 28 September 2022 30 September 2022 7 November 2022 18 to 20 October 2022 17 November 2022
Dato' Seri Rosman Mohamed	<ul style="list-style-type: none"> Let's Talk with Tan Sri Nazir Razak - Towards a Better Malaysian Political Economy (Persatuan Pedagang dan Pengusaha Melayu Malaysia) 18th Malaysia International Halal Showcase (Malaysia External Trade Development Corporation) Boustead Digital Services Sdn Bhd (BDS) Board Retreat 2022 (Management of BDS) BHB Board Retreat 2022 (Management of BHB) BHB Integrity Day (Management of BHB) 	4 July 2022 7 to 10 September 2022 26 September 2022 18 to 20 October 2022 24 November 2022
Pauline Teh @ Pauline Teh Abdullah	<ul style="list-style-type: none"> Audit Oversight Board Conversation with Audit Committees (SC) Islamic Finance for Board of Directors Programme (International Centre for Education in Islamic Finance through ISRA Consulting) Financial Institutions Directors' Education Programme (ASB) BDS Board Retreat 2022 (Management of BDS) Boustead Technology Sdn Bhd (Boustech) Board Retreat 2022 (Management of Boustech) BHB Board Retreat 2022 (Management of BHB) Capital Market Director Programme for Fund Management (Securities Industry Development Corporation) 	7 April 2022 3 to 4 August 2022 30 August 2022 26 September 2022 12 October 2022 18 to 20 October 2022 2 December 2022

Name	Programme Title and Organiser	Date(s)
Non-Independent Non-Executive Directors		
Dato' Ahmad Nazim Abd Rahman	<ul style="list-style-type: none"> International Sustainable Energy Summit 2022 (Sustainable Energy Development Authority) International Directors Summit 2022 (Institute of Corporate Directors Malaysia) Lembaga Tabung Angkatan Tentera (LTAT) mini Teambuilding 2022 (LTAT) 	29 to 30 August 2022 26 to 28 September 2022 16 December 2022
Muhammad Fitri Othman	<ul style="list-style-type: none"> Bursa Malaysia: Mandatory Accreditation Programme (ICDM) BHB Board Retreat 2022 (Management of BHB) 	15 to 17 March 2022 18 to 20 October 2022

CORPORATE GOVERNANCE PRIORITIES (2023 AND BEYOND)

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to engender trust and confidence amongst stakeholders. The Board has identified the following set pieces on its horizon that will help it to achieve its corporate governance objectives:

YEAR 2023 - 2024



Board Diversity

In fostering gender diversity, the Board endeavours to establish and formalise a diversity policy, set targets, measures and annually assess both the targets and the progress in achieving them.

Presently, the Company has one female Director. Any appointment shall always be in the best interest of the Company.

LONG-TERM PLAN



Sustainability Reporting

BHB aims to leverage its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. BHB will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Statement on Risk Management and Internal Control (SORMIC), which outlines the nature of risk management and internal controls within the Group, for the year under review. This statement is prepared in accordance with:

- Paragraph 15.26 (b) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements (MMLR);
- Statement of Risk Management and its Internal Control – Guidelines for Directors of Public Listed Companies; and
- Practices 10.1 and 10.2 of the Malaysian Code of Corporate Governance (MCCG).

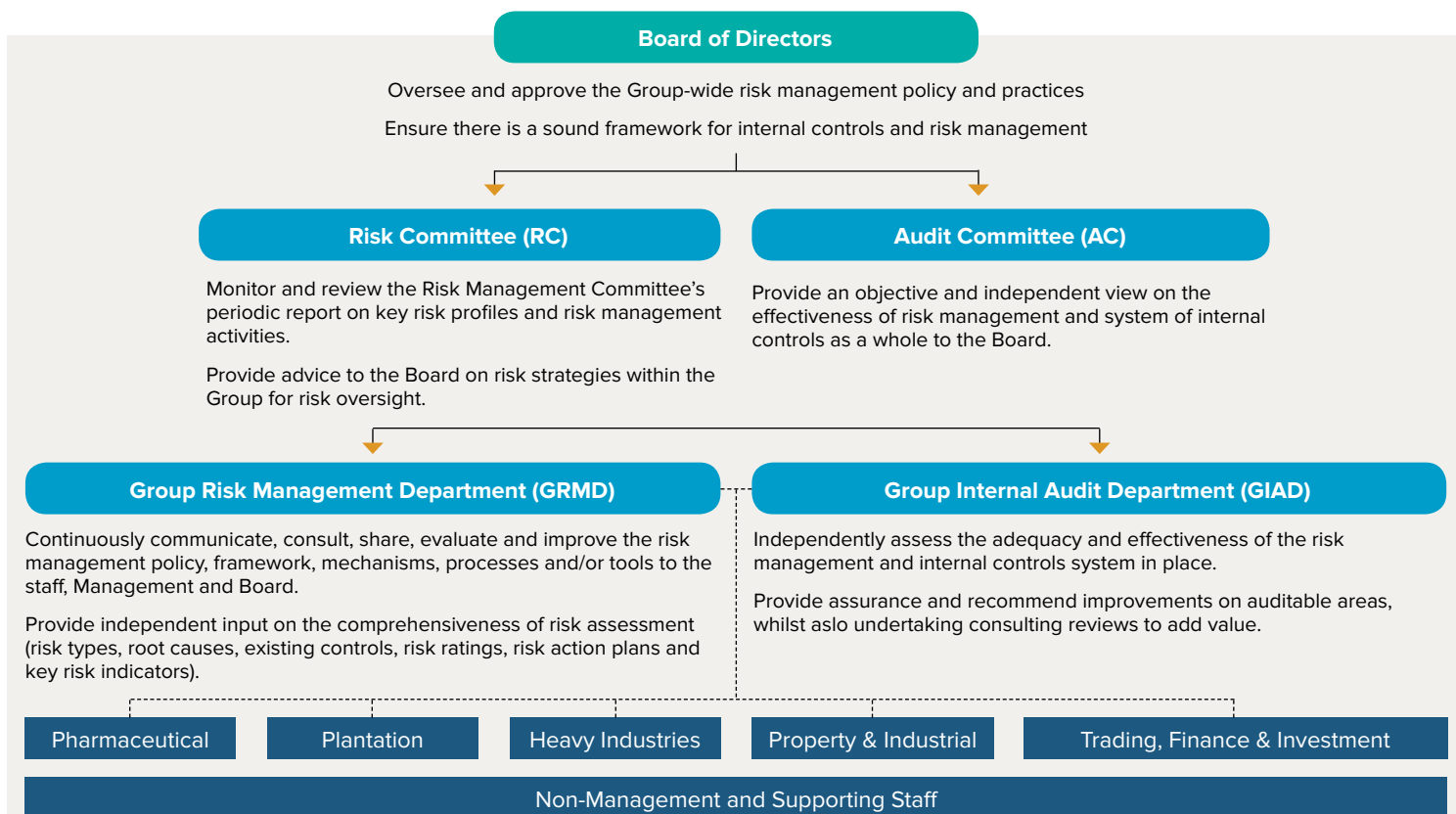
THE BOARD'S COMMITMENT

The Board affirms its overall responsibility in maintaining an effective system of risk management and internal controls which is central to the continued growth of the Group and its vision of maximising shareholder value. The Board undertakes a stewardship responsibility in the management of key risks within the Group, including understanding, providing guidance and ensuring proactive management of such risks, in a structured and consistent manner.

The Group's system of internal controls encompasses financial, operational and compliance controls, risk management, integrity and governance. In view of the limitations that are inherent in any system of internal controls, the system is designed to manage, rather than eliminate the risks that hinder the Group from achieving its business objectives. It can therefore only provide reasonable, rather than absolute, assurance against material misstatement of financial information, financial losses, fraud and breaches of laws or regulations.

GOVERNANCE STRUCTURE, ROLES & RESPONSIBILITIES

Part of the Group's internal controls system includes an appropriate reporting structure, with defined lines of responsibilities, from respective business units up to the Board. This aids in continuous dissemination of risk-related information, whilst providing assurance to stakeholders. The Group's governance structure is set out in the diagram below:



RISK MANAGEMENT

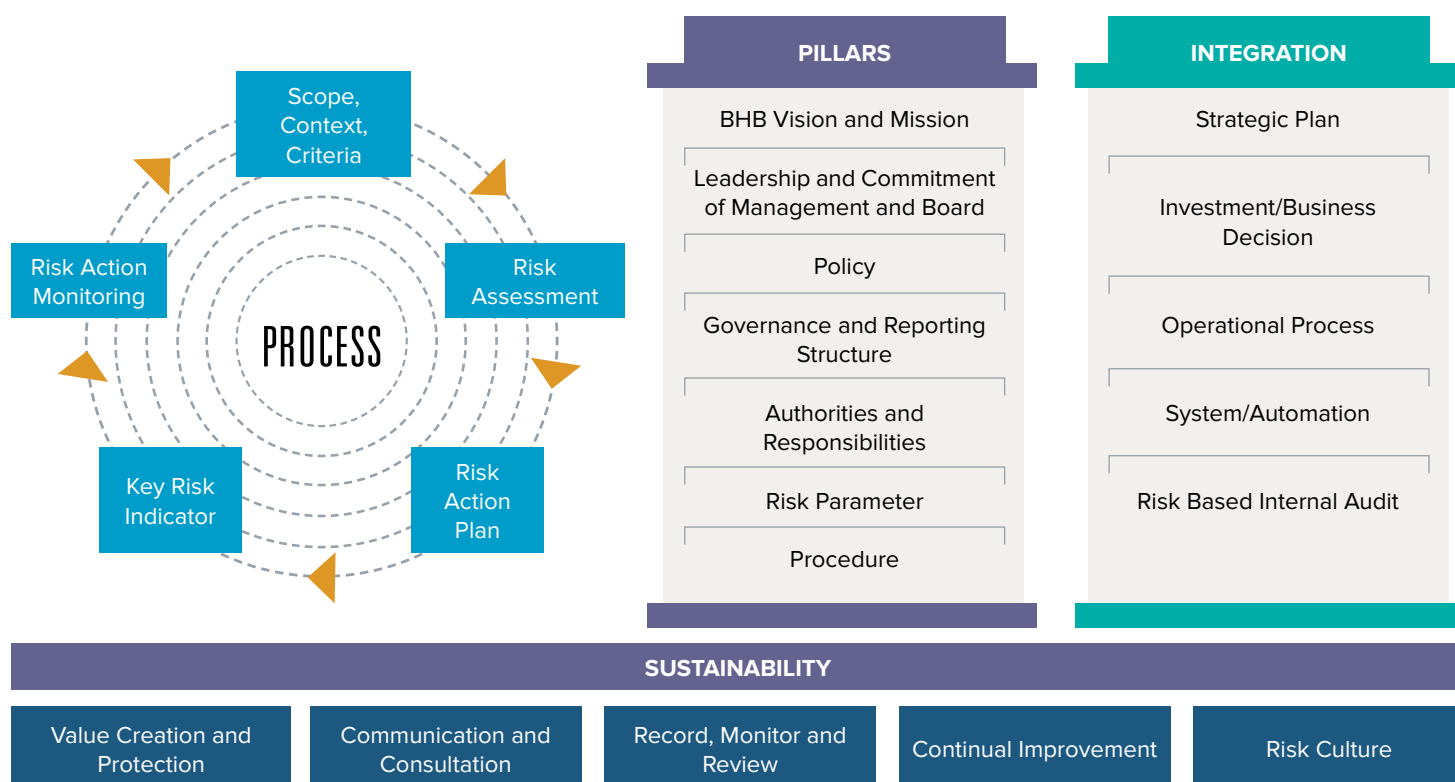
Governance

Risk management is regarded by the Board as an integral aspect of the Group's diverse and growing operations, with the objective of maintaining a sound internal controls system.

The Board, through the RC, has established risk management policies and procedures and adopted a structured and systematic approach to risk assessment, monitoring and reporting that are tailored to the specific circumstances of the Group.

At Boustead Holdings Berhad (BHB), risk management is integrated into our business planning, investment decisions and day-to-day operations to enhance ownership and agility in managing risks.

Enterprise Risk Management Framework (ERM)



A formalised risk management framework has been established, by way of approved policies and procedures, with the aim of setting clear guidelines to ensure proper management of risks and ensure the achievement of the Group's objectives.

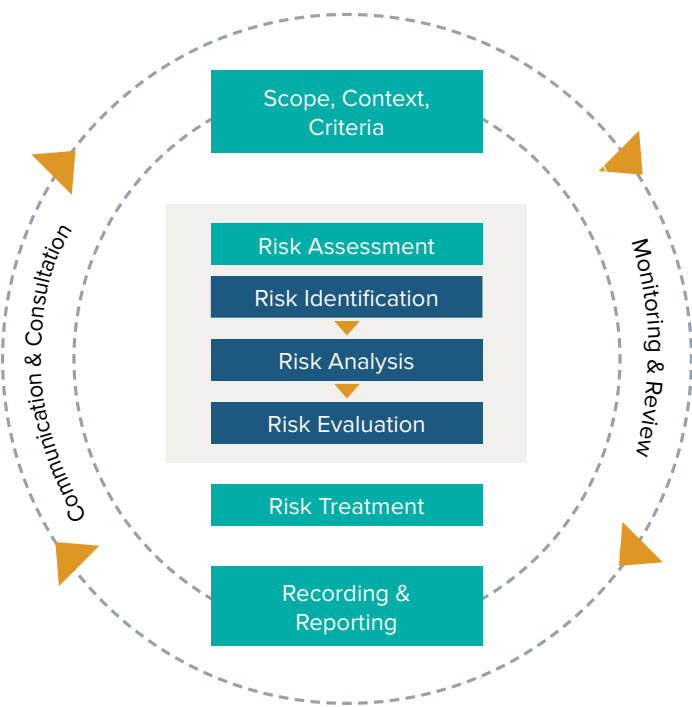
The Group's ERM framework, adapted from ISO 31000:2018 Risk Management Guidelines, is designed to:

- establish the context for an embedded ERM practice within the Group;
- formalise the ERM function across the Group;
- sensitise staff to risk identification, measurement, control, monitoring, responsibilities and accountabilities;
- coordinate and standardise the understanding and application of ERM within the Group; and
- demonstrate compliance by the Board with its organisational obligations and duties of care and diligence in accordance with the MMLR and the MCCG.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

For the year under review, GRMD coordinated risk assessment workshops for BHB and its non-listed subsidiaries to assess the effectiveness of their existing risk registers and action plans. This includes the identification of potential risks resulting from changes in the business landscape and the assessment of the risks’ impact. The ongoing process of identifying, assessing and mitigating risks will be undertaken by GRMD to preserve shareholder value.

Risk Management Process



Assessment, monitoring and review of the various risks faced by the Group is a continuous process within the key business units, with the RC playing a pivotal oversight function.

To further enhance the risk management process, BHB has implemented a risk management database software to digitalise the risk management process and reporting.

APPETITE

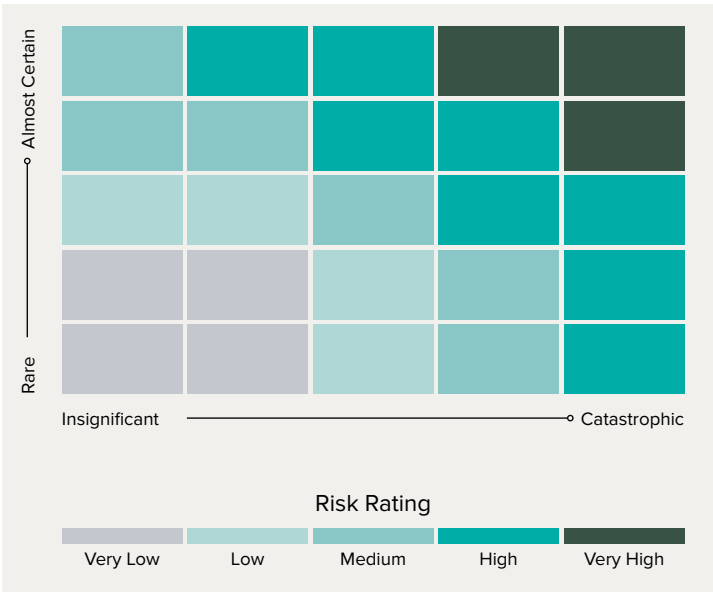
Risk appetite refers to the amount of risk the organisation is willing to accept in pursuit of its strategic objectives. In the course of the Group’s strategic and business planning, the RC considers the risk appetite, by way of financial and non-financial parameters, in determining the way forward.

The risk parameters of the Group are illustrated below:

Financial	Non-finance
<ul style="list-style-type: none">- Revenue- Cost- Profit Before Tax- Loss Before tax- Impact on Shareholders’ Fund- Cash Flow Impact	<ul style="list-style-type: none">- Image/Reputation- Legal/Regulatory/ Compliance- Health & Safety- Service Disruption- Impact Description

RISK MATRIX

Each risk is analysed and mapped onto a risk matrix. The assessment considers the impact on the business if a risk occurs (ranging between insignificant to catastrophic) and the likelihood of the risk occurring (ranging between rare to almost certain). The matrix then illustrates the rating of each risk (ranging between very low to very high).



REPORTING

The following table illustrates the timing and frequency of reporting:

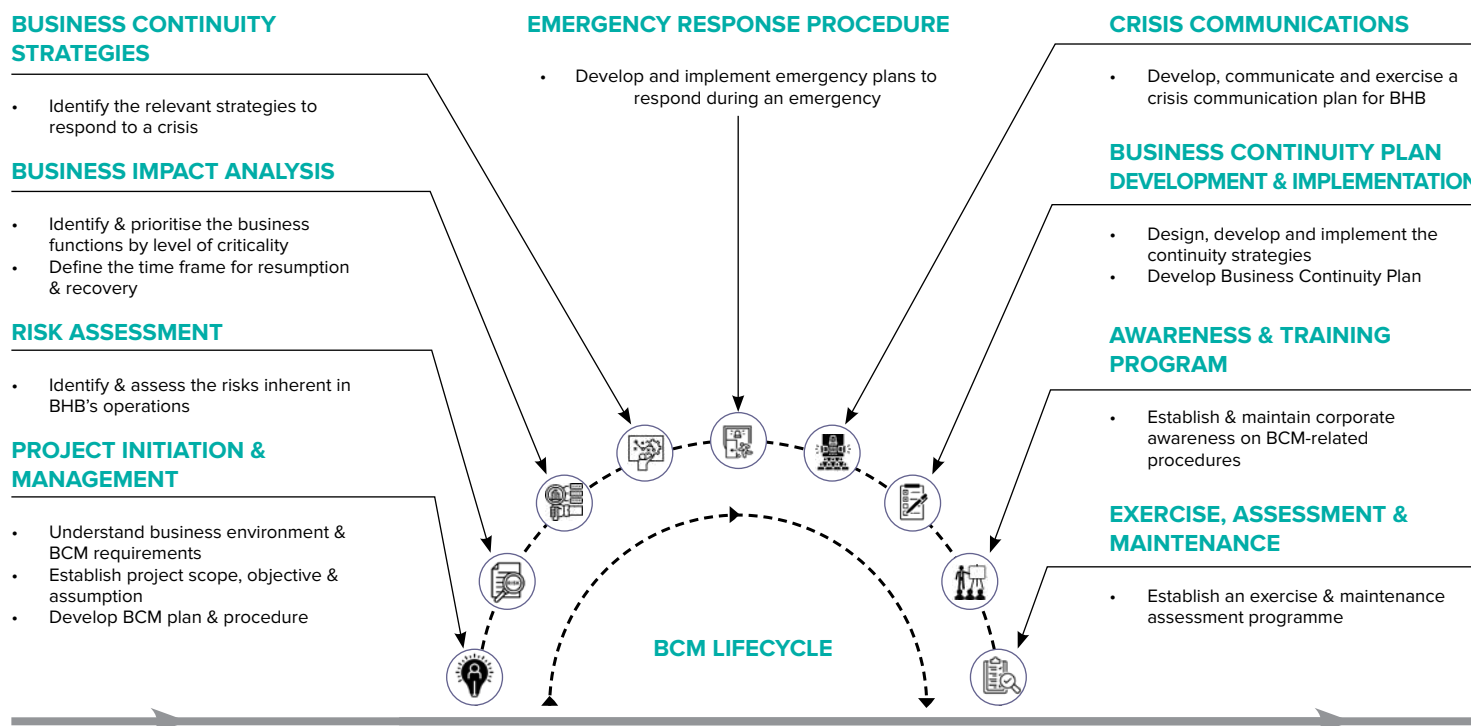
Departments/Functions	Reporting to	Frequency of reporting	Reports
RC	Board of Directors	Quarterly	• Strategic risk profile covering top 5 key risks
GRMD	RC	Quarterly	• Top 10 risks of the Group • Top 5 risks of each Division
Department/Division (Risk Owner/Co-Owner)	GRMD	Quarterly	• All risks identified

BUSINESS CONTINUITY MANAGEMENT

The GRMD has established a structured Business Continuity Management (BCM) Procedure that describes the guiding principles for business continuity at BHB. This is to ensure that the organisation is able to recover its critical business functions from significant unexpected events or disruptions, whilst minimising impact and protecting related stakeholders. The GRMD is responsible for ensuring effective governance and implementation of BCM at BHB.

BCM LIFECYCLE

The BCM Lifecycle has 9 elements as illustrated below:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The GRMD has established the Crisis Management Procedure (CMP) which provides the guiding principles for BHB to effectively respond during a crisis. Three Crisis Classifications are used to determine the severity of an event, namely:

- Isolated Incident;
- Standby Crisis; or
- Crisis.

In the event of business disruptions during a crisis, our Business Continuity Plan (BCP) will be invoked to ensure the continuity of the business.

KEY ELEMENTS OF INTERNAL CONTROLS SYSTEM

In assisting the Board's aim to maintain an effective system of internal controls, key controls are embedded in the Group's operations by employing the following mechanism:

Guidelines

The following documents provide the platform on which practices and processes within the Group are streamlined and regulated:

- Board Charter;
- Terms of Reference of Board Committees;
- Directors' Code of Ethics and Conduct;
- Limit of Authority; and
- manual, policies, procedures and guidelines.

Organisation Structure

Levels of authorities are defined from business units up to the Board level to ensure accountabilities for risk management and control activities. Additionally, the Group has various support functions comprising secretarial, legal and compliance, human capital, finance, treasury and information technology which are centralised. This is enhanced by way of the organisational structure within the Group with each division having clearly defined roles, responsibilities and span of control.

Each business unit is responsible for its own conduct and performance, including the identification and evaluation of significant risks applicable to their respective business areas, the design and operation of suitable internal controls and in ensuring that an effective system of internal controls is in place.

Internal Audit

The GIAD's primary role is to assist the Board and Audit Committee to independently assess the adequacy and effectiveness of the risk management and internal controls system put in place by

Management, to provide reasonable assurance and recommend improvements. GIAD performs internal audit review for BHB and its listed subsidiaries and also undertakes a consulting function designed to add value. This is done with a view of improving the Group's operations towards accomplishing its objectives.

Integrity and Governance

The Group Integrity & Governance functions independently and is responsible for the following 4 core functions:

- complaints management;
- detection and verification;
- integrity enhancement; and
- governance.

Anti-Bribery and Corruption

The Group adopts a zero-tolerance approach against all forms of bribery and corruption as set out in the Anti-Bribery and Corruption Policy Statement, which states the Group's commitment to:

- comply with the provisions of the Malaysian Anti-Corruption Commission Act 2009 (Act 694) and the applicable law by inculcating integrity, transparency, and accountability in all aspects of its business;
- prohibit employees from soliciting, accepting, and offering bribes and any form of corruption;
- ensure all employees and business associates adhere to the Anti-Bribery and Corruption Policy and the related procedures as set out in the Anti-Bribery Management System, and making efforts to continually improve the system; and
- promote a culture of integrity by providing channels for reporting of any suspected acts of corruption and improper conduct.

Whistleblowing

The Whistleblowing Policy provides an avenue to report breach or suspected breach of any laws, regulations, business principle, policies or guidelines, in a safe and confidential manner. The Group's whistleblowing function is managed by the Group Integrity & Governance Department to exhibit independence from the Management. The Whistleblowing Policy is published on the Group's website at www.boustead.com.my.

No Gift Policy

The No Gift Policy was established to help us maintain ethical business relationships and avoid actual or perceived conflict of interest in any ongoing or potential business dealings and decision-making. The No Gift Policy is published on the Group's website at www.boustead.com.my.

Corruption Risk Management

Corruption risk registers of the Company have been reviewed by the Board, which among others, identifies possibilities of corruption elements in the key processes and plans for mitigation actions.

MS ISO 37001:2016 Anti-Bribery Management System (ABMS) Certification

BHB obtained the MS ISO 37001:2016 ABMS certification on 12 May 2022. The certification inscribes our commitment to uphold the highest level of integrity and governance in conducting BHB's business activities.

Boustead Integrity and Governance Plan (BIG Plan)

Launched on 24 November 2022, the BIG Plan is a strategic plan developed to address potential corruption, integrity and governance issues that may arise at BHB. It is part of BHB's commitment to prevent corruption, in line with the Government's National Anti-Corruption Plan (NACP)'s Strategic Objective 6.2: Greater Corporate Entities Resilience against the Threat of Corruption.

Budgeting and Reporting

Strategic planning, target setting and detailed budgeting process for each area of business are done on an annual basis and approved at the operating entity level and by the Board.

Thereafter, monitoring of results against budget is performed on a monthly and quarterly basis, with major variances being followed up and acted on as necessary.

Additionally, the consolidated monthly management accounts and quarterly forecast performance allows the Management and Board to focus on areas of concern.

Human Capital Management

The Group believes in inculcating and promoting a vibrant and healthy work environment for all employees, premised on policies, strategies and practices that promote equal opportunity and rights, good labour practices and diversity. We continue to cultivate not only a high-performance and sustainable culture but also advocate merit-based rewards, talent development, succession management, occupational safety and health and HR Digitalisation, so as to ensure consistent and continuous acceleration of productivity and performance by all Bousteadors.

The Boustead Group People Policy aligns all business units' initiatives towards a Group-wide common goal.

Digitalisation

The Group recognises the importance of digital transformation and technology advancement to change the old business processes to achieve sustainable business growth, talent retention, and a high-performance workforce. It is the Group's objective to cultivate the digital mindset and analytic behaviours in the reimagining of Boustead, and accelerate the transformation to improve the experience of the employees, encourage creativity to breed innovation and foster collaboration among employees.

ASSOCIATE AND JOINT VENTURE

The Board does not regularly review internal controls system of associates and joint ventures, as the Board does not have direct control over their operations. Notwithstanding the above, the Group's interests are served through representation on the boards of the respective companies and the receipt and review of management accounts and inquiries thereon. Such representation also provides the Board with information for timely decision-making on the continuity of the Group's investments based on the performance of the associates and joint ventures, including the extent of managing significant risks.

REVIEW OF THIS STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this SORMIC. The review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3: Guidance for Auditors on Engagements to Report on the SORMIC, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal controls systems of the Group.

CONCLUSION

Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal controls to ensure that the Group is well-equipped to manage the various challenges arising from the dynamic and competitive business environment. The Board believes that the development of the system of internal controls is an ongoing process and has taken proactive steps throughout the year to improve its internal controls system and will continue to undertake such steps. The Board is of the view that the system of internal controls is in place and its effectiveness be continuously enhanced to ensure that it remains robust to adapt to the Group's evolving operating conditions.

This statement has been approved by the Board of Directors on 28 April 2023.

AUDIT COMMITTEE REPORT

This report provides an insight into the role and activities undertaken by the Audit Committee during the year under review, in compliance with paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

TERMS OF REFERENCE

The Terms of Reference (TOR) of the Audit Committee (AC) set out the authority, responsibilities and duties of the AC in accordance with the Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance (MCCG). The TOR is published on the Group's website at www.boustead.com.my.

The fundamental role of the AC is to assist the Board in executing its oversight responsibilities in the areas of financial reporting, internal and external audit, internal controls system, review of audit results, governance and integrity, related party transactions and overall internal financial control.

COMPOSITION AND INDEPENDENCE

The membership of the AC is in line with Paragraphs 15.09 and 15.10 of the MMLR and Practices 9.1, 9.2 and Step Up Practice 9.4 of the MCCG. Practices 9.1, 9.2 and Step Up Practice 9.4 of the MCCG state that:

- the Chairman of the AC is not the Chairman of the board;
- all members of the AC are to be Non-Executive Directors and Independent Directors;
- no alternate director is appointed as a member; and
- the AC has a policy that requires a former partner of the Company's external auditors to observe a cooling-off period of at least three years before being appointed as a member of the AC. For the year under review, none of the AC member was a key audit partner of the Company's external auditor.

The composition of the AC during the year under review was as follows:

Member	Directorship	Tenure
Pauline Teh @ Pauline Teh Abdullah	Independent Non-Executive Director (Chairman of the AC)	1 year
Dato' Seri Rosman Mohamed	Independent Non-Executive Director	1 year
Lieutenant General Dato' Fadzil Mokhtar (R)	Independent Non-Executive Director	4 years
Tan Sri Abu Bakar Haji Abdullah (Retired w.e.f. 16 June 2022)	Independent Non-Executive Director	2 years

The Chairman of the AC, Pauline Teh @ Pauline Teh Abdullah, is an experienced accounting professional with a Master's Degree specialised in finance.

CONTINUOUS PROFESSIONAL DEVELOPMENT PROGRAMME

AC members acknowledge the need to continuously undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules, in line with Practice 9.5 of the MCCG. Details of the trainings attended by members of the AC can be viewed on page 140 of this Integrated Report.

ATTENDANCE AT MEETINGS

The AC convened six (6) meetings during the year under review. The attendance of each member at the Committee meetings is set out below:

Member	Attendance of Meetings
Pauline Teh @ Pauline Teh Abdullah	6/6
Dato' Seri Rosman Mohamed	6/6
Lieutenant General Dato' Fadzil Mokhtar (R)	6/6
Tan Sri Abu Bakar Haji Abdullah (Retired w.e.f. 16 June 2022)	3/3

The AC meetings were also attended by the Group Chief Financial Officer (GCFO), Head of Group Internal Audit & Risk Management and Head of Group Integrity & Governance Department.

Minutes of each AC meeting were recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The AC reviewed its report for the financial year ended 31 December 2022 to ensure it was prepared in compliance with the relevant regulatory requirements and guidelines.

The Chairman of the AC reports to the Board on principal matters deliberated at AC meetings. The AC Chairman also conveys to the Board matters of significant concern raised by the external and/or internal auditors.

KEY ACTIVITIES IN 2022

During the year, the AC carried out its duties as set out in its TOR. The main activities undertaken were as follows:

Financial Reporting

1. Reviewed the quarterly unaudited financial results and audited annual financial statements of the Group to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements, prior to recommending the same for approval by the Board.
2. Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
3. Obtained assurance from the GCFO that:
 - appropriate accounting policies had been adopted and applied consistently;
 - the going concern basis applied in the annual financial statements and quarterly financial statements was appropriate;
 - prudent judgements and reasonable estimates had been made in accordance with Malaysian Financial Reporting Standards (MFRS);
 - adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and MMLR; and
 - the quarterly and annual financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for year 2022.

External Audit

1. Reviewed the year 2022 audit plan and scope of work for the Group.
2. Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources and effectiveness of the external auditors.
3. Assessed the performance of the external auditors, their independence and objectivity.
4. Discussed audit reports and evaluation of the system of internal controls.
5. Reviewed major audit findings and reservations arising from the interim and final audits, significant accounting issues and any related matter the external auditors wished to discuss.
6. Discussed the external auditors' review of the Statement on Risk Management and Internal Control for year 2022.
7. Reviewed the external auditors' management letter(s) and management response(s).

AUDIT COMMITTEE REPORT

External Audit (cont'd.)

The AC also met with the external auditors twice during the year in the absence of Management to discuss amongst others, audit issues and reservations arising from the interim and final audits.

The external auditors have assured the AC that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for year 2022.

The external auditor's service fees, including the statutory audit fees, are available on pages 250, 303 and 393 of this Integrated Report.

Internal Audit

1. Reviewed the internal auditors' risk-based annual audit plan, to ensure adequate scope and comprehensive coverage over the significant risk areas of the activities within the Group.
2. Reviewed and deliberated all key matters identified in the internal audit reports, including adequacy of identified remedial action.
3. Reviewed the corrective actions taken by the Management in addressing and resolving issues as well as ensuring that all key issues were adequately addressed on a timely basis.
4. Reviewed the adequacy of the resource requirements and competencies of staff within Group Internal Audit Department (GIAD) to execute the annual audit plan and the results of the work.
5. Reviewed the effectiveness of the internal audit processes of GIAD.
6. Reviewed the AC Report and recommended the same to the Board for approval prior to their inclusion in the Company's Integrated Report.

Related Party Transactions

1. Reviewed the Circular to Shareholders relating to shareholders' mandate for recurrent related party transactions of revenue or trading nature prior to recommending it for Board's approval.
2. Monitored the related party transactions entered by the Company and the Group pursuant to the shareholders' mandate obtained at the Annual General Meeting held on 16 June 2022.
3. Reviewed the related party transactions entered by the Company and the Group as well as the disclosure and the procedures relating to related party transactions.
4. Reviewed the Framework and Procedures on related party transactions in order for the said framework to be abreast of the provisions of the MMLR.

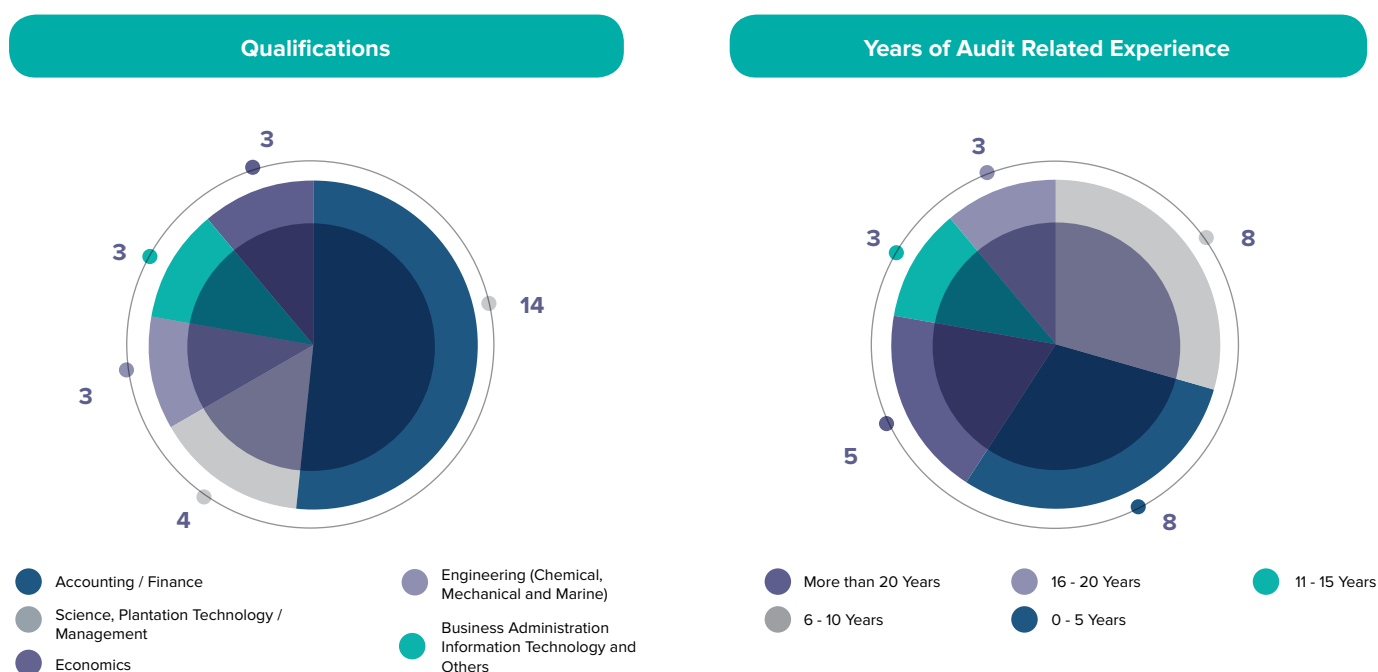
Integrity & Governance

1. Reviewed and approved the Boustead Integrity and Governance Plan (BIG Plan) and dictate execution of initiatives throughout BHB.
2. Oversaw the practice of good governance, ethics, and integrity within the Group.
3. Reviewed and monitored the implementation of Adequate Procedures (T.R.U.S.T Principles) and BHB's Anti-Bribery Management System (ABMS) to ensure compliance to ISO 37001:2016 ABMS Standards and BHB's ABMS Manual.
4. Reviewed and monitored the anti-bribery and corruption training and awareness sessions conducted for employees of the Group.

GROUP INTERNAL AUDIT DEPARTMENT

The AC is supported by the GIAD, headed by Premila Rajaratnam. Premila is a Fellow of the Association of Chartered Certified Accountants (ACCA), a Chartered Accountant of the Malaysian Institute of Accountants (MIA) and a Professional Member of The Institute of Internal Auditors Malaysia (IIAM). She has more than 18 years of firm and commercial experience in internal audit, risk management, compliance and financial management (strategic and operational), encompassing a wide array of industries. She reports functionally to the AC and administratively to the Group Chief Executive Officer.

The qualification and audit related years of experience breakdown of the GIAD team as of 31 December 2022 are shown below:



GIAD's principal responsibility is to evaluate and improve the effectiveness of the risk management, control and governance processes of Boustead Holdings Berhad (BHB) and its subsidiaries and recommend improvements to the processes, where necessary. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the management, control and governance processes based on the review plan that is approved by the AC annually.

GIAD adopts a risk-based methodology in planning and conducting audits by focusing on key risks areas and activities that are aligned with the Group's strategic plans. GIAD has also adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF) promulgated by The Institute of Internal Auditors.

The TOR of the GIAD are clearly spelt out in the Internal Audit Charter. GIAD has operated and performed in accordance with the principles of the Charter that provides for its independence. GIAD reports directly to the AC and is independent of the activities it audits. GIAD has an adequately resourced internal audit function to assist the AC and the Board in maintaining an effective system of internal

controls and overall governance practices within the Company and the Group.

GIAD has in total 27 internal auditors as at 31 December 2022, comprising staff from diverse backgrounds. GIAD continues its commitment to equip its internal auditors with the necessary knowledge, skills and competencies to discharge their duties and responsibilities. They have attended relevant trainings and courses and are strongly encouraged to obtain appropriate professional certifications and qualifications.

The audits conducted in 2022 covered a wide range of operational areas within the Group including plantation, mill operations, manufacturing plant, sales and marketing, property investment and management, project development and management, hotel operations, IT systems and services, retail and downstream activities, heavy industries, maintenance and repair services, back office and support functions, financial reporting processes and operations and human capital.

The corresponding audit reports were presented to the Management and AC for attention, deliberation and corrective actions.

AUDIT COMMITTEE REPORT

Performance of the GIAD is assessed annually by the AC.

During the financial year, GIAD undertook the following activities:

- 1 Prepared the annual audit plan for approval by the AC.
- 2 Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
- 3 Conducted root-cause analysis as part of the internal audit work to enable relevant recommendations to address any weaknesses noted.
- 4 Issued internal audit reports on risk management, control and governance issues identified from the risk-based audits together with recommendations for improvements for these processes.
- 5 Undertook ad-hoc reviews and investigations on matters arising from the audits and/or requested by the Management and/or AC and issued reports accordingly.
- 6 Reported on a quarterly basis to the Management and AC on significant risk management, control and governance issues from the internal audit reports issued, the results of special reviews undertaken and the results of follow-up of matters reported.
- 7 Reported on a quarterly basis to the AC on the achievement of the audit plan and annually on the status of resources of GIAD.
- 8 Conducted regular follow-up and monitoring on the implementation of recommendations made to ensure that appropriate corrective actions are taken on a timely basis.
- 9 Liaised with the external auditors to maximise the use of resources and for effective coverage of audit risks.
- 10 Reviewed the procedures relating to related party transactions entered into by the Group to ensure that the related party transactions have been conducted on the Group's normal commercial terms and are not to the detriment of the Group's minority shareholders.
- 11 Conducted workshops and communication sessions with the Management and operational staff on internal controls, internal audit observations and proposed action plans on the areas covered during the audit engagements.

All audit work for the internal audit function was conducted in-house. No areas of the internal audit function was outsourced.

The total cost incurred for GIAD in respect of financial year ended 31 December 2022 amounted to RM4.6 million (2021: RM4.3 million).

AC EFFECTIVENESS REVIEW AND PERFORMANCE

For the year under review, the Board assessed the performance of the AC through an annual evaluation exercise. The Board agreed that the AC continued to support the Board in reviewing financial and audit matters, contributing to the overall effectiveness of the decision-making process by the Board for the Company and the Group. The Board is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with the TOR of the AC.

REPORTING TO THE EXCHANGE

For the year under review, the AC is of the view that the Company is in compliance with the MMLR and as such, the reporting to Bursa Malaysia Securities Berhad under Paragraph 15.16 of the MMLR is not required.

This Report is made in compliance with a resolution of the Board dated 28 April 2023.

RISK COMMITTEE REPORT

This report summarises the role and activities undertaken by the Risk Committee during the financial year under review.

TERMS OF REFERENCE

The Risk Committee's (RC) Terms of Reference (TOR) provide guidance to the RC members pertaining to oversight of risk within the Group. It details the authority, responsibilities and duties of the committee in discharging its role to assist the Board in managing the risks of the Group. The TOR is published on the Group's website at www.boustead.com.my.

ROLES AND RESPONSIBILITIES

The key responsibilities of the RC include the following:

- i) overseeing Enterprise Risk Management practices of the Group;
- ii) providing timely input to management on critical risks;
- iii) engaging management in an ongoing risk appetite dialogue as conditions and circumstances change and as new opportunities arise;
- iv) overseeing and providing additional precautions and plans for the management of specific risks, in line with their complexity and significance;
- v) overseeing the conduct and reviewing the results of Group-wide risk assessments, including the identification and reporting of critical risks;
- vi) providing advice to the Board on risk strategies and coordinating the activities of the various Board Committees within the Group for risk oversight; and
- vii) promoting a healthy risk culture and being vigilant of improper practices that could undermine the effectiveness of the risk management process.

COMPOSITION AND INDEPENDENCE

In line with the recommendation set out in Step Up Practice 10.3 of the Malaysian Code on Corporate Governance (MCCG) stating that the RC shall comprise a majority of independent directors, all three of the RC members are Independent Non-Executive Directors. The composition of the RC during the year under review was as follows:

Member	Directorship	Tenure
Lieutenant General Dato' Fadzil Mokhtar (R)	Independent Non-Executive Director (Chairman of the RC)	4 years
Pauline Teh @ Pauline Teh Abdullah	Independent Non-Executive Director	1 year
Dato' Seri Rosman Mohamed (Appointed w.e.f. 1 October 2022)	Independent Non-Executive Director	Less than 1 year
Tan Sri Abu Bakar Haji Abdullah (Retired w.e.f. 16 June 2022)	Independent Non-Executive Director	2 years

RISK COMMITTEE REPORT

ATTENDANCE AT MEETINGS

The RC convened four meetings during the financial year ended 31 December 2022. Members' attendance at these meetings is set out below:

Member	Attendance of Meetings
Lieutenant General Dato' Fadzil Mokhtar (R)	4/4
Pauline Teh @ Pauline Teh Abdullah	4/4
Dato' Seri Rosman Mohamed (Appointed w.e.f. 1 October 2022)	1/1
Tan Sri Abu Bakar Haji Abdullah (Retired w.e.f. 16 June 2022)	3/3

The Head of Group Internal Audit & Risk Management presented the risk management reports, encompassing the risk profile of the Group and updates on individual key risks. The RC meetings were also attended by the Group Chief Financial Officer who was required to provide relevant input whilst discussing the Group's risks.

GROUP RISK MANAGEMENT DEPARTMENT

The Group Risk Management Department (GRMD), headed by Premila Rajaratnam is primarily responsible for assisting the RC and the Board in discharging their risk management responsibilities. Amongst key responsibilities of the GRMD are to:

- provide independent input/feedback on the comprehensiveness of risk assessment (risk types, root causes, existing controls, risk ratings and risk action plans);
- heighten the risk awareness in business processes through risk owners' accountability for action plans and continuous monitoring;
- compile the business units' risk profiles in relation to the Group's risk parameters and the top risks from each business segment and report to the RC and Board for review, deliberation and approval; and
- foster a culture of continuous improvement in risk management through risk review meetings and challenge sessions.

KEY ACTIVITIES IN 2022

During the year, the RC carried out its duties as set out in its TOR. The main activities undertaken were as follows:

1. reviewed the Risk Management reports on key risks and risk management activities, and recommended additional controls to mitigate both existing and emerging key risks;
2. put in place the necessary risk infrastructure encompassing the risk assessment process, organisational oversight and reporting function to instil the appropriate discipline and control around continuously improving risk management capabilities;
3. reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval prior to its inclusion in the Company's integrated report; and
4. appraised the performance of the GRMD.

This report is made in compliance with a resolution of the Board dated 28 April 2023.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2022.

To ensure that financial statements are properly drawn up, the Directors have taken the following measures:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 28 April 2023.

STATEMENT OF DIRECTORS' INTERESTS

In the Company and related corporation as at 31 March 2023

No Director of the Company has any interest in share in the Company or its related corporations during the financial year.

SUSTAINABILITY STATEMENT

Sustainability at Boustead

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SECTION

07



SUSTAINABILITY AT BOUSTEAD

At Boustead, our Sustainability Policy is defined by our efforts to create value for our stakeholders. Towards this end, we incorporate Economic, Environmental, Social and Governance (EESG) principles as integral components of our business development and risk management strategies.

SUSTAINABILITY GOVERNANCE

Adopting a sustainability lens and under the leadership of cross-functional committees and teams, we focus on operations and priorities across all business streams in achieving the following commitments:

- ➔ Upholding strong corporate governance to secure our stakeholders' trust
- ➔ Meeting our commitment to shareholders
- ➔ Ensuring our products and services are relevant
- ➔ Developing talent and safeguarding their well-being
- ➔ Protecting our natural capital
- ➔ Contributing to social equity

Recognising that sustainability is an ever-evolving journey, we look to continuously strengthen our targets and metrics to ensure we are delivering meaningful, tangible impact. As part of our annual practice, we undertook a review of our sustainability commitments, performance and roadmap in 2022, enabling us to identify gaps in our targets and metrics, which were subsequently channelled to our Board of Directors' Sustainability Committee. As a result, we are now looking to digitalise our data management in an effort to enhance our sustainable development strategy and better analyse the impact of our sustainability efforts.

In line with our Reinventing Boustead Strategy, we have mapped out our sustainability goals against our Economic, Environmental, Social and Governance (EESG) priorities, as well as the Group's Material Matters to ensure we are addressing areas that are of concern to our stakeholders, such as improving carbon management. In playing our part to address critical global issues, we also align our sustainability goals with the United Nations' Sustainable Development Goals (SDGs).

Alongside the SDGs, we adhere to trusted global and local sustainability frameworks for disclosure purposes including Global Reporting Initiative (GRI) Standards and Bursa Malaysia's Sustainability Reporting Guide. To further solidify our sustainability reporting, we are now moving towards implementing the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD).

This Sustainability Statement utilises the term 'EESG' while discussing matters pertaining to strategy, business activities and its impact while the term ESG is widely used term in the capital markets, particularly by investors to evaluate companies.

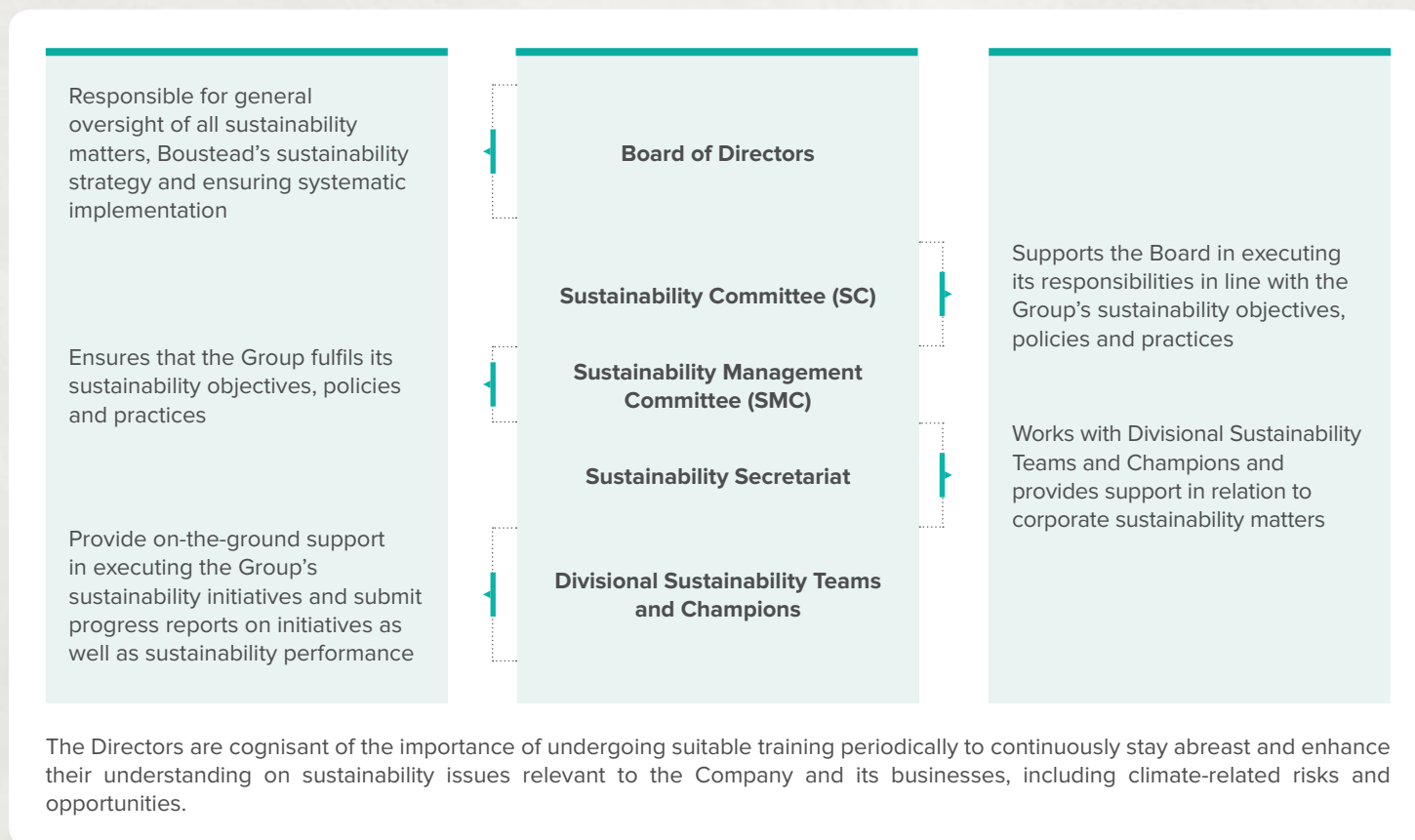
To ensure decision-making and internal processes across all our activities and businesses comply to laws and regulations, including those pertaining to sustainability, we abide by a set of regularly reviewed policies and procedures. Reviews of these policies are overseen by the Board, while the Boustead Group Integrity and Governance Department act as custodians. The following is a list of the policies that the Group adheres to:

 Sustainability Policy	 Acceptance Use of Wireless Network	 Workplace Bullying Policy
 Safety and Health Policy	 Information Classification and Handling	 Group People Policy
 IT Standards	 IT Budget and Procurement Policy	 Capital Management Policy
 General IT	 IT Asset Inventory	 Dividend Distribution (Unlisted Subsidiaries)
 IT Control and Monitoring	 Group Legal & Compliance Policy	 Limit of Authority
 IT Operation Management and Backup	 Sponsorship & Donation	 Enterprise Risk Management Policy
 Cybersecurity Management Policy	 Corporate Disclosure	 Anti-Bribery and Corruption Policy Statement
 Acceptance Use of Internet Service	 Group Investment Policy	 Whistleblowing Policy
 Acceptance Use of Email Service	 Social Media Policy	 No Gift Policy
 Acceptance Use of IT Asset	 Sexual Harassment Policy	 Document Control Policy

At Boustead, our commitment to sustainability is spearheaded by our esteemed Board of Directors, who hold ultimate responsibility for the Group's sustainability strategy, direction and performance, as well as ensuring that these matters are communicated to internal and external stakeholders. To assist the Board in executing their duties, the Sustainability Committee, consisting a minimum of three Directors convenes bi-annually to discuss pertinent sustainability issues. In parallel, we have also established a Sustainability Management Committee, which includes representatives from various departments throughout the Group and is led by one of our Executive Committee Members. In close collaboration with Divisional Sustainability Teams and Champions, our Sustainability Secretariat strives to ensure the accuracy of our sustainability reporting and updates, while offering valuable guidance on matters relating to corporate sustainability.

SUSTAINABILITY AT BOUSTEAD

The roles and responsibilities are as follows:



To fulfil their responsibilities proficiently, the Directors attended the following external training programmes relating to sustainability during the period under review:

Name	Date	Programme Courses
Izaddeen Daud Group Chief Executive Officer	22 & 23 June 2022	Sustainable and Responsible Investment (SRI 2022) - Preserving the Climate Through Sustainable Business and Living Organised by Securities Industry Development Corporation (SIDC)
Dato' Nonee Ashirin Dato' Mohd Radzi Chairman of Sustainability Committee		
Dato' Seri Rosman Mohamed Non-Executive Director	4 July 2022	Let's Talk with Tan Sri Nazir Razak - Towards a Better Malaysian Political Economy Organised by PERDASAMA

To further ensure that the Board as well as senior management are fit to fulfil their responsibilities, a performance evaluation is also undertaken regularly involving an assessment of their handling of the Group's significant sustainability risks and opportunities.

OUR MATERIAL MATTERS

Our material matters are topics that are of the highest importance to our stakeholders, as well as those that significantly impact the achievement of our business objectives and our capabilities to create value in the short, medium and long term. Understanding and identifying these material matters are crucial in guiding our areas of focus as we drive sustainability and move towards achieving our corporate aspirations.

