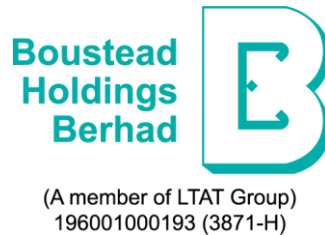


**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your shares in Boustead Holdings Berhad, you should at once hand this Circular together with the accompanying Proxy Form to the purchaser, transferee or the agent through whom you affected the sale or transfer for onward transmission to the purchaser or transferee.

Bursa Malaysia Securities Berhad (“Bursa Malaysia”) has not perused the contents of this Circular prior to its issuance as this is an Exempt Circular pursuant to Practice Note 18 of Bursa Malaysia’s Main Market Listing Requirements.

Bursa Malaysia takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED RENEWAL OF THE 2022 SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE**

The resolution pertaining to the above Proposal will be tabled as Special Business at the Sixty-First Annual General Meeting (61<sup>st</sup> AGM) of the Company. **The 61<sup>st</sup> AGM 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.** The Notice of the 61<sup>st</sup> AGM of the Company together with the Proxy Form are available to be downloaded from the Company’s website at [www.boustead.com.my](http://www.boustead.com.my) or Bursa Malaysia’s website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

The 61<sup>st</sup> 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 (Tricor) TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the 61<sup>st</sup> AGM provided together with the Integrated Report 2022 in order to register, participate and vote remotely via the RPV facilities.

In view that the 61<sup>st</sup> AGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign and deposit the Proxy Form at the office of the Company’s Share Registrar, Tricor, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than Tuesday, 13 June 2023 at 9.30 a.m. You may also submit the proxy appointment electronically via Tricor’s TIIH Online website at <https://tiih.online> no later than the aforementioned date.

Last date and time for lodging the Proxy Form : 13 June 2023 at 9.30 a.m.  
Date and time of the 61<sup>st</sup> Annual General Meeting : 15 June 2023 at 9.30 a.m.

## **DEFINITIONS**

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

*(Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.)*

“ABB”	:	Affin Bank Berhad
“Act”	:	Companies Act 2016 including all amendments made from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“BBM”	:	Boustead Building Materials Sdn Bhd 199501020493 (349696-W), a wholly owned subsidiary of BHB which involves in marketing and distribution of building materials
“BCurve”	:	Boustead Curve Sdn Bhd 198301008066 (103320-D), a wholly owned subsidiary of Boustead Properties which involves in property investment
“BHB” or “Company”	:	Boustead Holdings Berhad 196001000193 (3871-H)
“BHB Group” or “Group”	:	Boustead Holdings Berhad and its subsidiaries
“BHIC”	:	Boustead Heavy Industries Corporation Berhad 197101000758 (11106-V), a 65.0% owned subsidiary of BHB, which is an investment holding company
“BHR”	:	Boustead Hotels & Resorts Sdn Bhd 198501014634 (147089-A), a wholly owned subsidiary of Boustead Properties which involves in hotel operations
“BNS”	:	Boustead Naval Shipyard Sdn Bhd 199001007732 (199302-K), a 68.9% owned subsidiary of BHB which involves in construction, repair and maintenance of naval ships, weapons and electronics, design and engineering, fabrication of steel structures and commercial shipbuilding
“Board”	:	Board of Directors of BHB
“Boustead Plantations”	:	Boustead Plantations Berhad 194601000012 (1245-M), a 57.4% owned subsidiary of BHB, which is an investment holding company and involves in oil palm plantations business
“BPSB”	:	Boustead Petroleum Sdn Bhd 197801004010 (40996-P), a 59.8% owned subsidiary of BHB, which is an investment holding company
“Boustead Properties”	:	Boustead Properties Berhad 191101000004 (84-W), a wholly owned subsidiary of BHB which involves in investment holding, property development, property investment, ownership and operating of hotels and production and supply of chilled water for air conditioning
“BRSB”	:	Boustead Realty Sdn Bhd 199301015908 (270648-A), a wholly owned subsidiary of Boustead Properties which involves in property investment
“BTS”	:	Boustead Travel Services Sdn Bhd 197201000101 (11708-P), a wholly owned subsidiary of BHB which involves in travel agencies and tour operations

“BCSB”	:	Boustead Credit Sdn Bhd 197901007960 (52246-T), a wholly owned subsidiary of BHB which involves in providing financial assistance in respect of hire purchase
“Bursa Malaysia”	:	Bursa Malaysia Securities Berhad
“CMSA”	:	Capital Markets and Services Act 2007, including all amendments made from time to time and any re-enactment thereof
“Director”	:	Shall have the meaning given in Section 2(1) of CMSA and for the purpose of the Proposal includes any person who is or was within the preceding 6 months of the date on which the terms of the transactions were agreed upon, a Director of BHB or any other company which is its subsidiary or holding company; or chief executive officer of BHB, its subsidiary or holding company
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Malaysia including all amendments made from time to time and any re-enactment thereof
“LPD”	:	31 March 2023 being the latest practicable date which shall not be more than 30 days prior to the date of the Circular
“LTAT”	:	Lembaga Tabung Angkatan Tentera, a statutory body established under the Tabung Angkatan Tentera Act 1973
“Major Shareholder”	:	A person who has an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares, is: <p style="margin-left: 40px;">(a) 10% or more of the total number of voting shares in BHB; or</p> <p style="margin-left: 40px;">(b) 5% or more of the total number of voting shares in BHB where such person is the largest shareholder in the company</p> <p>For the purpose of this definition, “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act.</p> <p>It also includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder (as defined above) of BHB or any other company which is its subsidiary or holding company</p>
“Person Connected”	:	Shall be as defined in Chapter 1 of the Listing Requirements
“Pharma”	:	Pharmaniaga Berhad 199801011581 (467709-M), a 51.8% owned subsidiary of BHB which is an investment holding company
Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of 2022 Mandate
“Proposal”	:	Proposed Renewal of Shareholders’ Mandate
“Recurrent Related Party Transactions” or “RRPT”	:	Recurrent related party transactions of revenue or trading nature which are necessary for the day-to-day operations and are entered into by the Company or its subsidiaries in the ordinary course of business which involve the interest, direct or indirect, of a Related Party
“Related Party”	:	A Director, Major Shareholder or a Person Connected with such Director or Major Shareholder
“UAC”	:	UAC Berhad 196301000271 (5149-H), a wholly owned subsidiary of BHB which involves in manufacture of fibre cement products and property investment

- “UNIM” : The University of Nottingham in Malaysia Sdn Bhd 199801017391 (473520-K), a 66.4% subsidiary of BHB which involves in operation of a university
- “2022 Integrated Report” : The integrated report of the Company for the financial year ended 31 December 2022
- “2022 Mandate” : The shareholders’ mandate obtained on 16 June 2022 for the BHB Group to enter into Recurrent Related Party Transactions
- “2023 Mandate” : The shareholders’ mandate to be obtained at the Company’s forthcoming AGM for the BHB Group to enter into Recurrent Related Party Transactions

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(A member of LTAT Group)  
196001000193 (3871-H)

Registered Office:

Level 23, The Bousteador,  
No. 10, Jalan PJU 7/6,  
Mutiara Damansara,  
47800 Petaling Jaya, Selangor

28 April 2023

**Board of Directors:**

Dato' Ahmad Nazim Abd Rahman	<i>(Non-Independent Non-Executive Chairman)</i>
Lieutenant General Dato' Fadzil Mokhtar (R)	<i>(Independent Non-Executive Director)</i>
Dato' Seri Rosman Mohamed	<i>(Independent Non-Executive Director)</i>
Pauline Teh @ Pauline Teh Abdullah	<i>(Independent Non-Executive Director)</i>
Muhammad Fitri Othman	<i>(Non-Independent Non-Executive Director)</i>

**Alternate Directors:**

Irfan Hashim	<i>(Alternate Director to Dato' Ahmad Nazim Abd Rahman)</i>
Dayana Rogayah Omar	<i>(Alternate Director to Muhammad Fitri Othman)</i>

**To: The Shareholders of BOUSTEAD HOLDINGS BERHAD**

Dear Sir/Madam

**BOUSTEAD HOLDINGS BERHAD**

**PROPOSED RENEWAL OF THE 2022 SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE**

**1. INTRODUCTION**

At the AGM held on 16 June 2022, the Company had obtained the 2022 Mandate to enter into Recurrent Related Party Transactions. The 2022 Mandate shall, in accordance with the Listing Requirements, lapse at the conclusion of the forthcoming AGM unless authority for its renewal is obtained from the shareholders of the Company at the AGM.

