

**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 Plantations Berhad, you should at once hand this Circular together with the accompanying Form of Proxy to the purchaser, transferee or the agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

Bursa Malaysia Securities Berhad 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.



**Plantations**

**BOUSTEAD PLANTATIONS BERHAD**

(Company No. 1245-M)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

- 1. PROPOSED RENEWAL OF THE 2015 SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE; AND**
- 2. PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The resolutions pertaining to the above Proposals are set out in the Notice of the Company's One Hundred and Third Annual General Meeting which is attached in the enclosed Annual Report. The One Hundred and Third Annual General Meeting is to be held at **The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810, Petaling Jaya, Selangor** on 31 March 2016.

A Form of Proxy is set out in the Annual Report of Boustead Plantations Berhad for the financial year ended 31 December 2015. You are urged to complete and deposit the Form of Proxy at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, located at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur, not later than 48 hours before the time of the meeting. The return of the completed Form of Proxy will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy : 29 March 2016 at 10.00 a.m.  
Date and time of the 103<sup>rd</sup> Annual General Meeting : 31 March 2016 at 10.00 a.m.

This Circular is dated 9 March 2016

## **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.)*

“Act”	:	Companies Act 1965 including all amendments made from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“BHB” or “Boustead”	:	Boustead Holdings Berhad (3871-H)
“Board”	:	Board of Directors of BPB
“BPB” or “Company”	:	Boustead Plantations Berhad (1245-M)
“BPB Group” or “the Group”	:	BPB and its subsidiaries
“Boustead Properties”	:	Boustead Properties Berhad (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
“BPSB”	:	Boustead Petroleum Sdn Bhd (40996-P), a 59.82% subsidiary of BHB, which is an investment holding company
“BSSB”	:	Boustead Segaria Sdn Bhd (24681-V), a wholly owned subsidiary of BHB, which is an investment holding company
“Bursa Malaysia”	:	Bursa Malaysia Securities Berhad
“Director”	:	Shall have the meaning given in section 4 of the Act and for the purpose of the Proposals 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 BPB or any other company which is its subsidiary or holding company; or Chief Executive Officer of BPB, its subsidiary or holding company  The term “Executive Director” shall mean a natural person who holds a directorship in a full time executive capacity on the Board and is on the payroll of the Company
“EGM”	:	Extraordinary General Meeting
“Listing Requirements”	:	Listing Requirements of Bursa Malaysia including all amendments made from time to time and any re-enactment thereof
“LPD”	:	15 February 2016, 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 by the Tabung Angkatan Tentera Act 1973

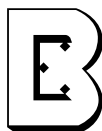
“Major Shareholder”	:	<p>A person who has an interest or interests in one or more voting shares in a corporation and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-</p> <p>(a) 10% or more of the aggregate of the nominal amounts of all the voting shares in the company; or</p> <p>(b) 5% or more of the aggregate of the nominal amounts of all the voting shares in the company where such person is the largest shareholder in the company.</p> <p>For the purpose of this definition, “interest in shares” shall have the meaning given in section 6A 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 a listed issuer or any other company which is its subsidiary or holding company.</p>
“Person(s) Connected ”	:	Shall be as defined in Chapter 1 of the Listing Requirements
“PHSB”	:	Pelita Holdings Sdn Bhd (182028-W) is an investment holding company which holds 40% interest in Boustead Pelita Kanowit and Boustead Pelita Kanowit Oil Mill, respectively.
“Proposed Additional Shareholders’ Mandate”	:	Proposed shareholders’ mandate for BPB Group to enter into a new Recurrent Related Party Transaction (i.e. Recurrent Related Party Transactions not covered in the 2015 Mandate)
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of the 2015 Mandate
“Proposals”	:	Collectively, the Proposed Renewal of Shareholders’ Mandate and Proposed Additional Shareholders’ Mandate
“Recurrent Related Party Transaction” or “RRPT”	:	A recurrent related party transaction of a revenue or trading nature which is necessary for the day to day operations and is entered into by the Company or its subsidiaries in the ordinary course of business which involves 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
“2015 Mandate”	:	The shareholders’ mandate obtained on 1 April 2015 for BPB Group to enter into Recurrent Related Party Transactions
“2016 Mandate”	:	The shareholders’ mandate to be obtained at the Company’s forthcoming AGM for BPB Group to enter into Recurrent Related Party Transactions.

