

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" AS SET OUT IN SECTION 9 HEREOF.

If you have sold all your shares in Boustead Holdings Berhad ("Boustead" or "Company") you should at once hand this Abridged Prospectus together with the Rights Subscription Form and the Notice of Provisional Allotment to the agent through whom you effected the sale for onward transmission to the purchaser. All enquiries concerning this Rights Issue should be addressed to the Registrar for the Rights Issue, Signet Share Registration Services Sdn Bhd (506293-D), 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia.

Shareholders with a registered address outside Malaysia, in which the acceptance of all or any part of their entitlement would result in the contravention of the laws of the countries or jurisdiction in which such shareholders are resident, in the absence of any necessary consent and/or compliance with any registration or other legal requirements or for any other reason, are not entitled to accept any part of their entitlements. If any such shareholder purports to accept all or any part of his entitlements, such purported acceptance or application will be deemed invalid and such shareholder will be considered not to have accepted his entitlements. Such shareholders should consult their legal advisers in the countries or jurisdiction in which they are resident as to whether the acceptance of their entitlements would result in the contravention of any law of such country or jurisdiction.

A copy of this Abridged Prospectus has been registered with the Securities Commission ("SC"). A copy of this Abridged Prospectus, together with a copy of the Rights Subscription Form and the Notice of Provisional Allotment, has also been lodged with the Registrar of Companies ("ROC"). Both the SC and ROC takes no responsibility for the contents of the said documents.

Approval has been obtained from the SC on 19 May 2003 for the Rights Issue. Approval-in-principle has been obtained from the Kuala Lumpur Stock Exchange ("KLSE") on 13 August 2003 for the listing of and quotation for all the new ordinary shares in Boustead arising from this Rights Issue. Such new shares will be admitted to the Official List of the KLSE and official quotation will commence after receipt of confirmation from Malaysian Central Depository Sdn Bhd that all the Central Depository System accounts of the entitled shareholders have been duly credited and notices of allotment have been despatched to the entitled shareholders.

Neither the KLSE nor the SC takes any responsibility for the correctness of any statements made or opinions expressed herein. Admission to the Official List and quotation of the said new ordinary shares on the KLSE are in no way reflective of the merits of this Rights Issue.

All documentation relating to this Rights Issue has been seen and approved by the Board of Directors of Boustead and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in these documents false or misleading.

Affin Merchant Bank Berhad, being the Adviser and Managing Underwriter acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue.

Unless otherwise stated, the unit of currency used in this document is Ringgit Malaysia or "RM" in abbreviation and sen.



BOUSTEAD HOLDINGS BERHAD (3871-H)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 136,436,822 NEW ORDINARY SHARES OF RM0.50 EACH ON THE BASIS OF ONE (1) NEW ORDINARY SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD AT 5.00 PM ON 1 OCTOBER 2003 AT AN ISSUE PRICE OF RM1.60 PER SHARE PAYABLE IN FULL UPON ACCEPTANCE

Adviser and Managing Underwriter



AFFINMERCHANT BANK

AFFIN MERCHANT BANK BERHAD (9999-V)

IMPORTANT RELEVANT DATES

LAST DATE AND TIME FOR:

Sale of provisional allotment of rights	:	21 October 2003 at 5.00 p.m.
Transfer of provisional allotment of rights	:	27 October 2003 at 4.00 p.m.
Acceptance and Payment	:	4 November 2003 at 5.00 p.m.*
Excess Rights Shares Application and Payment	:	4 November 2003 at 5.00 p.m.*

* or any such later date and time as may be determined and announced by the Directors of Boustead. Where the closing date of acceptance is extended from the original closing date of 4 November 2003, the notice of such extension will be made to the shareholders of Boustead by way of an announcement to the KLSE, not less than 2 market days before the original closing date.

This Abridged Prospectus is dated 8 October 2003

THE SECURITIES COMMISSION AND THE KUALA LUMPUR STOCK EXCHANGE HAVE APPROVED THE ISSUANCE AND LISTING OF THIS RIGHTS ISSUE AND THAT THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT THE SECURITIES COMMISSION AND THE KUALA LUMPUR STOCK EXCHANGE RECOMMEND THE RIGHTS ISSUE.

THE SECURITIES COMMISSION AND THE KUALA LUMPUR STOCK EXCHANGE SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF BOUSTEAD AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, 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 ABRIDGED PROSPECTUS.

SHAREHOLDERS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, SHAREHOLDERS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus:-

Act	:	Companies Act, 1965
Affin Merchant	:	Affin Merchant Bank Berhad (9999-V)
Board	:	Board of Directors of Boustead
Bonus Issue	:	Bonus issue of up to 145,622,000 new ordinary shares of RM0.50 each on the basis of one (1) Bonus Share for every three (3) existing ordinary shares of RM0.50 each held in Boustead at an entitlement date to be determined later after the Rights Issue
Bonus Share(s)	:	New ordinary shares of RM0.50 each in Boustead to be issued pursuant to the Bonus Issue
Books Closure Date	:	At 5.00 p.m. on 1 October 2003, the specified time and date set by Boustead for the purpose of determining shareholders' entitlements to the Rights Issue
Boustead Group or Group	:	Boustead, its subsidiary and associated companies
Boustead or Company	:	Boustead Holdings Berhad (3871-H)
Boustead Shares	:	Ordinary shares of RM0.50 each in Boustead
CDS	:	Central Depository System
EGM	:	Extraordinary General Meeting
EBIDTA	:	Earnings before interest, depreciation, taxation and amortisation
Entitlement Date	:	The date and time to be determined later by the Board at which the Company's Register of Members and/or Record of Depositors with MCD is closed to determine the shareholders' entitlement to the Bonus Issue
ESOS	:	Employees' Share Option Scheme of Boustead which was implemented on 23 July 2001
ESOS Options	:	Right of an eligible employee who has accepted an offer to participate in the ESOS of the Company to subscribe for shares in the Company in accordance with the by-laws of the ESOS
KLSE	:	Kuala Lumpur Stock Exchange (30632-P)
LTAT	:	Lembaga Tabung Angkatan Tentera Malaysia, a statutory body established under the Tabung Angkatan Tentera Act, 1973
MCD	:	Malaysian Central Depository Sdn. Bhd. (165570-W), a subsidiary company of the KLSE
New Shares	:	New ordinary shares of RM0.50 each in Boustead to be issued pursuant to the Rights Issue and Bonus Issue
NTA	:	Net tangible assets

DEFINITIONS (Cont'd)

Prescribed Securities	:	A security which has been prescribed by the KLSE to be deposited with the Central Depository in accordance with Section 14 of the Securities Industries (Central Depositories) Act, 1991
Registrar for the Rights Issue	:	Signet Share Registration Services Sdn Bhd (506293-D), 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia
Rights Issue	:	Renounceable rights issue of 136,436,822 new ordinary shares of RM0.50 each at an issue price of RM1.60 each, payable in full upon acceptance, on the basis of one (1) Rights Share for every two (2) existing ordinary shares of RM0.50 each held in Boustead as at the Books Closure Date
Rights Share(s)	:	New ordinary shares of RM0.50 each in Boustead to be issued pursuant to the Rights Issue
RM and sen	:	Ringgit Malaysia and sen respectively
ROC	:	Registrar of Companies
RSF	:	Rights Subscription Form
SC	:	Securities Commission
Voluntary Offer	:	Boustead had, on 3 June 2003, undertook a voluntary offer to acquire the remaining ordinary shares of RM1.00 each in Kuala Sidim Berhad not already owned by Boustead for a total cash consideration of RM6.00 per Kuala Sidim share or approximately RM320 million. As at 15 September 2003, Boustead already owned approximately 98% in Kuala Sidim Berhad.

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BOUSTEAD HOLDINGS BERHAD (3871-H)
(Incorporated in Malaysia under the Companies Act, 1965)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Y. Bhg. Gen. (B) Tan Sri Dato' Mohd Ghazali Hj. Che Mat <i>(Non-Independent, Non-Executive Director)</i>	31 Taman Hillview, Ulu Kelang, 68000 Ampang Selangor	Chairman	Malaysian
Y. Bhg. Tan Sri Dato' Lodin Wok Kamaruddin <i>(Non-Independent, Executive Director)</i>	124 Jalan Athinahapan Satu, Taman Tun Dr Ismail, 60000 Kuala Lumpur	Group Managing Director	Malaysian
Y. Bhg. Lt. Gen. (B) Dato' Mohd Yusof Din <i>(Independent, Non-Executive Director)</i>	141 Jalan Wira Dua, Taman Perwira Dua, Ampang Jaya 68000 Ampang Selangor	Company Director	Malaysian
Tuan Hj. Johari Muhamad Abbas <i>(Independent, Non-Executive Director)</i>	1 Jalan Bunga Anggerik 2/4, 40000 Shah Alam Selangor	Company Director	Malaysian
Y. Bhg. Dato' (Dr.) Megat Abdul Rahman Megat Ahmad <i>(Independent, Non-Executive Director)</i>	575 Jalan 17/15 46400 Petaling Jaya Selangor	Company Director	Malaysian
En. Azzat Kamaludin <i>(Non-Independent, Non-Executive Director)</i>	38 Jalan TR 8/2, Tropicana Golf & Country Resort, 47410 Petaling Jaya Selangor	Company Director	Malaysian

CORPORATE INFORMATION (Cont'd)

AUDIT COMMITTEE	Position	Directorship
Y. Bhg. Dato' (Dr.) Megat Abdul Rahman Megat Ahmad	<i>Committee Chairman</i>	<i>Independent, Non-Executive Director</i>
Y. Bhg. Tan Sri Dato' Lodin Wok Kamaruddin	<i>Member</i>	<i>Group Managing Director</i>
Y. Bhg. Lt. Gen. (B) Dato' Mohd Yusof Din	<i>Member</i>	<i>Independent, Non-Executive Director</i>
Tuan Hj. Johari Muhamad Abbas	<i>Member</i>	<i>Independent, Non-Executive Director</i>

REGISTERED OFFICE : Tingkat 28, Menara Boustead
No. 69, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel.: 03-2141 9044

SECRETARY : Sharifah Malek (LS00448)
Tingkat 13, Menara Boustead
No. 69, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel.: 03-2141 9044

REGISTRAR FOR THE RIGHTS ISSUE : Signet Share Registration Services Sdn Bhd (506293-D)
11th Floor, Tower Block,
Kompleks Antarabangsa,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Malaysia

Tel.: 03-2145 4337

REGISTRAR OF BOUSTEAD : Boustead Management Services Sdn Bhd (7059-M)
Tingkat 13, Menara Boustead
No. 69, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel.: 03-2141 9044

AUDITORS AND REPORTING ACCOUNTANTS : Ernst & Young (AF: 0039)
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia

Tel.: 03-2087 7000

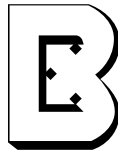
CORPORATE INFORMATION *(Continued)*

SOLICITORS	: Zaid Ibrahim & Co Level 19, Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia Tel.: 03-2087 9999
PRINCIPAL BANKERS	: The Bank of Nova Scotia Berhad (308035-U) Ground Floor, Menara Boustead No. 69, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel.: 03-2141 0766 HSBC Bank Malaysia Berhad (127776-V) No.2 Lebu Ampang 50100 Kuala Lumpur Malaysia Tel.: 03-2070 0744 Southern Bank Berhad (5303-W) Menara Southern Bank 83 Medan Setia 1 Plaza Damansara, Bukit Damansara 50772 Kuala Lumpur Malaysia Tel.: 03-2087 3000 Affin Bank Berhad (25046-T) 80 Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel.: 03-2055 9000 RHB Bank Berhad (6171-M) Head Office Level 1, Tower Two RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel.: 03-9287 8888 Malayan Banking Berhad (3813-K) Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Malaysia Tel.: 03-2070 8833

CORPORATE INFORMATION *(Continued)*

ADVISER AND MANAGING UNDERWRITER	:	Affin Merchant Bank Berhad (9999-V) 27 th Floor, Menara Boustead No. 69, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel.: 03-2142 3700
UNDERWRITERS	:	Affin Merchant Bank Berhad (9999-V) 27 th Floor, Menara Boustead No. 69, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel.: 03-2142 3700 Affin-UOB Securities Sdn Bhd (431338-P) Level 3, Menara Keck Seng 203 Jalan Bukit Bintang 55100 Kuala Lumpur Malaysia Tel.: 03-2413 8668
STOCK EXCHANGE LISTING	:	Main Board of the Kuala Lumpur Stock Exchange

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BOUSTEAD HOLDINGS BERHAD (3871-H)

(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

Tingkat 28, Menara Boustead
No. 69, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

8 October 2003

Board of Directors:

Y. Bhg. Gen. (B) Tan Sri Dato' Mohd Ghazali Hj. Che Mat (*Chairman*)
Y. Bhg. Tan Sri Dato' Lodin Wok Kamaruddin (*Group Managing Director*)
Y. Bhg. Lt. Gen. (B) Dato' Mohd Yusof Din
Tuan Hj Johari Muhamad Abbas
Y. Bhg. Dato' (Dr.) Megat Abdul Rahman Megat Ahmad
En. Azzat Kamaludin

To: The Shareholders of Boustead Holdings Berhad

Dear Sir/ Madam

RENOUNCEABLE RIGHTS ISSUE OF 136,436,822 NEW ORDINARY SHARES OF RM0.50 EACH ON THE BASIS OF ONE (1) NEW ORDINARY SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD AT 5.00 PM ON 1 OCTOBER 2003 AT AN ISSUE PRICE OF RM1.60 PER SHARE PAYABLE IN FULL UPON ACCEPTANCE

1. INTRODUCTION

On 27 June 2003, the shareholders of Boustead had, at an EGM of the Company, approved the Company's following corporate exercises: -

- (a) a rights issue of up to 150,215,000 new ordinary shares of RM0.50 each on the basis of one (1) new Rights Share for every two (2) existing ordinary shares held; and
- (b) a bonus issue of up to 150,215,000 new ordinary shares of RM0.50 each on the basis of one (1) new Bonus Share for every three (3) ordinary shares held subsequent to the Rights Issue.