Accordingly, the Company had on 19 April 2023 announced to Bursa Malaysia of its intention to seek shareholders' approval on the Proposal at the forthcoming AGM.

The purpose of this Circular is to provide you with information relating to the Proposal and to seek your approvals on the Ordinary Resolution pertaining to the Proposal to be tabled at the forthcoming AGM. Notice of the AGM together with the Proxy Form is enclosed in the Integrated Report of the Company.

## **2. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 Details**

#### Provisions under the Listing Requirements

Pursuant to Part E, Paragraph 10.09 of the Listing Requirements, listed issuers with share capital of RM60 million and above must immediately announce a Recurrent Related Party Transaction as follows:

- (i) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transaction is RM1 million or more; or
- (ii) the percentage ratio of such Recurrent Related Party Transaction is 1% or more

whichever is higher.

Paragraph 2.4 of Practice Note 12 states that where a listed issuer has obtained a shareholders' mandate in respect of any Recurrent Related Party Transaction, the above disclosure obligation will not apply to the Recurrent Related Party Transactions which are comprised in the mandate.

Accordingly, the Company proposes to seek its shareholders' approval for the Proposal to enable the BHB Group to enter into transactions involving the interest of Related Parties which are of revenue or trading nature and necessary for its day-to-day operations, on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders.

If approved at the forthcoming AGM, the Proposal will take effect from the passing of the ordinary resolution relating thereto and will continue to be in force until:

- i) the conclusion of the next AGM of the Company following the forthcoming AGM, at which time it shall lapse, unless the authority is renewed by an ordinary resolution at the said next AGM; or
- ii) the expiration of the period within which the next AGM of the Company after that date 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 resolution passed by the shareholders in a general meeting

whichever is the earlier.

Thereafter, shareholders' approval will be sought for the renewal of the shareholders' mandate at each subsequent AGM, subject to a satisfactory review by the Company's Audit Committee.

### **2.2 Classes of Related Party**

BHB is a conglomerate with diverse business operations. The principal activity of BHB is investment holding. The principal activities of its subsidiaries include the ownership and/or management of oil palm plantations, marketing, selling and distributing imported and locally manufactured products, travel services, property development, property investment, hotels, leasing, ship building, vessel repair and maintenance, fabrication of offshore structures, and provision of defence-related services, education, fabrication and marketing of materials handling systems, provision of air transportation, flight support, engineering and technical services, manufacturing of fiber cement products, manufacturing of pharmaceutical products, marketing of petroleum products, and shipping and forwarding agencies. The principal activities of its associated and joint ventures companies are operating a commercial bank, islamic bank and an investment

bank, and engaging in general and life insurance, manufacturing of confectionary, merchandising of chemical products, property investment, operating of a shopping mall and providing services related to defence industry.

The holding corporation of BHB is LTAT. LTAT owns 74.0% of the total number of issued shares of BHB as at LPD.

BHB's subsidiaries, Pharma, BHIC, Boustead Plantations and an associated company, ABB, are listed on the Bursa Malaysia's Main Market. The BHB Group, comprising more than 100 subsidiaries and associate companies, has substantial interests in various sectors of the Malaysian economy.

The Proposal will apply to the following companies (the effective interest is at LPD):

<b>I. SUBSIDIARIES NOT WHOLLY OWNED BY BHB</b>			
<b>Company</b>		<b>Principal Activities</b>	<b>BHB's Effective Interest (%)</b>
1.	BNS	Construction, repair & maintenance of naval ships, weapons and electronics, design and engineering, fabrication of steel structures and commercial shipbuilding	82.4
2.	Boustead Petroleum Marketing Sdn Bhd ("BPM")	Marketing of petroleum products	42.0
3.	Pharma	Investment holdings	51.8
4.	Boustead Plantations	Investment holdings and involves in oil palm plantations business	57.4
5.	UNIM	Operation of a university	66.4
<b>II. BHB'S ASSOCIATES</b>			
1.	ABB	Financial services group	20.9
<b>III. BHB'S JOINT VENTURE</b>			
1.	Irat Hotel and Resorts Sdn Bhd ("Irat")	Property investment	35.0



<b>IV. LTAT'S SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE</b>			
<b>Company</b>		<b>Principal Activities</b>	<b>LTAT's Direct/Indirect Interest# (%)</b>
1.	ABB	Financial services group	33.1
2.	Boustead Plantations	Investment holding and involves in oil palm plantations business	11.4
3.	BNS	Construction, repair & maintenance of naval ships, weapons and electronics, design and engineering, fabrication of steel structures and commercial shipbuilding	10.4
4.	Perbadanan Perwira Harta Malaysia ("PPHM")	Property development	100.0
5.	Irat	Property investment	65.0*
6.	BPM	Marketing of petroleum products	30.0
7.	Pharma	Investment holdings	8.6
8.	Perbadanan Perwira Niaga Malaysia ("PERNAMA")	Trading of consumer goods	100.0
9.	Perbadanan Hal Ehwal Bekas Angkatan Tentera ("PERHEBAT")	Promotion of socio-economic development programmes for the retired and retiring Malaysian Armed Forces personnel	100.0
10.	Wasco Coatings Malaysia Sdn Bhd (Wasco)	Coating of pipes for Oil and Gas industry	30.0

### 2.3 Nature of Recurrent Related Party Transactions and Estimated Values

It is anticipated that the Group would, in the normal course of business, enter into transactions with companies as set out in Section 2.2 above. The shareholdings of BHB and LTAT in these companies are also set out in Section 2.2 above. It is likely that such transactions will occur with some degree of frequency and could arise at any time.

#LTAT's direct or indirect interest, other than via BHB

\* LTAT owns an indirect interest 35.0% of Irat, other than via BHB through 50% shares in Irat Properties Sdn Bhd, which holds 70.0% of Irat. LTAT also owns a direct interest of 30% in Irat.

