



Plantations

BOUSTEAD PLANTATIONS BERHAD^{1245-M}
(A member of Boustead Group)

NEWS RELEASE

BOUSTEAD PLANTATIONS ENTERS INTO RM45 MILLION GREEN FINANCING AGREEMENT WITH CHINA CONSTRUCTION BANK

Facilitates Sustainable Accelerated Replanting Programme

KUALA LUMPUR, June 7, 2022 – As part of its continuous commitment towards environmental, social and governance (ESG) efforts, Boustead Plantations Berhad (BPB) today enters into a RM45 million green financing agreement with China Construction Bank (Malaysia) Berhad (CCBM) to facilitate its sustainable replanting exercise.

BPB, one of Malaysia's major palm oil companies, seeks to leverage on the financing to maximise its ongoing accelerated sustainable replanting programme, particularly for its plantation assets in Sabah, from this year until 2024.

The financing agreement was signed by BPB Director Ahmad Shahredzuan Mohd Shariff and its Company Secretary Affendi Mohd Yob, while CCBM was represented by its Executive Vice President Wang Shaoqiang in a ceremony held at Royale Chulan Damansara. Witnessing the ceremony were BPB Chief Executive Officer Zainal Abidin Shariff and CCBM Chief Executive Officer Wang QiJie.

In line with its long-standing sustainability stance, Zainal Abidin said BPB is always on the lookout for collaborative financing exercise in the financial and debt market that emphasises on the principles of ESG.

“BPB has demonstrated a positive track record on its adherence towards sustainability practices, with 100 per cent of its land area has been certified with Malaysian Sustainable Palm Oil whilst six of its Roundtable on Sustainable Palm Oil (RSPO) certified palm mills are accredited with the Supply Chain Certification System. Our sustainable agricultural practice through, amongst others, zero burning technique which is environmentally friendly and recycling of nutrients contained in palm biomass.

“The green financing agreement would allow BPB to complement its ongoing Plantations Performance Improvement Programme by optimising the potential of its plantation assets in Sabah,” Zainal Abidin commented.

Meanwhile, Wang QiJie said that the signing was a significant milestone for CCBM as it will be the bank’s first Green Plantation Financing in Malaysia.

“CCBM would like to see a continuation of the bank’s joint efforts to building a long-term and strategic partnership with BPB,” he added.

BPB’s debt-to-equity ratio has improved in recent years owing to its strong financial performance, with gearing stands at 0.28 times as at 31 March 2022 from 31 December 2021 position of 0.37 times.

BPB is one of the most experienced and established upstream oil palm plantation companies in Malaysia. Boustead Holdings Berhad, and together with Lembaga Tabung Angkatan Tentera, are the major shareholders of BPB.

CCBM is a subsidiary of China Construction Bank Corporation (CCB), a leading large-scale commercial bank headquartered in Beijing with presence in 31 countries globally. CCB ranks second amongst global banks by Tier 1 capital with asset size of CNY30 trillion as at 31 December 2021.

Apart from supporting client’s capital raising and investment requirements, CCBM together with China Construction Bank Corporate Labuan Branch, is committed to support Malaysia’s green and sustainable development, technology and digital advancements in achieving the country’s economic empowerment. In addition, CCB

emphasises its commitment towards supporting Regional Comprehensive Economic Partnership (RCEP) free trade agreement in the Asia Pacific region through active support of Chinese and foreign enterprises to seize new trends in international trade and investments.

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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 Plantations 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.