Materiality Assessment

In 2020, we undertook a comprehensive Materiality Assessment Process, involving engagements with our stakeholders with a focus on understanding how our business activities have an impact on key aspects of sustainability. In line with the recommendations of Bursa Malaysia's Sustainability Reporting Guide and GRI standards, this assessment comprised the identification, prioritisation and validation of our material matters, as follows:



IDENTIFICATION

By reviewing our risks and mitigation strategies, we were able to analyse our business operations and the impact of their activities on the EESG factors. In tandem, we also conducted a broad analysis of issues relevant to our business based on media reports, regulatory requirements, sustainability practices across the industry, global megatrends as well as key standards and frameworks such as the GRI Standards, SDGs, and Bursa Malaysia's Sustainability Reporting Guide.



PRIORITISATION

We prioritise our material matters based on their impact on EESG areas as well as their contributions to the SDGs. We conduct this analysis by mapping out our business activities against the identified material matters, sustainability goals and relevant EESG as well as our stakeholders' interests and concerns.





VALIDATION

Our material matters are validated via a review by the Sustainability Management Committee at the management level as well as the Board of Directors' Sustainability Committee.

Our material matters in 2022 were aligned with the material matters reported in 2021 following the Group's Sustainability Management Committee's internal review and enhancement to the material matters.

SUSTAINABILITY AT BOUSTEAD

The following outlines our material matters and associated EESG risks and mitigations as well as relevant stakeholders:

<div>ECONOMIC</div>		
▶ ECONOMIC & BUSINESS PERFORMANCE		
Definition	Why is it important	
<p>Boustead Group remains competitive and relevant in the market by generating economic value for our stakeholders with continuous process improvements focused on the efficiency and effectiveness of our business operations.</p> <p>EESG impacts in our business better financial performance due to mediating factors such as improved risk management and increased innovation.</p>	<p>Boustead Group plays a significant role in supporting various stakeholders, from suppliers and partners to the Government and communities. Sustaining our business is important to ensure we continue to provide added value for these stakeholders.</p>	
Risks	Mitigation	Stakeholder
Inaccurate investment / divestment decisions	<ul style="list-style-type: none">Developed the Sustainable Investment framework	<ul style="list-style-type: none">Shareholders & InvestorsRegulatory BodiesCustomers
Financial and liquidity risks	<ul style="list-style-type: none">Reinventing Boustead strategy to maximise value creation by strengthening and improving the performance of core businessesUtilise relevant and synergistic digital businesses to support core businesses and to enhance future value creationImprove cashflow position by rationalising low-yielding and/or non-strategic assets	<ul style="list-style-type: none">Suppliers & Business PartnersEmployees/Workers' UnionLocal Communities

► TECHNOLOGY & INNOVATION



Definition	Why is it important	
<p>Strive to improve an existing product, develop a new product or leverage new technological features to create business value and ensure relevancy in an evolving world.</p> <p>Innovations improve productivity; reduce costs; improve efficiency, competitiveness, brand recognition and value; encourage new partnerships and relationships; as well as increases turnover profitability.</p>	<p>The delivery of new product offerings and utilisation of IR4.0 applications to improve processes, services and business models will increase our competitive advantage.</p>	
Risks	Mitigation	Stakeholder
<p>Technology Obsolescence</p> <p>Cyber Security Risk</p>	<ul style="list-style-type: none"> • Establish two companies, Boustead Technology (Btech) and Boustead Digital Services (BDigital) to fully leverage technology and innovation in driving the Group's sustainable growth • Instil digital employee experience and technological upgrades • Evaluate Cyber Risk Rating solutions to assess the cybersecurity of external organisations as well as internal risks • Improve communications around cybersecurity performance • Establish Managed Detection and Response (MDR) • Enhance cybersecurity awareness amongst employees • Conduct penetration tests by external parties periodically 	<ul style="list-style-type: none"> • Customers • Suppliers & Business Partners
<p>Loss of Critical IT Data</p>	<ul style="list-style-type: none"> • To host Cloud Domain Name System (DNS). • To establish reliable smart data centre (Cloud) 	

SUSTAINABILITY AT BOUSTEAD

► QUALITY & CUSTOMER SATISFACTION



Definition	Why is it important	
<p>We aim for continuous quality improvement through our products and services. We seek to improve customer satisfaction by strengthening our relationship and trust with our customers.</p> <p>We adhere to ISO 9001:2015 Quality Management Systems and conduct satisfaction surveys to deliver better experiences and increase loyalty and product advocacy.</p>	<p>The quality of our products and services is critical to maintaining our brand reputation and the continued trust of our customers. This in turn, supports our business sustainability.</p>	
Risks	Mitigation	Stakeholder
<p>Loss of Major Corporate Clients (Boustead Travel)</p> <p>Potential loss of return guests (Boustead Hotels & Resorts)</p>	<ul style="list-style-type: none"> • Continuous engagement with customers to identify their needs in order to enhance services and customer satisfaction • Provide consistent, quality service and hospitality • Monitor guest feedback to enable swift response • Monitor guest satisfaction rates / online ratings • Centralise procurement for better conformity to brand standards • Ensure the highest standards of safety and security for guests and other visitors 	<ul style="list-style-type: none"> • Customers • Regulatory Bodies
Legal Risks	<ul style="list-style-type: none"> • Adhere to contractual requirements • Closely monitor the performance of contracts to safeguard the Group's interest. • Preparation of contracts such as ensuring that any changes to the laws and regulations are reflected in the contract at drafting stage 	

► SUSTAINABILITY-ORIENTED PRODUCTS & SERVICES



Definition	Why is it important	
Products and services provide environmental, social and economic benefit by considering the whole life cycle. We aim to generate measurable social or environmental benefit alongside financial returns to create long-term value for our shareholders and society at large.	By ensuring all products and services are sustainable and contribute to the attainment of the UN SDGs, we ultimately help to shape a better, safer, more equitable world.	
Risks	Mitigation	Stakeholder
Potential lack of consideration for sustainability of products and services.	<ul style="list-style-type: none"> Continuously support the UN SDGs through the provision of products and services that deliver environmental, social and economic benefits such as renewable energy, socially equitable blockchain technology, sustainably produced palm oil and access & availability of quality healthcare products 	<ul style="list-style-type: none"> Regulatory Bodies Customers



ENVIRONMENTAL

► RESOURCE EFFICIENCY & POLLUTION PREVENTION



Definition	Why is it important	
Resource efficiency refers to the concept of integrating pollution reduction and/or raw materials. Given the finite nature of resources, we must deliver greater value with lesser input including the management of water, land, waste, natural resources and raw minerals, while minimising the impact on the environment. Pollution prevention protects the environment by conserving and protecting natural resources while strengthening economic growth.	By 'creating more with less' we are able to minimise our environmental impact while also reducing costs. Meanwhile, adhering to pollution controls enables us to protect the well-being of local communities and natural ecosystems.	
Risks	Mitigation	Stakeholder
Non-Compliance with Legal, Regulatory and Statutory s (UAC Berhad)	<ul style="list-style-type: none"> All hazardous waste generated are disposed of in accordance with the Environmental Quality (Scheduled Waste) Regulations 2007. Installation of Continuous Emission Monitoring System (CEMS) with parameters that strictly adhere to DOE's requirements. Installation of Industrial Effluent Treatment Plants (IETS1 and IETS2) to mitigate water pollution. Conversion of existing boilers from Medium Fuel Oil (MFO) to Natural Gas (NG) 	<ul style="list-style-type: none"> Shareholders & Investors Regulatory Bodies Customers Suppliers & Business Partners Employees/ Workers' Union Local Communities

SUSTAINABILITY AT BOUSTEAD

► GREENHOUSE GAS (GHG) & CLIMATE CHANGE



Definition

Increasing GHGs are responsible for global warming with CO2 emissions being the largest contributor to climate change.

We explore ways of reducing GHG emissions and seek opportunities to improve the efficiency of energy consumption in addition to improving measurements and mitigating carbon emissions from our operations to limit the impact on the climate.

Climate change poses a growing threat to sustainable development with more frequent and intense droughts, storms, heat waves, rising sea level and melting of glaciers having a direct impact on our business.

We are determined to combat climate change by choosing to work with environmentally-conscious suppliers and contractors.

We strive to our business contribute to protecting the environment while also improving cost efficiency by using products that consume less energy, produce less waste, last longer and promote a circular life cycle.

Why is it important

It is imperative that Boustead plays our part to mitigate climate change in order to safeguard the future and to adopt climate change adaptation measures to manage associated risks for business sustainability.

Risks

Climate Change Risk

Physical Risk –
Health, Safety and Environmental Hazards
(Soil erosion due to heavy rainfall - Royal Chulan Cherating (RCC) & Boustead Hotels & Resorts)

Mitigation

- Sustainability values are driven by Management
- Establishment of an internal Sustainability team to coordinate the management of climate-related matters
- Venturing into new sustainability-related businesses as a second growth engine, hence decoupling growth from consumption-based carbon emission
- Reporting is to be guided by the Task Force on Climate-related Financial Disclosures (TCFD) which sets out recommendations on disclosures related to governance, strategy, risk management, metrics and targets
- Implementation of a Business Continuity Plan (BCP) framework which addresses certain physical climate hazards such as flooding and supply disruptions
- Implementation of soil stabilisation investigation studies and strengthening of land structures with completion targeted for second quarter of 2023

Stakeholder

- Shareholders & Investors
- Regulatory Bodies
- Customers
- Suppliers & Business Partners
- Employees/Workers' Union
- Local Communities



SOCIAL

► DIVERSITY & INCLUSION



Definition

Diversity is achieved through having a variety of skills, abilities, genders, races and ethnicities amongst other, in the work place.

Inclusion allows for creation of a safe and supportive environment for all. With both concepts, we are better positioned to unlock innovation that drives market growth.

Diversity and inclusion allow organisations embraced different ideas, cultures and lifestyles leading to improved company culture. It puts companies in the position to hire the best employees from a diverse and often untapped talent pool while increasing customer satisfaction with our services.

With the growing focus on EESG among corporate stakeholders – including expectations for diverse workforces and an inclusive working culture – organisations need to ensure EESG related efforts include diversity and inclusion measurement.

Why is it important

By providing employment opportunities to a diverse group of people, we are able to create greater social equity while benefitting from enhanced perspectives and intellectual capacity, which would support better strategising and decision-making.

Risks

Lack of diversity & inclusion

Mitigation

- Promote diversity and inclusivity by ensuring equal treatment of all employees irrespective of gender, race, religion, age, nationality, sexual orientation or physical ability
- Establishment of Recruitment and Selection Policy and Procedures to ensure fair recruitment based on individual merits
- Adoption of Board Gender Policy which supports the national target of having 30% women representation on the boards of public-listed companies

Stakeholder

- Shareholders & Investors
- Regulatory Bodies
- Customers

SUSTAINABILITY AT BOUSTEAD

► TALENT MANAGEMENT



Definition	Why is it important	
Effective talent management aligned with business goals and clear strategies to drive the quality and quantity of the organisation talent's. Talent management strives for high-performing employees and retention of top talent which include succession planning. In accomplishing our corporate goals and values, we recognise top talent, develop their skills and flexibility and ensure effective employee engagement.	Our employees are directly responsible for carrying out our strategies and ensuring that the Group achieves our short, middle and long-term objectives.	
Risks	Mitigation	Stakeholder
Succession Planning Ability to Attract and Retain Talent	<ul style="list-style-type: none"> • Succession Management Framework endorsed and successfully implemented • Talent Management Framework endorsed and successfully implemented • Identification of talent pool from across the Group (Bousteador 300) to drive the 50 initiatives as outlined under Reinventing of Boustead Strategy • Execution of 'Boustead Talent Reachout and Connect' (TRAC) initiative • Reskill & Upskill People Capability initiative 	<ul style="list-style-type: none"> • Employees / Workers' Union

► LABOUR PRACTICES



Definition	Why is it important	
Boustead treats all employees, suppliers and contractors with respect, promoting a culture of compliance within the industry. We aim to promote existing laws and regulations addressing child labour, forced labour, issues related to foreign workers, collective bargaining, freedom of association, modern slavery, fair working conditions as well as protection against discrimination and harassment.	It is important to treat all employees and contract workers with the dignity they deserve and to respect their rights, including the right to decide on the nature of their employment.	
Risks	Mitigation	Stakeholder
Potential non-adherence to human rights covenants	<ul style="list-style-type: none"> • Guided by the labour principles specified by the UN's Universal Declaration of Human Rights and the International Labour Organization's (ILO) core conventions, which cover ethical recruitment, working hours, freedom of association and collective bargaining, as well as protection against discrimination and harassment • Initiatives and periodic dialogues to raise awareness on human rights issues. • Managing grievances via Employee Grievance Procedure 	<ul style="list-style-type: none"> • Regulatory Bodies • Employees / Workers' Union

► SAFETY & HEALTH



Definition	Why is it important	
<p>Ensuring all employees, suppliers, service providers, contractors and assets under our care are working under the safest possible conditions.</p> <p>Protecting all employees, suppliers, service providers, contractors from work-related hazards and promoting good health and well-being in our workforce and the wider community, through risk assessments and implementation of adequate controls, while providing a range of health and wellness programmes which address both physical and mental well-being.</p>	<p>The safety and health of our employees is key to our productivity. In the current pandemic, are more important than ever to ensure our employees are well-protected.</p>	
Risks	Mitigation	Stakeholder
Potential security, safety and health hazards (Boustead Hotels & Resorts)	<ul style="list-style-type: none"> • Procure and replace malfunctioned security and safety equipment • Regular inspection by relevant parties. • Ensure staff adherence to Standard Operating Procedures (SOP) • Adequate insurance coverage in place. • Establishment of an Emergency Response Team (ERT) • Establishment of a Sustainability Committee to oversee safety and health performance • Group Safety and Health Policy, guided by ILO principles and requirements as stipulated by Malaysia's Department of Occupational Safety and Health (DOSH), which outlines our commitment to safeguarding the safety of employees as well as fostering their good health. It also defines the role that our employees play in terms of safety and health • Implementing stringent safety procedures (Emergency Response Plan, Incident Management Plan) • Promote health awareness amongst employees through health and wellness programmes (Health screening, Breast Cancer Awareness) 	<ul style="list-style-type: none"> • Regulatory Bodies • Employees / Workers' Union

SUSTAINABILITY AT BOUSTEAD

► SUPPORTING LOCAL BUSINESS



Definition	Why is it important	
<p>We are focusing on sourcing locally and supporting local suppliers to boost the development of national supply chains where possible and applicable, as well as support a stable local economy and share best practices with local companies while taking ESG-related matters into consideration. By supporting local businesses, we aim to build a stronger economy and create a cohesive community identity.</p> <p>Locally-owned businesses will also provide more goods and services, mitigate the need for transportation which will contribute to less congestion, habitat loss and pollution, amongst other beneficial impact.</p>	<p>By supporting local businesses and small and medium sized enterprises (SMEs), we help to advance the nation's economic development and in the process, create more employment opportunities and wealth generation to uplift lower-income communities.</p>	
Risks	Mitigation	Stakeholder
Potential supply chain management risks	<ul style="list-style-type: none"> • Venture into new business opportunities with a focus on digital technologies and sustainability as part of the Reinventing Boustead strategy • Form partnerships with new tech and green companies • Establish strong partnerships with local suppliers • Practice local sourcing for consumable products within a specific radius • Acquire materials and products from local manufacturers • Identify alternative local suppliers for products/services 	<ul style="list-style-type: none"> • Suppliers & Business Partners • Local Communities

► COMMUNITY INVESTMENT & CONTRIBUTIONS



Definition	Why is it important	
<p>Corporate Social Responsibilities (CSR) bridges Boustead as well as our communities and society. Through CSR we are able to help people and build trust. Not only does it benefit the community, but it also improves employee engagement and customer retention and loyalty.</p>	<p>As a responsible organisation, we believe it is our duty to create shared value by leveraging our corporate resources and expertise to do good within the community and contribute to the achievement of the SDG targets.</p>	
Risks	Mitigation	Stakeholder
Inability for our community to have a liveable life and missing out equal opportunity.	<ul style="list-style-type: none"> • We focus on four key areas for CSR contributions that will enable better quality of the life through education, welfare and donations in-kind to deserving individuals and communities 	<ul style="list-style-type: none"> • Local Communities

► BUSINESS ETHICS & CORPORATE GOVERNANCE



Definition	Why is it important	
<p>Preventing bribery and corruption among employees and business partners throughout the value chain, including suppliers, contractors and other intermediaries, with internal controls, responsible business practices and other processes.</p> <p>Boustead has established clear and robust policies and procedures regarding its Anti-Bribery and Corruption Policy, Whistleblowing Policy, No Gift Policy, Code of Ethics and Conduct. We believe achieving competency in ESG-related focus areas is an ethical responsibility.</p> <p>Corporate governance is a system which covers accountability, transparency, fairness, responsibility, assurance, leadership, as well as stakeholder and risk management, which Boustead is committed to upholding. Our Board of Directors is responsible for the governance of Boustead.</p>	<p>Commitment to ethical, responsible and compliant business conduct with zero tolerance for all forms of bribery and corruption is important to maintain the trust and continued support of our stakeholders.</p>	
Risks	Mitigation	Stakeholder
<p>Conviction under the Penal Code and The Malaysian Anti-Corruption Commission (MACC) Act for Corruption-related Offences</p>	<ul style="list-style-type: none"> • Adequate procedures based on T.R.U.S.T Principle • Obtained Anti-Bribery Management Systems (ABMS) Certification for BHB • Corruption Risk Assessment which forms part of ABMS, allows us to identify, analyse, assess and prioritise the Group's internal and external corruption risks, including risks of bribery, embezzlement, fraud, theft and indiscretion, among others • Establishment of a Corruption Risk Register. • Implementation of ABAC Compliance Letter. • Development of Boustead Anti-Corruption Plan (BACP) • Integrity Pact to be signed by all Boustead Group employees as testament to compliance with the Boustead Group Anti-Bribery and corruption initiatives 	<ul style="list-style-type: none"> • Shareholders & Investors • Regulatory Bodies • Customers • Suppliers & Business Partners • Employees/Workers' Union • Local Communities
<p>Failure to maintain Anti-Bribery Management Systems Certification</p>	<ul style="list-style-type: none"> • Annual ABMS internal audits conducted by ABMS taskforce 	

SUSTAINABILITY AT BOUSTEAD

OUR CONTRIBUTIONS TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Following an assessment of our business impact on the United Nations 17 Sustainable Development Goals (SDGs), we are cognisant of the role we play in contributing to the achievement of these targets to overcome key global challenges.

In line with our strong commitment to support the SDGs, we have identified five SDGs that are relevant to our core business operations and our role as a member of the LTAT Group as follows:



SDG 2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture



SDG 3

Ensure healthy lives and promote well-being for all at all ages



SDG 4

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



SDG 8

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



SDG 11

Make cities and human settlements inclusive, safe, resilient and sustainable

Our progress in upholding our SDG commitments is reflected in the table below:



This goal aims to end hunger, ensure food security and improved nutrition alongside promoting sustainable agriculture by 2030.

It also aims to increase agricultural productivity and livelihoods of small-scale farmers, promote sustainable food production systems, as well as maintain biodiversity.

How We Contribute	Progress/Achievement			
	Indicator	2022	2021	2020
<p>We are conscious of our responsibility to balance our economic aspirations of delivering value to our shareholders and the impact of our business on the environment where we operate in.</p> <p>To this end, our Plantation Division aims to operate responsibly by adopting more environmentally-conscious agricultural practices that promote a sustainable food supply chain, the conservation and rejuvenation of natural resources including soil, as well as productivity. Furthering our efforts to enhance productivity, we also drive agricultural research to improve our agricultural production capacity.</p> <p>Boustead Plantations' MSPO and RSPO certifications demonstrate the Group's commitment to sustainable palm oil production and our efforts to operate in a responsible and environmentally friendly manner, with our operations meeting relevant sustainability requirements pertaining to land use, biodiversity conservation, worker welfare and GHG emissions.</p> <p>We also work with the Malaysian Palm Oil Board (MPOB) to develop more efficient methods for fertiliser application and to promote the use of biological pest control.</p>	Certified Sustainable Palm Oil (CSPO) produced	126,723 MT	133,936 MT	136,432 MT
	MSPO certified acreage	97,152 ha	97,961 ha	98,212 ha
	RSPO certified acreage	38,640 ha	39,450 ha	39,453 ha
	RSPO certified palm oil mills	6	6	6
	MSPO certified mills and estates	10 mills 44 estates	10 mills 45 estates	10 mills 45 estates
	R&D spending by Plantation Division	RM16.5 mil	RM14.9 mil	RM13.6 mil

SUSTAINABILITY AT BOUSTEAD



This goal aims to ensure healthy lives and support the well-being of people of all ages by improving access to quality healthcare services, reducing the burden of communicable and non-communicable diseases and addressing various health-related issues such as maternal and child health, mental health and substance abuse.

How We Contribute	Progress/Achievement			
<p>Through Pharmaniaga, we support this goal via the manufacturing of various healthcare products public and private sectors for local and international market. Driven by its R&D department, the Division is able to deliver high-quality, affordable pharmaceutical products, thus helping to address various diseases and health-related issues.</p> <p>Enabled by our extensive logistics & distribution network, we serve both the domestic market, including Ministry of Health (MOH), as well as Indonesia. We also have in place the RoyalePharma Alliance Programme to support independent pharmacies through strategic alliances that offer benefits such as competitive pricing, training as well as long-term credit and extended credit limit. Through our Pharmaceutical Division, we promote good health and well-being via the manufacturing of affordable, generic and Halal-certified healthcare products, thus providing Malaysians from all segments of society with access to good healthcare.</p>	Indicator	2022	2021	2020
	Compliance with MOH Performance Standards rate	98.7%	99.3%	99.6%
	Independent pharmacies participating in RoyalePharma Alliance Programme	363	347	319
	R&D spending by Pharmaceutical Division	RM19.8 mil	RM20.1 mil	RM39.9 mil
	New products registered	38	45	44



This goal aims to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all by 2030. Achieving SDG 4 is essential for promoting economic growth, reducing poverty and inequality, as well as fostering peaceful and inclusive societies. Education is a powerful tool for building human capital, enhancing individual and societal well-being, alongside promoting sustainable development.

How We Contribute	Progress/Achievement			
Our University of Nottingham Malaysia (UNIM) scholarships are key enablers to achieving SDG 4, as these scholarships help to improve access to education for students who face financial challenges. Alongside improved quality of education, our contributions also support greater inclusion and improved access to healthcare for at-risk and also provide aid to deserving individuals and communities.	Indicator	2022	2021	2020
	Scholarship spending	RM15.3 mil	RM15.5 mil	RM17.5 mil
	CSR spending on Education	RM15.6 mil	RM17 mil	RM21.5 mil
	CSR spending on Welfare	RM2.7 mil	RM6.8 mil	RM2.6mil
	CSR spending on Health	RM 870,489	RM1.8 mil	RM5.8 mil
	Total CSR spending	RM23.0 mil	RM25.7 mil	RM33.4 mil



This goal aims to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

How We Contribute	Progress/Achievements			
	Indicator	2022	2021	2020
We strive to deliver long-term value to the Government, our shareholders and employees.	Economic Value Generated	RM15.1 bil	RM11.3 bil	RM7.9 bil
Our economic value generated can be measured through various financial indicators as well as job creation, taxes paid and social and environmental initiatives. We also contribute to enhanced economic productivity and resource efficiency through our research and development (R&D) and innovation efforts.	Economic Value Distributed to employees	RM806.3 mil	RM736.9 mil	RM749.4 mil
We have a Code of Conduct that outlines the Company's commitment to ethical and responsible business practices, particularly with regards to forced labour and child labour in line with relevant labour laws and regulations.	Payment to Government in taxes	RM316.9 mil	RM281.5 mil	RM80.4 mil
With the aim of ensuring zero harm to people and the environment, we implement regular safety trainings, audits and safety campaigns for our employees. In tandem, we are guided by our Sustainability Policy to minimise the environmental impact of our operations while promoting sustainable practices throughout the value chain.	Investment in R&D	RM38.4 mil	RM36.5 mil	RM55.2 mil
Our commitment to value creation also extends to the communities where we operate with well-equipped housing and amenities provided for a healthy and sustainable living environment. As one of Malaysia's oldest diversified conglomerates, our operations extend across a variety of industries with more than 12,000 individuals under our employment.	Child labour and forced labour incidents	0	0	0
Supporting our aim to create shared value for all our stakeholders including our employees, we stand firm in our commitment to create opportunities for decent employment and enhanced livelihoods by inculcating inclusivity and sustainability throughout our business.	Lost Time Injury Frequency Rate (LTIFR)	4.99	4.47	4.73
Beyond our workforce, we strive to promote sustainable growth of the business by leveraging R&D and innovations to improve our economic productivity and efficiency in utilising resources.				

SUSTAINABILITY AT BOUSTEAD



This goal aims to shape cities and human settlements that are inclusive, safe, resilient and sustainable by 2030. The target includes providing access to affordable housing, basic services, transportation and green and public spaces.

How We Contribute	Progress/Achievement			
	Indicator	2022	2021	2020
Our contribution towards developing sustainable cities and communities is spearheaded by our Property & Industrial Division, through which we encourage inclusive, safe and sustainable lifestyles across our range of developments.	Sustainability-certified fibre cement boards produced	27.8 mil standard metres	26.8 mil standard metres	23.2 mil standard metres
This includes the Bousteador building, which was awarded a Green Building Certification (Gold) (Non Residential, New Construction (NRNC) Category) by Green Building Index Sdn Bhd, Malaysia’s first comprehensive rating system for the evaluation of the environmental design and performance of Malaysian buildings.	Amount of energy sourced from renewables	2,333,598 GJ	2,018,307 GJ	2,234,204 GJ
Among our other measures are providing wheelchair access, dedicated parking spaces for women and baby care facilities to foster inclusivity, as well as electric vehicle charging stations and easy access to public transportation to promote greener lifestyles.	Percentage of total energy sourced from renewables	72%	74%	66%
Complementing our sustainability solutions across our properties is our manufacturing of sustainability-certified fibre cement boards, which support resource and energy efficiency as well as help minimise the impact of our production on the environment.				



SUSTAINABILITY GOALS & KEY FOCUS AREAS

Based on Boustead's internal needs, as well as expectations of our stakeholders, we have outlined five core sustainability goals which will drive our sustainability initiatives. These five goals encompass all 13 of our material matters.



Boustead's Sustainability Goals and Material Matters are mapped to align with EESG pillars.

CORE I: ECONOMIC**GOAL 1:****Delivering Sustainable Growth And Future-Proofing The Business**

Our priority is to safeguard the future of the Group by ensuring that our businesses remain relevant and resilient in an ever-evolving landscape. To achieve this, we consistently monitor their performance and efficiency while exploring opportunities to innovate our products and services as well as leverage technology to address the growing demands of our customers and society.

SUSTAINABILITY REVIEW**ECONOMIC & BUSINESS PERFORMANCE**

Our capacity to meet our business obligations and create value for stakeholders while maintaining the Group's sustainability is contingent upon our financial performance. Towards this end, delivering a healthy financial performance is of the utmost priority to us.

In 2022, we once again reported a net profit for the full financial year under review.

Business Continuity

To strengthen our ability to maintain crucial business functions in the event of any unforeseen crisis, the Group Risk Management Department (GRMD) has established a robust Business Continuity Management (BCM) framework with several of our business units having implemented it since 2020. Further supporting the Group's efforts to ensure business continuity, selected business units are also working closely with suppliers and partners to establish supply chain continuity guidelines. Going hand in hand with this is the Group's continuous efforts to enhance sourcing practices by leveraging Artificial Intelligence (AI) amongst other emerging technologies for greater visibility of the supply chain.

Given the increasing digitalisation of our operations, we are cognisant of the imminent need to safeguard our systems and Information Technology (IT) platforms against cyberattacks. Consequently, our digital operations have been fortified with a Group-wide IT Policy, Group-wide Cybersecurity Management Policy and a Group-wide Cybersecurity Emergency Response Team (CERT). We also undertook a third-party Group-wide cyber risk assessment in 2021 to gain a better understanding of the risks that our IT asset management programme is exposed to and the necessary measures required to enhance our security from a technical, financial and compliance perspective. Underpinning all these efforts is the IT talent that we are cultivating to help secure business continuity throughout the Group.

QUALITY & CUSTOMER SATISFACTION

Understanding the highly competitive nature of the markets in which we operate, we strive to set ourselves apart by delivering Boustead products and services that consistently meet the highest quality standards. While catering to a broad range of customer segments, we prioritise quality in everything we do.

Among the measures that we undertake to ensure customer satisfaction are as follows:

► Related Activities Undertaken by Divisions In 2022



PLANTATION

With our Boustead Tawai Palm Oil Mill having received ISO 9001:2015 Quality Management System certification in 2022, 100% of our ten palm oil mills are now certified. This demonstrates our capacity to consistently produce goods that satisfy consumer demand as well as pertinent regulatory requirements. In addition, our Rimba Nilai Palm Oil Mill was awarded Best Quality Palm Kernel Supplier in the Individual Mill Category in 2022 from IOI Edible Oil.



PROPERTY & INDUSTRIAL

In 2022, we continued to progress in our mid and long-term refurbishment plans to elevate the quality standards of our line of resorts and hotels, as well as the centralisation of procurement to enhance cost savings and brand standards compliance.

In tandem, we are continuously working to raise the service standards across our malls to deliver better customer experience. To achieve this, we conduct annual surveys to gauge the level of satisfaction experienced by our customers and to determine gaps for further improvement.



Boustead Properties Tenant Satisfaction Survey Result 2023

Wisma Boustead & Menara Boustead, KL

79%

The Curve

75%

The Bousteador

75%

Curve NX

80%

Menara Boustead, Penang

84%

With an aim to create sustainable real estate that adheres to environmental, social and governance (ESG) values, we prioritise sustainability and eco-friendly principles in the design and construction of our Mutiara Hills township. Reflecting this, the development was awarded a Provisional GreenRE Certification (Bronze) for Phase 1 to Phase 5 in 2022 for meeting the requirements of a Sustainable Township, based on criteria such as Energy Efficiency, Water Management, Material and Waste Management, Environmental Planning, Green Building, Transport and Community & Innovation. This certification will help ensure sustained performance in the areas of energy and water efficiency, waste management and operations alongside improving livelihoods. The development will also see the conservation and preservation of a 2.1 km river park in collaboration with FRIM Inc Sdn Bhd, as well as the building of affordable residential projects to cater to a wide range of customers.

Meanwhile, the Bousteador building has been awarded a Green Building Certification (Gold) for the Non Residential, New Construction (NRNC) Category by Green Building Index Sdn. Bhd., Malaysia's first comprehensive rating system for evaluating the environmental design and performance of Malaysian buildings. Developed by the Malaysian Institute of Architects (PAM) and the Association of Consulting Engineers Malaysia (ACEM), the certification is based on six main criteria, namely Energy Efficiency, Indoor Environment Quality, Sustainable Site Planning & Management, Materials & Resources, Water Efficiency and Innovation. This Green Building certification reflects our efforts to ensure efficient use of resources and reduce the impact of our buildings on human health and the environment through better siting, design, construction, operation, maintenance and removal.

GOAL 1: DELIVERING SUSTAINABLE GROWTH AND FUTURE-PROOFING THE BUSINESS

Meanwhile, the Bousteador building has been awarded a Green Building Certification (Gold) for the Non Residential, New Construction (NRNC) Category by Green Building Index Sdn. Bhd., Malaysia's first comprehensive rating system for evaluating the environmental design and performance of Malaysian buildings. Developed by the Malaysian Institute of Architects (PAM) and the Association of Consulting Engineers Malaysia (ACEM), the certification is based on six main criteria, namely Energy Efficiency, Indoor Environment Quality, Sustainable Site Planning & Management, Materials & Resources, Water Efficiency and Innovation. This Green Building certification reflects our efforts to ensure efficient use of resources and reduce the impact of our buildings on human health and the environment through better sitting, design, construction, operation, maintenance and removal.

Across all our properties, we work only with reputable consultants and contractors and we carefully monitor every project to ensure timely and quality execution. As a result, we achieved zero Liquidated Ascertained Damages (LAD) in 2022. Our industrial business arm, UAC Berhad, is also ISO 9001:2015 certified to guarantee high-quality building materials and components.



PHARMACEUTICAL

To ensure that our pharmaceutical products are both effective and safe, 9 of the Division's business units have obtained ISO 9001:2015 certification and the Group has in place a Pharmacovigilance Unit to oversee product safety and monitor adverse patient reactions.

Further supporting safety in the use of our pharmaceutical products, the Division follows strict labelling practices for drugs and medical equipment and devices, as outlined by the National Pharmaceutical Regulatory Agency (NPRA) and Medical Device Authority, respectively.

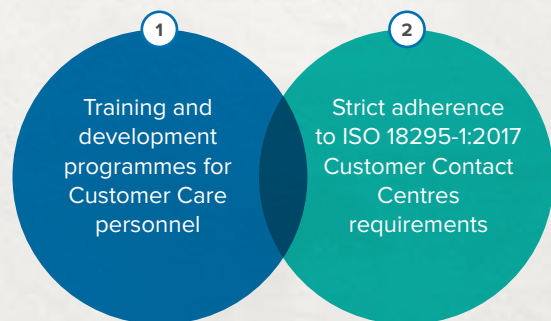
As a responsible manufacturer of pharmaceutical products, we have key personnel charged with leading and coordinating the implementation of measures related to product safety and labelling. To ensure this, we perform internal audits to ensure compliance to Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), Good Distribution Practice for Medical Devices (GDPMD), Pharmacist Type-A License (PTAL) and Good Clinical Practice (GCP) guidelines. Beyond drug safety, our efforts also ensure compliance and help us mitigate risks of legal issues which may lead to fines, penalties, work stoppages or business shutdown.

Through our efforts, the Division recorded zero non-compliance incidents relating to pharmaceutical product safety, marketing and labelling in 2022.

The Division's marketing and advertising activities also comply with all relevant standards, with all materials reviewed and approved in a consistent manner by the compliance department prior to publication. During the year, we identified two instances of product promotion non-compliance. While no penalties or fines were imposed for these incidents, we aim to strengthen and improve our practices moving forward to ensure we fully adhere to marketing and advertising regulations.

Service delivery is also a key focus in enhancing customer satisfaction, with the Division achieving a compliance score of 98.7% for all performance metrics under the Concession Agreement with the Government in 2022, alongside high levels of customer satisfaction of 98% and 100% in surveys conducted with the Ministry of Health Malaysia (MOH) and Ministry of Higher Education (MOHE) respectively.

We uphold our commitment to customer service through the following initiatives:



Additionally, we also conduct a Contact Centre Agents (CCA) service monitoring to ensure that a consistent service is provided by all CCAs to customers. This allows us to improve our customer service and identify areas that require attention, including training and coaching gaps that need to be filled.

In ensuring excellence, we continuously improve the skills and technical capabilities of our CCAs and ensure that they remain competent through certification programmes. The following are additional certification programmes organised in 2022 for our CCAs:



- Certified Customer Experience Management Practitioner (CCXMP)
- Certified Contact Centre Interaction Quality (CCIQ) for Evaluators



HEAVY INDUSTRIES

Among the Division's key priorities is providing value-added products and services that are both high-quality and competitively priced. Testament to this, the Division has achieved relevant industry gold standards, including ISO 9001:2015 certification which is held by the Group's following businesses:

- BHIC AeroServices Sdn Bhd
- BHIC Bofors Asia Sdn Bhd
- BHIC Submarine Engineering Sdn Bhd
- Boustead DCNS Naval Corporation Sdn Bhd (BDNC)
- BHIC Defence Techservices Sdn Bhd
- BHIC Navaltech Sdn Bhd
- Boustead Langkawi Shipyard Sdn Bhd
- Boustead Naval Shipyard Sdn Bhd (BNS)

Through its collaboration with four local universities, the Division is able to uphold the high-quality standards of its products and services by enhancing its design and engineering capabilities, while continuously working towards improving cost-saving measures and service delivery. In line with this, we have collaborated with University Malaysia Terengganu (UMT) to drive this ambition forward.

There were 19 continuous improvement projects were completed in 2022, representing 95.2% of all projects. This enabled cost savings of RM1,964,645 million.

The Division also maintains its quality standards by conducting regular internal quality checks, supplier quality audits and engagements with customers through meetings and surveys.



TRADING, FINANCE & INVESTMENT

During the year, University of Nottingham Malaysia (UNIM) published its five-year strategy entitled 'People and Partnerships' which entails significant investments in UNIM buildings and infrastructure to improve the experience of staff and students alongside improving student recruitment.

Reflecting its positive impact, UNIM recorded improved overall student satisfaction during the year, especially with regards to learning experience as well as on-campus and off-campus residential experience. This was determined through the annual Nottingham Student Experience Survey (NSES), which focuses on four key experiences comprising arrival, learning, living and support.

TECHNOLOGY & INNOVATION

In today's fast-paced business environment, technology and innovation have become increasingly crucial to meet the rising demand for increased efficiency. Recognising the importance of technology and innovation in driving the success and growth of our operations, we invest in cutting-edge technology while fostering a culture of innovation to stay ahead of the curve.

Aligned with our Reinventing Boustead strategy, we place a strong emphasis on technology and innovation as key drivers of our business progression. To spearhead our efforts, we have established Boustead Technology (BTech) and Boustead Digital Services (BDigital) as the Group's technology and innovation leaders.



BOUSTEAD TECHNOLOGY

Developing innovative technological solutions in-house, leveraging technological advancements to enhance business operations, seeking out collaborations in eco-friendly and transformative technology to create new value drivers and promoting sustainable growth.

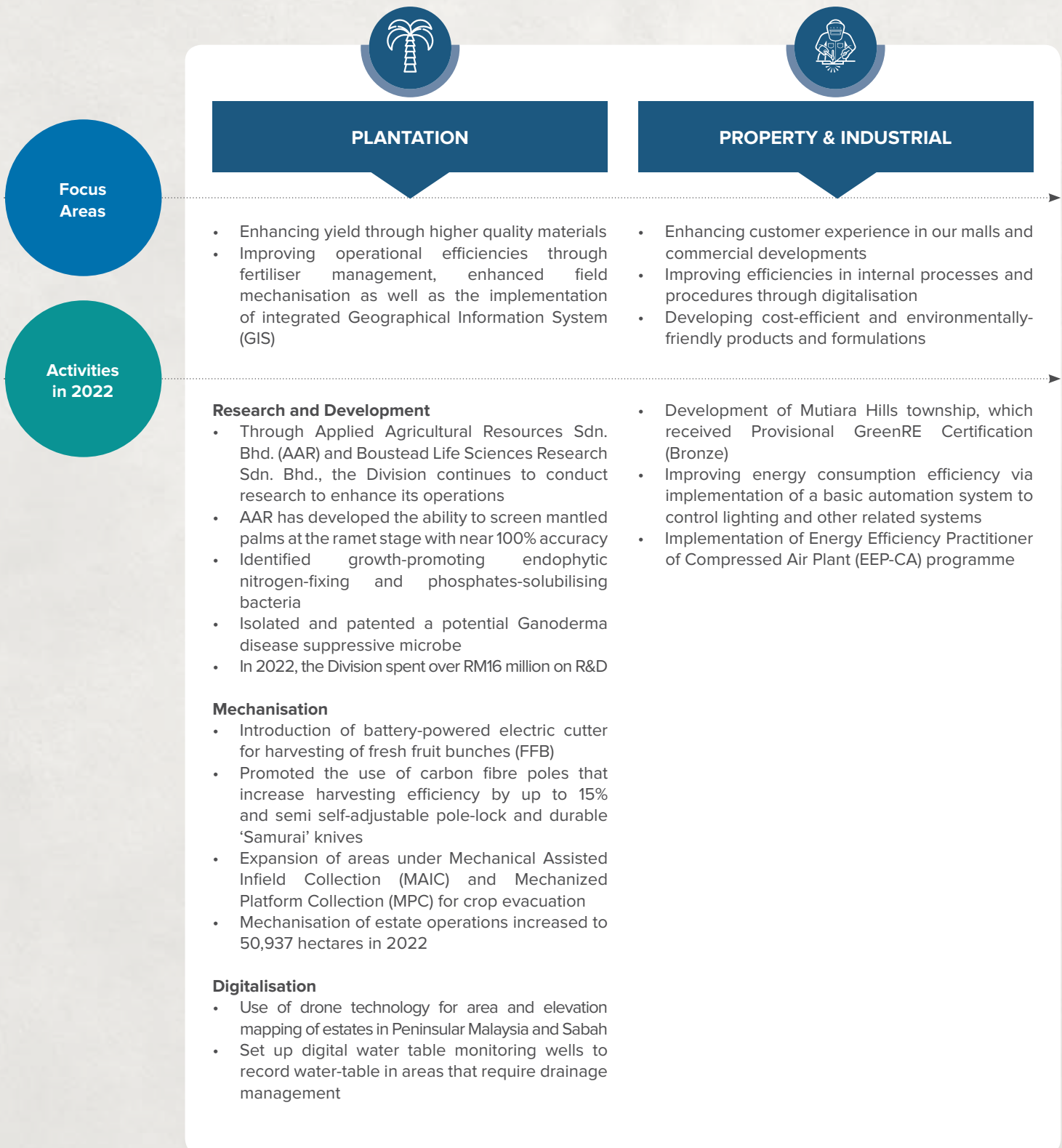


BOUSTEAD DIGITAL

Enhancing internal operational efficiencies using digital solutions, pursuing novel business prospects through collaborative efforts with partners and investments in startups, fostering innovation and scale-up ecosystems and expediting the integration of a digital culture.

Each of our business Divisions has also established a roadmap that highlights their commitment to investing in digitalisation and other cutting-edge technologies to optimise operational and cost efficiencies.

GOAL 1: DELIVERING SUSTAINABLE GROWTH AND FUTURE-PROOFING THE BUSINESS





GOAL 1: DELIVERING SUSTAINABLE GROWTH AND FUTURE-PROOFING THE BUSINESS

SUSTAINABILITY-ORIENTED PRODUCTS & SERVICES

We understand that our role as a business entity in supporting the United Nations Sustainable Development Goals (UN SDGs) is crucial. To this end, we have implemented several initiatives aimed at offering products and services that deliver EESG related benefits as follows:



► Renewable Energy

In accordance with SDG 7, the use of green energy will be crucial in the shift to a low-carbon economy. Towards this end, Boustead has identified green technology as a new growth engine with investments already made in various renewable energy solutions and partnerships forged with green technology firms to enable the Group to become a significant player in this rapidly growing and high-impact area.



► Solar Energy

Among the targeted initiatives include a programme to aid Bousteadors with solar panels installation at their homes to reduce collective environmental impact. Additionally, we are exploring the option to enter the Corporate Green Power Programme (CGPP) to widen access to affordable and clean energy.



► Socially Equitable Blockchain Technology

Our aim is to utilise blockchain technology to foster greater social equity, particularly in the area of wealth creation and distribution, through our partnership with EBRIC. Leveraging EBRIC's proficiency in blockchain innovations, we plan to explore opportunities to implement asset tokenisation and green tokens in Malaysia, beginning with the property market.

With the availability of affordable tokens, people from lower-income groups will be able to acquire ownership in properties that they can inhabit, thus potentially revolutionising the property industry and enabling all segments of society to enjoy access to adequate, safe and reasonably-priced housing.

Together with EBRIC, we are also exploring other Blockchain application such as tokenisation of projects and related ventures like exploring the carbon credit market.



► Sustainably Produced Palm Oil

Palm oil is widely used in food production due to its affordability, making it an important contributor to accessible and reasonably priced food, in line with the UN's Zero Hunger goals.

As part of our commitment to meeting international standards of the production of sustainable palm oil, we have certified six palm oil mills and 19 estates across 38,640 ha in our Plantation Division with the Roundtable of Sustainable Palm Oil (RSPO) and we are currently working towards certifying the remaining mills and estates in accordance to RSPO Certification Time Bound Plan. In addition, all our mills and estates covering 97,152 hectares of our landbank are also Malaysian Sustainable Palm Oil (MSPO) certified.

In 2022, we produced 126,723 metric tons of Certified Sustainable Palm Oil (CSPO) and 21,301 metric tons of Certified Sustainable Palm Kernel (CSPK). To uphold sustainability throughout our supply chain, our Plantation Division has implemented a Traceability Monitoring Programme to monitor the flow of fresh fruit bunches (FFB). Thus far, 6 mills have received RSPO Supply Chain Certification Standard (SCCS).



► Access & Availability of Quality Healthcare Products

Pharmaceutical Product

In support of the UN's goal of Good Health and Well-being, our Pharmaceutical Division delivers high-quality, affordable pharmaceutical products to patients in Malaysia and Indonesia, helping to ensure more people have adequate access to good healthcare products. To help achieve this objective, the Division has laid out a ten-year product development plan with a target of launching 139 new products between 2021 and 2028.

Achievement in 2022:

- 38 new products registered with the regulatory authorities in Malaysia and Indonesia, of which 16 of them are registered internationally.
- Successfully launched 18 general pharmaceutical products as well as five over-the-counter and supplement products.

Halal Pharmaceuticals

Upholding the Halal integrity across our portfolio of pharmaceutical products, a total of 15 new products were certified Halal by the Islamic Development Department Malaysia (JAKIM) in 2022, contributing to a total of 193 Halal-certified products under Pharmaniaga.

In addition, Pharmaniaga is positioning itself as a prominent figure in the field of Halal pharmaceuticals through its active participation in the Halal Development Corporation (HDC) as:

- A committee member of the Sectoral Working Group for Halal pharmaceuticals under the HDC.
- A panel member to review module training for Halal pharmaceuticals by the HDC.
- A panel member to develop National Occupational Skills Standards (NOSS) for the Halal Audit.
- A member of the Halal committee MS2424:2019 under the Department of Standards Malaysia.



► Green Mobility

Through BTech, we are promoting Net Zero Carbon Emissions by encouraging Bousteador the usage of EV Bike partnering with Ni Shin EV Tech Sdn. Bhd.

Green mobility is promoted via Boustead Credit by offering an affordable, Shariah-compliant hire purchase financing scheme for a select number of e-bike brands in the market.



► Digital Financing Ecosystem

In 2022, Boustead Credit spearheaded a multi-pronged collaboration with various industry experts on digitalisation initiatives with the aim of providing better access to the digital financing ecosystem among unserved and underserved consumers, enabling them to benefit from faster financing processes, access to real-time information, improved efficiency, as well as enhanced livelihoods.

With our collaboration with fintech companies, Boustead Credit provides a full-stack digital financing platform connecting us and borrowers to ensure seamless access to financial inclusion.

CORE 2: ENVIRONMENTAL

GOAL 2: Achieving Operational Eco-Efficiency

Over the years, environmental concerns such as climate change, resource depletion and waste mismanagement have become increasingly pressing on a global and national scale. As a socially responsible organisation, Boustead recognises the urgency of these issues and are committed to doing our part in preserving the natural environment by reducing our carbon footprint and implementing sustainable practices throughout our operations.



This biogas facility contributed 2,332,619 GJ of energy in 2022

GREENHOUSE GAS (GHG) & CLIMATE CHANGE

Given the potential catastrophic effects of climate change on food security, health and severe weather, amongst others, experts are urging nations to reduce carbon emissions to limit the rise in the global temperature to 1.5°C above pre-industrial levels, while also adopting strategies to increase the resilience of the global population.

Supporting Malaysia's commitment to achieving carbon neutrality by 2050, we have pledged to support the nation's commitment in achieving carbon neutrality at Boustead by the year 2050. Our efforts to realise this goal will be fuelled by the decarbonisation of our businesses and the exploration of new market growths with particular emphasis on renewable energy solutions. These actions will be helmed and overseen by the Board via the Sustainability Committee.

Moving forward, our reporting is to be guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which encompasses disclosures pertaining to governance, strategy, risk management, metrics and target in an effort to continuously enhance our reporting standards.

In 2019, the Group developed a comprehensive GHG inventory to track our Scope 1 and Scope 2 emissions. We are tracking our GHG emissions with 2020 as the base year. Currently, we are reviewing our GHG inventory to incorporate Scope 3 emissions and are exploring incorporating tools for more seamless monitoring and reporting of our GHG inventory.

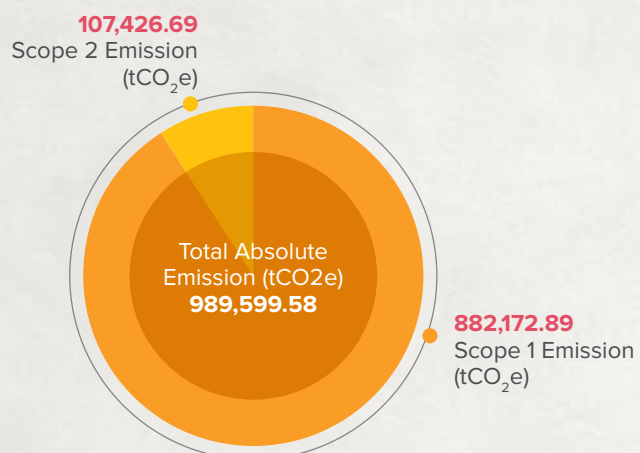
To calculate our overall GHG emissions, we utilise the GHG Protocol Corporate Accounting and Reporting Standard (GHG Protocol Corporate Standard) established by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). Our data on GHG emissions resulting from land conversion is based on the PalmGHG calculator developed by RSPO.

Meanwhile, to determine the boundary of our GHG inventory, we adopt the operating control approach, which is consistent with the GHG Protocol Corporate Standard. The Global Warming Potential (GWP) values we employ are based on the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

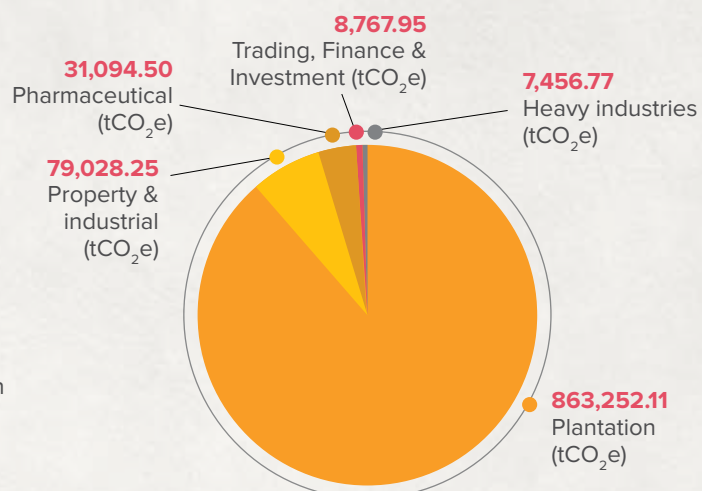
SOURCE OF EMISSIONS	INITIATIVES
Land Conversion	<ul style="list-style-type: none"> Following the demarcation of 576 ha of land within our plantations as High Conservation Value (HCV) areas, we have successfully increased carbon sequestration in our estates to 301 tCO₂e in 2022 We strictly adhere to the No Deforestation, No Peat, No Exploitation (NDPE) Policy, which prevents new planting on peat to reduce emissions from peat oxidation We adopted the RSPO Manual on Best Management Practices (BMPs) for Management and Rehabilitation of Peatlands Planting cover crops to sequester higher levels of carbon
Palm Oil Mill Effluent	<ul style="list-style-type: none"> Through our biogas plant, we have captured methane produced at our palm oil mill in Telok Sengat, Johor to produce a total of 1,160 MWh of electricity in 2022, which was fed into mills and its own housing complex
Fertiliser Application	<ul style="list-style-type: none"> Guided by recommendations from Applied Agricultural Resources Sdn. Bhd. (AAR) on oil palm manuring, we have successfully reduced nitrogen emissions by 42% through strategic application of fertiliser in our estates
Fuel Consumption	<ul style="list-style-type: none"> We have reduced fuel consumption on our fields by enhancing the efficiency of our work processes through our Plantation Performance Improvement Programme (PPIP) We regularly maintain the equipment of our hotels and resorts to reduce usage of Liquefied Petroleum Gas (LPG) stoves Through BTech, we have installed an Electric Vehicle (EV) charge station, BCharge, at Royale Chulan Cherating to support the adoption of e-mobility to reduce reliance on vehicles running on fossil fuel
Purchased Electricity	<ul style="list-style-type: none"> We saved 11,088 kWh in 2022 through our industrial segment's initiative to replace fluorescent lighting with LED bulbs Our district cooling plant, Boustead DCP's Operation Energy Saving Programme reduces electricity consumption through: <ul style="list-style-type: none"> a) the use of variable speed chillers instead of constant speed chillers, which utilises less energy b) the use of Intelligent Cooling Energy (ICE), based on reserve cooling capacity of ice tanks, which saves 45,000 kWh/month We increased the chilled water temperature in our hotels and resorts We rescheduled the operating time of energy-consuming equipment across our hotels, resorts and properties, saving approximately RM7,440 each month We utilise solar panels at our manufacturing sites in Sg. Petani, Kedah, which saves 213,188 kWh per annum, equivalent to 137.10 tCO₂e of GHG emissions avoided We continue to implement energy reduction initiatives at Pharmaniaga buildings and warehouses, generating cost savings of approximately RM1.3 million in 2022 Our Heavy Industries Division is looking into installing solar panels across its sites and replacing diesel generators with electricity powered generators, as well as reducing electricity usage during non-operating hours ENGIE-UAC EEP Compressed Air Plant and UAC Berhad's changing of fluorescent lighting to LED lighting reduced 2,069,029 kWh of electricity usage, saving RM184,710

GOAL 2: ACHIEVING OPERATIONAL ECO-EFFICIENCY

► GHG Emissions by Scope in 2022



► GHG Emissions by Division in 2022

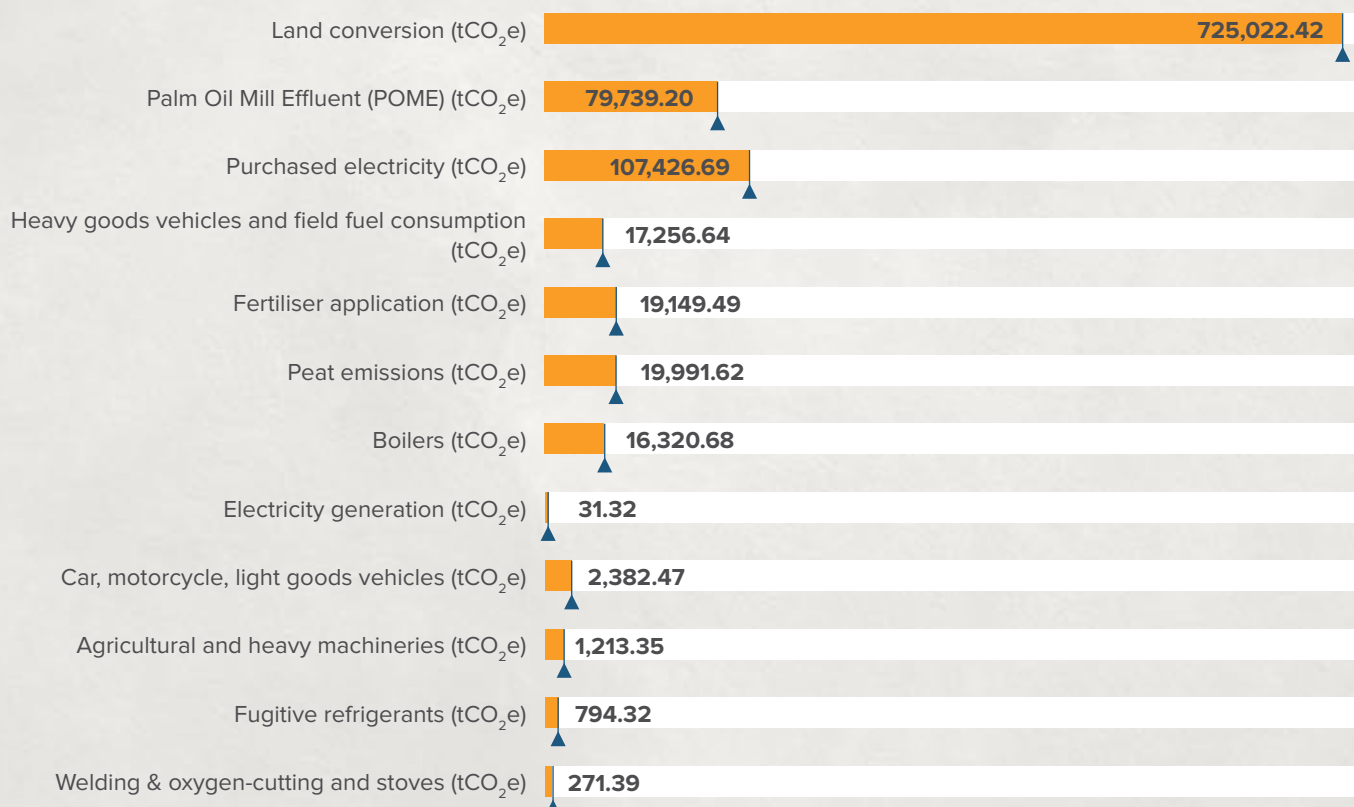


Note:

Scope 1: Emissions are emissions from sources owned and controlled by the Group

Scope 2: Emissions are emissions from energy (electricity) purchased and consumed by the Group

► GHG Emissions by Source in 2022



Resource Efficiency & Pollution Prevention

We recognise the crucial role of environmental stewardship in preserving natural resources and ensuring the long-term sustainability of our varied businesses. To this end, we are actively taking steps to prevent any harmful impact to the environment where we operate. Our efforts stand testament to our commitment towards sustainable development and practices.