## 2.3.1 Existing Recurrent Related Party Transactions

Existing Recurrent Related Party Transactions for which approval is now being sought for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM are as follows:

Company	Transacting Party	Nature of Transactions	Related Party	2023 Mandate	2022 Mandate			
				Estimated value of transactions from forthcoming AGM to next AGM (RM'000)	(A) Estimated value of transactions covered in 2022 Mandate (RM'000)	(B) Actual value transacted from last AGM to LPD (RM'000)	Deviation of more than 10% between (A) and (B) (%)	
<b>I. SUBSIDIARIES NOT WHOLLY OWNED BY BHB (LTAT has direct interests of <math>\geq</math> 10%, other than via BHB)</b>								
1	BNS	BRSB	a) Office rental <sup>^</sup> at Menara Boustead paid to BRSB	<b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	2,700	2,700	1,227	N/A
		BTS	b) Purchase of air tickets and travel related services from BTS	<b>Major Shareholder</b> ▪LTAT	2,500	2,500	6	N/A
		BHB	c) Provision of corporate and administrative support services and training from BHB		500	500	272	N/A
2	BPM	BHB Group	a) Sale of non-regulated petroleum products to BHB Group	<b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	5,400	6,446	2,117	N/A
		BTS	b) Purchase of air tickets and travel related services from BTS	<b>Major Shareholder</b> ▪LTAT	2,100	2,080	232	N/A
		BHB	c) Provision of corporate and administrative support services and training from BHB		400	288	235	N/A
		UAC	d) Sale of building materials by UAC		500	65	140	100% [refer note (i) and (ii)]
		TOTAL		14,100	14,579	4,229	N/A	

<sup>^</sup> The lease period for Menara Boustead is 3 years which involves payments of rental on monthly basis.

### 2.3.1 Existing Recurrent Related Party Transactions (cont'd)

Company	Transacting Party	Nature of Transactions	Related Party	2023 Mandate	2022 Mandate			
				Estimated value of transactions from forthcoming AGM to next AGM (RM'000)	(A) Estimated value of transactions covered in 2022 Mandate (RM'000)	(B) Actual value transacted from last AGM to LPD (RM'000)	Deviation of more than 10% between (A) and (B) (%)	
<b>I. SUBSIDIARIES NOT WHOLLY OWNED BY BHB (LTAT has direct interests of ≥ 10%, other than via BHB ) (cont'd)</b>								
3	Boustead Plantations	Boustead Properties	a) Office rental* at Menara Boustead paid to Boustead Properties	<b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	3,500	3,500	1,483	N/A
		BHB	b) General management fees, internal audit fees and tax consultancy fees paid to BHB	<b>Major Shareholder</b> ▪LTAT	4,500	4,500	877	N/A
		BTS	c) Purchase of air tickets and travel related services from BTS		2,500	2,500	273	N/A
		UAC	d) Sale of building materials by UAC		38,000	38,000	-	N/A
		BCSB	e) Provision of financial assistance in respect of hire purchase business carried out by BCSB		5,000	5,000	171	N/A
4	Pharma	BTS	a) Purchase of air tickets and travel related services from BTS	<b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	Note 6	2,200	1,287	N/A
		BHB	b) Provision of corporate and administrative support services and training from BHB	<b>Major Shareholder</b> ▪LTAT	Note 6	2,500	1,203	N/A
		TOTAL			53,500	58,200	5,294	N/A

\* The lease period for Menara Boustead is 3 years which involves payments of rental on monthly basis.

### 2.3.1 Existing Recurrent Related Party Transactions (cont'd)

Company	Transacting Party	Nature of Transactions	Related Party	2023 Mandate	2022 Mandate			
				Estimated value of transactions from forthcoming AGM to next AGM (RM'000)	(A) Estimated value of transactions covered in 2022 Mandate (RM'000)	(B) Actual value transacted from last AGM to LPD (RM'000)	Deviation of more than 10% between (A) and (B) (%)	
<b>II. BHB'S ASSOCIATE &amp; JOINT VENTURE (LTAT has direct interests of <math>\geq</math> 10%, other than via BHB)</b>								
1	ABB	BRSB, BCurve, Boustead Properties	a) Office* rental at Menara Boustead, Menara Affin and <i>the Curve</i> paid to BRSB, BCurve and Boustead Properties	<b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	6,600	20,918	16,834	N/A
		BHB, BNS, Boustead Properties	b) Provision of professional service to BHB, BNS and Boustead Properties	<b>Major Shareholder</b> ▪LTAT	15,400	12,000	390	N/A
		BTS	c) Purchase of air tickets and travel related services from BTS		5,000	5,000	190	N/A
		BPM	d) ATM space rental and partnership income paid to BPM		400	350	227	N/A
2	Irat	BHR	a) Rental* of Royale Chulan Hotel building paid by BHR	<b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	12,000	13,000	8,500	N/A
		UNIM	b) Office rental+ at Chulan Tower paid by UNIM	<b>Major Shareholder</b> ▪LTAT	900	854	763	N/A
		Boustead Properties	c) Provision of property management service from Boustead Properties		-	480	365	N/A
		TOTAL		40,300	52,602	27,269	N/A	

\* The lease periods are 2 years for Menara Boustead and the Curve, and 5 years for Menara Affin, all of which involve payments of rental on monthly basis.

♦ The lease period for Royale Chulan Hotel is 3 years which involves payments of rental on monthly basis.

+ The lease period for Chulan Tower is 3 years which involves payments of rental on monthly basis.

### 2.3.1 Existing Recurrent Related Party Transactions (cont'd)

Company	Transacting Party	Nature of Transactions	Related Party	2023 Mandate	2022 Mandate		
				Estimated value of transactions from forthcoming AGM to next AGM (RM'000)	(A) Estimated value of transactions covered in 2022 Mandate (RM'000)	(B) Actual value transacted from last AGM to LPD (RM'000)	Deviation of more than 10% between (A) and (B) (%)
<b>III. LTAT'S SUBSIDIARIES</b>							
1	PPHM	UAC	a) Construction of low cost housing project by UAC  <b>Director</b> ▪ ANA <sup>(Note 1)</sup> ▪ MFO <sup>(Note 2)</sup> ▪ IF <sup>(Note 3)</sup> ▪ DRO <sup>(Note 4)</sup> ▪ MB <sup>(Note 5)</sup>	1,000	4,500	-	N/A
		BBM	b) Provision of renovation works from BBM  <b>Major Shareholder</b> ▪ LTAT	-	700	524	N/A
2	PERNAMA	BPM	Sale of non-regulated petroleum products by BPM  <b>Director</b> ▪ ANA <sup>(Note 1)</sup> ▪ MFO <sup>(Note 2)</sup> ▪ IF <sup>(Note 3)</sup> ▪ DRO <sup>(Note 4)</sup>  <b>Major Shareholder</b> ▪ LTAT	1,500	1,510	651	N/A
3	PERHEBAT	BTS	a) Purchase of air tickets and travel related services from BTS  <b>Director</b> ▪ ANA <sup>(Note 1)</sup> ▪ MFO <sup>(Note 2)</sup> ▪ IF <sup>(Note 3)</sup> ▪ DRO <sup>(Note 4)</sup>	500	500	-	N/A
		UAC	b) Sale of building materials by UAC  <b>Major Shareholder</b> ▪ LTAT	-	65	-	N/A
4	Wasco	BTS	Purchase of air tickets and travel related services from BTS  <b>Director</b> ▪ ANA <sup>(Note 1)</sup> ▪ MFO <sup>(Note 2)</sup> ▪ IF <sup>(Note 3)</sup> ▪ DRO <sup>(Note 4)</sup>  <b>Major Shareholder</b> ▪ LTAT	500	500	154	N/A
		TOTAL		3,500	7,775	1,329	N/A

### 2.3.1 Existing Recurrent Related Party Transactions (cont'd)

Company	Transacting Party	Nature of Transactions	Related Party	2023 Mandate	2022 Mandate		
				Estimated value of transactions from forthcoming AGM to next AGM (RM'000)	(A)	(B)	Deviation of more than 10% between (A) and (B) (%)
					Estimated value of transactions covered in 2022 Mandate (RM'000)	Actual value transacted from last AGM to LPD (RM'000)	
<b>IV. LTAT</b>							
1	LTAT	Boustead Properties	c) Provision of property management service from Boustead Properties  <b>Director</b> ▪ANA <sup>(Note 1)</sup> ▪MFO <sup>(Note 2)</sup> ▪IF <sup>(Note 3)</sup> ▪DRO <sup>(Note 4)</sup>	-	348	-	N/A
		BTS	d) Purchase of air tickets and travel related services from BTS  <b>Major Shareholder</b> ▪LTAT	500	300	205	N/A
		BPM	e) Office rental* at Surian Tower paid by BPM	2,300	2,000	1,244	N/A
		TOTAL		2,800	2,648	1,449	N/A
		<b>GRAND TOTAL</b>		<b>114,200</b>	<b>135,804</b>	<b>39,570</b>	<b>N/A</b>

Notes:

The actual amount exceeded due to:

- i) Additional cost incurred on the new project; and
- ii) In respect of the actual value which individually had exceeded the mandated amount by 10% or more, the Company had not made any announcement to Bursa as the aggregate actual value of the RRPTs over the mandated amount of RRPTs that involve the interest of the same related party (i.e. LTAT) had not exceeded by 10% or more.