A certified true extract of the ordinary resolution approving the Rights Issue at the said EGM is reproduced in Appendix I of this Abridged Prospectus.

Subsequent to the shareholders' approval, the quantum of the Rights Issue was finalised at 136,436,822 Rights Shares, in accordance with the number of shareholders entitled to the Rights Issue as at the Books Closure Date.

In addition, on 5 August 2003, the Company announced that the issue price of the Rights Issue has been fixed at RM1.60 per Rights Share.

On 22 May 2003, Affin Merchant announced on behalf of the Company, that the SC had approved the Rights Issue and Bonus Issue in its letter dated 19 May 2003. The approval of the SC is subject to, inter-alia, the following conditions:-

Conditions Imposed by the SC	Status of Compliance
i. The SC's prior approval must be obtained for any change in the original proposed utilisation of proceeds from the Rights Issue, if the change were to involve utilisation of proceeds other than for the Company's core business;	To be complied
ii. The approval from Boustead's shareholders must be obtained prior to any change of 25% or more from the original proposed utilisation of proceeds. Should the change be less than 25%, proper disclosure of the same must be made to the Company's shareholders;	To be complied
iii. Any extension of time for the utilisation of proceeds as determined by Boustead must be via a final resolution of the Board of Directors of Boustead and must be fully disclosed to the KLSE; and	To be complied
iv. Proper disclosure should be made on the status of the utilisation of the proceeds in the Company's quarterly report and annual report until the said proceeds are fully utilised.	To be complied

In addition, the Company is required to comply with the relevant provisions in the Policies and Guidelines on Issue / Offer of Securities of the SC.

The KLSE has also granted its approval for the listing of and quotation for the Rights Shares on the KLSE on 13 August 2003. Such shares will be admitted to the Official List of the KLSE and the listing and quotation will commence after receipt of confirmation from MCD that all CDS accounts of the successful shareholders have been duly credited and notices of allotments have been despatched to all successful applicants.

No person is authorised to give any information or make any representation not contained in this Abridged Prospectus in connection with or in relation to the Rights Issue and if given or made, such information or representation must not be relied upon as having being authorised by Boustead and/or Affin Merchant. Neither the delivery of this Abridged Prospectus shall under any circumstances constitute a representation or create any implication that there has been no change in the affairs of Boustead or any of its subsidiary companies since the date of this Abridged Prospectus.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Terms

In accordance with the terms of the Rights Issue as approved by the SC in its letter dated 19 May 2003 and the approval of the shareholders of Boustead on 27 June 2003, the Company has provisionally allotted 136,436,822 Rights Shares at an issue price of RM1.60 per share to the shareholders of Boustead whose names appear on the Register of Members and/or the Record of Depositors of the Company at the Books Closure Date on the basis of one (1) Rights Share for every two (2) existing ordinary shares of RM0.50 each held in Boustead. The issue price of the Rights Shares will be payable in full upon acceptance.

As a shareholder of the Company on the Books Closure Date, your CDS account will be duly credited with provisionally allotted Rights Shares for which you are entitled to subscribe for under the terms of the Rights Issue. You will find enclosed with this Abridged Prospectus, a Notice of Provisional Allotment of Rights notifying you of the crediting of such securities into your CDS Account and an RSF to enable you to subscribe for such Rights Shares.

The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with one another and the existing Boustead Shares except that such shares shall not be entitled to any dividends nor other distributions that may be declared, made or paid prior to the allotment of the Rights Shares.

The Rights Shares shall, upon allotment and issue, rank pari passu in all respects with one another and the existing Boustead Shares except that such shares shall not be entitled to any dividends nor other distributions that may be declared, made or paid prior to the allotment of the Rights Shares.

The Rights Shares that are not taken up for any reason, if any, will be first made available for application under the excess Rights Shares application. Thereafter, the remaining unsubscribed Rights Shares shall be subscribed by the Underwriters for the Rights Issue.

In determining shareholders' entitlements to the Rights Issues, any fractional entitlement of Rights Shares shall be dealt with in such manner as the Directors in their absolute discretion deem expedient in the best interests of the Company.

Any dealings in the Rights Shares will be subject to the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of the MCD. Accordingly, the Rights Shares will be credited directly into the respective CDS accounts of the entitled shareholders and no physical certificates will be issued. However, a notice of allotment will be despatched to the entitled shareholders within fifteen (15) market days from the last date of acceptance and payment of the Rights Shares or such other period as may be prescribed by the KLSE.

2.2 Basis of Pricing of the Rights Shares

The issue price of RM1.60 for each Rights Share was arrived at after taking into consideration, the five (5) consecutive days weighted average market price for Boustead Shares prior to 5 August 2003, being the price fixing date, of RM1.92 per Boustead Share. The issue price of RM1.60 for each Rights Share represents a discount of RM0.21 or approximately 11.6% to the theoretical ex-rights price of RM1.81 per Boustead Share, based on the above five (5) consecutive days weighted average market price.

3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT AND EXCESS RIGHTS SHARES APPLICATION

FULL INSTRUCTIONS FOR THE ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU AND THE PROCEDURES TO BE FOLLOWED, SHOULD YOU WISH TO DISPOSE OF YOUR RIGHTS TO ANY OF YOUR ENTITLEMENT, ARE SET OUT IN THE RSF. YOU ARE ADVISED TO READ THE RSF AND THE INSTRUCTIONS THEREIN CAREFULLY.

ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU MUST BE MADE ON THE RSF AND MUST BE COMPLETED IN ACCORDANCE WITH THE NOTES AND INSTRUCTIONS PRINTED THEREIN.

ACCEPTANCE WHICH DOES NOT STRICTLY CONFORM TO THE TERMS OF THIS ABRIDGED PROSPECTUS OR RSF OR NOTES AND INSTRUCTIONS PRINTED THEREIN OR WHICH IS ILLEGIBLE MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF THE COMPANY.

IF YOU HAVE LOST, MISPLACED OR FOR ANY OTHER REASON REQUIRE ANOTHER COPY OF THE RSF, YOU MAY OBTAIN ADDITIONAL COPIES FROM YOUR STOCKBROKERS, THE REGISTRAR FOR THE RIGHTS ISSUE, SIGNET SHARE REGISTRATION SERVICES SDN BHD, 11TH FLOOR, TOWER BLOCK, KOMPLEKS ANTARABANGSA, JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR, MALAYSIA, REGISTRAR OF BOUSTEAD AT BOUSTEAD MANAGEMENT SERVICES SDN BHD, TINGKAT 13, MENARA BOUSTEAD, NO. 69, JALAN RAJA CHULAN, 50200 KUALA LUMPUR, MALAYSIA OR FROM THE WEBSITE OF THE KLSE AT <http://www.klse.com.my>.

3.1 Acceptance and Payment

If you wish to accept the Rights Shares provisionally allotted to you either in full or in part, please complete Part I and Part III of the RSF and submit it with the appropriate remittance to be received by the Registrar for the Rights Issue, Signet Share Registration Services Sdn Bhd, 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia not later than 5.00 p.m. on 4 November 2003 or any such later date and time as may be determined and announced by the Board. Where the closing date of acceptance is extended from the original closing date of 4 November 2003, the notice of such extension will be made to the shareholders of Boustead by way of an announcement to the KLSE, not less than 2 market days before the original closing date.

The minimum number of Rights Shares that can be accepted is one (1) Rights Share. Acceptances and applications for fractions of a Share will not be accepted and will be dealt with by the Directors of the Company as they deem fit and expedient. However, applicants should take note that a trading board lot comprises 100 Shares.

Payment by **RESIDENTS** must be made in Ringgit Malaysia by Banker's Draft or Cashier's Order or Money Order or Postal Order drawn on a bank or post office in Malaysia and should be made payable to **"BOUSTEAD RIGHTS ISSUE ACCOUNT"** for the FULL payment of the Rights Shares. The payment must be made in the exact amount. Any excess or insufficient payment may be rejected at the absolute discretion of the Directors. The Banker's Draft, Cashier's Order, Money Order or Postal Order should be crossed **"A/C PAYEE ONLY"** and should also be endorsed on the reverse side with **YOUR NAME AND ADDRESS IN BLOCK LETTERS AND YOUR CDS ACCOUNT NUMBER**. Cheques or any other mode of payments are not acceptable.

Subject to Section 3.7 of this Abridged Prospectus, payment by **NON-RESIDENTS** must be remitted in equivalent foreign currencies or in RM from their respective external accounts. In respect of remittance in foreign currencies, instructions must be given by the non-resident to the receiving banks to convert the foreign currencies into RM and to issue a Banker's Draft or Cashier's Order in RM made payable to **"BOUSTEAD RIGHTS ISSUE ACCOUNT"** for the FULL payment for the Rights Shares. The payment must be made in exact amount. Any excess, or insufficient payment may be rejected at the absolute discretion of the Directors. The Banker's Draft or Cashier's Order should be crossed **"A/C PAYEE ONLY"** and should also be endorsed on the reverse side with your **NAME AND ADDRESS IN BLOCK CAPITAL LETTERS AND YOUR CDS ACCOUNT NUMBER**. Cheques or any other modes of payment are not acceptable.

If acceptance and payment for the new Rights Shares provisionally allotted to you are not received by the Registrar for the Rights Issue, Signet Share Registration Services Sdn Bhd, 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia by 5.00 p.m. on 4 November 2003, being the last date and time for acceptance and payment, or such extended date and time as may be determined and announced by the Directors of the Company, the said provisional allotment to you will be deemed to have been declined and will be cancelled and such Rights Shares not taken up will be allotted firstly to applicants for excess Rights Shares and then to the Underwriters for the Rights Shares.

When an application is not accepted, the full amount paid on the application will therefore be returned without interest and shall be despatched to the applicant by ordinary post at the applicant's own risk within fifteen (15) market days from the last date of acceptance and payment of the Rights Shares.

No acknowledgement of the receipt of the RSF or acceptance monies will be made by Boustead or the Registrar for the Rights Issue in respect of the Rights Issue application. However, a notice of allotment will be issued and forwarded by ordinary post to you or your renounee(s) (if applicable) at your own risk within fifteen (15) market days from the last date of acceptance and payment for the Rights Shares.

Applications shall not be deemed to have been accepted by reason of the remittance being presented for payment.

THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES IS AT 5.00 P.M. ON 4 NOVEMBER 2003 OR ANY SUCH LATER DATE AND TIME AS MAY BE DETERMINED AND ANNOUNCED BY THE BOARD. WHERE THE CLOSING DATE OF ACCEPTANCE IS EXTENDED FROM THE ORIGINAL CLOSING DATE OF 4 NOVEMBER 2003, THE NOTICE OF SUCH EXTENSION WILL BE MADE TO THE SHAREHOLDERS OF BOUSTEAD BY WAY OF AN ANNOUNCEMENT TO THE KLSE, NOT LESS THAN 2 MARKET DAYS BEFORE THE ORIGINAL CLOSING DATE.

3.2 Application for Excess Rights Shares

If you wish to apply for additional Rights Shares in excess of your entitlement, you can do so by completing Part II of the Excess Shares Application section in the RSF and forwarding it with a separate remittance for the full amount payable on the excess Rights Shares applied for to the Registrar for the Rights Issue, Signet Share Registration Services Sdn Bhd, 11th Floor, Tower Block, Kompleks Antarabangsa, Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia so as to arrive not later than 5.00 p.m. on 4 November 2003 (or such extended date and time as may be determined and announced by the Board). Payment under the Excess Shares Application should be made in the same manner described above except that the Banker's Draft, Cashier's Order, Money Order or Postal Order should be made payable to **"BOUSTEAD EXCESS RIGHTS APPLICATION ACCOUNT"**. The Banker's Draft, Cashier's Order, Money Order or Postal Order should be crossed **"A/C PAYEE ONLY"** and should also be endorsed on the reverse side with your **NAME AND ADDRESS IN BLOCK LETTERS AND YOUR CDS ACCOUNT NUMBER**. Cheques or any other mode of payments are not acceptable.

The Board reserve the right to allot the Rights Shares applied for under the Excess Shares Application in a fair and equitable manner and in the best interest of the Company. Where the shares are allotted to Excess Shares Applications, the rounding-down of odd lots would be at the absolute discretion of the Board. In respect of unsuccessful or partially successful Excess Shares Applications, the full amount or balance of the excess shares application monies as the case may be will be refunded in full without interest within fifteen (15) market days from the last date of acceptance and payment for the excess Rights Shares by ordinary post at the address shown on the RSF at your own risk.

No acknowledgement of receipt of the RSF or acceptance monies will be made by Boustead or the Registrar for the Rights Issue in respect of the excess Rights Issue application. However, a notice of allotment will be issued and forwarded by ordinary post to you or your renounee(s) (if applicable) at your own risk within fifteen (15) market days from the last date of acceptance and payment for the excess Rights Shares.

THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE EXCESS RIGHTS SHARES IS AT 5.00 P.M. ON 4 NOVEMBER 2003 OR ANY SUCH LATER DATE AND TIME AS MAY BE DETERMINED AND ANNOUNCED BY THE BOARD. WHERE THE CLOSING DATE OF ACCEPTANCE IS EXTENDED FROM THE ORIGINAL CLOSING DATE OF 4 NOVEMBER 2003, THE NOTICE OF SUCH EXTENSION WILL BE MADE TO THE SHAREHOLDERS OF BOUSTEAD BY WAY OF AN ANNOUNCEMENT TO THE KLSE, NOT LESS THAN 2 MARKET DAYS BEFORE THE ORIGINAL CLOSING DATE.