► Air Emissions

Aiming to minimise harm on surrounding communities, we ensure that air emissions from our operations strictly comply with relevant regulations, such as Malaysia's Environmental Quality (Clean Air) Act.

Demonstrating our commitment to clean air, we have invested in air pollution control systems to monitor air quality emissions at our sites. We have also mandated that relevant employees undergo comprehensive air emissions management training, including the Certified Environmental Professionals in Bag Filter Operation (CePBFO) course offered by the DOE.

Our Plantation Division is committed to reducing the environmental impact of its mills, particularly with regards to air quality. To this end, the Division has invested in the latest technologies to manage emissions. As of the end of 2022, we have invested RM22 million to equip a total of nine mills with Electrostatic Precipitators (ESP), which can capture dust particles as small as 2.5 microns. We are continuing to roll out the installation of ESPs with installation at the final mill to be completed in 2023. Additionally, we have installed a new wet scrubber to further improve our emissions management.

We recorded zero non-compliance incidents pertaining to air emissions resulting in significant fines or non-monetary sanctions throughout 2022.



► Energy Management

As we transition towards a low-carbon economy, Boustead is cognisant of the imperative need for energy efficiency. Consequently, we place significant emphasis on strategic and sustainable energy management practices and we are proactively exploring the use of renewable and cleaner energy sources to not only manage our operating costs but to also minimise our environmental footprint.

During the period under review, our Plantation Division emerged as the highest energy consumer within the Group, followed by our Property & Industrial Division. However, we are pleased to report that an impressive 96% of the energy consumed by the Plantation Division was from renewable sources, mainly biomass, which was converted into energy and utilised by the boilers in our mills.

Our Pharmaceutical Division has also transitioned towards more sustainable energy management with the adoption of solar panels by its subsidiary, Idaman Pharma Manufacturing Sdn Bhd in Sungai Petani, Kedah. This represents Pharmaniaga's first subsidiary to successfully install and operate solar panels at their premises as part of the Division's renewable energy programme to reduce its carbon footprint. The solar panels have a capacity of 209 kWp, which can generate up to 282,150 kWh of electricity annually.

Energy Consumption by Source in 2022

Biomass (GJ)	2,332,619
Purchased Electricity (GJ)	538,039
Diesel (GJ)	164,042
Residual Fuel Oil (GJ)	164,041
Natural Gas (GJ)	60,916
Petrol (GJ)	25,659
LPG (GJ)	3,109
Solar Energy (GJ)	1,208
Acetylene (GJ)	72

Energy Consumption by Source in 2022

Plantation (GJ)	2,441,608
Property & Industrial (GJ)	498,375
Pharmaceutical (GJ)	228,999
Heavy Industries (GJ)	41,297
Trading, Finance and Investment (GJ)	44,801

GOAL 2: ACHIEVING OPERATIONAL ECO-EFFICIENCY



► Waste Management

Aligned with the UN SDG 12, we maintain an unwavering commitment to sustainable consumption and production across our operations. In this regard, we strive to reduce our usage of materials while minimising waste disposal by resorting to reuse, recovery or recycling measures wherever feasible.

As part of our commitment to environmentally sustainable practices, we are continuously striving to reduce the generation of hazardous waste and exploring ways to safely reuse and recycle such waste in our operations. In addition, any waste that requires disposal is stored safely in designated areas before being collected by licensed third-party contractors.

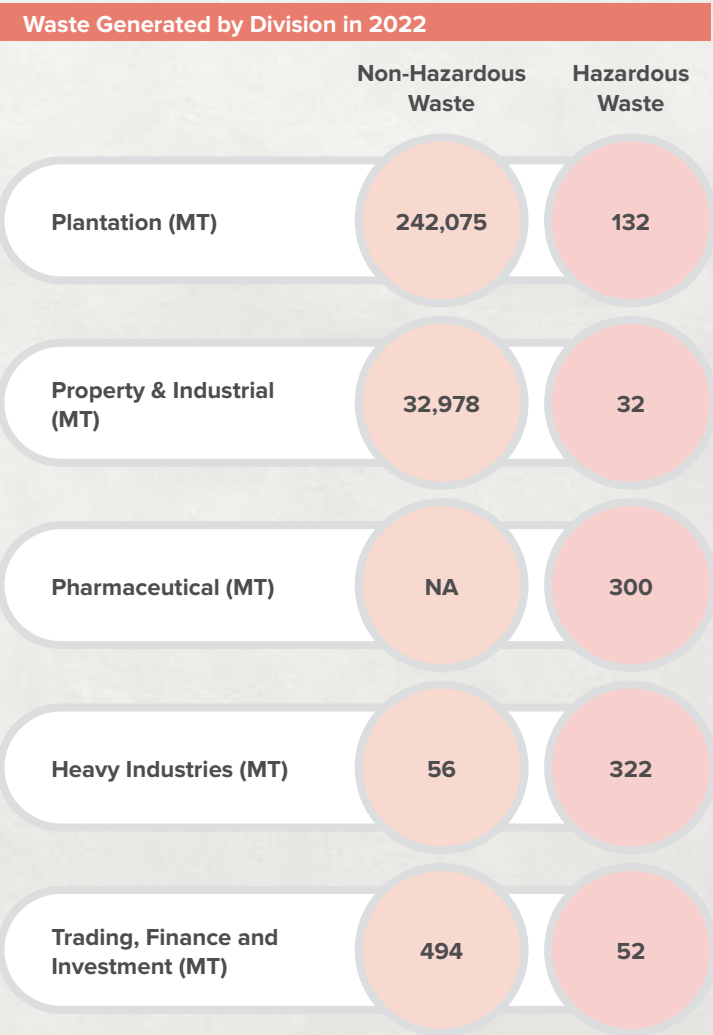
To mitigate the potentially serious health and environmental impacts associated with hazardous waste, we have put in place robust controls to ensure that all hazardous waste generated by our operations is disposed of in strict compliance with the Environmental Quality (Scheduled Waste) Regulations 2007 in Malaysia and Government Regulation No. 101/2014 on Hazardous Waste Management in Indonesia.

Our Plantation Division, which is our main source of hazardous and non-hazardous waste, mainly comprises biomass by-products in the form of empty fruit bunches (EFB). The Division generated 241,907 MT of EFB, fronds, decanter cakes, boiler ash and dewatered sludge cakes in 2022, which were largely reused under our Zero Waste Strategy. EFB is key for mulching to maintain soil moisture levels and reduce reliance on synthetic fertilisers. Additionally, palm fronds are used to boost soil fertility and prevent nutrient loss and fertiliser leaching, while decanter cakes are recycled as organic fertiliser and mesocarp fibres and palm kernel shells serve as a renewable fuel feedstock for our mills' steam boilers.

In our Pharmaceutical Division, we continue to implement Reduce, Reuse and Recycle (3R) initiatives to minimise waste. We have successfully diverted 737.72 MT of general waste from landfills with wooden pallets and pallets being the two most recycled waste. The pallets were utilised for logistic and distribution purposes with reusable pallets were utilised to place and transport products, while non-reusable pallets were sent to a third-party service provider for recycling. We also recycled 292.46 MT of waste to manufacture packaging materials for our products. In 2022, Pharmaniaga undertook hazardous waste reduction initiatives with a total of 7.75 MT of waste transformed into new materials leading to costs savings of RM16,825. These initiatives included the conversion of sludge and used activated carbon into alternative raw materials by for cement industry.

Finally, our Property & Industrial Division through our UAC Berhad subsidiary, has continued its 2020 project to recycle cement board off-cuts. This initiative saw the recycling of 1,291 MT of off-cuts by our appointed partner, Temasek Cement. This represented 4.1% of total non-hazardous waste generated by UAC Berhad and led to a total of RM27,723 reduction in cost, further demonstrating our unwavering commitment to sustainable practices. Additionally, they replaced its fluorescent tube and bulbs to LED lighting in 2022, culminating in a projected reduction in waste of 330 kg and cost savings of RM1,320.

It is also key to highlight that our strict adherence to internal guidelines has been instrumental in achieving zero non-compliance incidents in 2022. This underscores our unwavering dedication to responsible waste management and environmental preservation.





► Wastewater Discharge

Employing a structured and efficient wastewater discharge management system, we continuously monitor our effluents to prevent them from potentially polluting the water bodies surrounding our operations. This dedication to improving the quality of life and safeguarding the environment is reflected in our policies and procedures, which are guided by the Environmental Quality (Sewage and Industrial Effluents) Regulations 1979 in Malaysia and the Regulation of the Environment and Forestry Minister Number 5 of 2014 concerning Quality Standards for Pharmaceutical Industry Wastewater in Indonesia.

Before being discharged, our wastewater is treated and monitored by personnel who have undergone the Certified Environmental Professionals in the Operation of Industrial Effluent Treatment Systems (CePIETSO) training provided by the Department of Environment (DOE), amongst others. We also ensure that our treatment systems are well-maintained with samples of our discharge regularly analysed at laboratories to ensure that metrics such as Chemical Oxygen Demand (COD) and Biological Oxygen Demand (BOD) are within parameters set by the DOE. Furthermore, we have invested in research and development (R&D) to identify solutions to reduce our effluents.

As of December 2022, the Group had recorded zero non-compliance incidents related to wastewater discharge involving significant fines or non-monetary sanctions.



► Water Management

With over 1.1 billion people worldwide lacking access to clean water, the UN SDG 6 calls for businesses to increase water-use efficiency across all sectors and industries and ensure sustainable withdrawal of freshwater.

Recognising the significance of using water efficiently, we have implemented various measures to enhance our efficiency levels, such as modifying and improving processes across our operations that require water. In addition, we monitor water leakages closely and promptly address them to prevent wastage. Furthermore, we have adopted a sustainable approach by recycling wastewater whenever possible.

Following an analysis of our water usage patterns, we identified the Plantation Division as the highest water consumer within the Group, primarily due to the extensive use of water in its mills. To reduce its purchased water consumption, the Division collects rainwater in various catchment areas and reservoirs to meet the mills' needs. We have also installed rainwater harvesting systems at other sites and utilise the collected rainwater for suitable domestic consumption.

Meanwhile, our Pharmaceutical Division has instituted various water recycling initiatives, successfully recycling 11 ML of water, saving RM 25,270 in 2022.

To raise awareness on the importance of conserving water, we conduct training sessions for our employees on effective water management. Additionally, we extend our awareness programmes to guests and visitors at our hotels, resorts and malls.

Water Withdrawn by Source in 2022

Surface Water (ML)	2,537
Ground Water (ML)	21
Purchased Water (ML)	3,439

Water Withdrawn by Division in 2022

Plantation (ML)	3,545
Property & Industrial (ML)	1,474
Pharmaceutical (ML)	375
Heavy Industries (ML)	230
Trading, Finance and Investment (ML)	373

CORE 3: SOCIAL

GOAL 3: Catalysing Growth In Society

At Boustead, we acknowledge that sustainable societal progress is best achieved by fostering growth and development within the communities that we impact through our operations. We are firmly committed to investing in mutually beneficial partnerships that enhance both our local communities and our Group's businesses. Alongside this, we strive to empower marginalised individuals by providing targeted initiatives aimed at improving access to education, healthcare and welfare as we firmly believe that these key areas will deliver long-term benefits to our stakeholders and communities.



COMMUNITY INVESTMENT & CONTRIBUTIONS

In keeping with our belief in the importance of giving back to society, we focus our efforts to support the community primarily in areas where we have a presence, as well as to support members and retired personnel of the Malaysian Armed Forces.

To ensure that our community initiatives have a meaningful impact, we have aligned our efforts with the UN SDGs. We actively encourage our employees to participate in these programmes and as a result, community outreach has become an integral part of our company culture and a fundamental aspect of our identity.

During the year, Boustead implemented Corporate Social Responsibility (CSR) procedures to enlighten all our stakeholders of our commitment to CSR and our continued efforts ranging from community-based programmes involving local stakeholders to large commercial programmes executed nationwide. In 2022, we invested a total of RM23,049,970 in empowering communities through our CSR initiatives outlined below:

► CSR Highlights

➞ **RM23.0** MILLION

contributed towards various **CSR-related activities** targeting at-risk groups and communities.

Educational contributions over

➞ **RM15.6** MILLION

through various channels such as scholarships, donations to schools, upgrading of facilities and support to run additional educational programmes.

➞ **RM3.60** MILLION

provided as welfare aid to various at-risk groups through **food donations**, contributions of **critical equipment and key medical supplies**.

➞ **RM3.80** MILLION

provided in various forms to meet community **needs and aid** them in times of need. This was done through donations in-kind via a range of activities from providing **disaster relief** for extreme weather events to supporting underserved communities through **food donations**.



GOAL 3: CATALYSING GROWTH IN SOCIETY



EDUCATION

KEY CSR ENGAGEMENTS IN 2022

UNIVERSITY OF NOTTINGHAM SCHOLARSHIPS

Scholarships from the University of Nottingham amounting to **RM14,204,993** were granted to **1,505** deserving **students** who demonstrated academic excellence. Additionally, **RM1,083,695** was provided to **55 students** facing financial difficulties to ease their burdens as they pursue their higher education.

BACK-TO-SCHOOL PROGRAMME

Contributions of **RM69,990** from Pharmaniaga was provided to Pusat Khidmat Masyarakat Bukit Bintang Kuala Lumpur and Kelab WHR 1 Malaysia Negeri Pahang. Additionally, there were contributions of back-to-school kits comprising school bags and stationery to Persatuan Kebajikan Prihatin Pantai Remis and Persatuan Rekreasi Bagan Serai in Perak.



WELFARE AID

KEY CSR ENGAGEMENTS IN 2022

DI CELAH-CELAH KEHIDUPAN (DCCK) PROGRAMME

An anual CSR programme by Boustead Petroleum Marketing and UAC Berhad was undertaken in collaboration with RTM, Jabatan Hal Ehwal Veteran (JHEV) Angkatan Tentera Malaysia and Affin Bank. With contributions amounting to **RM537,660**, this programme was aimed to improve the quality of life of **20 underprivileged families**, particularly Armed Forces veterans through financial and in-kind donations. Additionally, UAC Berhad sponsored repair works for the houses of Armed Forces veterans.

FOOD DONATION DRIVE

Food donation worth **RM 114,097** from Pharmaniaga was distributed to various communities in need through the State Legislative Assembly Development and Coordination Committee Offices (Japerun) in Melaka, Persatuan Usaha Mulia Wanita Malaysia and Persatuan Penduduk Kg Semangat in Segari, Perak.

PHARMAAPPRENTICE PROGRAMME

Launched in June 2022, this project spearheaded by Pharmaniaga with a contribution of **RM 97,993** was done in collaboration with Jabatan Pendidikan Selangor (JPN). This programme empowers **34 underserved orphans** affected by the pandemic through leadership and team building programmes, soft skills training, financial assistance, in-kind donations and continuous performance monitoring.

CONTRIBUTION OF KEY EQUIPMENT

Contribution of medical equipment, rehab equipment and furniture from Pharmaniaga valued at **RM 88,031** was made to Hospital Putrajaya; Markas Angkatan Tugas Bersama 2 Kem Kukusan in Tawau, Sabah; and Persatuan Penduduk Kg Semangat in Segari, Perak.

PROGRAMME ANAK ANGKAT BOUSTEAD

Through this initiative, Boustead Holdings Berhad 'adopted' eight underprivileged children who lost their parents to COVID-19 under the auspices of the Group's CSR programme.

Under this initiative, the Group financially **support 8 children's** living, education and medical expenses until they all come of age, **via a contribution of RM 55,993**



GENERAL AID

KEY CSR ENGAGEMENTS IN 2022

PROGRAM HEBAHAN DAN KOMUNIKASI KESIHATAN BY MOH

Financial support of **RM 420,000** was provided by Pharmaniaga to aid the Ministry of Health's 'Health Awareness Programme.'

MALAYSIAN ORGANISATION OF PHARMACEUTICAL INDUSTRIES (MOPI) CONFERENCE 2022

Financial contribution of **RM 132,000** was made by Pharmaniaga to the MOPI Conference 2022. MOPI membership is open to all manufacturers of pharmaceutical products whose manufacturing facilities in Malaysia are licensed by the Drug Control Authority, Ministry of Health, thus promoting access to quality and affordable Malaysian manufactured pharmaceutical products.

HERO RAMADHAN 6

RM 70,276 worth of packed food donated by Pharmaniaga for iftar to 'local heroes' at the District Police Headquarters (IPD) in Klang Valley as well as various hospitals including Hospital Kuala Lumpur (HKL), Hospital Sungai Buloh (HSB), Hospital Tengku Ampuan Rahimah (HTAR) and Hospital Angkatan Tentera Tuanku Mizan (HATTM).

HARI RAYA AIDILADHA CONTRIBUTION TO THE MALAYSIAN ARMED FORCES (ATM)

In conjunction with Hari Raya Aidiladha celebrations, Boustead Holdings Berhad donated 10 cows amounting to **RM 55,000** towards ATM for the sacrificial ritual.

CONTRIBUTIONS TOWARDS FLOOD RELIEF

Various contributions by Pharmaniaga comprising medicine during post-flood relief efforts, Hari Raya Aidilfitri charity donations and a financial donation amounting to **RM 386,048** when to Surau Al-Hidayah MINDEF during Hari Raya Aidiladha celebrations.

FLOOD RELIEF CONTRIBUTION FOR AFFECTED COMMUNITIES

Contribution of **RM 165,257** from Pharmaniaga comprising the al-Quran's and staple food for flood victims at four schools via Kelab Kecemerlangan Insaniah Kuala Lumpur and pre-flood contributions to SK Taman Sri Muda in Shah Alam, Selangor as a proactive measure to support potential flood victims.

FLOOD RELIEF CONTRIBUTION TO EMPLOYEES

Pharmaniaga donated **RM100,207** in aid that consisted of food and water, hygiene kits, medicine, COVID-19 test kits and for a temporary evacuation centre to house individuals that were displaced by the floods.

GOAL 3: CATALYSING GROWTH IN SOCIETY

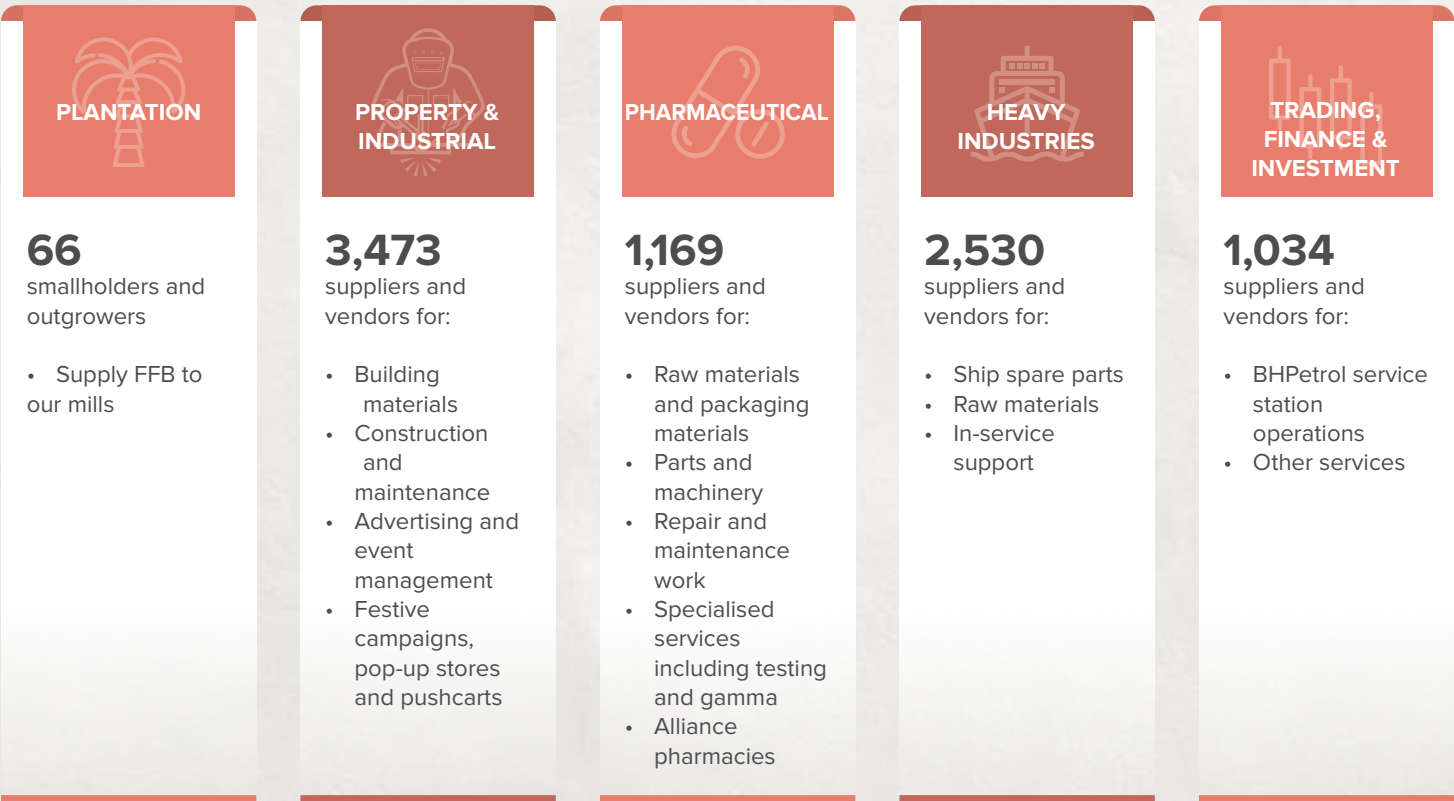
SUPPORTING LOCAL BUSINESSES

To promote and strengthen the local economy, we explore collaborations with startup companies to meet our procurement needs, which also serve as opportunities to support local vendors and suppliers.

In keeping with our Reinventing Boustead strategy, we are actively pursuing new business opportunities, particularly those relating to digital technologies and sustainable practices.

- 1 NextGen Group for crude algae oil
- 2 Hive Sea and Aimcloud Sdn Bhd for apps development
- 3 CUBits for AI and blockchain technologies
- 4 MyAngkasa Digital Services for Islamic Digital Banking License
- 5 Meraque Services Sdn Bhd for drone pharmaceuticals delivery

Across our operations in various industries, we have collaborated with a wide range of vendors both upstream and downstream.




Vendor Development


Aligning with our sustainability goals, our aim is to support local suppliers and vendors in their growth through our Vendor Development Programmes (VDP), which are spearheaded by our Pharmaceutical and Heavy Industries Divisions. Alongside enhancing our vendors' capabilities, our VDPs also enable us to drive healthy competition throughout the value chain, creating benefits for entire industries.

Vendors can benefit from training in project management skills, technical knowledge, shipyard production integration and other value-added services related to shipbuilding and repair through the Heavy Industries VDP. Meanwhile, our Pharmaceutical Division is committed to supporting community pharmacies through its Pharma Alliance Programme, which offers competitive pricing, training and long-term credit with an extended credit limit to help them manage their working capital. Through a partnership with Angkatan Koperasi Kebangsaan Malaysia Berhad (ANGKASA), the Alliance has served as a one-stop centre for the purchase of items offered in ANGKASA's COOP Farmasi since 2021.

The delivery and product quality of vendors is monitored regularly through quarterly assessments conducted by both Divisions, the results of which are shared with relevant Government Ministries.

The following provides an overview of the Group's efforts to support vendor development:

 PHARMACEUTICAL	
INITIATIVES	PROGRESS IN 2022
VDP	A total of 23 vendors participated in the programme. The Division also conducted training on warehouse management for vendors to improve their warehouse quality performance.
RoyalPharma Alliance Programme	Established since 2017, the programme has grown to a total of 363 members.

 HEAVY INDUSTRIES	
INITIATIVES	PROGRESS IN 2022
VDP	In 2022, the Division supported a total of 36 vendors through the programme.
Localisation Initiative Programme (LIP)	BDNC continued to engage local vendors in the RMN Submarine MRO programme through the LIP launched in 2021. Vendors are selected based on technical merit with 3 local vendors engaged to date to take over functions that were previously provided by foreign players. Our subsidiary also collaborated with the Sabah State Government to extend its reach to vendors in the East Malaysian state.

We have also broadened our support to help local vendors and businesses across these Divisions:

 PROPERTY & INDUSTRIAL	
<ul style="list-style-type: none"> Partnered with 2,369 vendors across 6 of our hotels and resorts in Malaysia. Boustead Curve and Damansara Entertainment Centre continued to provide local entrepreneurs with floor space to set up push carts and pop-up stores, while organising flea markets for them to market their wares. Our malls collaborated with a total of 233 local vendors. 	

 TRADING, FINANCE & INVESTMENT	
<ul style="list-style-type: none"> Boustead Petroleum Marketing partnered with 513 suppliers and vendors in 2022. It also supported 3 new vendors to operate BHPetrol service stations, contributing to a total of 380 BHPetrol service station operators in Malaysia from 373. 	

CORE 3: SOCIAL

GOAL 4:

Creating A Sustainable and High-Performing Workforce

Recognising that our employees are the backbone of our business, we strive to foster a dynamic workplace that enables exceptional performance, upholds the principles of equality and diversity and respects basic human rights. To achieve this, we provide our employees with continuous training and development opportunities as well as an effective employee engagement platform, while championing their health and safety. These efforts are aimed at enhancing our employee value proposition, thereby enabling us to attract and retain top talent in the industry.



Our ultimate goal is to establish Boustead as a prominent employer of choice by providing a stimulating and rewarding work environment for all our employees. We believe that through our efforts, we can foster a culture of excellence and achieve our corporate objectives while ensuring our employees feel valued and fulfilled in their roles.



DIVERSITY & INCLUSION

At Boustead, we are cognisant of the tremendous value of having a diverse workforce. We believe that the unique perspectives and insights that stem from a diverse team will lead to enhanced strategies and decision-making, thus allowing us to achieve greater success and better serve our stakeholders.

Group People Policy (GPP) encompasses the information which constitutes a basis of people management throughout Boustead Group. It is a living document and will be constantly updated as the governance, environment and stakeholders' expectations of good practices evolve. GPP is primarily an ethical roadmap for the Group's diverse industries to navigate the intricacies of multi-business practices and cultures. It explains to all employees throughout Boustead Group the aspects of people management as below:

At the core of our efforts to establish a workplace that is both sustainable and high-performing lies our Group People Policy (GPP). This policy serves as the basis for our people management strategies, and it also provides an ethical framework for the various industries within our Group to navigate the intricacies of diverse business practices and cultures. To maintain its relevance, the GPP is regularly updated in keeping with the evolving expectations of our stakeholders on matters pertaining to governance, environment and best practices. The GPP encompasses the following aspects of people management:

- 1 Recruitment and Selection
- 2 Learning and Development
- 3 Performance Management
- 4 Rewards and Remuneration
- 5 Talent Management and Succession Planning
- 6 Promotion
- 7 Mobility

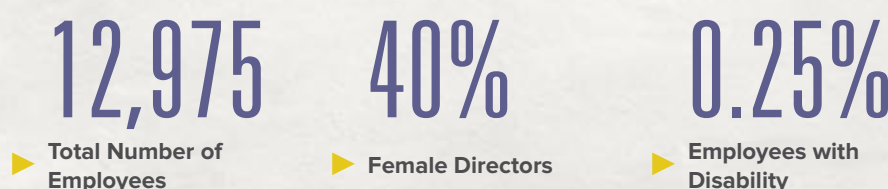
As per the GPP, Boustead Group and all its operating companies are committed to practising equal opportunity and anti-discrimination with regards to Human Capital policies, procedures, operations and practices. We prioritise inclusivity and treat all workers equally, regardless of colour, race, age, marital status, religion, ethnicity, nationality or gender. The GPP is aligned with our Code of Ethics and Compliance (CoEC) as well as our Anti-Bribery and Anti-Corruption policies, to ensure fair recruitment practices based solely on each candidate's merit with equal opportunity given to all.

We also maintain a zero-tolerance policy toward any form of harassment, which is strictly enforced across our organisation. We are proud to report that our firm adherence to our policies resulted in no reports of discrimination being filed Group-wide in 2022.

► Diversity & Inclusion Initiatives Undertaken by Divisions in 2022

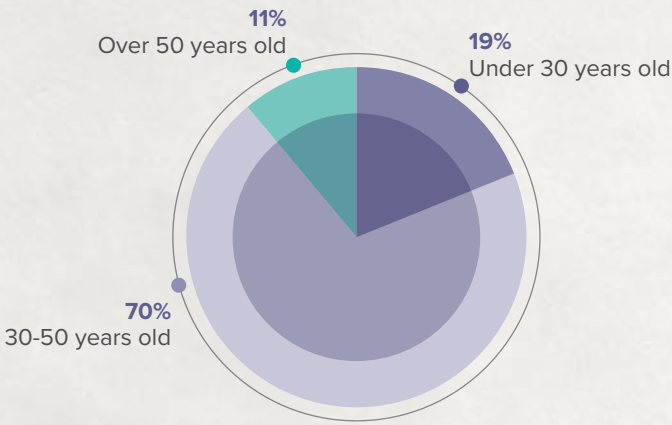
DIVISION	INITIATIVES
Property & Industrial	Boustead Hotels & Resorts Sdn Bhd <ul style="list-style-type: none"> Personal Development Plan (PDP)
Heavy Industries	Boustead Naval Shipyard <ul style="list-style-type: none"> Webinar on Gender Equality Today for a Sustainable Tomorrow: Shifting Mindsets, Behaviours and Practices for Enduring Change Confirmation
Trading, Finance & Investment	University of Nottingham Malaysia <ul style="list-style-type: none"> Diversity and Inclusion Virtual Learning for Managers

► Workforce Profile in 2022

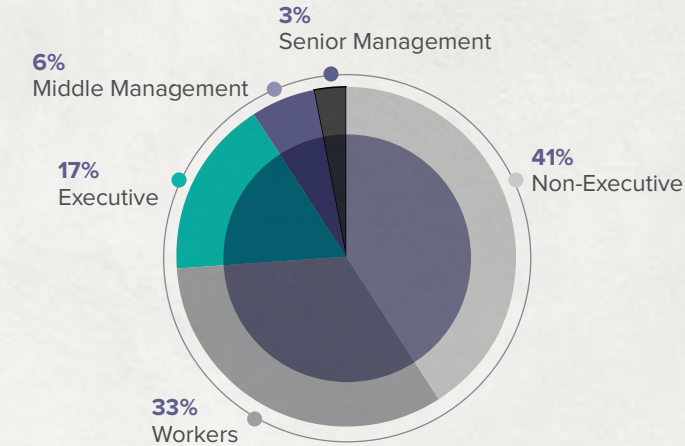


GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

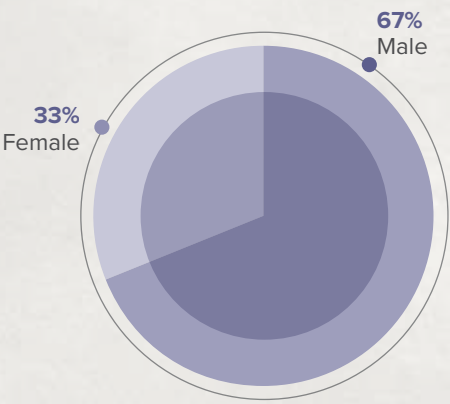
► Employee Age



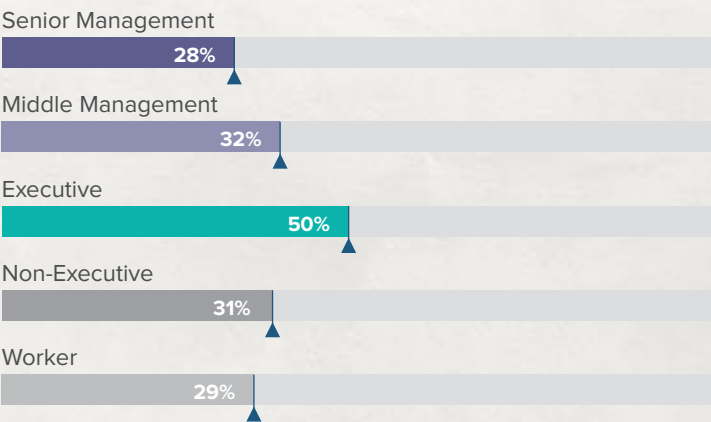
► Employee Level



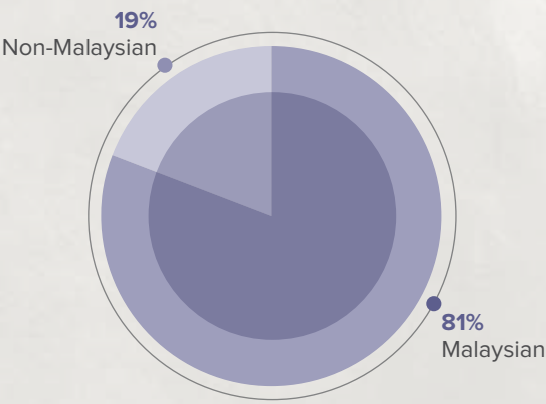
► Employee Gender



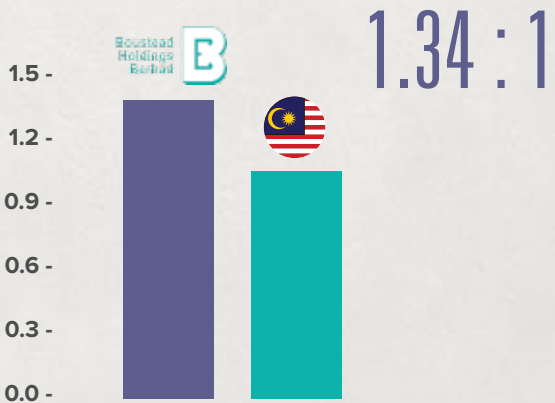
► Female Employees by Level



► Nationality



► Comparative Entry Level Salary for Non-Executive with National Minimum Wage



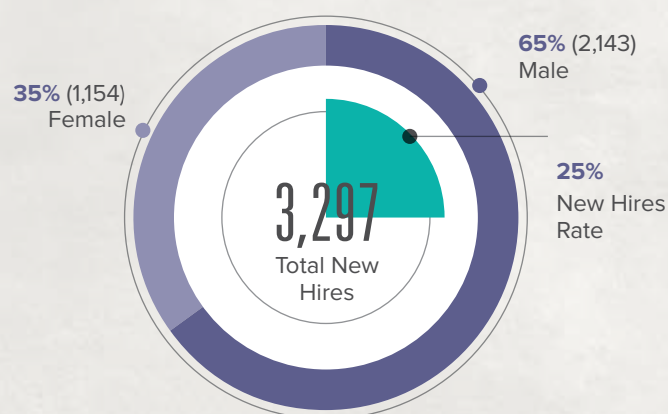
Employee Learning and Development

INDICATOR	2022
Total hours spent on formal training and development (hours)	183,880
Allocation for formal training and development (RM)	4.6 mil
In-house training (RM)	2.2 mil
External training (RM)	2.4 mil

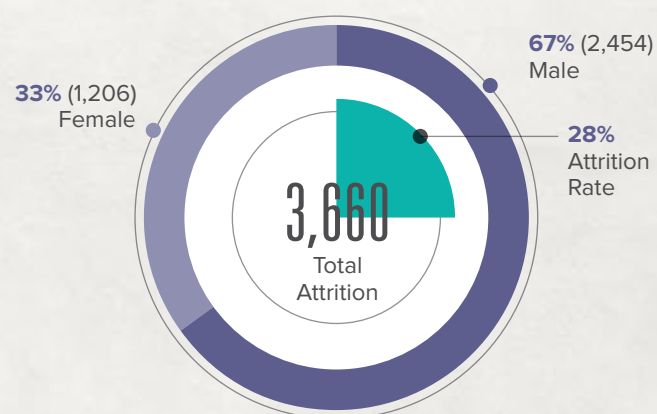
Average Hours Spent for Formal Training and Development Per Employee, by Employee Level

INDICATOR	2022
Senior Management (hours)	14
Middle Management (hours)	16
Executive (hours)	32
Non-Executive (hours)	10

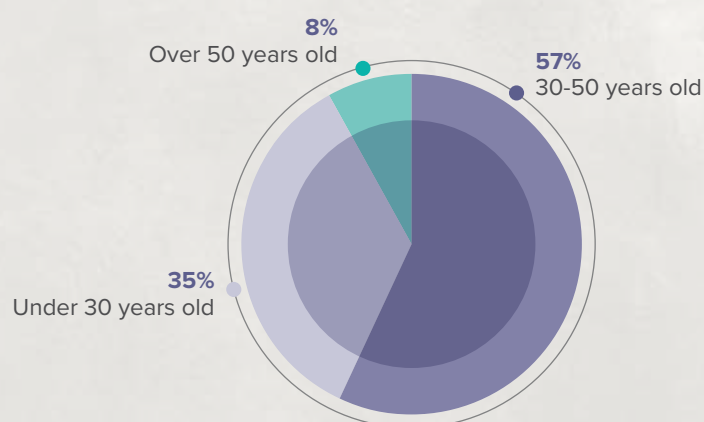
► New Hires



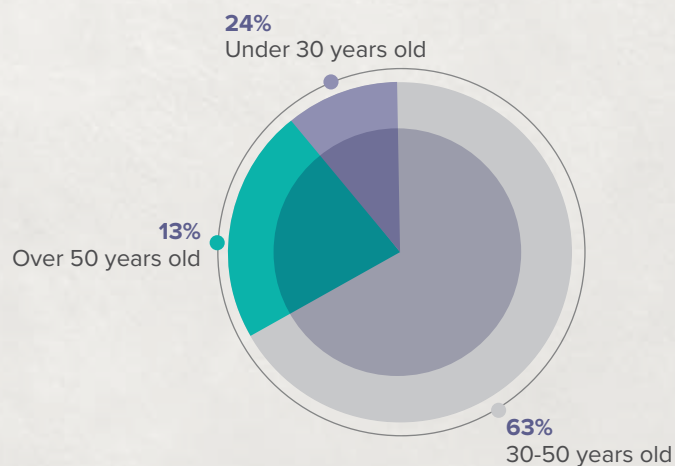
► Attrition



► New Hires by Age

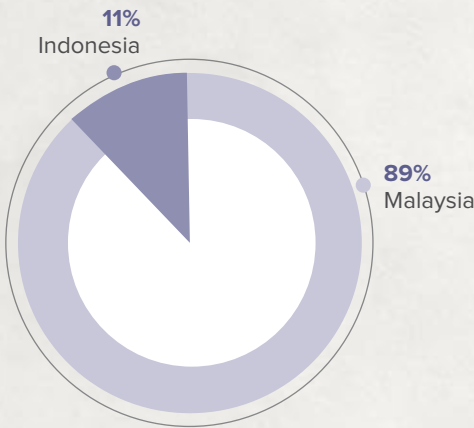


► Resignation by Age

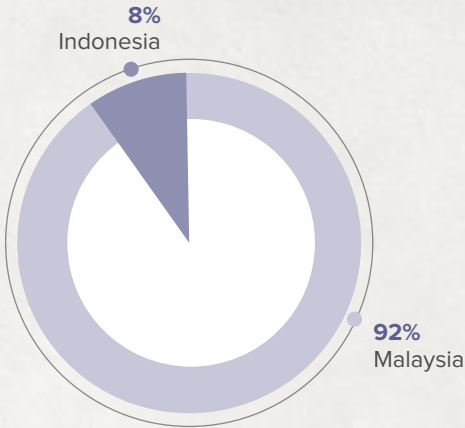


GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

► New Hires by Region



► Attrition by Region



TALENT MANAGEMENT

Talent management is a vital component of our success at Boustead. Understanding this, we aim to attract and retain the best talent by offering opportunities for personal and professional growth and ensuring that employees are satisfied and engaged in their work. By doing so, we hope to shape a high-performing workforce that can achieve our corporate goals.

The Executive Committee at Boustead oversees talent management, underscoring the significance we attach to attracting, developing and retaining top talent. To guarantee the efficacy of our talent

management strategies, we have adopted a comprehensive Talent Management Framework.

In 2020, we established a Talent Review Council to address talent management issues within the Group. This Council oversees our succession planning, leadership management, talent development and mobility, promotions and performance improvement. We have also set up a Group Human Resources Council with representatives from all five of the Group's Divisions to align our people strategies.

Talent Management Framework

Our Talent Management Framework has been structured with a focus on driving Bousteador 300 (B300), an initiative to identify and develop 300 talents from across the Group who will lead the 50 initiatives outlined under Reinventing Boustead strategy. The Framework is supported by the four pillars shown below:



In 2022, our B300 initiative made significant strides towards achieving our strategic objectives. Our identified talents continued to progress in accelerated personal development plans, which included cross-functional assignments and participation in mentoring and coaching programmes. To foster a culture of learning, innovation and continuous improvement, our B300 talents are encouraged to constantly engage with each other to share their knowledge, experience and expertise.

As part of our reinvention strategy, we also have top talents act as project leaders and assume a CEO-like role in managing key initiatives. Through our mini-CEO programme, these young leaders have a unique opportunity to cultivate their project management, business acumen, technical know-how and soft skills while improving their market orientation.

Established with the aim of supporting talent retainment, our Talent Reachout and Connect (TRAC) Programme allows us to engage with our B300 talents on a one-to-one basis, providing personalised support to help them fulfil their professional ambitions.

Our Talent Management Framework also supports smooth succession planning as follows:

- 1 Identify our human capital capacity and capability needs.
- 2 Define the experience, competencies and traits required for critical positions.
- 3 Identify potential successors to these positions and assess their readiness.
- 4 Develop each successor according to their plans.

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

Employee Learning and Development

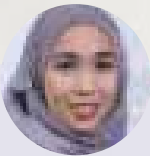
In keeping with our Reinventing Boustead strategy, we aim to empower Bousteadors with the leadership and technical proficiencies essential for us to realise our aspirations for the Group. We continued to organise training sessions in 2022 with the focus on reskilling and upskilling employees to enable them to contribute meaningfully towards our transition into a digitally driven and sustainability-focused business.

During the year, we provided both internal and external training opportunities through various channels such as online courses and classroom sessions. Programmes implemented include both soft skills training as well as the technical/functional and it training.

Apart from the continuous reskilling and upskilling training programmes we had successfully enhanced our Corporate Induction Programme for executives and non-executives and rolled out the BINTANG Programme, which consisted of namely the Leadership Development for Rising Talents (LDRT) and Accelerated Leadership Experience (ALE) to support the talent development needs of the B300.

The BINTANG Programme focused on the shift from 'Instructor-Centric' to 'Learner-Centric' experiences and environment leveraging on multi-mode learning delivery such as mini workshops, team action learning assignments, case studies, discussions, role playing and group coaching.

Some highlights of the participants' key takeaways are as follows:



I've learned a lot about the value of good communication skills and self-reflection. I realise how important it is for us to constantly strive to be better.

JUNIZA AZIZAN

*Assistant Vice-President, Group Secretarial
Boustead Holdings Berhad*



ALE was unlike any other programme I've participated in. It challenges you to consider your current organisational issues and how a leader should strive to effect organisational and societal change.

MADELINE YEONG

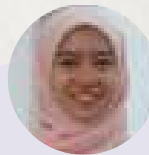
*Manager, Fleetcard Operations and Call Centre
Boustead Petroleum Marketing Sdn Bhd*



I went into this programme expecting a similar experience to other leadership sessions - but this was different. Interactions during the various sessions and assignments kept things lively and interactive, while also very beneficial.

MOHD IBRAHIM ARIF BIN ZAINUDDIN

*Manager,
Liquefied Petroleum Gas (LPG) Operations
Boustead Petroleum Marketing Sdn Bhd*



This programme pushed me out of my comfort zone. All sessions were meaningful. The sessions may seem theoretical; however, this programme has allowed me to reflect on myself and whether or not I have executed any initiatives to be an accelerated leader in Boustead.

MAZNI AQILAH MAHFUZ

*Manager, Strategic Planning Transformation
Boustead Plantations Berhad*

We had also initiated the plan to equip new and existing first-level managers with adequate skills as they transition from being team contributors to effective managers. This will be achieved through the implementation of the Managers Development Programme which is targeted to be rolled out in the first half of 2023.

Performance Appraisal

Our annual performance and career development appraisal is a critical process for evaluating the performance of our employees based on quantifiable targets set by line managers. The appraisal acts as a key communication channel between our management team and employees, promoting greater transparency and openness, while providing employees with an opportunity to receive constructive feedback, voice opinions and suggestions and identify training and development needs.

To cultivate a culture of high performance, we incentivise our employees with merit-based bonuses and promotions that are determined by their individual performance reviews. In line with our ongoing commitment to excellence, we are continuously seeking ways to improve our performance appraisal process. In the future, we will adopt a hybrid approach, combining the traditional balanced scorecard methodology with a collaborative goal-setting framework. In 2022, 43% of employees received regular performance and career development reviews.

Benefits

We are firmly committed to providing fair and competitive compensation packages that help us attract and retain top talent. To remain competitive, we regularly evaluate our salary and benefits offerings.

Furthermore, our Culture Transformation Programme outlines the critical elements of a high-performance, safe and respectful work environment that motivates our employees to deliver outstanding results while upholding our Boustead DNA. Key benefits offered to Bousteadors include:



Leave

Annual leave, maternity leave, medical and hospitalisation leave, examination leave, compassionate leave including marriage, paternity and calamity leave.



Medical

Group term life coverage, group personal accident coverage, medical coverage including general physician, dental care, specialist and hospitalisation treatments as well as health screenings.



Others

Private retirement scheme and housing loan interest subsidy scheme.

Employee Engagement

Building a sense of community and connectedness within the Group requires strong employee engagement. As a result, we have consistently upheld regular communications with our employees through a variety of channels, such as emails, newsletters, town hall meetings, on-the-ground engagement sessions as well as informal forums with top management. Complementing these social engagements are various festive celebrations as well as educational talks organised for the benefit of our employees. We also show our appreciation for all Bousteadors by providing awards for long service and good attendance, amongst others.



GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE



ENGAGEMENT INITIATIVES UNDERTAKEN BY DIVISIONS IN 2022

DIVISION	INITIATIVES
Property & Industrial	<p>UAC Berhad</p> <ul style="list-style-type: none"> Free KFC vouchers provided to all employees during their birthday months Best Attendance Allowance awarded to employees on a six-month period basis as follows: <ul style="list-style-type: none"> RM250 for employees with no sick leave RM150 for employees with 0.5 day to 2 days of sick leave Long Service Awards provided for employees who have been in service for 10, 20 and 30 years. Employees' Children Academic Excellence Award to employees' children who score excellent results in the Malaysian Certificate of Education (SPM), Malaysian Higher School Certificate (STPM) and Sijil Tinggi Agama Malaysia (STAM) examinations. Tertiary Employee Education Assistance Programme <p>Boustead Property Berhad</p> <ul style="list-style-type: none"> Virtual Majlis Bacaan Yassin & Doa Selamat every first Friday of the month Sembang Santai Bersama LHDN Financial Talk - Gandakan Wang Dengan KWSP Distribution of kurma & Hari Raya packet Hari Raya event Hari Raya Packet donation to LTAT veterans
Heavy Industries	<p>BHIC</p> <ul style="list-style-type: none"> KPJ Corporate Wellness Programme BDNC Berbuka Puasa 2022 Raya, Kaamatan and Gawai Dinner 2022 Talent Development Engagement for joint venture companies and subsidiaries, namely BDNC and BSES <p>BHICAS</p> <ul style="list-style-type: none"> Sport & Recreational Club activities
Trading, Finance & Investment	<p>BPM</p> <ul style="list-style-type: none"> Quarterly townhall sessions Sports Day event Human Resources Open Day Rumah Terbuka BHPetrol event <p>Boustead Credit</p> <ul style="list-style-type: none"> Bowling Tournament Hari Raya event <p>Boustead Holdings Berhad</p> <ul style="list-style-type: none"> BHB Raya Open House Bollywood Dance Programme Bousteador300 Engagement Session Program Wira Negara: A sharing session with 2 army veterans in conjunction with Malaysia Day "Agar Kerjaku Diberkati" a talk held in remembrance of the sacrifices of Prop Muhammad SAW Treasure Hunt and dinner Health Day in collaboration with PMCare Bowling Tournament Meal Subsidy for 64 employees who fall under the B40 group (RM30 per working day to cover breakfast, lunch and dinner)

Labour Practices

To ensure the protection of our employees' rights, we adhere to all relevant labour laws and regulations throughout our operations. This includes Malaysia's Employment Act of 1955, the labour standards outlined in the Universal Declaration of Human Rights and the core conventions of the International Labour Organization (ILO), which address fair hiring practices, working hours, freedom of association, collective bargaining, as well as protection against harassment and discrimination.

Demonstrating our dedication to fair labour practices, we have established the Group's CoEC and whistle-blower channels, through which employees are able to report any incident of non-compliance with labour laws and regulations in a safe and private manner. Additionally, we are pleased to report that in 2022, the Group recorded zero incidence of non-compliance with employment and labour practices.

Collective Bargaining and Freedom of Association

We fully support the right of our employees to exercise their freedom of association and collective bargaining in compliance with the Trade Union Act 1959 and Industrial Relations Act 1967 in Malaysia. As such, we do not restrict or discourage our workers from choosing their representatives freely. Demonstrating this, we have a collective bargaining agreement in place with our employees currently represented by the National Union of Commercial Workers (NUCW).

We review our Collective Agreements (CA) with unions every three years to address matters such as wages and fair treatment. Meanwhile, weekly and quarterly meetings are also held between management and union representatives across all our operations.

In 2022, we did not have any identified operations, suppliers or subsidiaries in which workers' rights to exercise freedom of association or collective bargaining was violated or at significant risk of violation. Currently, 11% of our employees are covered under the unions and collective bargaining. Employees that are not covered under CA agreements are protected by their employment contract and subject to office rules and regulations.

Foreign Workers' Rights and Forced Labour

To meet its labour-intensive needs, our Plantation Division hires a sizeable number of foreign workers. In accordance with its Human Rights Policy and Foreign Workers Policy, the Division ensures that these workers are well-managed to protect their rights. Complementing these policies is a centralised specialist squad dedicated to resolving issues involving foreign workers.

Standard Housing and Amenities

The Group ensures that the welfare of our employees is protected by offering appropriate housing with high-quality amenities in accordance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990.

- All housing units possess clinics, recreational facilities, places of worship and retail shops that sell essential supplies at discounted prices.
- Free electricity, clean water supply and proper waste and sewage management systems are provided at all living quarters.
- Weekly housing inspections are conducted to address any complaints and monitor any unreported problems.
- Regular upkeep and improvement projects are carried out as needed.
- Fogging conducted to prevent mosquito-borne diseases.
- Auxiliary police are in place to ensure the safety of our employees.

Boustead Plantation in collaboration with Borneo Child Aid society, established a number of Humana Schools and Community Learning Centre (CLC) to cater for immigrant children irrespective of their country of origin. Both schools cater to our estates and mills in East Malaysia. For remote estates and mills in Peninsular Malaysia, pre-schools are established in collaboration with KEMAS. Apart from education, we also provide a basic healthcare estate clinic for our workforce and the surrounding communities where qualified personnel are employed to man the clinic.

Forced Labour and Modern Slavery

As a responsible employer, we aim to bring about meaningful change in the palm oil industry by working to eliminate human trafficking, forced labour and modern slavery within and beyond our operations, with suppliers throughout our value chain required to abide by local laws and regulations on forced labour, excessive working hours and health and safety standards.

In order to prevent any violations of the rights of foreign employees at any stage of the hiring process, the Group ensures ethical recruitment including hiring workers directly through our centralised recruitment system. This allows us to reduce reliance on recruiters while promoting a more efficient hiring process.