\* The lease period for Surian Tower is 3 years which involves payment of rental on monthly basis.

**Notes:**

1. ANA - Dato' Ahmad Nazim Abd Rahman. He is the Director of BHB and PPHM and a representative of LTAT on the Board of BHB. He is also the Chief Executive of LTAT. He does not own any shares in BHB, other related companies and PPHM.
2. MFO - Muhammad Fitri Othman. He is a representative of LTAT on the Board of BHB. He is also the Chief Investment Officer of LTAT. He does not own any shares in BHB and other related companies.
3. IF - Irfan Hashim. He is the alternate director to Dato' Ahmad Nazim Abd Rahman and a representative of LTAT on the Board of BHB. He is also the Head, Corporate Finance of LTAT. He does not own any shares in BHB and other related companies.
4. DRO - Dayana Rogayah Omar. She is the alternate director to Muhammad Fitri Othman and a representative of LTAT on the Board of BHB. She is also the Director of Strategy of LTAT. She does not own any shares in BHB and other related companies.
5. MB - Datuk Maulizan Bujang. He is a former director of BHB and PPHM. He has resigned on 15 December 2022, which was within 6 months prior to the LPD of this Circular. He does not own any shares in BHB, other related companies and PPHM.
6. Renewal of mandate is not sought as LTAT's shareholding in Pharma other than via BHB has reduced to below 10%, and hence such transactions are not regarded as RRPT pursuant to paragraph 10.08(11)(l) of the Listing Requirements.

The abovementioned values of transactions are based on accounting records, and the estimated figures during the validity of the Proposal are based on management's estimate (on the assumption that the current level of operations will continue and all external conditions remain constant) and that the next AGM will be held in June 2024.

In view of the time-sensitive and frequent nature of such Recurrent Related Party Transactions, the Board is seeking the approvals on the Proposal which would allow the Group, in their normal course of business, to enter into Recurrent Related Party Transactions with the classes of Related Party set out above, provided such transactions are made on arm's length basis, on normal commercial terms and on terms not more favourable to the Related Party than those generally available to the public and are not detrimental to minority shareholders. Such Recurrent Related Party Transactions will be subject to the review procedures as set out in Section 2.5 of this Circular.

## 2.4 Amount Due and Owing Under Recurrent Related Party Transactions

The breakdown of the principal sum and interest (if any) for the total outstanding amount due and owing to the BHB Group under the Recurrent Related Party Transactions as per Section 2.3.1 of this Circular which exceeded the credit terms as at 31 December 2022 are as follows:

Company		Transacting Party	Nature of Transactions	Outstanding Amount (RM'000)		
				1 year or less	More than 1 to 3 years	More than 3 to 5 years
1	BNS	BTS	Purchase of air tickets and travel related services from BTS	-	9	-
2	BNS	BRBSB	Office rental at Menara Boustead paid to BRBSB	2,138	3,934	-
3	BPM	BTS	Purchase of air tickets and travel related services from BTS	21	-	-
4	Boustead Plantations	Boustead Properties	Office rental at Menara Boustead paid to Boustead Properties	644	-	-
5	Boustead Plantations	BHB	General management fees, internal audit fees and tax consultancy fees paid to BHB	891	-	-
6	Boustead Plantations	BTS	Purchase of air tickets and travel related services from BTS	7	-	-
7	Affin	Boustead Properties	Office rental at Menara Affin paid to Bcurve	613	2	-
8	Affin	BTS	Purchase of air tickets and travel related services from BTS	76	-	-
9	Affin	BPM	ATM space rental and partnership income paid to BPM	-	8	-
10	Irat	Boustead Properties	Provision of property management service from Boustead Properties	70	-	-
11	PPHM	UAC	Construction of low cost housing project by UAC	1,306	-	90
12	PERNAMA	BPM	Purchase of air tickets and travel related services from BTS	67	-	-
13	Wasco	BTS	Purchase of air tickets and travel related services from BTS	43	-	-
14	LTAT	BTS	Purchase of air tickets and travel related services from BTS	4	-	-
15	LTAT	Boustead Properties	Provision of property management service from Boustead Properties	29	-	-
TOTAL				5,908	3,953	90

The overdue amount owing to BHB Group is subjected to late payment charges. The Management has and will continuously meet and discuss with the debtors for early settlement of the outstanding amounts. The amount recovered as at LPD since 31 December 2022 amounted to RM1,067,000. The Board is of the opinion that there will be no recoverability issues as the debtors are related parties with a long-standing business relationship with the Group and has proven to be creditworthy debtors with good payment records.



## **2.5 Review Procedures and Guidelines for Recurrent Related Party Transactions**

### **2.5.1 Review Procedures**

To ensure that Recurrent Related Party Transactions are undertaken on BHB Group's normal commercial terms, and to supplement the existing internal control procedures of the Group, the Audit Committee is tasked with the review of the procedures of such transactions.

The Audit Committee currently comprises:

- Pauline Teh @ Pauline Teh Abdullah
- Lieutenant General Dato' Fadzil Mokhtar (R)
- Dato' Seri Rosman Mohamed

The following guidelines apply to the review and approval of Recurrent Related Party Transactions to ensure that the terms of the Recurrent Related Party Transactions are fair, reasonable and on normal commercial terms; are not more favourable to the Related Party than those generally available to the public; are not detrimental to minority shareholders and are in the best interest of the Group:

- The Related Parties and interested Directors will be advised that they are subject to the shareholders' mandate and will also be advised of the review and disclosure procedures.
- Records will be maintained by the Company to capture all Recurrent Related Party Transactions, which are entered into pursuant to the Proposal.
- The annual internal audit plan shall incorporate a review of the sufficiency and compliance of the guidelines and reviews procedures established to monitor Recurrent Related Party Transactions.
- The Board and the Audit Committee shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Recurrent Related Party Transactions have been complied with.
- Any member of the Audit Committee may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers, including obtaining of valuations from professional valuers.
- If a member of the Board or Audit Committee has an interest (direct or indirect) in any Recurrent Related Party Transactions, he shall abstain from any decision making by the Board or Audit Committee in respect of such transactions and continue to abstain from voting on the resolution approving the transactions.
- Should the Audit Committee during its review form an opinion that the Recurrent Related Party Transactions are not being conducted in accordance with established terms and procedures and/or are not being conducted on an arm's length basis and on normal commercial terms, or are detrimental to the interests of minority shareholders, it will advise the Board to convene a general meeting of shareholders to seek a fresh shareholders' mandate for the Recurrent Related Party Transactions.
- The interested Director or interested Major Shareholder shall also ensure that the persons connected with them abstain from voting on the resolution approving the transactions.