## **CONTENTS**

	<b>Page</b>
1. INTRODUCTION	4
2. PROPOSALS	5
2.1 Details	5
2.2 Classes of Related Party	5
2.3 Nature of Recurrent Related Party Transactions and Estimated Values	7
2.4 Amount Due and Owing Under Recurrent Related Party Transactions	10
2.5 Guidelines and Review Procedures for Recurrent Related Party Transactions	10
2.6 Statement by Audit Committee	12
2.7 Disclosure	13
3. RATIONALE AND BENEFIT	13
3.1 Rationale of the Proposals	13
3.2 Benefits to the BPB Group From Transacting With the Related Parties	13
4. CONDITION OF THE PROPOSALS	13
5. FINANCIAL EFFECTS OF THE PROPOSALS	13
6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS	14
7. DIRECTORS' RECOMMENDATION	14
8. AGM	14
9. FURTHER INFORMATION	15

## **APPENDICES**

I. FURTHER INFORMATION	16
II. ADDRESS OF PROPERTIES RENTED	18



## Plantations

### **BOUSTEAD PLANTATIONS BERHAD**

(Company No. 1245-M)  
(Incorporated in Malaysia)

Registered Office:

28<sup>th</sup> Floor, Menara Boustead  
69 Jalan Raja Chulan  
50200 Kuala Lumpur

9 March 2016

#### **DIRECTORS: -**

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R) (*Chairman*)  
Tan Sri Dato' Seri Lodin Wok Kamaruddin (*Vice Chairman*)  
Dato' Mohzani Abdul Wahab  
Maj. Gen. Dato' Khairuddin Abu Bakar (R) J.P.  
Dr. Raja Abdul Malek Raja Jallaludin  
Datuk Zakaria Sharif

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

Dear Sir/Madam

#### **BOUSTEAD PLANTATIONS BERHAD**

- (I) PROPOSED RENEWAL OF THE 2015 SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND**
- (II) PROPOSED ADDITIONAL SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

#### **1. INTRODUCTION**

At the AGM held on 1 April 2015, the Company had obtained the 2015 Mandate to enter into Recurrent Related Party Transactions. The 2015 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 February 2016 announced to Bursa Malaysia of its intention to seek shareholders' approval on the Proposals at the forthcoming AGM.

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

## **PROPOSALS**

### **2.1 Details**

#### Provisions under the Listing Requirements

Pursuant to Part E, Chapter 10.09 of the Listing Requirements, listed issuers with an issued and paid-up 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.

In this regard, the Company proposes to seek its shareholders' approval for the Proposals to enable BPB Group to enter into transactions with the Related Parties which are of a revenue or trading nature, which are necessary for the day-to-day operations of the Group and are on arm's length basis which are 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 Proposals will take effect from the passing of the Ordinary Resolutions relating thereto and will continue to be in force until:-

- i) The conclusion of the next AGM of the Company following the general meeting at which the authorisation is obtained, at which time it shall lapse, unless by Ordinary Resolutions passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
- ii) The expiration of the period within which the next AGM of the Company after this date is required to be held pursuant to section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to section 143(2) of the Act); or
- iii) Revoked or varied by resolution passed by the shareholders in a general meeting

whichever is 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 and Risk Committee.

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

BPB is one of the most experienced and established upstream oil palm plantation companies in Malaysia. The principal activity of BPB is to carry on the business of an investment holding company and oil palm plantations. The Group's subsidiaries are principally involved in the ownership and management of oil palm plantations, cultivation of oil palm and production of palm oil products. The Group's associates are principally involved in agricultural and agronomic research and commercial production of oil palm planting materials.

The holding company of BPB is BHB, a conglomerate with diverse business operations incorporated in Malaysia. BHB owns 57.42% of the issued and paid-up share capital of BPB as at LPD.