3.3 Splitting and Procedures for Sale/Transfer of Provisional Allotment of Rights Shares

Under the CDS environment, the processes of splitting, nomination and renunciation are replaced by electronic book-entries made in the CDS accounts of the entitled shareholder and the new purchaser.

The provisional allotment of the Rights Shares will be credited into your CDS account. You will be notified of the crediting via the Notice of Provisional Allotment. The Rights Shares are renounceable and as such you may sell part or all of the Rights Shares provisionally allotted to you.

Entitled shareholders who wish to sell/transfer some and accept only part of their provisional allotment of Rights Shares or sell/transfer all of their provisional allotment of Rights Shares may do so immediately through their stockbrokers without first having to request for a split of their provisional allotment of Rights Shares. To dispose of all or part of their provisional allotment of Rights Shares, they may sell such provisional allotment of Rights Shares on the open market or transfer such provisional allotment of Rights Shares to such person as may be allowed pursuant to the Rules of MCD.

YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

IN SELLING ALL OR PART OF YOUR PROVISIONAL ALLOTMENT OF RIGHTS SHARES YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) NEED NOT DELIVER ANY DOCUMENTS TO YOUR STOCKBROKERS. YOU AND/OR YOUR RENOUNCEE(S) (IF APPLICABLE) ARE HOWEVER ADVISED TO ENSURE THAT YOU HAVE SUFFICIENT PROVISIONAL ALLOTMENT OF RIGHTS SHARES STANDING IN YOUR CDS ACCOUNTS BEFORE TRADING.

3.4 Purchase of Rights from Open Market

If you are a purchaser/renouncee who wishes to accept the provisionally allotted Rights Shares, you can obtain a copy of the RSF from either one of the following:

- (i) All Malaysian stockbroking companies
- (ii) Registrar for the Rights Issue at:

Signet Share Registration Services Sdn Bhd
11th Floor, Tower Block
Kompleks Antarabangsa
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
- (iii) Registrar of Boustead at:

Boustead Management Services Sdn Bhd
Tingkat 13, Menara Boustead
No. 69, Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia
- (iv) KLSE website at the following address: -

<http://www.klse.com.my>

You are to complete the RSF and submit with the requisite payment as described under Acceptance and Payment above to the Registrar for the Rights Issue.

3.5 CDS Accounts

The KLSE has already prescribed the securities of Boustead listed on the Main Board of KLSE to be deposited with MCD. Accordingly, the Rights Shares are Prescribed Securities and as such the Securities Industry (Central Depositories) Act, 1991, Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of MCD shall apply in respect of the dealings in the said shares.

The acceptance of the Rights Shares by you or the new purchaser shall constitute consent to receiving such Rights Shares as deposited securities which will be credited directly into the respective CDS Accounts.

All excess Rights Shares allotted shall be credited directly into the CDS Accounts of the successful applicants. If you have more than one CDS account having been credited with the provisional allotments of the Boustead Rights Shares, you are required to use one RSF for each application.

3.6 Notice of Allotment

Rights Shares that has been subscribed shall be credited into your CDS Account. No physical certificates will be issued to you in respect of the Rights Issue Shares. However, a Notice of Allotment will be despatched to you by ordinary post within fifteen (15) market days from the last date of acceptance and payment of the Rights Shares at the address shown on the RSF at your own risk.

SHAREHOLDERS SHOULD NOTE THAT ONCE THE RSF AND PAYMENT HAVE BEEN LODGED WITH THE REGISTRAR FOR THE RIGHTS ISSUE, THEY CANNOT SUBSEQUENTLY BE WITHDRAWN.

3.7 Laws of Foreign Jurisdictions

This Abridged Prospectus and the RSF have not been and will not be made to comply with the laws of any foreign jurisdictions, and have not been and will not be lodged, registered or approved pursuant to or under any legislation of or with or by any regulatory authorities or other relevant bodies of any foreign jurisdictions.

An entitled shareholder or renouncee (as the case may be) may only accept all or any part of his/her entitlements and an entitled shareholder/renouncee may only exercise any other rights in respect of the Rights Issue to the extent that it would be lawful to do so, and Boustead and its Directors and officers, Affin Merchant and other experts would not, in connection with the Rights Issue, have taken any action to ensure that the Rights Issue complies with the laws of any country or jurisdiction other than Malaysia. The entitled shareholder/renouncee, shall be solely responsible to seek advice as to the laws of the country or jurisdiction to which they are or might be subject to. Boustead and its Directors and officers, Affin Merchant and other experts shall not accept any responsibility and liability in the event that any acceptance or renunciation made by the entitled shareholder/renouncee, is or shall become unlawful, unenforceable, voidable or void in any such jurisdictions.

By signing the RSF, the entitled shareholder/renouncee is deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) Boustead and its Directors and officers, Affin Merchant and other experts that: -

- (i) the Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which the entitled shareholder/renouncee is or might be subject to;
- (ii) the entitled shareholder/renouncee has complied with the laws to which it is or might be subject to in connection with the acceptance or renunciation;
- (iii) the entitled shareholder/renouncee is not a nominee or agent of a person in respect of whom the Company would, by acting on the acceptance or renunciation, be in breach of the laws of any jurisdiction to which that person is or might be subject to;
- (iv) the entitled shareholder/renouncee is aware that the Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the entitled shareholder/renouncee has received a copy of the Abridged Prospectus and has had access to such financial and/or other information and has been afforded the opportunity to ask such questions of the representatives of the Company and receive answers thereto as it deems necessary in connection with the shareholder's/renouncee's decision to subscribe or purchase the Rights Shares; and

- (vi) the entitled shareholder/renouncee has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks to subscribing or purchasing the Rights Shares, and is and will be able, and is prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

4. RATIONALE FOR THE RIGHTS ISSUE

The Rights Issue will raise approximately RM218 million for the Company that would be used to retire its short-term bank borrowings and for working capital purposes including to defray costs incurred for the Rights Issue, Bonus Issue and Voluntary Offer.

5. UTILISATION OF PROCEEDS

Based on the issue price of RM1.60 per Rights Share, the Rights Issue will raise gross proceeds of approximately RM218 million which is intended to be utilised as follows:-

Proposed utilisation	Notes	RM'000
Repayment of short-term bank borrowings	a	200,000
Working capital	b	15,149
Defraying expenses relating to the Rights Issue, Bonus Issue and the Voluntary Offer	b	3,150
Total		218,299

Note a:

Repayment of Short-Term Bank Borrowings

The repayment of short-term bank borrowings relates to the bridging facilities amounting to approximately RM300 million incurred by Boustead to fund the Voluntary Offer of which approximately RM200 million is in the form of short-term bank borrowings. In this connection, an Accountants' Report on Kuala Sidim Berhad can be found in Appendix VI of this Abridged Prospectus.

As a result of repaying RM200 million of short-term bank borrowings, the Boustead Group is expected to realise interest savings estimated at RM11 million annually based on an average borrowing cost of approximately 5.5% per annum. The Group's total bank borrowings as at 15 September 2003 stood at RM1,851.7 million, inclusive of the said bridging facilities, which has been drawdown upon the payment as consideration for the Voluntary Offer.

The proceeds intended for repayment of the short-term bank borrowings is expected to be fully utilised within three (3) months after the listing of the Rights Shares.

Note b:

Working Capital and Defray Expenses Relating to the Rights Issue, Bonus Issue and Voluntary Offer

Approximately RM3.15 million of the proceeds will be utilised to defray the expenses incurred by the Company by 31 December 2003, of which approximately RM1.85 million relates to the Rights Issue and Bonus Issue and approximately RM1.30 million relates to the Voluntary Offer.

The remaining proceeds from the Rights Issue of up to RM15.15 million will be utilised for the Group's core business as working capital and are expected to be fully utilised by 31 December 2003.

6. FINANCIAL EFFECTS

6.1 Issued and Paid-Up Share Capital

The effects of the Rights Issue and Bonus Issue on the issued and paid-up share capital of Boustead are as follows:-

	Maximum Scenario ¹		Minimum Scenario ²	
	Issued and paid-up share capital at RM0.50 per share		Issued and paid-up share capital at RM0.50 per share	
	No. of shares		No. of shares	
	'000	RM'000	'000	RM'000
Existing as at 15 September 2003	272,873	136,437	272,873	136,437
To be issued pursuant to the Rights Issue	136,437	68,218	136,437	68,218
Enlarged after Rights Issue	409,310	204,655	409,310	204,655
ESOS Shares issued	27,556	13,778	-	-
Enlarged after issue of ESOS Shares	436,866	218,433	409,310	204,655
To be issued pursuant to the Bonus Issue	145,622	72,811	136,437	68,218
Enlarged after the Rights Issue and Bonus Issue	582,488	291,244	545,747	272,873

Notes:

- 1 Maximum Scenario assumes all of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue
- 2 Minimum Scenario assumes none of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue

6.2 Net Tangible Assets

The proforma effects of the Rights Issue and Bonus Issue on the consolidated NTA of Boustead based on the audited financial statements as at 31 December 2002 are as follows:-

- a) Maximum Scenario (Assumes all of the 25,466,000 and 2,090,000 ESOS options totalling 27,556,000 were exercised at RM1.88 and RM1.96 per share respectively, prior to the entitlement date of the Bonus Issue)

	Audited as at 31 Dec 02 RM'000	Proforma I After Voluntary Offer RM'000	Proforma II After I & Rights Issue RM'000	Proforma III After I, II & full exercise of ESOS options RM'000	Proforma IV After I, II, III & Bonus Issue RM'000
Share capital	136,435	136,437	204,655	218,433	291,244
Share premium	283,897	283,901	433,982 ^b	472,176 ^b	397,515 ^c
Retained profits	744,217	742,917 ^a	742,917	742,917	742,917
Other reserves	235,949	354,234	354,234	354,234	354,234
Shareholders' funds/ NTA	1,400,498	1,517,489	1,735,788	1,787,760	1,785,910
No. of shares ('000)	272,870	272,873	409,310	436,866	582,488
NTA per share (RM)	5.13	5.56	4.24	4.09	3.07

Notes:

- a After deducting expenses incurred of approximately RM1.3 million for the Voluntary Offer
- b Based on the issue price of RM1.60 per Rights Share and assuming the Rights Issue were fully taken up
- c After deducting expenses incurred of approximately RM1.85 million for the Rights Issue and Bonus Issue

- b) Minimum Scenario (Assuming none of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue)

	Audited as at 31 Dec 02	Proforma I After Voluntary Offer	Proforma II After I & Rights Issue	Proforma III After I, II & Bonus Issue
	RM'000	RM'000	RM'000	RM'000
Share capital	136,435	136,437	204,655	272,873
Share premium	283,897	283,901	433,982 ^b	363,914 ^c
Retained profits	744,217	742,917 ^a	742,917	742,917
Other reserves	235,949	354,234	354,234	354,234
Shareholders' funds/ NTA	1,400,498	1,517,489	1,735,788	1,733,938
No. of shares ('000)	272,870	272,873	409,310	545,747
NTA per share (RM)	5.13	5.56	4.24	3.18

Notes:

a After deducting expenses incurred of approximately RM1.3 million for the Voluntary Offer

b Based on the issue price of RM1.60 per Rights Share and assuming the Rights Issue were fully taken up

c After deducting expenses incurred of approximately RM1.85 million for the Rights Issue and Bonus Issue

6.3 Earnings

The Rights Issue and Bonus Issue are not expected to have any material effect on the earnings of the Boustead Group for the financial year ending 31 December 2003 except that the consolidated earnings per share of Boustead Group will be correspondingly reduced as a result of the increase in the issued and paid-up share capital of the Company.

6.4 Shareholding Structure

The proforma effects of the Rights Issue and Bonus Issue on the shareholding structure of Boustead as at 15 September 2003 are tabulated below.

- a) Maximum Scenario (Assumes all of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue)

Shareholders	As at 15 September 2003		Proforma I After Rights Issue		Proforma II After I and full exercise of ESOS options		Proforma III After I, II and Bonus Issue	
	'000	%	'000	%	'000	%	'000	%
LTAT	203,324	74.51	304,986	74.51	304,986	69.81	406,648	69.81
Minority shareholders	69,549	25.49	104,324	25.49	104,324	23.88	139,099	23.88
ESOS option holders	-	-	-	-	27,556	6.31	36,741	6.31
Total	272,873	100	409,310	100	436,866	100	582,488	100

- b) Minimum Scenario (Assuming none of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue)

Shareholders	As at 15 September 2003		Proforma I After Rights Issue		Proforma II After I and Bonus Issue	
	'000	%	'000	%	'000	%
LTAT	203,324	74.51	304,986	74.51	406,648	74.51
Minority shareholders	69,549	25.49	104,324	25.49	139,099	25.49
Total	272,873	100	409,310	100	545,747	100

6.5 Gearing Ratio

The proforma effects of the Rights Issue and Bonus Issue are tabulated below:

- a) Maximum Scenario (Assumes all of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue)

	Audited as at 31 Dec 02 RM'000	Proforma I After Voluntary Offer RM'000	Proforma II After I & Rights Issue RM'000	Proforma III After I, II & full exercise of ESOS options RM'000	Proforma IV After I, II, III & Bonus Issue RM'000
Total borrowings	1,522,668	1,822,668	1,622,668	1,622,668	1,622,668
Shareholders' funds	1,400,498	1,517,489	1,735,788	1,787,760	1,785,910
Gearing ratio (times)	1.09	1.20	0.93	0.91	0.91

- b) Minimum Scenario (Assuming none of the 27,556,000 ESOS options were exercised prior to the entitlement date of the Bonus Issue)

	Audited as at 31 Dec 02 RM'000	Proforma I After Voluntary Offer RM'000	Proforma II After I & Rights Issue RM'000	Proforma III After I, II & Bonus Issue RM'000
Total borrowings	1,522,668	1,822,668	1,622,668	1,622,668
Shareholders' funds	1,400,498	1,517,489	1,735,788	1,733,938
Gearing ratio (times)	1.09	1.20	0.93	0.94

7. PROFIT AND DIVIDEND RECORD

A summary of the profit and dividend record of the Group for the past five (5) financial years from that ended 30 June 1998 to that ended 31 December 2002 and the unaudited consolidated results for the six (6) month period ended 30 June 2003 are set out in Section 7 of Appendix II of this Abridged Prospectus.