- At least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated third parties for the same or substantially similar types of products/services and/or quantities. In the event the quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be determined by those offered by/to other unrelated parties for substantially similar type of transactions and approved by the respective boards of directors of both the transacting entities to ensure that the price and terms of the Recurrent Related Party Transactions are not detrimental to the Group. In addition, the management of the transacting entities shall retain a proper documentation to support the basis in arriving at the relevant transaction prices.
- Notwithstanding the above paragraph, the Audit Committee shall review proposals by the management of the transacting entities (including their audit committee if applicable) for onward approval by the Board.
- Group Finance or Group Secretarial shall be informed through a written communication of knowledge of any Related Party Transaction or Recurrent Related Party Transactions which will be entered into or has been entered into. Due care shall also be exercised prior to entering contracts with related party that may give rise to Related Party Transaction or Recurrent Related Party Transactions.
- Bursa Malaysia Listing Requirements pertaining to Related Party Transaction or Recurrent Related Party Transactions are to be communicated to all relevant personnel in company/division who are involved in the day-to-day operations.
- All major shareholders with equity interest of 10% or more and Directors shall be informed on their responsibilities and obligations in respect to Related Party Transaction or Recurrent Related Party Transactions.
- The Group Secretarial Department shall be informed on changes of Director's interest in other companies, directorship and BHB Group of Companies.
- Heads of Division and Heads of Subsidiary shall be informed on their responsibilities and obligations to ensure proper identification, tracking and reporting of Related Party Transaction or Recurrent Related Party Transactions.
- Tracking of the value of Recurrent Related Party Transactions shall be done for the purpose of disclosure in the Annual Report. Where the transaction value exceeds 10% or more of the mandated amount, the respective Head of operating units is responsible to notify and provide explanation to Group Secretarial Department so that immediate announcement to Bursa Malaysia can be made.
- For Recurrent Related Party Transactions that are not included in the mandate but are expected to exceed percentage ratio of 1% or RM1 million (whichever is the applicable threshold to BHB) in a 12 months period, respective Head of operating units is responsible to track transaction values for immediate announcement to Bursa Malaysia.

### **2.5.2 Guidelines**

There are no specific thresholds for approvals of Recurrent Related Party Transactions within the BHB Group. However, there are commercial considerations which the BHB Group takes into account before entering into transactions for the sale/supply of goods and provision of services, in the ordinary course of business:

- The ability and track record of the purchaser to pay for the goods supplied or services provided;
- Whether past experience and working relationship with the purchaser have been satisfactory;
- The BHB Group's pricing for the goods to be provided or supplied and/or received or purchased is negotiated between the BHB Group and Related Party based on the prevailing market prices as agreed with unrelated third parties;
- The terms are no more favourable to the Related Party than those extended to unrelated third parties and available to the public and the Recurrent Related Party Transactions are not detrimental to minority shareholders;
- The transactions are provided after taking into account factors such as pricing, quality, delivery schedules and, where applicable, preferential rates, rebates or discounts accorded for bulk purchases, the terms offered are fair and reasonable and in the BHB Group's commercial interests;
- The competitiveness in pricing;
- The standard and quality of the goods/services and whether it meets the requirements of the BHB Group;
- The responsiveness and level of service provided by the goods or service providers and whether past experience and working relationship have been satisfactory; and
- The track record and competence of the goods or service provider and whether the goods or service provider has sufficient resources to perform its obligations.

The BHB Group would only enter into transactions with the relevant parties based on the above criteria, regardless of whether or not the party is related.

## **2.6 Statement by Audit Committee**

The Audit Committee of the Company has seen and reviewed the procedures mentioned in Section 2.5 above and is satisfied that:

- (i) the Group has in place adequate procedures and processes to monitor, track and identify Recurrent Related Party Transactions in a timely and orderly manner, and that these procedures and processes are reviewed annually; and
- (ii) the procedures above are sufficient to ensure the terms of the Recurrent Related Party Transactions are fair, reasonable and on normal commercial terms; are not more favourable to the Related Party than those generally available to the public; are not detrimental to minority shareholders and are in the best interest of the Group.

## **2.7 Disclosure**

Disclosure has been made in the 2022 Integrated Report of the Company of the aggregate value of transactions conducted during the financial year ended 31 December 2022 pursuant to the 2022 Mandate. Similar disclosure will be made in the Integrated Report for the subsequent financial year during which the shareholders' mandate for recurrent related party transactions is in force, providing amongst others, the following information:

- (i) The type of Recurrent Related Party Transactions made; and
- (ii) The names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company.

## **3. RATIONALE AND BENEFIT**

### **3.1 Rationale of the Proposal**

The Proposal is intended to enhance the Group's ability to pursue business opportunities, which are time-sensitive in nature, and will eliminate the need to announce, or to announce and convene separate general meetings on each occasion to seek shareholders' prior approval for the entry by the relevant company in the Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

### **3.2 Benefits to the BHB Group from Transacting With the Related Parties**

The Recurrent Related Party Transactions entered into by the BHB Group are intended to meet business needs at the best possible terms. The BHB Group should be able to have access to all available markets and products and services provided by all vendors including its Related Parties. Transacting with its Related Parties also enhances the ability to explore beneficial business opportunities within the BHB Group, which will be of benefit to all the companies within the BHB Group. In most instances, companies within the BHB Group have a better understanding of each other's business needs, thus providing a platform where all parties can benefit from relatively cheaper transaction costs.

## **4. CONDITION OF THE PROPOSAL**

The Proposal is conditional upon the approval being obtained from the shareholders of BHB at the forthcoming AGM.

## **5. FINANCIAL EFFECTS OF THE PROPOSAL**

The Proposal is not expected to have any effect on the share capital, earnings, net assets and gearing of the BHB Group.

## 6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND PERSONS CONNECTED TO THEM

The direct and indirect shareholding of the interested Major Shareholder, interested Director of the Company and Persons Connected to them as at LPD are as follows:

Name	Direct Shareholding		Indirect Shareholding	
	No of Shares	%	No of Shares	%
<b>Interested Major Shareholder</b> Lembaga Tabung Angkatan Tentera	1,500,002,690	74.0	-	-
<b>Interested Director</b>				
Dato' Ahmad Nazim Abd Rahman	-	-	-	-
Muhammad Fitri Othman	-	-	-	-
Irfan Hashim <sup>(note 1)</sup>	-	-	-	-
Dayana Rogayah Omar <sup>(note 2)</sup>	-	-	-	-
Datuk Maulizan Bujang <sup>(note 3)</sup>	-	-	-	-
Interested Persons Connected				
None				

Notes:

- 1) Irfan Hashim is the alternate director to Dato' Ahmad Nazim Abd Rahman and a representative of LTAT on the Board of BHB.
- 2) Dayana Rogayah Omar is the alternate director to Muhammad Fitri Othman and a representative of LTAT on the Board of BHB.
- 3) Datuk Maulizan Bujang is a former director of BHB and PPHM. He has resigned on 15 December 2022, which was within 6 months prior to the LPD of this Circular.

Dato' Ahmad Nazim Abd Rahman, Muhammad Fitri Othman, Irfan Hashim and Dayana Rogayah Omar being representatives of LTAT on the Board of BHB are interested in the said Recurrent Related Party Transactions ("the Interested Directors") As such, they have abstained and will continue to abstain from deliberations and voting at board meetings with regard to the Proposal.