BHB's holding corporation is LTAT. LTAT owns 11.97% of the issued and paid-up share capital of BPB as at LPD.

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

<b>I. SUBSIDIARIES NOT WHOLLY OWNED BY BPB</b>			
<b>Company</b>		<b>Principal Activities</b>	<b>BPB's Effective Interest (%)</b>
1.	Boustead Pelita Kanowit Oil Mill Sdn Bhd ("BPKOM")	Operation of palm oil mill	60
2.	Boustead Pelita Tinjar Sdn Bhd ("BPT")	Cultivation of oil palms and processing of FFB	60
3.	Boustead Pelita Kanowit Sdn Bhd ("BPK")	Cultivation of oil palms	60
4.	Boustead Sedili Sdn Bhd ("BSEDILI")	Cultivation of oil palms	70
<b>II BHB'S SUBSIDIARIES, ASSOCIATIES AND JOINT VENTURE</b>			
<b>Company</b>		<b>Principal Activities</b>	<b>Connection with major shareholders</b>
1.	Boustead Information Technology Sdn Bhd ("BIT")	Provision of computer services	BIT is a wholly owned subsidiary of BHB
2.	Boustead Engineering Sdn Bhd ("BESB")	Distribution of engineering equipment and chemicals	BESB is a wholly owned subsidiary of BHB
3.	Boustead Petroleum Marketing Sdn Bhd ("BPM")	Marketing of petroleum products	BHB and LTAT hold 42% and 30% interest respectively in BPM
4.	Boustead Realty Sdn Bhd ("BRSB")	Property investment	BRSB is a wholly owned subsidiary of BHB
5.	Boustead Travel Services Sdn Bhd ("BTSSB")	Provision of travel agency services	BTSSB is a wholly owned subsidiary of BHB
<b>III FIRMS/CORPORATION CONNECTED WITH A DIRECTOR/OFFICER/MAJOR SHAREHOLDER</b>			
1.	Azzat & Izzat	Legal firm	Datuk Azzat Kamaludin is a Director of BHB and partner of the legal firm.

## 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 involving Related Parties set out in section 2.2 above. The shareholdings of BPB, BHB and other interested parties in the Related Party 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.

### 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	Nature of Transactions	Related Party	2016 Mandate	2015 Mandate		
			(A) Estimated value of transaction pursuant to 2016 Mandate (RM'000)	(B) Estimated value of transaction disclosed in 2015 Mandate (RM'000)	(C) Actual value of transaction conducted pursuant to 2015 Mandate [as at LPD] (RM'000)	Deviation between values in (B) and (C) (%)
1	BPK	Sales of Fresh Fruit Bunch to BPKOM  <b>Major Shareholder</b> ▪ PHSB <sup>A</sup>	80,000	76,000	58,193	-23
2	BHB	General management fees, internal audit fees and tax consultancy fees  <b>Director</b> ▪ MGHC (Note 1) ▪ LWK (Note 2) ▪ ZS (Note 3)  <b>Major Shareholder</b> ▪ LTAT <sup>B</sup> ▪ BHB <sup>C</sup>	3,000	2,700	1,997	-26
3	BIT	Provision of computer services and purchase of computer equipment  <b>Director</b> ▪ MGHC (Note 1) ▪ LWK (Note 2) ▪ ZS (Note 3)  <b>Major Shareholder</b> ▪ LTAT <sup>D</sup> ▪ BHB <sup>E</sup>	5,000	5,000	1,503	-70

<sup>A</sup> PHSB holds 10% in BPK directly and act as a Trustee for NCR Owners which holds 30% interest in BPK. PHSB holds 40% in BPKOM directly. PHSB does not have any shareholdings in BPB.

<sup>B</sup> LTAT holds 11.97% interest in BPB directly. LTAT is indirectly interested in BPB via BHB's 57.42% shareholding in BPB.

<sup>C</sup> BHB holds 57.42% in BPB directly.