In cases where the use of recruitment agents is necessary, we ensure that our foreign employees are not subjected to recruitment fees or contract substitutions. Recruitment agents must also provide foreign workers with specific information, such as the terms of their employment contract, job description, minimum wage offered, as well as information on living expenses, transportation costs and housing. Additionally, the Group ensures that every foreign worker receives a copy of their signed employment contract. Additionally, the management only holds the passports of foreign employees with their written permission and they are able to retrieve their passports freely.

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

As part of our mission to end forced labour, all our employees undertake work voluntarily and there is no forced overtime or penalties imposed should they wish to resign. Additionally, we vehemently oppose debt bondage and withholding of wages. As such, foreign employees are given detailed pay slips and at least a day of rest each week. All workers are also protected by the Foreign Workmen Compensation Scheme, which is a general insurance policy that covers injuries and fatalities.

Child Labour

We are firmly against any form of child labour, in accordance with Malaysia's Children and Young Persons (Employment) Act 1996. For the purpose of preventing child labour in our mills and farms, our Plantation Division has its own Child Protection Policy, which is also communicated to our suppliers, as well included in agreements.

Fair Wages

In keeping with our "equal work, equal pay" strategy, all our employees are fairly and adequately compensated for their work with no discrimination based on gender, ethnicity, nationality or background. We also provide our workers with a wide variety of allowances, incentives, bonuses, overtime and other benefits while adhering to the Malaysian Government's minimum wage policy. To ensure fair wages are implemented throughout our supply chain, we also require our suppliers to adhere to municipal minimum wage laws.

SAFETY & HEALTH

Our top priority at Boustead is ensuring the health and safety of our employees. We are dedicated to continuously improving our procedures and systems to protect the well-being of everyone involved in our operations, both directly and indirectly. In tandem, we are committed to cultivating a safety culture in which every individual takes responsibility for their own safety and the safety of others.

Safety & Health Management

Given the various safety risks that our employees face at work every day, we believe we have a duty to ensure that our operations run in a manner that safeguards their safety and health. This is achieved with the support of the Sustainability Committee, which is responsible for managing our safety and health performance. Boustead Holdings Berhad has established a formal joint management-worker health and safety committee named Boustead Occupational Safety and Health (BOSH) Committee. In 2022, BHB held 2 BOSH Committee meetings in August and October.

BOSH Objectives

1. To foster cooperation and consultation between management and workers in identifying, evaluating and controlling hazards at workplace.
2. To be an effective channel of communication to exchange ideas to solve OSH problem.
3. To enhance interest and motivation of all groups of management and workers at place of work in safety and health.

BOSH Member Duties

- Attend all BOSH meetings.
- Report unsafe condition and practices.
- Report all accidents, illness and death investigation.
- Contributed ideas and suggestion for improvement of safety.
- Promotes and influence others to work safely.
- Make or assist in inspection at workplace.

Our divisional safety and health policies are modelled after our Group Safety and Health Policy, which outlines our commitment to ensuring the safety and health of our people, alongside the role of our workers in this matter. Centred on ILO and Malaysia's Department of Occupational Safety and Health (DOSH) guidelines, the policy ensures that we abide by the Occupational Safety and Health (OSH) Act of 1994. Further ensuring compliance, we have in place 13 certified safety officers, who oversee safety and health management.

We have the guidelines and SOPs for employees to report work-related hazards and hazardous situations, and an explanation within the policy of how workers are protected against reprisals.

Employees can participate in consultation for the development, implementation, and communication of relevant information on occupational health and safety. All staff to communicate with the committee's members through an online platform for matters such as near-miss accidents, accidents in the workplace, new hazards in the workplace, and suggestions for accident reporting improvement. Reflecting our standards in safety and health, all Pharmaniaga's manufacturing, logistics and distribution subsidiaries, including Boustead Naval Shipyard Sdn Bhd, Boustead DCNS Naval Corporation Sdn Bhd and UAC Berhad, have transitioned to the ISO 45001:2018 OSH management system. In addition, some of our other business units are also OSHAS 18001:2007 certified.

Safety & Health Performance

In 2022, we recorded 4.99 Group-wide LTIFR. We also saw our total number of lost days decreased to 2,100 from 7,270 in 2021.

We are pleased to report that during the year under review, we recorded zero safety and health non-compliance cases resulting in significant fines or non-monetary sanctions.

DIVISION	NUMBER OF ACCIDENTS	LTIFR
Plantation	385	6.73
Property & Industrial	15	2.63
Pharmaceutical	14	2.97
Heavy Industries	15	2.44
Trading, Finance and Investment	11	1.54

Note: LTIFR = Lost time injury accident/ total man-hours worked x 1,000,000

For Pharmaniaga, we make every effort to comply with the relevant laws, regulations and other standards while remaining guided by our Environmental, Health and Safety (EHS) Policy and SHE-Q policy, which are both accessible on our corporate website.

Various on-site safety trainings covering safety awareness, first aid along with the proper handling of equipment and chemicals was conducted for 5,340 number of participants across 168 different of training sessions cumulatively across all divisions.

The following is a list of initiatives done by the respecting divisions in promoting health and safety.



HEAVY INDUSTRIES

Boustead Naval Shipyard

- HSE Weekly HSE briefing for operation staff
- HSE Safety Induction for new staff
- HSE Mainboard Committee Meeting Quarterly
- HSE Mainboard Committee Walkaround Quarterly
- HSE Quarterly inspection for Acetylene and Oxygen hoses, Electrical Equipment, Lifting Equipment (color coding) & Safety Harness"



TRADING, FINANCE & INVESTMENT

- Electronic platform within Boustead Occupational Safety and Health (BOSH) Sharepoint to report accidents, near miss, unsafe act, and unsafe condition in the workplace and provide suggestions for improvement to BOSH Committee official email
- Provided direct communication channel with the BOSH Committee members or Sub-Committee in respective departments to raise critical concerns



PLANTATIONS

Boustead Plantations

- **Health Awareness Campaign**
 - Health Talk (Nak Sihat, Produktiviti Hebat)
 - Centralised Medical Health Check Up for HQ personnel
- **Promoting Vaccination**
 - Mass Vaccination Programme at Loagan Bunut Business Unit, Sarawak
 - Program pemberian vaksin dos penggalak COVID-19 at segaria business unit, sabah
 - Awareness on sexual harassment
 - Blood donation programme

GOAL 4: CREATING A SUSTAINABLE AND HIGH-PERFORMING WORKFORCE

Workplace Safety Programmes

We run a variety of safety and health programmes for our workers throughout the year to foster a culture of safety and our certified safety officers actively organise safety training sessions that enhance employee knowledge and abilities with regional agencies like DOSH. To ensure safety and health standard are maintained throughout our operations, we also require all our business partners and vendors to comply with our Safety and Health Policy.

Safeguarding Employee Well-being

We strive to support health and well-being of employees as we believe these are paramount to our employees' productivity. Reflecting this, we invest significantly in Bousteadors' physical and mental well-being by equipping our workplaces with gymnasiums, providing free medical services through clinics located within our estates and mills, as well as organising talks on mental health and well-being.

Safety and Health Initiatives Undertaken by Divisions in 2022.

DIVISION	INITIATIVES
Property & Industrial	UAC Berhad <ul style="list-style-type: none"> Sports activities through Sports Club
Heavy Industries	Health awareness campaign <ul style="list-style-type: none"> Health talk - "Nak Sihat, Produktiviti Hebat" on 11th February 2022 Centralised medical health check up for HQ personnel on 27th July 2022 Promoting Vaccination <ul style="list-style-type: none"> Mass vaccination programme at Logan Bunut Business Unit, Sarawak COVID-19 Booster Dose Vaccination Programme at Segaria Business Unit, Sabah Boustead Naval Shipyard <ul style="list-style-type: none"> Health, safety and environment (HSE) Weekly Briefing for operations staff HSE Safety Induction for new staff. Quarterly HSE Mainboard Committee meetings Quarterly HSE Mainboard Committee walkarounds Quarterly HSE inspection for acetylene and oxygen hoses, electrical equipment, lifting equipment and safety harnesses <p>Awareness programme on sexual harassment</p> <p>Blood donation programme</p>
Trading, Finance & Investment	Boustead Holdings Berhad <ul style="list-style-type: none"> Kelab Sukan Boustead (KSB) PMCare health insurance COVID-19 test kits provided on a weekly basis Gym membership discount University of Nottingham Malaysia <ul style="list-style-type: none"> New staff induction Provision of gym and fitness sessions on campus
Pharmaceutical	Pharmaniaga <ul style="list-style-type: none"> The Division reported that there is no major accidents recorded across their operations in 2022 The Division maintained the ISO 45001:2018 Occupational Health and Safety Management Systems for Manufacturing and Logistics & Distribution arms Adherence to relevant laws, regulations and other standards while remaining guided by its Environmental, Health and Safety (EHS) Policy and SHE-Q policy



CORE 4: GOVERNANCE

GOAL 5

ACTING WITH INTEGRITY

At Boustead, we consider integrity to be a fundamental principle that underpins our business practices. With the goal of fostering positive, productive and trust-based relationships with our stakeholders, we strive to establish a corporate culture in which all in Boustead act honestly and with integrity at all times.



BUSINESS ETHICS & CORPORATE GOVERNANCE

Our Board of Directors hold the responsibility of overseeing corporate governance to ensure the highest standards of accountability and integrity are upheld throughout the Group. Concurrently, we safeguard the interests of all our stakeholders, particularly our shareholders, by adhering to the Securities Commission Malaysia's Malaysian Code on Corporate Governance (MCCG).

The Group Integrity and Governance Department (GIG) was established in 2019 as part of our proactive steps to reinforce our commitment to ethical business practices. Importantly, this supports our goal of fostering a culture of integrity and zero-tolerance towards corruption throughout the organisation. Through GIG, we are able to manage any reported incidents of corruption, abuse of power, malpractice or violation of our code of ethics and to investigate each of these reports thoroughly. We take these allegations seriously and take the necessary actions to ensure compliance with our ethical standards.



Additionally, GIG spearheads the implementation of Boustead's ISO 37001:2016 Anti-Bribery Management Systems (ABMS) Certification. A Certified Integrity Officer (CeIO), recognised by the Malaysian Anti-Corruption Academy (MACA), serves as the Head of GIG and is accountable to the Board Audit Committee.

For more information on our Corporate Governance, please refer to the Corporate Governance Overview Statement on page 126 to 141 of this IR.

Our Policies

We have established a range of policies to ensure Bousteadors uphold the highest standard of ethics, transparency and integrity in our business. This includes:



Code of Ethics and Conduct (CoEC)

The Group's ethical practices are guided by the CoEC, which comprises our beliefs, principles and directives. Through our established policies such as the Group People Policy, Workplace Bullying Policy, Sexual Harassment Policy and Employee Grievance Procedure, we mitigate issues such as sexual harassment, bullying, conflicts of interest, illegal gratification, business courtesy, confidentiality, financial integrity, alongside environment, health and safety concerns.

To ensure the CoEC is consistently upheld by all Bousteadors, new hires are required to undergo training and pledge to abide by the CoEC during onboarding as well as renew their commitment every two years. The Code is also reviewed periodically by the Board to ensure its continued relevance.



Anti-Bribery and Corruption Policy

To adhere to the Guidelines on Adequate Procedures and the requirements of ISO 37001:2016 ABMS, the Group established the Anti-Bribery and Corruption (ABAC) Policy in September 2020.



No-Gift Policy

In 2019, Boustead implemented the No-Gift Policy to ensure that all directors, employees, contractors, agents and representatives perform their duties in a just and unbiased manner.



Whistleblowing Policy

The Group's Whistleblowing Policy enables employees to confidentially report any improper conduct within the Group, such as bribery, abuse of power, fraud or sexual harassment. As part of this policy, we have established a dedicated whistleblowing channel for stakeholders to report any relevant breaches of laws and regulations and Boustead's CoEC. Developed based on MACC guidelines as well as the requirements of ISO 37001:2016 ABMS, the whistleblowing mechanism is reviewed annually and improved by the Audit Committee as necessary to ensure continued relevance to business requirements and legislations. The mechanism's effectiveness is also reported to the Board on a quarterly basis and to the MACC biannually with any lapses immediately addressed.

GOAL 5: ACTING WITH INTEGRITY

In 2022, a total of 14 complaints were filed via the whistleblowing channel. All complaints were investigated and necessary action was taken. All criminal offences, if any, will be escalated to the relevant authorities. Internal and external stakeholders can contact the GIG for advice or to report any concerns.

Whistleblowing channels available:

Hotline : 1-800-88-2040

E-form : www.boustead.com.my

Email : alert@boustead.com.my

Write to: Head of Group Integrity & Governance (GIG),
Level 7, The Bousteador
10, Jalan PJU 7/6
Mutiar Damansara
47800 Petaling Jaya, Selangor
Malaysia

In line with the Group's aim of enhancing ethics, transparency and integrity, any failure to observe and comply with laws, by-laws, regulations, rules and contractual terms are treated as significant incidences of non-compliance. In 2022, we recorded zero incidents of anti-competitive behaviour, anti-trust and monopoly practices, as well as zero incidents of human rights violations and discrimination in Boustead. As a result of the Group's strict adherence to its ethics and integrity policies, Boustead did not receive any financial or in-kind political contributions during the year, whether directly or indirectly. Boustead also does not receive any financial assistance from any government ministry.

About The ABMS

The ISO 37001:2016 ABMS certification attests to BHB's implementation of global integrity and governance best practices, such as enforcement of anti-bribery policies and procedures, conduct corruption risk assessments and year-round integrity strengthening programmes.

In 2022, the Group obtained the ISO 37001:2016 ABMS certification for 5 business units. This further accentuates the Group's commitment towards becoming the beacon of integrity standards among GLCs.

For more information on our policies, abuse of power, fraud or sexual harassment, please refer to our corporate website, www.boustead.com.my/integrity

Communicating Boustead's Ethics & Integrity Policies

The Group places a high priority on ethics and integrity and ensures that all employees are aware of the Group's relevant policies, including the CoEC, by communicating them through various channels such as email blasts, amongst others.

Alongside emails, new and amended policies are introduced through training sessions with refreshers organised subsequently. Reflecting this, in 2022, we organised a total of 30 training sessions on ethics and integrity, attended by 2,439 participants with a focus on understanding BHB's CoEC, BHB's Anti-Bribery Policies and Procedures, as well as Section 17A Corporate Liability Provision of the MACC Act. In addition, our integrity personnel also received external training for CeO and ABMS Internal Audit.

Corruption Risk Assessment (CRA)

The Group's internal and external corruption risks, including risks of bribery, embezzlement, fraud, theft and indiscretion can be identified, analysed, assessed and prioritised by implementing the CRA, a diagnostic technique integrated into ABMS. Through the CRA, we are also able to create risk registries, risk action plans and corruption risk profiles.

Significant risks related to corruption identified through the risk assessment include abuse of position or office; accepting and providing gratification; false claim intended to deceive principal.



Related Activities Undertaken By Divisions In 2022

Plantation

- Completed establishment of an Integrity Department in November 2022. Obtained ABMS Certificate for Oil Palm Plantation (Estate and Mill) Operations and its Corporate Services with certificate no. ABMS 00272.
- Initiated ABMS Audit in 2022.
- Implemented ABAC Policy across estates and mills
- Implemented Integrity Pledge by the Board of Directors on August 30, 2022, followed by top management, Heads of Departments and staff at headquarters, estates and mills

Property & Industrial

- Conducted CRA
- Implemented Integrity Pledge signing for employees
- Conducted knowledge sharing sessions on the Group's policies to new recruits during onboarding
- Internal knowledge sharing sessions on ABAC, Whistleblowing & No-Gift Policy by monthly email postings

Pharmaceutical

- A dedicated CeIO to lead and manage integrity related matters
- Conducted CRA and ABMS internal audits
- Pharmaniaga Research Centre Sdn Bhd and Pharmaniaga Logistics and Distribution maintained ABMS certifications which were obtained in 2021 and 2019 respectively
- PLSB implemented ABMS across 100% of its operations and Pharmaniaga Manufacturing Division implemented ABMS across 60% of its operations including Bangi, Seri Iskandar and Sungai Petani plants
- Continuous improvement of internal management systems across other Divisions


Heavy Industries

- Maintained ABMS certification for Boustead DCNS Naval Corporation Sdn Bhd (BDNC)
- Internal knowledge sharing sessions on best practices on integrity risk management

Trading, Finance & Investment

- **University of Nottingham Malaysia**
 - Established a governance team in UNIM to further strengthen institutional governance and assurance
 - Expansion of Governance Office in UNIM to improve the consistency and transparency of policies, operations and processes, as well as ensure appropriate compliance with reporting requirements
 - UNIM's degree programme is accredited by the Malaysian Qualifications Agency (MQA) and recognised by the Malaysian Government, while teaching and learning are governed by Quality Manual
- Established the Collective Bargaining Agreement covering Boustead Holdings, Boustead Global Risk Solution, Boustead Shipping Agencies and Boustead Travel as well as 45 subordinate employees and 12 union members
- Shared integrity, anti-bribery and corruption awareness circulars covering 35 topics throughout the year
- Maintained Boustead's Online Gift Declaration
- Implemented Integrity Pledge signing for employees
- Obtained ABMS certification
- Increased the number of CeIOs and certified ABMS lead auditors to lead and manage integrity-related matters

SUMMARY OF SUSTAINABILITY PERFORMANCE

 ECONOMIC				
INDICATOR	2020	2021	2022	REMARKS
Economic & Business Performance (RM mil)				
Direct economic value generated	7,881.0	11,305.5	15,109.2	
Operating expenses	7,164.7	9,455.8	13,520.4	
Staff costs	749.4	736.9	806.3	
Payment of finance costs	387.2	352.1	336.6	
Payment of tax to government	80.4	281.5	316.9	
Economic Value Distributed	8,381.7	10,826.3	14,980.2	
Economic Value Retained	500.7	479.32	129.0	
Quality and Customer Satisfaction				
Plantation				
No. of mills certified with ISO 9001 : 2015	9	9	10	
Property				
Average Tenant Satisfaction Rate (%)	76.7	77.8	78.5	
Pharmaceutical				
No. of business units certified with ISO 9001:2015	7	7	9	
No. of non-compliance incidents related to product safety, marketing and labelling	0	0	0	
Customer Satisfaction Rate (MoH) (%)	97	98	98	
Customer Satisfaction Rate (MoHE)(%)	96	96	100	
Compliance to MoH Performance Standards rate (%)	99.6	99.3	98.7	
Heavy Industries				
No. of business units certified with ISO 9001:2015	9	9	7	2 business units hold recertification
Property and Industrial				
No. of business units certified with ISO 9001:2015 - UAC	N/A	1	1	2021 figure was restated as per internal audit
Sustainability-oriented Products and Services				
Plantation				
CSPO produced (MT)	136,432	133,936	126,723	2021 figure was restated due to discrepancy and reconciliation of our Mass Balance Records at our MB Mills (RSPO Certification Supply Chain Model)



ECONOMIC (Cont.)

INDICATOR	2020	2021	2022	REMARKS
Areas certified with MSPO (ha)	98,212	97,961	97,152	Reduced because Balau Estate it is no longer operates as an oil palm estate and being reserved for future development
Areas certified with RSPO (ha)	39,453	39,450	38,640	
Pharmaceutical				
New products registered	44	45	38	
Independent pharmacies participating in RoyalePharma Alliance Programme	319	347	363	The number of Alliances for 2020 and 2021 were revised as the scope for data is only for active vendors
Industrial (million standard metre)				
Sustainability-certified fibre cement boards produced	23.2	26.8	27.8	



ENVIRONMENT

INDICATOR	2020	2021	2022	REMARKS
GHG and Climate Change (tCO₂-e)				
Total Absolute Emissions (Scope 1 + Scope 2)	1,104,044.50	1,054,042.70	989,599.58	
Scope 1 emission	989,304.50	959,951.70	882,172.89	
Scope 2 emission	114,740.00	94,091.00	107,426.69	
Breakdown Scope 1 by Division (tCO₂-e)				
Plantation	971,820.73	939,315.15	860,919.62	
Property & Industrial	10,696.45	13,620.76	14,298.22	
Pharmaceutical	6,246.31	6,442.16	6,044.78	
Heavy Industries	448.76	323.53	700.01	
Trading, Finance and Investment	92.25	250.07	210.27	
Breakdown Scope 2 by Division (tCO₂-e)				
Plantation	1,010.81	1,161.28	2,332.49	Due to improvement in data collection method across all business units
Property & Industrial	67,328.75	57,231.97	64,730.03	
Pharmaceutical	30,651.27	28,365.22	25,049.72	
Heavy Industries	6,917.57	6,099.28	6,756.77	

SUMMARY OF SUSTAINABILITY PERFORMANCE



ENVIRONMENT (Cont.)

INDICATOR	2020	2021	2022	REMARKS
Trading, Finance and Investment	8,831.63	1,233.28	8,557.67	UNIM was included in GHG emission for 2020 and 2022. Please note that at the time of IR 2021 preparation, UNIM was in the midst of a planned divestment exercise.
Breakdown by Sources (tCO₂-e)				
Land conversion (applicable for Plantation)	697,960.20	678,411.70	725,022.42	Due to massive replanting activities at estates
POME palm oil mill effluent (applicable for Plantation)	187,175.20	147,634.40	79,739.20	Due to desludging process, the effluents was treated at treatment ponds to reduce contaminants and applied in field as land irrigation
Purchased electricity	114,740.00	94,091.00	107,426.69	UNIM was included in GHG emission for 2020 and 2022. Please note that at the time of IR 2021 preparation, UNIM was in the midst of a planned divestment exercise.
Heavy goods vehicles and field fuel consumption	26,877.00	37,823.80	17,256.64	Due to reduction of diesel used for estate machineries at Plantation.
Fertiliser application (applicable for Plantation)	24,870.20	36,970.00	19,149.49	The fertiliser application rate has been decreased as a result of the substantial precipitation received and disposal of Kulai Young estate.
Peat Emissions (applicable for Plantation)	20,189.80	26,634.00	19,991.62	Due to the commitment of Plantation Division to no deforestation and no new planting on peat.
Boilers	13,596.80	17,094.50	16,320.68	According to the GHG Protocol, emissions from biomass burning in boilers are considered biogenic, meaning they originate from recently living organic material, and are therefore not accounted for in greenhouse gas emissions calculations.
Electricity generation	14,169.30	11,332.70	31.32	Plantation does not capture the diesel data for electricity generation. Total fuel consumption is calculated under field fuel consumption. For 2022, data from UNIM was included.



ENVIRONMENT (Cont.)

INDICATOR	2020	2021	2022	REMARKS
Cars, motorcycle, light goods vehicles	1,887.90	2,122.80	2,382.47	For 2022, data from UNIM was included. In 2021, there was low operation at Hotels and Resorts due to Covid-19.
Agricultural and heavy machineries	1,141.80	1,091.00	1,213.35	
Fugitive refrigerants	1,024.80	788.8	794.32	
Welding & oxygen-cutting and stoves	411.7	48.2	271.39	
Breakdown by Division (tCO ₂ -e)				
Plantation	972,831.50	940,476.40	863,252.11	UNIM was included in GHG emission for 2020 and 2022. Please note that at the time of IR 2021 preparation, UNIM was in the midst of a planned divestment exercise.
Property & Industrial	78,025.20	70,852.70	79,028.25	
Pharmaceutical	36,897.60	34,807.40	31,094.50	
Heavy Industries	7,366.30	6,422.80	7,456.77	
Trading, Finance and Investment	8,923.90	1,483.40	8,767.95	
Emission intensity				
Estates (tCO ₂ -e /MT Fresh Fruit Bunches Produced)	0.92	0.87	0.028	Damansara Entertainment Centre has no operation and was under redevelopment in 2022. As per internal audit, the actual emission intensity is 0.0039 tCO2-e/ Sqft of Built-Up Area compared to 0.0036 tCO2- e/ Sqft of Built-Up Area disclosed in IR2021.
Mills (PK) (tCO ₂ -e/MT CPO/Palm Kernel Produced)	0.764	0.62	0.45	
Hotels & Resorts (tCO ₂ -e/Rooms Sold)	0.095	0.069	0.063	
Property Management (tCO ₂ -e/Sqft of Built Up Area)	0.034	0.027	0.005	
Boustead Curve (tCO ₂ -e/Sqft of Built Up Area)	0.0040	0.0039	0.0002	
UAC Berhad (tCO ₂ -e/Standard Metre of Fibre Cement Board Manufactured)	0.0013	0.0015	0.0014	
Pharmaniaga (tCO ₂ -e/RM million revenue)	13.54	7.23	8.86	

SUMMARY OF SUSTAINABILITY PERFORMANCE



ENVIRONMENT (Cont.)

INDICATOR	2020	2021	2022	REMARKS	
Heavy Industries (tCO ₂ -e/RM million revenue)	49	43	36		
Boustead Petroleum Marketing Sdn Bhd (tCO ₂ - e/Metric Tonne of Petroleum Sold)	0.002	0.0018	0.0015		
Boustead Group (tCO ₂ -e/RM million revenue)	140.1	93.2	65.5		
Resource Efficiency and Pollution Prevention					
Waste Generated (MT)					
Total weight of waste	285,524	1,529	276,441	In 2021, the non-hazardous waste data was not disclosed.	
Hazardous Waste	1,032	755	838		
Non-Hazardous Waste	284,343	N/A	275,603		
Hazardous Waste					
Non-compliance incidents related to hazardous waste resulting in significant fines or non-monetary sanctions	0	0	0		
Breakdown of Hazardous Waste by Division (MT)					
Plantation	74	102	132		
Property & Industrial	42	22	32		
Pharmaceutical	323	151	300		
Heavy Industries	544	427	322		
Trading, Finance and Investment	50	54	52		
Non-Hazardous Waste					
Non-compliance incidents related to non-hazardous waste resulting in significant fines or non-monetary sanctions	0	0	0		
Breakdown of Non-Hazardous Waste by Division (MT)					
Plantation	254,360	N/A	242,075	Non-hazardous waste and empty fruit bunches.	
Property & Industrial	29,285	N/A	32,978	Restatement for 2020, Pharmaceutical Division does not monitor non-hazardous waste generated.	
Pharmaceutical	N/A	N/A	N/A		
Heavy Industries	325	N/A	56		
Scrap metal (mixed scrap) at BNS is pending for disposal since 2021 due to low volume of left over of metal used by projects. The tender process for scrap metal disposal started on Nov- 22 until Dec-22. Further, Sales Order has been raised to scrap dealer in Jan-23. However due to constrain of transport by the scrap dealer, the scrap metal disposal process accomplished in Feb-23.					



ENVIRONMENT (Cont.)

INDICATOR	2020	2021	2022	REMARKS
Trading, Finance and Investment	373	N/A	494	
Waste Diverted from Disposal (MT)				
Total weight of waste diverted from disposal	687	N/A	10,330	
Hazardous Waste	687	N/A	7,405	
Non-Hazardous Waste	N/A	N/A	2,925	
Breakdown of Hazardous Waste diverted from disposal by recovery method (MT)				
Reuse	10	N/A	N/A	
Recycling	15	N/A	57	
Composting	1	N/A	9	
Recovery (including energy recovery)	190	N/A	7,143	
On-site storage	471	N/A	196	
Breakdown of Non-Hazardous Waste diverted from disposal by recovery method (MT)				
Reuse	N/A	N/A	751	
Recycling	N/A	N/A	2,084	
Composting	N/A	N/A	90	
Waste Directed to Disposal (MT)				
Total weight of waste directed to disposal	347	N/A	30,943	
Hazardous Waste	347	N/A	370	
Non-Hazardous Waste	N/A	N/A	30,573	
Breakdown of Hazardous Waste directed to disposal by recovery method (MT)				
Incineration (mass burn)	267	N/A	303	
Landfill	75	N/A	65	
Solidification	5	N/A	2	
Breakdown of Non-Hazardous Waste directed to disposal by recovery method (MT)				
Landfill	N/A	N/A	30,573	
Emissions				
Non-compliance incidents related to air emissions resulting in significant fines or non-monetary sanctions	0	0	0	
Wastewater discharge				
Non-compliance incidents related to wastewater discharge resulting in significant fines or non-monetary sanctions	0	0	0	
Water Withdrawal (ML)				
Total Water Withdrawn	6,105	6,347	5,998	Restatement on unit. Cubic meter to megalitre - inline with new GRI Standard.

SUMMARY OF SUSTAINABILITY PERFORMANCE



ENVIRONMENT (Cont.)

INDICATOR	2020	2021	2022	REMARKS
Breakdown by Division (ML)				
Plantation	3,551	3,735	3,545	Restatement on unit. Cubic meter to megalitre - inline with new GRI Standard.
Property & Industrial	1,532	1,946	1,474	
Pharmaceutical	445	424	375	
Heavy Industries	324	225	230	Plantation - Groundwater withdrawn reduced due to the disposal of Kulai Young land.
Trading, Finance and Investment	303	17	373	
Breakdown by Sources (ML)				
Surface Water (i.e. rainwater and rivers)	2,608	1,979	2,537	Restatement on unit. Cubic meter to megalitre - inline with new GRI Standard.
Ground Water	19,824	1,127	21	
Purchased Water	3,478	3,240	3,439	
Plantation Division - improvements in data collection method, which now takes into account water consumption at water treatment plants. Groundwater withdrawn reduced due to the disposal of Kulai Young land.				
Energy Consumption (GJ)				
Total Energy Consumed	3,402,859	2,739,904	3,255,080	
Breakdown by Division (GJ)				
Plantation	2,610,439	2,023,789	2,441,608	Due to improvements in data collection method for purchased electricity across all business units.
Property & Industrial	475,198	446,866	498,375	
Pharmaceutical	231,776	228,900	228,999	
Heavy Industries	41,203	33,083	41,297	UNIM was included in GHG emission for 2020 and 2022. Please note that at the time of IR 2021 preparation, UNIM was in the midst of a planned divestment exercise.
Trading, Finance and Investment	44,243	7,266	44,801	
Breakdown by Sources (GJ)				
Biomass	2,233,36	2,017,538	2,332,619	UNIM was included in GHG emission for 2020 and 2022. Please note that at the time of IR 2021 preparation, UNIM was in the midst of a planned divestment exercise.
Purchased Electricity	556,499	456,383	538,039	
Diesel	400,315	26,219	129,416	
Plantation Division was the highest contributor.				



ENVIRONMENT (Cont.)


INDICATOR	2020	2021	2022	REMARKS
Residual Fuel Oil	130,387	153,525	164,042	
Natural Gas	55,047	64,148	60,916	
Petrol	20,511	20,677	25,659	
LPG	5,788	586	3,109	UNIM was included in GHG emission for 2020 and 2022. Please note that at the time of IR 2021 preparation, UNIM was in the midst of a planned divestment exercise. Hotels and Resorts was the major consumer.
Solar Energy	841	769	1,208	
Acetylene	109	59	72	
Energy sourced from renewable fuel (GJ)				
Biomass and Solar	2,234,204	2,018,307	2,333,827	



SOCIAL

INDICATOR	2020	2021	2022	REMARKS
Diversity and Inclusion				
Total no. of employees	17,347	14,259	12,975	The headcount in 2021 was restated from 16,520 to 14,259.
Female directors (%)	33	27	40	
Employees with disability (%)	0.16	0.21	0.25	Total number of employees (exclude Plantation general workers and Pharamaniaga employees in Indonesia.).
Non-compliance incidents related to discrimination	0	0	0	
Breakdown by Age (%)				
Under 30 years old	N/A	N/A	19	
30-50 years old	N/A	N/A	70	
Over 50 years old	N/A	N/A	11	2022 breakdown in line with new GRI Standard
Breakdown by Ethnicity (%)				
Malay	N/A	N/A	46	
Chinese	N/A	N/A	5	
Indian	N/A	N/A	7	


SUMMARY OF SUSTAINABILITY PERFORMANCE

 SOCIAL (Cont.)				
INDICATOR	2020	2021	2022	REMARKS
Others	N/A	N/A	9	
Foreigner	N/A	N/A	34	
Breakdown by Employee Level (%)				
Senior Management	1	2	3	2021 figures were restated
Middle Management	4	4	6	
Executive	14	17	17	
Non-executive	34	37	41	
Worker	47	40	33	
Breakdown by Gender (%)				
Male	70	67	67	2021 figures were restated
Female	30	33	33	
Female employees by level (%)				
Senior Management	20	21	28	2021 figures were restated
Middle Management	26	27	32	
Executive	48	49	50	
Non-executive	29	31	31	
Worker	27	28	29	
Breakdown by Nationality				
Executive and Non-executive level (%)				
Malaysian	83	82	81	
Non-Malaysian	17	18	19	
Worker level (%)				
Malaysian	30	30	35	
Non-Malaysian	70	70	65	
Talent Management				
Employee Learning and Development				
Total hours spent on formal training and development (hours)	148,195	170,656	183,880	
Allocation for formal training and development (RM)	2.3 mil	2.3 mil	4.6 mil	
In house training (RM)	N/A	N/A	2.2 mil	
External training (RM)	N/A	N/A	2.4 mil	
Average hours spent for formal training and development per employee, by employee level (hours)				
Senior Management	10	23	14	
Middle Management	18	19	16	


SOCIAL (Cont.)

INDICATOR	2020	2021	2022	REMARKS
Executive	17	25	32	
Non-executive	11	8	10	
Employee Attraction and Retention				
New Hires				
New Hires rate (%)	19	16	25	
New Hires by gender				
Male	2,385	1,683	2,143	
Female	839	609	1,154	
Male (%)	74	73	65	
Female (%)	26	27	35	
New Hires by age group				
Under 30 years old	N/A	N/A	1,163	2022 breakdown in line with new GRI Standard
30-50 years old	N/A	N/A	1,877	
Over 50 years old	N/A	N/A	257	
Under 30 years old (%)	N/A	N/A	35	
30-50 years old (%)	N/A	N/A	57	
Over 50 years old (%)	N/A	N/A	8	
New Hires by region				
Malaysia	N/A	N/A	2,947	2022 breakdown in line with new GRI Standard
Indonesia	N/A	N/A	350	
Malaysia (%)	N/A	N/A	89	
Indonesia (%)	N/A	N/A	11	
Employee Attrition				
Resignation rate (%)	19	23	28	
Employee Attrition by gender				
Male	2,327	2,288	2,454	
Female	1,002	987	1,206	
Male (%)	70	70	67	
Female (%)	30	30	33	
Employee Attrition by age group				
Under 30 years old	N/A	N/A	895	2022 breakdown in line with new GRI Standard
30-50 years old	N/A	N/A	2,304	
Over 50 years old	N/A	N/A	461	
Under 30 years old (%)	N/A	N/A	24	


SUMMARY OF SUSTAINABILITY PERFORMANCE

 SOCIAL <i>(Cont.)</i>				
INDICATOR	2020	2021	2022	REMARKS
30-50 years old (%)	N/A	N/A	63	2022 breakdown in line with new GRI Standard
Over 50 years old (%)	N/A	N/A	13	
Employee Attrition by region				
Malaysia	N/A	N/A	3,374	2022 breakdown in line with new GRI Standard
Indonesia	N/A	N/A	286	
Malaysia (%)	N/A	N/A	92	
Indonesia (%)	N/A	N/A	8	
Labour Practices				
Non-compliance incidents related to employment and labour practice	0	0	0	
Safety and Health				
No of Fatalities	0	1	0	Boustech and Boustead Digital were excluded - at the stage of incubating and setting up a proper platform to operationalise.
Total No. of Lost Days	1,650	7,270	2,100	
Total Certified Safety Officers	19	15	13	
Total Work Inspection Conducted	504	733	516	
Total Internal Safety Audits Performed	53	29	72	
Total Safety Training Sessions	528	73	168	
Total Safety Training Participants	12,151	14,397	5,663	2020 safety training participants' figure was restated.
Total no. of safety non-compliance resulting in significant fines or non-monetary sanctions	0	0	0	
Safety Training Sessions by Division				
Plantation	425	10	85	Boustech and Boustead Digital were excluded - at the stage of incubating and setting up a proper platform to operationalise.
Property & Industrial	16	12	12	
Pharmaceutical	53	11	18	
Heavy Industries	25	36	48	
Trading, Finance and Investment	9	4	17	
Safety Training Participants by Division				
Plantation	6,479	11,303	1,405	Boustech and Boustead Digital were excluded - at the stage of incubating and setting up a proper platform to operationalise.
Property & Industrial	1,333	253	673	
Pharmaceutical	1,479	302	323	
Heavy Industries	2,130	1,988	2,786	
Trading, Finance and Investment	730	551	476	


SOCIAL (Cont.)

INDICATOR	2020	2021	2022	REMARKS
No. of Accidents by Division				
Plantation	412	122	385	
Property & Industrial	17	8	15	
Pharmaceutical	12	12	14	
Heavy Industries	23	16	15	
Trading, Finance and Investment	3	0	11	Boustech and Boustead Digital were excluded - at the stage of incubating and setting up a proper platform to operationalise.
Total No. of Accidents	467	287	440	
LTIFR by Division				
Plantation	7.40	5.95	6.73	
Property & Industrial	2.6	2.20	2.63	
Pharmaceutical	1.26	2.08	2.97	
Heavy Industries	1.80	2.28	2.44	
Trading, Finance and Investment	0.78	0.00	1.54	Boustech and Boustead Digital were excluded - at the stage of incubating and setting up a proper platform to operationalise.
Group-wide LTIFR	4.73	4.47	4.99	
Community Investment and Contributions				
Total Value of CSR Contributions (RM)	33.4 mil	25.7 mil	23.0 mil	
Supporting Local Businesses				
Spending on local procurement (%)	58	37	33	
Total suppliers & vendors	>11,000	>11,000	>8,000	
Total Number of Participants in Vendor Development Programme (VDP)				
Heavy Industries	36	36	36	
Pharmaceutical	24	24	23	In 2022, one of the vendors decided not to renew the contract with the Government.

SUMMARY OF SUSTAINABILITY PERFORMANCE

	GOVERNANCE			
INDICATOR	2020	2021	2022	REMARKS
Business Ethics and Corporate Governance				
No. of confirmed bribery and corruption incidents	0	0	0	
No. of ethics & integrity-related training sessions conducted	N/A	76	30	
Breakdown of total participants by employee level				
Senior Management	N/A	N/A	99	
Middle Management	N/A	N/A	481	
Executive	N/A	N/A	1,303	
Non-Executive	N/A	N/A	556	

GRI CONTENT INDEX

GRI 2: GENERAL DISCLOSURES 2021			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
2-1	Organizational details	6, 7, 14-19	
2-2	Entities included in the organization's sustainability reporting	2, 16-17	
2-3	Reporting period, frequency and contact point	2, 6	
2-4	Restatements of information	Significant restatements of data is disclosed in the section(s) where they appear and in Performance Summary.	
2-5	External assurance	238-241	
Activities and Workers			
2-6	Activities, value chain, and other business relationships	14-15	
2-7	Employees	12-13	
2-8	Workers who are not employees	224	
Governance			
2-9	Governance structure and composition	122-123, 128, 160	
2-10	Nomination and selection of the highest governance body	129-132	
2-11	Chair of the highest governance body	104-110	
2-12	Role of the highest governance body in overseeing the management of impacts	27- 29, 32-39, 40-41	
2-13	Delegation of responsibility for managing impacts	28, 29, 32, 33, 34, 39	
2-14	Role of the highest governance body in sustainability reporting	160	
2-15	Conflict of interest	104-110, 147	
2-16	Communication of critical concerns	2, 147, 214	
2-17	Collective knowledge of the highest governance body	27-41, 160	
2-18	Evaluation of the performance of the highest governance body	135	
2-19	Remuneration policies	135-137	
2-20	Process to determine remuneration	135	
2-21	Annual total compensation ratio	N/A	Boustead Holdings Berhad intends to include disclosures on the annual total compensation ratio in the next reporting cycle.

GRI CONTENT INDEX

Strategy, policies, and practices			
2-22	Statement on sustainable development strategy	27-41, 46-47, 60	
2-23	Policy commitments	159	
2-24	Embedding policy commitments	159	
2-25	Processes to remediate negative impacts	147, 214	
2-26	Mechanisms for seeking advice and raising concerns	147, 214	
2-27	Compliance with laws and regulations	13, 47, 192, 215, 220,	Compliance to relevant laws and standards are mentioned throughout the report wherever relevant
2-28	Membership associations	185	Boustead's commitment to different associations are mentioned throughout the report wherever relevant
Stakeholder engagement			
2-29	Approach to stakeholder engagement	48-51	
2-30	Collective bargaining agreements	207	
GRI 3: MATERIALS TOPICS			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
3-1	Process to determine material topics	161	
3-2	List of the material topics	162-171	
3-3	Management of material topics	162-171	
GRI 201: Economic Performance 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
201-1	Direct economic value generated and distributed	9-11, 37, 46, 92-97, 174-175, 216, 245	
201-2	Financial implications and other risks and opportunities due to climate change	53-59, 166	
GRI 202: Market Presence 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
202-2	Proportion of senior management hired from the local community	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.

GRI CONTENT INDEX

GRI 203: Indirect Economic Impacts 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
203-1	Infrastructure investments and services supported	194-197	
203-2	Significant indirect economic impacts	194-197	
GRI 204: Procurement Practices 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
204-1	Proportion of spending on local suppliers	196-197, 227	
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	146-147, 212-215	
205-2	Communication and training about anti-corruption policies and procedures	215-217, 228	
205-3	Confirmed incidents of corruption and actions taken	13, 201	
GRI 206: Anti-competitive Behavior 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	92, 215	
GRI 207: Tax 2017			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
207-1	Approach to tax	N/A	Not Applicable
207-2	Tax governance, control, and risk management	N/A	Not Applicable
207-3	Stakeholder engagement and management of concerns related to tax	N/A	Not Applicable
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
207-1	Country-by-country reporting	N/A	Not Applicable. Boustead Group follows a compliance-based approach for tax reporting, and the finalization of tax matters occurs at Lembaga Tabung Angkatan Tentera.

GRI CONTENT INDEX

GRI 301: MATERIALS 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
301-1	Materials used by weight or volume	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
301-2	Recycled input materials used	12, 46-47, 190	
303-3	Reclaimed products and their packaging materials	192	
GRI 302: Energy 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
302-1	Energy consumption within the organization	12, 189	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
302-2	Energy consumption outside of the organization	N/A	
302-3	Energy intensity	N/A	
302-4	Reduction of energy consumption	189	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
302-5	Reductions in energy requirements of products and services	189	
GRI 303: Water and Effluents 2018			
GRI Standard	Management Disclosures	Reference/ Page No.	Reason for Omission / Explanation
303-1	Interactions with water as a shared resource	191	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
303-2	Management of water discharge-related impacts	191	
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
303-3	Water withdrawal	191, 222	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
303-4	Water discharge		
303-5	Water consumption		
GRI 304: Biodiversity 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
304-2	Significant impacts of activities, products, and services on biodiversity	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.

GRI CONTENT INDEX

GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
304-3	Habitats protected or restored	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
GRI 305: Emissions 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
305-1	Direct (Scope 1) GHG emissions	188-190, 221	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
305-2	Energy indirect (Scope 2) GHG emissions	188-190, 221	
305-3	Other indirect (Scope 3) GHG emissions	N/A	
305-4	GHG emissions intensity	48, 219	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
305-5	Reduction of GHG emissions	48	
305-6	Emissions of ozone-depleting substances (ODS)	N/A	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A	
GRI 306: Waste 2020			
GRI Standard	Management Disclosures	Reference/ Page No.	Reason for Omission / Explanation
306-1	Waste generation and significant waste-related impacts	190	
306-2	Management of significant waste-related impacts	190	
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
306-3	Waste generated	190, 220-221	
306-4	Waste diverted from disposal	190, 220-221	
306-5	Wasted directed to disposal	190, 220-221	
GRI 308: Supplier Environmental Assessment 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
308-1	New suppliers that were screened using environmental criteria	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
308-2	Negative environmental impacts in the supply chain and actions taken	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.

GRI CONTENT INDEX

GRI 401: Employment 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
401-1	New employee hires and employee turnover	201, 225	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	205	
401-3	Parental leave	205	
GRI 402: Labor/Management Relations 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
402-1	Minimum notice periods regarding operational changes	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
GRI 403: Occupational Health and Safety 2018			
GRI Standard	Management Disclosures	Reference/ Page No.	Reason for Omission / Explanation
403-1	Occupational health and safety management system	208	
403-2	Hazard identification, risk assessment, and incident investigation	208-210	
403-3	Occupational health services	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
403-4	Worker participation, consultation, and communication on occupational health and safety	210	
403-5	Worker training on occupational health and safety	210, 226	
403-6	Promotion of worker health	208-210	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	208-210	
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
403-8	Workers covered by an occupational health and safety management system	208-210	
403-9	Work-related injuries	210, 226	
403-10	Work-related ill health	210, 226	
GRI 404: Training and Education 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
404-1	Average hours of training per year per employee	224	Information pertaining to breakdown of gender within this disclosure is currently unavailable and is aimed to be included within the next report.

GRI CONTENT INDEX

GRI 404: Training and Education 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
404-1	Average hours of training per year per employee	224	Information pertaining to breakdown of gender within this disclosure is currently unavailable and is aimed to be included within the next report.
404-2	Programs for upgrading employee skills and transition assistance programs	202-204	
404-3	Percentage of employees receiving regular performance and career development reviews	204	
GRI 405: Diversity and Equal Opportunity 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
405-1	Diversity of governance bodies and employees	13, 141, 200-202	
405-2	Ratio of basic salary and remuneration of women to men	206	Information pertaining to breakdown of gender within this disclosure is currently unavailable and is aimed to be included within the next report. Currently, only comparative entry level salary for non-executive with national minimum wage is reported.
GRI 406: Non-discrimination 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
406-1	Incidents of discrimination and corrective actions taken	199	
GRI 407: Freedom of Association and Collective Bargaining 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	207-209	
GRI 408: Child Labor 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
408-1	Operations and suppliers at significant risk for incidents of child labor	207-209	
GRI 409: Forced or Compulsory Labor 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	207-209	
GRI 410: Security Practices 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
410-1	Security personnel trained in human rights policies or procedures	207-209	

GRI CONTENT INDEX

GRI 411: Right of Indigenous Peoples 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
411-1	Security personnel trained in human rights policies or procedures	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
GRI 413: Local Communities 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
413-1	Operations with local community engagement, impact assessments and development programs	13, 192-197	
413-1	Operations with significant actual and potential negative impacts on local communities	13, 192-197	
GRI 414: Supplier Social Assessment 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
414-1	New suppliers that were screened using social criteria	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
414-2	Negative social impacts in the supply chain and actions taken	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
GRI 415: Public Policy 2016			
GRI Standard	Management Disclosures	Reference/ Page No.	Reason for Omission / Explanation
415-1	Political contributions	214	
GRI 416: Customer Health and Safety 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
416-1	Assessment of the health and safety impacts of product and service categories	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.

GRI CONTENT INDEX

GRI 417: Marketing and Labelling 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
417-1	Requirements for product and service information and labeling	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
417-3	Incidents of non-compliance concerning marketing communications	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.
GRI 418: Customer Privacy 2016			
GRI Standard	Disclosures	Reference/ Page No.	Reason for Omission / Explanation
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A	Information pertaining to this disclosure is currently unavailable and is aimed to be included within the next report.



INDEPENDENT ASSURANCE STATEMENT

To: The Stakeholders of Boustead Holdings Berhad
Kuala Lumpur, Malaysia

Introduction and Objectives of Work

Bureau Veritas Certification (M) Sdn. Bhd. ("Bureau Veritas") has been engaged by Boustead Holdings Berhad ("Boustead") to provide independent, limited assurance of its Integrated Report 2022. This Assurance Statement applies to the related information in the work scope described below.

Scope of Work

Boustead requested Bureau Veritas to provide limited assurance of the accuracy of the following:

- Appropriateness and robustness of the underlying reporting systems and processes used to collect, analyse and review the information reported;
- Evaluation of the report against the principles of Accuracy; and
- Data and information included in Integrated Report 2022 for the reporting period 1 January 2022 to 31 December 2022.
- Bureau Veritas is not involved and does not verify the information reported in the Boustead's Integrated Report 2021

The scope of verification process, including the areas covering of operations and related to the topics below were adopted:

	Social
Diversity and Inclusion	<ul style="list-style-type: none"> • Total no. of employees • Number of women in management positions • Employees with disability • Number of employees by ethnicity • Breakdown of the workforce by employment type • Details of recruitment and hiring by age and gender
Fatalities	<ul style="list-style-type: none"> • Fatalities (Boustead Staff and Contractors)
Lost-time injury frequency rate (LTIFR)	<ul style="list-style-type: none"> • LTIFR by Division (n/million hours worked)
Learning and Development	<ul style="list-style-type: none"> • Total receiving training by Management and Workforce • Average training hours (Per Employee, by Employee Level)
Recruitment Rate	<ul style="list-style-type: none"> • Total recruitment/hiring number by gender
Turnover Rate	<ul style="list-style-type: none"> • Total employee turnover by gender
Health And Safety Performance	<ul style="list-style-type: none"> • Sites with ISO 45001 certification • Total Incidents and accidents and its frequency rate
Human rights	<ul style="list-style-type: none"> • Human Rights Policy and Foreign Workers Policy
Freedom of association and collective bargaining	<ul style="list-style-type: none"> • Collective Agreements (CA)
Cybersecurity	<ul style="list-style-type: none"> • Cybersecurity Management Policy.
	Economic



Anti-corruption	<ul style="list-style-type: none"> Reported breaches of Code of confirmed bribery and corruption incidents (Number) The Anti-Bribery and Corruption Policy Prevent Anti-Competitive Practices
Anti-competition and fair dealing	
Whistleblowing	<ul style="list-style-type: none"> Whistleblowing Policy
Health And Safety	<ul style="list-style-type: none"> Sites with ISO 45001 certification
Performance	<ul style="list-style-type: none"> Total Incidents and accidents and its frequency rate
Environment	
Waste Management	<ul style="list-style-type: none"> Total Scheduled Waste (Unrecycled)
Water Management	<ul style="list-style-type: none"> Water consumption
Energy Management	<ul style="list-style-type: none"> Energy Consumption Energy Performance Energy intensity Total direct GHG emissions (scope 1) including data coverage (tCO₂e)
GHG Emissions	<ul style="list-style-type: none"> Total Indirect GHG from energy purchased and consumed (scope 2) including data coverage (tCO₂e)

Responsibilities

The preparation and presentation of the Integrated Report 2022 is the sole responsibility of the management of Boustead.

Bureau Veritas was not involved in the preparation of the Disclosure. Our responsibilities were to:

- Provide independent, limited assurance about whether the Selected information has been appropriately and accurately prepared; and
- Form an independent conclusion based on the assurance procedures performed and evidence obtained.

Methodology

Our overall verification was conducted with reference to the Bureau Veritas' standard procedures and guidelines for external Verification/Assurance of Sustainability Reports and the Global Reporting Initiative (GRI) Sustainability Reporting Standards of independent assurance.

As part of its independent assurance, Bureau Veritas undertook the following activities:

1. Performed a site verification and review at Boustead' headquarters in The Bousteador, Mutiara Damansara.
2. Interviewed key personnel responsible for collating information and writing various parts of the statement to substantiate the veracity of the claims
3. Reviewed internal and external documentation
4. Cross-checking qualitative and quantitative information provided by different Business Division in the company in order to validate data and check their consistency.
5. Reviewed and verified the accuracy of data collected from various sources presented in the report
6. Audited the performance data



- 7. Reviewed documented evidence produced by Boustead, including but not limited to operational environmental data and environmental performance, including energy, water, waste, pollution and GHG emissions

The work was planned and carried out to provide a limited, rather than absolute assurance, and we believe it provides a limited basis for our conclusions.

Conclusion

Based on our methodology and the activities described above for the agreed work scope, it is Bureau Veritas’s opinion that the statements in the Integrated Report 2022 are reasonably stated.

Based on the scope of the verification process, the following represents Bureau Veritas’s opinion:

- It is our opinion that Boustead has established appropriate systems for the collection, aggregation and analysis of qualitative and quantitative data such as key performance.
- There is evidence of Boustead’s interest to implement management systems that may enhance quality, safety and health and information security.
- There is awareness about the policies and programs aimed to promote and train employees; also, about the position and mechanisms used to avoid corruption and unethical behaviors.
- The level of accuracy of GHG emissions data included in Boustead Holdings Berhad’s Integrated Report 2022 (based on GRI 305) is fair, acceptable and presented in an appropriate manner. GHG verification is based on sampling basis and the entities include in the sampling are BNS (BNS and BLS); BHIC, BHRSB, Pharmaniaga, UAC and BPlantation. However the team have excluded BPlantation due to data unavailability at the point of verification. The GHG verification is limited to interview personnel at Head Office and representative of each entities sample for this GHG verification.

Scope 1: Direct GHG Emissions (produced by company-owned vehicles and machineries such as Electricity Generation, Welding & Oxygen-cutting, Stoves, Refrigerants Fugitive and Field Fuel Consumption)

Scope 2: Indirect GHG Emissions (Purchased Electricity, Purchased Steam, Purchased Heating and Purchased Cooling)

Greenhouse gas emissions (tCO ₂ e)	
Scope 1	Scope 2
21,021.01	77,565.95

Limitations and Exclusions

The verification process was subjected to the following limitations:

- Activities outside of the defined reporting period;
- Scope outside the defined Selected Disclosure;
- Contractor or third-party data;
- Positional statements (expressions of opinion or future intention by Boustead) and statements of future commitment;



- For GHG emissions, the verification was designed to provide a limited assurance of whether the GHG emission is presented fairly, in all material aspects, and in accordance with the reporting criteria. It was not intended to provide assurance of Boustead's ability to achieve its climate-related targets, expectations or ambitions.

This limited assurance engagement relies on a risk-based selected sample of data and the associated limitations that this entails. This independent statement should not be relied upon to detect all errors, omissions or misstatements that potentially may exist.

Statement of Independence, Integrity and Competence

Bureau Veritas is an independent professional services company specialising in Quality, Health, Safety, Social and Environmental management with over 190 years of history in providing independent assurance services with an annual turnover in 2022 of EUR 5,650.6 million.

Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest. No member of the assurance team has a business relationship with Boustead Holdings Berhad, its Directors or Managers beyond that required of this assignment. We have conducted this verification independently, and there has been no conflict of interest.

The verification team has extensive experience conducting assurance over environmental, social, ethical and health and safety information, systems and processes, and has, over the years, combined experience in this field and an excellent understanding of The Bureau Veritas Group standard methodology for the verification/assurance of sustainability report.

Verification team

Team Leader	Initials	Team Members	Initials
TOH KET TIONG (GHG)	TKT	GAN BEE KEAN	GBK
		LIM THIAN NAM	LTN
KAMARUZAMAN MOHAMED	KM	N/A	

Bureau Veritas

Kuala Lumpur, MALAYSIA

14 April 2023

Toh Ket Tiong
LEAD VERIFIER (GHG)

Kamaruzaman Bin Mohamed
LEAD VERIFIER

Gan Bee Kean
ESG MANAGER

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SECTION

08

DIRECTORS' REPORT

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

Boustead Holdings Berhad is an investment holding company incorporated in Malaysia in 1960. The Company's other principal activities include the provision of management services to subsidiaries and property investment.

The principal activities of the subsidiaries, associates and joint ventures are stated on pages 380 to 385. There have been no significant changes in the nature of these activities during the financial year under review.

RESULTS

	Group RM Million	Company RM Million
Profit for the year attributable to:		
Shareholders of the Company	36.5	258.8
Holders of Perpetual Sukuk	62.7	62.7
Non-controlling interests	4.3	–
	103.5	321.5

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than those disclosed in the financial statements.

HOLDING CORPORATION

The holding corporation is Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established under the Tabung Angkatan Tentera Act 101, 1973. As at 25 April 2023, LTAT's shareholding in the Company stood at 75.508%

DIVIDENDS

The Directors had on 29 December 2022 declared a first interim dividend of 1.5 sen per share totalling RM30.4 million, in respect of the financial year ended 31 December 2022. The dividend has been paid on 27 March 2023.

The Directors do not recommend any final dividend to be paid for the financial year under review.

DIRECTORS' REPORT

DIRECTORS OF THE COMPANY

The Directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Ahmad Nazim Abd Rahman [#] (Chairman)	(Appointed as Chairman on 2 March 2023)
Lieutenant General Dato' Fadzil Mokhtar (R)	
Dato' Seri Rosman Mohamed [#]	
Pauline Teh @ Pauline Teh Abdullah [#]	
Muhammad Fitri Othman	(Resigned as Alternate Director on 30 November 2022 and appointed as Director on 1 December 2022)
Irfan Hashim (Alternate Director to Dato' Ahmad Nazim Abd Rahman)	(Appointed on 1 December 2022)
Dayana Rogayah Omar (Alternate Director to Muhammad Fitri Othman)	(Appointed on 1 December 2022)
Datuk Seri Mohd Redzuan Md Yusof	(Appointed on 3 January 2022 and resigned on 10 January 2023)
Dato' Nonee Ashirin Dato' Mohd Radzi [#]	(Resigned on 10 January 2023)
Senator Datuk Seri Hajjah Zurainah Musa	(Resigned on 10 January 2023)
Dato' Sri Mohammed Shazalli Ramly [#]	(Resigned on 30 November 2022)
Izaddeen Daud	(Resigned on 30 November 2022)
Datuk Maulizan Bujang	(Appointed on 1 February 2022 and resigned on 15 December 2022)
Tan Sri Abu Bakar Haji Abdullah	(Retired on 16 June 2022)

[#] Directors of the Company and certain of its subsidiaries

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The name of the Directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already the Directors of the Company, are:

Directors of Boustead Plantations Berhad:

Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	
Tan Sri Dato' Wira Aziah Ali	
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid	(Resigned on 31 January 2023)
Izaddeen Daud	
Fahmy Ismail	
(Dr.) Salihin Abang	
Dato' Haji Ismail Haji Lasim	(Resigned on 31 January 2023)
Datuk Haji Abdul Ghani Abdul Rashid	(Appointed on 1 February 2022 and resigned on 31 January 2023)
Mohd Azahar Ibrahim	(Appointed on 5 August 2022 and resigned on 31 January 2023)
Dato' Dr. Haji Din Adam	(Appointed on 12 September 2022 and resigned on 31 January 2023)
Ahmad Shahredzuan Mohd Shariff	(Resigned on 9 December 2022)
Datuk Haji Shah Headan Ayoob Hussain Shah	(Retired on 14 June 2022)
Datuk Mustapa Kamal Mohd Yusoff	(Appointed on 1 February 2022 and retired on 14 June 2022)

(For list of Directors of Boustead Plantations Berhad's subsidiaries, please refer to integrated report of Boustead Plantations Berhad for the financial year ended 31 December 2022)

DIRECTORS' REPORT

DIRECTORS OF THE COMPANY'S SUBSIDIARIES (CONT'D.)

Directors of Pharmaniaga Berhad:

Izaddeen Daud (Chairman)	(Appointed as Chairman on 22 February 2023)
Datuk Zulkarnain Md Eusope [#]	(Resigned on 22 February 2023)
Ahmad Shahredzuan Mohd Shariff	(Appointed on 22 February 2023)
Senator Datuk Dr. Haji Azhar Ahmad [#]	
Dato' Dr. Najmi Faiz Mohamed Aris [#]	(Resigned on 31 January 2023)
Zulkifli Jafar [#]	(Resigned on 22 February 2023)
Dr. Abdul Razak Ahmad [#]	
Sarah Azreen Abdul Samat [#]	
Datuk Lim Thean Shiang	(Appointed on 20 July 2022)
Dr. Marry Jane Cardosa	(Appointed on 20 July 2022)
Dato' Sri Mohammed Shazalli Ramly [#]	(Resigned on 30 November 2022)
Datuk Seri Zainal Abidin Mohd Rafique [#]	(Appointed on 1 February 2022 and resigned on 31 January 2023)

(For list of Directors of Pharmaniaga Berhad's subsidiaries, please refer to integrated report of Pharmaniaga Berhad for the financial year ended 31 December 2022)

Directors of Boustead Heavy Industries Corporation Berhad:

Rozi Baharudin [#]	
Tan Sri Dato' Wira Aziah Ali [#]	
(Dr.) Salihin Abang	
Hajah Saadatul Nafisah Bashir Ahmad	
Vice Admiral Dato' Syed Zahiruddin Putra Syed Osman (Retired)	
Izaddeen Daud	
Dato' Ahmad Nazim Abd Rahman	
Irfan Hashim (Alternate Director to Dato' Ahmad Nazim Abd Rahman)	
Datuk Norliza Abdul Rahim	(Resigned on 16 January 2023)
Datuk Haji Nasarruddin Dato' M Zin	(Appointed on 27 January 2022 and resigned on 16 January 2023)
Dato' Sri Mohammed Shazalli Ramly	(Resigned on 30 November 2022)
Dato' Maznah Abdul Jalil [#]	(Retired on 1 November 2022)

(For list of Directors of Boustead Heavy Industries Corporation Berhad's subsidiaries, please refer to integrated report of Boustead Heavy Industries Corporation Berhad for the financial year ended 31 December 2022)

DIRECTORS' REPORT

DIRECTORS OF THE COMPANY'S SUBSIDIARIES (CONT'D.)

Directors of other subsidiaries of the Company:

Adzli Shaferul Ramli	
Affendi Mohd Yob	
Ahmad Fazril Mohd Fauzi	
Ahmad Shahredzuan Mohd Shariff	
Alisa Abdul Aziz	
Azhar Ahmad	
Choo Kok Leong	
Christina A Martin	
Dato' Asmadi Abu Talib	(Appointed on 27 June 2022)
Dato' Fahariyah Haji Md Nordin	(Appointed on 2 August 2022 and resigned on 26 January 2023)
	(Resigned on 31 January 2023)
Dato' Haji Ab. Ghani Harun	(Resigned on 16 January 2023)
Dato' Ir. Jauhari Hamidi	(Appointed on 25 January 2022 and resigned on 20 January 2023)
Dato' Mat Nadzari Ahmad Dahlan	(Resigned on 1 November 2022)
	(Resigned on 14 January 2022)
Dato' Maznah Abdul Jalil	
Dato' Mohamad Satim Diman	
Dato' Mohzani Abdul Wahab	
Dato' Sri Ghazali Mohd Ali	
Datuk Haji Mohamad Dolmat	(Appointed on 8 August 2022 resigned on 26 January 2023)
	(Appointed on 25 January 2022 and resigned on 20 January 2023)
Datuk Haji Zurihan Yusof	(Appointed on 25 January 2022 resigned on 26 January 2023)
	(Resigned on 20 January 2023)
Datuk Khaidhirah Abu Zahar	(Appointed on 25 January 2022 and resigned on 26 January 2023)
	(Resigned on 20 January 2023)
Datuk Latteffah Haji Aliyaru Kunju	(Appointed on 25 January 2022 and resigned on 26 January 2023)
Datuk Mahadi Abdul Shukor	(Appointed on 15 April 2022)
	(Resigned on 31 January 2023)
Datuk Md Arif Mahmood	
Datuk Norliza Abdul Rahim	
Datuk Seri Zainal Abidin Mohd Rafique	
	(Appointed on 31 January 2022 resigned on 26 January 2023)
Datuk Shaiful Hazizy Zainol Abidin	(Appointed on 1 February 2022)
Datuk Wira Haji Mohd Yusoff Kassim	
Fahmy Ismail	
Faisal @ Pisal Abdul Ghani	
Fazura Nur Jaafar	
Gan Boon Ting	
Haji Apli Yusof	(Appointed on 31 January 2022 and resigned on 26 January 2023)
	(Resigned on 26 January 2023)
Haji Hahasrin Haji Hashim	

DIRECTORS' REPORT

DIRECTORS OF THE COMPANY'S SUBSIDIARIES (CONT'D.)

Directors of other subsidiaries of the Company (cont'd.):

Ir. Hairutdin Ayob	(Resigned on 27 June 2022)
Ir. Ma'som Mahadi	
Irfan Hashim (Alternate Director to Mej. Jen. Dato' Mamat Ariffin)	(Resigned on 6 October 2022)
Irfan Hashim (Alternate Director to Dato' Ahmad Nazim Abd Rahman)	(Appointed on 25 October 2022)
Izaddeen Daud	
Juniza Azizan	
Khairul Azizi Ismail	(Appointed on 23 June 2022)
Laksamana Tan Sri Mohd Reza Mohd Sany	
Lt. Jen. Dato' Pahlawan Hj. Khairuddin Hj Mat Yusof (R)	(Resigned on 30 June 2022)
Lt. Gen. Dato' Sri Shahrom Ibrahim (R)	
Loon Peng Wai	
Mej. Jen. Dato' Mamat Ariffin Haji Abdullah (R)	(Resigned on 6 October 2022)
Michael Wolfgang Muller	(Resigned on 28 March 2023)
Mohd Ali Zakaria	
Mohd Khairizul Azuan Mohamad Rizzuan	(Resigned on 13 January 2023)
Mohd Rosli Arshad	(Resigned on 13 October 2022)
Mohd Zaidi Zainol Rashid	
Muzamir Shah Mohamed Shariff	
Nazri Suhaimie Mohd Nasir	
Norlymalis Jazmi Kamarudin	
Nurul Azilah Ahmad Kamil	(Appointed on 25 January 2022)
Phan Yoke Seng	(Resigned on 14 February 2023)
Professor Nicholas James Miles	
Professor Shearer Carrol West	
Rosmawa Yusuf	
Rozi Baharudin	(Resigned on 29 April 2022)
Sarimah Mat Isa	
Shahril Mohd Khairi @ Bakhri	
Sharifuddin Md. Zaini Al-Manaf	(Resigned on 31 March 2023)
Syahida Abdul Kadir	
Tan Sri Abu Bakar Haji Abdullah	
Tan Sri Dato' Wira Aziah Ali	
Tan Sri Datuk Mustafa Mansur	
Wong Yun Kit	
YHM Tengku Dato' Indera Abu Bakar Ahmad	
Almarhum Tengku Tan Sri Abdullah	
Zubair Abdullah	

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 40 to the financial statements.

Pursuant to Section 289 of the Companies Act 2016, the Company maintained a Directors' and Officers' Liability Insurance to provide appropriate insurance cover for the Directors and Officers of the Company. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The amount of insurance premium paid during the financial year was RM90,000.

DIRECTORS' INTERESTS

All Directors do not have any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent; or
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year except as disclosed in Note 35 to the financial statements.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

Details of the significant and subsequent events are disclosed in Note 41 to the financial statements.

DIRECTORS' REPORT

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as below:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Auditors' remuneration paid to Ernst & Young PLT				
– Statutory audit	4.2	3.9	0.5	0.4
– Others	0.4	0.3	0.1	0.1
	4.6	4.2	0.6	0.5
Auditors' remuneration paid to other firms				
– Statutory audit	1.0	0.9	–	–
Total remuneration paid to the external auditors	5.6	5.1	0.6	0.5

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATO' AHMAD NAZIM ABD RAHMAN

PAULINE TEH @ PAULINE TEH ABDULLAH

Kuala Lumpur

28 April 2023

STATEMENT BY DIRECTORS

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Ahmad Nazim Abd Rahman and Pauline Teh @ Pauline Teh Abdullah, being two of the Directors of BOUSTEAD HOLDINGS BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 260 to 385 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors.

DATO' AHMAD NAZIM ABD RAHMAN

PAULINE TEH @ PAULINE TEH ABDULLAH

Kuala Lumpur

28 April 2023

STATUTORY DECLARATION

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Fahmy Ismail (CA 22119), being the officer primarily responsible for the financial management of BOUSTEAD HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 260 to 385 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur on 28 April 2023.

Before me

MD HAMDAN KAMARUDDIN

Commissioner for Oaths
Kuala Lumpur

FAHMY ISMAIL

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boustead Holdings Berhad which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and income statements, statement of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 260 to 385.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

1. Impairment assessment of non-financial assets

MFRS 136 Impairment of Assets ("MFRS 136") requires an entity to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

1. Impairment assessment of non-financial assets (cont'd.)

In addition, irrespective of whether there is any indication of impairment, an entity shall also test goodwill acquired in a business combination for impairment annually. MFRS 136 requires a cash-generating unit ("CGU") or group of CGUs to which goodwill has been allocated to be tested for impairment annually by comparing the carrying amount of the CGU or group of CGUs, including the goodwill, with its recoverable amount.

MFRS 136 defines recoverable amount as the higher of an asset's or CGU's fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). VIU is the present value of future cash flows expected to be derived from an asset or a CGU. The discount factor to be applied to the future cash flows should reflect current market assessments of the time value of money and the risks specific to the asset.

(a) Impairment assessment of goodwill

As at 31 December 2022, the Group's carrying amount of goodwill is RM209.1 million as disclosed in Note 21 to the financial statements. The Group is required to perform an impairment test annually by comparing the carrying amount of the cash generating units ("CGU") or group of CGUs, including the goodwill, with their recoverable amounts.

The aforementioned impairment review gave rise to impairment losses on goodwill of RM50.3 million as disclosed in Note 21 to the financial statements.

(b) Impairment assessment of property, plant and equipment and right-of-use assets

As at 31 December 2022, the carrying amount of property, plant and equipment and right-of-use assets of the Group are RM4,285.7 million and RM2,270.1 million respectively. These are disclosed in Notes 13 and 15 to the financial statements respectively.

The Group is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The recoverable amount is defined as the higher of value-in-use (VIU) or fair value less costs of disposal (FVLCD). During the financial year, management has recognised the reversal of previously recognised impairment of assets, mainly in the Property and Industrial Division, Trading, Finance and Investment Division and Plantation Division which are described below:

– Hotels (Property and Industrial Division)

Following the recovery of the hospitality industry post COVID-19 pandemic, there are indicators that suggest reversal of the impairment losses previously recognised for hotels held by the Group. Management had undertaken an impairment assessment using FVLCD to determine the recoverable amount.

– Aircraft owned by MHS Aviation Berhad, a partially owned subsidiary of the Group (Trading, Finance and Investment Division)

The aircraft owned by MHS Aviation Berhad are commonly used as offshore support helicopter. During the financial year, there are indications that suggest reversal of impairment losses previously recognised for its aircraft due to rise in oil prices and more oil production and exploration activities. Management had undertaken an impairment assessment using FVLCD to determine the recoverable amount.

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

1. Impairment assessment of non-financial assets (cont'd.)

(b) Impairment assessment of property, plant and equipment and right-of-use assets (cont'd.)

Accordingly, impairment reviews performed for the abovementioned CGU or assets resulted in reversal of impairment losses previously recognised on property, plant and equipment of RM78.1 million as disclosed in Notes 13 to the financial statements.

(c) Impairment assessment of investment in subsidiaries

As at 31 December 2022, the Company's carrying amount of investment in subsidiaries is RM2,381.3 million as disclosed in Note 17 to the financial statements.

The Company is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset.

The market value of the Company's quoted investment in a subsidiary is lower than its carrying value. Certain subsidiaries have also reported continuing operating losses and/or depleting shareholder's funds.

The Company has performed impairment assessments by comparing the carrying amount of these investment in subsidiaries against their respective recoverable amounts.

The aforementioned impairment review gave rise to reversal of impairment losses of investment in subsidiaries of RM37.6 million as disclosed in Note 17 to the financial statements.

We have identified the above impairment reviews as important to our audit given the significance of the goodwill, property, plant and equipment and right-of-use assets to the Group and the investment in subsidiaries to the Company and the judgement and estimates involved in the assessment of the recoverable amount.

Our procedures in reviewing the assessment of recoverable amount of the non-financial assets, include inter alia the following:

- To the extent that management relied on valuation reports provided by independent professional valuers, we have considered the competence, capabilities and objectivity of the professional valuers. We have also assessed the key assumptions and methodology used by independent professional valuers. This would include comparisons with recent transactions involving other similar assets and where applicable, the age, size and tenure.
- We have assessed the key assumptions on which the cash flow projections are based, including, and where relevant, comparing them against historical trends, existing contracts, order book, price forecasts and useful lives of the assets. We evaluated the probability of securing significant future contracts, variation orders and government compensation by making enquiries with the project teams and read project proposals to obtain an understanding of the status of negotiations and the likelihood that such cash inflows will materialise.

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

1. Impairment assessment of non-financial assets (cont'd.)

Our procedures in reviewing the assessment of recoverable amount of the non-financial assets, include inter alia the following: (cont'd.)

- We also assessed the discount rates in calculating the present value of the cash flows and whether the rates used, reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the asset.
- We assessed the assumptions used relating to the forecasted and projected Crude Palm Oil ("CPO") and Fresh Fruit Bunches ("FFB") prices, FFB yield of the oil palm estates and the estimated remaining useful lives of the bearer plants. We assessed the CPO and FFB price assumptions through comparisons with long-term price forecasts by independent market analysts.

2. Valuation of investment properties

As at 31 December 2022, the carrying value of the Group's investment properties of RM1,299.0 million is as disclosed in Note 14 to the financial statements. The Group adopts fair value model for its investment properties. The Group is required to perform fair value assessment of its investment properties annually and has appointed independent professional valuers.

We identified the valuation of the investment properties as an area of audit focus given the significance of the carrying amount of investment properties and complexities in determining the fair value which involves significant judgement and estimates.

Our procedures in reviewing the valuation of investment properties, include inter alia the following:

- We assessed the competence, capabilities and objectivity of the independent professional valuers;
- We obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in industry;
- We discussed with the independent professional valuers to obtain an understanding of their valuation process, the significant estimates, methodology and assumptions applied in their valuation model;
- We assessed the reasonableness of the property related data by corroborating those data used in the valuation to available market data;
- We assessed the rental income and rental periods used in the valuation of the underlying lease agreements to ensure the accuracy and consistency with the data provided to independent valuer by management.

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

Key audit matters (cont'd.)

2. Valuation of investment properties (cont'd.)

Our procedures in reviewing the valuation of investment properties, include inter alia the following: (cont'd.)

- For the comparison method of valuation (market approach), we assessed the source data of the comparable transactions used by the valuers. We also obtained an understanding of the adjustments made by the valuer in accounting for differences in, amongst others, the property's location, time factor, property's size and tenure;
- For investment method of valuation (income approach), we assessed whether the key assumptions used in deriving the discounted cash flows such as rental rates for reversion period, void rate, outgoings are consistent with the historical trend of the properties and comparable to similar properties. We also assessed whether the discount rate used to determine the present value of the cash flows reflects the return that investors would require if they were to choose an investment that would generate cash flows of amount, timing and risk profile equivalent to those that the entity expect to derive.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

to the members of Boustead Holdings Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed on pages 380 to 385.

EMPHASIS OF MATTER

We draw attention to Note 41(j)(iii) to the financial statements, which describes that Pharmaniaga Berhad, a subsidiary of the Company, is in the midst of securing the extension of concession agreement for the procurement of drugs and medical supplies as well as logistics and distributions of approved products which is expiring on 30 June 2023. Our opinion is not modified in respect of this matter.

OTHER MATTER

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 April 2023

Ng Yee Yee

No. 03176/05/2023 J
Chartered Accountant

INCOME STATEMENTS

for the year ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM Million	RM Million	RM Million	RM Million
Revenue	5	15,109.2	11,305.5	450.3	132.4
Operating cost	6	(14,417.1)	(10,340.2)	(76.0)	(72.7)
Results from operations		692.1	965.3	374.3	59.7
Gain on disposal:					
– Property, plant and equipment		458.7	88.2	–	–
– Investment property		–	13.1	–	–
– Right-of-use assets		6.8	2.6	–	–
Reversal/(provision) of impairment losses:					
– Property, plant and equipment	13	78.1	(0.6)	–	–
– Goodwill	21	(50.3)	(8.8)	–	–
Write-down of inventories	22	(572.4)	(26.7)	–	–
Fair value gain/(loss) on investment properties	14	0.4	1.1	–	(0.3)
Other investment results	8	8.8	1.0	33.3	(41.6)
Share of results of associates	18	256.4	117.4	–	–
Share of results of joint ventures	19	(153.2)	(64.1)	–	–
Profit before interest, taxation and zakat		725.4	1,088.5	407.6	17.8
Finance cost	9	(336.6)	(352.1)	(183.0)	(201.6)
Interest income	7	31.6	24.3	97.7	116.0
Profit/(loss) before taxation and zakat		420.4	760.7	322.3	(67.8)
Taxation	10	(312.2)	(254.2)	(0.8)	(0.5)
Zakat		(4.7)	(27.3)	–	–
Profit/(loss) for the year		103.5	479.2	321.5	(68.3)
Attributable to:					
Shareholders of the Company		36.5	170.1	258.8	(125.0)
Holders of Perpetual Sukuk		62.7	56.7	62.7	56.7
Non-controlling interests		4.3	252.4	–	–
Profit/(loss) for the year		103.5	479.2	321.5	(68.3)
Earnings per share – sen					
Basic/diluted	11	1.80	8.39		

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Profit/(loss) for the year	103.5	479.2	321.5	(68.3)
Other comprehensive income/(loss):				
Items that may be reclassified to profit or loss in subsequent periods (net of tax)				
Foreign currency translation	1.3	(1.4)	—	—
Share of other comprehensive income/(loss) of associates accounted for using equity method	9.5	(36.4)	—	—
	10.8	(37.8)	—	—
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)				
Net (loss)/gain on equity investment designated at fair value through other comprehensive income				
– Fair value changes	—	(0.5)	—	(0.1)
– Disposals	0.3	—	—	—
	0.3	(0.5)	—	(0.1)
Other comprehensive income/(loss) for the year, net of tax	11.1	(38.3)	—	(0.1)
Total comprehensive income/(loss) for the year, net of tax	114.6	440.9	321.5	(68.4)
Attributable to:				
Shareholders of the Company	49.9	131.4	258.8	(125.1)
Holders of Perpetual Sukuk	62.7	56.7	62.7	56.7
Non-controlling interests	2.0	252.8	—	—
Total comprehensive income/(loss) for the year, net of tax	114.6	440.9	321.5	(68.4)

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Note	RM Million	RM Million	RM Million	RM Million
ASSETS					
Non-current assets					
Property, plant and equipment	13	4,285.7	4,007.2	14.4	1.5
Investment properties	14	1,299.0	1,295.0	87.6	87.4
Right-of-use assets	15	2,270.1	2,253.2	33.7	7.8
Deferred tax assets	16	22.9	29.4	—	—
Subsidiaries	17	—	—	2,381.3	2,299.1
Associates	18	2,367.6	2,198.5	1,057.1	996.2
Joint ventures	19	150.3	304.0	42.4	46.7
Other investments	20	1.9	5.0	1.2	1.2
Intangible assets	21	293.0	338.3	—	—
Inventories	22	451.8	811.2	—	—
Receivables	23	338.5	296.4	1,497.9	1,669.1
Total non-current assets		11,480.8	11,538.2	5,115.6	5,109.0
Current assets					
Inventories	22	1,285.7	1,708.0	—	—
Receivables	23	1,491.8	1,172.5	33.5	22.4
Biological assets	24	31.8	47.0	—	—
Contract assets and contract cost assets	25	802.4	1,120.0	—	—
Deposits, cash and bank balances	26	769.7	463.5	180.2	134.8
		4,381.4	4,511.0	213.7	157.2
Assets classified as held for sale	27	29.3	394.5	—	—
Total current assets		4,410.7	4,905.5	213.7	157.2
Total assets		15,891.5	16,443.7	5,329.3	5,266.2

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

		Group		Company	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
	Note	RM Million	RM Million	RM Million	RM Million
EQUITY AND LIABILITIES					
Equity attributable to shareholders of the Company					
Share capital	28	2,735.7	2,735.7	2,735.7	2,735.7
Reserves	29	564.4	543.3	(1,260.9)	(1,489.3)
Shareholders' equity		3,300.1	3,279.0	1,474.8	1,246.4
Perpetual Sukuk	30	609.8	609.6	609.8	609.6
Non-controlling interests		1,362.8	1,576.8	–	–
Total equity		5,272.7	5,465.4	2,084.6	1,856.0
Non-current liabilities					
Borrowings	31	2,749.1	3,057.2	2,046.5	2,044.4
Payables	32	11.3	10.5	–	–
Lease liabilities	15	98.5	48.4	32.6	5.5
Deferred tax liabilities	16	359.7	337.2	–	–
Total non-current liabilities		3,218.6	3,453.3	2,079.1	2,049.9
Current liabilities					
Borrowings	31	4,043.8	3,934.7	1,025.1	1,225.9
Payables	32	3,090.1	3,132.9	107.9	131.8
Contract liabilities	25	124.2	190.8	–	–
Lease liabilities	15	17.6	12.9	2.2	2.6
Taxation		92.2	94.7	–	–
Dividend payable		30.4	–	30.4	–
		7,398.3	7,366.0	1,165.6	1,360.3
Liabilities associated with assets classified as held for sale	27	1.9	159.0	–	–
Total current liabilities		7,400.2	7,525.0	1,165.6	1,360.3
Total liabilities		10,618.8	10,978.3	3,244.7	3,410.2
Total equity and liabilities		15,891.5	16,443.7	5,329.3	5,266.2

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital RM Million	Reserves RM Million	Total attributable to shareholders of the Company RM Million	Perpetual Sukuk RM Million	Non- controlling interests RM Million	Total equity RM Million
Group						
At 1 January 2022	2,735.7	543.3	3,279.0	609.6	1,576.8	5,465.4
Profit for the year	–	36.5	36.5	62.7	4.3	103.5
Other comprehensive income/ (loss) for the year	–	13.4	13.4	–	(2.3)	11.1
Total comprehensive income for the year	–	49.9	49.9	62.7	2.0	114.6
Perpetual Sukuk						
– Distribution	–	–	–	(62.5)	–	(62.5)
Share of an associate's movement in reserve	–	1.6	1.6	–	–	1.6
Changes in ownership interest in subsidiaries						
– Share options granted by a subsidiary	–	–	–	–	(0.4)	(0.4)
Transaction with owners:						
– Dividend (Note 12)	–	(30.4)	(30.4)	–	–	(30.4)
– Dividends paid to non-controlling interest (Note 17)	–	–	–	–	(215.6)	(215.6)
At 31 December 2022	2,735.7	564.4	3,300.1	609.8	1,362.8	5,272.7

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital RM Million	Reserves RM Million	Total attributable to shareholders of the Company RM Million	Perpetual Sukuk RM Million	Non- controlling interests RM Million	Total equity RM Million
Group						
At 1 January 2021	2,735.7	381.5	3,117.2	609.3	1,392.4	5,118.9
Profit for the year	–	170.1	170.1	56.7	252.4	479.2
Other comprehensive (loss)/ income for the year	–	(38.7)	(38.7)	–	0.4	(38.3)
Total comprehensive income for the year	–	131.4	131.4	56.7	252.8	440.9
Perpetual Sukuk						
– Distribution	–	–	–	(56.4)	–	(56.4)
Share of an associate's movement in reserve	–	(4.9)	(4.9)	–	–	(4.9)
Changes in ownership interest in subsidiaries						
– Partial disposal of shares in a subsidiary	–	36.8	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	–
Dividends paid to non-controlling interest (Note 17)	–	–	–	–	(85.4)	(85.4)
At 31 December 2021	2,735.7	543.3	3,279.0	609.6	1,576.8	5,465.4

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital RM Million	Reserves RM Million	Total attributable to shareholders of the Company RM Million	Perpetual Sukuk RM Million	Total equity RM Million
Company					
At 1 January 2021	2,735.7	(1,364.2)	1,371.5	609.3	1,980.8
(Loss)/profit for the year	–	(125.0)	(125.0)	56.7	(68.3)
Other comprehensive loss for the year	–	(0.1)	(0.1)	–	(0.1)
Total comprehensive (loss)/income for the year	–	(125.1)	(125.1)	56.7	(68.4)
Perpetual Sukuk					
– Distribution	–	–	–	(56.4)	(56.4)
At 31 December 2021 and 1 January 2022	2,735.7	(1,489.3)	1,246.4	609.6	1,856.0
Profit for the year	–	258.8	258.8	62.7	321.5
Other comprehensive loss for the year	–	–	–	–	–
Total comprehensive income for the year	–	258.8	258.8	62.7	321.5
Perpetual Sukuk					
– Distribution	–	–	–	(62.5)	(62.5)
Dividend (Note 12)	–	(30.4)	(30.4)	–	(30.4)
At 31 December 2022	2,735.7	(1,260.9)	1,474.8	609.8	2,084.6

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Operating activities				
Cash receipts from customers	15,145.0	10,979.6	8.0	7.5
Cash paid to suppliers and employees	(13,734.9)	(10,044.2)	(53.9)	(32.3)
Cash generated from/(used in) operations	1,410.1	935.4	(45.9)	(24.8)
Tax and zakat paid	(240.5)	(187.6)	(1.5)	(1.4)
Net cash generated from/(used in) operating activities	1,169.6	747.8	(47.4)	(26.2)
Investing activities				
Investment in an associate	–	(3.0)	–	–
Disposal of quoted shares	3.4	0.4	–	–
Disposal of a subsidiary	–	225.9	–	225.9
Partial disposal of shares in a subsidiary	–	50.5	–	50.5
Property, plant and equipment				
– Purchases	(232.5)	(131.4)	(13.8)	(0.1)
– Disposals	17.8	19.9	0.1	–
Rights-of-use assets				
– Purchases	(11.3)	(20.3)	–	–
– Disposals	–	4.2	–	–
Deposits received	–	51.6	–	8.7
Disposal of investment property	–	129.0	–	–
Disposal of assets classified as held for sale	385.0	138.1	–	–
Purchase and development of property development	(285.9)	(78.5)	–	–
Subsequent expenditure on investment properties	(3.6)	(4.7)	(0.2)	(0.3)
Purchase of intangible assets	(19.3)	(15.0)	–	–
Dividends received	107.6	7.3	369.5	100.7
Interest received	12.5	8.0	97.6	116.1
Placement of fixed deposits	(11.0)	(0.4)	–	–
Net cash generated from investing activities	(37.3)	381.6	453.2	501.5

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2022

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Financing activities				
Dividends paid to non-controlling interests	(215.6)	(85.4)	—	—
Payment of Perpetual Sukuk distribution	(62.5)	(56.4)	(62.5)	(56.4)
Advances to/from joint ventures	—	(35.3)	—	—
Proceeds from drawdown of term-loans	46.2	50.6	—	—
Repayment of term-loans	(119.7)	(507.1)	—	(405.0)
Net repayment of revolving credits and bankers acceptances	(116.6)	(120.7)	(200.5)	(217.0)
Net payments from Group companies	—	—	86.1	388.2
Repayment of lease liabilities	(35.3)	(24.3)	(2.0)	(2.9)
Interest paid	(336.8)	(364.0)	(181.2)	(203.6)
Net cash used in from financing activities	(840.3)	(1,142.6)	(360.1)	(496.7)
Net increase/(decrease) in cash and cash equivalents	292.0	(13.2)	45.7	(21.4)
Foreign currency translation difference	(0.4)	0.1	—	—
Cash and cash equivalents at beginning of year	382.7	395.8	99.9	121.3
Cash and cash equivalents at end of year	674.3	382.7	145.6	99.9
Cash and cash equivalents at end of year				
Deposits, cash and bank balances (Note 26)	769.7	463.5	180.2	134.8
Less: Overdrafts (Note 31)	(36.5)	(45.4)	(34.6)	(34.9)
Less: Deposits with maturity more than 3 months (Note 26)	(60.6)	(49.5)	—	—
Add: Cash and bank balances classified as assets held for sale (Note 27)	1.7	14.1	—	—
	674.3	382.7	145.6	99.9

The accompanying accounting policies and explanatory notes form an integral part of these financial statements.

ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standard (MFRS), International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2016.

The financial statements of the Group and the Company are prepared under the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest million (RM Million) except when otherwise indicated.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 31 December of each year. Interests in associates and joint venture arrangements are equity accounted.

Subsidiaries are entities, including structured entities, controlled by the Company. In the Company's separate financial statements, investments in subsidiaries are measured at cost less impairment losses, unless the investment is classified as asset held for sale or distribution. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate statement of profit or loss.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing controls only when such rights are substantive. The Group also considers its de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests at the reporting period, being the portion of the net assets of the subsidiaries attributable to equity interest that are not owned by the Group, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses.

ACCOUNTING POLICIES

(B) BASIS OF CONSOLIDATION (CONT'D.)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

The accounting policy for goodwill is set out in Note E(a).

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.

Upon loss of control of a subsidiary, the Group derecognises the assets (including goodwill) and liabilities of the former subsidiary, any non-controlling interest and the other components of equity related to the former subsidiary from the consolidated statement of financial position. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained earnings. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost and subsequently accounted for as an equity accounted investee or as an available for sale financial asset depending on the level of influence retained.

(C) INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control or joint control, over the financial and operating policy decisions.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

In the Company's separate financial statements, investment in associates and joint ventures are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

ACCOUNTING POLICIES

(C) INVESTMENT IN ASSOCIATES AND JOINT VENTURES (CONT'D.)

Investments in associates and joint ventures are accounted for in the consolidated financial statements using the equity method. Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associates or joint ventures is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated income statement reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of these investees is presented as part of the Group's OCI. In addition, where there has been a change recognised directly in the equity of an associate or a joint venture, the Group recognises its share of such change, when applicable, in the consolidated statement of changes in equity. Unrealised gains or losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

When the Group's share of losses exceeds its interest in an associate or joint venture, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The most recent available financial statements of the associates and joint ventures are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to these financial statements to ensure consistency of the accounting policies used with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on its investment in associate or joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value. Impairment loss is recognised in profit or loss.

Upon loss of significant influence or joint control over the associate or joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(D) FAIR VALUE MEASUREMENT

The Group and the Company measure financial instruments, such as derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 37.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

ACCOUNTING POLICIES

(D) FAIR VALUE MEASUREMENT (CONT'D.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(E) INTANGIBLE ASSETS

(a) Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised, but instead, it is reviewed for impairment at least annually and whenever events or changes in circumstances indicate that the carrying value may be impaired.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed off, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation.

Goodwill disposed off in this circumstance is measured based on the relative fair values of the operation disposed off and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note (F).

ACCOUNTING POLICIES

(E) INTANGIBLE ASSETS (CONT'D.)

(b) Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding development costs, are not capitalised and the expenditure is reflected in the profit or loss in the year when incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

(i) Concession rights

A subsidiary of the Group was granted the concession relating to the privatisation of the medical laboratory and stores of the Ministry of Health for the distribution of selected medical products to Government-owned hospitals for 11 years since 1998. The concession agreement was extended for a further ten years commencing 1 December 2009. The right attached to this concession which was acquired as part of a business combination is initially measured at its fair value at the acquisition date. The fair value of the concession rights was computed by discounting the estimated future net cash flows to be generated from the acquisition date until the expiry of the current concession term which ends on 30 November 2019.

The fair value of the concession rights is amortised on a straight-line basis over the remaining tenure of the concession contract.

(ii) Rights to supply

Expenses incurred in providing and supplying to the Government of Malaysia certain hardware and software, being part and parcel of the ordinary contractual obligations under the concession agreement, are capitalised and carried at cost less accumulated amortisation and any accumulated impairment losses. The title of the said hardware and software vests with the Government of Malaysia.

ACCOUNTING POLICIES

(E) INTANGIBLE ASSETS (CONT'D.)

(b) Other intangible assets (cont'd.)

(iii) Research and development

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in subsequent period.

Capitalised development costs recognised as intangible assets are amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding 15 years.

Development costs work in progress is tested for impairment annually, in accordance with MFRS 136 Impairment of Assets. See accounting policy Note (Q) on impairment of non-financial assets.

(iv) Pharmacy manufacturing licence, trade name, intellectual property and software

Pharmacy manufacturing licence and trade name acquired in a business combination are recognised at fair value at the acquisition date.

The pharmacy manufacturing licence represents the rights to manufacture pharmaceutical products in Malaysia and Indonesia. The licence has a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of pharmacy manufacturing licence over a period of 6 to 9 years.

Trade name represents the in-house branded generic products and have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trade name over a period of 15 years.

Intellectual property represents the patent rights for stevia formula and has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of intellectual property over a period of 15 years.

Acquired software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. This cost is amortised over its estimated useful life of 10 to 15 years.

ACCOUNTING POLICIES

(F) CURRENCY CONVERSION

The Group's consolidated financial statements are presented in RM, which is also the functional currency of the Company. All transactions are recorded in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations which are recognised initially in other comprehensive income and accumulated under foreign exchange currency reserve in equity. The foreign exchange currency reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(b) Consolidated financial statements

For consolidation purposes, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange rate at the reporting date.

ACCOUNTING POLICIES

(G) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Oil palms are classified as bearer plants within property, plant and equipment. Expenditure that are directly related to the planting and upkeep of oil palms are capitalised until the palms reach maturity. Upon maturity, further maintenance and upkeep costs for oil palms are expensed to profit or loss. Bearer plants commence depreciation when oil palms reach maturity.

Freehold land is not amortised. Capital work-in-progress items are not available for use and thus not depreciated.

Other assets are depreciated on a straight-line basis to write off the cost of the assets to their residual values, over the term of their estimated useful lives as follows:

Buildings	5 – 80 years
Bearer plants	22 years from maturity
Aircraft & other motor vehicles	3 – 15 years
Plant and machinery	3 – 30 years

The residual values, useful life and depreciation method of the property, plant and equipment are reviewed at each financial year and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(H) BIOLOGICAL ASSETS

Biological assets comprise the produce growing on oil palms (bearer plants). Biological assets are measured at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit and loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected fresh fruit bunches (FFB) harvest and the market price at reporting date of crude palm oil (CPO) and palm kernel (PK) adjusted for extraction rates less processing, harvesting and transportation costs.

ACCOUNTING POLICIES

(I) INVESTMENT PROPERTIES

Investment property comprises completed property and property under development or re-development that is held, or to be held, to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when it is held to earn rentals or for capital appreciation or both, rather than for sale in the ordinary course of business or for use in production or administrative functions.

Investment property comprises property that is not occupied substantially for use by, or in the operations of, the Group and the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and (only in case of investment property held under a lease) initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. The fair values were determined based on the capitalisation of net income method ("investment method") and is premised on the principle that the value of an income-producing property is represented by the "present worth of future rights to income, or utility". The valuation is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise, including the corresponding tax effect.

An investment property is derecognised when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the investment property is derecognised.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note (G) up to the date of change in use.

(J) BORROWING COSTS

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

ACCOUNTING POLICIES

(K) REVENUE

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements (unless otherwise stated below) because it typically controls the goods or services before transferring them to the customer.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, non-cash consideration and consideration payable to the customer, if any). Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at the point in time or over time.

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts relating to ship repair, ship building and property development allow for customers to deduct as liquidated damages from the consideration payable to the Group, in the event of delays in the supply of goods or services. Certain contracts relating to sale of building materials provide customers with a right of return. Liquidated damages and the right of return give rise to variable consideration.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in MFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group also provides warranties for defects that existed at the time of sale. Provisions related to these assurance-type warranties are recognised when the product is sold or the service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

The Group's revenue from contracts with customers are further described below:

(a) Sale of plantation produce

The Plantation Division is principally involved in the sales of plantation produce which is derived from sales of crude palm oil (CPO), palm kernel (PK) and fresh fruit bunches (FFB). Revenue from sale of plantation produce is recognised at the point in time when control of the goods is transferred to the customer. The sale of plantation produce is either on cash terms (immediate payment or advance payment not exceeding 30 days); or on credit terms of up to 30 days.

(b) Sale of petroleum products

The Trading, Finance & Investment Division is mainly involved in the sale of petroleum products which are primarily sold to the retail and commercial sectors in Malaysia. Revenue from sale of petroleum products is recognised when the petroleum products are delivered and accepted by the customers at their premises. Payment for sales to the retail customers is on cash terms while a credit term of up to 60 days from the date of invoice is granted to the commercial customers.

ACCOUNTING POLICIES

(K) REVENUE (CONT'D.)

The Group's revenue from contracts with customers are further described below: (cont'd.)

(c) Sale of pharmaceutical products

The Pharmaceutical Division manufactures and sells a range of pharmaceutical products. Revenue from sale of pharmaceutical products is recognised at the point in time when the products have been shipped to the designated location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. The sale of pharmaceutical products is mainly on credit terms ranging from 30 days to 120 days.

(d) Sale of building materials

The Property & Industrial Division involves in the business of manufacturing and distributing of building materials products. Revenue from sale of building materials products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the building products. The sale of building materials is either on cash terms or on credit terms of up to 90 days.

(e) Shipbuilding and ship repair

(i) Heavy engineering, repair and maintenance and rendering of services

Revenue from heavy engineering construction contracts, repair and maintenance and rendering of services comprise multiple deliverables which represent a combined output for which the customer has contracted for or is a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. It is therefore recognised as a single performance obligation.

For heavy engineering construction contract, the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. While for repair and maintenance and the rendering of services, the customer simultaneously receives and consumes the benefits provided by the Group. As such, the Group recognises revenue over time, using an input method, which is based on cost incurred to-date relative to the total expected cost to the satisfaction of the performance obligation. For certain arrangements, revenue is recognised at a point in time when the customer obtains control of the asset or services.

(ii) Sale of goods

Revenue from sale of goods and services is recognised at a point in time when control of the assets is transferred to the customer, generally on the delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated such as warranties. In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

ACCOUNTING POLICIES

(K) REVENUE (CONT'D.)

(f) Revenue from property development

Property development contracts with customers may include multiple promises to customers and are accounted for as separate performance obligations. Transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost-plus margin.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to-date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers.

(g) Hotel operations

Revenue from rental of hotel rooms, spaces for events and other ancillary services is recognised when the services are rendered. Payment terms are either on cash terms or on credit terms of up to 90 days for corporate customers.

(h) Tuition fees

Tuition fees, non-refundable registration and enrolment fees are recognised over the period of instruction. Payment terms for tuition fees are on cash terms (immediate payment or advance payment not exceeding 30 days); or on credit terms of up to 90 days for sponsored students.

ACCOUNTING POLICIES

(K) REVENUE (CONT'D.)

(i) Others

Other revenues from contracts with customers are recognised at a point in time basis unless otherwise stated:

(i) Plantation agency services

The Group's plantation agency services involve the provision of management and consultancy services to estates and mills. The Group recognises revenue from plantation agency services over time, using an input method to measure the progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Normal credit term is 30 days upon invoice being issued.

(ii) Sale of insurance policies

The Group is acting as an agent in these arrangements and records revenue at the net amount that it retains for its agency services.

(iii) Management fees

Management fee is recognised when the services are rendered.

(iv) Terminal operations

Revenue from terminal operations, parking fees and marine consulting and surveying services are recognised net of discounts as and when the services are rendered.

(v) Travel services

The Group is acting as an agent in these arrangements and recognises revenue at the net amount that it retains for its travel services.

Credit terms for the above is 30 days from the date of invoice unless otherwise stated.

Contract balances

Contract balances comprise of:

(a) Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

In the context of revenue recognised over time in shipbuilding, ship repair and property development activities, contract asset is the excess of cumulative revenue earned over the billings to date.

When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

ACCOUNTING POLICIES

(K) REVENUE (CONT'D.)

Contract balances (cont'd.)

Contract balances comprise of: (cont'd.)

(b) Trade receivables

A trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Revenue earned from shipbuilding, ship repair and property development activities but yet to be billed to customers, are initially recognised as contract assets and reclassified to trade receivables when the right to considerations becomes unconditional.

(c) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

In the context of revenue recognised over time in shipbuilding, ship repair and property development activities, contract liability is the excess of billings to date over cumulative revenue earned.

Contract liabilities include the down payments received from customers and other deferred income where the entity has billed or has collected the payment before the goods are delivered or services are provided to the customers.

Contract cost assets

(a) Cost to obtain a contract

In certain situations, the Group pays sales commission to its employees for each contract that they obtain. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions (included under employee benefits and part of cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

(b) Cost to fulfil a contract

The Group recognises:

- (i) costs related directly to a contract or to an anticipated contract that can be specifically identified;
- (ii) costs that generate or enhance resources of the Group that will be used in satisfying performance obligations in future; and
- (iii) the costs that are expected to be recovered as an asset.

Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group and the Company are as follows:

- (a) Dividend income – recognised when the right to receive payment is established.
- (b) Rental income – recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

Interest income

Interest income is recognised on accrual basis using the effective interest method.

ACCOUNTING POLICIES

(L) TAXATION

Taxation recognised in profit or loss for the year comprises current and deferred tax.

Current tax is the expected amount of taxation payable in respect of the taxable profit (including withholding taxes which are payable by subsidiaries and associates on distribution to the receiving entity and real property gains tax payable on disposals of property) for the year and is measured using the tax rates that have been enacted or substantively enacted by the reporting date.

Current tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with the investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

ACCOUNTING POLICIES

(L) TAXATION (CONT'D.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

(M) EMPLOYEE BENEFITS

Short term benefits such as wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

As required by law, the Group and the Company make contributions to the Employees Provident Fund in Malaysia. Some of the Group's foreign subsidiaries make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the period in which the related service is performed. Termination benefits are paid in cases of termination of employment and are recognised as a liability and an expense when there is a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(N) INVENTORIES

Inventories are stated at the lower of cost or net realisable value, cost being determined on the weighted average basis.

(i) Raw materials and work in progress, estate produce, goods for resale and consumable stores

Cost includes all incidental costs incurred in bringing the inventories to their present location and condition; and in the case of produce stocks, includes harvesting, manufacturing and transport charges, where applicable.

As for in-house manufactured finished goods and work in progress, labour and appropriate production overheads (based on normal operating capacity) are also included.

ACCOUNTING POLICIES

(N) INVENTORIES (CONT'D.)

(ii) Land held for property development

Land held for property development (classified within non-current assets) comprise land banks which are in the process of being prepared for development but have not been launched, or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development are transferred to property development in progress, within inventories (classified within current assets) at the point when property development activities have commenced and where it can be demonstrated that the activities can be completed within the normal operating cycle.

(iii) Property development costs

Property development in progress comprises cost of land currently being developed together with related development cost common to the whole project and direct building cost.

The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer. Property development cost of unsold unit is transferred to completed properties once the development is completed.

(iv) Completed properties

Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and the estimated cost necessary to make the sale.

(O) FINANCIAL ASSETS

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 (refer to the accounting policies in Note (K) revenue from contracts with customers).

ACCOUNTING POLICIES

(O) FINANCIAL ASSETS (CONT'D.)

Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include receivables (excluding prepayments and advances paid to the suppliers), deposits and cash and bank balances.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument by- instrument basis.

ACCOUNTING POLICIES

(O) FINANCIAL ASSETS (CONT'D.)

Subsequent measurement (cont'd.)

Financial assets designated at fair value through OCI (equity instruments) (cont'd.)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group and the Company elected to classify irrevocably its investments as disclosed in Note 20 under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred other rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

ACCOUNTING POLICIES

(O) FINANCIAL ASSETS (CONT'D.)

Subsequent measurement (cont'd.)

Derecognition (cont'd.)

When the Group and the Company have transferred its rights to receive cash flows from an asset or have entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(P) IMPAIRMENT OF FINANCIAL ASSETS

For trade receivables, contract assets and contract cost assets, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions in Note 4
- Trade receivables in Note 23
- Contract assets and contract cost assets in Note 25

ACCOUNTING POLICIES

(Q) IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of other assets are reviewed at the end of each reporting date to determine whether there is an indication of impairment. If such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGU).

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(R) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less and bank overdrafts which form an integral part of the Group's cash management.

ACCOUNTING POLICIES

(S) FINANCIAL LIABILITIES

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables, lease liabilities, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to lease liabilities, interest-bearing loans and borrowings and payables. For more information, refer to Notes 15, 31 and 32.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

ACCOUNTING POLICIES

(S) FINANCIAL LIABILITIES (CONT'D.)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(T) DERIVATIVE FINANCIAL INSTRUMENTS

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(U) LEASES

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group and Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land	2 – 999 years
Buildings	1 – 50 years
Plant and machinery	20 years
Motor vehicles	1 – 5 years
Other equipment	1 – 4 years

ACCOUNTING POLICIES

(U) LEASES (CONT'D.)

(i) Right-of-use assets (cont'd.)

If ownership of the leased asset transfers to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of building, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group and Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Leases in which the Group and the Company transfer substantially all the risks and rewards incidental to ownership of an underlying assets are classified as finance lease. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

ACCOUNTING POLICIES

(V) NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment, right-of-use assets and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

(W) SEGMENT REPORTING

For management purpose, the Group is organised into operating segments based on their activities, products and services, in a manner consistent with the internal reporting provided to the Group's chief operating decision maker. The Group's chief operating decision maker regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance.

(X) EQUITY INSTRUMENTS AND RELATED EXPENSES

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares of the Company and the Junior Sukuk Musharakah (Perpetual Sukuk) are equity instruments.

Ordinary shares and the Perpetual Sukuk are classified as equity. Dividends on ordinary shares and distributions on the Perpetual Sukuk are recognised in equity in the period in which they are declared respectively. The attributable incremental transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax.

(Y) CONTINGENCIES

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company.

ACCOUNTING POLICIES

(Z) PROVISIONS

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(a) Onerous contracts

Under onerous contracts, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

(b) Warranty provisions

The Group provides warranties for general repairs of defects that existed at the time of sale. Provisions related to these assurance-type warranties are recognised when the product is sold, or the service is provided to the customer. Initial recognition is based on historical experience. The estimate of warranty-related costs is revised annually.

(AA) CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group and the Company present assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold and consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Boustead Holdings Berhad is an investment holding company. The Company's other principal activities include the provision of management services to subsidiaries and property investment. The Company is a public limited liability company, incorporated in Malaysia in 1960, and listed on the Main Market of Bursa Malaysia Securities Berhad. The Company's registered office is located at Level 23, The Bousteador, No 10 Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan.

Information on the Group's investment in subsidiaries, associates and joint ventures is set out on pages 380 to 385 of this annual report.

The Company is a subsidiary of Lembaga Tabung Angkatan Tentera, a local statutory body established under the Tabung Angkatan Tentera Act, 1973.

These financial statements are presented in Ringgit Malaysia and rounded to the nearest million, unless otherwise stated. These financial statements were approved and authorised for issue by the Directors on 28 April 2023.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group and the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2022:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16 Leases: 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: 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 Contracts - Cost of Fulfilling a Contract	1 January 2022

The adoption of the above amended MFRSs did not have any significant financial impact to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	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: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-Current	1 January 2024
Amendments to MFRS 101: Non-Current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Assets between an investor and Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of intangible assets

The Group assesses whether there are any indicators of impairment of intangible assets at each reporting date. Intangible assets (goodwill and intangible assets with indefinite useful lives) are tested for impairment annually and at any other time when such indicators exist. Intangible assets are tested for impairment when there are indicators that their carrying values may exceed the recoverable amounts. When value in use (VIU) calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit (CGU) and chooses a suitable discount rate in order to calculate the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment losses. Further details of the key assumptions applied in the impairment assessment of intangible assets are given in Note 21.

(b) Impairment of property, plant and equipment, right-of-use assets and investment in subsidiaries, joint ventures and associates

The Group and the Company review the carrying amounts of the above non-financial assets at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of fair value less costs of disposal (FVLCD) or VIU.

Where assessment of the recoverable amount of CGU or groups of CGU is determined on the basis of FVLCD, the Group and the Company had amongst others, based the FVLCD on valuations by independent professional valuers which were derived from comparisons with recent transactions involving other similar assets and where applicable, the age, size and title tenure.

Determining the VIU of CGU or groups of CGU require the estimation of future cash flows expected to be derived from continuing use of the assets and from the ultimate disposal of such assets. In estimating the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The estimation of the recoverable amounts involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts.

The accumulated impairment losses for property, plant and equipment, right-of-use assets and investment in subsidiaries, associates and joint venture are disclosed in Notes 13, 15, 17 18, and 19 respectively.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(c) Provision for expected credit loss of trade receivables, other receivables and contract assets

The Group and the Company assess the credit risk at each reporting date, whether there have been significant increases in credit risk since initial recognition on an individual basis. To determine whether there is a significant increase in credit risks, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments.

Where there is a significant increase in credit risk, the Group and the Company determine the lifetime expected credit loss by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or full when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

The carrying amounts of the receivables and contract assets are disclosed in Notes 23 and 25 respectively.

(d) Fair value of biological assets

Biological assets represent the produce growing on oil palms. Fresh fruit bunches (FFB) are harvested from the oil palms for use in the production of crude palm oil (CPO) and palm kernel (PK). The growing produce are essentially FFB prior to harvest.

An oil palm fruit typically starts to develop oil from about 14 to 15 weeks after pollination. The oil content in the fruit increases exponentially over the next 5 weeks and reaches its maximum at about 22 weeks.

Management considered the maturity stages of FFB and concluded that unripe FFB of up to 3 weeks prior to the harvest would be used to determine the fair value of the biological assets.