Datuk Maulizan Bujang, who is a former director of BHB, is also a former director of PPHM. However, he does not hold any share in BHB and PPHM. Hence, he is not deemed an interested director with regard to RRPTs between UAC and BBM with PPHM pursuant to Paragraph 10.08(11)(c) of the Listing Requirements. Nevertheless, as a best practice in corporate governance, he has voluntarily abstained from deliberations and voting at the board meetings with regards to RRPTs between UAC and BBM with PPHM.

The Interested Directors and Datuk Maulizan Bujang together with LTAT will also abstain from voting in the resolution pertaining to the Proposal in respect of their direct and indirect interest in BHB at the AGM.

The Interested Directors, Datuk Maulizan Bujang and LTAT have undertaken that they will ensure that the Persons Connected with them will abstain from voting on the resolution relating to the Proposal at the AGM to be convened.

Save as disclosed above, none of the other Directors and/or Major Shareholder of BHB and/or Persons Connected to them has any interest, direct or indirect, in the Proposal.

## 7. DIRECTORS' RECOMMENDATION

The Directors (except for the Interested Directors) after careful deliberation on the Proposal, are of the opinion that the Proposal is in the best interests of the Company. Accordingly, the Directors (except for the Interested Directors) recommend that you vote in favour of the resolution pertaining to the Proposal to be tabled at the forthcoming AGM.

## 8. AGM

The Sixty-First Annual General Meeting (61<sup>st</sup> AGM) of the Company 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.**; whilst the online remote voting will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor's TIIH Online website at <https://tiih.online>.

The AGM will be held for the purpose of considering and if thought fit, passing the Ordinary Resolution as set out in the Notice of AGM to approve the Proposal.

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.

In view that the 61<sup>st</sup> AGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Proxy Form. Please complete, sign, and return the Proxy Form enclosed together with the Notice of AGM in accordance with the instructions therein as soon as possible and in any event so as to arrive at the office of the Company's 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 or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, no later than Tuesday, 13 June 2023 at 9.30 a.m. For further information on the electronic submission of the Proxy Form, kindly refer to the Administrative Notes provided together with the Notice of AGM.

## 9. FURTHER INFORMATION

Shareholders are advised to refer to the attached appendices for further information.

Yours faithfully  
For and on behalf of the Board of Directors  
**BOUSTEAD HOLDINGS BERHAD**

Pauline Teh @ Pauline Teh Abdullah  
Independent Non-Executive Director

## FURTHER INFORMATION

### 1. RESPONSIBILITY

This Circular has been seen and approved by the Directors of BHB and they collectively and individually accept full responsibility for the accuracy of the information given, and confirm that, after making all enquiries as are reasonable in the circumstances and that to the best of their knowledge and belief, there are no other facts and information the omission of which, would make any statement herein misleading.

### 2. MATERIAL LITIGATION

Save as disclosed below, neither BHB nor its subsidiary companies are engaged in any material litigation, claims or arbitration either as plaintiff or defendant or otherwise, nor are the Directors of BHB aware of any proceedings pending or threatened against BHB and/or its subsidiary companies, or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of BHB and/or its subsidiary companies.

(i) **Kuala Lumpur High Court (Commercial Division) Companies Winding Up No: WA-28NCC-490-06/2020**

**Petitioner:** Boustead Naval Shipyard Sdn Bhd (“BNS”)

**Respondent:** MTU Services (Malaysia) Sdn Bhd (“MSM”)

The Group’s subsidiary, BNS was served with a Winding-up Petition (“Petition”) on 3 July 2020 by MSM. By the Petition, MSM is alleging that BNS is indebted to them for the total sum of RM56,044,740.00 for the equipment supplied and services provided to BNS.

(a) Application to strike out the Petition

On 11 August 2020, BNS filed Application to Stay/Strike Out the Petition. On 19 August 2020, the Court granted an ad-interim stay of all proceedings pending disposal of BNS’s Striking Out / Stay Application. Six (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, and the Court of Appeal fixed a hearing date on 26 June 2023 for hearing of the appeal.

With regards the Winding Up Petition Appeal, the Directors of BNS, upon consultation with their solicitors, are of the view that BNS has a fair chance in maintaining to Strike Out the Petition against MSM’s Appeal.

(b) Scheme of Arrangement

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:

- (1) 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 of Arrangement”); and
- (2) 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.

The proposed Scheme of Arrangement and the Restraining Order are part of measures by BNS to manage and regularise its financial condition. The details of the proposed scheme of arrangement 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 allowed the Protective Order but only over the government correspondence. The Court also dismissed MSM’s application with cost of RM5,000.00 to be paid to BNS.

On 2 June 2021, the High Court the Orders allowed the order(s) for a Scheme of Arrangement and granted the 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 of Arrangement under the Originating Summons lapsed on 2 June 2022.

- (ii) **Kuala Lumpur High Court Suit No. WA-22NCC-485-09/2022**  
**Plaintiff:** **Contraves Advanced Devices Sdn Bhd (“CAD”) and Contraves Electroynamics Sdn Bhd (“CED”)**  
**Defendants:** **1. Boustead Naval Shipyard Sdn Bhd (“BNS”)**  
**2. Boustead Heavy Industries Corporation Berhad (“BHIC”)**  
**3. BHIC Defence Technologies Sdn Bhd (“BHICDT”)**  
**4. (Dr.) Salihin Abang (“Dr. Salihin”)**  
**5. Vice Admiral Dato’ Syed Zahiruddin Putra Syed Osman (Retired) (“Dato’ Syed Zahiruddin”)**

On 27 September 2022, CAD and CED filed a Writ of Summons and Statement of Claim (“WSSC”) against the Group subsidiaries, BHIC, BHICDT (a wholly-owned subsidiary of the BHIC, BNS (the Group subsidiary), Dr. Salihin (a Nominee Director of BHICDT in CAD and CED) and Vice Admiral Dato’ Syed Zahiruddin Putra Syed Osman (Retired) (“Dato’ Syed Zahiruddin”) (a Nominee Director of BHICDT in CAD).

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

1. A declaration that the twelve (12) letters of award (“LOAs”) to the Plaintiffs, from BNS, pertaining to, amongst others, procurement, engineering, integration and supply of combat management system, fire control, communication system, ammunition, radars, torpedos and missiles in relation to the contract for the design, construct, equip, install, commission, integrate, test, trials and delivery of the 6 (six) second generation patrol vessels with littoral combat ships capability for the Royal Malaysian Navy (“LCS Project”) are not void and/or are valid and subsisting;
2. An order that BNS pays CAD the following alleged outstanding amounts:
  - a) Ringgit Malaysia (RM) 880,068.21;
  - b) Euro 39,871,994.66;
  - c) Great Britain Pound 3,784,937.02; and
  - d) Swedish Krona 55,938,157.90.
3. An order that BNS pays CED the alleged outstanding amount of RM216,652,305.94;
4. An order by way of specific performance of the twelve (12) LOAs;
5. Damages in lieu of and/or in addition to the specific performance to be assessed by the Court, alternatively, damages to be assessed and/or sums to be determined for quantum meruit;