<sup>D</sup> LTAT holds 58.43% interest in BHB directly. LTAT is indirectly interested in BIT via BHB's 100% shareholding in BSSB.

<sup>E</sup> BHB holds 57.42% of BPB directly. BHB is indirectly interested in BIT via BHB's 100% shareholding in BSSB.



Company	Nature of Transactions	Related Party	2016 Mandate	2015 Mandate		
			(A) Estimated value of transaction pursuant to 2016 Mandate (RM'000)	(B) Estimated value of transaction disclosed in 2015 Mandate (RM'000)	(C) Actual value of transaction conducted pursuant to 2015 Mandate [as at LPD] (RM'000)	Deviation between values in (B) and (C) (%)
4	BESB	<p><b>Director</b></p> <ul style="list-style-type: none"> <li>▪ MGHC<sup>(Note 1)</sup></li> <li>▪ LWK<sup>(Note 2)</sup></li> <li>▪ ZS<sup>(Note 3)</sup></li> </ul> <p><b>Major Shareholder</b></p> <ul style="list-style-type: none"> <li>▪ LTAT<sup>F</sup></li> <li>▪ BHB<sup>G</sup></li> </ul>	3,000	2,500	1,043	-58
5	BPM	<p><b>Director</b></p> <ul style="list-style-type: none"> <li>▪ MGHC<sup>(Note 1)</sup></li> <li>▪ LWK<sup>(Note 2)</sup></li> <li>▪ ZS<sup>(Note 3)</sup></li> </ul> <p><b>Major Shareholder</b></p> <ul style="list-style-type: none"> <li>▪ LTAT<sup>H</sup></li> <li>▪ BHB<sup>I</sup></li> </ul>	15,000	1,400	1,875 <sup>®</sup>	34
6	BRSB	<p><b>Director</b></p> <ul style="list-style-type: none"> <li>▪ MGHC<sup>(Note 1)</sup></li> <li>▪ LWK<sup>(Note 2)</sup></li> <li>▪ ZS<sup>(Note 3)</sup></li> </ul> <p><b>Major Shareholder</b></p> <ul style="list-style-type: none"> <li>▪ LTAT<sup>J</sup></li> <li>▪ BHB<sup>K</sup></li> </ul>	2,500	1,200	1,200	-
TOTAL			108,500	88,800	66,188	-25

<sup>F</sup> LTAT holds 58.43% interest in BHB directly. LTAT is indirectly interested in BESB via BHB's 100% shareholding in BSSB.

<sup>G</sup> BHB holds 57.42% of BPB directly. BHB is indirectly interested in BESB via BHB's 100% shareholding in BSSB.

<sup>H</sup> LTAT holds 30% interest in BPM directly. LTAT is indirectly interested in BPM via BHB's 42% indirect interest in BPM through BPSB, which holds 70% shareholding in BPM.

<sup>I</sup> BHB holds 57.42% in BPB directly. BHB is indirectly interested in BPM via BPSB's 70% shareholding in BPM.

<sup>#</sup> The lease periods are for 3 years which involve payment on monthly basis.

<sup>J</sup> LTAT holds 58.43% interest in BHB directly. LTAT holds 11.97% interest in BPB directly. LTAT is indirectly interested in BRSB via BHB's 100% shareholding in Boustead Properties.

<sup>K</sup> BHB holds 57.42% of BPB directly. BHB is indirectly interested in BRSB via BHB's 100% shareholding in Boustead Properties.

<sup>®</sup> On 13 January 2016, the Company announced that as at 31 December 2015, the transaction exceeded the mandate by RM312,607. On 7 March 2016, the Company announced that as at LPD, the estimated amount exceeding the mandate by RM475,440.