The fair value of the growing produce is determined on the basis of present value of expected future cash flows which takes into consideration of the production and estimated selling prices of CPO and PK adjusted for extraction rates, processing, harvesting and transport costs.

The carrying amount of biological assets is disclosed in Note 24.

If the tonnage of unharvested FFB vary by 10%, the fair value of the Group's biological assets would increase or decrease by RM3.2 million (2021: RM4.7 million).

(e) Property development

The Group recognises property development revenue and expenses in profit or loss by using an input method which is based on cost incurred to-date relative to the total expected cost to the satisfaction of that performance obligation.

Significant judgement is required in determining the measure of progress, the extent of the property development cost incurred, the estimated total property development revenue and cost, as well as the recoverability of the property development cost. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of the Group's land held for property development and property development in progress are disclosed in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(f) Shipbuilding and ship repair

Where the performance obligations are satisfied over time, the Group recognises contract revenue and costs in the income statement by using the input method by reference to the proportion of cost incurred for work performed to date to the estimated total costs to measure progress towards the satisfaction of performance obligation.

Significant judgement is required in determining the extent of the contract costs incurred, the estimated total contract revenue and costs, the recoverability of the contract costs as well as assessing potential deductions to revenue due to delays in delivery or other contractual penalties. Further, significant judgement is also required in determining contract modification with approved change in the scope of work, but with contract price that has yet to be fixed. In making these judgements, the Group evaluates by relying on past experience, correspondence with customer and the work of internal specialists. Information on the Group's shipbuilding and ship repair contract assets and liabilities are disclosed in Note 25.

(g) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unused tax credits and unabsorbed capital allowances and agricultural allowances to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating cost, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation.

These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

The total carrying value of the Group's recognised tax losses, capital allowances and agricultural allowances and the unrecognised tax losses, capital allowances and agricultural allowances and unabsorbed investment tax allowances are disclosed in Note 16.

(h) Valuation of investment properties

The Group and Company carry its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For lands classified as investment properties, the Group and Company had applied the use of comparison valuation technique to assess the fair value of lands. For office buildings, the Group and Company had applied the use of multiple valuation techniques in measuring the fair value. The results are evaluated considering the reasonableness of the range of values indicated by those results. A fair value measurement is the point within that range that is most representative of fair value of the assets. In relation to shopping complexes, the Group had applied the income approach.

Professional valuers are involved for valuation of investment properties and decided upon annually by the management. Selection criteria of professional valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's and Company's professional valuers, which valuation techniques and inputs to use for each case.

The key assumptions used to determine the fair value of the properties and sensitivity analysis are provided in Note 37.

NOTES TO THE FINANCIAL STATEMENTS

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)

(i) Recoverability of COVID-19 vaccines inventory

The Group assesses whether there is any indication that the cost of inventory of COVID-19 vaccines as at 31 December 2022 is non-recoverable at the end of the reporting period. The recoverability of the COVID-19 vaccines inventory is measured by comparing the carrying amount of the COVID-19 vaccines with its realisable value, taking into consideration the prevailing market conditions globally and potential demand.

As at 31 December 2022, there is no indication on the sale of the COVID-19 vaccines inventory, as such, full provision of slow moving inventories amounting to RM552.4 million was made.

5. REVENUE

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Sale of plantation produce	1,176.2	1,049.5	—	—
Sale of petroleum products	8,805.6	4,263.3	—	—
Sale of pharmaceutical products	3,511.1	4,815.0	—	—
Sale of building materials	271.7	229.1	—	—
Shipbuilding	39.6	263.8	—	—
Ship repair	95.5	106.4	—	—
Property development	789.4	251.8	—	—
Hotel operations	109.3	51.7	—	—
Tuition fees	166.9	159.0	—	—
Others	23.3	20.3	7.8	9.0
Revenue from contracts with customers	14,988.6	11,209.9	7.8	9.0
Rental income	120.6	95.6	8.0	7.5
Gross dividends from quoted shares in Malaysia				
– Subsidiaries	—	—	241.8	93.5
– Associates	—	—	160.4	15.1
Gross dividends from unquoted shares in Malaysia				
– Subsidiaries	—	—	24.7	6.5
– Associates	—	—	7.6	0.8
	15,109.2	11,305.5	450.3	132.4

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE (CONT'D.)

Segment information of the Group's revenue:

	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Total
	RM Million	RM Million	RM Million	RM Million	RM Million	RM Million
2022						
Sale of plantation 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	–	–	39.6	–	–	39.6
Ship repair	–	–	95.5	–	–	95.5
Property development	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
	1,291.3	1,176.9	138.6	3,511.1	8,991.3	15,109.2

Disaggregated revenue from contracts with customers

a) Geographical markets

– Malaysia	1,041.9	1,176.9	135.3	2,519.4	8,991.3	13,864.8
– Outside Malaysia	132.1	–	–	991.7	–	1,123.8
	1,174.0	1,176.9	135.3	3,511.1	8,991.3	14,988.6

b) Timing of revenue

Goods/services transferred:

– At a point in time	954.6	1,176.2	0.9	3,511.1	8,824.4	14,467.2
– Over time	219.4	0.7	134.4	–	166.9	521.4
	1,174.0	1,176.9	135.3	3,511.1	8,991.3	14,988.6

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE (CONT'D.)

Segment information of the Group's revenue: (cont'd.)

	Property & Industrial	Plantation	Heavy Industries	Pharma- ceutical	Trading, Finance & Investment	Total
2021	RM Million	RM Million	RM Million	RM Million	RM Million	RM Million
Sale of plantation 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	—	—	263.8	—	—	263.8
Ship repair	—	—	106.4	—	—	106.4
Property development	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
	625.2	1,050.0	373.7	4,815.0	4,441.6	11,305.5

Disaggregated revenue from contracts with customers

a) Geographical markets

– Malaysia	430.8	1,050.0	370.4	3,913.6	4,441.3	10,206.1
– Outside Malaysia	102.4	—	—	901.4	—	1,003.8
	533.2	1,050.0	370.4	4,815.0	4,441.3	11,209.9

b) Timing of revenue

Goods/services transferred:

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

NOTES TO THE FINANCIAL STATEMENTS

6. OPERATING COST

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Changes in inventories of finished goods and work in progress	(18.7)	(11.2)	–	–
Finished goods and work in progress purchases	11,373.1	6,695.0	–	–
Raw materials and consumables used	815.7	1,806.4	–	–
Staff costs	701.2	655.3	28.4	20.3
Defined contribution plans	106.3	81.6	4.3	3.0
Depreciation and amortisation				
– Property, plant and equipment (Note 13)	261.8	238.9	0.8	0.5
– Right-of-use assets (Note 15)	69.1	62.9	2.3	2.6
– Intangible assets (Note 21)	5.9	3.9	–	–
Auditors' remuneration paid to Ernst & Young PLT				
– Statutory audit	4.2	3.9	0.5	0.4
– Others	0.4	0.3	0.1	0.1
Auditors' remuneration paid to other firms				
– Statutory audit	1.0	0.9	–	–
Directors' fees	1.5	1.1	1.3	1.0
Directors' remuneration				
– Emoluments	5.8	3.5	5.7	3.5
Plant and equipment				
– Loss on disposal	0.2	0.2	–	–
– Written off	2.8	2.9	–	–
Impairment loss of other intangible assets	–	2.1	–	–
Fair value loss/(gain) on biological assets (Note 24)	15.2	(22.0)	–	–
Other operating cost	1,071.6	814.5	32.6	41.3
	14,417.1	10,340.2	76.0	72.7

NOTES TO THE FINANCIAL STATEMENTS

6. OPERATING COST (CONT'D.)

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Other operating cost includes:				
Expenses relating to short term lease (Note 15)	5.8	9.6	—	0.1
Expenses relating to leases of low-value assets (Note 15)	7.0	3.2	0.3	—
Variable lease payment (Note 15)	8.7	—	—	—
Investment properties				
– Direct operating expenses	43.2	35.0	4.0	3.5
Hire of equipment	0.5	0.6	—	—
Research and development	19.5	19.6	—	—
Net fair value (gain)/loss on derivatives	(20.1)	0.2	—	—
Net foreign exchange loss/(gain)				
– Realised	1.3	2.0	—	—
– Unrealised	22.2	(23.5)	—	—
Inventories (Note 22)				
– Writeback	—	(1.0)	—	—
Net allowance/(Reversal) for expected credit loss:				
– Trade receivables (Note 23)	24.9	14.1	—	—
– Other receivables (Note 23)	9.1	0.8	—	—
– Amount due from subsidiaries (Note 23)	—	—	20.6	30.2
– Amount due from joint venture (Note 23)	—	(0.3)	—	—

7. INTEREST INCOME

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Interest income				
– Subsidiaries	—	—	95.2	113.7
– Joint venture	19.1	16.3	—	—
– Others	12.5	8.0	2.5	2.3
	31.6	24.3	97.7	116.0

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER INVESTMENT RESULTS

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Gross dividends of quoted shares in Malaysia	0.1	–	–	–
Reversal/(Impairment) losses				
– Subsidiaries (Note 17)	–	–	37.6	(54.9)
– Joint venture (Note 19)	–	–	(4.3)	(12.9)
Loss on disposal of an associate	–	(1.6)	–	–
Profit on disposal of shares of subsidiaries	–	–	–	26.2
Gain on accretion of interest in an associate	8.7	2.6	–	–
	8.8	1.0	33.3	(41.6)

9. FINANCE COST

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Interest expense on				
– Bank borrowings	215.0	226.3	54.7	62.7
– Islamic medium term notes	126.0	135.4	126.0	135.4
– Loans from subsidiaries	–	–	1.5	1.4
– Loan from a joint venture	–	–	–	1.7
– Lease liabilities (Note 15)	6.7	3.0	0.8	0.4
	347.7	364.7	183.0	201.6
Capitalised in qualifying assets				
– Property, plant and equipment (Note 13)	(2.0)	(3.0)	–	–
– Inventories (Note 22)				
– Land held for property development	(8.5)	(9.5)	–	–
– Property development in progress	(0.6)	(0.1)	–	–
	(11.1)	(12.6)	–	–
	336.6	352.1	183.0	201.6

NOTES TO THE FINANCIAL STATEMENTS

10. TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Taxation on profit for the year				
– Malaysian	208.5	225.6	1.2	2.1
– Foreign	3.7	0.4	–	–
Real property gain tax	48.7	7.7	–	–
Deferred tax relating to (Note 16)				
– Origination and reversal of temporary differences	24.9	21.6	–	(0.8)
	285.8	255.3	1.2	1.3
Under/(over) provision in prior year				
– Current income tax	11.9	8.4	(0.4)	(0.8)
– Deferred tax (Note 16)	14.5	(9.5)	–	–
	312.2	254.2	0.8	0.5

A reconciliation of taxation applicable to profit/(loss) before taxation at the statutory income tax rate of 24% to taxation at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Profit/(loss) before taxation	420.4	760.7	322.3	(67.8)
Taxation at Malaysian statutory rate of 24% (2021: 24%)	100.9	182.6	77.4	(16.2)
Effect of Cukai Makmur at the tax rate of 33% (2021: Nil)	17.3	–	–	–
Income not subject to tax	(14.2)	(44.5)	(104.3)	(34.1)
Income subject to different tax rates	(109.2)	(24.3)	–	–
Share of results in associates and joint ventures	(24.8)	(12.8)	–	–
Non-deductible expenses	259.3	167.7	28.1	51.0
Expenses subject to double deduction	(9.7)	(9.2)	–	–
Deferred tax recognised at different tax rate	–	(4.2)	–	–
Deferred tax assets not recognised	22.9	21.7	–	0.6
Deferred tax assets recognised on unutilised business losses	–	(1.7)	–	–
Real property gain tax	48.7	7.7	–	–
Utilisation of previously unrecognised tax losses, unabsorbed capital allowances and agricultural allowances	(5.4)	(27.7)	–	–
	285.8	255.3	1.2	1.3
Under/(over) provision in prior year				
– Current income tax	11.9	8.4	(0.4)	(0.8)
– Deferred tax	14.5	(9.5)	–	–
Taxation recognised in profit or loss	312.2	254.2	0.8	0.5

NOTES TO THE FINANCIAL STATEMENTS

11. EARNING PER SHARE

Basic and diluted earning per share of the Group is calculated by dividing the consolidated profit for the year attributable to shareholders of the Company of RM36.5 million (2021: RM170.1 million) by the weighted average number of ordinary shares in issue during the year of 2,027.0 million (2021: 2,027.0 million).

The Group does not have any potential dilutive ordinary shares for financial years ended 31 December 2022 and 31 December 2021.

12. DIVIDENDS

The Directors had on 29 December 2022 declared a first interim dividend of 1.5 sen per share totalling RM30.4 million, in respect of the financial year ending 31 December 2022. The dividend has been paid on 27 March 2023.

The Directors do not recommend any final dividend to be paid for the financial year under review.

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings RM Million	Bearer plants RM Million	Aircrafts and other motor vehicles RM Million	Plant and machinery RM Million	Others RM Million	Total RM Million
Group – 2022						
Cost						
At 1 January 2022	3,116.5	993.8	823.4	1,187.9	1,013.9	7,135.5
Additions	13.9	40.7	14.9	20.5	144.5	234.5
Disposals	(6.5)	(1.6)	(10.8)	(12.4)	(16.5)	(47.8)
Write off	(0.5)	(31.5)	(0.3)	(0.3)	(1.1)	(33.7)
Transfer from/(to):						
– Assets classified as held for sale (Note 27)	313.4	–	0.8	(9.6)	29.2	333.8
Interest capitalised (Note 9)	–	–	–	–	2.0	2.0
Reclassification	24.1	–	0.2	28.0	(52.3)	–
Exchange adjustment	(3.9)	–	(0.1)	(0.4)	(0.6)	(5.0)
At 31 December 2022	3,457.0	1,001.4	828.1	1,213.7	1,119.1	7,619.3
Accumulated depreciation and impairment losses						
At 1 January 2022	655.0	532.1	660.7	742.1	538.4	3,128.3
Depreciation charge for the year (Note 6)	45.4	47.6	17.1	70.7	81.0	261.8
Transfer from/(to):						
– Assets classified as held for sale (Note 27)	40.6	–	0.8	(7.8)	60.4	94.0
Impairment losses	0.1	–	(67.1)	–	(11.1)	(78.1)
Disposals	(2.9)	(1.0)	(9.9)	(10.8)	(15.7)	(40.3)
Write off	–	(29.8)	–	(0.1)	(1.0)	(30.9)
Exchange adjustment	(0.3)	–	(0.2)	(0.2)	(0.5)	(1.2)
At 31 December 2022	737.9	548.9	601.4	793.9	651.5	3,333.6
Net book value						
At 31 December 2022	2,719.1	452.5	226.7	419.8	467.6	4,285.7
Accumulated impairment losses						
At 31 December 2022	180.4	135.7	132.6	13.0	48.4	510.1

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Land and buildings RM Million	Bearer plants RM Million	Aircrafts and other motor vehicles RM Million	Plant and machinery RM Million	Others RM Million	Total RM Million
Group – 2021						
Cost						
At 1 January 2021	3,408.7	974.8	826.4	1,143.9	1,074.1	7,427.9
Additions	7.1	26.8	2.4	18.4	71.6	126.3
Disposals	(7.2)	–	(2.7)	(6.8)	(9.9)	(26.6)
Write off	(0.4)	(8.0)	(1.3)	(1.3)	(54.8)	(65.8)
Transfer to:						
– Assets classified as held for sale (Note 27)	(300.4)	(1.3)	(2.0)	(0.5)	(25.5)	(329.7)
– Right-of-use assets (Note 15)	–	–	–	–	(2.3)	(2.3)
Interest capitalised (Note 9)	0.9	1.5	–	0.6	–	3.0
Reclassification	5.8	–	0.5	33.4	(39.7)	–
Exchange adjustment	2.0	–	0.1	0.2	0.4	2.7
At 31 December 2021	3,116.5	993.8	823.4	1,187.9	1,013.9	7,135.5
Accumulated depreciation and impairment losses						
At 1 January 2021	614.2	487.4	650.9	673.5	544.1	2,970.1
Depreciation charge for the year (Note 6)	43.0	52.6	13.5	76.1	53.7	238.9
Transfer to assets classified as held for sale (Note 27)	(0.9)	(0.5)	–	(0.1)	–	(1.5)
Impairment losses	0.3	–	0.3	–	–	0.6
Disposals	(1.1)	–	(2.7)	(6.3)	(7.5)	(17.6)
Write off	(0.3)	(7.4)	(1.4)	(1.3)	(52.5)	(62.9)
Reclassification	(0.3)	–	–	–	0.3	–
Exchange adjustment	0.1	–	0.1	0.2	0.3	0.7
At 31 December 2021	655.0	532.1	660.7	742.1	538.4	3,128.3
Net book value						
At 31 December 2021	2,461.5	461.7	162.7	445.8	475.5	4,007.2
Accumulated impairment losses						
At 31 December 2021	180.3	135.7	199.7	13.0	59.5	588.2

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Company	
	2022	2021
	RM Million	RM Million
Cost		
At 1 January	11.6	11.5
Additions	13.8	0.1
Disposal	(0.4)	–
At 31 December	25.0	11.6
Accumulated depreciation		
At 1 January	10.1	9.6
Charge for the year	0.8	0.5
Disposal	(0.3)	–
At 31 December	10.6	10.1
Net book value	14.4	1.5

The property, plant and equipment of the Company above are motor vehicles, computers, furniture, equipment and renovation.

	Group	
	2022	2021
	RM Million	RM Million
Analysis of net book value of land and buildings:		
Freehold property		
– Land	1,520.7	1,384.9
– Building	809.2	686.5
	2,329.9	2,071.4
Leasehold property		
Long leasehold		
– Building	219.6	224.0
Short leasehold		
– Building	169.6	166.1
	389.2	390.1
	2,719.1	2,461.5

Included in the Group's other property, plant and equipment is capital work in progress costing RM145.5 million (2021: RM90.4 million).

The other assets included under this category are motor vehicles and furniture and equipment.

Additions to the Group's property, plant and equipment during the financial year include the capitalisation of interest cost of RM2.0 million (2021: RM3.0 million) as disclosed in Note 9. The capitalisation rate to determine the amount of borrowing costs to be capitalised was 4.2% (2021:4.1%).

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

The net book value of property, plant and equipment pledged as securities for borrowings as disclosed in Note 31 is RM9.5 million (2021: RM78.4million).

The freehold land of a subsidiary with carrying values of RM646.9 million (2021: RM654.7 million) are held by CIMB Islamic Trustee Berhad, acting as trustee for the subsidiary.

During the financial year, management have identified indications that suggest reversal of impairment losses previously recognised for its property, plant and equipment in Property & Industrial Division and Trading, Finance & Investment Division. Management had undertaken an assessment of the recoverable amount of the assets. Recoverable amount is defined as the higher of value-in-use or fair value less costs of disposal.

The aforementioned impairment review gave rise to reversal of impairment losses previously recognised for property, plant and equipment of the Group of RM78.1 million (2021 Provision of impairment losses: RM0.6 million) recognised during the year, as follows:

(a) Property & Industrial Division

Following the recovery of the hospitality industry post COVID-19 pandemic, there are indicators that suggest that reversal of impairment losses previously recognised for hotels held by the Group. Management undertaken an impairment assessment using FVLCD to determine the recoverable amount.

The reversal of impairment losses previously recognised of RM11.0 million (2021 Provision of impairment losses: RM0.3 million) were related to 2 (2021: 1) hotel properties. The recoverable amount of the hotel properties of RM153.3 million (2021 RM96.8 million) is based on fair value less costs of disposal which was derived from valuations performed by an independent professional valuer (Level 3 of the fair value hierarchy).

(b) Trading, Finance & Investment Division

During the year, the Group recognised reversal of impairment losses previously recognised of RM67.1 million (2021 Provision of impairment losses: RM0.3 million) for 5 (2021: 1) units of aircraft held by MHS Aviation Berhad (MHSA). The aircraft owned by MHS Aviation Berhad are commonly used as offshore support helicopter. There are indications that suggest reversal of impairment losses previously recognised for its aircraft due to rise in oil prices and more oil production and exploration activities.

The recoverable amount of these assets of RM143.3 million (2021: RM18.7 million) was based on fair value less costs of disposal using FVLCD (comparison approach) (Level 3 of the fair value hierarchy).

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Movement of bearer plants are as follows:

	Mature RM Million	Immature RM Million	Total RM Million
Group – 2022			
Cost			
At 1 January 2022	925.7	68.1	993.8
Additions	–	40.7	40.7
Reclassification	33.1	(33.1)	–
Disposals	(1.6)	–	(1.6)
Write off	(31.5)	–	(31.5)
At 31 December 2022	925.7	75.7	1,001.4
Accumulated depreciation			
At 1 January 2022	396.4	–	396.4
Charge for year	47.6	–	47.6
Disposals	(1.0)	–	(1.0)
Write off	(17.0)	–	(17.0)
At 31 December 2022	426.0	–	426.0
Accumulated impairment losses			
At 1 January 2022	135.4	0.3	135.7
Reclassification	0.3	(0.3)	–
Write off	(12.8)	–	(12.8)
At 31 December 2022	122.9	–	122.9
Net carrying amount			
At 31 December 2022	376.8	75.7	452.5

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Movement of bearer plants are as follows:

	Mature RM Million	Immature RM Million	Total RM Million
Group – 2021			
Cost			
At 1 January 2021	892.2	82.6	974.8
Additions	–	26.8	26.8
Interest capitalised	–	1.5	1.5
Reclassification	42.8	(42.8)	–
Transfer to assets classified as held for sale	(1.3)	–	(1.3)
Write off	(8.0)	–	(8.0)
At 31 December	925.7	68.1	993.8
Accumulated depreciation			
At 1 January 2021	350.9	–	350.9
Charge for year	52.6	–	52.6
Transfer to assets classified as held for sale	(0.5)	–	(0.5)
Write off	(6.6)	–	(6.6)
At 31 December 2021	396.4	–	396.4
Accumulated impairment losses			
At 1 January 2021	135.9	0.6	136.5
Reclassification	0.3	(0.3)	–
Write off	(0.8)	–	(0.8)
At 31 December 2021	135.4	0.3	135.7
Net carrying amount			
At 31 December 2021	393.9	67.8	461.7

NOTES TO THE FINANCIAL STATEMENTS

14. INVESTMENT PROPERTIES

	Completed investment properties RM Million	Investment properties under construction at cost RM Million	Total RM Million
Group			
At 1 January 2021	1,404.5	0.4	1,404.9
Fair value gain	1.1	–	1.1
Additions from subsequent expenditure	4.0	0.9	4.9
Disposal	(114.6)	(1.3)	(115.9)
At 31 December 2021 and 1 January 2022	1,295.0	–	1,295.0
Fair value gain	0.4	–	0.4
Additions from subsequent expenditure	3.6	–	3.6
At 31 December 2022	1,299.0	–	1,299.0
Company			
At 1 January 2021	87.4	–	87.4
Fair value loss	(0.3)	–	(0.3)
Additions from subsequent expenditure	0.3	–	0.3
At 31 December 2021 and 1 January 2022	87.4	–	87.4
Additions from subsequent expenditure	0.2	–	0.2
At 31 December 2022	87.6	–	87.6

NOTES TO THE FINANCIAL STATEMENTS

15. LEASES

Group/Company as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and buildings RM Million	Motor vehicles RM Million	Other equipment RM Million	Total RM Million
Group				
Cost				
At 1 January 2022	2,672.3	3.4	2.0	2,677.7
Additions	86.6	6.4	0.2	93.2
Disposal	(12.0)	–	–	(12.0)
Transfer from:				
– Assets classified as held for sale (Note 27)	3.2	–	1.9	5.1
At 31 December 2022	2,750.1	9.8	4.1	2,764.0
Accumulated depreciation and impairment losses				
At 1 January 2022	422.5	1.4	0.6	424.5
Charge for the year (Note 6)	68.1	–	1.0	69.1
Disposal	(3.1)	–	–	(3.1)
Transfer from:				
– Assets classified as held for sale (Note 27)	2.3	–	1.1	3.4
At 31 December 2022	489.8	1.4	2.7	493.9
Net carrying amount				
At 31 December 2022	2,260.3	8.4	1.4	2,270.1

NOTES TO THE FINANCIAL STATEMENTS

15. LEASES (CONT'D.)

Group/Company as a lessee (cont'd.)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year: (cont'd.)

	Land and buildings RM Million	Motor vehicles RM Million	Other equipment RM Million	Total RM Million
Group				
Cost				
At 1 January 2021	2,657.7	1.3	3.5	2,662.5
Additions	27.1	2.1	0.4	29.6
Disposal	(2.7)	—	—	(2.7)
Write off	(6.3)	—	—	(6.3)
Transfer from/(to):				
– Property, plant and equipment (Note 13)	2.3	—	—	2.3
– Assets classified as held for sale (Note 27)	(5.8)	—	(1.9)	(7.7)
At 31 December 2021	2,672.3	3.4	2.0	2,677.7
Accumulated depreciation and impairment losses				
At 1 January 2021	371.7	1.0	0.4	373.1
Charge for the year (Note 6)	61.2	0.4	1.3	62.9
Disposal	(1.8)	—	—	(1.8)
Write off	(6.3)	—	—	(6.3)
Transfer to assets classified as held for sale (Note 27)	(2.3)	—	(1.1)	(3.4)
At 31 December 2021	422.5	1.4	0.6	424.5
Net carrying amount				
At 31 December 2021	2,249.8	2.0	1.4	2,253.2

NOTES TO THE FINANCIAL STATEMENTS

15. LEASES (CONT'D.)**Group/Company as a lessee (cont'd.)**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year: (cont'd.)

	Land and buildings	
	2022	2021
	RM Million	RM Million
Company		
Cost		
At 1 January	13.0	13.0
Additions	34.3	–
Derecognition	(13.0)	–
At 31 December	34.3	13.0
Accumulated depreciation		
At 1 January	5.2	2.6
Charge for the year (Note 6)	2.3	2.6
Derecognition	(6.9)	–
At 31 December	0.6	5.2
Net carrying amount		
At 31 December	33.7	7.8

NOTES TO THE FINANCIAL STATEMENTS

15. LEASES (CONT'D.)

Group/Company as a lessee (cont'd.)

Set out below are the carrying amounts of lease liabilities and the movements during the year.

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
At 1 January	61.3	76.0	8.1	10.6
Additions	81.9	8.5	34.3	—
Accretion of interest (Note 9)	6.7	3.0	0.8	0.4
Lease payments	(35.3)	(24.3)	(2.0)	(2.9)
Write off	—	—	—	—
Rebate	—	(0.4)	—	—
Derecognition	—	—	(6.4)	—
Transfer from/(to) liabilities associated with assets classified as held for sale	1.5	(1.5)	—	—
At 31 December	116.1	61.3	34.8	8.1
Current	17.6	12.9	2.2	2.6
Non-current	98.5	48.4	32.6	5.5
	116.1	61.3	34.8	8.1

The following are the amounts recognised in profit or loss:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Depreciation expenses of right-of-use assets (Note 6)	69.1	62.9	2.3	2.6
Interest expense on lease liabilities (Note 9)	6.7	3.0	0.8	0.4
Impairment losses	—	—	—	—
Expenses relating to short term leases (Note 6)	5.8	9.6	—	0.1
Expenses relating to leases of low-value assets (Note 6)	7.0	3.2	0.3	—
Variable lease payment (Note 6)	8.7	—	—	—
	97.3	78.7	3.4	3.1

The Group and Company had total cash outflow for leases of RM56.8 million (2021: RM37.1 million) and RM2.3 million (2021: RM2.9 million) respectively in 2022. The Group also had non-cash additions to right-of-use assets and lease liabilities of RM81.9 million (2021: RM8.5 million) in 2022.

The leasehold land of a subsidiary with carrying book values of RM182.4 million (2021: RM183.8 million) are held by CIMB Islamic Trustee Berhad, acting as trustee for the subsidiary.

The leasehold land of subsidiaries with carrying amount of RM57.6 million (2021: RM60.1 million) are subleased from the registered owners.

NOTES TO THE FINANCIAL STATEMENTS

16. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
At 1 January	(307.8)	(288.7)	—	(0.8)
Recognised in profit or loss (Note 10)	(39.4)	(12.1)	—	0.8
Transfer from/(to) assets classified as held for sale (Note 27)	9.6	(8.0)	—	—
Exchange adjustment	0.8	1.0	—	—
At 31 December	(336.8)	(307.8)	—	—
Presented after appropriate offsetting as follows:				
Deferred tax assets	22.9	29.4	—	—
Deferred tax liabilities	(359.7)	(337.2)	—	—
	(336.8)	(307.8)	—	—

The components and movements of deferred tax assets and liabilities for the Group during the financial year prior to offsetting are as follows:

	Tax losses	Unabsorbed capital allowances	Others	Total
	RM Million	RM Million	RM Million	RM Million
Deferred tax assets – Group				
At 1 January 2021	6.7	108.2	178.2	293.1
Recognised in profit or loss	25.1	(75.5)	(65.4)	(115.8)
Transfer to assets classified as held for sale (Note 27)	—	—	(9.0)	(9.0)
At 31 December 2021 and 1 January 2022	31.8	32.7	103.8	168.3
Recognised in profit or loss	2.5	7.0	(4.2)	5.3
Transfer from assets classified as held for sale (Note 27)	—	—	9.6	9.6
At 31 December 2022	34.3	39.7	109.2	183.2

NOTES TO THE FINANCIAL STATEMENTS

16. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

The components and movements of deferred tax assets and liabilities for the Group during the financial year prior to offsetting are as follows: (cont'd.)

	Fair value gain on investment properties RM Million	Property, plant, equipment RM Million	Others RM Million	Total RM Million
Deferred tax liabilities – Group				
At 1 January 2021	8.5	(581.3)	(9.0)	(581.8)
Recognised in profit or loss	(6.0)	126.4	(16.7)	103.7
Exchange adjustment	–	–	1.0	1.0
Transfer to liabilities associated with assets classified as held for sale (Note 27)	(14.1)	1.6	13.5	1.0
At 31 December 2021 and 1 January 2022	(11.6)	(453.3)	(11.2)	(476.1)
Recognised in profit or loss	(1.9)	(8.6)	(34.2)	(44.7)
Exchange adjustment	–	–	0.8	0.8
At 31 December 2022	(13.5)	(461.9)	(44.6)	(520.0)

Deferred tax assets which have not been recognised are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Unused tax losses	1,064.3	997.5	–	–
Unabsorbed capital allowances and agricultural allowances	347.8	353.2	–	2.7
Unabsorbed investment tax allowances	131.1	119.5	–	–
	1,543.2	1,470.2	–	2.7

Effective from year of assessment of 2019, any unutilised tax losses can only be carried forward for a maximum period of ten consecutive years of assessment.

Deferred tax assets have not been recognised in respect of these items as it is not probable that sufficient taxable profit will be available to enable the utilisation of unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS

17. SUBSIDIARIES

	Company	
	2022	2021
	RM Million	RM Million
At cost	3,334.1	3,289.5
Accumulated impairment losses		
At 1 January	(990.4)	(976.3)
Impairment losses (Note 8)	37.6	(54.9)
Disposal of subsidiary	—	40.8
At 31 December	(952.8)	(990.4)
Total carrying amount	2,381.3	2,299.1
Shares quoted in Malaysia	745.1	755.6
Unquoted shares	1,636.2	1,543.5
Total carrying amount	2,381.3	2,299.1
Market value of quoted shares	1,266.7	1,416.1

Management had estimated the recoverable amount of the investments at the higher of fair value less costs of disposal (FVLCD) or value-in-use (VIU) and recognised the following impairment losses:

- (a) The recoverable amount in respect of BHIC is based on the share price of BHIC and the impairment loss recognised during the year is RM10.4 million (2021: RM15.3 million).
- b) In respect of MHSA, during the year, the Company recognised reversal of impairment loss of RM48.0 million (2021: provision of impairment loss of RM33.7 million). The recoverable amounts are based on FVLCD, determined from their net assets adjusted for fair value of property, plant and equipment valued by independent professional valuers.
- (c) In the previous financial year, the Company recognised an impairment loss of Boustead Credit Sdn. Bhd. of RM5.9 million. The recoverable amount is based on FVLCD, determined from their net assets.

NOTES TO THE FINANCIAL STATEMENTS

17. SUBSIDIARIES (CONT'D.)

Non-controlling interests in subsidiaries

The Group regards Boustead Plantations Berhad (BPlant Group), Boustead Petroleum Sdn Bhd (BPSB Group) and Pharmaniaga Berhad (Pharmaniaga Group) as subsidiaries that have material non-controlling interests (NCI). Details are as follows:

	BPSB Group	BPlant Group	Pharmaniaga Group	Other subsidiaries with immaterial NCI	Total
	RM Million	RM Million	RM Million	RM Million	RM Million
Group – 2022					
NCI percentage of ownership interest and voting interest	40%	43%	48%		
Carrying amount of NCI	397.9	1,102.1	(77.5)	(59.7)	1,362.8
Profit allocated to NCI	67.6	246.1	(292.0)	(17.4)	4.3
Dividends paid to NCI	27.5	144.5	43.6	–	215.6

The summarised financial information before inter-company eliminations are as follows:

	BPSB Group	BPlant Group	Pharmaniaga Group
	RM Million	RM Million	RM Million
As at 31 December 2022			
Non-current assets	992.6	3,766.2	630.6
Current assets	917.9	469.5	1,188.1
Non-current liabilities	(66.9)	(708.1)	(225.9)
Current liabilities	(1,044.1)	(669.4)	(1,820.2)
Net assets/(liabilities)	799.5	2,858.2	(227.4)
Year ended 31 December 2022			
Revenue	8,804.6	1,176.9	3,510.7
Profit /(loss) for the year	80.9	588.8	(605.1)
Other comprehensive loss	–	–	(4.4)
Total comprehensive income/(loss)	80.9	588.8	(609.5)
Cash flows generated/(used in) from			
– Operating activities	183.4	320.3	(142.3)
– Investing activities	(42.0)	299.0	(72.4)
– Financing activities	(65.1)	(535.8)	220.8
Net increase in cash and cash equivalents	76.3	83.5	6.1

NOTES TO THE FINANCIAL STATEMENTS

17. SUBSIDIARIES (CONT'D.)

Non-controlling interests in subsidiaries (cont'd.)

The Group regards Boustead Plantations Berhad (BPlant Group), Boustead Petroleum Sdn Bhd (BPSB Group) and Pharmaniaga Berhad (Pharmaniaga Group) as subsidiaries that have material non-controlling interests (NCI). Details are as follows: (cont'd.)

	BPSB Group RM Million	BPlant Group RM Million	Pharmaniaga Group RM Million	Other subsidiaries with immaterial NCI RM Million	Total RM Million
Group – 2021					
NCI percentage of ownership interest and voting interest	40%	43%	48%		
Carrying amount of NCI	357.8	1,000.4	263.7	(45.1)	1,576.8
Profit allocated to NCI	59.3	104.1	82.8	6.2	252.4
Dividends paid to NCI	11.2	46.3	27.9	–	85.4

The summarised financial information before inter-company eliminations are as follows:

	BPSB Group RM Million	BPlant Group RM Million	Pharmaniaga Group RM Million
As at 31 December 2021			
Non-current assets	1,012.5	3,812.0	636.7
Current assets	683.2	312.3	1,621.2
Non-current liabilities	(67.5)	(786.0)	(319.7)
Current liabilities	(908.7)	(729.5)	(1,467.8)
Net assets	719.5	2,608.8	470.4
Year ended 31 December 2021			
Revenue	4,263.1	1,050.0	4,815.0
Profit for the year	69.9	242.5	172.2
Other comprehensive (loss)/income	–	(0.1)	0.5
Total comprehensive income	69.9	242.4	172.7
Cash flows (used in)/generated from			
– Operating activities	(82.9)	438.9	(64.1)
– Investing activities	(56.8)	(3.0)	(45.6)
– Financing activities	144.0	(397.7)	120.7
Net increase in cash and cash equivalents	4.3	38.2	11.0

NOTES TO THE FINANCIAL STATEMENTS

18. ASSOCIATES

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
At cost				
Shares quoted in Malaysia	1,005.9	945.0	1,005.9	945.0
Unquoted shares	80.8	80.8	51.2	51.2
	1,086.7	1,025.8	1,057.1	996.2
Shares of post acquisition reserves	1,280.9	1,172.7	–	–
	2,367.6	2,198.5	1,057.1	996.2
Market value of quoted shares	966.0	766.1	966.0	766.1

Material associate

The Group regards Affin Bank Berhad (Affin) as a material associate. The summarised information, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in associates are as follows:

	Affin RM Million
Group – 2022	
Percentage of ownership interest	20.93%
As at 31 December 2022	
Total assets	90,120.9
Total liabilities and non-controlling interests	(79,492.0)
Net assets	10,628.9
Year ended 31 December 2022	
Revenue	2,239.2
Profit for the year	1,178.5
Other comprehensive income	43.0
Total comprehensive income	1,221.5

NOTES TO THE FINANCIAL STATEMENTS

18. ASSOCIATES (CONT'D.)

Material associate (cont'd.)

	Affin RM Million	Associates that are not individually material RM Million	Total RM Million
Reconciliation of net assets to carrying amount as at 31 December 2022			
Group's share of net assets	2,224.4	138.9	2,363.3
Goodwill	–	4.3	4.3
Carrying amount in the statement of financial position	2,224.4	143.2	2,367.6
Group's share of results for the year ended 31 December 2022			
Group's share of profit	246.6	9.8	256.4
Group's share of other comprehensive income	9.0	0.5	9.5
Group's share of total comprehensive income	255.6	10.3	265.9
Other information			
Dividends received by the Group	160.4	7.6	168.0

	Affin RM Million
Group – 2021	
Percentage of ownership interest	20.85%
As at 31 December 2021	
Total assets	78,429.1
Total liabilities and non-controlling interests	(68,540.1)
Net assets	9,889.0
Year ended 31 December 2021	
Revenue	3,366.2
Profit for the year	526.9
Other comprehensive loss	(175.7)
Total comprehensive income	351.2

NOTES TO THE FINANCIAL STATEMENTS

18. ASSOCIATES (CONT'D.)

Material associate (cont'd.)

	Affin RM Million	Associates that are not individually material RM Million	Total RM Million
Reconciliation of net assets to carrying amount as at 31 December 2021			
Group's share of net assets	2,061.9	132.3	2,194.2
Goodwill	–	4.3	4.3
Carrying amount in the statement of financial position	2,061.9	136.6	2,198.5
Group's share of results for the year ended 31 December 2021			
Group's share of profit	109.9	7.5	117.4
Group's share of other comprehensive (loss)/income	(36.6)	0.2	(36.4)
Group's share of total comprehensive income	73.3	7.7	81.0
Other information			
Dividends received by the Group	15.1	6.8	21.9

19. JOINT VENTURES

	Group		Company	
	2022 RM Million	2021 RM Million	2022 RM Million	2021 RM Million
Unquoted shares, at costs	430.3	430.3	134.8	134.8
Share of post acquisition reserves	(280.0)	(126.3)	–	–
	150.3	304.0	134.8	134.8
Less: Accumulated impairment losses	–	–	(92.4)	(88.1)
	150.3	304.0	42.4	46.7

During the year, the Company recognised impairment losses of RM4.3 million (2021: RM12.9 million) in respect of its investment in Irat Properties Sdn Bhd (Irat) due to continuing operating losses and depleting shareholders' funds. The recoverable amount estimated by management is based on Irat's net assets which has been taking into consideration of the fair value of investment properties derived from valuation reports provided by independent professional valuers.

NOTES TO THE FINANCIAL STATEMENTS

19. JOINT VENTURES (CONT'D.)

Material joint ventures

The Group regards Boustead Ikano Sdn Bhd (BISB) and Irat Properties Sdn Bhd (Irat) as material joint ventures. The summarised information, adjusted for any differences in accounting policies and reconciliation of the information to the carrying amount of the Group's interest in joint ventures (JV) are as follows:

	Irat RM Million	BISB RM Million
Group – 2022		
Percentage of ownership interest	50%	50%
As at 31 December 2022		
Non-current assets	517.3	1,510.9
Cash and cash equivalents	18.9	16.1
Other current assets	28.5	21.1
Total current assets	47.4	37.2
Total assets	564.7	1,548.1
Trade and other payables	129.4	–
Other non-current financial liabilities	265.8	1,433.5
Total non-current liabilities	395.2	1,433.5
Trade and other payables	11.9	32.2
Other current financial liabilities	60.3	21.6
Total current liabilities	72.2	53.8
Non-controlling interests	19.9	–
Total liabilities and non-controlling interests	487.3	1,487.3
Net assets	77.4	60.8

NOTES TO THE FINANCIAL STATEMENTS

19. JOINT VENTURES (CONT'D.)

Material joint ventures (cont'd.)

	Irat RM Million	BISB RM Million
Group – 2022		
Year ended 31 December 2022		
Revenue	23.2	87.5
Total comprehensive loss	(16.4)	(294.2)

The following expenses/(income) have been charged/(credited) in arriving at profit or loss for the year:

Depreciation	–	5.0
Fair value loss of investment properties	18.4	256.9
Interest income	–	(0.1)
Interest expense	20.3	66.3
Taxation	0.9	–

	Irat RM Million	BISB RM Million	JV that are not individually material RM Million	Total RM Million
Reconciliation of net assets to carrying amount as at 31 December 2022				
Group's share of net assets	38.7	30.4	76.6	145.7
Goodwill	0.2	–	4.4	4.6
Carrying amount in the statement of financial position	38.9	30.4	81.0	150.3
Group's share of results for the year ended 31 December 2022				
Group's share of total comprehensive (loss)/income	(8.2)	(147.1)	2.1	(153.2)
Other information				
Dividends received by the Group	–	–	0.5	0.5

NOTES TO THE FINANCIAL STATEMENTS

19. JOINT VENTURES (CONT'D.)

Material joint ventures (cont'd.)

	Irat RM Million	BISB RM Million
Group – 2021		
Percentage of ownership interest	50%	50%
As at 31 December 2021		
Non-current assets	535.4	1,762.6
Cash and cash equivalents	20.5	17.1
Other current assets	22.2	16.9
Total current assets	42.7	34.0
Total assets	578.1	1,796.6
Trade and other payables	32.9	–
Other non-current financial liabilities	265.5	778.3
Total non-current liabilities	298.4	778.3
Trade and other payables	8.3	19.4
Other current financial liabilities	153.4	643.6
Total current liabilities	161.7	663.0
Non-controlling interests	24.6	–
Total liabilities and non-controlling interests	484.7	1,441.3
Net assets	93.4	355.3
Year ended 31 December 2021		
Revenue	24.5	53.1
Total comprehensive income/(loss)	1.1	(105.5)

The following expenses/(income) have been charged/(credited) in arriving at profit or loss for the year:

Depreciation	–	5.8
Fair value loss of investment properties	0.7	10.7
Interest income	(1.7)	–
Interest expense	20.3	56.9
Taxation	3.8	38.9

NOTES TO THE FINANCIAL STATEMENTS

19. JOINT VENTURES (CONT'D.)

Material joint ventures (cont'd.)

	Irat RM Million	BISB RM Million	JV that are not individually material RM Million	Total RM Million
Reconciliation of net assets to carrying amount as at 31 December 2021				
Group's share of net assets	46.7	177.7	75.0	299.4
Goodwill	0.2	—	4.4	4.6
Carrying amount in the statement of financial position	46.9	177.7	79.4	304.0
Group's share of results for the year ended 31 December 2021				
Group's share of total comprehensive income/(loss)	0.6	(52.8)	(11.9)	(64.1)
Other information				
Dividends received by the Group	—	—	0.5	0.5

20. OTHER INVESTMENTS

	Group		Company	
	2022 RM Million	2021 RM Million	2022 RM Million	2021 RM Million
At 1 January	5.0	5.8	1.2	1.3
Fair value gain/(loss)	—	(0.5)	—	(0.1)
Disposal	(3.1)	(0.3)	—	—
At 31 December	1.9	5.0	1.2	1.2

The investments in quoted shares are stated at fair value. The unquoted shares with a cost of RM0.5 million had been fully impaired since previous year.

NOTES TO THE FINANCIAL STATEMENTS

21. INTANGIBLE ASSETS

	Goodwill RM Million	Concession Rights RM Million	Rights to supply RM Million	Others RM Million	Total RM Million
Group					
Cost					
At 1 January 2021	269.0	75.0	342.8	86.7	773.5
Additions	—	—	—	16.4	16.4
Exchange adjustment	1.1	—	—	0.5	1.6
Write off	(8.8)	(75.0)	(342.8)	(5.9)	(432.5)
Transfer to assets classified as held for sale	(1.6)	—	—	—	(1.6)
At 31 December 2021 and 1 January 2022	259.7	—	—	97.7	357.4
Additions	1.6	—	—	17.7	19.3
Exchange adjustment	(1.9)	—	—	(0.9)	(2.8)
Write off	(50.3)	—	—	(6.5)	(56.8)
At 31 December 2022	209.1	—	—	108.0	317.1
Accumulated amortisation and impairment losses					
At 1 January 2021	—	75.0	342.8	12.7	430.5
Amortisation for the year (Note 6)	—	—	—	3.9	3.9
Impairment losses	8.8	—	—	2.1	10.9
Write off	(8.8)	(75.0)	(342.8)	—	(426.6)
Exchange adjustment	—	—	—	0.4	0.4
At 31 December 2021 and 1 January 2022	—	—	—	19.1	19.1
Amortisation for the year (Note 6)	—	—	—	5.9	5.9
Impairment losses	50.3	—	—	—	50.3
Write off	(50.3)	—	—	—	(50.3)
Exchange adjustment	—	—	—	(0.9)	(0.9)
At 31 December 2022	—	—	—	24.1	24.1
Net carrying amount					
At 31 December 2022	209.1	—	—	83.9	293.0
At 31 December 2021	259.7	—	—	78.6	338.3

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

NOTES TO THE FINANCIAL STATEMENTS

21. INTANGIBLE ASSETS (CONT'D.)

Goodwill

During the financial year, Pharmaniaga Berhad has fully impaired the carrying amount of the goodwill which arose from the acquisition of the Indonesia manufacturing CGU of RM50.3 million due to the long gestation and the uncertain business environment in Indonesia.

For the remaining goodwill, the recoverable amounts are determined based on fair value less costs of disposal (quoted prices, Level 1 of the fair value hierarchy) or value in use calculations using budgeted cash flows approved by each entity's board of directors covering a three year period (Level 3 of the fair value hierarchy). The cash flow projections reflect management expectation of revenue growth, operating cost, margins, future contracts based on their recent experience and order book. Discount rates applied to the cash flow projections are derived from the CGU's pre-tax weighted average cost of capital plus a reasonable risk premium at the date of assessment of CGU.

22. INVENTORIES

	Group	
	2022	2021
	RM Million	RM Million
Non-current		
Land held for property development	451.8	811.2
Current		
Raw materials and work in progress	190.3	149.4
Goods for resale	849.0	1,348.5
Estate produce	41.3	25.9
Completed properties	11.3	23.8
Consumable stores	109.6	52.4
Property development in progress	84.2	108.0
	1,285.7	1,708.0

During the financial year, there was a net write down of goods for resale inventories to net realisable value of RM572.4 million (2021: RM25.7 million). As at 31 December, as there is no indication on the sale of COVID-19 vaccines inventory, a full provision of slow moving inventories amounting to RM552.4 million was made. The amount of inventories recognised as an expense of the Group amounted to RM12,170.1 million (2021: RM8,490.2 million).

NOTES TO THE FINANCIAL STATEMENTS

22. INVENTORIES (CONT'D.)**Land held for property development - non current**

	Group	
	2022	2021
	RM Million	RM Million
At 1 January		
Freehold land, at cost	298.5	365.9
Leasehold land, at cost	1.5	1.8
Development costs	511.2	548.6
	811.2	916.3
Transfer to property development in progress:		
Freehold land	(3.4)	(2.1)
Leasehold land	—	(0.3)
Development costs	(52.0)	(7.3)
	(55.4)	(9.7)
Development costs incurred during the year	66.5	41.2
Disposal during the year:		
Freehold land	(206.1)	(65.4)
Development costs	(164.4)	(71.2)
	(370.5)	(136.6)
At 31 December	451.8	811.2
Interest cost capitalised during the year (Note 9)	8.5	9.5

Property development in progress - current

	Group	
	2022	2021
	RM Million	RM Million
At 1 January	108.0	141.2
Development costs incurred during the year	19.4	25.5
Transfer from/(to):		
Land held for property development	55.4	9.7
Inventories	—	(6.8)
Contract costs assets	(98.6)	(61.6)
At 31 December	84.2	108.0
Interest cost capitalised during the year (Note 9)	0.6	0.1

NOTES TO THE FINANCIAL STATEMENTS

23. RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Non-current				
Amounts due from subsidiaries	–	–	1,653.1	1,806.0
Amounts due from joint ventures	338.5	296.4	–	–
	338.5	296.4	1,653.1	1,806.0
Allowance for expected credit loss:				
– Amount due from subsidiaries	–	–	(155.2)	(136.9)
	338.5	296.4	1,497.9	1,669.1
Current				
Trade receivables	1,204.1	1,019.1	–	–
Allowance for expected credit loss	(100.9)	(72.6)	–	–
	1,103.2	946.5	–	–
Dividends receivable	–	6.1	–	–
Deposits	21.1	34.3	–	–
Prepayments	68.8	42.4	–	–
Income tax receivable	34.5	20.7	4.5	3.9
Advances paid to suppliers	1.9	1.7	–	–
Other receivables	283.9	133.4	12.2	6.5
Amount due from holding corporation	2.1	1.7	–	–
Amounts due from subsidiaries	–	–	28.1	21.1
Amounts due from associates	5.3	4.0	0.8	0.8
Amounts due from joint ventures	53.0	52.4	0.6	0.5
Amounts due from other related companies	0.7	0.7	–	–
	1,574.5	1,243.9	46.2	32.8
Allowance for expected credit loss:				
– Other receivables	(45.0)	(33.7)	(5.9)	(5.9)
– Amounts due from subsidiaries	–	–	(6.8)	(4.5)
– Amounts due from joint ventures	(37.7)	(37.7)	–	–
	(82.7)	(71.4)	(12.7)	(10.4)
	1,491.8	1,172.5	33.5	22.4

NOTES TO THE FINANCIAL STATEMENTS

23. RECEIVABLES (CONT'D.)

The Group's normal trade credit terms range from payments in advance to 90 days (2021: 90 days). Other credit terms are assessed and approved on a case by case basis.

Amounts due from subsidiaries and joint ventures that are not expected to be realised within twelve months after the reporting period are classified as non-current.

Amounts due from subsidiaries are unsecured, bear interest at a weighted average rate of 5.7% (2021: 5.7%) per annum and are repayable on demand.

Amounts due from joint ventures are unsecured and repayable on demand. Included in the amount is a loan of RM338.5 million (2021: RM296.4 million) which bears interest at weighted average rate of 6.0% (2021: 6.0%) per annum.

The other amounts due from holding corporation, associates, joint ventures and other related companies are balances which are unsecured and interest free, with repayment in accordance with normal trading terms.

Movement in allowance accounts

	Group	
	2022	2021
	RM Million	RM Million
Trade receivables		
At 1 January	72.6	74.7
Allowance for expected credit loss (Note 6)	24.9	14.1
Write off	(3.6)	(8.7)
Exchange adjustment	(0.4)	(0.1)
Transfer from/(to) assets classified as held for sale	7.4	(7.4)
At 31 December	100.9	72.6

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Other receivables				
At 1 January	33.7	35.1	5.9	5.9
Allowance for expected credit loss (Note 6)	9.1	0.8	-	-
Transfer from/(to) assets classified as held for sale	2.2	(2.2)	-	-
At 31 December	45.0	33.7	5.9	5.9

NOTES TO THE FINANCIAL STATEMENTS

23. RECEIVABLES (CONT'D.)

Movement in allowance accounts (cont'd.)

	Company	
	2022 RM Million	2021 RM Million
Amounts due from subsidiaries		
At 1 January	141.4	214.2
Allowance for expected credit loss (Note 6)	20.6	30.2
Disposal of subsidiary	—	(103.0)
At 31 December	162.0	141.4

	Group	
	2022 RM Million	2021 RM Million
Amounts due from joint ventures		
At 1 January	37.7	38.0
Reversal of allowance for expected credit loss (Note 6)	—	(0.3)
At 31 December	37.7	37.7

24. BIOLOGICAL ASSETS

	Group	
	2022 RM Million	2021 RM Million
At fair value less costs to sell:		
At 1 January	47.0	25.0
Fair value (loss)/gain (Note 6)	(15.2)	22.0
At 31 December	31.8	47.0

The biological assets of the Group represent fresh fruit bunches (FFB) of 3 weeks prior to harvesting. The quantity of the unharvested FFB included in the valuation for the Group is 49,177 (2021: 46,635) metric tonnes. The expected net cash flows are estimated using the expected output (FFB harvest) and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs.

The fair valuation of biological assets correspond with Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

25. CONTRACT ASSETS/(LIABILITIES) AND CONTRACT COST ASSETS

	Group	
	2022	2021
	RM Million	RM Million
Contract assets		
Contract assets from shipbuilding and ship repair	675.5	1,025.7
Accrued billings in respect of property development costs	114.1	83.9
	789.6	1,109.6
Contract cost assets in respect of property development costs		
At 1 January	10.4	7.9
Additions	156.4	83.1
Amortisation recognised in profit or loss	(154.0)	(80.6)
At 31 December	12.8	10.4
Total contract assets and contract cost assets	802.4	1,120.0
Contract liabilities		
Advance billings to contract customers:		
– Shipbuilding and ship repair	(86.6)	(32.3)
– Property development costs	(7.0)	(136.7)
– Supply of medical and non-medical equipment	(30.6)	(21.8)
	(124.2)	(190.8)

Set out below is the amount of revenue recognised from:

	Group	
	2022	2021
	RM Million	RM Million
Amounts included in contract liabilities at the beginning of the year:		
– Shipbuilding and ship repair	37.4	34.4
– Property development	136.8	7.2
	174.2	41.6

a) Revenue from shipbuilding and ship repair

As at 31 December 2022, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of RM4,321.4 million (2021: RM2,445.4 million) relates to the contracts with customers for shipbuilding, repair and maintenance and rendering of services.

NOTES TO THE FINANCIAL STATEMENTS

25. CONTRACT ASSETS/(LIABILITIES) AND CONTRACT COST ASSETS (CONT'D.)

(b) Revenue from property development

As at 31 December 2022, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of RM89.0 million (2021: RM85.2 million) relates to the contracts for property development activities.

(c) Revenue from supply of medicines and medical and non-medical equipment

The Group entered into a contract with customers during the financial year for supply of medicines, medical and non-medical equipment. Advance payments were received from customers, however, revenue will only be recognised upon satisfaction of performance obligations through delivery of medicines to customers.

As at 31 December 2022, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) of RM157.9 million (2021: RM159.9 million) relates to the contract with customers for supply of medicines and medical and non-medical equipment.

26. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Deposits with financial institutions	392.0	188.2	152.9	71.7
Cash held under Housing Development Accounts	30.2	13.9	—	—
Cash and bank balances	347.5	261.4	27.3	63.1
	769.7	463.5	180.2	134.8

The average remaining maturity periods of the Group's and the Company's fixed deposits with financial institutions are 12 days (2021: 21 days) and 11 days (2021: 17 days) respectively. Bank balances are monies placed in current accounts with licensed banks which do not earn any interest.

The total amount of cash and bank balances and deposits placed by the Group and the Company with the financial institutions which are Government-related entities amounted to RM443.4 million (2021: RM303.2 million) and RM162.3 million (2021: RM117.5 million) respectively.

Housing Development Accounts held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore, restricted from use in other operations.

Included in deposits and cash and bank balances with financial institutions of the Group and the Company are RM131.1 million (2021: RM113.3 million) and RM71.2 million (2021: RM70.0 million) respectively, of which are restricted for use and are maintained as part of the requirements of the terms of the Islamic medium term notes and other term loans.

Also, included in deposits with financial institutions are deposits of RM60.5 million (2021: RM49.5 million) which mature more than 3 months and are excluded from cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

27. ASSETS CLASSIFIED AS HELD FOR SALE

- (a) On 13 May 2022, Boustead Naval Shipyard Sdn Bhd (BNS) entered into agreements with purchasers for the proposed disposal of 99,999,999 ordinary shares (or 99.99% stake) of Boustead Langkawi Shipyard Sdn Bhd (BLS), representing the entire equity interest held by BNS in BLS.

The proposed disposal is expected to be completed within the next 12 months. The Directors had assessed that proposed disposal met the requirements of MFRS 5 Non-current Assets Held for Sale and hence, had classified the assets and liabilities classified as held for sale.

- (b) On 17 August 2021, Boustead Holdings Berhad (BHB) entered into a conditional share sale agreement with UON Holding (Malaysia) Sdn Bhd 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.

However, on 16 August 2022, BHB and the Purchaser had mutually agreed that the SSA has lapsed, as the conditions remain unfulfilled in their respective terms at the end of business on that date.

Details on the proposed disposal are disclosed in Note 41(d).

- (c) On 22 December 2020, the Group's wholly owned subsidiary, Boustead Penang Shipyard Sdn Bhd has entered into agreements for the sale of plant and equipment for a total sales consideration of RM3.9 million.

The sale of plant and equipment was completed during the year.

- (d) On 28 September 2021, CIMB Islamic Trustee Berhad, acting solely as trustee for Boustead Plantations Berhad (BPB) entered into a sale and purchase agreement with SIPP Power Sdn Bhd for the sale of freehold land measuring 663.98 hectares in the district of Kulai, Johor.

The sale of land was completed on 27 January 2022 and the Group has recognised a gain on disposal of plantation land of RM364.0 million. Details on the disposal are disclosed in Note 41(b).

NOTES TO THE FINANCIAL STATEMENTS

27. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D.)

The assets to be disposed pursuant to the above sale and purchase agreements are as follows:

2022	Note 27(a)			
Group	RM Million			
Assets classified as held for sale				
Property Plant & Equipment (Note 13):				
Land and building	21.4			
Others	1.6			
	23.0			
Right-of-use assets (Note 15)	2.6			
Other assets	2.0			
Deposits, cash and bank balances	1.7			
At 31 December 2022	29.3			
Liabilities associated with assets held for sale				
Other liabilities	1.9			
At 31 December 2022	1.9			

2021	Note 27(b)	Note 27(c)	Note 27(d)	Total
Group	RM Million	RM Million	RM Million	RM Million
Assets classified as held for sale				
Property Plant & Equipment (Note 13):				
Land and building	235.3	2.1	64.2	301.6
Others	27.5	3.1	1.2	31.8
	262.8	5.2	65.4	333.4
Right-of-use assets (Note 15)	4.3	0.8	—	5.1
Deferred tax assets	9.6	—	—	9.6
Other assets	34.4	—	—	34.4
Deposits, cash and bank balances	14.1	—	—	14.1
	325.2	6.0	65.4	396.6
Asset classified as held for sale written down (Note 6)				
	—	(2.1)	—	(2.1)
At 31 December 2021	325.2	3.9	65.4	394.5
Liabilities associated with assets held for sale				
Deferred tax liability	—	—	1.6	1.6
Other liabilities	157.4	—	—	157.4
At 31 December 2021	157.4	—	1.6	159.0

NOTES TO THE FINANCIAL STATEMENTS

28. SHARE CAPITAL

	2022		2021	
	Number of shares Million	RM Million	Number of shares Million	RM Million
Ordinary shares	2,027.0	2,735.7	2,027.0	2,735.7

29. RESERVES

	<----- Non-distributable ----->				
	Fair value reserve of financial assets at fair value through OCI RM Million	Regulatory reserve RM Million	Other reserves RM Million	Retained earnings RM Million	Total RM Million
Group					
At 1 January 2022	17.1	148.2	412.7	(34.7)	543.3
Currency translation difference in respect of foreign operations	—	—	3.6	—	3.6
Net gain/(loss) on equity investment designated at fair value through other comprehensive income					
– Fair value changes	0.3	—	—	—	0.3
– Transfer upon disposal	3.0	—	—	(3.0)	—
Share of net loss on financial assets designated at fair value through OCI of an associate	9.0	—	0.5	—	9.5
Other comprehensive income/(loss) for the year	12.3	—	4.1	(3.0)	13.4
Profit for the year	—	—	—	36.5	36.5
Total comprehensive income for the year	12.3	—	4.1	33.5	49.9
Share of an associate's movement in reserve	—	—	—	1.6	1.6
Transfer during the year					
– Regulatory reserve of an associate	—	(57.5)	—	57.5	—
Dividend (Note 12)	—	—	—	(30.4)	(30.4)
At 31 December 2022	29.4	90.7	416.8	27.5	564.4

NOTES TO THE FINANCIAL STATEMENTS

29. RESERVES (CONT'D.)

	<----- Non-distributable ----->				
	Fair value reserve of financial assets at fair value through OCI RM Million	Regulatory reserve RM Million	Other reserves RM Million	Retained earnings RM Million	Total RM Million
Group					
At 1 January 2021	53.2	153.8	434.7	(260.2)	381.5
Currency translation difference in respect of foreign operations	—	—	(1.9)	—	(1.9)
Net (loss)/gain on equity investment designated at fair value through other comprehensive income					
– Fair value changes	(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)
Share of exchange differences on translation of foreign operations of associates	—	—	0.3	—	0.3
Other comprehensive loss for the year	(36.1)	—	(1.6)	(1.0)	(38.7)
Profit for the year	—	—	—	170.1	170.1
Total comprehensive (loss)/income for the year	(36.1)	—	(1.6)	169.1	131.4
Share of an associate's movement in reserve	—	—	(17.5)	12.6	(4.9)
Changes in ownership interest in subsidiaries					
– Partial disposal of shares in a subsidiary	—	—	(2.9)	39.7	36.8
– Share options granted by a subsidiary	—	—	—	0.6	0.6
– Additional investment in subsidiaries	—	—	—	(2.1)	(2.1)
Transfer during the year					
– Regulatory reserve of an associate	—	(5.6)	—	5.6	—
At 31 December 2021	17.1	148.2	412.7	(34.7)	543.3

NOTES TO THE FINANCIAL STATEMENTS

29. RESERVES (CONT'D.)

	Non-distributable Fair value reserve of financial assets at FVOCI RM Million	Retained earnings RM Million	Total RM Million
Company			
1 January 2021	(0.5)	(1,363.7)	(1,364.2)
Net (loss)/income on equity investment designated at fair value through other comprehensive income			
– Fair value changes, representing total other comprehensive loss for the year	(0.1)	-	(0.1)
Loss for the year	–	(125.0)	(125.0)
Total comprehensive loss for the year	(0.1)	(125.0)	(125.1)
At 31 December 2021 and 1 January 2022	(0.6)	(1,488.7)	(1,489.3)
Profit for the year	–	258.8	258.8
Total comprehensive profit for the year	–	258.8	258.8
Dividend (Note 12)	–	(30.4)	(30.4)
At 31 December 2022	(0.6)	(1,260.3)	(1,260.9)

Fair value reserve of financial assets at FVOCI represents the cumulative fair value changes, net of tax, of equity investment designated at FVOCI until they are disposed.

The regulatory reserve was maintained by an associate in compliance with the provision of the Financial Services Act, 2013.

The other non-distributable reserves comprise mainly of the accretion in net assets of a subsidiary arising from its initial public offering in the prior years.

NOTES TO THE FINANCIAL STATEMENTS

30. PERPETUAL SUKUK

The Perpetual Sukuk was issued pursuant to the Junior Islamic Medium Term Note Programme of up to RM1.2 billion in nominal value which was approved by the Securities Commission Malaysia on 15 November 2013. The Perpetual Sukuk is accounted for as equity as there is no contractual obligation to redeem the instrument.

At year end, the total nominal value of Perpetual Sukuk is as follows:

Tranches	Profit rate	2022	Profit rate	2021
	%	RM Million	%	RM Million
T1	11.6	340.0	10.6	340.0
T3	10.6	51.0	9.6	51.0
T4	10.6	150.0	9.6	150.0
T7	9.75	66.0	8.75	66.0
		607.0		607.0

The salient features of the Perpetual Sukuk are as follows:

- (a) The Perpetual Sukuk is issued under the Islamic principle of Musharakah, while the principle of Commodity Musawamah will be employed to effect the deferral of the periodic distributions, if any.
- (b) Being perpetual in tenure, the Company has a call option to redeem the Perpetual Sukuk at the end of 5th year and on each periodic distribution date thereafter.
- (c) The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:
 - (i) Accounting event – change in accounting standards resulting Perpetual Sukuk no longer being recognised as an equity instrument;
 - (ii) Change in control – change in the shareholding of the Company which resulted in LTAT, its major shareholder, to hold less than the agreed percentage of interest in the Company;
 - (iii) Leverage event – the finance to equity ratio of the Company has exceeded the agreed amount;
 - (iv) Privatisation event – the shares of the Company are no longer listed on Bursa Malaysia Securities Berhad; and
 - (v) Tax event – if the Company is and will become obliged to pay additional amount due to changes in tax laws or regulations.
- (d) The periodic distribution rate of the Perpetual Sukuk for the first five years since issuance ranges from 6.1% to 6.25% per annum and is payable six months from the issue date of the relevant tranche and every six months thereafter.
- (e) If the Company does not exercise its option to redeem at the end of 5th year, the periodic distribution rate shall increase by 1.5% per annum for the 6th year. For the 7th year onwards, the periodic distribution rate will be further increased by 1% per annum for every year thereafter, subject to the maximum of 15% per annum.
- (f) The Company can elect to defer the periodic distribution indefinitely provided that the Company has not within the last six months declared or paid any dividend or payment or other distributions in respect of or repurchase or redeem its ordinary shares, or any other securities of the Company ranking junior to the Perpetual Sukuk. The deferred periodic distribution, if any, will be cumulative but will not earn additional profits (i.e there will be no compounding of the periodic distribution being deferred).

NOTES TO THE FINANCIAL STATEMENTS

30. PERPETUAL SUKUK (CONT'D.)

The salient features of the Perpetual Sukuk are as follows: (cont'd.)

- (g) In the event the periodic distribution is deferred, no dividend or payment or other distributions shall be made in respect of or repurchase or redeem in respect of its ordinary shares, or any other securities of the Company ranking junior to the Perpetual Sukuk until the Company has paid any periodic distribution or deferred periodic/additional distribution in full.
- (h) Payment obligations on the Perpetual Sukuk will, at all times, rank senior to other equity instruments for time being outstanding or obligations of the Company that are subordinated to the Junior Sukuk, but junior to the claims of present and future creditors of the Company (other than obligations ranking pari passu with the Perpetual Sukuk).
- (i) The Perpetual Sukuk is unsecured and not rated.

31. BORROWINGS

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Non-current				
Term loans				
– Denominated in Malaysian Ringgit	711.2	740.9	–	–
– Denominated in Great Britain Pound	–	45.9	–	–
	711.2	786.8	–	–
Islamic medium term notes	2,046.5	2,044.4	2,046.5	2,044.4
Revolving credits	189.7	392.3	–	–
	2,947.4	3,223.5	2,046.5	2,044.4
Repayable in 1 year	(198.3)	(166.3)	–	–
	2,749.1	3,057.2	2,046.5	2,044.4
Current				
Overdrafts	36.5	45.4	34.6	34.9
Bankers' acceptances				
– Denominated in Malaysian Ringgit	737.2	559.2	–	–
– Denominated in Indonesian Rupiah	173.1	146.7	–	–
Revolving credits	2,898.7	3,017.1	990.5	1,191.0
Short term loans	198.3	166.3	–	–
	4,043.8	3,934.7	1,025.1	1,225.9
Total borrowings	6,792.9	6,991.9	3,071.6	3,270.3

All the borrowings are denominated in Malaysian Ringgit, except for a non-current term loan of RM45.9 million denominated in Great Britain Pound in 2021 and a bankers' acceptances of RM173.1 million (2021: RM146.7 million) denominated in Indonesian Rupiah at the Group's level.

NOTES TO THE FINANCIAL STATEMENTS

31. BORROWINGS (CONT'D.)

The Islamic medium term notes (IMTN) comprise:

- i) 2 tranches of RM500 million each 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.

The IMTN have been accounted for in the statement of financial position of the Group and of the Company as follows:

	Group/Company	
	2022	2021
	RM Million	RM Million
Nominal value	2,050.0	2,050.0
Unamortised transaction cost	(3.5)	(5.6)
Carrying amount	2,046.5	2,044.4

A subsidiary has a term loan of RM21.4 million (2021: 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 (2021: RM2.4 million) which is secured against an investment property owned by the subsidiary with a market value of RM14.5 million (2021: RM14.5 million).

A subsidiary has a term loan of RM14.3 million (2021: 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 RM45.9 million which is secured against a property owned by the subsidiary with a net book value of RM68.9 million as disclosed in Note 13 in prior year.

A subsidiary has a term loan of RM38.8 million (2021: RM2.7million) which is secured against the subsidiary's property owned by the subsidiary with the net book value of RM9.5 million (2021: RM9.5 million) as disclosed in Note 13.

All the other borrowings are unsecured. Other information on financial risks of the borrowings are disclosed in Note 36.

The amount of borrowings obtained from the financial institutions which are Government-related entities amounted to RM4,124.5 million (2021: RM4,216.9 million).

NOTES TO THE FINANCIAL STATEMENTS

31. BORROWINGS (CONT'D.)

As at 31 December 2022, two Subsidiaries of the Company did not meet certain financial covenants for its non-current and current borrowings, 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 consolidated Finance Service Cover Ratio of a subsidiary, calculated as ratio of cumulative available cash flows to interest expense and current portion of long-term borrowings, must not be less than 1.25;
- 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; and
- The consolidated gearing ratio of a subsidiary shall not exceed 1.5 times.

The carrying amount of the borrowings in default at the end of reporting period is RM433.4 million. As at reporting date, the carrying amount of non-current borrowings in default of RM93.5 million is reclassified as current liabilities. Subsequent to year end, other than the revolving credits of RM91.3 million in default, the Group was granted indulgence by the lenders for the breach of financial covenants.

NOTES TO THE FINANCIAL STATEMENTS

31. BORROWINGS (CONT'D.)

Change in liabilities arising from financing activities

Group

	At 1 January 2022 RM Million	Net (repayment)/ drawdown RM Million	Others RM Million	At 31 December 2022 RM Million
Overdrafts	45.4	(8.9)	–	36.5
Revolving credits	3,409.4	(321.0)	–	3,088.4
Bankers' acceptances	705.9	204.4	–	910.3
Islamic medium term notes	2,044.4	–	2.1	2,046.5
Other term loans	786.8	(73.6)	(2.0)	711.2
	6,991.9	(199.1)	0.1	6,792.9

	At 1 January 2021 RM Million	Net (repayment)/ drawdown RM Million	Others RM Million	At 31 December 2021 RM Million
Overdrafts	55.4	(10.0)	–	45.4
Revolving credits	3,741.2	(322.8)	(9.0)	3,409.4
Bankers' acceptances	503.8	202.1	–	705.9
Islamic medium term notes	2,342.2	(300.0)	2.2	2,044.4
Other term loans	941.3	(156.5)	2.0	786.8
	7,583.9	(587.2)	(4.8)	6,991.9

Others comprise of liabilities associated with assets classified as held for sale during the year, cost and exchange adjustments.

NOTES TO THE FINANCIAL STATEMENTS

31. BORROWINGS (CONT'D.)

Change in liabilities arising from financing activities (cont'd.)

Company

	At 1 January 2022 RM Million	Net repayment RM Million	Others RM Million	At 31 December 2022 RM Million
Overdrafts	34.9	(0.3)	–	34.6
Revolving credits	1,191.0	(200.5)	–	990.5
Islamic medium term notes	2,044.4	–	2.1	2,046.5
	3,270.3	(200.8)	2.1	3,071.6

	At 1 January 2021 RM Million	Net repayment RM Million	Others RM Million	At 31 December 2021 RM Million
Overdrafts	39.3	(4.4)	–	34.9
Revolving credits	1,408.0	(217.0)	–	1,191.0
Islamic medium term notes	2,342.2	(300.0)	2.2	2,044.4
Other term loans	105.0	(105.0)	–	–
	3,894.5	(626.4)	2.2	3,270.3

Others comprise mainly transaction cost.

NOTES TO THE FINANCIAL STATEMENTS

32. PAYABLES

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Non-current				
Deposits from tenants	11.3	10.5	–	–
Current				
Trade payables	1,841.8	1,904.6	–	–
Accrued interest	14.3	10.1	47.7	46.7
Accrued expenses	224.9	219.4	–	–
Deposits received	149.9	223.0	2.1	2.1
Other payables	426.0	345.8	8.5	16.5
Derivative liabilities (Note 37)	1.7	2.7	–	–
Amount due to holding corporation	0.3	2.3	–	–
Amounts due to subsidiaries	–	–	49.6	66.5
Amounts due to associates	4.4	5.6	–	–
Amounts due to joint ventures	426.8	419.4	–	–
	3,090.1	3,132.9	107.9	131.8

Trade payables

These amounts are non-interest bearing, with normal credit terms ranging from 30 to 90 days (2021: 30 to 90 days).

Amounts due to subsidiaries

These amounts are unsecured, bear interest at a weighted average rate of 2.5% (2021: 2.5%) per annum and are repayable on demand.

Amounts due to holding corporation, associates and joint ventures

These are balances which are non-trade, unsecured, interest free and repayable on demand.

33. OPERATING LEASE OBLIGATION

Group as a lessor

The Group entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one and three years. All leases include a clause to enable upward revision of the rental charge upon renewal of the leases based on prevailing market conditions. Rental income recognised by the Group during the year is RM86.9 million (2021: RM68.0 million), of which RM2.0 million (2021: RM0.7 million) relates to variable lease payments that do not depend on an index or rate.

NOTES TO THE FINANCIAL STATEMENTS

33. OPERATING LEASE OBLIGATION (CONT'D.)

Group as a lessor (cont'd.)

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Within 1 year	48.5	53.8	6.6	7.1
Later than 1 year but not later than 5 years	33.3	28.9	4.0	6.1
	81.8	82.7	10.6	13.2

34. SEGMENTAL INFORMATION

For management purposes, the Group's business is organised based on the activities, products and services under the following five Divisions:

(a) Property & Industrial Division

The Division is in the business of property development, manufacture and trading of building materials, constructing and leasing out of commercial and retail properties as well as the owning and operating of hotels.

(b) Plantation Division

The Division is primarily involved in the planting of oil palm and processing of crude palm oil. In addition, the Division through its associate, is also involved in the research in oil palm tissue culture and genetics.

(c) Heavy Industries Division

The Division has its main thrust in the marine sector, both commercial and naval vessels. This Division's operations include shipbuilding, fabrication of offshore structures as well as the restoration and maintenance of vessels and defence related products.

(d) Pharmaceutical Division

The Division is in the business of manufacturing, trading and marketing of pharmaceutical products, research and development of pharmaceutical products and the supply of medical and hospital equipment.

(e) Trading, Finance & Investment Division

The Division is engaged in the owning and operating of the BHPetrol brand of retail petrol station network. The Division also comprises the investing activity of the Group, in particular the Group's involvement in the commercial, Islamic and investment banking, stock broking, life and general insurance business through an associate, education, air transportation and flight services as well as other miscellaneous businesses.

Transfer pricing between operating segments are on arm's length basis. Inter-segment revenue which represents rental charge of office premises and trading of the Group's manufactured goods are eliminated on consolidation. The Group practises central fund management where surplus funds within the Group are onlent, and the interest charges arising from such arrangements are eliminated in full.

The Group's revenue from one major customer arising from activities of Heavy Industries and Pharmaceutical Divisions is disclosed in Note 40.

The Group operates predominantly in Malaysia, hence no segmental information based on geographical segment is presented.

NOTES TO THE FINANCIAL STATEMENTS

34. SEGMENTAL INFORMATION (CONT'D.)

	Property & Industrial RM Million	Plantation RM Million	Heavy Industries RM Million	Pharma- ceutical RM Million	Trading, Finance & Investment RM Million	Elimination RM Million	Total RM Million
For the year ended 31 December 2022							
Revenue							
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
Operating cost	(1,032.3)	(884.2)	(224.3)	(3,430.5)	(8,845.8)	–	(14,417.1)
Results from operations	259.0	292.7	(85.7)	80.6	145.5	–	692.1
Gain on disposal:							
– Property, plant and equipment	–	458.7	–	–	–	–	458.7
– Right-of-use assets	–	–	6.8	–	–	–	6.8
Reversal/(impairment) of assets:							
– Property, plant and equipment	8.7	2.4	(0.1)	–	67.1	–	78.1
– 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 result of associates	(5.9)	4.9	–	–	257.4	–	256.4
Share of result of joint ventures	(155.3)	–	2.1	–	–	–	(153.2)
Profit/(loss) before interest, taxation and zakat	106.9	758.2	(76.9)	(541.6)	478.8	–	725.4
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
Profit/(loss) before taxation and zakat	34.6	729.0	(163.5)	(582.5)	402.8	–	420.4
Taxation							(312.2)
Zakat							(4.7)
Profit for the year							103.5
Other Information							
Depreciation and amortisation	(21.3)	(126.0)	(49.7)	(37.3)	(102.5)	–	(336.8)
Gain/(loss) on disposal of plant and equipment	0.7	(1.3)	0.2	–	0.2	–	(0.2)
Other non-cash income/(expense)	(0.4)	–	(0.1)	–	–	–	(0.5)

NOTES TO THE FINANCIAL STATEMENTS

34. SEGMENTAL INFORMATION (CONT'D.)

	Property & Industrial RM Million	Plantation RM Million	Heavy Industries RM Million	Pharma- ceutical RM Million	Trading, Finance & Investment RM Million	Elimination RM Million	Total RM Million
For the year ended 31 December 2021							
Revenue							
Group total sales	645.5	1,050.0	373.7	4,815.0	4,441.6	(20.3)	11,305.5
Inter-segment sales	(20.3)	–	–	–	–	20.3	–
External sales	625.2	1,050.0	373.7	4,815.0	4,441.6	–	11,305.5
Operating cost	(587.8)	(659.4)	(313.6)	(4,476.9)	(4,302.5)	–	(10,340.2)
Results from operations	37.4	390.6	60.1	338.1	139.1	–	965.3
Gain on disposal:							
– Property, plant and equipment	84.9	–	–	–	3.3	–	88.2
– Investment property	13.1	–	–	–	–	–	13.1
– Right-of-use assets	2.6	–	–	–	–	–	2.6
Impairment of assets:							
Property, plant and equipment	(0.3)	–	–	–	(0.3)	–	(0.6)
Goodwill	–	–	(6.1)	(2.7)	–	–	(8.8)
Writedown of inventories	–	–	–	(26.7)	–	–	(26.7)
Fair value gain/(loss) on investment properties	1.4	–	–	–	(0.3)	–	1.1
Other investment results	(1.6)	–	–	–	2.6	–	1.0
Share of result of associates	(3.7)	1.4	–	–	119.7	–	117.4
Share of result of joint ventures	(52.2)	–	(11.9)	–	–	–	(64.1)
Profit before interest, taxation and zakat	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
(Loss)/profit before taxation and zakat	(7.1)	344.8	(40.3)	271.0	192.3	–	760.7
Taxation							(254.2)
Zakat							(27.3)
Profit for the year							479.2
Other Information							
Depreciation and amortisation	(24.0)	(130.3)	(26.0)	(33.4)	(92.0)	–	(305.7)
Gain/(loss) on disposal of plant and equipment	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)

NOTES TO THE FINANCIAL STATEMENTS

35. CONTINGENT LIABILITIES

- (a) On 10 July 2017, the joint venture company, Boustead DCNS Naval Corporation Sdn Bhd (BDNC) received a letter from the Ministry of Defence Malaysia (MINDEF) claiming for Liquidated Damages (LD) amounting to RM53.2 million and EUR19.3 million for the ISS for the Royal Malaysian Navy SCORPENE Submarine Contract.

On 28 June 2019, BDNC received a letter from MINDEF claiming for LD amounting to RM22.4 million and EUR8.8 million for the refit works on KD TUNKU ABDUL RAHMAN.

On 29 May 2020, BDNC received a letter from MINDEF claiming for LD amounting to RM11.6 million and EUR6.5 million for the breach of obligations under the first supplemental contract of the In-Service Support for two (2) units of Prime Minister-Class for the Royal Malaysian Navy Submarines Contract (Extended ISS Contract).

On 13 April 2021, MINDEF had issued a notice to BDNC to set off the LD claims in full against the future progress billing issued by BDNC to MINDEF.

The Group is of the opinion that the provisions for the LD are sufficient and no further losses expected to be incurred after taking into consideration appropriate justifications and supporting documents.

To date, the Group is still in the midst of negotiating and finalising the LD claims.

The Group has recognised its shares of losses of interest in BDNC when applying the equity method up to its interest in the joint venture since the previous financial year.

- (b) On 22 June 2020, BHB, its wholly-owned subsidiary BWSB and 80%-owned subsidiary Cebur Megah Development Sdn Bhd (CMSB), were served with a Writ of Summons in Kuala Lumpur High Court Suit No. WA-22NCVC-265-06/2020 (the "Suit") by Deepak Jaikishan A/L Jaikishan Rewachand (Plaintiff). BHB has been named as the First Defendant, BWSB the Second Defendant and CMSB the Third Defendant in the Suit. The other Defendants named in the Suit are Pesuruhjaya Tanah Persekutuan (Fourth Defendant) (FLC), UMW Toyota Motor Sdn Bhd (Fifth Defendant) (UMW Toyota) and Suntrack Development Sdn Bhd (Sixth Defendant) (Suntrack).

The Plaintiff alleged that the Defendants sought to wrongfully deprive the Plaintiff of lands held under the following titles ("said Lands"):

- a. an area measuring 96.825 acres held under H.S. (D) 28188, PT 220, Mukim of Kapar, District of Kelang, State of Selangor;
- b. an area measuring 81.085 acres held under H.S.(D) 28187, PT 216, Mukim of Kapar, District of Kelang, State of Selangor; and
- c. an area measuring 45.420 acres held under H.S.(D) 22220, Lot 1158, Mukim of Bukit Raja, District of Petaling, State of Selangor.

The Plaintiff claimed against the Defendants jointly and/or severally for general damages, exemplary damages, aggravated damages, permanent injunction to restrain the Defendants particularly the Third Defendant until the Sixth Defendant from conducting any dealings with respect to the said Lands, an order for specific performance against the Defendants particularly the Third Defendant until the Sixth Defendant for the transfer and/or return of the said Lands to the Plaintiff through a company called Astacanggih, interest at the rate of 5% per annum calculated from the date of the filing of the Writ of Summons until full settlement, costs and such further or other relief deemed fit by the Court.

NOTES TO THE FINANCIAL STATEMENTS

35. CONTINGENT LIABILITIES (CONT'D.)

(b) (cont'd.)

The Plaintiff obtained an ex-parte interim injunction order on 19 June 2020 against the Defendants to restrain the Defendants from conducting any dealings with respect to the said Lands. The High Court had on 9 July 2020, dismissed the Plaintiff's application for interim injunction and allowed CMSB's application to strike out the Plaintiff's suit with cost of RM25,000.

The Plaintiff had on 7 August 2020, filed an appeal against all the Defendants in respect of the High Court's decision on 9 July 2020 to strike out the claim against CMSB. On 23 August 2021, the Court of Appeal dismissed the Plaintiff's appeal on the striking out against CMSB with costs of RM10,000 and as the Plaintiff had wrongly included BHB, BWSB, FLC, UMW Toyota and Suntrack in the present appeal, on 11 January 2021, the Plaintiff informed the Court that they have filed the Notice of Discontinuance against the irrelevant parties.

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 the Review Application with costs of RM12,500.00 to be paid by the Plaintiff to CMSB.

As the Federal Court is the highest and the final appellate Court in Malaysia, the matter is deemed concluded and the Plaintiff has no further avenue for appeal.

(c) On 3 July 2020, the Group's subsidiary, Boustead Naval Shipyard Sdn Bhd (BNS) was served with a Winding-up Petition ("Petition") by MTU Services (Malaysia) Sdn Bhd (MSM).

By the Petition, MSM alleged that BNS was indebted to them for the total sum of RM56,044,740 for the equipment supplied and services provided to BNS.

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.

In a separate action, BNS had on 28 September 2020, applied to the High Court of Kuala Lumpur via Originating Summons ("Originating Summons") for, among others, the following orders:

- a. An Order pursuant to Section 366(1) of the Act to convene BNS's creditors for the purpose of considering and if deemed appropriate, to approve with or without modification, a proposed scheme of arrangement and compromise between BNS and its creditors ("Scheme"); and
- b. A restraining order pursuant to Section 368 of the Act whereby, among others, all proceedings and/or further proceedings and/or future proceedings in any action or proceedings against BNS and/or its assets, including but not limited to Court, winding up and arbitration proceedings as well as any intended or future proceedings ("Restraining Order"). The Restraining Order excludes the financial institution creditors of BNS.

NOTES TO THE FINANCIAL STATEMENTS

35. CONTINGENT LIABILITIES (CONT'D.)

(c) (cont'd.)

The Scheme and the Restraining Order are part of measures by BNS to manage and regularise its financial condition. The details of the Scheme is accessible to public as part of the filed court papers. In addition, BNS had also filed a Notice of Application for a protective order ("Protective Order") over the Statement of Affairs and the Government correspondence.

MSM has opposed BNS applications by filing a striking out application and the Court had on 24 February 2021, heard both parties' applications and in relation to BNS's Protective Order, the Court allowed the Protective Order only over the Government correspondence. As for MSM's application to strike out BNS's applications, the Court dismissed MSM's application with cost of RM5,000 to be paid to BNS.

On 2 June 2021, BNS has obtained from the High Court of Malaya at Kuala Lumpur the Orders allowing the above with Restraining Order until 2 September 2021. The Restraining Order has since been extended until 2 December 2021, 2 March 2022 and again until 2 June 2022. The Scheme under the Originating Summon lapsed on 2 June 2022.

- (d) On 27 September 2022, 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, with a case management set for 30 November 2022.

The striking out applications was heard on 5 April 2023, and the Court had fixed the subsequent hearing to be on 3 May 2023 where the decision will be delivered on the application.

BHIC, BHICDT and BNS categorically deny the allegations made by the Plaintiffs. The Board of BHIC, BHICDT and BNS, based on the advice from solicitors, are of the view that they have a fair chance to strike off the claim.

- (e) On 14 March 2023, Midas Mayang Sdn Bhd (Midas Mayang), a subsidiary of BHB, was served with a Winding-up Petition ("Petition") by the R Zain Associates (Petitioner).

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 for the case management on 3 May 2023.

The board of directors of Midas Mayang, upon consultation with their solicitors, are of the view that Midas Mayang has a fair chance in opposing the Petition.

NOTES TO THE FINANCIAL STATEMENTS

35. CONTINGENT LIABILITIES (CONT'D.)

(f) The amount of bank guarantees issued by the Group to third parties are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Performance bonds in respect of contracts awarded to subsidiaries				
– Government of Malaysia	637.2	635.4	–	0.3
– Other third parties	451.3	141.7	–	–
	1,088.5	777.1	–	0.3

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate, liquidity, credit, foreign exchange and market price risks. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising the potential adverse effects on the performance of the Group.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Executive Officer and Chief Financial Officer of the respective operating units. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use to hedge transaction exposure where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Interest rate risk

The Group finances its operations through operating cash flows and borrowings which are principally denominated in Ringgit Malaysia. The Group's policy is to derive the desired interest rate profile through a mix of fixed and floating rate banking facilities.

The following tables set out the carrying amounts, the weighted average effective interest rate (WAEIR) as at the reporting date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	1 year or less RM Million	1 to 2 years RM Million	2 to 5 years RM Million	More than 5 years RM Million	Total RM Million
Group							
At 31 December 2022							
Fixed rate							
Financial assets:							
Deposits	26	2.5	392.0	–	–	–	392.0
Financial liabilities:							
Term loans	31	6.7	(5.1)	(4.1)	(5.1)	–	(14.3)
Islamic medium term note	31	6.2	–	(1,646.9)	(399.6)	–	(2,046.5)
Floating rate							
Financial assets:							
Amounts due from joint ventures	23	6.0	–	93.0	245.5	–	338.5
Financial liabilities:							
Terms loans	31	4.6	(193.2)	(152.0)	(330.3)	(21.4)	(696.9)
Overdrafts	31	8.2	(36.5)	–	–	–	(36.5)
Revolving credits	31	4.8	(2,898.7)	(34.7)	(110.0)	(45.0)	(3,088.4)
Bankers' acceptances	31	4.7	(910.3)	–	–	–	(910.3)
At 31 December 2021							
Fixed rate							
Financial assets:							
Deposits	26	1.7	182.3	–	–	–	182.3
Financial liabilities:							
Term loans	31	6.7	(4.4)	(2.7)	(1.8)	–	(8.9)
Islamic medium term note	31	6.2	–	–	(2,044.4)	–	(2,044.4)
Floating rate							
Financial assets:							
Amounts due from joint ventures	23	6.0	–	84.0	212.4	–	296.4
Financial liabilities:							
Terms loans	31	4.2	(161.9)	(149.3)	(444.5)	(22.2)	(777.9)
Overdrafts	31	6.6	(45.4)	–	–	–	(45.4)
Revolving credits	31	4.2	(3,017.1)	(147.9)	(142.8)	(101.6)	(3,409.4)
Bankers' acceptances	31	3.3	(705.9)	–	–	–	(705.9)

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Interest rate risk (cont'd.)

	Note	WAEIR %	1 year or less RM Million	More than 1 year RM Million	Total RM Million
Company					
At 31 December 2022					
Fixed rate					
Financial assets:					
Deposits	26	2.4	152.9	–	152.9
Financial liabilities:					
Islamic medium term notes	31	6.1	(1,646.9)	(399.6)	(2,046.5)
Floating rate					
Financial assets:					
Amounts due from subsidiaries	23	5.7	21.3	1,497.9	1,519.2
Financial liabilities:					
Overdrafts	31	8.2	(34.6)	–	(34.6)
Revolving credits	31	5.6	(990.5)	–	(990.5)
Amounts due to subsidiaries	32	2.5	(49.6)	–	(49.6)
At 31 December 2021					
Fixed rate					
Financial assets:					
Deposits	26	1.7	71.7	–	71.7
Financial liabilities:					
Islamic medium term notes	31	6.2	–	(2,044.4)	(2,044.4)
Floating rate					
Financial assets:					
Amounts due from subsidiaries	23	5.7	16.6	1,669.1	1,685.7
Financial liabilities:					
Overdrafts	31	6.8	(34.9)	–	(34.9)
Revolving credits	31	4.4	(1,191.0)	–	(1,191.0)
Amount due to subsidiaries	32	2.5	(66.5)	–	(66.5)

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Interest on borrowings that are subject to floating rates are contractually repriced within a year. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments.

At the reporting date, if interest rates had been 50 (2021: 50) basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM18.0 million (2021: RM18.8 million) and RM3.9 million (2021: RM4.7 million) higher/lower respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings and higher/lower interest income from floating rate fixed deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

Liquidity risk

The Group practises prudent liquidity risk management by maintaining availability of funding through adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Note	On demand or within 1 year RM Million	1 to 5 years RM Million	More than 5 years RM Million	Total RM Million
Group					
2022					
Borrowings	31	4,236.2	3,031.9	83.9	7,352.0
Trade and other payables	32	3,088.4	11.3	–	3,099.7
Derivatives liabilities	32	1.7	–	–	1.7
Lease liabilities	15	28.6	80.7	30.8	140.1
Dividend payable		30.4	–	–	30.4
Total undiscounted financial liabilities		7,385.3	3,123.9	114.7	10,623.9
2021					
Borrowings	31	4,234.8	3,129.7	128.5	7,493.0
Trade and other payables	32	3,130.2	10.5	–	3,140.7
Derivatives liabilities	32	2.7	–	–	2.7
Lease liabilities	15	15.3	26.7	35.5	77.5
Total undiscounted financial liabilities		7,383.0	3,166.9	164.0	10,713.9

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Liquidity risk (cont'd.)

	Note	On demand or within 1 year RM Million	1 to 5 years RM Million	More than 5 years RM Million	Total RM Million
Company					
2022					
Borrowings	31	1,081.8	2,339.3	–	3,421.1
Trade and other payables	32	109.1	–	–	109.1
Lease liabilities	15	3.8	19.7	35.3	58.8
Dividend payables		30.4	–	–	30.4
Total undiscounted financial liabilities		1,225.1	2,359.0	35.3	3,619.4
2021					
Borrowings	31	1,409.2	2,287.7	–	3,696.9
Trade and other payables	32	133.5	–	–	133.5
Lease liabilities	15	2.9	5.8	–	8.7
Total undiscounted financial liabilities		1,545.6	2,293.5	–	3,839.1

Credit risk

The Group seeks to invest cash assets safely and profitably. The Group also seeks to control credit risk by setting counterparty limits, obtaining bank guarantees where appropriate; and ensuring that sale of products and services are made to customers with an appropriate credit history, and monitoring customers' financial standing through periodic credit reviews and credit checks at point of sales. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

As at 31 December 2022, the Group has a significant concentration of credit risk in the form of outstanding balance due from the Government of Malaysia, representing approximately 46.8% (2021: 54.7%) of the Group's total net trade receivables.

Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are entered into or placed with reputable financial institutions or companies with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Credit risk (cont'd.)

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets:

	Contract assets RM Million	Trade receivables Days past due					Total RM Million
		Current RM Million	<30 days RM Million	31-60 days RM Million	61-90 days RM Million	>90 days RM Million	
2022							
Estimated total gross receivables	789.6	516.5	461.2	21.0	14.5	190.9	1,204.1
Expected credit losses (Note 23)	–	–	(1.6)	(0.9)	(0.9)	(97.5)	(100.9)
Net receivables	789.6	516.5	459.6	20.1	13.6	93.4	1,103.2
2021							
Estimated total gross receivables	1,109.6	363.1	282.3	152.3	24.5	196.9	1,019.1
Expected credit losses (Note 23)	–	–	(2.3)	(1.2)	(1.2)	(67.9)	(72.6)
Net receivables	1,109.6	363.1	280.0	151.1	23.3	129.0	946.5

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. geographical region, and product type, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal operating activities, both external and intra-Group where the currency denomination differs from the local currency, Ringgit Malaysia. The Group's policy is to minimise the exposure of overseas operating subsidiaries/activities to transaction risks by matching local currency income against local currency cost. The currency giving rise to this risk is primarily US Dollar, Euro, Great Britain Pound and Indonesian Rupiah. Foreign exchange exposures are kept to an acceptable level.

The net unhedged financial assets and liabilities of the Group that are not denominated in the functional currency of the respective group companies are as follows:

	Deposits, cash and bank balances RM Million	Receivables RM Million	Payables RM Million	Borrowings RM Million	Total RM Million
Group					
At 31 December 2022					
US Dollar	0.9	2.4	(49.3)	—	(46.0)
Euro	—	23.8	(367.4)	—	(343.6)
Great Britain Pound	2.9	0.5	(29.6)	—	(26.2)
Indonesian Rupiah	—	—	—	(173.4)	(173.4)
Others	7.5	0.7	(26.9)	—	(18.7)
	11.3	27.4	(473.2)	(173.4)	(607.9)
At 31 December 2021					
US Dollar	—	4.6	(99.4)	—	(94.8)
Euro	—	22.6	(455.5)	—	(432.9)
Great Britain Pound	4.0	6.6	(30.9)	(45.9)	(66.2)
Indonesian Rupiah	—	—	—	(146.9)	(146.9)
Others	5.4	—	(26.9)	—	(21.5)
	9.4	33.8	(612.7)	(192.8)	(762.3)

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Foreign currency risk (cont'd.)

The following table demonstrates the sensitivity of the Group's loss for the year to a reasonably possible change in US Dollar, Euro, Great Britain Pound and Indonesian Rupiah against the functional currency of the Group with all other variables held constant.

	Group	
	2022	2021
	RM Million	RM Million
Increase/(decrease) of Group's profit, net of tax		
US Dollar/RM		
– Strengthened by 10%	3.5	7.2
– Weakened by 10%	(3.5)	(7.2)
Euro/RM		
– Strengthened by 5%	13.1	16.4
– Weakened by 5%	(13.1)	(16.4)
Great Britain Pound/RM		
– Strengthened by 5%	1.0	3.3
– Weakened by 5%	(1.0)	(3.3)
Indonesian Rupiah/RM		
– Strengthened by 5%	6.6	5.6
– Weakened by 5%	(6.6)	(5.6)

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

Financial instruments by category

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Financial assets – amortised cost				
Receivables	1,725.1	1,408.6	1,526.9	1,687.6
Deposit, cash and bank balances	769.7	463.5	180.2	134.8
Financial assets – fair value through profit or loss				
Other investments	1.9	5.0	1.2	1.2
Financial liabilities – amortised cost				
Payables	3,099.7	3,140.7	107.9	131.8
Borrowings	6,792.9	6,991.9	3,071.6	3,270.3
Lease liabilities	116.1	61.3	34.8	8.1
Financial liabilities - fair value through profit or loss				
Derivative liabilities	1.7	2.7	–	–

NOTES TO THE FINANCIAL STATEMENTS

37. FAIR VALUE MEASUREMENTS

Determination of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Lease liabilities	15
Trade and other receivables (current)	23
Amount due from holding corporation	23
Amounts due from subsidiaries	23
Amounts due from associates	23
Amounts due from joint ventures	23
Amounts due from other related companies	23
Deposit, cash and bank balances	26
Borrowings (current)	31
Trade and other payables (current)	32
Other payables (non-current)	32
Amount due to holding corporation	32
Amounts due to subsidiaries	32
Amounts due to associates	32
Amounts due to joint ventures	32
Amounts due to other related companies	32

The carrying amounts of these financial assets and liabilities are reasonable approximations of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amount of the current portion of borrowings is a reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

The fixed rate bank borrowings are estimated by discounting the expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date is disclosed in Note 37.

The fair value of quoted equity instruments is determined directly by reference to their published market closing price at the reporting date.

The fair value of forward exchange contracts is based on their quoted price, if available. If a quoted price is not available, then the fair value is estimated by reference to the forward exchange contract and exchange rate at the end of the reporting period

NOTES TO THE FINANCIAL STATEMENTS

37. FAIR VALUE MEASUREMENTS (CONT'D.)**Fair value hierarchy**

Presented below is the Group's and the Company's classified assets and liabilities carried at fair value analysed by fair value measurement hierarchy:

	Level 1 RM Million	Level 2 RM Million	Level 3 RM Million	Total RM Million
Group				
2022				
Assets				
Investments	1.9	—	—	1.9
Investment properties	—	—	1,299.0	1,299.0
Biological assets	—	—	31.8	31.8
Liabilities				
Derivative liabilities	—	(1.7)	—	(1.7)
	1.9	(1.7)	1,330.8	1,331.0
2021				
Assets				
Investments	5.0	—	—	5.0
Investment properties	—	—	1,295.0	1,295.0
Biological assets	—	—	47.0	47.0
Liabilities				
Derivative liabilities	—	(2.7)	—	(2.7)
	5.0	(2.7)	1,342.0	1,344.3
Company				
2022				
Assets				
Investments	1.3	—	—	1.3
Investment properties	—	—	87.6	87.6
	1.3	—	87.6	88.9
2021				
Assets				
Investments	1.2	—	—	1.2
Investment properties	—	—	87.4	87.4
	1.2	—	87.4	88.6

The Group and the Company do not have any financial liabilities measured at Level 3 hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

37. FAIR VALUE MEASUREMENTS (CONT'D.)

Investment properties

Investment properties are measured at fair value using valuation reports prepared by independent professional valuers based on income and market approach. The assumptions used in arriving at the investment properties' values take into consideration the property type, size, location, tenure, title restrictions and other relevant characteristics.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Range	
		2022	2021
Income method	Shopping complexes and office buildings:		
	Estimated monthly reversionary rental per square feet	RM0.60 – RM39	RM0.40 – RM38
	Discount rate	6% – 7%	6% – 7%
	Void rate	5% – 10%	5% – 10%
	Yield	5% – 7%	5% – 6%
Comparison method	Vacant lands and office buildings:		
	Adjustment for differences in location, time factor, type of land, size and tenure	(46%) – 60%	(30%) – 30%

Significant increases (decreases) in estimated monthly reversionary rental in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the discount rate, void rate and yield in isolation would result in a significantly lower (higher) fair value.

Derivatives

	2022		2021	
	Contract/ notional amount RM Million	Fair value of derivatives RM Million	Contract/ notional amount RM Million	Fair value of derivatives RM Million
Group				
Current				
Derivative liabilities (Note 32)				
Forward currency contracts	390.2	1.7	260.4	2.7

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for period consistent with currency transaction exposure and fair value changes exposure. The Group does not apply hedge accounting.

Forward currency contracts are used to hedge the Group's purchases denominated in US Dollar for which firm commitments existed at the reporting date.

As disclosed in Note 6, the Group recognised a gain of RM20.1 million (2021: loss of RM0.2 million) arising from the fair value changes in derivatives. The fair value changes are attributable to changes in foreign exchange spot, foreign exchange forward rates and interest rate.

NOTES TO THE FINANCIAL STATEMENTS

37. FAIR VALUE MEASUREMENTS (CONT'D.)

Fair value of financial instruments by classes that are not carried at fair value

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	RM Million	RM Million	RM Million	RM Million
Group				
Non-current borrowings (Note 31)				
Islamic medium term notes	2,046.5	2,159.3	2,044.4	2,183.4
Company				
Non-current borrowings (Note 31)				
Islamic medium term notes	2,046.5	2,159.3	2,044.4	2,183.4

The fair value of Islamic medium term notes is categorised under Level 2 of the fair value hierarchy.

38. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

The Group monitors capital using a gearing ratio, which is derived by dividing the amount of borrowings (Note 31) over total equity. At the reporting date, the Group's gearing ratio calculated by dividing the amount of borrowings (Note 31) over total equity comprising shareholders' equity, perpetual sukuk and non-controlling interests is 1.29 times (2021: 1.28 times). The Group's policy is to keep gearing within manageable levels.

NOTES TO THE FINANCIAL STATEMENTS

39. COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Authorised and contracted				
Capital expenditure	89.4	172.1	5.5	—
Authorised but not contracted				
Capital expenditure	658.7	702.7	1.0	17.7

40. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence.

Related parties may be individuals or other entities. Related parties of the Group include:

- direct and indirect subsidiaries;
- holding corporation, Lembaga Tabung Angkatan Tentera (LTAT) and its subsidiaries, direct and indirect associates;
- direct and indirect associates and joint ventures; and
- key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

40. SIGNIFICANT RELATED PARTY DISCLOSURES

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

Income/(expenses)	Group		Company	
	2022 RM Million	2021 RM Million	2022 RM Million	2021 RM Million
Subsidiaries				
Management fees	–	–	7.8	9.0
Associates and joint ventures				
Agricultural research and advisory services paid	(16.5)	(15.7)	–	–
Insurance premium paid	(7.3)	(13.0)	–	–
Rental income on office premises	23.8	24.0	–	–
Sales of goods	1.6	0.9	–	–
Professional fees paid	(0.4)	(0.5)	(0.2)	(0.2)
Insurance commission income	2.9	3.1	–	–
Rendering of services	31.5	31.0	–	–
Provision of project management services	0.5	0.5	–	–
Rental expense				
– Hotel	(12.0)	(12.0)	–	–
– Office premises	(0.8)	(0.8)	–	–
Holding corporation				
Rental expenses	(1.6)	(1.5)	–	–
Provision of project management services	0.1	0.3	–	–
Sales of goods	0.2	–	–	–
Subsidiaries of holding corporation				
Sales of goods	46.7	43.7	–	–
Provision of construction works	2.2	7.2	–	–
Government-related financial institutions				
Interest income	8.9	5.1	2.2	2.0
Finance cost	(187.0)	(168.8)	(108.1)	(106.0)

The Directors are of the opinion that the above transactions are in the normal course of business and at terms mutually agreed between parties.

NOTES TO THE FINANCIAL STATEMENTS

40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

The remuneration of key management personnel during the financial year is as follows:

	Group		Company	
	2022	2021	2022	2021
	RM Million	RM Million	RM Million	RM Million
Directors				
Fees	1.5	1.1	1.3	1.0
Salaries and other emoluments	4.8	2.8	4.7	2.8
Defined contribution plans	0.6	0.4	0.6	0.4
Meeting, travelling and other allowances	0.4	0.3	0.4	0.3
	7.3	4.6	7.0	4.5
Other key management personnel				
Short term employee benefits	41.8	36.9	6.7	3.7
Defined contribution plan	5.0	5.2	1.0	0.6
	46.8	42.1	7.7	4.3
Total paid to key management personnel	54.1	46.7	14.7	8.8

NOTES TO THE FINANCIAL STATEMENTS

40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

The Group is a Government-related entity by virtue of its relationship with Lembaga Tabung Angkatan Tentera (LTAT), the holding corporation of the Company.

The significant transactions with the Government of Malaysia are as follows:

- a) On 21 May 2021, Boustead Naval Shipyard Sdn Bhd (BNS), a subsidiary of Boustead Holdings Berhad (BHB) accepted a letter dated 26 April 2021 from the Ministry of Defence Malaysia (MINDEF) for the Refit works on KD LEDANG at a contract value of RM52.0 million. The Company had signed a variation order increasing the contract sum by RM7.9 million. The aggregate revenue recognised under the contract for the year ended 31 December 2022 amounted to RM8.5 million (2021: RM2.7 million).

On 11 March 2021, BNS accepted a letter dated 26 February 2021 from the MINDEF for the Refit works on KS KASTURI at a contract value of RM40.8 million. The Company had signed a variation order increasing the contract sum by RM19 million. The aggregate revenue recognised under the contract for the year ended 31 December 2022 amounted to RM15.7 million (2021: RM7.3 million).

On 20 June 2019, BNS accepted a letter dated 14 June 2019 from the MINDEF for the Refit works on KD TERENGGANU at a contract value of RM96.0 million. The Company had signed a variation order increasing the contract sum by RM3 million on 21 May 2021. The aggregate revenue recognised under the contract for the year ended 31 December 2022, however, has been registered negatively to (RM11.7 million) (2021: RM21.2 million) due to the provision for LAD recognised amounted to RM14.5 million.

On 10 April 2018, BNS executed a letter of work dated 14 March 2018 from MINDEF for the maintenance and upgrading of Combat Management System for Royal Malaysian Navy's vessel at a contract value of RM44.8 million. The aggregate revenue recognised under the contract for the year ended 31 December 2022 amounted to RM nil (2021: RM0.1 million).

On 23 March 2017, BNS signed a contract with the Government of Malaysia for the Supply of Four (4) units Littoral Mission Ships (LMS) for the Royal Malaysian Navy – Collaboration and Strategic Partnership between Malaysia and people's Republic of China by Direct Negotiation with BNS valued at RM1.17 billion (inclusive GST). The First Supplementary of Contract was signed on 21 August 2019 and reduced the contract valued to RM1.04 billion (inclusive GST).

BNS has executed a sub-contract with China Shipbuilding & Offshore International Co. Ltd (CSOC) on 21 April 2017. BNS has completed all four ships and delivered final ship on 18 December 2021. The aggregate revenue recognised under the contract for the year ended 31 December 2022 amounted to RM9.2 million (2021: RM224.8 million).

On 16 December 2011, BNS received a letter of award from MINDEF to design, construct, equip, install, commission, integrate, test and trials and deliver 6 units of 'Second Generation Patrol Vessels Littoral Combat Ship (Frigate Class)' (LCS) at a contract value of RM9.0 billion. The finalisation of this contract was on 17 July 2014. The aggregate revenue recognised under the letter of award for the year ended 31 December 2022 amounted to RM34.9 million (2021: RM28.4 million).

NOTES TO THE FINANCIAL STATEMENTS

40. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

The significant transactions with the Government of Malaysia are as follows: (cont'd.)

- b) On 16 March 2011, Pharmaniaga Logistics Sdn. Bhd. ("PLSB"), a wholly-owned subsidiary has entered into a Concession Agreement with the Government of Malaysia represented by the Ministry of Health, Malaysia ("MOH") for a period of ten (10) years expiring on 30 November 2019, for the right and authority to purchase, store, supply and distribute the Approved Products (i.e. drugs and non-drugs approved by MOH) to the Public Sector Customers (i.e. government hospital, health office, health clinic, dental clinic, or any health institution or other similar facility within Malaysia which is operated and controlled by the MOH and as determined by the MOH from time to time) and also for the development of Pharmacy Information System and Clinic Pharmacy Systems in government hospitals and clinics.

In the month of November 2019, the Group received a letter from MOH extending its services for the provision of medicine and medical supplies to MOH facilities for an interim period of twenty-five (25) months, commencing from 1 December 2019 to 31 December 2022 ("Interim Period"). In addition, the Group also secured a contract to continue providing logistics and distribution services for MOH for a period of five (5) years ending 30 November 2024.

On 28 December 2021, MOH issued an extension letter to PLSB to further extend the Interim Period by one year up to 31 December 2022. The other terms and conditions, including the 5-year extension in respect of logistics and distribution services, remains in place with no further changes.

Subsequently, on 6 January 2022, MOH issued another letter stating its agreement in principle to enter into a 10-year concession agreement with PLSB for the procurement of drugs and medical supplies as well as logistics and distributions of Approved Products. This 10-year concession agreement will supersede existing concessions arrangements upon its execution, including the Interim Period for the procurement of drugs and medical supplies ending 31 December 2022 and the logistics and distributions services up to 30 November 2024.

On 29 December 2022, PLSB has received a letter from MOH informing that Jawatankuasa Kerjasama Awam Swasta ("JKAS") has agreed to extend the Interim Period for the provision of medicines and medical supplies to MOH facilities for an additional period of 6 months up to 30 June 2023, pending the finalisation of the new concession agreement.

During a press conference on 18 April 2023, the Minister of Health announced that MOH will continue the concession agreement PLSB for another ten years.

NOTES TO THE FINANCIAL STATEMENTS

41. SIGNIFICANT AND SUBSEQUENT EVENTS

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

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

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

- i. RM141.8 million shall be paid within one month from the Unconditional Date (as defined in the SA); and
- ii. RM15.8 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 (ii) 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.

BHR has received the balance of RM12.76 million on 6 April 2023 being the certain conditions subsequent has been fulfilled.

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

The sale of land was completed on 27 January 2022 and the Group has recognised a gain on disposal of plantation land of RM364.1 million.

- c) On 19 April 2021, the Group's wholly-owned subsidiary MRSB entered into a sale and purchase agreement (SPA) with Sunway Rahman Putra Sdn Bhd (SRPSB) for a proposed disposal of a parcel of freehold land held for development classified under inventories measuring 6.59 acres held under HSB 118499 PT 484 Section 90 Kuala Lumpur (Land) for a total cash consideration of RM228.4 million (Disposal Consideration) (Disposal).

The Disposal was completed on 20 April 2022 and the Group has recognised a gain on disposal of land held for development of RM68.1 million.

NOTES TO THE FINANCIAL STATEMENTS

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

- d) 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:

- i) 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
- ii) 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.

- e) On 28 December 2021, Ministry of Health, Malaysia (MOH) issued an extension letter to Pharmaniaga Logistics Sdn. Bhd. (PLSB), a subsidiary of BHB to further extend its services for the provision of medicine and medical supplies to MOH facilities under the interim period of twenty-five (25) months, commencing from 1 December 2019 to 31 December 2021, by one year up to 31 December 2022. The other terms and conditions, including the 5-year extension in respect of logistics and distribution services up to 30 November 2024, remains in place with no further changes.

Subsequently, on 6 January 2022, MOH issued another letter stating its agreement in principle to enter into a 10-year concession agreement with PLSB for the procurement of drugs and medical supplies as well as logistics and distributions of Approved Products. This 10-year concession agreement will supersede existing concession arrangement upon its execution, including the Interim Period for the procurement of drugs and medical supplies and the logistics and distributions services ending 31 December 2022 and up to 30 November 2024 respectively.

On 29 December 2022, PLSB has received a letter from MOH informing that Jawatankuasa Kerjasama Awam Swasta ("JKAS") has agreed to extend the Interim Period for the provision of medicines and medical supplies to MOH facilities for an additional period of 6 months up to 30 June 2023, pending the finalisation of the new concession agreement.

During a press conference on 18 April 2023, the Minister of Health announced that MOH will continue the concession agreement PLSB for another ten years.

NOTES TO THE FINANCIAL STATEMENTS

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

- f) 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 to 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, BPB received a Notice of Termination of the CLLA from NGOSB. BPB has refunded the deposit of RM1.2 million on 29 August 2022 to NGOSB.

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

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

On 3 March 2021, the Group had submitted a formal proposal on the way forward in relation to the building and maintenance of the LCS. On 5 May 2021, the LCS project was discussed and deliberated in the Cabinet meeting. A series of discussion and workshop with Ministry of Defence (MINDEF) and various other GOM agencies had been held to deliberate on mechanism to resume the LCS project.

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

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

On 31 May 2022, BNS has signed the 5th supplemental agreement to kickstart the mobilisation plan, where BNS shall carry out negotiations with the OEMs and vendors for the full resumption of design and construction activities.

Subsequently in November 2022, BNS had successfully completed the mobilisation and is in the midst of finalising the details with MINDEF. Various workshops had been held since then, to finalise on the clauses of the agreement, inclusive of an extension of time as well as to address the cost overrun.

BNS had conducted several workshops with the Government since October 2022 to discuss and finalise the details of the 6th Supplementary Agreement. The finalised agreement will be submitted for the Government's Cabinet approval to agree on the terms within the agreement and resumption 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 as at year end.

NOTES TO THE FINANCIAL STATEMENTS

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

- h) 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 for the disposal of land held under Geran Mukim 577, Lot 15 and Geran 39039, Lot 13 14 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% amounting to RM9.8 million upon signing of the agreement.

The condition precedents as provided in the SPA had been fulfilled on 20 December 2022 and the Group has recognised a gain on disposal of RM90.9 million. The full remaining balances were received in 10 February 2023.

- i) On 23 September 2022, BHIC Shipbuilding & Engineering Sdn Bhd ("BSE"), a wholly owned subsidiary of Boustead Penang Shipyard Sdn Bhd ("BPS") which in turn is a wholly owned subsidiary of Boustead Heavy Industries Corporation Berhad ("BHIC"), entered into a conditional Sale and Purchase Agreement ("SPA") with Jantoco Realty Sdn Bhd for the proposed disposal land measuring 9.782 acres known as Lot 6, Industrial Zone 7 ("IZ7"), Kota Kinabalu Industrial Park ("KKIP"), in the locality of Telipok and locality of Jalan Sepanggar Menggatal in the District of Kota Kinabalu, off Jalan Tuaran, State of Sabah ("Property") for a total cash consideration of Ringgit Malaysia Eighteen Million and Eight Hundred Thousand (RM18,800,000) only subject to the terms and conditions contained in the SPA.

The disposal was completed on 27 December 2022 with a discount of RM250,000 resulting in a total consideration of RM18,550,000 and the Group has recognised a gain on disposal of RM6.8 million.

- j) The directors of Pharmaniaga Berhad ("Pharmaniaga") noted the following events or circumstances that indicate the existence of material uncertainties that may cast significant doubt over the ability of Pharmaniaga to continue as going concern and therefore, may be unable to realise their assets and discharge their liabilities in the ordinary course of business:

- (i) On 27 February 2023, Pharmaniaga, a 51.85% subsidiary of the Company, announced that it had triggered 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 Malaysia"), as the consolidated shareholders' equity of the Pharmaniaga is less than RM40.0 million and is 25% or less of its issued and paid-up capital for the financial year ended 31 December 2022.

Pharmaniaga is required to submit a regularisation plan to Securities Commission Malaysia and Bursa Malaysia within twelve months from 27 February 2023. Pharmaniaga is currently looking into formulating a plan to regularise its financial condition for submission to the relevant authorities for approval.

- (ii) Pharmaniaga did not meet financial covenants for certain borrowings as at 31 December 2022 as disclosed in Note 31. Subsequent to the reporting date, Pharmaniaga was granted indulgence by some banks for the breach of financial covenants, but not all banks granted such indulgence. For those without indulgence, the borrowings were assumed to be immediately repayable.

NOTES TO THE FINANCIAL STATEMENTS

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

j) (cont'd.)

- (iii) Pharmaniaga is in the midst of negotiating with Ministry of Health, Malaysia ("MOH") for the extension of the concession agreement, which is expiring on 30 June 2023, for the procurement of drugs and medical supplies as well as logistics and distributions of approved products.

On 7 April 2023, MOH issued a letter stating that, based on collaboration with the Unit Kerjasama Awam Swasta, Jabatan Perdana Menteri, a new concession agreement for a period of ten (10) years, for the right and authority to procure, store and supply the approved products to the public sector customers, is expected to be awarded on 1 July 2023. The extension of the concession was also announced by the Health Minister on 18 April 2023.

Based on the above, the Directors are confident that negotiations with MOH for the extension of the concession agreement are progressing well and expect the agreement to be awarded on 1 July 2023 upon receiving all necessary government approvals. The new concession would improve the Pharmaniaga's financial position and help to address its PN17 status by providing a steady source of revenue, supporting financial performance and contributing to profitability. In the event that the concession agreement is not renewed, the revenue and the financial results of the Group's Pharmaceutical segment will be affected as the concession revenue contributes significantly to the said segment.

The directors of Pharmaniaga had considered and will continue to undertake the following mitigating actions/measures to strengthen the cash flow position and support its ability to operate as a going concern:

- (a) Ensuring Pharmaniaga is able to continue to utilise the existing drawn down and undrawn borrowing facilities available;
- (b) In discussion with principal adviser on the terms and conditions to secure a bridging loan to meet short-term financing needs, subject to approvals from relevant parties; and
- (c) Managing cost of operations of Pharmaniaga; and
- (d) Endeavour to finalise the new concession agreement with the government by Pharmaniaga.

Based on the planned mitigating actions/measures above, the directors of Pharmaniaga, therefore, believe that it is appropriate to prepare the financial statements of Pharmaniaga on a going concern basis. The new concession would improve the Group's financial position and help to address its PN17 status by providing a steady source of revenue, supporting financial performance, and contributing to profitability.

NOTES TO THE FINANCIAL STATEMENTS

41. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

- k) On 2 March 2023, Boustead Holding Berhad (BHB) received a notice of conditional voluntary take-over offer from UOB Kay Hian Securities (M) Sdn Bhd, on behalf of Lembaga Tabung Angkatan Tentera ("LTAT"), to acquire all the remaining ordinary shares in BHB ("BHB Shares"), not already held by LTAT for a cash offer price of RM0.855 per BHB Share ("Offer").

The Offer is not conditional upon any minimum level of acceptance of BHB Shares as LTAT already holds more than 50% of the voting shares in BHB. However, the Offer is conditional upon Bank Negara Malaysia's approval under Section 87(1) of the Financial Services Act 2013 and Section 99(1) of the Islamic Financial Services Act 2013 to allow LTAT to acquire up to 100% equity interest in BHB which entail consequential changes to the effective equity interest of LTAT in Affin Bank Berhad, Affin Hwang Investment Bank Berhad, and Affin Islamic Bank Berhad ("BNM Conditions").

The Offer will remain open for acceptance by shareholders of BHB up to 22 May 2023 ("First Closing Date"). If the Offer remains conditional on the First Closing Date, the BNM Condition must be fulfilled within 21 days after the First Closing Date i.e. 12 June 2023. However, if the BNM Condition is not fulfilled by 12 June 2023, the Offer shall lapse and cease to be capable of acceptances. All earlier acceptances will be returned to the shareholders of BHB who had accepted the Offer immediately.

However, if the BNM Condition is fulfilled after the First Closing Date but before 12 June 2023, the Offer will remain open for acceptances until 26 June 2023.

As at 25 April 2023, LTAT owned 75.508% of BHB Shares and the Offer is conditional on the BNM Condition.

BOUSTEAD GROUP

			Group interest	
			%	%
Name of company*	Principal activities	Paid-up capital	2022	2021
As at 31 December 2022				
SUBSIDIARIES				
Boustead Properties Berhad	Investment holding and property investment	RM757,254,185	100	100
Boustead Plantations Berhad	Investment holding and oil palm plantation	RM1,422,343,198	57	57
Pharmaniaga Berhad**	Investment holding	RM154,051,000	52	52
Boustead Heavy Industries Corporation Berhad	Investment holding	RM248,457,614	65	65
Boustead Naval Shipyard Sdn Bhd	Construction, repair and maintenance of naval and merchant ships	RM130,000,003	82	82
Boustead Petroleum Marketing Sdn Bhd**	Marketing of petroleum products	RM315,794,667	42	42
UAC Berhad	Manufacture of fibre cement products, project management and property investment	RM2,894,000	100	100
MHS Aviation Berhad	Provision of air transportation, flight support, engineering and technical services	RM229,999,994	94	94
Boustead Petroleum Sdn Bhd	Investment holding	RM118,541,300	60	60
Boustead Segaria Sdn Bhd	Investment holding	RM19,474,816	100	100
Boustead Emastulin Automobile Sdn Bhd	Investment holding	RM100,000	100	100
Boustead Credit Sdn Bhd	Hire purchase financing and money lending services	RM15,000,000	100	100
UAC Construction Sdn Bhd	Manufacture and sale of surface coating for decorative and industrial applications	RM22,663,000	100	100
UAC SolidPanel Sdn Bhd	Manufacture and sale of solidpanel	RM5,000,000	100	100
Boustead Global Risk Solution Sdn Bhd	Insurance agent	RM3,000,000	100	100
Boustead Travel Services Sdn Bhd	Travel agent	RM5,500,000	100	100
Boustead Technology Sdn Bhd	Technology and innovation solutions provider	RM1,000,000	100	100
Boustead Digital Services Sdn Bhd	Investment holding company for digital products and services	RM100,000	100	100
Boustead DCP Sdn Bhd	Produce and supply of chill water for air-conditioning	RM12,000,000	100	100
Boustead Construction Sdn Bhd	Project management, construction and property development	RM1,000,000	100	100
Mutiara Nusa Sdn Bhd	Property development	RM2	100	100
Mutiara Rini Sdn Bhd	Property development	RM338,001,000	100	100
Boustead Balau Sdn Bhd	Property development	RM30,000,000	100	100
Boustead Curve Sdn Bhd	Property investment	RM150,000,000	100	100

BOUSTEAD GROUP

			Group interest	
			%	%
Name of company*	Principal activities	Paid-up capital	2022	2021
As at 31 December 2022				
SUBSIDIARIES (cont'd.)				
Damansara Entertainment Centre Sdn Bhd	Property investment	RM60,000,000	100	100
Boustead Realty Sdn Bhd	Property investment	RM100,000,000	100	100
Boustead Weld Court Sdn Bhd	Property investment	RM20,001,000	100	100
Boustead Nucleus Sdn Bhd	Property investment	RM70,000,000	100	100
Boustead Weld Quay Sdn Bhd	Property investment and hotel operations	RM150,000,000	100	100
Boustead Hotels & Resorts Sdn Bhd	Hotel operations	RM175,000,000	100	100
Boustead Ventures Limited %	Hotel operations	£1,000	100	100
Boustead Hyde Park Ltd &	Hotel operations	–	100	100
Midas Mayang Sdn Bhd	Hotel operations	RM10,000,000	80	80
Astacanggih Sdn Bhd	Investment holding	RM20,000,000	80	80
Cebur Megah Development Sdn Bhd	Investment holding	RM2	80	80
Bakti Wira Development Sdn Bhd	Investment holding	RM75,000	100	100
Boustead Shipping Agencies Sdn Bhd	Shipping agent	RM5,000,000	100	100
Boustead Building Materials Sdn Bhd	Building products distributor and project management	RM62,000,000	100	100
The University of Nottingham in Malaysia Sdn Bhd	Operation of a university	RM154,960,000	66	66
Nottingham MyResearch Sdn Bhd	Conducting contract research and development and testing services	RM100,000	66	66
Green Army Sdn Bhd	Job marketplace platform	RM100	100	-
Tanky Sdn Bhd	Fuel expense management and payment solution	RM100	100	-
Boustead Rimba Nilai Sdn Bhd	Cultivation of oil palms and processing of fresh fruit bunches (FFB)	RM100,000,000	57	57
Boustead Emastulin Sdn Bhd	Cultivation of oil palms and processing of FFB	RM17,000,000	57	57
Boustead Eldred Sdn Bhd	Cultivation of oil palms	RM15,000,000	57	57
Boustead Trunkline Sdn Bhd	Cultivation of oil palms	RM7,000,000	57	57
Boustead Gradient Sdn Bhd	Cultivation of oil palms and processing of FFB	RM3,000,000	57	57
Boustead Estates Agency Sdn Bhd	Plantation management and engineering consultancy	RM1,637,292	57	57
Boustead Agency and Consultancy Services Sdn Bhd	Plantation management and engineering consultancy	RM4,500,000	57	57
Boustead Agro Plantations Sdn Bhd	Farming, marketing and selling of agriculture produces	RM250,000	57	-

BOUSTEAD GROUP

			Group interest	
			%	%
Name of company*	Principal activities	Paid-up capital	2022	2021
As at 31 December 2022				
SUBSIDIARIES (cont'd.)				
Boustead Telok Sengat Sdn Bhd	Processing of FFB and investment holding	RM11,480,000	57	57
Boustead Solandra Sdn Bhd	Cultivation of oil palms	RM200,000	57	57
Boustead Life Sciences Research Sdn Bhd	Advisory and research on life sciences and commercialisation of products developed from life sciences, health and cosmetic	RM250,000	57	57
Boustead Pelita Kanowit Oil Mill Sdn Bhd	Operation of palm oil mill	RM30,000,000	34	34
Boustead Pelita Kanowit Sdn Bhd	Cultivation of oil palms	RM234,560,000	34	34
Boustead Pelita Tinjar Sdn Bhd	Cultivation of oil palms and processing of FFB	RM161,370,000	34	34
Pharmaniaga Manufacturing Berhad**	Manufacture and sale of pharmaceutical products	RM10,015,000	52	52
Pharmaniaga Logistics Sdn Bhd**	Distribution of pharmaceutical and medical products	RM40,000,000	52	52
Pharmaniaga Marketing Sdn Bhd**	Trading and marketing of pharmaceutical and medical products	RM3,000,000	52	52
Pharmaniaga LifeScience Sdn Bhd**	Manufacture and sale of pharmaceutical products	RM200,000,000	52	52
Pharmaniaga Research Centre Sdn Bhd**	Conduct research and development of pharmaceutical products	RM10,000,000	52	52
Pharmaniaga Biomedical Sdn Bhd**	Supply, trading and installation of medical and hospital equipment	RM8,000,000	52	52
Idaman Pharma Manufacturing Sdn Bhd**	Manufacture and sale of pharmaceutical products	RM25,020,000	52	52
Pristine Pharma Sdn Bhd**	Trading and wholesaling of consumer products	RM20,000,050	52	52
Pharmaniaga International Corporation Sdn Bhd**	Investment holding	RM103,000,000	52	52
PT Errita Pharma**+	Manufacture and sale of pharmaceutical products in Indonesia	Rp95,832,000,000	50	50
Paradigm Industry Sdn Bhd**	Manufacture and sale of food supplement	RM100,000	52	52
PT Millennium Pharmacon International Tbk**+	Distribution and trading of pharmaceutical & diagnostic products and food supplements	Rp127,400,000,000	38	38
Bio-Collagen Technologies Sdn Bhd**	Research and manufacture of collagen medical devices	RM2,000,000	52	52
Boustead Langkawi Shipyard Sdn Bhd	Construction, repair and maintenance of boats and yachts	RM100,000,000	82	82

BOUSTEAD GROUP

			Group interest	
			%	%
Name of company*	Principal activities	Paid-up capital	2022	2021
As at 31 December 2022				
SUBSIDIARIES (cont'd.)				
Boustead Penang Shipyard Sdn Bhd	Heavy engineering construction, ship repair and shipbuilding	RM350,000,000	65	65
Perstim Industries Sdn Bhd	Investment holding	RM51,155,724	65	65
BHIC Marine Carriers Sdn Bhd	Provision of engineering services for oil and gas industry	RM3,000,000	65	65
Dominion Defence & Industries Sdn Bhd	Supply and services of marine and naval defence related products	RM1,000,000	65	65
BHIC Defence Techservices Sdn Bhd	Provision of maintenance and services for arsenal and other defence related products	RM1,000,000	65	65
BHIC Defence Technologies Sdn Bhd	Investment holding	RM36,579,282	65	65
BHIC Navaltech Sdn Bhd	In-service support for the maintenance, services and supply of spare parts for vessels	RM1,000,000	65	65
BHIC Electronics and Technologies Sdn Bhd	Provision of maintenance and services for defence weapons and related products	RM2,329,897	65	65
BHIC Allied Defence Technology Sdn Bhd	Supply of electronics and system technology to defence related industry	RM510,000	65	65
BHIC Trading Sdn Bhd	Property investment	RM8,000,002	65	65
BHIC Submarine Engineering Services Sdn Bhd	Provision of maintenance and service of submarines	RM500,000	65	65
BHIC Marine Technology Academy Sdn Bhd	Provision of marine and defence business management training and similar educational projects	RM500,000	65	65
BHIC Aerotech Sdn Bhd	Provision of maintenance, repair and overhaul of aircraft wheels and brakes	RM500,000	65	65
BHIC Shipbuilding and Engineering Sdn Bhd	Ship repair, shipbuilding and fabrication of steel structures	RM500,000	65	65
BHIC Marine Transport Sdn Bhd	Provision of chartering of ships and vessels	RM3	65	65
BHIC Marine Ventures Sdn Bhd	Provision of chartering of ships and vessels	RM3	65	65
Malaysian Heavy Industry Group Sdn Bhd	Inactive	RM25,000	39	39
U.K. Realty Sdn Bhd	Inactive	RM40,001,000	100	100
Mecuro Properties Sdn Bhd	Inactive	RM2	100	100
AB Shipping Sdn Bhd	Inactive	RM45,000	100	100
Cargo Freight Shipping Sdn Bhd	Inactive	RM186,000	100	100
Boustead Management Services Sdn Bhd	Inactive	RM10,000	100	100

BOUSTEAD GROUP

			Group interest	
			%	%
Name of company*	Principal activities	Paid-up capital	2022	2021
As at 31 December 2022				
SUBSIDIARIES (cont'd.)				
Boustead Advertising Sdn Bhd	Inactive	RM500,002	100	100
Boustead REIT Managers Sdn Bhd	Inactive	RM10,000	100	100
Boustead Sissons Marketing Sdn Bhd	Inactive	RM100,000	100	100
Malakoff Management Services Pte Ltd ***	Inactive	SGD100,000	100	100
Fitek (M) Sdn Bhd	Inactive	RM263,000	100	100
UAC Marketing Sdn Bhd	Inactive	RM2	100	100
UAC Masterflange Sdn Bhd	Inactive	RM2,000,000	100	100
Pharmaniaga Pegasus (Seychelles) Co. Ltd**o	Inactive	USD100,000	52	52
Landasan Ria Sdn Bhd	Inactive	RM40,000,051	94	94
MHS Assets Sdn Bhd	Inactive	RM10,000,000	94	94
MHS Labuan Limited	Inactive	RM3	94	94
Naval and Defence Communication System Sdn Bhd	Dissolve	RM100,000	65	65
Boustead Atlas Hall Sdn Bhd	Ceased operation	RM4,666,000	100	100
Boustead Engineering Sdn Bhd	Ceased operation	RM8,000,000	100	100
UAC Steel Systems Sdn Bhd	Ceased operation	RM1,860,000	100	100
Boustead Yachts Sdn Bhd	Ceased operation	RM1,000,000	82	82
BN Shiprepair Sdn Bhd	Ceased operation	RM1,000,000	82	82
BHIC Asset Holding Sdn Bhd	Inactive	RM10,000,000	65	65
BHIC Development Sdn Bhd	Inactive	RM2	65	65
Bounty Crop Sdn Bhd	Ceased operation	RM70,200,000	57	57
PT Mega Pharmaniaga**+	Ceased operation	Rp11,372,400,000	49	49
ASSOCIATES				
Pavilion Entertainment Centre Sdn Bhd	Property development	RM74,583,400	50	50
Drew Ameroid (M) Sdn Bhd	Industrial chemicals distributor	RM20,000	50	50
Boustead Wah Seong Sdn Bhd	Investment holding	RM24,541,500	50	50
Wah Seong Boustead Co Ltd^	Consumer and building products distributor	Kyat2,756,000	50	50
Applied Agricultural Resources Sdn Bhd	Agronomic advisory services, commercial production of oil palm planting materials and investment holding	RM3,000,000	29	29
Cadbury Confectionery Malaysia Sdn Bhd	Chocolate and sugar confectionery manufacturer	RM32,673,950	25	25
MyAngkasa Digital Services Sdn Bhd	Electronic payments and collection systems	RM14,500,000	22	22

BOUSTEAD GROUP

Name of company*	Principal activities	Paid-up capital	Group interest	
			% 2022	% 2021
As at 31 December 2022				
ASSOCIATES (cont'd.)				
Affin Bank Berhad	Financial services group	RM5,245,446,795	21	21
Rakan Riang Pte Ltd #	Operating education and entertainment facilities	SGD24,000,000	20	20
JOINT VENTURES				
Irat Properties Sdn Bhd	Property investment	RM216,700,000	50	50
Boustead Ikano Sdn Bhd	Property investment holding and operating of a shopping mall	RM500,000,000	50	50
BHIC MSM Sdn Bhd	Provision of maintenance and repair of MTU products	RM1,000,000	39	39
Boustead DCNS Naval Corporation Sdn Bhd	Vessel maintenance	RM10,000,000	39	39
Contraves Advanced Devices Sdn Bhd	Manufacturing of electronic products	RM5,000,000	33	33
BYO Marine Sdn Bhd	Construction of vessels	RM500,000	33	33
BHIC Bofors Asia Sdn Bhd	Providing, supplying and servicing BOFORS weapons system	RM1,000,000	33	33
BHIC AeroServices Sdn Bhd	Maintenance, repair and overhaul of rotary and fixed wing aircraft	RM2,000,000	33	33
BHIC System Integration Sdn Bhd	Project management, contract administration and other related services for defence industry	RM1,000,000	33	33
Pyrotechnical Ordnance Malaysia Sdn Bhd	Production and selling of double based propellant for locally used artillery shells and rockets in defence sector	RM50,002	32	32
Airbus Helicopters Simulation Centre Sdn Bhd	Provision of services relating to flight training simulator	RM37,525,000	20	20

* Incorporated and operating in Malaysia unless otherwise indicated

** Subsidiaries not audited by Ernst & Young PLT

+ Incorporated and operating in Indonesia

^ Incorporated and operating in Myanmar

Incorporated and operating in Singapore

& Incorporated in British Virgin Island and operating in United Kingdom

% Incorporated and operating in United Kingdom

° Incorporated in Republic of Seychelles

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SECTION

09

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 16 June 2022, the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note No. 12 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2022 pursuant to the Shareholders' Mandate are disclosed as follows:

Related Party	Interested Director/ connected person	Nature of transactions	Actual transactions RM Million
Boustead Plantations Berhad	Dato' Ahmad Nazim Abd Rahman	Office rental at Menara Boustead paid to Boustead Realty Sdn Bhd	1.8
	Muhammad Fitri Othman	General management fees, internal audit fees and tax consultancy fees paid to Boustead Holdings Berhad	1.9
	Irfan Hashim*		
	Dayana Rogayah Omar*	Purchase of air tickets and travel related services from Boustead Travel Services Sdn Bhd	0.3
	LTAT		
		Sale of building materials by UAC Berhad	-
		Provision of financial assistance in respect of hire purchase business carried out by Boustead Credit Sdn Bhd	-
Boustead Naval Shipyard Sdn Bhd	Dato' Ahmad Nazim Abd Rahman	Office rental at Menara Boustead paid to Boustead Realty Sdn Bhd	1.9
	Muhammad Fitri Othman	Purchase of air tickets and travel related services by Boustead Travel Services Sdn Bhd	0.1
	Irfan Hashim*		
	Dayana Rogayah Omar*	Provision of corporate and administrative support services and training by Boustead Holdings Berhad	0.4
	LTAT		
Boustead Petroleum Marketing Sdn Bhd	Dato' Ahmad Nazim Abd Rahman	Sale of non-regulated petroleum products to Boustead Holdings Berhad Group	2.4
	Muhammad Fitri Othman	Provision of corporate and administrative support services and training by Boustead Holdings Berhad	0.4
	Irfan Hashim*		
	Dayana Rogayah Omar*	Purchase of air tickets and travel related services by Boustead Travel Services Sdn Bhd	0.2
	LTAT		
		Sale of building materials by UAC Berhad	-

RECURRENT RELATED PARTY TRANSACTIONS

Related Party	Interested Director/ connected person	Nature of transactions	Actual transactions RM Million
Pharmaniaga Berhad	Dato' Ahmad Nazim Abd Rahman	Purchase of air tickets and travel related services by Boustead Travel Services Sdn Bhd	1.5
	Muhammad Fitri Othman		
	Irfan Hashim*	Provision of corporate and administrative support services and training by Boustead Holdings Berhad	1.3
	Dayana Rogayah Omar*		
	LTAT		
Affin Bank Berhad Group	Dato' Ahmad Nazim Abd Rahman	Office rental at Menara Boustead, Menara Affin and the Curve paid to Boustead Realty Sdn Bhd, Boustead Curve Sdn Bhd and Boustead Properties Berhad	20.2
	Muhammad Fitri Othman		
	Irfan Hashim*	Provision of professional service to Boustead Holdings Berhad, Boustead Naval Shipyard Sdn Bhd and Boustead Properties Berhad	0.4
	Dayana Rogayah Omar*		
	LTAT		
		ATM space rental and partnership income paid to Boustead Petroleum Marketing Sdn Bhd	0.2
		Purchase of air tickets and travel related services from Boustead Travel Services Sdn Bhd	0.2
Irat Hotels and Resorts Sdn Bhd	Dato' Ahmad Nazim Abd Rahman	Rental of hotel building paid by Boustead Hotels and Resorts Sdn Bhd	12.0
	Muhammad Fitri Othman		
	Irfan Hashim*	Office rental at Chulan Tower paid by The University of Nottingham in Malaysia I Sdn Bhd	0.8
	Dayana Rogayah Omar*	Provision of property management service from Boustead Properties Berhad	0.5
	LTAT		
LTAT	Dato' Ahmad Nazim Abd Rahman	Purchase of air tickets and travel related services from Boustead Travel Services Sdn Bhd	0.2
	Muhammad Fitri Othman		
	Irfan Hashim*	Office rental at Surian Tower paid by Boustead Petroleum Marketing Sdn Bhd	1.6
	Dayana Rogayah Omar*	Provision of property management service from Boustead Properties Berhad	0.1
	LTAT		

RECURRENT RELATED PARTY TRANSACTIONS

Related Party	Interested Director/ connected person	Nature of transactions	Actual transactions RM Million
Perbadanan Perwira Harta Malaysia	Dato' Ahmad Nazim Abd Rahman	Construction of low cost housing project by UAC Berhad	2.2
	Muhammad Fitri Othman	Construction of low cost housing project by Boustead Building Materials Sdn Bhd	-
	Irfan Hashim*		
	Dayana Rogayah Omar*		
	Datuk Maulizan Bujang#		
	LTAT		
Perbadanan Perwira Niaga Malaysia	Dato' Ahmad Nazim Abd Rahman	Sale of non-regulated petroleum products by Boustead Petroleum Marketing	0.7
	Muhammad Fitri Othman		
	Irfan Hashim*		
	Dayana Rogayah Omar*		
	LTAT		
Perbadanan Hal Ehwal Bekas Angkatan Tentera	Dato' Ahmad Nazim Abd Rahman	Purchase of air tickets and travel related services from Boustead Travel Services Sdn Bhd	-
	Muhammad Fitri Othman		
	Irfan Hashim*	Sale of building materials by UAC Berhad	-
	Dayana Rogayah Omar*		
	LTAT		
Wasco	Dato' Ahmad Nazim Abd Rahman	Purchase of air tickets and travel related services from Boustead Travel Services Sdn Bhd	0.2
	Muhammad Fitri Othman		
	Irfan Hashim*		
	Dayana Rogayah Omar*		
	LTAT		

* Appointed on 1 December 2022

Resigned on 15 December 2022

TOP 30 PROPERTIES OF THE GROUP

	Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition/ revaluation*
1	The Curve, No. 6, Jalan PJU 7/3, Mutiara Damansara, Selangor	5.04	Commercial Land and Building	Freehold	18	573.0	2022
2	Sungai Segamaha and Bukit Segamaha Estate, Lahad Datu	5,659.6	Oil palm estate & palm oil mill	1979-2077	26	300.2	2016*
3	Balau Estate, Semenyih, Selangor	247.4	Oil palm estate & molecular laboratory	Freehold	15	280.0	2016*
4	Telok Sengat Estate, Kota Tinggi, Johor	3,672.2	Oil palm estate & palm oil mill	Freehold	36	251.0	2016*
5	University of Nottingham in Malaysia, Semenyih, Selangor	48.1	University Campus	Freehold/ Leasehold	17	236.5	2001*
6	Segaria Estate, Semporna	4,746.2	Oil palm estate & palm oil mill	1965-2072	42	235.1	2016*
7	Bousteador Mutiara Damansara Selangor	0.85	Office complex	Freehold	4	227.0	2022
8	Boustead Pertama, Boustead Sapa Payau Estate, Labuk & Sugut	3,944.1	Oil palm estate	1980-2079 1981-2080 1982-2081		204.3	2018
9	Bukit Mertajam Estate, Kulim Kedah	2,605.7	Oil palm estate	Freehold		199.6	2016*
10	Boustead Sungai Lokan, Boustead Lokan Baru Estate, Labuk & Sugut	4,439.0	Oil palm estate	1980-2079 1981-2080 1982-2081		197.7	2018
11	Royale Chulan Damansara No 2, Jalan PJU 7/3 Mutiara Damansara	0.88	Hotel	Freehold	11	191.0	2012
12	Boustead Tawai 2 Estate, Labuk & Sugut	3,232.7	Oil palm estate	1934-2033 1935-2034 1979-2078 1982-2081 1992-2091		164.8	2019
13	Boustead Ruku-Ruku Estate, Labuk & Sugut	3,196.2	Oil palm estate	1980-2079 1981-2080 1982-2081		158.6	2018

TOP 30 PROPERTIES OF THE GROUP

	Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition/ revaluation*
14	Lot 129, Lot 1808-1809, Lot 22, 48, Part of Lot 656, Lot 977, Lot 574, Part of Lot 37 and Lot 1671, Daerah Ulu Langat, Mukim Semenyih, Selangor	30.24	Development Land	Freehold		156.3	1993/2013
15	Sutera Estate, Sandakan	2,197.5	Oil palm estate	1888-2887		154.3	2016*
16	Lot 707-711 and Part of Lot 37 Daerah Ulu Langat Mukim Beranang, and Lot 687-688 and Lot 932 Daerah Ulu Langat Mukim Semenyih, Selangor	137.9	Development Land	Freehold		134.4	2013
17	Menara Affin 80, Jalan Raja Chulan, Kuala Lumpur	0.28	Office Complex	Freehold	23	124.0	2022
18	G & G Estate, Lahad Datu	2,409.8	Oil palm estate	1979-2077		121.4	2016*
19	Boustead Tawai 1 Estate, Labuk & Sugut	1,793.6	Oil palm estate & palm oil mill	1978-2077 1979-2078 1980-2079 1981-2080	22	114.8	2019
20	Ladang Tabung Tentera Sabah (LTT-Sabah), Lahad Datu	2,023.0	Oil palm estate	1979-2077		113.4	2016*
21	Sungai Jernih Estate, Pekan, Pahang	2,695.7	Oil palm estate & palm oil mill	1981-2091	31	105.7	2016*
22	Bebar Estate, Muadzam Shah, Pahang	2,340.6	Oil palm estate	1984-2083		102.4	2016*
23	Lot 70, Mutiara Damansara, Mukim Sungai Buluh, Selangor	2.85	Development Land	Freehold		101.5	1999
24	Menara Boustead 69, Jalan Raja Chulan, Kuala Lumpur	0.36	Office Complex	Freehold	37	99.3	2001
25	Menara UAC, Mutiara Damansara	1.4	Commercial land and building	Freehold	15	92.0	2022*
26	Eldred Estate, Bekok, Johor	1,799.7	Oil palm estate	Freehold		91.6	2016*

TOP 30 PROPERTIES OF THE GROUP

	Location	Hectares	Description	Tenure	Age of buildings Years	Book value	Year of acquisition/ revaluation*
27	Sungai-Sungai 1, Sungai-Sungai 2, Sungai-Sungai 3, Sugut	6,035.3	Oil palm estate & palm oil mill	1997-2098	17	89.1	2012, 2014, 2016
28	Mutiara Rini, Kulai, Johor	12.35	Development Land	1912-2911		83.1	1995
29	Lepan Kabu Estate, Kuala Pahi, Kelantan	2,034.6	Oil palm estate & palm oil mill	Freehold		82.9	2016*
30	Royale Chulan Seremban Jalan Dato' A. S. Dawood Seremban, Negeri Sembilan	2.52	Hotel	Freehold	21	82.9	2008

ADDITIONAL DISCLOSURES

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposals during the financial year.

2. AUDIT AND NON-AUDIT FEES

	Audit Fees		Non-Audit Fees	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Audit and non-audit fees paid to the external auditors for the financial year ended 31 December 2022				
– Auditor of the Company	4,207.5	463.0	412.0	123.0
– Others	959.0	–	70.0	–
	5,166.5	463.0	482.0	123.0

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group, and did not compromise their independence and objectivity. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

3. MATERIAL CONTRACTS

There were no material contracts which had been entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

SHAREHOLDINGS STATISTICS

as at 31 March 2023

Size of shareholdings	No. of holders	%	No. of shares	%
LESS THAN 100	1,139	10.65	30,929	0.00
100 TO 1,000	1,457	13.62	685,966	0.03
1,001 TO 10,000	5,015	46.88	22,744,152	1.12
10,001 TO 100,000	2,606	24.36	77,476,574	3.82
100,001 TO LESS THAN 5% OF ISSUED SHARES	479	4.48	319,133,394	15.75
5% AND ABOVE OF ISSUES SHARES	2	0.01	1,606,916,982	79.28
TOTAL	10,698	100	2,026,987,997	100

30 LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares	%
1	LEMBAGA TABUNG ANGKATAN TENTERA	1,500,002,690	74.00
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	106,914,292	5.27
3	CHINCHOO INVESTMENT SDN. BERHAD	19,743,000	0.97
4	KEY DEVELOPMENT SDN. BERHAD	18,927,857	0.93
5	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHE LODIN BIN WOK KAMARUDDIN (PB)	17,932,430	0.88
6	GAN TENG SIEW REALTY SDN. BERHAD	17,068,921	0.84
7	YONG SIEW YOON	12,239,731	0.60
8	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	12,147,786	0.60
9	GEMAS BAHRU ESTATES SDN. BHD.	6,917,780	0.34
10	BIDOR TAHAN ESTATES SDN. BHD.	6,435,268	0.32
11	OOI CHIENG SIM	6,285,000	0.31
12	MIKDAVID SDN BHD	5,914,162	0.29
13	TAN LEE HWA	5,770,000	0.28
14	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	5,472,621	0.27
15	RENGO MALAY ESTATE SENDIRIAN BERHAD	4,847,981	0.24
16	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	4,401,231	0.22
17	CHINCHOO HOLDINGS (S) PRIVATE LIMITED	3,987,286	0.20
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' CHE LODIN BIN WOK KAMARUDDIN (MM0197)	2,889,075	0.14

SHAREHOLDINGS STATISTICS

as at 31 March 2023

No.	Name of shareholders	No. of shares	%
19	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	2,832,091	0.14
20	YEOH SAIK KHOO SENDIRIAN BERHAD	2,514,980	0.12
21	ONG YONG HWEE	2,399,048	0.12
22	INTER-PACIFIC EQUITY NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAK SENG FOOK	2,393,378	0.12
23	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND 0MUA FOR TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS	2,388,900	0.12
24	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHEE YOUNG (MY2263)	2,341,600	0.12
25	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD YAYASAN LTAT	2,330,204	0.11
26	LIM BOON LIAT	2,200,000	0.11
27	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	2,167,210	0.11
28	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	2,055,326	0.10
29	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR ROYAL BANK OF CANADA HONG KONG BRANCH (CLT A/C-FOREIGN)	2,048,800	0.10
30	CHAN KIM SENDIRIAN BERHAD	1,982,997	0.10
TOTAL		1,785,551,645	88.07

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Size of shareholdings	Direct Interest	%	Indirect Interest	%
	No. of holders		No. of shares	
Lembaga Tabung Angkatan Tentera	1,500,002,690	74.00	-	-
Kumpulan Wang Persaraan (Diperbadankan)	106,914,292	5.27	-	-

Class of shares

Ordinary share

Voting rights

1 vote per ordinary share

DIVIDEND POLICY

It is the Board's intention to pay dividends to allow shareholders to participate in the profits of Boustead Holdings Berhad. The dividend policy is in line with the Board's intention to adopt a policy of active capital management where the Board endeavours to declare an interim dividend at the end of each quarter of the financial year in order that shareholders may enjoy a distribution on a regular basis. In this regard, the Company's ability to pay dividends would depend upon factors such as business prospects, expansion and growth strategies, capital requirements, cash reserves and other factors the Board may deem relevant.

Under the dividend policy, the Company intends to pay a minimum of 70% of the audited consolidated profit after taxation attributable to shareholders for each financial year after appropriate adjustments for the profit retained by Associated Companies, any unrealised income from fair value adjustments that are non-cash in nature and exceptional gains of non-operating nature where cash flow arising therefrom maybe reinvested.

As the Company is an investment holding company, its income, and therefore its ability to pay dividends or make distributions to shareholders, is dependent upon the dividends and other distributions from subsidiaries, associated companies and investments which in turn will depend upon their operating results, financial condition, capital expenditure plans and other factors that their respective board of directors deem relevant.

The dividend policy reflects the Board's current views on the Group's financial position and the said policy will be reviewed from time to time. In recommending dividends, it is the Board's policy to allow shareholders to participate directly in the Company's profits whilst taking into account the retention of adequate reserves for future growth.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 61st Annual General Meeting (AGM) of Boustead Holdings Berhad will be conducted entirely through live streaming from the broadcast venue at Amphitheatre, Level 23, The Bousteador, No. 10 Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor on Thursday, 15 June 2023 at 9.30 a.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

- | | | |
|----|---|---------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors.
<i>(Please refer to Explanatory Note 1)</i> | |
| 2. | To re-elect Lieutenant General Dato' Fadzil Mokhtar (R) who retires by rotation in accordance with Article 117 of the Company's Constitution, and being eligible, offers himself for re-election. | Resolution 1 |
| 3. | To re-elect Muhammad Fitri Othman who retires in accordance with Article 123 of the Company's Constitution. | Resolution 2 |
| 4. | To approve payment of Directors' fees, allowances and other benefits for Boustead Holdings Berhad and its subsidiaries from 16 June 2023 until the conclusion of the next AGM of the Company. | Resolution 3 |
| 5. | To re-appoint Messrs. Ernst & Young PLT as auditors of the Company and to hold office until the conclusion of the next AGM, at a remuneration to be determined by the Directors. | Resolution 4 |

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

- | | | |
|----|--|---------------------|
| 6. | ORDINARY RESOLUTION
AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016
"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company." | Resolution 5 |
|----|--|---------------------|

NOTICE OF ANNUAL GENERAL MEETING

7. ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS

Resolution 6

"THAT, subject always to the Companies Act 2016 (Act), the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the mandate granted by the shareholders of the Company on 16 June 2022, authorising the Company and/or its Subsidiaries to enter into recurrent transactions of a revenue or trading nature with the Related Parties as specified in Section 2.3.1 of the Circular to Shareholders dated 28 April 2023, provided that the transactions are:

- i) necessary for the day-to-day operations;
- ii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- iii) are not to the detriment of the minority shareholders.

AND THAT such approval shall continue to be in force until:

- i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by a resolution passed by the Shareholders in a General Meeting;

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Shareholders' Mandate."

- 8. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

AFFENDI MOHD YOB (LS0010305) SSM PC No. 201908001314

JUNIZA AZIZAN (LS0009647) SSM PC No. 201908001876

Company Secretaries

Kuala Lumpur

28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

1. Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put forward for voting.

2. Ordinary Resolutions 1 and 2 – Proposed Re-election of Directors in accordance with Article 117 and Article 123 of the Company's Constitution

Article 117 of the Company's Constitution provides amongst others that at least one third of the Directors who are subject to retirement by rotation or, if their number is not three (3) or multiple of three (3), the number nearest to one-third shall retire from office provided always that all Directors shall retire from office once at least in every three (3) years and shall be eligible for re-election.

Director who is standing for re-election pursuant to Article 117 of the Company's Constitution is as follows:

- i) Lieutenant General Dato' Fadzil Mokhtar (R)

The Nominating and Remuneration Committee (NRC) of the Company has assessed the criteria and contribution of Lieutenant General Dato' Fadzil Mokhtar (R) and recommended for his re-election. The Board endorsed the NRC's recommendation that Lieutenant General Dato' Fadzil Mokhtar (R) be re-elected as Director of the Company.

Article 123 of the Company's Constitution provides amongst others that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Director who is standing for re-election pursuant to Article 123 of the Company's Constitution is as follows:

- i) Muhammad Fitri Othman

The profiles of the Directors who are standing for re-election are set out on page 105 and 108 of the Integrated Report, while details of their interests in securities are set out on page 155 of the Integrated Report.

3. Ordinary Resolution 3 – Directors' Remuneration

Section 230(1) of the Companies Act 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for payment of Directors' fees, allowances and other benefits from 16 June 2023 until the conclusion of the next AGM of the Company comprising the following, with or without modifications:

BOUSTEAD HOLDINGS BERHAD

		Directors' Fees (annual) (RM)	Meeting Allowance (per meeting) (RM)	Travelling and Other Allowances (annual) (RM)	Entertainment Allowance (annual) (RM)
Board of Directors	Chairman	210,000	2,000	72,000	30,000
	Non-Executive Director	132,000	1,500	12,000	—
Audit Committee	Chairman	40,000	2,000		
	Member	25,000	1,500		
Risk Committee	Chairman	30,000	2,000		
	Member	12,000	1,500		
Nominating and Remuneration Committee	Chairman	25,000	2,000		
	Member	12,000	1,500		
Sustainability Committee	Chairman	10,000	2,000		
	Member	6,000	1,500		
Due Diligence Working Group	Chairman	-	2,000		
	Member	-	1,500		

NOTICE OF ANNUAL GENERAL MEETING

SUBSIDIARIES OF BOUSTEAD HOLDINGS BERHAD

Name	Position Held	Fee Type	Amount (RM)
Dato' Ahmad Nazim Abd Rahman	Boustead Heavy Industries Corporation Berhad		
	• Director	Directors' Fee (annual) Meeting allowance – per meeting	75,000 1,000
	Boustead Petroleum Marketing Sdn Bhd		
	• Chairman	Directors' Fee (annual) Meeting allowance – per meeting	90,000 1,000
	Boustead Naval Shipyard Sdn Bhd		
	• Chairman	Directors' Fee (annual) Meeting allowance – per meeting	60,000 1,500
Dato' Seri Rosman Mohamed	Boustead Digital Services Sdn Bhd		
	• Director	Directors' Fee (annual) Meeting allowance – per meeting	30,000 500
Pauline Teh @ Pauline Teh Abdullah	Boustead Digital Services Sdn Bhd		
	• Chairman	Directors' Fee (annual) Meeting allowance – per meeting	50,000 1,000
	Boustead Technology Sdn Bhd		
	• Director	Directors' Fee (annual) Meeting allowance – per meeting	30,000 500

4. Ordinary Resolution 4 – Re-appointment of Auditors

The Board and Audit Committee of the Company are satisfied with the quality of service, adequacy of resources provided, communication, interaction skills and independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions. Being satisfied with the External Auditors' performance, the Board recommends their re-appointment for shareholders' approval at the 61st AGM.

This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM.

The authority will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

5. Explanatory Notes to Special Business

- a) Ordinary Resolution 5 - Authority for Directors to Allot and Issue Shares

Ordinary Resolution 5, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company.

As at the date of this Notice, no new shares were issued pursuant to the authority granted to the Directors at the 60th AGM held on 16 June 2022, the mandate of which will lapse at the conclusion of the 61st AGM to be held on 15 June 2023.

NOTICE OF ANNUAL GENERAL MEETING

b) Ordinary Resolution 6 - Recurrent Related Party Transactions

Ordinary Resolution 6, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on the Mandate is set out in the Circular to Shareholders dated 28 April 2023.

Notes:

1. The AGM will be conducted on a virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM via the RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.
2. The Broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be present at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to participate in the AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 8 June 2023. Only members registered in the Record of Depositors shall be entitled to participate in the AGM via RPV.
4. A member of the Company entitled to participate in the AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
5. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate at the AGM via RPV. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.

NOTICE OF ANNUAL GENERAL MEETING

9. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
- (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Tuesday, 13 June 2023 at 9.30 a.m.
 - (ii) By electronic form
The proxy form can be electronically lodged with Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of proxy form via TIIH Online.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. For a corporate member who has appointed a representative, please deposit the original certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM of the Company shall be put to vote by way of a poll.

ADMINISTRATIVE NOTES

for the 61st Annual General Meeting of Boustead Holdings Berhad

DATE

15 June 2023

Time

9.30 a.m.

MODE OF MEETING

The 61st Annual General Meeting (AGM) of Boustead Holdings Berhad will be conducted **on a virtual basis through live streaming whilst the online remote voting** will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's (Tricor) TIIH Online website at <https://tiih.online>.

The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

Remote Participation and Voting

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM using RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

Shareholders who appoint proxies to participate via RPV in the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than Tuesday, 13 June 2023 at 9.30 a.m.

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than Tuesday, 13 June 2023 at 9.30 a.m. to participate via RPV in the AGM. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than Tuesday, 13 June 2023 at 9.30 a.m. to participate via RPV in the AGM.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the AGM is a virtual Meeting, members who are unable to participate in the Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

ADMINISTRATIVE NOTES

Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

Procedure	Action
BEFORE THE AGM DAY	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services”, select the “Sign Up” button and followed by “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your request to attend AGM remotely	<ul style="list-style-type: none"> Registration is open from Friday, 28 April 2023 until the day of the AGM on Thursday, 15 June 2023. Shareholder(s) and proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV. Login with your user ID and password and select the corporate event: (Registration) Boustead Holdings Berhad 61st AGM. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting” Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 8 June 2023, the system will send you an e-mail on or after 13 June 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).</i></p>
ON THE DAY OF THE AGM	
(a) Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 61st AGM at any time from 8.30 a.m. i.e. 1 hour before the commencement of meeting at 9.30 a.m. on Thursday, 15 June 2023.
(b) Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: (Live Streaming Meeting) Boustead Holdings Berhad 61st AGM to engage in the proceedings of the AGM remotely. If you gave any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(c) Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 9.30 a.m., Thursday, 15 June 2023 until a time when the Chairman announces the completion of the voting session at the 61st AGM. Select the corporate event: (Remote Voting) Boustead Holdings Berhad 61st AGM. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(d) End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end.

ADMINISTRATIVE NOTES

Note to users of the RPV facilities:

1. We will make available to you the rights to join the live streamed meeting and to vote remotely once your application to join the meeting is approved. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 8 June 2023 shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than Tuesday, 13 June 2023 at 9.30 a.m.:

i. In hard copy form:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;

ii. By electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are summarised below:

ADMINISTRATIVE NOTES

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: “Boustead Holdings Berhad 61st AGM – Submission of Proxy Form”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(ies) appointment. Print proxy form for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the “Sign Up” button and followed by “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The Representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate exercise name: “Boustead Holdings Berhad 61st AGM – Submission of Proxy Form”. Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxies by inserting the required data. Login to TIIH Online, select corporate exercise name: “Boustead Holdings Berhad 61st AGM – Submission of Proxy Form”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE NOTES

Pre-Meeting Submission of Questions to the Board of Directors

In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board of Directors via Tricor's TIH Online website at <https://tiih.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than 13 June 2023. The Board of Directors will endeavour to address the questions received at the AGM.

No Breakfast/Lunch Pack, Door Gift or Food Voucher

There will be no distribution of breakfast/lunch packs, door gifts or food vouchers during the AGM since the meeting is being conducted on a virtual basis.

Integrated Report

- The Integrated Report is available on the Company's website at www.boustead.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.
- As a shareholder of the Company, you may request for a printed copy of the Integrated Report at <https://tiih.online> by selecting "Request for Integrated Report" under the "Investor Services" or alternatively, request through telephone or e-mail to Tricor at the number or e-mail address given below.
- Kindly consider the environment before you decide to request for the printed copy of the Integrated Report. The environmental concerns like global warming, deforestation, climate change and many more affects every human, animal and nation on this planet.

Boustead Holdings Berhad would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

Enquiry

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

PROXY FORM



196001000193 (3871-H)
(A member of LTAT Group)

I/We _____ NRIC (New)/Company No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being a member of **BOUSTEAD HOLDINGS BERHAD**, hereby appoint* _____
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No.: _____ of _____
(FULL ADDRESS)

(FULL ADDRESS)

and/or _____ NRIC (New) No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

(FULL ADDRESS)

*or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the 61st Annual General Meeting of the Company to be conducted entirely through live streaming from the broadcast venue at Amphitheatre, Level 23, The Bousteador, No. 10 Jalan PJU7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor on Thursday, 15 June 2023 at 9.30 a.m. or any adjournment thereof, to vote as indicated below:

No	Resolution		For	Against
1	Re-election of Lieutenant General Dato' Fadzil Mokhtar (R)	Ordinary Resolution 1		
2	Re-election of Muhammad Fitri Othman	Ordinary Resolution 2		
3	Approval of Directors' fees, allowances and other benefits for Boustead Holdings Berhad and its subsidiaries from 16 June 2023	Ordinary Resolution 3		
4	Re-appointment of Messrs. Ernst & Young PLT as Auditors	Ordinary Resolution 4		
5	Approval for Directors to allot and issue shares	Ordinary Resolution 5		
6	Renewal of Shareholders' Mandate for recurrent related party transactions	Ordinary Resolution 6		

Dated this _____ day of _____ 2023

Signature of Member

No. of ordinary shares held:	
CDS account no. of authorised nominee:	
Proportion of shareholdings to be represented by proxies	First Proxy: _____ % Second Proxy: _____ %
Contact No.:	

Notes:

1. The Company's AGM will be conducted on a virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to participate in the AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 8 June 2023. Only members registered in the Record of Depositors shall be entitled to participate in the AGM via RPV.
4. A member of the Company entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
5. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at the AGM via RPV. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Tuesday, 13 June 2023 at 9.30 a.m.
 - (ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of proxy form via TIH Online.

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Share Registrar of Boustead Holdings Berhad

Tricor Investor & Issuing House Services Sdn Bhd 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

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BOUSTEAD HOLDINGS BERHAD

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