



Boustead Holdings Berhad

NEWS RELEASE

Boustead to Raise RM1 Billion

KUALA LUMPUR, November 2, 2010 – Boustead Holdings Berhad (Boustead) is set to put into motion a strategic corporate initiative which is expected to fuel its acquisition drive and pare down short-term borrowings.

Boustead will undertake a guaranteed medium term notes (MTN) programme which will have a tenure of up to seven years from the first issuance date.

The proposed MTN has been approved by the Securities Commission on a deemed approval basis and the Malaysian Rating Corporation Berhad (MARC) has assigned an indicative long-term rating of AAA.

YBhg Tan Sri Dato' Lodin Wok Kamaruddin, Deputy Chairman/Group Managing Director, Boustead Holdings Berhad said, "This is a forward move for the Group to complete our acquisition trail with the initial funding of RM600 million. We have earmarked this initial funding for our Manufacturing and Property Divisions."

"We have allocated a bulk of the initial funding of RM350 million for the completion of the acquisition of Pharmaniaga Berhad from UEM Group Berhad. We are confident the acquisition of this prime asset will place us on a stronger footing to further build our pharmaceutical arm which is a part of the Group's Manufacturing Division."

"Our Property Division is one of the key participants in the Malaysian property scene and to this end we are actively looking at a few areas in the Klang Valley with strong potential for mixed property development. If and when this potential is realised, it will certainly strengthen our current strategic land bank while improving the earnings potential from the Property Division. Hence, we have reserved a sizable portion to be utilised for potential acquisitions to grow our total gross development value for the Group."

“Additionally we hope to channel part of the proceeds from this funding to offset payments made for our short-term borrowings as we recently purchased back two plantation assets from Golden Crop Returns Berhad. This was a special purpose vehicle established for the asset backed securitisation programme which we embarked on several years ago.”

For the first trench of the funding, a Syndicated Bank Guarantee Facility of RM620 million has been granted by OCBC Bank (Malaysia) Berhad, Public Bank Berhad and the Bank of East Asia Limited. While the balance will be issued at a later stage as and when Boustead requires the funds.

“We are also pleased to note that this transaction marks the first business cooperation between Affin Holdings Group and Bank of East Asia since the signing of an MOU in August of this year. Collaborations such as these signify our strength in the partnership and we hope to continue to explore, collaborate and derive synergy between the two financial groups.” YBhg Tan Sri Dato’ Lodin Wok Kamaruddin concluded.

The principal advisor and lead arranger for the MTN programme is Affin Investment Bank Berhad and the joint lead managers are OCBC Bank (Malaysia) Berhad and Public Bank Berhad.

Since its inception as a modest trading entity more than 180 years ago, the Boustead Group has grown by leaps and bounds to comprise more than 90 subsidiary and associate companies, and has substantial interests in various sectors of the Malaysian economy. The Boustead Group's operations are focused in six key areas; plantation, heavy industries, property, finance & investment, trading and manufacturing & services. As at 30 June 2010, Boustead Holdings Berhad's paid-up capital was RM470 million, while its shareholders' funds stood at RM4.1 billion. Market capitalisation is currently in excess of RM5 billion.

Forward looking statements

This release may contain certain forward-looking statements with respect to the financial conditions, results of operations and business of the Group and certain plans and objectives of Boustead Holdings Berhad with respect to these items. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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