### 2.3.2 Additional Recurrent Related Party Transactions

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

Company	Nature of Transactions	Related Party	2016 Mandate
			Estimated value of transaction pursuant to 2016 Mandate (RM'000)
1 BTSSB	Provision of travel agency services	<b>Director</b> ■ LWK <sup>(Note 2)</sup>  <b>Major Shareholder</b> ■ BHB <sup>L</sup>	3,500
2 Azzat & Izzat	Provision of legal services	<b>Director of BHB</b> ■ AK <sup>(Note 4)</sup>	4,000
TOTAL			7,500

#### Notes:

1. MGHC - Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R). He is deemed interested by virtue of his directorships in BPB and BHB. As at LPD, he owns 1,560,000 BPB shares.
2. LWK - Tan Sri Dato' Seri Lodin Wok Kamaruddin. He is deemed interested by virtue of his directorships in BPB and BHB and LTAT. As at LPD, he owns 31,381,600 BPB shares, 28,192,758 BHB shares, 1,051,328 Affin shares, 2,000,000 BHIC shares and 12,500,148 Pharmaniaga shares. Tan Sri Dato' Seri Lodin Wok Kamaruddin also owns 5,916,465 shares in Boustead Petroleum Sdn Bhd, a holding company of BPM.
3. ZS - Datuk Zakaria Sharif. He is a Director of BPB. He is deemed interested by virtue of his directorships in BPB and his position in LTAT as Deputy Chief Executive. As at LPD, he owns 203,000 BPB shares and 400 BHIC shares.
4. AK - Datuk Azzat Kamaludin is a Director of BHB. As at LPD, he owns 44,000 BHB shares and 1,550,000 Boustead Plantations shares. He is a partner in the legal firm of Azzat & Izzat.

The abovementioned values of transactions are based on accounting records, and the estimated figures during the validity of the Proposals 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 March/April 2017.

In view of the time-sensitive and frequent nature of such Recurrent Related Party Transactions, the Board is seeking the approvals on the Proposals 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 at arm's length and on normal commercial terms and are 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.

<sup>L</sup> BTSSB is a wholly owned subsidiary of BHB

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

There is no outstanding amount owing by the BPB Group under the Recurrent Related Party Transactions as per Section 2.3.1 and 2.3.2 of this Circular which exceeded the credit terms as at 31 December 2015.

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

### **2.5.1 Review Procedures**

To ensure that Recurrent Related Party Transactions are undertaken on BPB 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:-

- Dato' Mohzani Abdul Wahab (Chairman)
- Dr. Raja Abdul Malek Raja Jallaludin
- Datuk Zakaria Sharif

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 subjected 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 Proposals.
- 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 resolutions 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 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 him abstain from voting on the resolutions 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 board 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 proposal by the management of the transacting entities (including their audit committee if applicable) for onward approval by the BPB 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 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 exceeding 5% and Directors shall be informed on their responsibilities and obligations in respect to Related Party Transaction or Recurrent Related Party Transactions.
- The Group Secretarial shall be informed on changes of Director's interest in other companies, directorship and BPB Group of Companies,
- Heads of Division and Heads of Subsidiary shall be informed of 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 Related Party Transaction or Recurrent Related Party Transactions shall be done for the purpose of disclosure in the Annual Report. Where the transaction value exceed 10% or more of the Mandated Amount, the respective Head of operating units is responsible to notify and provide explanation to Group Secretarial so that immediate announcement to Bursa Securities can be made,
- For Related Party Transaction or Recurrent Related Party Transactions that are not included in the mandate but are expected to exceed RM1 million 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 BPB Group. However, there are commercial considerations which the BPB 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 has been satisfactory;
- The BPB Group's pricing for the goods to be provided or supplied and/or received or purchased is negotiated between the BPB 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 BPB Group's commercial interests;
- The competitiveness in pricing;
- The standard and quality of the goods/services and whether it meets the requirements of the BPB Group;
- The responsiveness and level of service provided by the goods or service providers and whether past experience and working relationship has 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 BPB 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 are 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 2015 Annual Report of the Company of the aggregate value of transactions conducted pursuant to the 2015 Shareholders' Mandate during the financial year ended 31 December 2015. Similar disclosure will be made in the Annual Report for the subsequent financial year during which the shareholders' mandate and additional shareholders' mandate for Recurrent Related Party Transactions are 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 Proposals**

The Proposals are 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 BPB Group from Transacting With the Related Parties**

The Recurrent Related Party Transactions entered into by the BPB Group are intended to meet business needs at the best possible terms. The BPB 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 BPB Group, which will be of benefit to all the companies within the BPB Group. In most instances, companies within the BPB 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 PROPOSALS**

The Proposals are conditional upon the approval being obtained from the shareholders of BPB at the forthcoming AGM.

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

The Proposals are not expected to have any effect on the issued and paid-up capital, earnings and net tangible assets of the BPB Group.

## 6. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

The direct and indirect shareholding of the interested Major Shareholders, interested Directors of the Company and Persons Connected to them as at LPD, being the last practicable date prior to the Circular are as follows:-

Name	Direct Shareholding		Indirect Shareholding	
	No of Shares	%	No of Shares	%
<b>Major Shareholders</b>				
Boustead Holdings Berhad	918,668,500	57.42	-	-
Lembaga Tabung Angkatan Tentera	191,452,600	11.97	918,668,500*	57.42
<b>Interested Directors</b>				
Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R)	1,560,000	0.10	-	-
Tan Sri Dato' Seri Lodin Wok Kamaruddin	31,381,600	1.96	-	-
Datuk Zakaria Sharif	203,000	0.01	-	-

Notes:

\* Deemed interest by virtue of its substantial shareholding in BHB

Gen. Tan Sri Dato' Mohd Ghazali Hj. Che Mat (R), Tan Sri Dato' Seri Lodin Wok Kamaruddin and Datuk Zakaria Sharif ("the Interested Directors"), being the interested directors as mentioned in section 2.3 above have abstained and will continue to abstain from deliberations and voting at the board meetings with regard to the Proposals. The Interested Directors together with BHB and LTAT ("the Major Shareholders") will also abstain from voting in the resolutions pertaining to the Proposals in respect of their direct and indirect interest in BPB at the AGM.

The Interested Directors and Major Shareholders have undertaken that they will ensure that the Persons Connected with them as disclosed above will abstain from voting on the resolutions relating to the Proposals at the AGM to be convened.

Save as disclosed above, none of the other Directors and/or Major Shareholders of BPB and/or Persons Connected to them have any interest, direct or indirect, in the Proposals.

## 7. DIRECTORS' RECOMMENDATION

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

## 8. AGM

The One Hundred and Third AGM of the Company will be held at **The Royale Ballroom, Level 2, The Royale Chulan Damansara, 2 Jalan PJU 7/3, Mutiara Damansara, 47810, Petaling Jaya, Selangor** on Thursday, 31 March 2016 at 10.00 a.m, for the purpose of considering and if thought fit, passing the Ordinary Resolutions as set out in the Notice of AGM to approve the Proposals.

If you are unable to attend and vote in person at the AGM, you are requested to complete, sign, and return the enclosed Form of Proxy in accordance with the instructions therein as soon as possible and in any event so as to arrive at the Share Registrar's office of the Company not less than 48 hours before the time set for the AGM. The lodging of the Form of Proxy does not preclude you from attending and voting in person should you subsequently wish to do so.

**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 PLANTATIONS BERHAD**

**Dato' Mohzani Abdul Wahab**  
**Senior Independent Non-Executive Director**



**FURTHER INFORMATION****1. RESPONSIBILITY**

This Circular has been seen and approved by the Directors of BPB 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**

Neither BPB 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 BPB aware of any proceedings pending or threatened against BPB 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 BPB and/or its subsidiary companies.

**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 BPB or its subsidiary companies within the past two (2) years preceding the date of this Circular:

- (i) Sale and Purchase Agreement dated 20 May 2015 between CIMB Islamic Trustee Berhad (acting solely in the capacity as a trustee for Boustead Plantations Berhad) and Seng Hong Quarry Sdn Bhd, for the proposed disposal of part of a parcel of freehold land held under GRN 368030 Lot 44930 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 56.30 hectares for a cash consideration of approximately RM29.09 million. The transaction was completed on 17 June 2015.
- (ii) Sale and Purchase Agreement dated 19 May 2015 between CIMB Islamic Trustee Berhad (acting solely in the capacity as a trustee for Boustead Plantations Berhad) and Bentara Gemilang Industries Sdn Bhd for the proposed disposal of part of 2 parcels of freehold land held under GRN 368030 Lot 44930 and GRN 236290 Lot 2939 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 31.87 hectares for a cash consideration of approximately RM19.90 million. The transaction was completed on 17 June 2015.
- (iii) Sale and Purchase Agreement dated 15 June 2015 between CIMB Islamic Trustee Berhad (acting solely in the capacity as a trustee for Boustead Plantations Berhad) and Sanggul Suria Sdn Bhd, for the proposed disposal of part of 3 parcels of freehold land held under GRN 401071 Lot 86499, GRN 236290 Lot 2939 and GRN 368030 Lot 44930 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 57.03 hectares for a cash consideration of approximately RM12.28 million.
- (iv) Sale and Purchase Agreement dated 15 June 2015 between Boustead Sungai Manar Sdn Bhd, a wholly owned subsidiary of Boustead Plantations Berhad and Hanson Quarry Products (Segamat) Sdn Bhd, for the proposed disposal of 5 parcels of freehold land held under GRN 405928 Lot 44926, GRN 405929 Lot 44927, GRN 405930 Lot 44928, GRN 405931 Lot 44929 and GRN 400949 Lot 44931 and part of parcel of freehold land held under GRN 353782 Lot 44925 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 102.12 hectares for a cash consideration of approximately RM81.94 million.

- (v) Sale and Purchase Agreement dated 8 September 2015 between CIMB Islamic Trustee Berhad (acting solely in the capacity as a trustee for Boustead Plantations Berhad) and YTL Cement Bhd, for the proposed disposal of part of 3 parcels of freehold land held under GRN 401071 Lot 86499, GRN 236290 Lot 2939 and GRN 368030 Lot 44930 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 52.69 hectares for a cash consideration of approximately RM30.06 million.
- (vi) Sale and Purchase Agreement dated 8 September 2015 between Boustead Sungai Manar Sdn Bhd, a wholly owned subsidiary of Boustead Plantations Berhad and YTL Cement Bhd, for the proposed disposal of 2 parcels of freehold land held under GRN 35738 Lot 44923 and GRN 353777 Lot 44924 measuring approximately 33.26 hectares for a cash consideration of approximately RM19.69 million. The transaction was completed on 23 September 2015.
- (vii) Sale and Purchase Agreement dated 8 September 2015 between Boustead Sungai Manar Sdn Bhd, a wholly owned subsidiary of Boustead Plantations Berhad and YTL Cement Bhd, for the proposed disposal of part of parcel of freehold land held under GRN 353782 Lot 44925 in Mukim Kulai, District of Kulaijaya, State of Johor measuring approximately 18.45 hectares for a cash consideration of approximately RM10.92 million.

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

Copies of the following documents will be available for inspection at the office of the Company Secretary of Boustead Plantations Berhad at 13<sup>th</sup> Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur, 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 Memorandum & Articles of Association of the Company;
- (ii) the audited consolidated accounts of Boustead Plantations Berhad for the last (3) financial years ended 31<sup>st</sup> December 2015, 31<sup>st</sup> December 2014 and 31<sup>st</sup> December 2013;
- (iii) the material contracts referred to in Paragraph 3 above.

**ADDRESS OF PROPERTIES RENTED**

1. The transactions are in compliance with Paragraph 3.2(c) of Practice Note 12 of the Listing Requirements, that is the lease period does not exceed three years and does not involve payments of rental on a lump sum basis.
2. The address of properties rented by the Related Parties as set out in Section 2.3 herein are as follows:-

<b>Section</b>	<b>Transacting Subsidiary / Associate</b>	<b>Address</b>
2.3.1	Boustead Estates Agency Sdn. Bhd.	10 <sup>th</sup> , 11 <sup>th</sup> and 14 <sup>th</sup> Floor, Menara Boustead KL – 69, Jalan Raja Chulan, 50200 Kuala Lumpur.