8. ECONOMIC REVIEW AND PROSPECTS

8.1 The Malaysian Economy

The Malaysian economy remains resilient to post a higher real gross domestic product (“GDP”) growth in the first half of 2003, despite the adverse external economic environment. While the outbreak of the Severe Acute Respiratory Syndrome (“SARS”) in the region had some transitory negative effects on tourism-related industries, it did not significantly impact the overall performance of the economy in the first half of the year. Consumer and business sentiments are expected to be further enhanced following the containment of SARS and better world economic outlook anticipated for the rest of the year. Hence, growth momentum is envisaged to continue in the second half of 2003. Overall growth for the year is estimated at 4.5%. Growth is expected to be across the board, driven largely by services and manufacturing output.

(Source: Economic Report 2003-2004, released on 12 September 2003 by the Ministry of Finance, Malaysia)

The steady economic performance, underpinned by stronger domestic demand and mild growth in the external sector, reflects the cumulative effect of the pro-growth fiscal and monetary policy measures. The growth was achieved in an environment of low inflation amidst stable labour market conditions. Further build-up in international reserves arising from larger current account surpluses and high commodity prices as well as better capitalisation and restructuring of the banking and corporate sectors have strengthened macro economic fundamentals. In tandem with higher expansion in economic activities, national income is envisaged to increase by 7.1% to RM359,259 million with per capita income rising by 4.8% to RM14,343 (2002: 6.4%; RM13,683), leading to a better standard of living.

(Source: Economic Report 2003-2004, released on 12 September 2003 by the Ministry of Finance, Malaysia)

8.2 Industry review

The **agriculture sector** is forecast to expand by 3% in 2004 largely due to higher production of palm oil following the increase in matured areas in Sabah and Sarawak. Higher utilisation of palm oil in downstream processing, such as oleochemicals will further spur growth of the sector. In addition, the yield of major commodities is also envisaged to increase in line with continuing introduction of new breed of more productive clones in palm oil, rubber and cocoa.

Production of **crude palm oil (“CPO”)** is expected to register a stronger growth of 4.5% to 12.5 million tonnes in 2003, reflecting the upturn in the yield cycle and productivity improvement. Increased matured areas especially in Sabah and Sarawak, and higher oil extraction rate arising from more efficient harvesting and handling of fresh fruit bunches also contributed to the growth. Peninsular Malaysia continues to account for the bulk of CPO output (58%) followed by Sabah (35%) and Sarawak (7%). Overall, the total hectareage planted is expected to increase by 2.2% to 3.8 million hectares, taking into account the new areas identified for cultivation of oil palm, especially in Sabah and Sarawak.

In 2003, the price of crude palm oil is expected to average RM1,450 per tonne (2002: RM1,400) after reaching its peak of RM1,689 per tonne during January 2003. While high production may dampen CPO prices due to increase in stocks, latest data indicates that export growth of CPO has outpaced production and hence prices are expected to remain firm. The increase in demand for export by traditional and new markets and more competitive pricing *vis-a-vis* other vegetable oils and fats have contributed to the strong performance of CPO exports.

(Source: Economic Report 2003-2004, released on 12 September 2003 by the Ministry of Finance, Malaysia)

In the first half of 2003, output of **rubber** increased sharply by 18.6% to 317,000 tonnes due largely to yield improvement. Total production of rubber is, however, expected to increase moderately by 3.5 % to 610,000 tonnes in 2003 largely driven by improved rubber prices that encouraged higher activities in the small holding sub-sectors. Notwithstanding the positive developments, the major challenge faced by the rubber industry is the slow increase in supply of rubber despite the more favourable prices.

To ensure adequate supply of rubber and rubber wood for downstream activities, the rubber replanting programme was reviewed to ensure at least 20,000 hectares are replanted annually with latex timber clones, especially in designated rubber zones. In addition, to promote the rubber-wood furniture industry, 25,000 hectares of rubber per year will be planted during the next 15 years. Towards this end, the Government will establish a Rubber Forest Plantation Fund with an initial allocation of RM200 million as soft loans to eligible companies and organisations.

(Source: Economic Report 2003-2004, released on 12 September 2003 by the Ministry of Finance, Malaysia)

Construction of residential properties remains active despite slower demand for housing as the Iraq war and SARS affected consumer confidence during the first five months of 2003. Housing starts in the residential sector grew by 4.6% during the first half of 2003. Of the 69,941 units of housing starts during the period, 47.5% were terrace houses while condominium, apartments and flats constituted 20.2%. Houses priced at RM180,000 and below were in better demand and those located at preferred locations attracted strong interest of buyers. As the economy continues to rely on the domestic sector, the contribution of construction sector to GDP growth will have to be further enhanced. The Government introduced several measures and incentives as well as cash payment to first home owners under the Home Ownership for the People project to stimulate the property and construction sector as well as to provide affordable housing to the lower income group.

(Source: Economic Report 2003-2004, released on 12 September 2003 by the Ministry of Finance, Malaysia)

Effective measures to stimulate domestic consumption helped mitigate the adverse impact of the Iraq war and SARS and facilitated the **services sector** to sustain its growth momentum. The sector is expected to continue to expand by 4.2% in 2003. Demand for financial services, telecommunications and transport arising from improved economic prospects, particularly during the second half of the year will support overall growth. Steady pickup in tourism after the short-lived SARS outbreak and improved consumer sentiment during the second half of the year further reinforced the sector's growth.

Growth in the **services sector** will be broad based, fuelled by higher demand for transport, telecommunication, financial and insurance services in tandem with improved economic performance. A robust manufacturing sector will underpin higher consumption in utilities and higher trade and commercial activities will further enhance growth. The services sector is, therefore, envisaged to record a higher growth of 5.5% in 2004.

(Source: Economic Report 2003-2004, released on 12 September 2003 by the Ministry of Finance, Malaysia)

8.3 Prospects of Boustead Group

In the opinion of the Company, the Group's Plantation Division's earnings for the coming year will very much be dependent on palm oil prices. The Board's expectations are for better earnings in 2003, due to higher prices as production of oils and fats are insufficient to match world demand. Fresh Fruit Bunches ("FFB") production is budgeted to increase with more areas being brought into harvesting. The overall profitability of the Group's Finance and Investment Division will largely be influenced by the performance of Affin Holdings Berhad, an associated company of Boustead, which is expected to benefit from the recovery of the Malaysian economy.

The Group's Property Division will be a major profit contributor, as development activities at Mutiara Damansara, Selangor and Mutiara Rini, Johor gain momentum. UAC Berhad, an associated company of Boustead, is expected to contribute significantly towards the bottom line of the Manufacturing Division. The other divisions are expected to perform better in the coming year.

The Malaysian economy is expected to generate broad-based growth emanating from key sectors. As reported in the Economic Report 2003/2004, the construction sector, is envisaged to grow by 2.5% while the production of CPO is expected to register a stronger growth of 4.5% in 2003. These economic numbers bode well for the Group. The Property and Plantation divisions will continue to be the main contributors to profit growth. Attractive palm oil prices are expected to be sustained for the current year due to the shortfall in oil seeds production. The demand for properties in prime locations such as Mutiara Damansara will remain strong. A more liberal fiscal regime will also encourage more people to buy their own homes. The Company remains optimistic that the positive results achieved in 2002 will provide the foundation for the Group to perform even better for the financial year ending 31 December 2003.

9. RISK FACTORS

The following risk factors (which may not be exhaustive) should be carefully considered by the shareholders and investors in deciding whether to subscribe for the Rights Issue:

9.1 Risk Relating to the Major Business Activities of Boustead Group

9.1.1 Risk Inherent in the Plantation Division

The turnover and profitability of Boustead Group will be highly susceptible to fluctuations in crude palm oil prices prevailing in the industry. Crude palm oil prices are determined by the supply and demand for edible oils in the world market. The recent shortfall in oil seeds production has resulted in a rally of palm oil prices but increased production could reverse the supply/demand gap.

Apart from competing with palm oil producers of other countries, Boustead Group also faces competition from producers of other vegetable oils such as soya bean oil, sunflower oil, coconut oil and rapeseed oil. There is no assurance that Boustead Group will be able to maintain its existing market share in the future.

The Boustead Group is monitoring the movements in the crude palm oil market to maximise its returns. In addition, the management also adopts a forward sales policy of up to 24 months to lock in profits at levels well above production cost.

9.1.2 Risk Inherent in the Property Division

The Group's revenue is also dependent on its property division, which contributed 21% of its turnover for the financial year ended 31 December 2002. Its property income is fuelled by contributions from the property development projects in Mutiara Damansara, Selangor and Mutiara Rini, Johor. In addition, the Group's flagship retail property, the "Curve" in Mutiara Damansara is expected to contribute further to the division's income upon its completion expected in end of 2004.

However, the Group's income from its property division is inherently reliant on the outlook of the Malaysian property market. No guarantee can be given on the completion of the Group's property developments as scheduled in the event the property markets are adversely affected by a downward change in the economic outlook. Nonetheless, the prime location of the property projects would provide a cushion to any downturn in the economy.

9.1.3 Risk Inherent in the Finance and Investment Division

The overall profitability of the Group's Finance and Investment Division will largely be influenced by the performance of Affin Holdings Berhad ("Affin Holdings"), an associated company of Boustead. For the financial year ended 31 December 2001, the Group's results were adversely affected by a loss of RM747 million recorded by Affin Bank Berhad (a subsidiary company of Affin Holdings) which led to the Group posting a pre-tax loss of RM15 million. The Group would have recorded a pre-tax profit of RM151 million for that year, if the loss contributed by Affin Holdings were excluded.

Nonetheless, even though contribution from this division improved in the financial year ended 31 December 2002, there is no assurance that the financial performance of this Division will not have any adverse impact on Boustead.

9.2 Market Price of Boustead Shares

The market price of Boustead Shares on the KLSE is dependent on, amongst others, prevailing stock market sentiment, the volatility of the stock market, interest rates, future profitability of the Group and the industry in which the Group operates. Subsequent to the Rights Issue, the market price of Boustead Shares will be adjusted to take into account the additional number of shares issued. However, there is no assurance that the market price of Boustead Shares will be maintained at any particular level subsequent to the Rights Issue.

9.3 Foreign Exchange Fluctuations

On 1 September 1998, the Malaysian Government imposed a fixed exchange rate at RM3.80/USD1.00, thus minimising foreign exchange risk. However, there can be no assurance that the exchange rate peg will remain or that future foreign exchange fluctuations will not adversely affect Boustead.

9.4 Political, Economic and Regulatory Considerations

Adverse developments in political, economic and social conditions in Malaysia and the rest of the world may materially affect the financial prospects of Boustead Group. Political and economic uncertainties include risks of war, changes in political leadership, expropriation, global economic downturn, unfavourable change in government policy, changes in interest rates and methods of taxation and currency exchange. There can be no assurance that such adverse political and economical factors will not materially affect the Boustead Group and its results of operations.

To mitigate for any adverse developments, Boustead undertakes to assess any impact of the political, economic and regulatory movements in foreign jurisdiction on its financial prospects prior to determining the appropriate actions.

9.5 Dependence on Key Personnel

The past performance of the Boustead Group, to a certain extent depends on the abilities and efforts of its existing Directors, senior management and skilled personnel. As part of its succession plan, every effort is being made to groom the young members to ensure a smooth transition in the management team. In addition, the Group has good relationship with its management and enjoys support from its staff. Hence, the effect of the loss of any of the Group's Directors or key management team is mitigated.

9.6 Competition

The Group faces competition from other participants in the plantation, property development, manufacturing, trading, hotels and financial services industries. While the Group will continue to seek to maintain its competitive position within the aforementioned industries, no assurance can be given that the Group will be able to maintain its existing market position in the future.

Nonetheless, the Group is confident that it will continue to uphold its competitiveness by virtue of its established track record in each of the industries and ability to adopt flexible strategies to counter any possible threats.

9.7 Control by Substantial Shareholder

Presently, LTAT directly holds 74.51% of Boustead. Hence, LTAT will be able to control the outcome of all matters requiring the vote of the Company's shareholders unless they are required by law and/or by the relevant authorities to abstain from voting. Notwithstanding this, any corporate proposals involving the Group for the benefit of LTAT is constrained by the appropriate regulations and disclosure requirements of the relevant authorities.

9.8 Borrowings

The Group's total long-term and short-term borrowings as at 15 September 2003 amounted to RM1,851.7 million. On the assumption that the total borrowings would be reduced by RM200 million from the proceeds of the Rights Issue, this would result in a gearing of 0.95 times based on the proforma shareholders funds as at 31 December 2002, assuming full subscription of the Rights Issue. The borrowings of the Group which are subjected to variable interest rates amounted to RM793.1 million. As such, any unfavourable change in the prevailing interest rates may adversely affect the cashflow of the Group and increase the Group's interest cost.

Boustead is cautious on borrowing excessively to finance its property development or any other capital intensive projects. It intends to largely support its working capital requirements and certain portions of its capital expenditure through internally generated funds. In addition, approximately RM200 million of the proceeds from the Rights Issue will be used to retire part of the bank borrowings of the Group whilst up to RM15.149 million of the proceeds will be used as working capital of the Group.

9.9 Liquidity and Cashflow Risk

The Group's capital commitment as at 15 September 2003 amounted to RM192 million, of which RM75 million are capital expenditure authorised but not contracted.

The Group finances its investments and operations through operating cashflows as well as bank borrowings which remain high at RM1,851.7 million as at 15 September 2003. In addition, the Group's cash balances (including short term deposits and money held under Housing Development Accounts) stood at RM98.5 million on that date. Therefore, it is unlikely that the Group will face any liquidity risk due to its ability to arrange additional borrowings after taking into account its strong shareholder funds and future cash inflows.

9.10 Adequacy of Insurance Coverage on the Group's Assets

As at 31 December 2002, the net book value of fixed assets, including land, is RM1,489 million and the value of inventories is RM95.1 million respectively. Although the Group has taken the necessary measures to ensure that all its assets are adequately covered by insurance, there can be no assurance that the insurance coverage would be adequate for the replacement cost of the assets or any consequential loss arising therefrom.

9.11 Restrictive Covenants Under Credit Facility Agreements

The Boustead Group has outstanding bank borrowings of RM1,851.7 million as at 15 September 2003 which includes the RM300 million bridging facilities incurred by Boustead to fund the Voluntary Offer. The said bridging facilities which will expire on 23 December 2003 contains certain financial covenants that, among other things, may restrict the ability of the Group to dispose of major assets and/or incur liens on properties. A breach of any of these covenants may lead to the lenders declaring the outstanding amount as due and payable. In such event, the Group's financial ability to repay its obligations would be adversely affected.

In addition, the Directors of Boustead are aware of such covenants and shall take all necessary precautions to prevent any breach. As stipulated under Section 5 of this Abridged Prospectus, Boustead intends to utilise RM200 million from the proceeds of the Rights Issue towards part repayment of its short-term borrowings relating to the Voluntary Offer.

9.12 Material Litigation

Save as disclosed in Section 5 of Appendix VIII of this Abridged Prospectus, Boustead and its subsidiary companies are not involved in any material litigation, either as plaintiff or defendant, claims or arbitration and the Directors do not have any knowledge of any proceedings, pending or threatened against Boustead and/or its subsidiary companies, or of any facts likely to give rise to any proceedings which might materially affect the financial position or business of Boustead and/or its subsidiary companies.

9.13 Risk Associated with the Voluntary Offer

9.13.1 Continuity of Management

The success of the Kuala Sidim Group will depend to a significant extent upon the skills, experiences, abilities and the continued efforts of its management. Any change in management could either contribute positively to the performance of the Kuala Sidim Group or adversely affect the Kuala Sidim Group and the industries in which the groups operate in.

Kuala Sidim Group has instituted various steps to ensure the continuity of the existing management such as recruitment and training of new personnel for future succession.

9.13.2 No Assurance of Future Success

There is no guarantee that Kuala Sidim Group will be able to compete successfully against other agricultural players or to maintain or increase its market share in the future amidst the trends of globalisation, liberalisation and specialisation. The challenge will be for Kuala Sidim Group to remain innovative and evolve rapidly with the growing demands of the agricultural industry in order to capture the relevant market share and increase its profitability.

In order to mitigate any decline in performance, the Kuala Sidim Group has embarked on a productivity and efficiency improvement programme which amongst others will assist to identify factors which will increase the yields of each individual estate. In addition, the young age profile of the existing oil palms will increase the current yields in years to come as the oil palms fully mature.

9.13.3 Material Litigations against Boustead Arising from the Compulsory Acquisition of Kuala Sidim

On the 22nd July 2003, Boustead had announced on the even date that it had received approximately 90.4% acceptances for its Voluntary Offer, resulting in the Company holding not less than ninth tenths of the Offer Shares of Kuala Sidim (excluding shares by LTAT, which is deemed as a related corporation). Accordingly, Boustead had on the 8th August 2003 served a notice to the dissenting shareholders of Kuala Sidim that it intends to invoke the Compulsory Acquisition for the remaining shares it does not hold under Section 34 of the SC Act.

Nonetheless, on the 3rd September 2003, Boustead was served with Originating Summonses (“OS”) from a group of dissenting shareholders of Kuala Sidim who collectively hold 287,000 shares representing approximately 0.23% of the existing issued and paid up share capital of Kuala Sidim. In the Affidavit served in the Originating Summonses, the group of dissenting shareholders had requested that Boustead amongst others, shall not be entitled and shall not be bound to acquire the shares at RM6.00 per share and alternatively, shall be bound to acquire the said shares at a fair price as determined by the High Court.

The Board, after consultation with its legal advisers, is of the opinion that the Notices of the OS(s) have no merits and has a good defence to the respective claims.

10. WORKING CAPITAL, BORROWINGS AND CONTINGENT LIABILITIES

10.1 Working Capital

The Directors of the Company are of the opinion that the Company has sufficient working capital to meet the needs of the Group at least for the next twelve (12) months from the date of this Abridged Prospectus.

10.2 Borrowings

As at 15 September 2003, being the latest practicable date prior to the printing of this Abridged Prospectus, the Group had total outstanding borrowings as follows:

	RM'000
Short-term borrowings	1,061,600
Long-term borrowings	790,100
Total outstanding borrowings	1,851,700
Borrowing attract interest rates of 5.5%	

There has been no default on payments of either interest and/or principal sums in respect of the above borrowings throughout the past one (1) financial year and the subsequent financial period thereof to the date immediately preceding the date of this Abridged Prospectus.

10.3 Contingent Liabilities

There are no contingent liabilities which, in the opinion of the Board, will or may substantially affect the ability of the Group to meet its obligations as and when they fall due.

10.4 Capital Commitments

The Group has the following capital commitments as at 15 September 2003:

	RM'000
<i>Authorised but not contracted:</i>	
Capital expenditure	75,000
<i>Authorised and contracted:</i>	
Capital expenditure	102,000
Proposed voluntary offer of Kuala Sidim Berhad	15,000
Group's total capital commitment	192,000

The above capital commitments relate to, inter-alia, the construction of a chilling plant and The Curve in Mutiara Damansara, Selangor, plantation development for the Group as well as other capital expenditures which are financed by the Group's operating cashflows and borrowings.

11. SUBSTANTIAL SHAREHOLDER'S UNDERTAKING AND UNDERWRITING ARRANGEMENT**11.1 Substantial Shareholder's Undertaking for the Rights Issue**

The Company has received a written irrevocable undertaking dated 14 March 2003 from its substantial shareholder, LTAT to fully subscribe for its entitlement of 101,661,867 Rights Shares at an issue price of RM1.60 per Rights Share as set out below:-

Shareholder	No. of Boustead shares held as at 15 September 2003	% of existing issued and paid-up capital	No of Rights Shares undertaken	% of Rights Issue	Undertaking Amount RM'000
LTAT	203,323,734	74.51%	101,661,867	74.51	162,658,987

11.2 Underwriting Arrangement for the Rights Issue

The 101,661,867 Rights Shares representing 74.51% of the Rights Issue for which LTAT has already given their written irrevocable undertaking to subscribe shall not be underwritten.

The remaining balance of 34,774,955 Rights Shares representing 25.49% of the Rights Issue is underwritten and the underwriting agreement were entered on 25 August 2003 between Boustead, Affin Merchant and Affin-UOB Securities Sdn Bhd.

Underwriters	No of Rights Shares Underwritten	Underwriting Amount RM'000	% of Rights Issue	Underwriting Commission (at 1.25%) RM'000
Affin Merchant	26,974,955	43,159,928	19.77%	539,499
Affin-UOB Securities Sdn Bhd	7,800,000	12,480,000	5.72%	156,000
Total	34,774,955	55,639,928	25.49%	695,499

The underwriting commission and all other associated costs in relation to the underwriting arrangement will be borne by the Company.

12. CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is governed by the terms and conditions of the enclosed RSF and this Abridged Prospectus.

13. QUOTATION AND DEALING

Approval-in-principle was obtained from the KLSE on 13 August 2003 for the dealing in and quotation for all the Rights Shares and Bonus Shares.

The official listing of and quotation for the Rights Shares on the Official List of KLSE will commence upon receipt of confirmation from MCD that all CDS accounts have been duly credited and notices of allotment have been despatched to them.

14. DETAILS OF THE BONUS ISSUE

The Bonus Issue entails the issuance of up to 145,622,156 new ordinary shares of RM0.50 each in Boustead to be credited as fully paid on the basis of one (1) new Bonus Share for every three (3) ordinary shares in Boustead held at the entitlement date for the Bonus Issue which will be after the issuance and allotment of the Rights Shares. For the avoidance of doubt, a shareholder holding two (2) Boustead Shares who successfully subscribed for one (1) Rights Share will subsequently be entitled to one (1) Bonus Share. However, should the shareholder renounce his entitlement for the Rights Share, the quantum of Bonus Share entitled to the said shareholder will be on the ratio of the Bonus Shares based on his existing shareholding as at the entitlement date for the Bonus Issue.

The Bonus Issue takes into consideration the existing share capital of the Company pursuant to the Rights Issue and the outstanding ESOS options of 27,556,000 as at 15 September 2003. In the event that the outstanding ESOS options are not exercised at the entitlement date for the Bonus Issue, the number of Bonus Shares to be issued would be reduced to 136,436,822.

The Bonus Issue will be effected by capitalising up to approximately RM72.8 million of the share premium account available in the Company. Based on the audited accounts of Boustead as at 31 December 2002, the share premium account of the Company stands at approximately RM283.9 million.

In determining the shareholders entitlement to the Bonus Issue, fractional entitlements will be disregarded and dealt with in such a manner as the Directors in their discretion think expedient and in the interest of the Company.

As the Bonus Shares are Prescribed Securities, the Bonus Shares will be credited directly into the respective CDS accounts of the entitled shareholders and no physical certificates will be issued. However, the notice of allotment will be despatched to the entitled shareholders and an application for quotation of the Bonus Shares will be made within ten (10) market days of the Books Closure Date for the Proposed Bonus Issue or such other period as may be prescribed by the KLSE.

The Bonus Shares shall, upon allotment and issue, rank pari passu in all respect with the existing Boustead Shares in issue except that they will not be entitled to any dividends, rights and/or distributions, the entitlement date of which is prior to the date of allotment of the Bonus Shares.

15. 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



Y. Bhg. Gen. (B) Tan Sri Dato' Mohd Ghazali Hj. Che Mat
Chairman

APPENDIX I

CERTIFIED TRUE EXTRACT OF THE ORDINARY RESOLUTIONS ADOPTED AT THE EGM OF BOUSTEAD HOLDINGS BERHAD CONVENED ON 27 JUNE 2003

A reproduction of the certified true extract of the ordinary resolutions passed at the EGM of Boustead convened at 4th Floor, Menara Boustead, No. 69, Jalan Raja Chulan, 50200, Kuala Lumpur on Friday, 27 June 2003 is set out as follows:

ORDINARY RESOLUTION 1– PROPOSED RIGHTS ISSUE

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF UP TO 150,215,000 NEW ORDINARY SHARES OF RM0.50 EACH (“RIGHTS SHARES”) ON THE BASIS OF ONE (1) NEW RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES HELD AT AN INDICATIVE ISSUE PRICE OF RM1.50 PER SHARE (“PROPOSED RIGHTS ISSUE”)

“**THAT** subject to the approval in principle of Kuala Lumpur Stock Exchange for the listing and quotation of the new ordinary shares of RM0.50 each to be issued hereunder and any other relevant authority, the Directors be and are hereby authorised to issue up to 150,215,000 new ordinary shares of RM0.50 each by way of a rights issue at an issue price to be determined later which will be based on the weighted average market price of ordinary shares of RM0.50 each in Boustead Holdings Berhad for a period of five (5) market days before the price-fixing date with an appropriate discount to the theoretical ex-rights price to be determined by the Directors, but shall not in any event be less than the par value of the ordinary shares of RM0.50 each (“Rights Shares”), and to offer such ordinary shares by way of rights to all shareholders of the Company whose names appear on the Register of Members and/or the Record of Depositors as at the close of business on a date to be determined and announced later by the Directors, payable in full upon acceptance, on the basis of 1 new ordinary share for every 2 existing ordinary shares held, fractional entitlements arising will be disregarded and dealt with by the Directors in such manner as the Directors of the Company in their absolute discretion may deem fit and in the interest of the Company so as to minimise the incidence of odd lots, and that such new ordinary shares shall upon allotment and issue rank pari passu in all respect with the existing issued and paid-up ordinary shares except that they shall NOT be entitled to any dividends, rights, allotments or other distributions in respect of which the entitlement date of which is prior to the date of allotment of the Rights Shares **AND THAT** the Directors be and are hereby authorised to give full effect to the Proposed Rights Issue with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the Securities Commission, Kuala Lumpur Stock Exchange and any other relevant authority and to do all such acts and to enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to give full effect to the Proposed Rights Issue.”

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ORDINARY RESOLUTION 2

PROPOSED BONUS ISSUE OF UP TO 150,215,000 NEW ORDINARY SHARES OF RM0.50 EACH (“BONUS SHARES”) ON THE BASIS OF ONE (1) NEW BONUS SHARE FOR EVERY THREE (3) ORDINARY SHARES HELD SUBSEQUENT TO THE PROPOSED RIGHTS ISSUE (“PROPOSED BONUS ISSUE”)

“**THAT** subject to the passing of Ordinary Resolution 1 and the approval in principle of Kuala Lumpur Stock Exchange for the listing and quotation of the new ordinary shares of RM0.50 each to be issued hereunder and any other relevant authority, the Directors be and are hereby authorised to capitalise up to RM75,107,500 from the Share Premium Account of the Company, by way of bonus issue and that the same be applied in making payment in full at par for up to 150,215,000 new ordinary shares of RM0.50 each in the share capital of the Company (“Bonus Shares”), such new ordinary shares to be distributed and credited as fully paid-up to all shareholders of the Company whose names appear on the Register of Members and the Record of Depositors as at the close of business on a date to be determined and announced later by the Directors, on the basis of 1 new ordinary share for every 3 ordinary shares held subsequent to the Proposed Rights Issue, fractional entitlements arising will be disregarded and dealt with by the Directors in such manner as the Directors of the Company in their absolute discretion may deem fit and in the interest of the Company so as to minimise the incidence of odd lots, and that such new ordinary shares shall upon allotment and issue rank pari passu in all respect with the existing issued and paid-up ordinary shares except that they shall NOT be entitled to any dividends, rights, allotments or other distributions in respect of which the entitlement date of which is prior to the date of allotment of the Bonus Shares **AND THAT** the Directors be and are hereby authorised to give full effect to the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the Securities Commission, Kuala Lumpur Stock Exchange and any other relevant authority and to do all such acts and to enter into all such transactions, arrangements and agreements as they may consider necessary or expedient to give full effect to the Proposed Bonus Issue.”

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INFORMATION ON BOUSTEAD**1. HISTORY AND BUSINESS**

Boustead was incorporated in Malaysia as a public company under the Companies Ordinances, 1940–1946 on 25 July 1960 and is presently listed on the Main Board of the KLSE.

Boustead is principally an investment holding company. The principal activities of the subsidiaries of Boustead Group include the ownership and/or managing rubber and large oil palm plantations; marketing, selling and distributing imported and locally manufactured products; shipping agencies, travel offices and car rental franchises; property development, leasing, managing commercial and residential properties; education, manufacturing and marketing materials handling systems; and paints manufacturer. The associated companies of Boustead are mainly involved in operating a commercial bank and a merchant bank; confectionery, toiletries and fiber cement products; financial services and engaging in general insurance.

2. SHARE CAPITAL

The authorised and issued and paid-up share capitals of Boustead as at 15 September 2003 are as follows:

	No. of ordinary shares	Par Value RM	Total RM
Authorised	1,000,000,000	0.50	500,000,000.00
Issued and fully paid-up	272,873,645	0.50	136,436,822.50

3. CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL SINCE INCORPORATION

Year of allotment	No. of shares	Par Value RM	Consideration	Total RM
Pre-1968	#	#	#	5,000,000.00
1968	2,000,000	1.00	Bonus Issue of 2 for 5	7,000,000.00
1971	3,000,000	1.00	Rights Issue of 3 for 7	10,000,000.00
1972	2,000,000	1.00	Bonus Issue of 1 for 5	12,000,000.00
	190,000 (partly paid)	1.00	Issued pursuant to Share Incentive Scheme at RM3.59 per share	12,190,000.00
1973	3,000,000	1.00	Bonus Issue of 1 for 4	15,190,000.00
	40,000 (partially paid)	1.00	Additional shares issued pursuant to Share Incentive Scheme at RM5.70 per share	15,230,000.00
1974	47,500	1.00	Bonus under Share Incentive Scheme	15,277,500.00
1975			Capital Reduction under Scheme of Arrangement*	7,638,750.00
1976	5,722,500	0.50	Private Placements to Malaysian Institutional Investors at RM2.80 per share	10,500,000.00
1977	21,000,000	0.50	Bonus Issue of 1 for 1	21,000,000.00

Year of allotment	No. of shares	Par Value RM	Consideration	Total RM
1978	4,200,000	0.50	Bonus Issue of 1 for 10	23,100,000.00
1980	15,400,000	0.50	Bonus Issue of 1 for 3	30,800,000.00
1981	20,533,333	0.50	Rights Issue of 1 for 3 at RM2.00 per share	41,066,666.50
	41,066,667	0.50	Bonus Issue of 1 for 2 (inclusive of Rights Issue)	61,600,000.00
1982	19,425,006	0.50	Issue of 19,425,006 shares at RM2.63 per share to acquire 6,475,002 shares in Barlow Boustead Estates Agency Sdn Bhd	71,312,503.00
1984	5,689,740	0.50	Issue of 5,689,740 shares at RM2.60 per share to acquire 3,745,145 shares in UAC Bhd	74,157,373.00
1985	29,662,949	0.50	Rights Issue of 1 for 5 at RM1.50 per share	88,988,847.50
1992	94,205,950	0.50	Issue of 94,205,950 shares at RM2.60 per share to acquire 153,084,668 shares in Affin Holdings Berhad	136,091,822.50
1996	5,000	0.50	Employees' share option scheme shares	136,094,322.50
1997	564,000	0.50	Employees' share option scheme shares	136,376,322.50
2002	118,000	0.50	Employees' share option scheme shares	136,435,322.50
2003	3,000	0.50	Employees' share option scheme shares	136,436,822.50

Notes:

* On 28 July 1975, the shareholders of Boustead approved a reduction in the issued share capital from RM1.00 to RM0.50 paid-up per share to reflect the disposal to shareholders of the investment in Boustead Co. Singapore Ltd. This reduction in share capital was sanctioned by the High Court in Malaysia on 22 September 1975. Arising from this reduction, the total par value of the 15,277,500 shares already issued was reduced from RM15,277,500 to RM7,638,750.

Boustead is unable to disclose the changes in its issued and paid-up share capital prior to 1968 due to the unavailability of records.

4. SUBSTANTIAL SHAREHOLDER

As at 15 September 2003, LTAT is the only substantial shareholder holding 5% or more interest in the shares of Boustead. The proforma effects of the Rights Issue on the shareholdings of LTAT in Boustead is as follows:

Shareholder	Country of incorporation	Before the Rights Issue				After the Rights Issue			
		Direct		Indirect		Direct		Indirect	
		No. of Shares held	% held	No. of Shares held	% held	No. of shares held	% held	No. of shares held	% held
LTAT	Malaysia	203,323,734	74.51	-	-	304,985,601	74.51	-	-

5. DIRECTORS

The occupations, nationalities and addresses of the Board is set out under the Corporate Information of this Abridged Prospectus. The proforma effects of the Rights Issue on the shareholdings of the Board (assuming the Board will subscribe to their entitlements pursuant the Rights Issue) based on their shareholdings as at 15 September 2003 are as follows:

		Before the Rights Issue				After the Rights Issue			
		Direct		Indirect		Direct		Indirect	
Name	Age	No. of shares held	% held	No. of shares held	% held	No. of shares held	% held	No. of shares held	% held
Gen (B) Tan Sri Dato' Mohd Ghazali Hj Che Mat	72	-	-	-	-	-	-	-	-
Tan Sri Dato' Lodin Wok Kamaruddin*	54	-	-	-	-	-	-	-	-
Lt. Gen (B) Dato' Mohd. Yusof Din	72	-	-	-	-	-	-	-	-
Tuan Hj. Johari Muhamad Abbas	71	33,000	-	-	-	49,500	-	-	-
Dato' (Dr) Megat Abdul Rahman Megat Ahmad	63	-	-	-	-	-	-	-	-
Azzat Kamaludin	57	-	-	-	-	-	-	-	-

Notes:

* In 2001, Tan Sri Dato' Lodin Wok Kamaruddin was granted a five-year option to subscribe for 500,000 Boustead Shares at an option price of RM1.88 per new Boustead share pursuant to the employees share option scheme ("ESOS"). As at 15 September 2003, the said ESOS has yet to be exercised by him.

In addition, Tan Sri Dato' Lodin Wok Kamaruddin has been granted a five-year option by LTAT to acquire 9,500,000 Boustead Shares from LTAT at RM2.41 per share. As at 15 September 2003, the option has yet to be exercised and will expire on 22 November 2003.

6. SUBSIDIARY AND ASSOCIATED COMPANIES

Details of the subsidiary and associated companies of Boustead as at 15 September 2003 are as follows:

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Subsidiary companies of Boustead				
Kuala Sidim Berhad	04.07.10 Malaysia	98	RM124,521,383	Investment holdings, rubber and oil palm plantations
SCB Developments Berhad	16.02.11 Malaysia	52	RM176,346,464	Investment holdings, property investments and oil palm plantations
Bestari Marine Sdn Bhd	16.05.77 Malaysia	100	RM35,000	Marine consulting and surveying services
Boustead Credit Sdn Bhd	14.11.79 Malaysia	100	RM15,000,000	Hire purchase and lease financing
Boustead Development Sdn Bhd	12.08.91 Malaysia	100	RM1,000,000	Project management for property development
Boustead Engineering Sdn Bhd	22.05.61 Malaysia	100	RM8,000,000	Engineering equipment and chemicals distributor
Boustead Information Technology Sdn Bhd	21.08.90 Malaysia	100	RM1,000,000	Computer service and systems design
Boustead Johan Edaran Sdn Bhd	20.07.93 Malaysia	95	RM6,000,000	Marketing and distribution of building materials
Boustead Management Services Sdn Bhd	24.03.67 Malaysia	100	RM1,000,000	Provision of management services
Boustead Mint Sdn Bhd	04.08.78 Malaysia	100	RM1,500,000	Dormant
Boustead Shipping Agencies Sdn Bhd	19.12.73 Malaysia	100	RM200,000	Shipping agents
Boustead Sissons Paints Sdn Bhd	21.09.59 Malaysia	70	RM6,750,000	Paint manufacturer
Boustead Trading (1985) Sdn Bhd	30.01.48 Malaysia	100	RM15,000,000	Marketing and distribution of consumer products

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Boustead Travel Services Sdn Bhd	09.02.72 Malaysia	100	RM1,500,000	Travel agents, tour operators and dealers in traveller's cheques
Emasewa Sdn Bhd	19.02.82 Malaysia	100	RM1,625,159	Car rental services
Emastulin Automobile Sdn Bhd	08.08.75 Malaysia	100	RM17,000,000	Automobile dealership
Holiday Bath Sdn Bhd	08.05.59 Malaysia	100	RM1,750,000	Rubber and palm oil brokering
Progress Castings (1982) Sdn Bhd	07.09.70 Malaysia	100	RM2,000,000	Property investment
Weld Quay Realty Sdn Bhd	09.06.81 Malaysia	100	RM2,000,000	Property investment
Boustead Global Trade Network Sdn Bhd	17.05.95 Malaysia	100	RM3,000,000	Consumer goods distributor
Jernih Rezeki Sdn Bhd	03.11.94 Malaysia	51	RM5,000,000	Property development
Malaysian Welding Industries Sdn Bhd	15.07.81 Malaysia	75	RM2,500,000	Investment holdings
Boustead Estates Agency Sdn Bhd	23.02.66 Malaysia	100	RM1,050,000	Plantation management
The University of Nottingham in Malaysia Sdn Bhd	09.12.98 Malaysia	59	RM38,100,000	Operation of a university
Adskill Sdn Bhd	22.06.95 Malaysia	51	RM200,000	Education and training services
Advertising Force (M) Sdn Bhd	19.05.94 Malaysia	100	RM500,002	Advertising agency
Boustead Education Network Sdn Bhd	21.06.95 Malaysia	100	RM100,000	Investment holdings
Filmnet Academy Sdn Bhd	26.11.96 Malaysia	100	RM200,000	Dormant
Asia Coins Sdn Bhd	11.04.00 Malaysia	100	RM2	Dormant

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Associate companies of Boustead				
Affin Holdings Bhd	31.05.75 Malaysia	26	RM992,619,146	Financial services group
Drew Ameroid (Malaysia) Sdn Bhd	03.07.74 Malaysia	50	RM20,000	Industrial chemicals distributor
BTL Sdn Bhd	12.04.89 Malaysia	50	RM30,000	Hydrographic survey
Pavilion Entertainment Centre Sdn Bhd	10.03.95 Malaysia	50	RM3,000,000	Property development
Kao (Malaysia) Sdn Bhd	20.03.73 Malaysia	45	RM16,000,000	Distributor of toiletries and household products
UAC Berhad	28.08.63 Malaysia	40	RM72,074,000	Fibre cement products manufacturer
P & O Nedlloyd M.A. Sdn Bhd	21.04.72 Malaysia	40	RM50,000	Shipping agent
Cadbury Confectionery Malaysia Sdn Bhd	10.07.74 Malaysia	25	RM8,185,000	Chocolate and sugar confectionery manufacturer
Riche Monde Sdn Bhd	22.08.70 Malaysia	50	RM5,600,000	Wine and spirits distributor
Wah Seong Boustead Co Ltd	31.07.92 Myanmar	50	Kyat2,760,000	Consumer and building products distributor
Royal & Sun Alliance Insurance (M) Bhd	29.10.76 Malaysia	35	RM107,267,790	General Insurance
Subsidiary companies of Kuala Sidim Berhad				
Sungai Jernih Plantations Sdn Bhd <i>(formerly known as LKPP-Perwira Sdn Bhd)</i>	16.08.82 Malaysia	98	RM98,901,610	Oil palm plantation
Perwira Plantations Sdn Bhd	25.04.83 Malaysia	98	RM57,120,000	Oil palm plantation
Segamaha Development Sdn Bhd	28.06.77 Malaysia	98	RM40,000,000	Oil palm plantation

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Bounty Crop Sdn Bhd	27.02.95 Malaysia	98	RM30,000,000	Investment holding
Ladang Segaria Sdn Bhd	15.08.73 Malaysia	98	RM13,400,000	Oil palm plantation
Syarikat Hing Lee Plantations Sdn Bhd	21.10.77 Malaysia	98	RM15,000,000	Oil palm plantation
Resort Corporation (Sabah) Sdn Bhd	18.09.75 Malaysia	98	RM18,000,520	Oil palm plantation
Gradient Holdings Sdn Bhd	07.08.81 Malaysia	98	RM10,000,000	Oil palm plantation
Yaw Lim Plantations Sdn Bhd	27.12.78 Malaysia	98	RM6,000,000	Oil palm plantation
Nasiry Plantations Sdn Bhd	18.07.80 Malaysia	98	RM3,000,000	Coconut plantation
Syarikat Kemajuan Bumi-Daya (Sabah) Sdn Bhd	07.04.75 Malaysia	98	RM1,346,408	Oil palm plantation
Kedah Oil Palms Berhad	26.10.65 Malaysia	98	RM1,000,000	Oil palm plantation
Rimba Nilai Sdn Bhd	13.06.95 Malaysia	98	RM500,000	Oil palm plantation
Solandra Sdn Bhd	08.06.81 Malaysia	98	RM200,000	Oil palm and teak plantation
Ladang Silasuka Sdn Bhd	15.01.80 Malaysia	96	RM10,000,000	Oil palm plantation
Ladang Sungai Manar Sdn Bhd	25.03.91 Malaysia	87	RM4,500,000	Oil palm plantation
Heah Joo Seang Rubber Estates Sdn Bhd	19.01.54 Malaysia	69	RM9,184,000	Oil palm plantation
P.T. Dendymarker Indahlestari	04.11.94 Indonesia	64	Rp45,000,000,000	Oil palm plantation
Loagan Bunut Plantations Sdn Bhd	19.03.88 Malaysia	59	RM48,000,000	Oil palm and teak plantation
Kanowit Oil Palm Plantations Sdn Bhd	25.10.95 Malaysia	59	RM34,560,000	Oil palm plantation
Minat Warisan Sdn Bhd	08.02.95 Malaysia	54	RM13,300,000	Investment holding

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
P.T. Anam Koto	21.04.90 Indonesia	51	Rp14,000,000,000	Oil palm plantation
Oil Bulking (Kedah) Sdn Bhd	22.02.82 Malaysia	50	RM7,000,000	Bulking edible oil
Modenmax Sdn Bhd	16.07.97 Malaysia	98	RM2	Dormant
Kanowit Oil Palm Mill Sdn Bhd	01.04.96 Malaysia	98	RM2	Processing of palm oil

Associate company of Kuala Sidim Berhad

Applied Agricultural Research Sdn Bhd	23.09.82 Malaysia	24	RM500,000	Agricultural research and advisory services
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Subsidiary companies of SCB Developments Berhad

U.K Realty Sdn Bhd	27.08.81 Malaysia	52	RM40,000,000	Property investment
Weld Court Realty Sdn Bhd	10.04.73 Malaysia	52	RM20,000,000	Property investment
Luboh Anak Batu Estate Sdn Bhd	20.02.67 Malaysia	52	RM1,950,000	Rubber and oil palm plantation
Mutiara Rini Sdn Bhd	12.08.94 Malaysia	52	RM50,000,000	Property development
Optima Jaya Sdn Bhd	07.11.85 Malaysia	52	RM50,000,000	Operation of hotel and investment holding
Akademi Pendidikan Pemandu (M) Sdn Bhd	13.10.95 Malaysia	39	RM5,000,000	Property development

Associate companies of SCB Developments Berhad

Applied Agricultural Research Sdn Bhd	23.09.82 Malaysia	13	RM500,000	Agricultural research & advisory services
Damansara Entertainment Centre Sdn Bhd	16.05.01 Malaysia	26	RM17,000,000	Property investment

Subsidiary companies of Weld Court Realty Sdn Bhd

Nam Seng Bee Hoon	18.09.74 Malaysia	52	RM360,000	Property investment
Apas Plaza Sdn Bhd	11.10.83 Malaysia	52	RM250,000	Dormant

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Eng Han Sdn Bhd	02.01.80 Malaysia	52	RM40,000	Dormant
Subsidiary companies of Mutiara Rini Sdn Bhd				
Promenade Realty Sdn Bhd	23.06.83 Malaysia	52	RM1,549,000	Property investment
Mutiara Rini Linear DCP Sdn Bhd	10.02.03 Malaysia	60	RM10	Construction of district cooling plant and supply of chilled water for cooling
Subsidiary company of Boustead Information Technology Sdn Bhd				
Boustead Electronic Commerce Sdn Bhd	03.12.97 Malaysia	100	RM100,000	Ceased operation
Subsidiary company of Boustead Electronic Commerce Sdn Bhd				
EC Pay Sdn Bhd	20.04.99 Malaysia	100	RM2	Dormant
Associate companies of Boustead Information Technology Sdn Bhd				
Asia Smart Cards Centre (M) Sdn Bhd	11.04.01 Malaysia	50	RM100,000	Centre of smart card personalisation
Boustead IT Telecommunication Sdn Bhd	07.07.00 Malaysia	45	RM250,000	E-commerce and portal business
Subsidiary companies of Boustead Estates Agency Sdn Bhd				
Boustead Advisory and Consultancy Services Sdn Bhd <i>(formerly known as Boustead Estates Agency (Sabah) Sdn Bhd)</i>	24.03.84 Malaysia	100	RM500,002	Plantation management and engineering consultancy
Boustead-Anwarsyukur Estate Agency Sdn Bhd	09.07.92 Malaysia	51	RM500,000	Plantation management
Associate company of Boustead Estates Agency Sdn Bhd				
Boustead Bulking Sdn Bhd	12.12.66 Malaysia	43	RM1,000,000	Bulking of edible oil

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Subsidiary companies of Boustead Shipping Agencies Sdn Bhd				
AB Shipping Sdn Bhd	20.05.76 Malaysia	100	RM45,000	Shipbroker
Cargo Freight Shipping Sdn Bhd	13.04.83 Malaysia	70	RM186,000	Shipping agent
Boustead Shipping Agencies (B) Sdn Bhd	03.12.96 Brunei	70	B\$100,000	Shipping agent
AB Shipping Pte Ltd	20.05.76 Singapore	100	S\$100,000	Shipping agent
Malakoff Management Services Pte Ltd	29.04.92 Singapore	100	S\$100,000	Management services
Boustead Wartsila Sdn Bhd	03.01.95 Malaysia	100	RM2	Dormant
Boustead Trade Network Pte Ltd	12.08.98 Singapore	100	S\$100,000	Dormant
Subsidiary company of Cargo Freight Shipping Sdn Bhd				
Cargo Freight Shipping (Johor) Sdn Bhd	01.07.97 Malaysia	70	RM50,000	Dormant
Associate companies of Boustead Shipping Agencies Sdn Bhd				
Hyundai Merchant Marine Sdn Bhd	07.06.99 Malaysia	30	RM380,000	Shipping agent
Kawasaki Kinkai Kisen Kaisha (M) Sdn Bhd	14.07.00 Malaysia	30	RM500,000	Shipping agent
Subsidiary company of Boustead Sissons Paints Sdn Bhd				
Boustead Sissons Paints China Sdn Bhd	13.08.96 Malaysia	42	RM2,200,000	Investment holding and management
Subsidiary company of Boustead Sissons Paints China Sdn Bhd				
Sissons Paints Co Ltd Shaoxing	14.07.97 China	42	RMB8,693,329	Paint manufacturer
Subsidiary companies of Boustead Trading (1985) Sdn Bhd				
Boustead Sales and Services Sdn Bhd	12.06.59 Malaysia	100	RM4,250,000	Acting as underwriting agent for general insurance

Name of company	Date and place of incorporation	Effective equity interest held (%)	Issued and paid-up share capital	Principal activities
Boustead Trading Sdn Bhd	05.04.82 Brunei	100	B\$1,000,000	Consumer goods distributor
Subsidiary company of Boustead Johan Edaran Sdn Bhd				
Boustead Johan Tiles Sdn Bhd	17.09.93 Malaysia	95	RM2	Dormant
Subsidiary companies of Boustead Education Network Sdn Bhd				
Boustead Training Centre Sdn Bhd	17.01.95 Malaysia	100	RM100,000	Dormant
Boustead Educom Sdn Bhd	05.07.95 Malaysia	100	RM100,000	Dormant
Associate company of Malaysian Welding Industries Sdn Bhd				
Esab Boustead Sdn Bhd	22.04.95 Malaysia	38	RM330,000	Ceased operations
Associate companies of Boustead Development Sdn Bhd				
Profile Development Sdn Bhd	13.10.94 Malaysia	21	RM50,000	Ceased operations
Cekap Mudah Sdn Bhd	18.10.94 Malaysia	21	RM5,000	Ceased operation
Subsidiary companies of Emastulin Automobile Sdn Bhd				
Tatab Concessioners Sdn Bhd	07.02.85 Malaysia	100	RM5,000	Dormant
Emas Jeep Sdn Bhd	07.10.82 Malaysia	100	RM2	Dormant

*Notes:**B\$ Brunei Dollar**S\$ Singapore Dollar**RMB Renmimbi**Kyat Myanmar Kyats**Rp Indonesian Rupiah*

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7. PROFIT AND DIVIDEND RECORD

A summary of the audited consolidated results of Boustead for the past five (5) financial years from that ended 30 June 1998 to that ended 31 December 2002 and the unaudited results for the six (6) months period ended 30 June 2003 is as follows:

RM'000	Financial year ended 30 June	Audited				Unaudited Six (6) months ended 30 June 2003
		Financial period/years ended 31 December				
	1998	1999*	2000	2001	2002	
Turnover	1,062,805	1,453,508	890,345	1,024,251	983,214	473.604
EBIDTA	221,519	368,729	127,400	164,285	154,557	95,769
Depreciation and amortisation	(25,380)	(36,668)	(25,386)	(28,984)	(27,874)	(16,288)
Interest income	8,038	19,127	3,200	3,425	994	1,166
Finance cost	(64,035)	(79,520)	(33,213)	(45,652)	(55,654)	(35,200)
Share of profits of associated companies	23,422	95,108	13,526	(107,651)	82,896	32,822
Exceptional items	-	-	-	-	-	-
Profit /(Loss) before taxation	163,564	366,776	85,527	(14,577)	154,919	78,269
Taxation	(57,412)	(8,190)	(53,202)	(57,825)	(63,432)	(42,441)
Profit/(Loss) after tax	106,152	358,586	32,325	(72,402)	91,487	35,828
Minority interest (“MI”)	(65,837)	(137,979)	(27,327)	(39,173)	(40,298)	(20,260)
Profit/(Loss) after MI	40,315	220,607	4,998	(111,575)	51,189	15,568
Number of shares (‘000)	272,753	272,753	272,753	272,753	272,870	272,873
Gross Earnings/(loss) per share (sen)	28.0	56.5 [#]	13.3	(28.8)	33.6	16.5
Net Earnings/(loss) per share (sen)	14.8	53.9 [#]	1.8	(40.9)	18.8	5.7
Dividend per share (sen)	7.5	13.8	7.5	3.8	8.8	3.8

Notes:

* 18 months results

Annualised

- (i) Higher turnover for the financial period 1999 reflects the 18 months period and encouraging results from the Plantation and Property divisions
- (ii) Lower turnover for the financial year ended 2000 is due to the decline in the crude palm oil prices which hit a 14 year low of RM715 per metric tonne in October to average RM997 for the year, against RM1,703 for the previous financial year. Production of fresh fruit bunch declined for the financial year ended 2000, however, the properties division recorded a higher turnover
- (iii) The loss recorded for the financial year ended 2001 is mainly due to losses recorded by Affin Bank Berhad which recorded large loan provisions
- (iv) Higher profits recorded for the financial year ended 31 December 2002 were attributed to the positive contribution from Affin Holdings Berhad and favourable palm oil prices which averaged at RM1,287 per metric tonne
- (v) There were no exceptional or extraordinary items for the financial years under review

8. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Boustead shares traded on the KLSE for the past 12 months are as follows:-

	High RM	Low RM
2002		
September	2.23	2.00
October	2.05	1.80
November	1.82	1.79
December	1.80	1.65
2003		
January	1.82	1.57
February	1.60	1.42
March	1.59	1.48
April	1.90	1.60
May	1.82	1.71
June	1.92	1.79
July	2.10	1.90
August	1.97	1.88
<i>Last transacted market price on 9 March 2003 (being the date prior to the initial announcement of the Rights Issue and Bonus Issue)</i>		<i>RM1.48</i>
<i>Last transacted market price on 30 September 2003 (being the last practicable date prior to the printing of this Abridged Prospectus)</i>		<i>RM1.72</i>
<i>Last transacted market price on 26 September 2003 (being the date prior to the ex-date)</i>		<i>RM1.90</i>

Source: Investors Digest and KLSE Daily Diary

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9. COMPANIES RELATED TO BOUSTEAD

The details of the subsidiary companies held by LTAT, which by virtue of its controlling interest in Boustead, are deemed to be related to Boustead under Section 6 of the Act are as follows:-

Corporations	Effective Equity Interest Held %	Principal Activities
Perbadanan Perwira Niaga Malaysia	100	Operation of retail supermarket outlets for members of the Armed Forces
Perbadanan Perwira Harta Malaysia	100	Property management and development
Perbadan Hal Ehwal of Bekas Angkatan Tentera	100	Provision of services for the enhancement sosio-economic welfare of ex-servicemen
Affin Holdings Berhad *	57	Financial services group
Subsidiaries		
Irat Properties Sdn Bhd	90	Investment holdings company with subsidiary involved in hotel and complex development
Power Cables Malaysia Sdn Bhd	60	Manufacture, sale and installation of power cables and manufacture of aluminium rods
Johan Ceramics Bhd	60	Manufacture and sale of ceramic wall tiles and floor tiles

Notes:

* Includes indirect interest of 20% held through Boustead

**PROFORMA CONSOLIDATED BALANCE SHEETS OF BOUSTEAD AS AT 31 DECEMBER 2002
TOGETHER WITH THE NOTES AND THE REPORTING ACCOUNTANTS' LETTER THEREON**



■ **Chartered Accountants**
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**Reporting Accountants' Report on Proforma Consolidated Balance Sheets
(prepared for inclusion in the Abridged Prospectus to be dated 8 October 2003)**

22 September 2003

The Board of Directors
Boustead Holdings Berhad
28th Floor, Menara Boustead
69, Jalan Raja Chulan
50200 Kuala Lumpur

Dear Sirs

**BOUSTEAD HOLDINGS BERHAD ("Boustead")
PROFORMA CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2002**

We report on the proforma consolidated balance sheets of Boustead and its subsidiary companies (collectively referred to as "the Group") at 31 December 2002 set out in Appendix III of the Abridged Prospectus to be dated 8 October 2003 which have been prepared for illustrative purposes only, to provide information about how the consolidated balance sheet of Boustead and its subsidiaries at 31 December 2002 that has been presented might have been affected by the proposal to issue Renounceable Rights Issue of 136,436,822 new ordinary shares of RM0.50 each at an issue price of RM1.60 per share on the basis of one (1) new ordinary share for every two (2) existing ordinary shares held, had it been completed on that date.

It is the responsibility solely of the Directors of Boustead to prepare the proforma consolidated balance sheets in accordance with paragraphs 1 to 4, Appendix V of Chapter 16, of the Securities Commission Prospectus Guidelines (Revised 1 April 2003) in respect of Abridged Prospectus ("the Guidelines").

It is our responsibility to form an opinion, as required by paragraph 5, Chapter 16 of the Guidelines, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented with their original form, considering the adjustments and discussing the proforma consolidated balance sheets with responsible officers of Boustead. Our work involved no independent examination of any of the underlying financial information.




In our opinion:

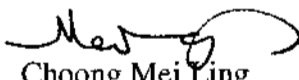
- (a) the proforma consolidated balance sheets have been properly compiled on the bases stated; and
- (b) within the context of the assumed date of the Rights Issue and the Bonus Issue:
 - (i) such bases are consistent with the accounting policies of Boustead; and
 - (ii) the adjustments set out are appropriate for the purposes of the proforma consolidated balance sheets pursuant to paragraphs 1 to 4, Appendix V of Chapter 16 of the Guidelines.

The accompanying proforma balance sheets and this letter have been prepared solely for the purposes stated above, in connection with the aforementioned proposal. This letter is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully

A stylized signature in black ink, appearing to be 'EY' or a similar monogram, positioned above the company name.

ERNST & YOUNG
AF:0039
Chartered Accountants
Kuala Lumpur, Malaysia

A handwritten signature in black ink, appearing to be 'Choong Mei Ling', positioned above the name.

Choong Mei Ling
1918/09/04 (J)
Partner

BOUSTEAD HOLDINGS BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS
MAXIMUM SCENARIO

	Audited at 31.12.02		Adjustment I		Proforma I		Adjustment II		Proforma II		Adjustment III		Proforma III		Adjustment IV		Proforma IV	
	RM'000		RM'000		RM'000		RM'000		RM'000		RM'000		RM'000		RM'000		RM'000	
Non current assets																		
Property, plant and equipment	1,489,557		-		1,489,557		-		1,489,557		-		1,489,557		-		1,489,557	
Investment properties	257,000		-		257,000		-		257,000		-		257,000		-		257,000	
Development properties	380,420		-		380,420		-		380,420		-		380,420		-		380,420	
Associates	911,936		-		911,936		-		911,936		-		911,936		-		911,936	
Investments	293,706		-		293,706		-		293,706		-		293,706		-		293,706	
	3,332,619		-		3,332,619		-		3,332,619		-		3,332,619		-		3,332,619	
Current assets																		
Inventories	95,100		-		95,100		-		95,100		-		95,100		-		95,100	
Property development in progress	57,474		-		57,474		-		57,474		-		57,474		-		57,474	
Receivables	423,210		-		423,210		-		423,210		-		423,210		-		423,210	
Deposits, cash and bank balances	92,973		(26,529)		66,444		18,299		84,743		51,972		136,715		(1,850)		134,865	
	668,757		(26,529)		642,228		18,299		660,527		51,972		712,499		(1,850)		710,649	
Current liabilities																		
Unsecured borrowings	1,041,554		300,000		1,341,554		(200,000)		1,141,554		-		1,141,554		-		1,141,554	
Payables	257,944		-		257,944		-		257,944		-		257,944		-		257,944	
Taxation	33,015		-		33,015		-		33,015		-		33,015		-		33,015	
	1,332,513		300,000		1,632,513		(200,000)		1,432,513		-		1,432,513		-		1,432,513	
Net current liabilities	(663,756)		(326,529)		(990,285)		218,299		(771,986)		51,972		(720,014)		(1,850)		(721,864)	
Non current liabilities																		
Unsecured long term borrowings	481,114		-		481,114		-		481,114		-		481,114		-		481,114	
Deferred taxation	18,272		-		18,272		-		18,272		-		18,272		-		18,272	
	499,386		-		499,386		-		499,386		-		499,386		-		499,386	
	2,169,477		(326,529)		1,842,948		218,299		2,061,247		51,972		2,113,219		(1,850)		2,111,369	
Capital and reserves																		
Share capital	136,435		2		136,437		68,218		204,655		13,778		218,433		72,811		291,244	
Share premium	283,897		4		283,901		150,081		433,982		38,194		472,176		(74,661)		397,515	
Revaluation reserve	89,367		-		89,367		-		89,367		-		89,367		-		89,367	
Reserve on consolidation	-		118,285		118,285		-		118,285		-		118,285		-		118,285	
Statutory reserve	27,531		-		27,531		-		27,531		-		27,531		-		27,531	
Other reserves	119,051		-		119,051		-		119,051		-		119,051		-		119,051	
Retained profit	744,217		(1,300)		742,917		-		742,917		-		742,917		-		742,917	
Shareholders' equity	1,400,498		116,991		1,517,489		218,299		1,735,788		51,972		1,787,760		(1,850)		1,785,910	
Minority interests	768,979		(443,520)		325,459		-		325,459		-		325,459		-		325,459	
	2,169,477		(326,529)		1,842,948		218,299		2,061,247		51,972		2,113,219		(1,850)		2,111,369	
Net tangible assets per share (RM1)	5.13				5.56				4.24				4.09				3.07	

BOUSTEAD HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS
MAXIMUM SCENARIO

1. The proforma consolidated balance sheets, for which the Directors are solely responsible, have been prepared for illustrative purposes only to show the effects on the audited consolidated balance sheet of Boustead at 31 December 2002 of the Proposals as stated in Notes 2, 3, 4 and 5, had the Proposals been implemented and completed on that date, and by application of the accounting policies of Boustead as disclosed in its audited financial statements for the year ended 31 December 2002.
2. **Adjustment column I** incorporates the Voluntary Offer ("VO") for the remaining 54,205,751 ordinary shares of RM1 each in Kuala Sidim Berhad not already owned by Boustead, assuming all minority shareholders take up the offer, for a consideration of RM325,235,000 or equivalent to RM6.00 per share. The VO was financed by short term borrowings and internally generated funds. The reserve on consolidation of RM118,285,000 arising from the VO was dealt with through reserves. The expenses of RM1,300,000 incurred in connection with this exercise will be written off to the income statement. During the period, 3,000 ordinary shares of RM1 each were issued by the Company for cash pursuant to the Employees Share Option Scheme ("ESOS") at an exercise price of RM1.88 per share. The carrying amounts of the identifiable assets and liabilities acquired were assumed to approximate their fair values.
3. **Adjustment column II** assumes that all rights to subscribe for 136,436,822 new ordinary shares of RM0.50 each at an issue price of RM1.60 per share for cash on the basis of one (1) new ordinary share for every two (2) existing shares held, are exercised. The cash proceeds to be received from the Rights Issue of RM218,299,000 will be utilised as follows:

	<u>RM'000</u>
Repayment of short term borrowings that relates to part of the facilities obtained and utilised by Boustead to fund the VO	200,000
Working capital	15,149
Costs incurred for the VO, Rights Issue and Bonus Issue	<u>3,150</u>
	<u><u>218,299</u></u>

4. **Adjustment column III** assumes the full exercise of all the outstanding options for new ordinary shares of RM0.50 each granted under the ESOS of Boustead at 31 December 2002. The number of outstanding options and their corresponding exercise prices are as follows:

Number of shares '000	Issue price per share RM
25,466	1.88
2,090	1.96

5. **Adjustment column IV** incorporates the bonus issue of up to 145,622,000 new ordinary shares of RM0.50 each in Boustead on the basis of one (1) new ordinary share for every three (3) existing ordinary shares which will be effected by capitalising RM72,811,000 from the share premium account. Expenses in connection with the Rights Issue and Bonus Issue, estimated at RM1,850,000 are debited to the share premium account.

BOUSTEAD HOLDINGS BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS
MINIMUM SCENARIO

	Audited at 31.12.02 RM'000	Adjustment I RM'000	Proforma I RM'000	Adjustment II RM'000	Proforma II RM'000	Adjustment III RM'000	Proforma III RM'000
Non current assets							
Property, plant and equipment	1,489,557	-	1,489,557	-	1,489,557	-	1,489,557
Investment properties	257,000	-	257,000	-	257,000	-	257,000
Development properties	380,420	-	380,420	-	380,420	-	380,420
Associates	911,936	-	911,936	-	911,936	-	911,936
Investments	293,706	-	293,706	-	293,706	-	293,706
	3,332,619	-	3,332,619	-	3,332,619	-	3,332,619
Current assets							
Inventories	95,100	-	95,100	-	95,100	-	95,100
Property development in progress	57,474	-	57,474	-	57,474	-	57,474
Receivables	423,210	-	423,210	-	423,210	-	423,210
Deposits, cash and bank balances	92,973	(26,529)	66,444	18,299	84,743	(1,850)	82,893
	668,757	(26,529)	642,228	18,299	660,527	(1,850)	658,677
Current liabilities							
Unsecured borrowings	1,041,554	300,000	1,341,554	(200,000)	1,141,554	-	1,141,554
Payables	257,944	-	257,944	-	257,944	-	257,944
Taxation	33,015	-	33,015	-	33,015	-	33,015
	1,332,513	300,000	1,632,513	(200,000)	1,432,513	-	1,432,513
Net current liabilities	(663,756)	(326,529)	(990,285)	218,299	(771,986)	(1,850)	(773,836)
Non current liabilities							
Unsecured long term borrowings	481,114	-	481,114	-	481,114	-	481,114
Deferred taxation	18,272	-	18,272	-	18,272	-	18,272
	499,386	-	499,386	-	499,386	-	499,386
	2,169,477	(326,529)	1,842,948	218,299	2,061,247	(1,850)	2,059,397
Capital and reserves							
Share capital	136,435	2	136,437	68,218	204,655	68,218	272,873
Share premium	283,897	4	283,901	150,081	433,982	(70,068)	363,914
Revaluation reserve	89,367	-	89,367	-	89,367	-	89,367
Reserve on consolidation	-	118,285	118,285	-	118,285	-	118,285
Statutory reserve	27,531	-	27,531	-	27,531	-	27,531
Other reserves	119,051	-	119,051	-	119,051	-	119,051
Retained profit	744,217	(1,300)	742,917	-	742,917	-	742,917
Shareholders' equity	1,400,498	116,991	1,517,489	218,299	1,735,788	(1,850)	1,733,938
Minority interests	768,979	(443,520)	325,459	-	325,459	-	325,459
	2,169,477	(326,529)	1,842,948	218,299	2,061,247	(1,850)	2,059,397
Net tangible assets per share (RM)	5.13		5.56		4.24		3.18

BOUSTEAD HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS
MINIMUM SCENARIO

1. The proforma consolidated balance sheets, for which the Directors are solely responsible, have been prepared for illustrative purposes only to show the effects on the audited consolidated balance sheet of Boustead at 31 December 2002 of the Proposals as stated in Notes 2, 3, and 4, had the Proposals been implemented and completed on that date, and by application of the accounting policies of Boustead as disclosed in its audited financial statements for the year ended 31 December 2002.
2. **Adjustment column I** incorporates the Voluntary Offer ("VO") for the remaining 54,205,751 ordinary shares of RM1 each in Kuala Sidim Berhad not already owned by Boustead, assuming all minority shareholders take up the offer, for a consideration of RM325,235,000 or equivalent to RM6.00 per share. The VO was financed by short term borrowings and internally generated funds. The reserve on consolidation of RM118,285,000 arising from the VO was dealt with through reserves. The expenses of RM1,300,000 incurred in connection with this exercise will be written off to the income statement. During the period, 3,000 ordinary shares of RM1 each were issued by the Company for cash pursuant to the Employees Share Option Scheme ("ESOS") at an exercise price of RM1.88 per share. The carrying amounts of the identifiable assets and liabilities acquired were assumed to approximate their fair values.
3. **Adjustment column II** assumes that all rights to subscribe for 136,436,822 new ordinary shares of RM0.50 each at an issue price of RM1.60 per share for cash on the basis of one (1) new ordinary share for every two (2) existing shares held, are exercised. The cash proceeds to be received from the Rights Issue of RM218,299,000 will be utilised as follows:

	<u>RM'000</u>
Repayment of short term borrowings that relates to part of the facilities obtained and utilised by Boustead to fund the VO	200,000
Working capital	15,149
Costs incurred for the VO, Rights Issue and Bonus Issue	<u>3,150</u>
	<u>218,299</u>

4. **Adjustment column III** incorporates the bonus issue of up to 136,437,000 new ordinary shares of RM0.50 each in Boustead on the basis of one (1) new ordinary share for every three (3) existing ordinary shares which will be effected by capitalising RM68,218,000 from the share premium account. Expenses in connection with the Rights Issue and Bonus Issue, estimated at RM1,850,000 are debited to the share premium account.