6. A declaration that (Dr.) Salihin and/or Dato' Syed Zahiruddin have allegedly breached their fiduciary duties and/or common law duties and/or statutory duties under the provisions of Companies Act 2016 ("the Act") including but not limited to section 213, 217 and 218 owed to CAD and/or CED;
7. A declaration that BHIC and/or BHICDT and/or BNS had allegedly dishonestly assisted and/or aided and abetted and/or was an accessory to (Dr.) Salihin's and/or Dato' Syed Zahiruddin's alleged breach of their respective fiduciary duties and/or common law duties and/or statutory duties owed to the Plaintiffs under the provision of the Act;
8. A declaration that BHIC and/or BHICDT and/or BNS and/or (Dr.) Salihin and/or Dato' Syed Zahiruddin had allegedly wrongfully conspired and/or combined with each other and/or acted in concert to injure and/or defraud the Plaintiffs;
9. A declaration that BHIC and/or BHICDT and/or BNS and/or (Dr.) Salihin and/or Dato' Syed Zahiruddin had allegedly wrongfully procured and/or induced any or all CAD's and/or CED's Original Equipment Manufacturers ("OEMs") under the LCS Project to breach the OEM's respective LOAs with CAD and/or CED and/or unlawfully interfered with the actions of any or all CAD's and/or CED's OEMs and/or the OEM's respective LOAs with CAD and/or CED;
10. An injunction to restrain BHIC and/or BHICDT and/or BNS and/or (Dr.) Salihin and/or Dato' Syed Zahiruddin whether by itself/himself, its directors, agents, servants, nominees or otherwise howsoever from continuing with the alleged breach and/or assistance of the alleged breach of (Dr.) Salihin's and/or Dato' Syed Zahiruddin's respective fiduciary duties and/or common law duties and/or statutory duties under the provisions of the Act including but not limited to sections 213, 217 and 218 owed to CAD and/or CED;
11. An injunction to restrain BHIC and/or BHICDT and/or BNS whether by itself, its directors, agents, servants, nominees or otherwise howsoever from directly communicating and/or contracting with CAD's and/or CED's OEMs under the LCS Project in connection with and for purposes of any of the scope of work under the twelve (12) LOAs for the LCS Project;
12. An injunction to restrain (Dr.) Salihin and/or Dato' Syed Zahiruddin whether by himself, his agents, servants, nominees or otherwise howsoever from utilising, disclosing, distributing, propagating or otherwise howsoever from any internal documents and/or information of the Plaintiffs to any unauthorised persons and/or general public;
13. Damages, whether general and/or aggravated and/or exemplary and/or equitable to be accessed by the Court;
14. An order that BHIC and/or BHICDT and/or BNS and/or (Dr.) Salihin and/or Dato's Syed Zahiruddin pay such damages as assessed together with the interest on the same to the Plaintiffs;
15. Interest at such rate and for such period as the Court deems fit in respect of any sums awarded to the Plaintiffs until full and final settlement of such sums awarded;
16. Cost; and
17. Such further and/or other relief as the Court may deem fit and just to grant.

BNS, BHIC and BHICDT categorically deny the allegations made by the Plaintiffs as the allegations are baseless, frivolous, vexatious and unjustifiable.

The Defendants filed applications to strike out the suit and the Court has fixed 5 April 2023 as the hearing of the striking out applications.

Upon consultation with its solicitors, the Boards of BHIC, BHICDT and BNS believe that they have an even chance of succeeding in BNS's, BHIC's and BHICDT's striking out applications and that they have a more than even chance in defending against the Plaintiffs' claims against BNS, BHIC and BHICDT.

- (iii) **Shah Alam High Court Suit No. BA-22NCC-16-02/2021**  
**Plaintiff: Boustead Petroleum Marketing Sdn Bhd ("BHP")**  
**Defendants: 1. Ismail Holdings Sdn Bhd ("IHSB")**  
**2. Strategic Transforms Sdn Bhd ("STSB")**

Initially, there were three (3) separate suits filed as follows:

1. Suit No. BA-22NCC-16-02/2021 by BHP against both IHSB and STSB ("**Suit 16**")
2. Suit No. BA-22NCvC-33-01/2021 by IHSB against BHP ("**Suit 33**"); and
3. Suit No. BA-22NCVC-65-02/2021 by STSB against BHP ("**Suit 65**").

In April 2022, the above three suits were assigned to be heard before a new Judge. The new Judge taking over Suit 16, Suit 33 and Suit 65 pointed out the substantial overlap on the facts and/or issues pleaded in the three suits. On 14 September 2022, all parties recorded a Consent Order ("**Order**") to consolidate all three suits into one under Suit 16.

In light of the Order and the direction of the Court, the parties filed fresh pleadings accordingly.

A summary of BHP's claim against IHSB and STSB in this suit is as follows:

- (a) A sum of RM3,493,333.33 being the balance of the secured sum calculated in accordance with paragraph 4 of Schedule 4 of the Supply and License Agreement ("**SLA**");
- (b) Interest at the rate of 12% per annum on the balance of the secure sum of RM3,493,333.33 from 9 February 2021 until full and final payment as per paragraph 5 of schedule 4 of the SLA to be paid by the Defendants to BHP;
- (c) Further and/or alternatively, the following damages to be paid jointly and/or severally by the Defendants to the BHP in lieu of specific performance;
  - (i) A sum of RM1,024,502.99 for the equipment;
  - (ii) A sum of RM381,441.75 for the underground tanks;
  - (iii) Consequential damages for conversion to be assessed by this Honourable Court;
  - (iv) General damages & costs;
  - (v) Liquidated damages to be calculated in accordance with paragraph 3 of Schedule 4 of the SLA to be paid by the Defendants to BHP;
- (d) Other declarations.

IHSB maintains that it was entitled to terminate the agreement or accept BHP's repudiation. In addition, IHSB has made the following counterclaim against:

- (a) Losses amounting to RM93,186.94 (as at 30 November 2020) for the oversupply of fuel by BHP to IHSB;
- (b) Loss of capital amounting to RM2,142,600.00 that was invested by IHSB in starting the operations of the Seremban petrol station;
- (c) Loss of income amounting to RM41,952,573.86 from 22 January 2021 due to the early termination of the SLA for the remaining supply period which is 22 years;

- (d) General damages and costs; and
- (e) Other declarations.

STSB has also made a counterclaim against BHP which includes the following claims:

- (a) Special damages amounting to RM120,000.00 for the dismantling of the structures and equipment belonging to BHP that were installed on the leased land, transport costs and site clean-up costs;
- (b) Loss of income for rental amounting to RM1,166,000.00 from 8 February 2021 to 20 April 2022;
- (c) Interest at 5% rate per annum for the amount of the judgment monies and costs from the date of the filing of this suit until the full and final settlement of the same; and
- (d) General damages and costs; and
- (e) Other declarations.

The matter is set for case management on 12 April 2023.

With regards to the suit, the Board of BHP, upon consultation with their solicitors, are of the view that BHP has a good prospect of success in defending this action.

- (iv) **Kuala Lumpur High Court Suit No. WA-21NCvC-115-11/2022**  
**Plaintiffs: Muhamad Hafiz Bin Zulkarnain**  
**(the estate of Puteri Nur Afikah Binti Zulkarnain & 42 others)**  
**Defendants: Government of Malaysia and 6 others.**

On 30 November 2022, Pharmaniaga Lifescience Sdn Bhd (named as the 6<sup>th</sup> Defendant), a wholly owned subsidiary of Pharmaniaga Berhad, which in turns is a subsidiary of BHB, was served with the Writ of Summons and Statement of Claim (“WSSC”) by the Plaintiffs.

This is a class action by the Plaintiffs in respect of Covid-19 vaccine/vaccination program, where the first 13 Plaintiffs are the next of kin of the deceased and the remaining 30 Plaintiffs are those suffering from the adverse effects including permanent disabilities, purportedly attributable to the Covid-19 vaccine(s).

By the WSSC, the Plaintiffs are claiming inter alia for:

- (1) general/special damages;
- (2) declarations that the consent forms are invalid/void, the vaccines resulted in severe side-effects including death, and the vaccines were never tested by the Defendants themselves;
- (3) court order for the Defendants to conduct clinical test on the vaccines and for the result to be reported within 7 days from the date of the order;
- (4) interim injunction to prevent the Defendants from distributing the vaccines to the public; and
- (5) costs.

The Court directed the Defendants to file the Defence by 15 May 2023 and interlocutory applications (if any) are to be filed by 10 April 2023. The matter was fixed for further case management on 15 May 2023.

The Directors, upon consultation with their solicitors, are of the view that PLS has a has a good prospect of success defending this action.

- (v) **Kuala Lumpur High Court Company Winding Up Petition No: WA-28NCC-223-03/2023**  
**Petitioner: R Zain Associates**  
**Respondent: Midas Mayang Sdn Bhd (“Midas Mayang”)**

On 14 March 2023, Midas Mayang which is a subsidiary of Boustead Hotels & Resorts Sdn Bhd which in turn is a wholly owned subsidiary of Boustead Properties Berhad, which in turn is a wholly owned subsidiary of Boustead Holdings Berhad was served with a Winding-up Petition (“Petition”) by the 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 Bintang Villas Cherating project.

It is relevant and important to note that the Petitioner has not obtained any judgement from the Court on their claim and the amount allegedly due and owing to them. The Petitioner filed the Petition on grounds that Midas Mayang purportedly is unable to settle its debt to the Petitioner. Midas Mayang intends to contest such claim and shall be filing the Affidavit in Opposition in due course. The matter has been fixed for case management on 3 May 2023.

The Directors, upon consultation with their solicitors, are of the view that Midas Mayang has a fair chance in opposing the Petition.

### 3. MATERIAL CONTRACTS

Save as disclosed below, no material contracts, not being contracts entered into in the ordinary course of business, have been entered into by BHB or its subsidiary companies within the past two (2) years preceding the date of this Circular:

- (i) Sale and purchase agreement dated 16 March 2021, entered into by Cebur Megah Development Sdn Bhd, a wholly-owned indirect subsidiary of BHB with Seri Yakin Sdn Bhd, for the proposed disposal of a parcel of freehold land measuring 89.28 acres held under HSD 164344, PT 83892, Mukim of Kapar, District of Klang, Negeri Selangor, for a total cash consideration of RM147.785 million. The proposed disposal had been completed on 20 December 2021.
- (ii) Conditional Sale and Purchase Agreement dated 19 March 2021 entered into by BHB with Westports Holdings Berhad and Klang Port Management Sdn Bhd, for the proposed disposal of the entire interest in Boustead Cruise Centre Sdn Bhd, a wholly owned subsidiary of BHB, for a cash consideration of RM230 million, subject to the conditional share sale agreement. The proposed disposal had been completed on 23 September 2021.
- (iii) Sale and purchase agreement dated 19 April 2021 entered into by Mutiara Rini Sdn Bhd, a wholly-owned indirect subsidiary of BHB with Sunway Rahman Putra Sdn Bhd, a wholly-owned indirect subsidiary of Sunway Berhad, for the proposed disposal of a parcel of freehold land measuring 6.59 acres held under HSB 118499 PT 484 Section 90, District of Kuala Lumpur, for a total cash consideration of RM233.39 million. The proposed disposal had been completed on 20 April 2022.
- (iv) Share sale agreement dated 17 August 2021, entered into between BHB and UON Holding (Malaysia) Sdn Bhd (“UON Holding”), a wholly owned subsidiary of University of Nottingham for the proposed disposal of 66.4% stake held by BHB in the University of Nottingham In Malaysia Sdn Bhd (“UNIM”) for a cash consideration in RM equivalent to British Pound Sterling (“£”) 23.5 million (approximately RM137,423,300.00). Due to the conditions precedents remaining unfulfilled at 16 August 2022 being the cut-off date, BHB and UON Holding have mutually agreed that the share sale agreement shall be deemed to have lapsed and be of no effect in accordance with Clause 2.6 of the share sale agreement and the share sale agreement was accordingly terminated.

- (v) Conditional land lease agreement dated 10 September 2021 entered into between Boustead Plantations, a majority owned subsidiary of BHB, with CIMB Islamic Trustee Berhad (“CITB”) and Next Generation Oil Sdn Bhd (“NGOSB” or “the Lessee”) for NGOSB to lease between 1,040 to 1,286 acres of land in Telok Sengat Estate for the period of 30 years subject to lease rental of RM1,210.00 per acre per month. On 17 August 2022, the conditional land lease agreement was terminated for non-fulfilment of the conditions precedent.
- (vi) Sale and purchase agreement dated 28 September 2021, entered into between CIMB Islamic Trustee Berhad, acting in the capacity as a trustee and on behalf of Boustead Plantation and Boustead Plantation as the beneficiary, with SIPP Power Sdn Bhd for the proposed disposal of 5 parcels of freehold land held under GRN 229629 Lot 3564, HSD 64784 PTD 109021, HSD 64789 PTD 109026, HSD 64796 PTD 109033 and HSD 64797 PTD 109034 all within Mukim of Kulai, District of Kulai, Johor measuring 663.98 hectares for a total cash consideration of RM428,818,278. The proposed disposal had been completed on 27 January 2022 for the disposal consideration of RM428,770,000.00.
- (vii) Sale and purchase agreement dated 22 July 2022, entered into between CIMB Islamic Trustee Berhad, acting solely as a Trustee for Boustead Plantation, with Nur Solar Sdn Bhd for the disposal of land held under Geran Mukim 577, Lot 15 and Geran 39039, Lot 1314 and partial of land held under Geran 32397, Lot 277, Mukim Padang China, Daerah Kulim, Kedah measuring 300 acres, for a total cash consideration of RM98 million. The proposed disposal had been completed on 10 February 2023.
- (viii) Sale and purchase agreement dated 29 November 2021 entered into by Mutiara Rini Sdn Bhd, a wholly owned indirect subsidiary of BHB, with Bijak Kualiti Sdn Bhd, for the proposed disposal of a parcel of freehold land measuring 3.92 acres held under GRN 20066 Section 90, District of Kuala Lumpur, for a total cash consideration of RM150 million. The proposed disposal had been completed on 25 November 2022.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the registered office of the Company at Level 23, The Bousteador, No. 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor, during normal business hours on any weekday (except public holidays) from the date of this Circular up to and including the date of the AGM:

- (i) The Constitution of BHB;
- (ii) The audited consolidated financial statements of BHB for the last two (2) financial years ended 31 December 2022 and 31 December 2021;
- (iii) The relevant cause papers in respect of material litigation referred to in Paragraph 2; and
- (iv) Material contracts referred to in Paragraph 3 above.

**ADDRESSES OF PROPERTIES RENTED**

1. The transactions are in compliance with Paragraph 3.2(c) of Practice Note 12 of the Listing Requirements.
2. The addresses of properties rented by the Related Parties as set out in Section 2.3 herein are as follows:

Section	Ref.	Transacting Company	Address
2.3.1	I(1)(a)	BNS	Menara Boustead KL – 69, Jalan Raja Chulan, 50200 KL
	I(3)(a)	Boustead Plantations	Menara Boustead KL – 69, Jalan Raja Chulan, 50200 KL
	II(1)(a)	ABB	Menara Boustead KL – 69, Jalan Raja Chulan, 50200 KL  Menara Affin KL – 80, Jalan Raja Chulan, 50200 KL  The Curve – No. 6, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor
	II(2) (a)	Irat	Royale Chulan Hotel, Jalan Conlay, 50450 KL
	II(2) (b)	Irat	Chulan Tower – Level 2, No.3 Jalan Conlay, 50450 KL
	V(1)(c)	LTAT	Surian Tower – No.1 Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya