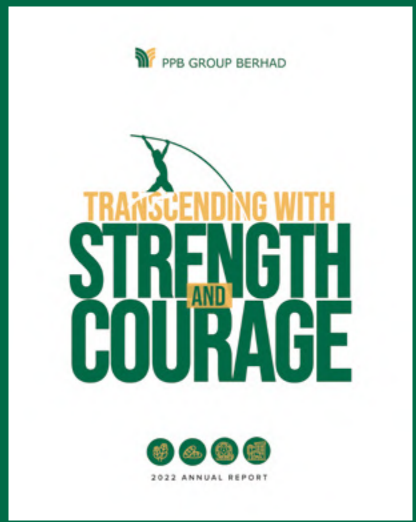
PPB GROUP BERHAD

TRANSCENDING WITH STRENGTH AND COURAGE

2022 ANNUAL REPORT



RATIONALE

The prevailing operating environment has many uncertainties and instabilities. With courage, strength, and adaptability, the PPB Group is able to transcend challenges and seize opportunities to achieve sustained growth.

OUR MISSION

To strengthen our leadership position in our core businesses in Malaysia, expand regionally for further growth, invest in related activities for greater synergy and increase shareholder value, in a socially and environmentally responsible manner through management excellence.

OUR VISION

To be a market leader in our core businesses reputed for our sustainable quality products and services.

ONLINE REPORT

Scan this QR code for a direct link to our Annual Report online.

Or log on to
https://www.ppbgroup.com/images/pages/investor-relations/annual_report/2022/ppb-annual-report-2022.pdf

01.

A QUICK LOOK AT PPB

02.

MESSAGES FROM OUR LEADERS

03.

PERFORMANCE REVIEW

04.

GOVERNANCE

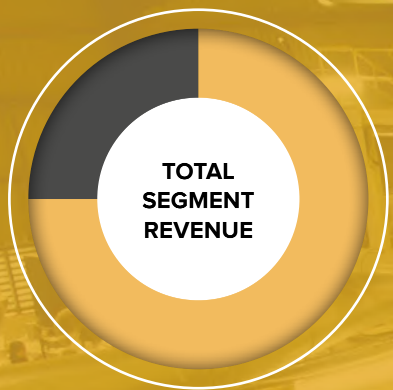
05.

FINANCIAL STATEMENTS

06.

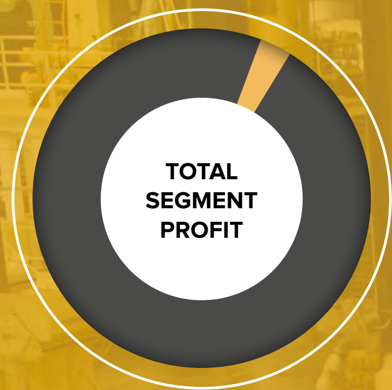
FURTHER INFORMATION

CONTRIBUTION OF GRAINS AND AGRIBUSINESS IN 2022



74%

RM4.66 billion



3%

RM74 million

FLOUR MILLING

FFM Group operates five flour mills in Malaysia with a total milling capacity of 2,820 mt/day. Overseas, FFM Group operates two flour mills in Vietnam, and one in Indonesia. In Thailand, the Group operates a 670 mt/day flour mill through its 43.4% associate, Kerry Flour Mills Limited. FFM Group also has 20% interest in eight associates in China engaged in flour milling.

ANIMAL FEED MILLING

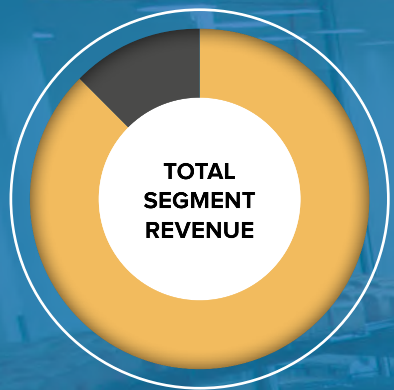
FFM Group is one of the key feed millers in Malaysia and operates five feed mills in Peninsular and East Malaysia with a total production capacity of 66,000 mt/month.

LIVESTOCK FARMING

FFM Farms Sdn Bhd operates 2 broiler breeder farms with a combined estimated production capacity of 3.05 million broiler chicks per month, and a layer farm with an estimated monthly production capacity of 20.5 million eggs to complement the Group's animal feed milling operations.

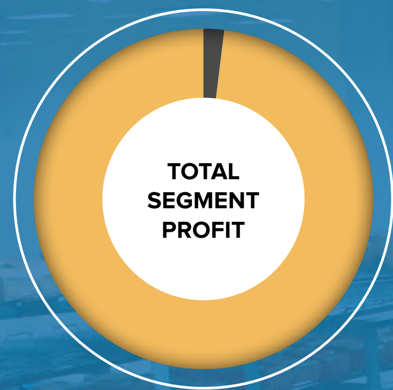
GRAINS AND AGRIBUSINESS

CONTRIBUTION OF CONSUMER PRODUCTS IN 2022



12%

RM751 million



2%

RM34 million

CONSUMER PRODUCTS DISTRIBUTION

FFM Marketing Sdn Bhd (FMSB) has established a strong distribution network and currently distributes a wide range of fast-moving consumer goods under its own brands as well as other international and local brands. FMSB has 13 warehouses with a total warehousing capacity of 450,000 sq ft.

BAKERY

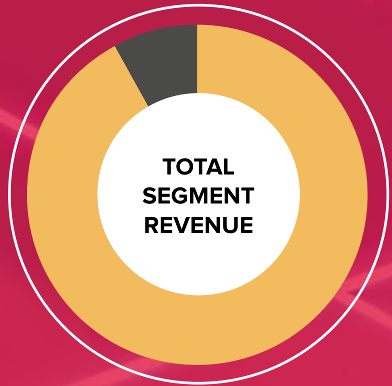
The Italian Baker Sdn Bhd operates a state-of-the art baking plant in Pulau Indah with five fully automated production lines using the latest American and European technology. The production lines comprise 10,000 loaves-per-hour and 6,000 loaves-per-hour bread lines; a 24,000 rolls-per-hour line; a 15,000 cake-per-hour line; and a 6,000 buns-per-hour line.

FOOD PROCESSING

FFM Further Processing Sdn Bhd (FFP) operates two production lines at its HACCP-certified plant located in Pulau Indah, Klang. FFP specialises in producing a wide range of frozen food under the "Marina" brand. The "Marina" brand offers a premium selection of ready-to-eat sausages, chicken nuggets and burgers.

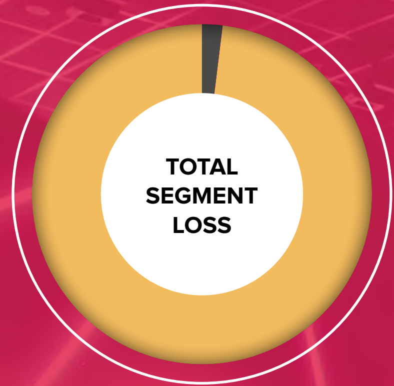
CONSUMER PRODUCTS

CONTRIBUTION OF FILM EXHIBITION AND DISTRIBUTION IN 2022



8%

RM515 million



-1%

-RM17 million

FILM EXHIBITION

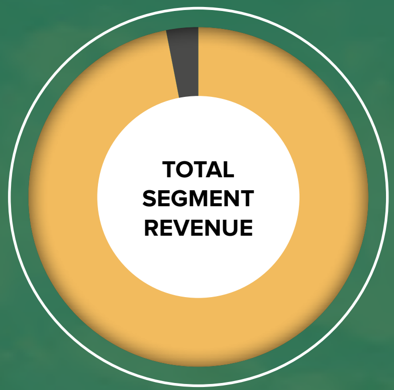
Golden Screen Cinemas Sdn Bhd is the leading cinema exhibitor in Malaysia and operates the largest cinema chain in the country with 491 screens at 52 locations in major cities nationwide. In Vietnam, the Group operates at 19 locations with a total of 111 screens.

FILM DISTRIBUTION

GSC Movies Sdn Bhd acquires and distributes films to cinemas and sub-licences movie content to television (pay TV & free TV), over-the-top (OTT) platform and hotel operators. It is the largest local distributor of Chinese, independent English and foreign language films, and distributes films to cinemas throughout Malaysia, Brunei, Vietnam and Cambodia. GSC Movies distributed a total of 74 films in 2022.

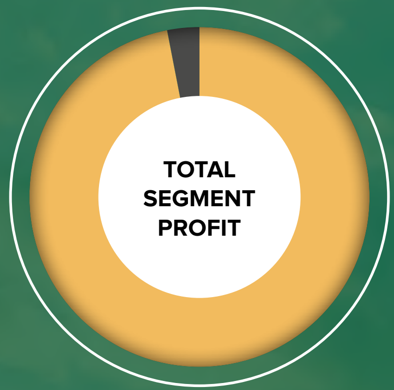
FILM EXHIBITION AND DISTRIBUTION

CONTRIBUTION OF PROPERTY IN 2022



2%

RM141 million



2%

RM35 million

PPB Properties, which encompasses the property-based activities of PPB Group Berhad, is committed to giving homeowners, business operators, and investors a range of value-crafted residential, retail, and commercial spaces designed to meet the community's needs.

INVESTMENT PROPERTIES

PPB owns and manages five retail/commercial properties namely:

- Cheras LeisureMall in Taman Segar, Kuala Lumpur
- Cheras Plaza in Taman Segar, Kuala Lumpur
- Megah Rise Mall in Taman Megah, Petaling Jaya
- New World Park in Lorong Swatow, Georgetown, Penang
- The Whiteaways Arcade, Beach Street, Penang

PROPERTY DEVELOPMENT

The Group's most recent property development project is Megah Rise, a mixed development in Taman Megah, Petaling Jaya which consists of 228 condominium units and a retail podium.

PROJECT MANAGEMENT

The Group also provides project management services for property development projects under various PPB Group companies and affiliates. The major projects include:

- Southern Marina Residences in Iskandar Puteri, Johor
- The LINC, Jalan Tun Razak, Kuala Lumpur

PROPERTY

CORPORATE PROFILE

PPB Group Berhad ("PPB") is an investment holding and property investment company listed on the Main Market of Bursa Malaysia Securities Berhad, the Malaysian stock exchange. Incorporated in Malaysia in 1968, the PPB Group today is a conglomerate with total assets and market capitalisation of RM28.93 billion and RM24.81 billion respectively as at 31 December 2022.

PPB is headquartered in Kuala Lumpur, Malaysia and we have operations in China, Vietnam, Indonesia, Thailand and Singapore with about 4,900 employees in the Malaysian operations.

Our businesses are principally divided into five business segments viz:

- **GRAINS & AGRIBUSINESS**
- **CONSUMER PRODUCTS**
- **FILM EXHIBITION & DISTRIBUTION**
- **PROPERTY**
- **INVESTMENTS & OTHER OPERATIONS**

The Group's main contributor, Grains & Agribusiness, comprises flour and animal feed milling, grains trading and livestock farming. The FFM Group in which PPB has 80% equity interest, owns and operates a total of five flour mills in the country, two in Vietnam and one in Indonesia. In Thailand, the Group operates a 670 mt/day flour mill through its 43.4% associate, Kerry Flour Mills Limited. FFM Group also has 20% interest in eight associates in China with a combined flour milling capacity of 18,950 mt/day.

Under the Consumer Products segment, the Group has moved into downstream activities including food processing, bakery, marketing and distribution of edible oils and consumer products.

PPB's Film Exhibition & Distribution segment is represented by its wholly-owned subsidiary, Golden Screen Cinemas Sdn Bhd which is the largest film exhibitor in Malaysia with 491 screens in 52 locations nationwide, capturing more than 50% of domestic box office collections.

PPB also owns and manages several retail/commercial properties including a shopping centre, Cheras LeisureMall, and an office building, Cheras Plaza in Taman Segar, Kuala Lumpur; Megah Rise Mall in Petaling Jaya, Selangor; as well as New World Park and The Whiteaways Arcade in Georgetown, Penang. Two wholly-owned subsidiaries of PPB, PPB Hartabina Sdn Bhd and PPB Property Development Sdn Bhd, carry out property development, and provide project management services, for projects undertaken and properties owned by PPB Group companies and affiliates.

PPB owns 18.8% equity interest in one of Asia's largest integrated agribusiness groups, Wilmar International Limited ("Wilmar"). Wilmar's business encompasses the entire value chain of the agricultural commodity business, from cultivation and milling of palm oil and sugar cane to processing, branding and distribution of a wide range of edible food products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries.

CORPORATE OBJECTIVES

Be customer-focused in our product and service offerings to build customer loyalty.

Optimise sustainable returns on investment for shareholders.

Enhance and strengthen leadership position in our core operations and related businesses to capitalise on scale and integration for optimum cost-efficiency.

To seek synergy and leverage on the Group's operations to optimise growth and strength.

Leverage on technology and embrace innovation to further drive operational efficiency to ensure best-of-class operating standards.

Expand our core operations and create new business opportunities through prudent and forward-looking investment strategies in new and emerging trends as well as market segments both locally and regionally.

Embrace responsible corporate citizenship focused on generating economic returns with positive contributions to the community.

Practise sensible and proper environment-friendly standards in our business operations in accordance to legal and regulatory requirements.

Observe optimum standards of transparency, accountability and integrity in our business practices and corporate performance.

Enhance agility in business and operational practices to meet ever-changing business demands.

Build leadership and people capabilities that drive organisation success.

GROUP CORPORATE STRUCTURE
AS AT 31 MARCH 2023

GROUP CORPORATE STRUCTURE
AS AT 31 MARCH 2023

PPB GROUP BERHAD

GRAINS & AGRIBUSINESS | CONSUMER PRODUCTS | FILM EXHIBITION & DISTRIBUTION | PROPERTY | INVESTMENTS & OTHER OPERATIONS

GRAINS & AGRIBUSINESS

Investment holding, grains trading, flour and feed milling
- FFM Berhad — 80%

Flour milling
- Johor Bahru Flour Mill Sdn Bhd — 100%
- FFM Grains & Mills Sdn Bhd — 100%
- Vietnam Flour Mills Limited — 100%
- VFM-Wilmar Flour Mills Co Limited — 51%
- PT Pundi Kencana — 51%
- Kerry Flour Mills Limited — 43.4%

Animal feed milling
- Johor Bahru Flour Mill Sdn Bhd — 100%
- FFM Grains & Mills Sdn Bhd — 100%
- FFM (Sabah) Sdn Bhd — 100%
- FFM Feedmills (Sarawak) Sdn Bhd — 100%

Livestock farming
- FFM Farms Sdn Bhd — 100%

Investment holding
- Waikari Sdn Bhd — 100%

Flour milling
- Yihai Kerry (Quanzhou) Oils, Grains & Foodstuffs Industries Co., Ltd — 20%
- Yihai Kerry (Anyang) Foodstuffs Industries Co., Ltd — 20%
- Yihai Kerry (Beijing) Oils, Grains & Foodstuffs Industries Co., Ltd — 20%
- Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co., Ltd — 20%
- Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co., Ltd — 20%
- Yihai (Zhoukou) Wheat Industries Co., Ltd — 20%
- Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd — 20%
- Yihai Kerry (Kunshan) Foodstuffs Industries Co., Ltd — 20%

CONSUMER PRODUCTS

Consumer products distribution
- FFM Marketing Sdn Bhd — 100%

Bakery
- The Italian Baker Sdn Bhd — 100%

Food processing
- FFM Further Processing Sdn Bhd — 100%
- Meizan CLV Corporation — 50%
- Kart Food Industries Sdn Bhd — 45%

FILM EXHIBITION & DISTRIBUTION

Investment holding
- PPB Leisure Holdings Sdn Bhd — 100%

Exhibition of movies and content
- Golden Screen Cinemas Sdn Bhd — 100%

Distribution of movies and content
- GSC Movies Sdn Bhd — 100%

Screen advertising
- Cinead Sdn Bhd — 100%

Exhibition and distribution of movies and content
- Galaxy Studio Joint Stock Company — 40%

PROPERTY

Project management and other property-related services
- PPB Property Development Sdn Bhd — 100%

Property development, project management and other property-related services
- PPB Hartabina Sdn Bhd — 100%

Investment holding and oil palm cultivation
- South Island Mining Company Sdn Bhd — 100%

Property development and oil palm cultivation
- Seletar Sdn Bhd — 100%

Property investment
- Cathay Screen Cinemas Sdn Bhd — 100%
  - Cathay Theatres Sdn Bhd — 100%
- Shaw Brothers (M) Sdn Bhd — 34%

Investment holding
- Huge Quest Realty Sdn Bhd — 40%

Property development
- Southern Marina Development Sdn Bhd — 70%

Property development
- Hillcrest Gardens Sdn Bhd — 16.8%

INVESTMENTS & OTHER OPERATIONS

Investment holding
- Chemquest Sdn Bhd — 55%
- Masuma Trading Company Limited — 100%
- Hexarich Sdn Bhd — 100%
- PPB Ventures Sdn Bhd — 100%
- Orion Fund Pte Ltd — 40%
- Orion Fund II Pte Ltd — 40%

IT services
- Easi (M) Sdn Bhd — 60%
- Enterprise Advanced System Intelligence Pte Ltd — 60%
- Easi Ticketing Sdn Bhd — 100%

Integrated agribusiness
- Wilmar International Limited — 18.8%

Investment holding
- Chemquest (Overseas) Limited — 100%
  - Beijing KVW Wastewater Technology Company Ltd — 51%

Utilities
- Beijing Drainage Group Co Ltd Veolia Kerry Wastewater Treatment Plant — 42%

Notes :
* This chart features the main operating companies and does not include dormant and inactive companies.
* Percentages shown indicate the Group's direct equity interest held.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Datuk Oh Siew Nam
Chairman
Non-independent Non-executive Director

Mr Lim Soon Huat
Managing Director

Datuk Ong Hung Hock
Non-independent Non-executive Director

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-executive Director

Mr Soh Chin Teck
Independent Non-executive Director

En Ahmad Riza bin Basir
Independent Non-executive Director

Madam Tam Chiew Lin
Independent Non-executive Director

Tengku Nurul Azian binti Tengku Shahriman
Independent Non-executive Director

Ms Yip Jian Lee
Independent Non-executive Director

AUDIT AND RISK COMMITTEE

Mr Soh Chin Teck
Chairman

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid

Madam Tam Chiew Lin

Tengku Nurul Azian binti Tengku Shahriman

NOMINATION COMMITTEE

En Ahmad Riza bin Basir
Chairman

Mr Soh Chin Teck

Datuk Ong Hung Hock

REMUNERATION COMMITTEE

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

Madam Tam Chiew Lin

Datuk Ong Hung Hock

COMPANY SECRETARY

Mr Mah Teck Keong

REGISTERED OFFICE

12th Floor, UBN Tower
No. 10 Jalan P. Ramlee
50250 Kuala Lumpur, Malaysia
Telephone: 03-2726 0088
Facsimile: 03-2726 0099
Website: www.ppbgroup.com

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Public Bank Berhad
HSBC Amanah Malaysia Berhad

AUDITORS

Ernst & Young PLT
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suites
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Telephone: 03-2783 9299
Facsimile: 03-2783 9222
Email: is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Sector: Consumer Products and Services
Stock Name: PPB
Stock Number: 4065
ISIN: MYL4065OO008

CHAIRMAN'S STATEMENT

Dear Shareholders,

The PPB Group Berhad ("PPB" or the "Company") Group recorded commendable results for financial year 2022 ("FY2022") despite the challenges posed by geopolitical instability, supply chain disruptions and rising inflation. Our core businesses helped us weather these challenges. We also focused on embedding sustainability considerations into our business strategy, risk management and governance practices to continue our progress towards long-term success.

GROUP RESULTS

We are pleased to report that Group revenue increased by 29% to RM6.26 billion for FY2022, as all key segments recorded improved revenue and profitability.

The Group achieved a 50% increase in pre-tax profit to RM2.25 billion. Pre-tax profit of our Grains and Agribusiness segment increased by 21% to RM74 million; whilst the Film Exhibition and Distribution segment recorded a lower loss of RM17 million. Contribution from our 18.8%-owned associate, Wilmar International Ltd ("Wilmar") was up 40% to RM2.10 billion. Profit attributable to shareholders totalled RM2.20 billion, with earnings per share amounting to 154.43 sen, a 47% increase from the previous year.

Our outlook of the Group's prospects remain positive and we will continue to invest in our businesses. The Group's total capital and other commitments amount to RM842 million over the next five years, for upgrading and expansion of our main businesses, and other investments. We will continue to manage our assets efficiently and strengthen the Group's prospects by strategically leveraging on opportunities in the market.

DIVIDENDS

The Board has recommended a proposed final dividend of 28 sen per share for FY2022, subject to approval by PPB shareholders at the 54th Annual General Meeting to be held on 17 May 2023. The proposed final dividend is payable on 8 June 2023 to shareholders whose names appear in the Record of Depositors on 19 May 2023.

Together with the interim dividend of 12 sen per share paid on 28 September 2022, the total dividends paid and payable for FY2022 would be 40 sen per share.

UPHOLDING GOVERNANCE

We are committed to upholding and inculcating good corporate governance

Group Revenue
RM6.26 billion

practices to build trust and confidence amongst our stakeholders, and for the long-term success and sustainability of the Company. We continue to strengthen our governance and internal controls to uphold the integrity of the business and enhance shareholder value. Our corporate governance initiatives, risk and internal control processes are detailed in the relevant sections on this Annual Report.

We review our internal practices against the Malaysian Code on Corporate Governance ("MCCG") in a continuous process to improve our operational performance and governance. This included the review and adoption of a revised board charter, and terms of reference of board committees as well as a review and monitoring of the Group's governance of sustainability in response to the latest developments keeping in mind the expectations and needs of stakeholders.

SUSTAINABILITY

The Group's focus on good sustainability practices is aligned with the UN Sustainability Development Goals, and those sustainability issues that are most material to our businesses and key stakeholders.

Our Sustainability Report contains the Group's initiatives to achieve tangible outcomes in mitigating environmental impact, ensuring employee safety and wellbeing, increase marketplace engagement, and contributing to the community. The report also tracks the progress we made against our sustainability targets.

We are included in Bursa Malaysia's FTSE4Good Index Series, for which we must meet a set of environmental, social and governance (ESG) criteria and indicators, including transparency, environmental management practices, supply chain engagement and others. PPB's score has increased, and we will continue to strengthen our responsible business and sustainability practices.

At PPB, sustainability is an integral part of achieving our vision to be a market leader in our core businesses. We acknowledge our responsibility of creating a sustainable future for ourselves and most importantly for our future generations.

CSR INITIATIVES

As part of our corporate social responsibility activities, PPB Group invested over RM3 million in various initiatives to support the community. We provided aid to over 16,000 beneficiaries through food donations, utilities assistance, upskilling programmes, job creation for entertainers, and workshops in various skills such as photography and filmmaking.

PROSPECTS AND CHALLENGES FOR FY2023

Malaysia's economy is projected to expand by 4.5% in 2023 amidst an expected slowdown in the external environment. This follows a stronger-than-expected 8.7% recovery in 2022 with the private sector being the key driver of growth, supported by private consumption and investment.

The lingering effects of the pandemic, escalating geopolitical tensions and conflicts, and unfavourable weather conditions continue to weigh on our business segments. Notwithstanding that, we are optimistic that the Group will continue to recover as the market is anticipated to improve. Our exposure is relatively limited as most of our products are essential commodities and basic food items.

Wilmar's performance will continue to contribute substantially to the overall profitability of the Group as well.

BOARD CHANGES

We are pleased to welcome Ms Yip Jian Lee who joined the Board on 2 January 2023 as an Independent Non-executive Director. Ms Yip was formerly a Director with the Institute of Bankers Malaysia, and presently serves on the boards of Carimin Petroleum Berhad and FWD Takaful Berhad. We look forward to her participation and contributions to the Group.

I will retire as a Director at the forthcoming 54th Annual General Meeting of the Company on 17 May 2023, and have decided not to seek re-election.

As part of an orderly succession planning, we review the board membership and composition as an on-going process; and my fellow directors will continue to provide stewardship, guidance and oversight for the Group's continued success and growth. I am confident that I leave you in good hands.

I take this opportunity to thank my fellow directors, colleagues, and not least you, our shareholders, for your support, trust and confidence; and extend my best wishes to you all.

ACKNOWLEDGEMENTS

Lastly on behalf of the Board and management, I would like to thank our employees across the Group for their continued dedication and support, without which we could not have achieved the good results for the year. I also wish to convey our appreciation to our customers, business partners, and other stakeholders; we are grateful for your continuing support.

Tan Sri Datuk Oh Siew Nam
Chairman

23 March 2023

MANAGING DIRECTOR'S REVIEW

Lim Soon Huat
Managing Director

Dear Shareholders,

In 2022, Malaysia's economy strengthened with the reopening of international borders and the transition to the endemic phase of COVID-19. This had positively impacted various industries, trade and investment-related services. However, world economic activities were adversely affected by monetary policy tightening, surging inflation, fiscal restraints, and the continuing Russian-Ukraine war.

Despite the global and domestic economic challenges, the PPB Group had achieved a commendable performance in 2022. All key segments contributed positively to the increase in revenue and profitability of the Group, coupled with a higher contribution from Wilmar International Limited.

ECONOMIC AND OPERATING ENVIRONMENT IN 2022

Overall, the Malaysian economy expanded by 8.7% in 2022. Private sector activity remained the key driver of growth, supported by private consumption, investments and improving labour market conditions. Although exports moderated in line with weaker external demand, the services and manufacturing sectors had continued to drive economic recovery.

The Group's performance improved in tandem with the recovery in economic and business activities, with all our core segments performing better. We will continually enhance operational efficiencies while instilling a culture of excellence.

GRAINS AND AGRIBUSINESS SEGMENT

The Grains and Agribusiness segment is the major contributor to the Group's revenue. This segment comprises flour milling, feed milling, corn trading and livestock farming, contributing 74% of the Group's revenue and 3% of profit in FY2022.

FFM Berhad ("FFM") Group, an 80% subsidiary of PPB, owns and operates nine flour mills, of which five are located in Malaysia, two in Vietnam and one in Indonesia, with a total flour milling capacity of 6,870 mt/ day. In Thailand, the Group operates a 670 mt/ day flour mill through its 43.4% associate, Kerry Flour Mills Limited. FFM also has 20% interest in eight associates in China, which have a combined flour milling capacity of 18,950 mt/ day.

FFM owns and operates five feed mills across Malaysia, with a total milling capacity amounting to 66,000 mt/ month.

The livestock farming operations comprise a layer farm in Trong, Perak and two breeder farms in Sua Betong, Negeri Sembilan and Gurun, Kedah. The production capacity of the Trong layer farm is estimated at 20.5 million eggs per month, while the breeder farms have a combined production capacity of about 3.05 million chicks per month.

Flour Milling

FFM Group's revenue growth in 2022 was mainly driven by improved selling prices for flour and by-products from all flour mills. However, the quantum of increase was insufficient to offset the impact of the unprecedented high wheat costs, hedging losses in an extremely volatile commodity market and supply disruption caused by the Russia-Ukraine war.

As a result, producers were seeking alternative sources of wheat to mitigate rising production costs. Moving forward, we foresee growth in the domestic market going into 2023 as manufacturers increase production to cater to a higher demand. We plan to expand our market share by focusing on sales growth to institutional clients without compromising on product quality. This will be our core pillar of growth for 2023.

VFM-Wilmar Flour Mills' 1,000 mt/day wheat flour mill in northern Vietnam

Animal Feed Milling

The Animal Feed Milling business environment remains challenging due to market segment contraction as many major customers switched to home mixing or toll milling to cut costs. This has compounded the already difficult situation when independent farmers had adopted integrated farming to stay relevant and competitive which impacted the businesses of independent feed millers.

The consolidation of the poultry farming industry led to intense and increasing market competition in the feed milling industry. The division has taken steps to mitigate these challenges by improving procurement efficiency for greater effectiveness whilst focused on delivering better high-quality feed at competitive prices and value. Concentrated efforts will be made to widen our customer base to avoid dependence on a few key customers and expand our reach in the market.

We will continue to explore other means to mitigate pressures from the poultry farming sector by diversifying the feed products to other segments such as ruminant feed, and to seek opportunities for growth in downstream and through product diversification.

Livestock Farming

In 2022, the supply of broiler chickens to Singapore decreased to an average of 70,000 to 75,000 birds per day, which represented a 50% decline from previous levels. The decline was caused by the Malaysian government's restrictions on exports, which was aimed to address local shortages due to increased incidences of poultry diseases and the pandemic, as well as the aggravated

Automated palletising of flour cartons

MANAGING DIRECTOR'S REVIEW

FFM Farms' layer farm in Trong, Perak

labour shortages affecting the industry. Currently, only 4.8% of broiler production in Peninsular Malaysia is exported to Singapore.

The egg production industry faced a similar situation in 2022, resulting in a significant shortage of egg supplies both domestically and for export to Singapore. To meet the local demand, Malaysia imported chicken eggs to address the country's egg supply shortage.

The local production of both table eggs and broiler chicken historically has exceeded demand, with approximately 9.4% of table eggs exported to Singapore and Hong Kong and 4.8% of broiler chickens exported to Singapore in the year.

Looking ahead, we will emphasize economies of scale in our operations to reduce production costs, by increasing product output.

Transition to COVID-19 Endemicity

The Grains and Agribusiness segment's growth prospects in the endemic phase remain uncertain due to ongoing geopolitical tensions and continuing supply chain disruption. These uncertainties will result in higher operations, distribution, and logistics costs.

The reopening of borders in transitioning to the endemic phase and the return of foreign workers have mitigated the acute labour constraints, enabling the division to improve its manpower management and sustain business operations.

Working capital has risen along with higher inventory holding cost. Borrowing costs have also increased due to higher interest rates and raw material prices.

Meanwhile, we will continue to be prudent in our credit control. Despite the volatility of commodity prices, our earnings prospects for this segment are expected to be satisfactory as we navigate this challenge.

CONSUMER PRODUCTS SEGMENT

The Consumer Products segment is the second-highest contributor to Group revenue. This segment encompasses the Consumer Products Distribution, Bakery and Food Processing businesses.

The Consumer Products Distribution division under FFM Marketing Sdn Bhd ("FMSB") has an established strong distribution network and currently distributes a wide range of fast-moving consumer goods ("FMCG") comprising both in-house and agency products.

FMSB presently operates 13 warehouses across Malaysia, with a total warehousing capacity of 450,000 sq. ft.

The Italian Baker Sdn Bhd ("TIB"), a wholly-owned subsidiary of FFM Berhad, operates a state-of-the-art industrial bakery in Pulau Indah, Klang. TIB currently has production lines consisting of 16,000 loaves-per-hour bread lines, a 24,000 rolls-per-hour roll line, a 15,000 pieces-per-hour cake line and a 6,000 buns-per-hour line.

The Group's food processing business under FFM Further Processing Sdn Bhd ("FFP") operates two production lines at Pulau Indah, producing premium ready-to-eat sausages, pan-fried nuggets and burgers for the Malaysian market.

Chicken nuggets production at FFM Further Processing's factory in Pulau Indah, Selangor

Consumer Products Distribution

Two years after the outbreak of the pandemic, raw materials prices continued to rise putting pressure on our production costs. Our operations were unable to keep pace with the raw material price increases which led to higher product prices.

In addition to rising direct costs, labour expenditure had also impacted production costs due to the increase in minimum wage in Malaysia.

However, despite these challenges, the frozen food segment showed improved margins in the second half of 2022 after an increase in product prices.

Bakery

TIB continued to generate higher revenue in 2022 than the previous year. The bread market during the year remained stable.

However, the market is expected to face increased competition in 2023, with more participants including expansion of artisan bakeries. TIB plans to meet this challenge by further increasing efficiency, controlling costs, introducing more unique products, and expanding distribution channels.

Food Processing

The Food Processing division faced similar challenges as the Consumer Products Distribution division namely, labour shortage, inflation, higher interest rates and supply instability.

Going into 2023, FFP will continue to innovate and add new products to its portfolio in meeting food service, and retail demand. We expect a challenging year in 2023, marked by cost pressures and tight operational margins but with prudent cost management and production optimisation, we can stay efficient and competitive.

Transition to COVID-19 Endemicity

The Consumer Products segment continued to face higher operational costs as we maintained stringent health and safety measures such as sanitisation, medical screenings and equipping the workplace with adequate hygiene facilities. This segment recorded higher earnings despite increasing raw material, logistics and labour costs, and weaker exchange rates.

FILM EXHIBITION AND DISTRIBUTION SEGMENT

Golden Screen Cinemas Sdn Bhd is the leading cinema exhibitor in Malaysia. As at 31 December 2022, we operate 52 cinemas with 491 screens in major cities and towns nationwide.

In Vietnam, our 40% associate, Galaxy Studio Joint Stock Company, operates at 19 locations with a total of 111 screens.

A Blockbuster Year

Global box office collection improved by 27% in 2022 with the normalisation in supply of movies and the release of more blockbusters. Malaysia's box office collection increased significantly to RM630.1 million in 2022 as compared to RM131.2 million in 2021.

The film industry showed positive recovery during the year with fully opened cinemas and the return of major Hollywood movies. Blockbuster movies such as "Doctor Strange in The Multiverse of Madness", "Jurassic World: Dominion", and "Avatar: The Way of Water", were some of the strong performing movies at the box office.

The locally-produced movie "Mat Kilau" performed exceptionally well and was the number one movie in Malaysia in 2022. It achieved a gross box office collection of RM89 million equivalent to 12% of Malaysia's net box office. Other locally-produced movies also contributed significantly to the recovery, and this gives GSC greater confidence to invest further in local productions.

Looking Ahead

Going forward into 2023, GSC is on track to carry out major refurbishments at some of its cinemas in Malaysia which includes additional hall types and upgrading of halls. These enhancements will refresh and improve the quality of cinematic offerings for a better competitive edge.

With a strong movie line-up and opening of new cinemas, we anticipate a continued positive trend in the industry. The growth of this segment is expected

Golden Screen Cinemas, Tropicana Gardens Mall, Petaling Jaya

MANAGING DIRECTOR'S REVIEW

to be further enhanced with the release of more tentpole movies coupled with strong consumer sentiment and confidence.

We foresee the need and demand for fresh original content to invigorate the local film industry and increase local film output. To this end, GSC has invested in two co-productions in 2022 which will be released over the next 12 months.

Transition to COVID-19 Endemicity

The Film Exhibition and Distribution segment's recovery accelerated in 2022 as cinemas were allowed to operate fully during the year. A five-fold increase in admissions and box office collections were the main contributing factors for the return to profitability of the Malaysian operations of this segment.

The completion of the new cinema acquisitions and expanded cinema circuit at key urban centres are anticipated to contribute positively to revenue growth and strengthening of operational resilience. We will continue to invest in local content to maintain a steady supply of movie titles.

PROPERTY SEGMENT

PPB Properties, the property division of PPB Group Berhad, has established itself as a reliable developer of residential, retail and commercial properties. Its investment properties in Klang Valley include Cheras LeisureMall and Cheras Plaza.

The Whiteaways Arcade in Georgetown, Penang

Megah Rise Residensi in Taman Megah, Petaling Jaya

In the northern region, PPB Properties is the developer of Taman Tanah Aman in Bukit Tengah, Seberang Perai and a mixed residential development known as Taman Sinar Mentari in Bedong, Kedah. The Group also owns New World Park and The Whiteaways Arcade in Georgetown, Penang.

Our latest development, Megah Rise, is a high-rise mixed development in the mature neighbourhood of Taman Megah, Petaling Jaya. The development was completed in July 2022, and the retail mall of Megah Rise opened its doors in December 2022.

The Property segment also provides other property-related services to projects and properties such as The LINC in Kuala Lumpur and Southern Marina in Iskandar Puteri, Johor.

OPERATIONS REVIEW

Retail

As the country transitioned to the endemic phase, retail businesses have seen positive sales growth after the cessation of movement control orders (MCO). The mall's footfall is gradually increasing to approximately 70% of the pre-pandemic level.

Retailers are actively looking for strategic retail spaces for business expansion. Most F&B retailers plan to open standalone shops or locations with alfresco dining in the mall, while non-F&B retailers are considering opening flagship stores or pop-ups in malls.

E-commerce is undoubtedly here to stay; however, more shoppers are returning to physical stores for social and recreational activities.

The retail business remains challenging with increased operation costs contributed by several factors such as labour shortages, the implementation of minimum wages, weak Malaysian currency, high inflation and supply chain disruption.

Property

The past year has seen a sharp increase in property development and construction costs due to high inflationary pressures and supply chain disruption. Additionally, the industry saw increased competition with the launch of many new properties.

MANAGING DIRECTOR'S REVIEW

PPB Properties plans to launch a new phase of landed homes at the end of 2Q2023 in our Bedong township development, previously known as Taman Sinar Mentari and now rebranded as Lumina Bedong, Kedah. The first phase of the Lumina Bedong will feature 221 units of single-storey & 1½-storey terrace houses.

Looking Ahead

The property industry is cautiously optimistic for a slow recovery, with renewed confidence gradually emerging in a post-pandemic market. However, this will be partly negated by high interest rates environment and higher construction costs.

PPB Properties plans to acquire more strategic land banks and establish partnerships with reputable industry players and landowners. We will explore new and innovative products in light of changing lifestyles in a post-pandemic market.

As for the retail property segment, the retail and food & beverage sectors are expected to continue its recovery in 2023, which will provide opportunities and incentives for malls to improve occupancy and rental yields and create new customer experiences.

Transition to COVID-19 Endemicity

The transition to the endemic stage has provided some stability in the retail market, with footfall gradually catching up to pre-pandemic levels. Malls, in particular, are showing signs of better recovery from the pandemic, as they host a variety of events and activities to attract customers.

The property market sentiment in Malaysia is gradually recovering, with prospective buyers looking for properties that offer expansive built-up area and better use of space.

GROUP FINANCIAL PERFORMANCE

	2022 RM'000	2021 RM'000
Revenue	**6,257,395**	4,857,430
Profit before tax	**2,250,424**	1,498,073
Profit attributable to shareholders	**2,196,818**	1,496,111
Earnings per share (sen)	**154.43**	105.17

The Group achieved total revenue of RM6.26 billion, 29% higher than FY2021, as all core segments recorded higher revenue.

Pre-tax profit increased by 50% to RM2.25 billion. Our main business, Grains and Agribusiness, recorded an increase in profit by 21% to RM74 million; whilst *Film Exhibition and Distribution* recorded a lower loss of RM17 million. Contribution from our 18.8%-owned associate, Wilmar International Ltd ("Wilmar") increased by 40% to RM2.10 billion. Profit attributable to shareholders amounted to RM2.20 billion, with earnings per share at RM1.54, a 46.8% increase from the previous financial year.

FINANCIAL PERFORMANCE BY BUSINESS SEGMENTS

Grains and Agribusiness

	2022 RM'000	2021 RM'000
Segment revenue	**4,655,906**	3,688,799
Segment profit	**74,329**	61,522

Segment revenue was higher at RM4.66 billion, up 26% from the previous financial year. The segment recorded an increase in profit by 21% to RM74 million. The improved performance was largely due to a more stable grain commodity market.

MANAGING DIRECTOR'S REVIEW

Consumer Products

	2022 RM'000	2021 RM'000
Segment revenue	**751,118**	643,798
Segment profit	**33,607**	6,543

Segment revenue was up 17% to RM751 million (FY2021: RM644 million). Segment profit for FY2022 was at RM33.6 million (FY2021: RM6.5 million). This was mainly attributable to higher sales of bakery and other fast-moving consumer products.

Film Exhibition and Distribution

	2022 RM'000	2021 RM'000
Segment revenue	**514,809**	116,470
Segment loss	**(17,088)**	(113,278)

Segment revenue increased significantly to RM515 million (FY2021: RM116 million). The segment recorded lower losses at RM17 million (FY2021: RM113 million). This included an impairment on investment in an associate in Vietnam amounting to RM27 million; excluding that, the segment recorded a profit of RM10 million in FY2022. A five-fold increase in admissions and box office collections were the main contributing factors for the return to profitability of the Malaysian operations of this segment.

Property

	2022 RM'000	2021 RM'000
Segment revenue	**140,959**	114,267
Segment profit	**34,909**	14,825

Segment revenue and profit was higher at RM141 million (FY2021: RM114 million) and RM35 million (FY2021: RM15 million) respectively. The higher profit was mainly attributable to new sales and progressive profit recognition from the completed Megah Rise residential project as well as improvement in overall mall business performance.

Discontinued Operations

During the year, the Group disposed of its entire 100% equity interest in CWM Group Sdn Bhd. With the disposal, the Group has exited from the environmental engineering and utilities business.

Group Financial Position

	2022 RM'000	2021 RM'000
Total assets	**28,932,677**	27,397,162
Total liabilities	**2,364,169**	2,216,859
Net assets	**25,830,841**	24,431,488
Net assets per share (RM)	**18.16**	17.17

The Group's total assets increased by 5.6% to RM28.9 billion as at 31 December 2022. This was mainly attributable to the increase in the share of net assets from Wilmar.

MANAGING DIRECTOR'S REVIEW

Group total liabilities increased by 6.6% to RM2.36 billion as at 31 December 2022. The increase was mainly due to an increase in borrowing by RM245 million to RM1.35 billion, partially offset by a decrease in trade payables by RM101 million to RM225 million.

Net assets per share stood at RM18.16 as at 31 December 2022.

Group Cash and Cash Equivalents

Group cash and cash equivalents increased by RM291 million to RM1.59 billion as at 31 December 2022 (FY2021: RM1.30 billion).

Group Bank Borrowings

Group bank borrowings increased by RM245 million to RM1.35 billion as at 31 December 2022. 87% of the Group's bank borrowings are trade finance-related facilities.

All the banking facilities carry variable interest rates.

90% of the Group's bank borrowings are unsecured in nature.

68% or RM917 million are foreign currency-denominated working capital loans for grains procurement and the foreign operations of the Grains and Agribusiness segment, these are mainly in United States Dollars, Indonesian Rupiah and Vietnamese Dong.

Group Capital Expenditure

The Group incurred total capital expenditure of RM167 million during the financial year ended 31 December 2022.

The major areas of spend are as follows:

- RM60 million in the Film exhibition and distribution segment mainly for the construction of new cinemas and upgrading of existing cinemas;
- RM49 million in the Property segment, mainly for the construction of investment properties;
- RM41 million in the Grains and agribusiness segment, mainly for the construction and upgrading of plant machinery and equipment; and
- RM14 million in the Consumer products segment, mainly for the purchase of trucks and upgrade of factory equipment.

ANALYSIS OF THE GROUP'S TOP RISKS

For a conglomerate like the PPB Group, identification and management of risks are important to ensure business sustainability. Therefore, minimal disruption to the value creation process is imperative. The Group has identified the following top six risks that must be managed to ensure its continued long-term success:

1. **Reliance on certain income streams**

   The PPB Group has an 18.8%-stake in Wilmar. For FY2022, it relied to a large extent on contributions from Wilmar to meet one of its key objectives, which is to reward shareholders with sustainable and consistent dividends. The Group therefore, invests in and expands its other business segments both domestically and overseas, while continually seeking investment opportunities to diversify its portfolio and income stream.

2. **Compliance with regulatory requirements**

   The PPB Group places high priority on compliance with relevant regulatory requirements. As such, the Group endeavours to create awareness and equip employees through relevant training and engagement of industry specialists for advice on compliance matters.

3. **Health and safety hazards**

   The nature of certain business segments in the Group may expose our employees to health and safety hazards. To foster a safe and healthy work environment, we take a range of actions including safety awareness and training sessions for employees and other stakeholders, appointment of OSH Coordinators, the formation of OSHA committees and stringent enforcement of OSHA requirements.

4. **Foreign exchange risk**

   The fluctuation of the Ringgit has presented challenges to the PPB Group as most of the raw materials for the grains and agribusiness segment, film rights purchases and overseas investments are denominated in foreign currencies. The Group monitors currency fluctuations closely and hedges part of its exposure.

5. **Fluctuation of commodity prices**

   Some of the raw materials used in the Group's production are traded in the commodities market, which are exposed to price fluctuation risks. Changes in consumer demand, extreme weather changes, and geopolitical tensions are amongst some circumstances that can influence commodity prices. It is critical to secure raw materials at favourable prices for the Group to remain competitive and profitable. The Group closely monitors commodity price movements and hedges its exposure appropriately to preserve its margin.

6. **Supply chain disruption risk**

   Disruptive worldwide events such as adverse weather, labour shortages and geopolitical tensions expose the Group to supply chain disruption risks. The Group recognises the need for our supply chains to be resilient. To mitigate the impact, action being taken includes close monitoring of global supply and demand, implementing strategic procurement of raw materials, diversifying supply sources and optimising operational efficiencies through our Group's extensive procurement experience and technical competency.

MANAGING DIRECTOR'S REVIEW

GROUP OUTLOOK & PROSPECTS FOR 2023

As reported, the Malaysian economy grew at a slower rate of 7.0% in the fourth quarter of 2022 (3Q2022: 14.2%) as support from the stimulus measures and low base effect waned. Private sector activity remained the key driver of growth, supported by private consumption and investment. Overall, the Malaysian economy expanded by 8.7% in 2022.

For 2023, the Malaysian economy is expected to expand at a more moderate pace at 4.5%, amid a challenging external environment. The slowing global growth and weakening demand will see domestic demand remaining as the key driver of growth, supported by the continued recovery in the labour market and realisation of multi-year investment projects.

Performance of the Grains and Agribusiness segment improved as grain commodity prices stabilized, particularly in the second half of 2022. We expect grain commodity prices to remain volatile given the uncertain weather conditions in the major grains-growing countries and the on-going Russian-Ukraine war. To navigate the challenges ahead, the segment will continue to leverage on its market intelligence to drive procurement and operational efficiencies. We expect the segment to deliver a satisfactory performance in 2023.

The Consumer Products segment has performed well in 2022 and is expected to improve amid recovery of consumer spending. The segment will continue to improve operational efficiencies through its integrated marketing system and established nation-wide distribution network in distributing a widely-accepted range of necessities, and in expanding its range of consumer products.

The Malaysian operations of the Film Exhibition and Distribution segment closed on a positive note in the fourth quarter of 2022, attributable mainly to better performance of several major blockbusters during the holiday season. For 2023, we expect performance of the segment to improve further with the release of more tentpole movies, and support from positive consumer sentiments and confidence.

The Property segment will continue to focus on planned development projects in Kedah and Penang, as well as enhancing our malls' performance. We expect the segment to perform satisfactorily.

Wilmar's performance will continue to contribute substantially to the overall profitability of the Group.

23 March 2023

GROUP FINANCIAL HIGHLIGHTS

		2022 RM'Million	2021 RM'Million	Change %
INCOME STATEMENT				
Revenue		**6,257***	4,857*	28.8
Profit before taxation		**2,250***	1,498*	50.2
Profit after taxation		**2,220**	1,507	47.3
Profit attributable to owners of the parent		**2,197**	1,496	46.9
STATEMENT OF FINANCIAL POSITION				
Equity attributable to owners of the parent		**25,831**	24,431	5.7
Total equity		**26,569**	25,180	5.5
RATIOS				
Return on equity attributable to owners of the parent	(%)	**8.5**	6.1	
Earnings per share	(sen)	**154.43**	105.17	
Debt to equity ratio	(times)	**0.05**	0.05	
Net assets per share	(RM)	**18.16**	17.17	
Dividend per share	(sen)	**40**	35	
Share price - 31 December	(RM)	**17.44**	17.10	

* Including discontinued operations

5-YEAR GROUP FINANCIAL STATISTICS

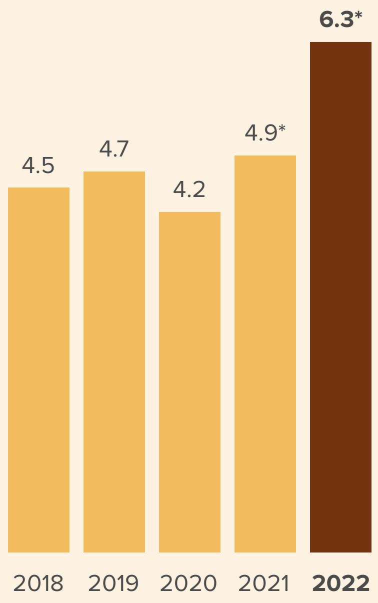
Year ended 31 December		2022	2021	2020	2019	2018
Revenue	RM'Million	**6,257***	4,857*	4,191	4,684	4,528
Share of results of associates	RM'Million	**2,178**	1,573	1,343	1,040	920
Profit before taxation	RM'Million	**2,250***	1,498*	1,421	1,272	1,168
Profit for the year	RM'Million	**2,220**	1,507	1,363	1,199	1,103
Dividend for the financial year	RM'Million	**569**	498	654	441	398
Issued and paid up share capital	RM'Million	**1,429**	1,429	1,429	1,429	1,429
Equity attributable to owners of the parent	RM'Million	**25,831**	24,431	22,819	21,435	21,040
Total assets	RM'Million	**28,933**	27,397	24,884	23,580	23,245
Total borrowings	RM'Million	**1,347**	1,103	481	361	489
Earnings per share	Sen	**154.43**	105.17	92.57	81.02	75.57

FTSE Bursa KLCI Quotes						
31 December closing price	RM	**17.44**	17.10	18.52	18.84	17.58
No. of shareholders		**9,108**	9,199	9,080	8,989	9,025

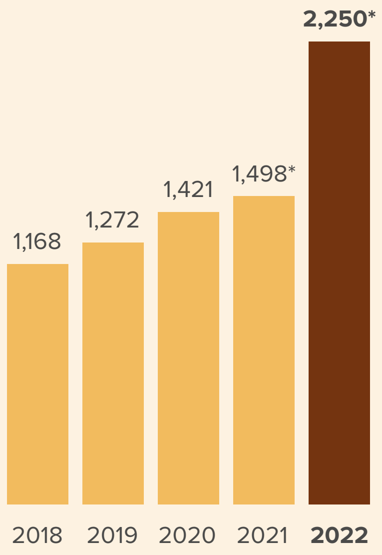
* Including discontinued operations

5-YEAR STATISTICS HIGHLIGHTS

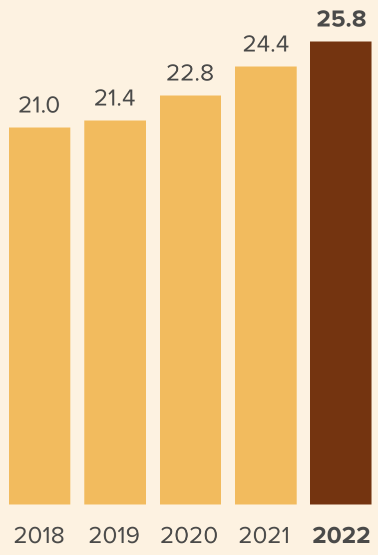
REVENUE
(RM'Billion)



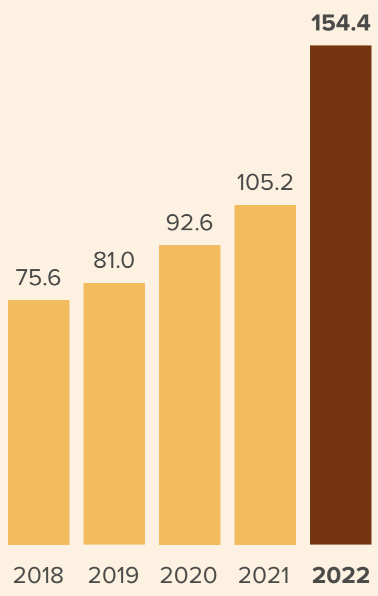
PROFIT BEFORE TAXATION
(RM'Million)



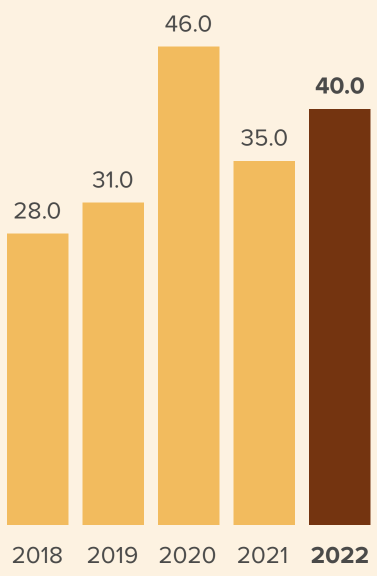
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT
(RM'Billion)



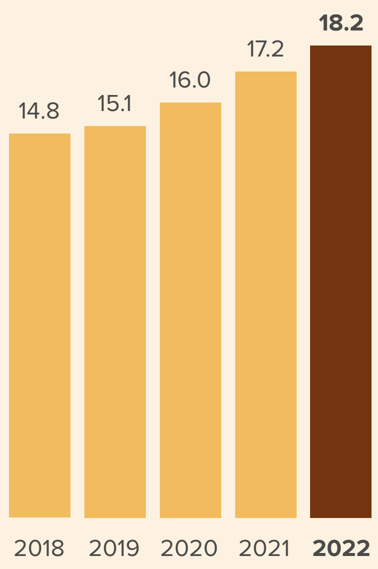
EARNINGS PER SHARE
(Sen)



DIVIDEND PER SHARE
(Sen)

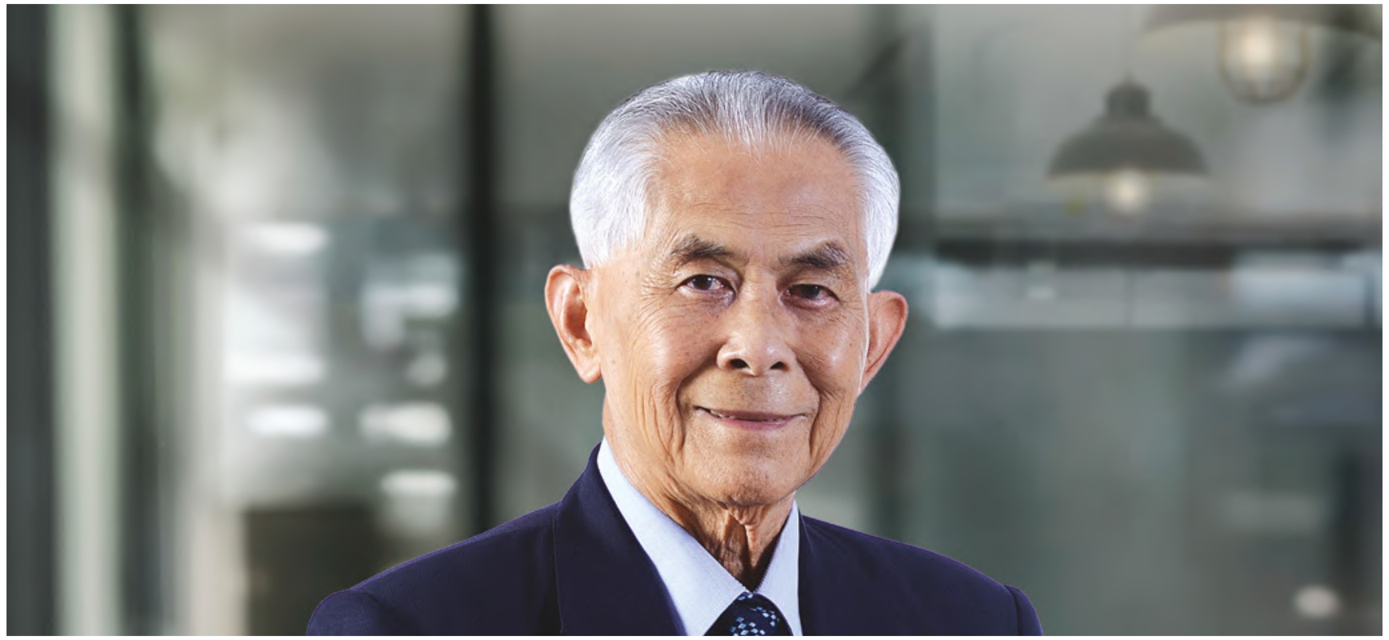


NET ASSETS PER SHARE
(RM)



* Including discontinued operations

DIRECTORS' PROFILES



TAN SRI DATUK OH SIEW NAM

Chairman
Non-independent Non-executive Director

Gender: Male
Age: 84

Date of appointment:
Director - 2 March 1988
Executive Chairman - 1 July 2004
Chairman - 1 February 2008

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Canterbury, New Zealand.
- Assistant Controller of Telecom Malaysia for five years before joining FFM Berhad ("FFM") group in 1968.
- Managing Director of FFM from 1982 to 2002, and Executive Chairman from 2002 to 2006.
- Board member of Bank Negara Malaysia from 1989 to 2015.
- Served as a member of the Capital Issues Committee and the National Economic Consultative Council II (MAPEN II).
- Chairman of PPB Oil Palms Berhad from 2004 to 2007.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Kuok Foundation Berhad

MR LIM SOON HUAT

Managing Director
Non-independent Executive Director

Gender: Male
Age: 58

Date of appointment:
Director - 29 May 2008
Managing Director - 1 July 2012

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Science (Honours) degree in Statistics from Universiti Kebangsaan Malaysia.
- Many years of management experience in the field of finance, commodities trading, consumer goods manufacturing and marketing, hotel investments, sugar cane plantation and sugar milling operation.
- Held various senior executive positions in the Kuok group of companies in Singapore, Thailand, Hong Kong, China and Indonesia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Ponderosa Golf & Country Resort Berhad
- FFM Berhad
- Kuok Foundation Berhad

DATO' CAPT AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID

Independent Non-executive Director
Chairman of Remuneration Committee
Member of Audit and Risk Committee

Gender: Male
Age: 73

Date of appointment:
22 June 2009

QUALIFICATIONS AND EXPERIENCE

- Qualified as a Master Mariner with a Masters Foreign-going Certificate of Competency from the United Kingdom in 1974.
- Diploma in Applied International Management from the Swedish Institute of Management.
- Attended the Advanced Management Program at Harvard University.
- Fellow of the Chartered Institute of Logistics and Transport and the Institut Kelautan Malaysia.
- Has over 45 years experience in the international maritime industry.
- Former Director and Chairman of GDEX Berhad.
- Former Director and Chairman of WCT Holdings Berhad.
- Former Director and Chairman of Malaysian Bulk Carriers Berhad.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

DIRECTORS' PROFILES

ENCIK AHMAD RIZA BIN BASIR

Independent Non-executive Director
Chairman of Nomination Committee

Gender: Male
Age: 62

Date of appointment:
25 July 2013

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Law (Honours), University of Hertfordshire, United Kingdom.
- Barrister-at-Law (Lincoln's Inn), London.
- Called to the Malaysian Bar in 1986.
- Former partner of the law firm, Riza, Leong & Partners.
- Former Managing Director of Kumpulan FIMA Berhad.
- Director of Jerneh Asia Berhad (now known as JAB Capital Berhad) from 1996 to 2012.
- Independent director of United Plantations Berhad from 2000 to April 2022.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

DATUK ONG HUNG HOCK

Non-independent Non-executive Director
Member of Nomination Committee
Member of Remuneration Committee

Gender: Male
Age: 69

Date of appointment:
1 July 2012

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Arts (Honours), University of Malaya.
- Held executive positions in marketing in various companies before joining FFM Berhad ("FFM") group in 1980.
- Held various senior positions in the FFM Group, including Managing Director and Chairman of FFM Marketing Sdn Bhd from 1998 to 2019.
- Director of FFM from 2004 to 2019, and Managing Director of FFM from 2011 to 2019.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MR SOH CHIN TECK

Independent Non-executive Director
Chairman of Audit and Risk Committee
Member of Nomination Committee

Gender: Male
Age: 65

Date of appointment:
8 October 2012

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Economics, Monash University, Melbourne, Australia.
- Masters in Business Administration – International Management, RMIT University, Australia.
- Fellow member of the Institute of Chartered Accountants Australia and New Zealand.
- Member of the Malaysian Institute of Accountants.
- Member of the Australian Institute of Company Directors.
- More than 13 years audit experience and held various senior positions in member firms of Deloitte in Singapore, Sydney and Kuala Lumpur.
- Former Executive Director and General Manager of CSR Building Materials (M) Sdn Bhd.
- Former Business Director and board member of Rockwool Malaysia Sdn Bhd.
- Former Chairman of FMM – Malaysian Insulation Manufacturers Group.
- Former Deputy Managing Director of Saint-Gobain Malaysia Sdn Bhd.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- FM Global Logistics Holdings Berhad

MADAM TAM CHIEW LIN

Independent Non-executive Director
Member of Audit and Risk Committee
Member of Remuneration Committee

Gender: Female
Age: 72

Date of appointment:
25 July 2013

QUALIFICATIONS AND EXPERIENCE

- Fellow member of the Institute of Chartered Accountants in England and Wales (1975).
- Chartered Accountant – Malaysian Institute of Accountants.
- Public Accountant – Malaysian Institute of Certified Public Accountants.
- Diploma in Applied International Management – Swedish Institute of Management.
- Postgraduate Certificate in Banking and Finance – University of Wales, Bangor.
- Appointed as director of Jerneh Asia Berhad (now known as JAB Capital Berhad) ("JAB") in 1996; and subsequently appointed as Executive Director in 2000.
- Appointed as Managing Director of JAB group of companies from 2005 until her retirement at end-2012.
- Held various positions in the IMC group of companies from 1991 to 2000.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- JAB Capital Berhad
- FWD Takaful Berhad

DIRECTORS' PROFILES

TENGKU NURUL AZIAN BINTI TENGKU SHAHRIMAN

Independent Non-executive Director
Member of Audit and Risk Committee

Gender: Female
Age: 60

Date of appointment:
1 March 2022

QUALIFICATIONS AND EXPERIENCE

- Law degree from School of Oriental & African Studies, University of London.
- Barrister of Law (Honourable Society of the Inner Temple).
- Independent and Non-Executive Director of Sunway REIT Management Sdn Bhd, management company of Sunway Real Estate Investment Trust, which is listed on the Main Market of Bursa Malaysia Securities Berhad.
- 18 years of working experience in investment banking from 1992 to 2010. Last position was Head of Corporate Finance in RHB Investment Bank Berhad.
- Director in Performance Management and Delivery Unit (PEMANDU), Prime Minister's Office from 2010 to 2018, and a Partner/Executive Vice President of PEMANDU Associates Sdn Bhd from 2018 to 2020.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Dutch Lady Milk Industries Berhad
- FM Global Logistics Holdings Berhad

MS YIP JIAN LEE

Independent Non-executive Director

Gender: Female
Age: 67

Date of appointment:
2 January 2023

QUALIFICATIONS AND EXPERIENCE

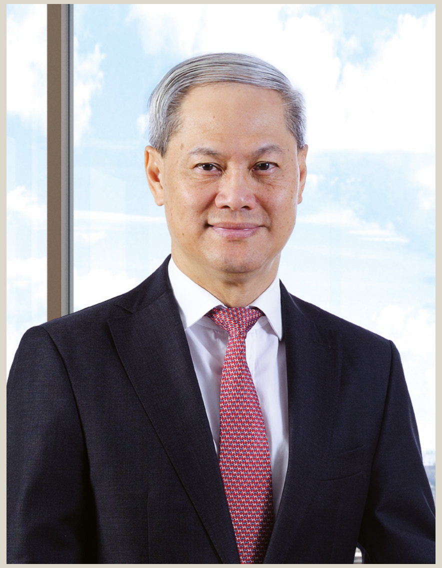
- Chartered Accountant with the Institute of Chartered Accountants in England and Wales (1981).
- Member of the Malaysian Institute of Accountants.
- Independent and Non-Executive Director of Carimin Petroleum Berhad and FWD Takaful Berhad.
- Director of the Institute of Bankers Malaysia from 1985 to 2000.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Carimin Petroleum Berhad
- FWD Takaful Berhad
- Professional Golf of Malaysia

Notes
1. *All the Directors are Malaysians.*
2. *None of the Directors has any family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Company.*
3. *Other than traffic offences, none of the Directors had any convictions for any offences within the past five years, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

KEY SENIOR MANAGEMENT TEAM



MR LIM SOON HUAT
Managing Director of PPB Group Berhad

MR JEREMY GOON KIN WAI @ JEREMY RUAN JIANWEI
Chief Executive Officer of FFM Berhad

MS KOH MEI LEE
Chief Executive Officer of Golden Screen Cinemas Sdn Bhd (GSC)

MR LOW ENG HOOI
Chief Executive Officer of PPB Hartabina Sdn Bhd

MS YAP CHOI FOONG
Group Chief Financial Officer

MR MAH TECK KEONG
Company Secretary

MS OH SOK TUAN, AMANDA
Group Chief Human Resources Officer

MS GOH WEI-MIN
Group Chief Risk Officer

MS LEE MEI FONG, AUDREY
Group Head of Sustainability

MR SENG KIAN AIK
Group Head of Internal Audit

MR TEE CHIN YI
Group Head of Information Technology

KEY SENIOR MANAGEMENT TEAM

MR LIM SOON HUAT

Managing Director of PPB Group Berhad

Mr Lim's profile is set out on page 31.

MR JEREMY GOON KIN WAI @ JEREMY RUAN JIANWEI

Chief Executive Officer of FFM Berhad

Year of Joining PPB Group: 2019

Male | 51

Date Appointed to the Key Senior Management Position:
1 October 2019

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Arts (Honours) degree in Management Science & Law from Keele University, United Kingdom.
- Currently the Chief Sustainability Officer of Wilmar International Ltd.
- Held several senior positions in the Kuok group of companies since 2002 and has management experience in edible oils processing operations, plantation management, trading, brand management, marketing and sustainability.
- Serves on the boards of several local and overseas entities amongst them, PT Gunung Madu Plantations (Indonesia) and Palmci, Group SIFCA (Ivory Coast).
- Serves in various capacities in trade organisations such as the Malaysian Palm Oil Association, Malaysian Palm Oil Council and Tropical Forest Alliance 2020.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- FFM Berhad
- Rainbow Ridge Berhad

MS KOH MEI LEE

Chief Executive Officer of Golden Screen Cinemas Sdn Bhd (GSC)

Year of Joining PPB Group: 1990

Female | 57

Date Appointed to the Key Senior Management Position:
1 January 2002

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Business Administration degree (Summa Cum Laude) in Finance from the University of Montevallo, USA.
- Held the position of the Group Head of Corporate Affairs of PPB overseeing the investor relations and corporate affairs matters of PPB Group from 2000 until 2022. Additionally, she was the Group Chief Sustainability Officer of PPB from 2018 to 2022.
- Appointed as Director of GSC Group since February 2001 and has been Chief Executive Officer of GSC Group since January 2002. She also oversees the Group's leisure operations.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MR LOW ENG HOOI

Chief Executive Officer of PPB Hartabina Sdn Bhd

Year of Joining PPB Group: 2019

Male | 58

Date Appointed to the Key Senior Management Position:
3 July 2019

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Science (Honours) degree in Housing, Building & Planning and Bachelor of Architecture degree from the University of Science Malaysia.
- Registered architect with Board of Architects Malaysia; and corporate member of Pertubuhan Akitek Malaysia.
- Has more than 30 years working experience in property development.
- Held executive positions in major conglomerates namely Keppel Land, Boustead Holdings, Khazanah Group and Shangri-La Group of companies.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MS YAP CHOI FOONG

Group Chief Financial Officer

Year of Joining PPB Group: 2017

Female | 58

Date Appointed to the Key Senior Management Position:
1 November 2017

QUALIFICATIONS AND EXPERIENCE

- Fellow member of the Association of Chartered Certified Accountants, United Kingdom.
- Prior to joining PPB Group Berhad as Head of Corporate Strategy and Planning in March 2017, she was the Group Chief Financial Officer of RHB Banking Group.
- Has over 30 years working experience in auditing; finance and accounting; corporate finance; corporate & strategic planning; and merger, acquisition & integration.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MR MAH TECK KEONG

Company Secretary

Year of Joining PPB Group: 1989

Male | 60

Date Appointed to the Key Senior Management Position:
27 November 2008

QUALIFICATIONS AND EXPERIENCE

* Associate member of The Malaysian Institute of Chartered Secretaries and Administrators.
* Oversees the corporate secretarial and legal matters of PPB and various subsidiaries, and other affiliated companies.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

KEY SENIOR MANAGEMENT TEAM

KEY SENIOR MANAGEMENT TEAM

MS OH SOK TUAN, AMANDA

Group Chief Human Resources Officer

Year of Joining PPB Group: 2019

Female | 49

Date Appointed to the Key Senior Management Position:
15 May 2019

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Arts (Honours) degree in Business Administration majoring in Human Resources Management from the University of Wales.
- 19 years of leadership experience in multinational settings, operating in diverse industries such as shipping, insurance and chemical manufacturing prior to joining PPB Group Berhad.
- Has over 20 years of experience in leading organisational change encompassing people capability enhancement, leadership and talent development, cultural transformation and building employer value proposition.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MS GOH WEI-MIN

Group Chief Risk Officer

Year of Joining PPB Group: 2015

Female | 49

Date Appointed to the Key Senior Management Position:
13 August 2015

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Arts (Econ) Accounting & Finance (Honours), The University of Manchester, United Kingdom.
- Fellow member of the Association of Chartered Certified Accountants, United Kingdom.
- Certified Business Continuity Professional (CBCP).
- Over 25 years of experience in risk management, system implementations, business continuity, consulting and governance. She was formerly with government-linked companies, one of the Big Fours' risk advisory consulting firm & multinational corporation.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MS LEE MEI FONG, AUDREY

Group Head of Sustainability

Year of Joining PPB Group: 2023

Female | 40

Date Appointed to the Key Senior Management Position:
3 January 2023

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Science (Honours) degree in Industrial Biology, from the University of Technology Malaysia.
- Oversees sustainability and CSR initiatives of PPB Group.
- Over 18 years of sustainability programme implementation experience within financial institutions, multinational companies, and not-for-profit organisations.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MR SENG KIAN AIK

Group Head of Internal Audit

Year of Joining PPB Group: 2021

Male | 50

Date Appointed to the Key Senior Management Position:
4 January 2021

QUALIFICATIONS AND EXPERIENCE

- Member of Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants and Chartered Accountants Australia and New Zealand.
- Prior to joining PPB Group Berhad, he has held senior positions in Internal Audit of Sunway REIT and AirAsia X Berhad and has worked in professional assurance services firm, PwC Malaysia.
- Has over 25 years of working experience in internal and external audit.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

MR TEE CHIN YI

Group Head of Information Technology

Year of Joining PPB Group: 2021

Male | 43

Date Appointed to the Key Senior Management Position:
1 June 2021

QUALIFICATIONS AND EXPERIENCE

- Master In Information & Communication Technology Management and Executive Master in Management (General) from Asia E University, Malaysia.
- Prior to joining PPB Group Berhad, he was the Head of Information Technology of Heineken Malaysia Berhad.
- Has over 13 years extensive experience in leadership roles within Asia Pacific in driving IT strategic transformation which includes design and execution of digital roadmap, IT infrastructure modernisation projects and IT security strategy and governance.

DIRECTORSHIPS IN PUBLIC COMPANIES AND LISTED COMPANIES

- Nil

Notes:

1. *All the members of the key senior management team are Malaysians.*
2. *None of the key senior management team has any family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Company.*
3. *Other than traffic offences, none of the key senior management team had any convictions for any offences within the past five years, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

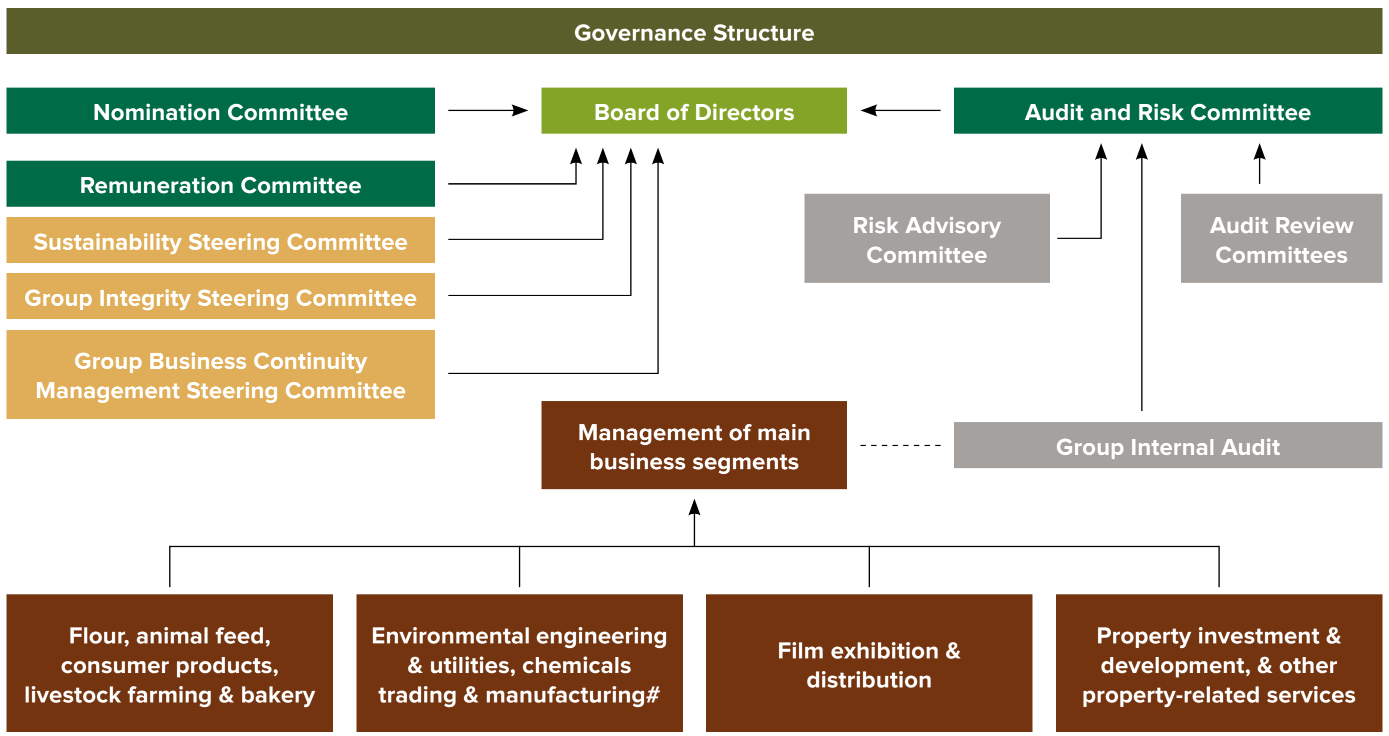
This Corporate Governance Overview Statement ("CGS") provides a summary of the corporate governance practices of PPB Group Berhad ("PPB") and its subsidiaries ("Group") during the financial year ended 31 December 2022 ("FY2022") with reference to the three Principles in the Malaysian Code on Corporate Governance ("MCCG"), viz:

(a) board leadership and effectiveness;
(b) effective audit and risk management; and
(c) integrity in corporate reporting and meaningful relationship with stakeholders.

It also highlights key focus areas and future priorities in relation to our corporate governance practices.

This statement should be read together with the Company's Corporate Governance Report ("CGR") for FY2022 which is based on a prescribed format to provide a more detailed description of the Group's corporate governance practices vis-à-vis the MCCG. The CGR is available on the websites of Bursa Malaysia (http://www.bursamalaysia.com) and PPB (https://www.ppbgroup.com). The CGS should also be read in tandem with other statements/reports in/issued together with the 2022 Annual Report, viz the Audit and Risk Committee Report, Statement on Risk Management and Internal Control, and the Sustainability Report.

The Group's governance structure during the year was as follows:



The Group disposed of several entities in this segment during the year, and this has ceased to be one of the main business segments.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

Board responsibilities

The board charter sets out matters reserved for the Board's decision and outlines the Board's roles and responsibilities. The schedule of matters for the Board's decision includes amongst others, the overall Group strategy and direction; major policies, board and board committee appointments; approval of financial statements, corporate plans and budgets, material acquisitions and disposals of assets, and major investments. The Board charter has been updated to include the Board's responsibilities on environmental, social and governance ("ESG") matters which are pertinent and material to the Group and its stakeholders; as well as effective stakeholder communication and engagement.

The Board has oversight of the overall performance and control of the Group, setting and reviewing the strategic direction of the Group, and monitoring the implementation by management of that strategy. Specific responsibilities are delegated to several committees. These committees operate within Board-approved terms of reference, and have authority to examine issues and report to the Board with their findings and recommendations.

The roles of the Chairman and Managing Director are separate. The non-executive Chairman's responsibilities include overseeing the governance process, provide board leadership on policy formation and decision-making, as well as ensuring that appropriate steps are taken to provide effective communication with stakeholders. The Managing Director is responsible for overseeing the development and operations of the Group's businesses, and implementing corporate strategies and objectives adopted by the Board.

The Board sets the minimum standards of conduct and personal behaviour; to maintain a uniform set of values and ethics within the Group. An updated Group-wide code of ethics and code of conduct was adopted by the Board in 2018, and embedded in the respective Group employee handbooks. A whistleblower policy adopted by the Company in 2015 is incorporated in the employee handbook, and has also been adopted by the respective business units throughout the Group. The policy was updated in 2022 and is now known as the 'Whistleblowing Policy and Procedures'.

Anti-bribery and corruption

The Board is committed to complying with anti-bribery and corruption laws in Malaysia and other countries in which the Group operates. The 'Group Anti-Bribery and Corruption ("ABAC") Policy and Procedures' ("ABAC P&Ps") applies to all directors and employees of PPB Group as well as business associates. The ABAC P&Ps is communicated to all parties with whom the Group has business dealings, and is accessible to the public via publication on the Group entities' corporate websites. It may be viewed at the Company's website: https://www.ppbgroup.com/index.php/governance-sustainability/code-policies/anti-bribery-and-corruption-policy-and-procedures

The ABAC P&Ps sets out PPB's stance against bribery and corruption, managing conflicts of interest, policy on gifts, hospitality and entertainment, donations and sponsorship, handling facilitation payment requests and whistleblowing. In 2022, the Group implemented a 'No Gift Policy'. The Board is responsible for the oversight of the ABAC/ Integrity programme, and has delegated authority and day-to-day decisions to the Group Integrity Steering Committee.

All Directors and employees attended the annual ABAC training session conducted by the Company's Risk Management and Integrity Department during the year.

Governing sustainability

The Board has oversight responsibility to deliver sustainable value to stakeholders through the principles, policies, objectives and strategies of the Group. In carrying out this responsibility, the Board is supported by the Sustainability Steering Committee ("SSC") which was formed in 2017. The SSC is chaired by the Managing Director of PPB and presently comprises the Group Head of Sustainability, PPB's department heads, as well as the chief executives and sustainability officers of the business segments. The respective business units set, monitor and review ESG/sustainability targets, and report the performance/results achieved to the board through the SSC.

Our Group Strategic Plan ("GSP") (2019-2023) includes sustainability goals, strategies and plans of the various business units. During the year, the Board adopted a 5-year sustainability roadmap for the period from 2022 to 2026, which translates the Group's vision and strategy into targets and initiatives to be achieved within the set timelines.

The roadmap and plans are under the purview of the Board and the SSC.

Further details of the Group's sustainability-related matters are set out in the 2022 Sustainability Report which is available on the websites of Bursa Malaysia (http://www.bursamalaysia.com) and PPB (https://www.ppbgroup.com).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board and Committee meetings

The meetings of the Board and Board Committees held in FY2022 and attendance record are set out below:

Meetings/ Name of Director/ Committee member	Number of meetings	
	Held	Attended
Board of Directors		
Tan Sri Datuk Oh Siew Nam	6	6
Mr Lim Soon Huat	6	6
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	6	6
Datuk Ong Hung Hock	6	6
Mr Soh Chin Teck	6	6
En Ahmad Riza bin Basir	6	6
Madam Tam Chiew Lin	6	6
Tengku Nurul Azian binti Tengku Shahriman *(Appointed on 1 March 2022)*	5	5
Audit and Risk Committee		
Mr Soh Chin Teck	6	6
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	6	6
Madam Tam Chiew Lin	6	6
Tengku Nurul Azian binti Tengku Shahriman *(Appointed on 1 April 2022)*	3	3
Nomination Committee		
En Ahmad Riza bin Basir	3	3
Datuk Ong Hung Hock	3	3
Mr Soh Chin Teck	3	3
Remuneration Committee		
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	1	1
Madam Tam Chiew Lin	1	1
Datuk Ong Hung Hock	1	1

In exercising their duties, directors have access to information within the Company and the support of the company secretary. The company secretary also updates directors on statutory, regulatory and related governance requirements relating to the discharge of their duties and responsibilities.

Board composition

The Board comprises a majority of independent directors; of the eight Board members in FY2022, five are independent. The remainder of the Board comprised two non-independent non-executive directors, and the Managing Director. Subsequent to the year-end, Ms Yip Jian Lee was appointed as an independent director on 2 January 2023.

The independent directors are able to carry out their duties and express their views unfettered by familiarity, or business or other relationships. They provide skills, competencies as well as broader views to enhance the Board's effectiveness.

The Board has agreed that annual shareholders' approval be sought to extend the tenure of any director who has served for more than nine years as an independent director. Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid, Mr Soh Chin Teck and En Ahmad Riza bin Basir's tenures as independent directors were further extended at the 53rd Annual General Meeting ("AGM") of the Company in 2022 until the conclusion of the next AGM. The Nomination Committee ("NC") and the Board were satisfied that Dato' Sufian, Mr Soh and En Riza are able to exercise independent judgment and act in the best interests of the Company, and recommended the continuation of Dato' Sufian, Mr Soh and En Riza's tenures as independent directors beyond 9 years for shareholders' approval at the 53rd AGM.

The Board strives to achieve a balance and mix of skills, experience and perspectives amongst its directors, to collectively bring a range of experience, business, financial and technical expertise for effective oversight of the Group's businesses, and fulfil the Board's duties and responsibilities.

Annual re-election of directors

In accordance with the Company's Constitution, one third of the directors retire by rotation at the AGM every year, and are subject to re-election by members.

The NC also reviews annually the training undertaken by Directors and recommends topics which are relevant or of interest to the Board to keep abreast with business and regulatory developments. In 2022, the Directors attended PPB's annual in-house training session for directors and senior management, and the topics included the following :

- Outlook for markets, and long-term structural trends, and drivers for the ASEAN economies.
- Blockchain technology, and present and future blockchain applications.
- Overview of the Employment (Amendment) Act 2022 and the new Anti-Sexual Harassment Act 2022.

The directors' annual training included cyber-security awareness and updates on related issues. In addition, the following Directors attended other training sessions during the year, and the topics included:

Name of Director	Title/Topic
Lim Soon Huat	• International Directors Summit 2022
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	• International Directors Summit 2022
Datuk Ong Hung Hock	• International Directors Summit 2022
Soh Chin Teck	• Detecting & Deterring Financial Statement Fraud
	• International Directors Summit 2022
Ahmad Riza bin Basir	• International Directors Summit 2022
	• Bursa Malaysia Immersive Experience – The Board Agender
Tam Chiew Lin	• BNM-FIDE Forum MyFintech Week Masterclasses
	• BNM's MyFintech Week 2022
	• IT Infrastructure and Cybersecurity
	• BNM-FIDE Forum Dialogue : Licensing Framework for Digital Insurers and Takaful Operators
	• BNM-FIDE Forum Dialogue : Climate Risk Management and Scenario Analysis
	• Inflation, Looming Recession & Climate Change: A Tricky Balancing Act?
	• Briefing: Module 2 Shariah Governance Code & Ethic and Business Plan
	• Briefing by Ernst & Young PLT on MFRS 17
Tengku Nurul Azian binti Tengku Shahriman	• TCFD Corporate Disclosure Training Programme 101
	• Progress update meeting for Sustainable Development Solutions Network Project
	• PowerTalk ESG Series #1 – Plan your ESG Journey: Lessons for the Boardroom
	• International Directors Summit 2022
	• Sustainable Supply Chain Financing
	• Becoming a Future Focused Risk Management Committee
	• Securities Commission's AOB conversation with Audit Committees

The criteria for evaluation of candidates for appointment as directors (and senior management positions) include their qualification, occupation, professional and business experience, and is subject to the Company/ Group's requirements and operating environment. Prospective candidates are not discriminated based on gender, age, cultural background etc.

The Group recognises the importance of identifying and developing potential leaders and managers to fill key positions (whether on the board or senior management) in the Company and Group, from both internal and external sources. This is an on-going process based on the Group's short and longer term needs in terms of skills, expertise, knowledge and experience.

Board evaluation

Candidates for board appointments are reviewed by the NC before recommendation to the Board. The NC is chaired by Encik Ahmad Riza bin Basir, an independent director. During the year, the NC recommended the appointment of Tengku Nurul Azian binti Tengku Shahriman as an Independent Director. The NC assessed the proposed candidate's character, experience, integrity, competence and time commitment to discharge her role effectively as a director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The NC reviews annually the Board size and composition, diversity (including gender diversity), as well as the mix of Directors necessary for the successful direction of the Company and Group's businesses. The NC also conducted a Board assessment, and assessment of the independent directors for 2022 which covered their experience and expertise/ knowledge in the following areas:

- Business knowledge
- Accounting and financials
- Corporate governance, risk management and internal controls
- Legal and regulatory
- Human capital
- Information technology knowledge
- ESG/ sustainability matters

The assessment included a review of the directorships of each board member, and their performance and contribution to the Board and respective Board Committees during the year. The NC also assessed the performance of the Audit and Risk Committee for FY2022. Based on the NC's review and recommendation, the Board is satisfied with the number and composition of its members, and is of the view that the Board and the Board Committees have discharged their respective duties and responsibilities effectively.

Gender diversity

There is presently no formal gender diversity policy. The Board is of the opinion that it is important to recruit and retain the best available talent, taking into account the mix of skills, experience, knowledge and independence, and based on the Group's needs and operating environment. Nonetheless, the Board continues to review board gender diversity, and it will continue to be one of the factors to be considered in evaluating prospective candidates when a board vacancy arises.

Remuneration

The Board reviews the overall remuneration of executive and non-executive directors at regular intervals to attract and retain directors with the relevant experience and expertise.

The Managing Director's remuneration is determined after taking into account his duties and responsibilities as Managing Director of PPB, his roles in various capacities in the main business units, and the Group's performance for the year. For non-executive directors, the remuneration reflects their roles and responsibilities, and the recommendation thereof is a matter for the Board as a whole subject to shareholders' approval.

The individual directors' remuneration paid/ payable for FY2022 on a Group and Company basis are set out below:

GROUP							
Figures in RM'000	**Fees**	**Salary**	**Bonus**	**Allowances**	**Benefits-in-kind**	**Other emoluments**	**Total**
Lim Soon Huat	30	1,200	2,300	-	36	561	4,127
Tan Sri Datuk Oh Siew Nam	500	-	-	8	35	-	543
Datuk Ong Hung Hock	92	-	-	12	-	-	104
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	109	-	-	16	-	-	125
Soh Chin Teck	121	-	-	24	-	-	145
Ahmad Riza bin Basir	89	-	-	16	-	-	105
Tam Chiew Lin	106	-	-	17	-	-	123
Tengku Nurul Azian binti Tengku Shahriman	82	-	-	13	-	-	95

COMPANY							
Figures in RM'000	**Fees**	**Salary**	**Bonus**	**Allowances**	**Benefits-in-kind**	**Other emoluments**	**Total**
Executive Director							
Lim Soon Huat	-	1,200	2,300	-	36	561	4,097
Non-executive Directors							
Tan Sri Datuk Oh Siew Nam	500	-	-	8	35	-	543
Datuk Ong Hung Hock	92	-	-	12	-	-	104
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	109	-	-	16	-	-	125
Soh Chin Teck	121	-	-	23	-	-	144
Ahmad Riza bin Basir	89	-	-	16	-	-	105
Tam Chiew Lin	106	-	-	17	-	-	123
Tengku Nurul Azian binti Tengku Shahriman	82	-	-	13	-	-	95

The remuneration of the top five senior management of the PPB Group (excluding those who are also Directors of PPB) paid/ payable for FY2022 on an aggregated basis in RM50,000 bands is as follows:

Remuneration bands	Number of senior management staff
RM1,000,001 – RM1,050,000	1
RM1,450,001 – RM1,500,000	1
RM1,650,001 – RM1,700,000	1
RM1,750,001 – RM1,800,000	1
RM1,950,001 – RM2,000,000	1

The Group senior management remuneration is commensurate with their duties and responsibilities, the performance of the respective company or business entity, and operating environment. The Board is of the opinion that the disclosure of the senior management's names and remuneration components would not be in the best interest of the Group due to confidentiality, business and personal security concerns. The above disclosure is deemed sufficient to enable stakeholders to assess senior management remuneration vis-a-vis the Group's performance.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Committee

The Audit and Risk Committee ("A&RC") comprises entirely of independent directors; the A&RC Chairman is also separate from the Chairman of the Board.

The principal functions of the A&RC include the following:

- Ensure that the financial statements comply with applicable financial reporting standards, and assess the suitability and independence of external auditors.
- Assess the adequacy and effectiveness of the Group's enterprise-wide risk management and internal control framework.

The members of the A&RC possess a mix of skills, knowledge and experience to enable them to discharge their duties and responsibilities pursuant to the A&RC's terms of reference, which are available on the Company's website. An annual self and peer evaluation of the A&RC is carried out and reviewed by the NC. The Audit and Risk Committee Report on pages 60 to 62 of the annual report provides more details on the A&RC's functions during the year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Risk management and internal control framework

Responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board. The Group's system of risk management and internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Company's corporate objectives and safeguard the Group's assets. It therefore provides reasonable but not absolute assurance against material misstatement, fraud or loss.

A risk management and internal control framework has been established which covers the Group's risk assessment process and internal controls, with oversight and reporting on the effectiveness of this function. There were no significant risk management and internal control failings or weaknesses which resulted in material losses or contingencies during the financial year.

The Statement on Risk Management and Internal Control set out on pages 63 and 64 of the 2022 Annual Report provides a more detailed description of the state of risk management and internal controls.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with stakeholders

PPB's Corporate Disclosure Policy ("CDP") sets out the disclosure policies and procedures, and provides a framework to communicate effectively with stakeholders and the public generally. The policy may be viewed at the Company's website: https://www.ppbgroup.com/index.php/governance-sustainability/code-policies/corporate-disclosure-policy

The Company seeks to provide stakeholders with timely, accurate, clear and equal access to material information on the Company's performance and operations. The principal sources of information disseminated by the Company during the year include the annual report, quarterly investor updates, news releases and company website.

PPB's investor relations programme is directed at both individual and institutional investors, with the objective to maintain ongoing awareness of the Company's performance amongst shareholders, media and the investing community. This includes twice-yearly analyst briefings after the release of the half-yearly and final results together with media conferences. The Company makes every attempt to meet requests for meetings or information from the investing community.

PPB's 2022 Sustainability Report is based on the International Integrated Reporting Framework, which includes the six capitals, viz natural, human, manufactured, financial, social and relationship, and intellectual.

Conduct of general meetings

The 53rd Annual General Meeting ("AGM") held on 12 May 2022 was conducted entirely via live streaming and online remote poll voting. This enabled shareholders to participate and vote remotely.

The notice of the 53rd AGM was sent to members 28 days before the meeting together with the Annual Report. The AGM notice sets out the resolutions to be tabled and includes explanatory notes and other relevant information on the matters to be discussed and decided at the AGM. Shareholders were able to exercise their votes either in person, or appoint a representative or proxy to attend and vote on their behalf using remote participation and voting facilities. Voting was by poll, conducted electronically and verified by an independent scrutineer.

It is the Company's practice that all Board members including the respective chairs of the various committees attend AGMs and are available to deal with any questions on matters under their purview. At the meetings, shareholders can express their views or raise questions relating to the Group's financial performance and business operations.

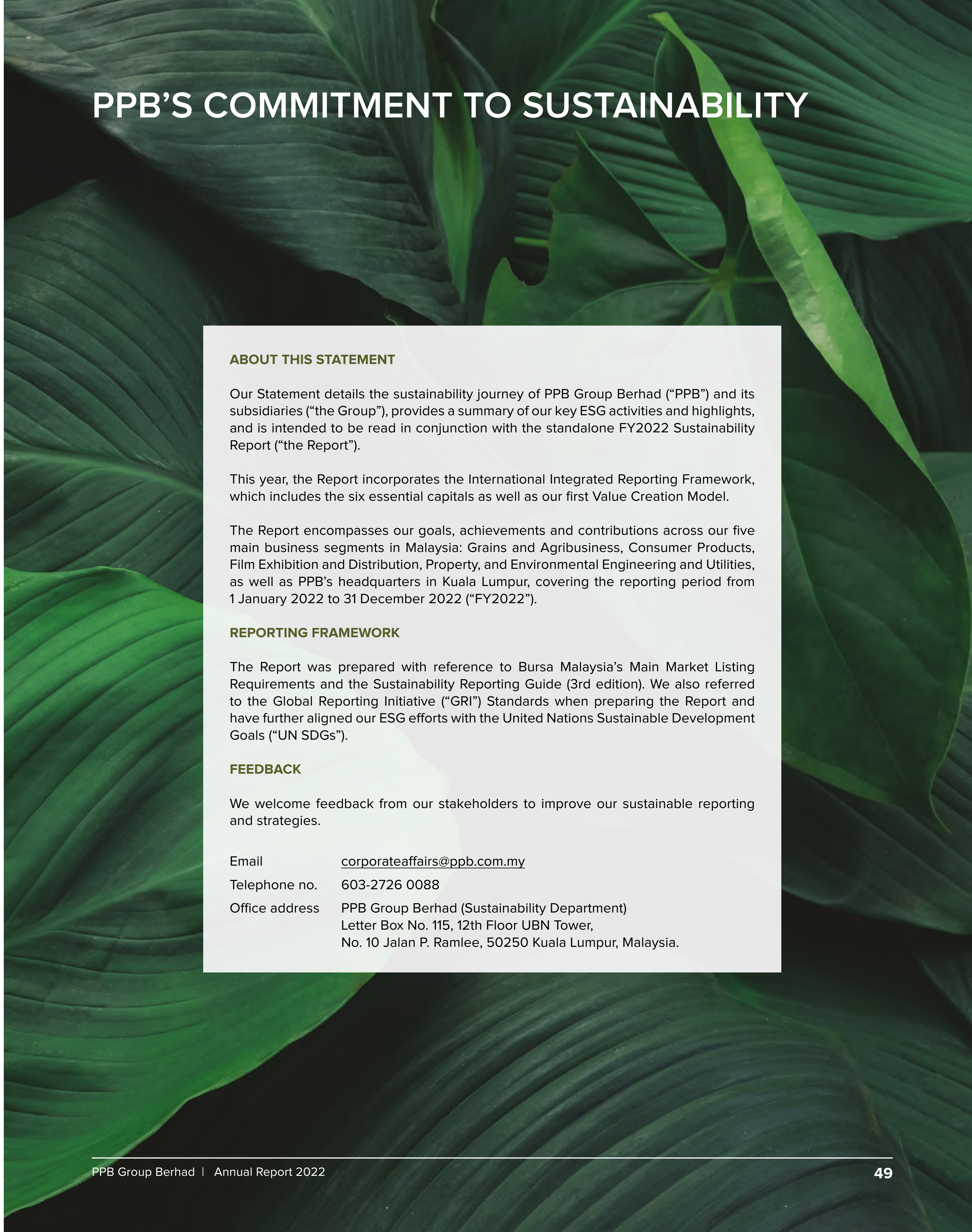
Shareholders submitted their questions both prior to the AGM, and also in real time, using the query box during the meeting. Questions from shareholders relating to the Company's financial and business operations were dealt with by the Chairman, the Managing Director and Group Chief Financial Officer of the Company.

The minutes of the 53rd AGM were also uploaded to PPB's website and can be assessed via the link below: https://www.ppbgroup.com/images/pages/investor-relations/annual_general_meeting/53rd_agm/53rd_AGM_minutes.pdf

FOCUS AREAS ON CORPORATE GOVERNANCE

A review of the Group Strategic Plan is underway which includes an evaluation of the various business units and takes into consideration inter alia, new trends and developments, and enhanced ESG considerations. As part of our annual review, we also look further into various other recommended corporate governance practices which can be further strengthened, as elaborated in our Corporate Governance Report. The Group will continue to improve awareness, knowledge and application of ESG considerations within the Group as an ongoing process.

This statement was approved by the Board on 23 March 2023.



PPB'S COMMITMENT TO SUSTAINABILITY

ABOUT THIS STATEMENT

Our Statement details the sustainability journey of PPB Group Berhad ("PPB") and its subsidiaries ("the Group"), provides a summary of our key ESG activities and highlights, and is intended to be read in conjunction with the standalone FY2022 Sustainability Report ("the Report").

This year, the Report incorporates the International Integrated Reporting Framework, which includes the six essential capitals as well as our first Value Creation Model.

The Report encompasses our goals, achievements and contributions across our five main business segments in Malaysia: Grains and Agribusiness, Consumer Products, Film Exhibition and Distribution, Property, and Environmental Engineering and Utilities, as well as PPB's headquarters in Kuala Lumpur, covering the reporting period from 1 January 2022 to 31 December 2022 ("FY2022").

REPORTING FRAMEWORK

The Report was prepared with reference to Bursa Malaysia's Main Market Listing Requirements and the Sustainability Reporting Guide (3rd edition). We also referred to the Global Reporting Initiative ("GRI") Standards when preparing the Report and have further aligned our ESG efforts with the United Nations Sustainable Development Goals ("UN SDGs").

FEEDBACK

We welcome feedback from our stakeholders to improve our sustainable reporting and strategies.

Email	corporateaffairs@ppb.com.my
Telephone no.	603-2726 0088
Office address	PPB Group Berhad (Sustainability Department) Letter Box No. 115, 12th Floor UBN Tower, No. 10 Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia.

OUR SUSTAINABILITY JOURNEY AND KEY MILESTONES

2016
Published 1st materiality assessment and Sustainability Statement

2017
Established Sustainability Steering Committee and CSR Task Force

2018
Adopted Sustainability Policy and Human Rights Policy; and was included in the FTSE4Good Index Series

2019
Conducted 2nd materiality assessment; and set a Group-wide target of zero fatalities

2020
Implemented Human Rights Policy in the supply chain; adopted ABAC Policy & Framework; and updated the Group's Whistleblowing Policy

2021
Developed a 5-year Sustainability Roadmap (2022-2026); and reviewed materiality assessment

2022
Developed new policies on Climate Change, Waste Management and Nutrition

ABAC : Anti-Bribery and Corruption
CSR : Corporate Social Responsibility
FTSE : FTSE Russell

KEY HIGHLIGHTS OF FY2022

FTSE4Good

Listed on **FTSE4Good Index Series since 2018** and has **improved overall score rating** in all three areas (i.e. environment, social and governance)

> RM4 million
invested in **renewable energy**

Zero
fatalities recorded across the Group

100%
of PPB Group's operations **assessed for Anti-Bribery and Corruption risks**

Completed the installation of
solar panels
at two operation sites

Invested
> RM3 million
into the community

- GSC received the **Platinum award in the Entertainment Category, Putra Brand Awards 2022**.
- FFM Grains & Mills (Pasir Gudang) was presented with the **SIFIRI (See It, Fix It & Report It) award** by ARYZTA AG.
- Megah Rise Residensi awarded the **GreenRE Gold Certification**.

SUSTAINABILITY POLICY

In FY2022, we updated our Sustainability Policy which is based on the three core aspects of Environment, Human Rights and Labour Practices, and Ethics and Marketplace. The policy was approved by the Board of Directors ("BoD") in February 2023 and is available on our corporate website at www.ppbgroup.com.

Environment

While environmental preservation has become part of the global agenda, it has also become an essential part of our everyday business operations which include compliance with environmental and biodiversity regulations, considering ESG practices in decision-making; improving operational efficiency, conducting assessments to minimise environmental and climate impact, as well as advocating environmental and biodiversity awareness among stakeholders.

Human Rights & Labour Practices

The Sustainability Policy outlines our move towards a conducive workplace for employees based on the principles of non-discrimination, fair employment conditions, health and safety, workplace security, privacy/data protection, no child or forced labour or human trafficking, and community rights.

Ethics & Marketplace

We operate with a high standard of ethics, transparency and accountability in decision-making, leadership and policy-making, as well as in our dealings with other businesses through the Code of Conduct and Ethics, Product Quality, Food Safety and Halal Compliance, Clear and Transparent Labelling, Supplier Engagement and Privacy and Data Protection.

PPB'S COMMITMENT TO SUSTAINABILITY

VALUE CREATION MODEL

- FC FINANCIAL CAPITAL
- MC MANUFACTURED CAPITAL
- HC HUMAN CAPITAL
- NC NATURAL CAPITAL
- IC INTELLECTUAL CAPITAL
- SRC SOCIAL & RELATIONSHIP CAPITAL

OUR INPUT

FC
- Total assets: **RM28.9 billion**
- Market capitalisation: **RM24.8 billion**

MC
- Grains & Agribusiness: **5** local flour & animal feed mills
- Consumer Products: **2** factories with 6 production lines
- Film Exhibition & Distribution: **491** screens at **52** sites
- Property: Development projects and property/ property management services located in northern, central and southern Peninsular

HC
- A diverse workforce of over **6,000** employees across the Group
- Average **15** hours of training per employee
- Invested more than **RM586,000** in staff engagement activities
- Updated the Human Rights Policy

NC
- **145,182,275 kWh** of energy consumed
- **857,462 m³** of water used
- More than **RM4 million** invested in solar energy projects
- Two new policies on Climate Change and Waste Management which were approved by the Board in February 2023

IC
- New policy on Nutrition which was approved by the Board in February 2023
- R&D on healthier and more nutritious consumer products
- Robust cybersecurity measures to protect sensitive corporate data

SRC
- More than **RM3 million** contributed to the community

OUR BUSINESS

OUR VISION

To be a market leader in our core businesses reputed for our sustainable quality products and services.

Driven by

OUR MISSION

To strengthen our leadership position in our core businesses in Malaysia, expand regionally for further growth, invest in related activities for greater synergy and increase shareholder value, in a socially and environmentally responsible manner through management excellence.

Guided by

OUR COMMITMENTS

- Sustainability Policy
- Human Rights Policy
- Climate Change Policy
- Waste Management Policy
- Nutrition Policy

OUR 5-YEAR ROADMAP

FTSE4Good

Our ESG Roadmap outlines the goals and targets for the Group to improve our corporate procedures and ESG performance, based on FTSE4Good.

Aligned with

OUR SUSTAINABILITY PILLARS

- Environmental Impact
- Working Environment
- Marketplace Engagement
- Community Investment

* Including discontinued operations

OUR OUTPUT

- Revenue: **RM6.26 billion***
- Profit before tax: **RM2.25 billion**

- **5** new consumer products launched
- Total milling capacity of **2,820 mt/day** and **66,000 mt/day** for flour and feed mills respectively
- Estimated **3.05 million** broiler chicks and **20.5 million** eggs monthly
- **825,979** shows screened at cinema circuit
- Various certifications achieved including HACCP, ISO, FSSC and Halal standards
- Launched Megah Rise Mall

- Integration of competency framework as part of performance management to strengthen people's capabilities
- **100%** employees received annual performance review
- Transparency of job opportunities across the Group to broaden career aspiration and enhance retention of talent pool
- **46%** increase in staff training hours
- Safe and conducive working environment
- **Zero** fatalities recorded across the Group

- Completed solar project at two operation sites
- **88%** of non-hazardous waste diverted from landfill
- Water use intensity targets achieved for Property and Livestock Farming
- **24%** reduction in plastic used in packaging from 2020

- GSC received the Platinum award (Entertainment Category) at the Putra Brand Awards 2022, FFM Grains & Mills (Pasir Gudang) was presented with the SIFIRI (See It, Fix It, Report It) award by ARYZTA AG, Megah Rise Residensi awarded the GreenRE Gold certification
- Product innovation for consumers with special dietary restrictions
- Launched GSC Rewards for members and cinemagoers

- Engaged with more than **16,000** community members through CSR activities
- Raising autism awareness in partnership with the National Autism Society
- Rent-free kiosks at Cheras LeisureMall in partnership with seven charitable organisations
- Upskilling single mothers and vulnerable communities through job trainings
- Food aid programme for targeted communities and homes
- Suppliers engaged in Human Rights Policy

PPB'S COMMITMENT TO SUSTAINABILITY

SUSTAINABILITY GOVERNANCE STRUCTURE

PPB's sustainability governance structure is the foundation of our business operations and plays an essential role in developing our sustainable practices across all our business segments. In this three-tier structure, the Board of Directors ("BoD"), Sustainability Steering Committee ("SSC") and Corporate Social Responsibility ("CSR") Task Force have their respective duties and responsibilities which enable us to minimise risk at all levels while maintaining a dynamic, diverse and robust environment.

Corporate Governance and Ethical Business Practices

PPB's corporate governance structure incorporates various codes and policies established to uphold ethical practices, promote sustainability, incorporate a culture of integrity within our workforce, and mitigate risks. As such, the Code of Conduct and Ethics ("the Code") acts as a guideline for standards of behaviour and our core values while the Group's comprehensive Anti-Bribery and Corruption Policy and Procedures ("ABAC P&Ps") assert the Group's zero-tolerance approach to all forms of bribery and corruption. ABAC training is held on a regular basis, during the onboarding of new employees or during the annual refresher training. In 2022, 100% of the Group's operations were assessed for ABAC risks and we also achieved 100% completion of the ABAC training for all employee categories in the Group. For this reporting period, we recorded zero cases of bribery and zero requests for facilitation payments.

Risk Management and Business Continuity

The Group's Enterprise Risk Management ("ERM") system manages and monitors the Group's operational risks. Additionally, the Group has been implementing the Business Continuity Management ("BCM") programme which includes the Emergency Response Plan, the Disaster Recovery Plan as well as the Crises Management and Communication Plans. In FY2022, we successfully rolled out the BCM programme in the Property segment in the central and northern regions. Some of the Group's ESG-related risks include compliance with regulatory requirements, supply chain disruption, health and safety hazards, product safety and quality, and fluctuation of commodity prices.

STAKEHOLDER ENGAGEMENT

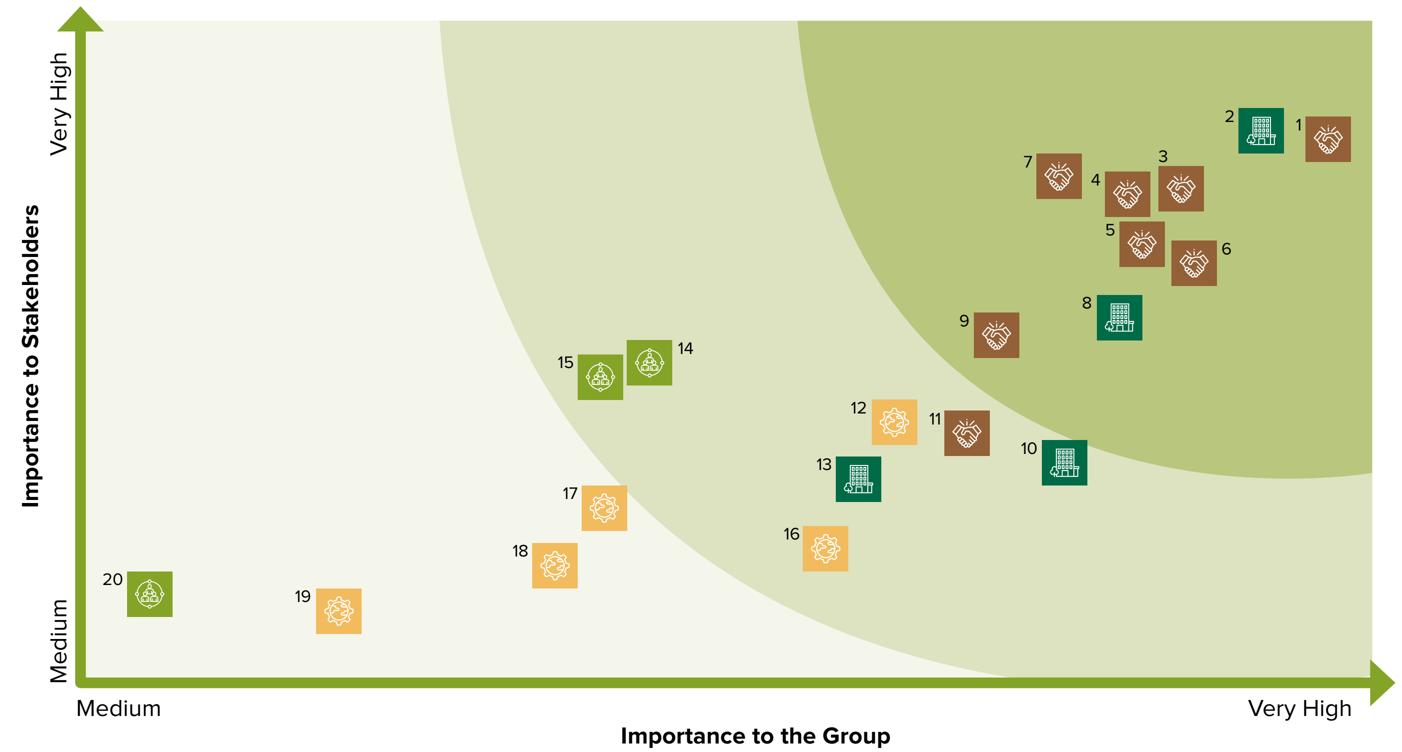
Our stakeholders are a crucial part of our operations and our ability to create and sustain long-term value is dependent on our stakeholder relationships. For this reporting period, the Group re-evaluated its key stakeholder groups where the total number of stakeholder groups came up to nine (9) and examples of engagement channels include periodic briefings to analysts and investors, virtual or physical meetings, website, compliance audit and others.

- Employees
- Financial Institutions
- Customers
- Government/ Regulatory Bodies
- Shareholders
- Local Communities
- Vendors/ Suppliers
- Media
- Certification Bodies

PPB'S COMMITMENT TO SUSTAINABILITY

MATERIAL SUSTAINABILITY MATTERS AND MATRIX

In our materiality assessment, we identified and assessed key ESG matters that present the greatest opportunities and risks to our business operations and stakeholders. A materiality matrix was then created to visualise the relative importance of these material matters to the operations of the Group and to our major stakeholders.



Environmental Impact	Working Environment	Marketplace Engagement	Community Investment
12 Climate change 16 Energy efficiency 17 Waste management 18 Water management 19 Sustainable packaging	2 Health and safety 8 Employee engagement and satisfaction 10 Talent attraction and retention 13 Diversity and inclusion	1 Quality and safety 3 Corporate governance and ethical business practices 4 Brand image and reputation 5 Customer satisfaction 6 Economic performance 7 Data protection 9 Risk management and business continuity 11 Supply chain management	14 Nutrition, health and wellness 15 Human rights 20 Community engagement and development

NC NATURAL CAPITAL

Our sustainability achievements and highlights:

Two new policies on
Climate Change and **Waste Management**
adopted in February 2023.

24%
reduction in plastic used in packaging from 2020.

88%
of waste diverted from landfill.

Completed
solar project
at two operation sites.

At PPB, we pledge to do our part in attaining a balanced ecosystem that contributes to a healthy environment while investing in sustainable practices that preserve natural resources for the present and future generations.

Climate Change

The Group conducted a carbon footprint assessment for our most energy-intensive business segments. We adopted a Climate Change Policy and aspire to achieve Net Zero based on the principles of adaptation and mitigation, expand the use of renewable energies and optimise energy efficiency within our operations. This year, the Group recorded a combined emission of 106,671 t.CO_2e, with Scope 2 emissions accounting for 85% of the total. Scope 1 emissions increased by 7,977 t.CO_2e over the previous year from the inclusion of two additional reporting segments, while Scope 2 emissions increased by 35% due mainly to the cinema division resuming full operations in the transition to the endemic phase, as well as the opening of cinema sites. Scope 3 emissions which cover our initial effort in tracking business travel (employee land and air travel) made up only 0.17% of the total Group emissions due to limited data. Emission intensity per tonne of wheat milled, flour produced, feed produced, as well as per show displayed a downward trajectory due to various efforts implemented by the business divisions.

Energy Efficiency and Adoption of Renewable Energy

Energy use is a key source of emissions recorded within the Group. For FY2022, the Group recorded 145,182,275 kWh of electricity consumed which is a 22.8% increase from the previous year. We have completed solar panel projects at two operation sites and are planning to install three additional solar panels under the Grains and Agribusiness and Consumer Products segments. In the cinema division, operational processes such as switching off lights and projectors have been automated to minimise energy wastage and Megah Rise Residensi under the property division successfully achieved the GreenRE Gold Standard.

Waste Management

In February 2023, the Group adopted a Waste Management Policy which is in line with our circular economy concept. Through this policy, we aim to inculcate a corporate culture of proper waste management and resource recovery. Complying with the Environmental Quality Act 1974, we have recorded zero non-compliance for any environmental laws and regulations for the year.

In FY2022, 25,843 MT of waste was recorded, of which 99.7% was non-hazardous waste. Hazardous waste such as waste oil, used lubricants and used electronic parts are handled by registered agencies, and 93.8% of this waste will be recovered, reused or recycled. For non-hazardous waste, 88% was diverted from landfills.

Water Management

The Group consumed a total of 857,462 m^3 of water in FY2022, which is an increase of 20.1% from the previous year. This was mainly due to cinemas resuming full operations and the opening of cinema sites. The water use intensity targets for the breeder farms, layer farm and property divisions were achieved. Our operations at FFM Sabah and FGM Kuching harvest rainwater in water tanks equipped with meters, for landscape watering and washing purposes.

Our bakery and food processing divisions under the Consumer Products segment, track their levels of water discharge where periodic performance and compliance monitoring are conducted to ensure the effluents discharged are below the prescribed legal requirements.

Sustainable Packaging

We take into consideration the lifecycle of our packaging which guides us in reducing negative environmental impacts. Our sustainable packaging approach includes reducing the amount of plastic, cardboard and paper used. A total reduction of 779.1 MT (24.2%) of plastic and 556.5 MT (20.8%) of cardboard have been recorded since 2020. For this reporting year, total primary paper packaging recorded was 38.50 MT, while secondary paper cardboard was 2,120 MT. We have converted the majority of our cinema concessions' conventional plastic wares and packaging to biodegradable options.

HC HUMAN CAPITAL

Our sustainability achievements and highlights:

35%
of management are women.

Zero
fatalities recorded across the Group.

15.4
hours of training per employee.

100%
employees received annual performance review and
RM586,858 allocated for employee engagement activities.

Our people are of the utmost importance to us, and we ensure their safety and well-being across all our business segments by caring for them physically and mentally and providing a safe and healthy workplace. Additionally, we provide training and development for them to progress in their journey with us and have fulfilling careers.

Health & Safety

In 2022, a total of 1,781 employees received health and safety-related training, while 315 acquired the Health and Safety Certificate.

A total of 19 accidents were recorded in FY2022, which is a drop of 17.4% from 2021. There were two major injuries reported due to the employee's failure to observe established work procedures and preventive actions have been carried out to mitigate future accidents.

Employee Engagement & Satisfaction

The Group has established a Human Rights Policy, with regards to respecting the rights of our employees. Additionally, our priority is to ensure job satisfaction through continuous employee engagement. This year, the Group recorded a diverse workforce of 6,007 employees, of which 74% were permanent employees and about one-third were women. In FY2022, a total of 161 employees took parental leave, and 159 returned to work after their leave ended. 95% of those who took parental leave remain employed with us 12 months after returning to work.

Talent Attraction & Retention

We provide appropriate training and development programmes for our employees to stay relevant in the industry while ensuring a dynamic workforce. Our training programmes include e-learning platforms and online courses. Topics range from leadership and role-based developments to harassment and discrimination. The Group recorded a total of 92,419 training hours for all employees (full-time and part-time), with 43,542 training hours conducted virtually. This is equivalent to 15.4 hours of training per employee, an increase from 10.5 hours per employee in 2021.

Diversity and Inclusion

The Group practises zero discrimination based on race, religion, nationality, gender, sexual orientation or disability; and this has been incorporated into our Human Rights Policy. Three differently abled employees work at FFM, which make up about 0.07% of the Group's permanent workforce. In FY2022, 35% of management comprised of women. We are committed to creating employment opportunities for locals where practical. 92% of our workforce are Malaysians, while the remaining 8% comprise foreign workers.

MC MANUFACTURED CAPITAL

Our sustainability achievements and highlights:

Various
certifications
achieved including HACCP, ISO, FSSC and Halal standards.

Zero incidents
of non-compliance concerning food safety or product quality.

The Group recognises that efficient use of manufactured capital leads to flexibility, innovation and increased efficiency. Hence, our goal is to deliver top-quality products and services while maintaining our dedication to sustainable practices.

Quality and Safety

The Group adheres to strict quality and safety standards to ensure that the best products are provided to our customers. We obtained relevant food regulations and standards certifications including HACCP Certification (MS1480:2007), HACCP Codex Alimentarius Certification, GMP Certification (MS1514:2009), FSSC 22000 and ISO 22000 Food Safety Management System (FSMS). We are Halal-certified by the Department of Islamic Development Malaysia (JAKIM).

FC FINANCIAL CAPITAL

Our sustainability achievements and highlights:

Total economic value generated:

RM6.26 billion*

In increasing our financial health, we are also mindful of the balance needed when aligning wealth performance with sustainable growth. In terms of our economic performance, we strive to create a business that goes beyond monetary gain and makes a positive impact on people's lives.

Economic Performance

While ensuring profitability, the Group also places importance on business practices that best support sustainable economic growth. Hence, we practise 'financial discipline' to include both of these aspects to ensure business stability. PPB's Managing Director's explanation of the Group's performance and fuller information on our economic performance can be found in the Managing Director's Review (pages 18-26) and audited financial statements (pages 67-167) of PPB's FY2022 Annual Report.

SRC SOCIAL & RELATIONSHIP CAPITAL

Our sustainability achievements and highlights:

More than **RM3 million** contributed to the community.

Zero breaches or violations of human rights laws.

* Including discontinued operations

We shape our business to embed corporate citizenship in order to identify societal areas where we can make a positive impact and contribute to a more sustainable environment for all.

Brand Image and Reputation

The Group has high standards for the way we are represented and the values and practices that we follow. In FY2022, the Group recorded zero cases of non-compliance issues with marketing communications and labelling requirements for our products and services across all business segments. Various awards have been received by the Film Exhibition and Distribution, Grains & Agribusiness and Property segments.

Customer Satisfaction

We value feedback from our customers and provide avenues for them to express their concerns. In the Grains and Agribusiness and Consumer Products segments, a combined total of 326 valid customer complaints were recorded across all divisions and branches through their Annual Customer Survey. We received a total of 888 (per 100,000 admissions) customer feedback and 45 (per 100,000 admissions) customer complaints in our Film Exhibition and Distribution segment through CSAT (Customer Satisfaction) surveys via QR codes. A score of 8.6 out of 10 was received through the Net Promoter Score (NPS) in the Property segment.

Human Rights

The Group recognises human rights as the basis of our commitment to good workplace practices and we respect the rights of people in all our areas of operation. FFM PI and FGM Sarawak are members of Sedex. Our Human Rights Policy is guided by the principles expressed in the Universal Declaration of Human Rights and was updated in February 2023. The policy can be accessed on our website at www.ppbgroup.com.

Supply Chain Management

At PPB, we strive to promote ESG practices among our suppliers and work towards building a sustainable value chain. In FY2022, about 92.5% of the suppliers we worked with were local to our areas of operation. Our three oil palm plantations with an average size of 291 hectares, have achieved Malaysian Sustainable Palm Oil ("MSPO") certification and recorded a total production of 8,749.30 MT of fresh fruit bunches in FY2022. The Group utilised a total of 17,435.40 MT of palm oil for our operations, of which 3.14% were Roundtable on Sustainable Palm Oil ("RSPO") certified.

Community Engagement and Development

The Group contributed more than RM3 million to community investments of which RM1.9 million (60%) was spent on COVID-19-related initiatives. Contributions to registered non-profit organisations amounted to more than RM1.2 million. Projects were targeted at women and youth, indigenous communities, local artists and vulnerable communities and families. Among the projects were "Baking for a Better Future" to empower women and marginalised groups with baking skills for entrepreneurial opportunities; "Zero to Hero" for B40 groups and other vulnerable communities equipping them with sewing skills; an autism awareness campaign; a community charity kiosk; as well as food aid and disaster relief.

IC INTELLECTUAL CAPITAL

Our sustainability achievements and highlights:

New **Nutrition Policy** adopted in February 2023.

Launch of **GreenRE Gold certified property** in Petaling Jaya.

New **sensory-friendly screenings** for neurodivergent audiences on a monthly basis.

Zero substantiated complaints concerning leaks or breaches of customer privacy and loss of customer data.

Our intangible assets are valuable in managing the growth of the business and contributing to the bottom line. As such, these assets include product innovation, cybersecurity, data protection and intellectual property.

Nutrition, Health and Wellness

We strictly adhere to Food Act Regulations such as the Malaysian Food Act 1983 and Malaysian Code of Advertising Practice. In February 2023, we adopted a Nutrition Policy which addresses our commitment to enhance accessibility to nutritious food and practise clear and transparent labelling. Our consumer-packed flour products are enriched with vitamins and minerals and we also offer alternative flours for those with dietary restrictions or allergies. Our Massimo loaf comes in a choice of wheat germ, 100% whole wheat, fine wholemeal and seeded multigrain with barley among others. An information board with nutritional facts and allergen alerts for hot foods prepared by the cinema division is displayed at all GSC cinema concession counters nationwide to enable customers who are health-conscious or have food intolerances to make better-informed choices.

Data Protection

In line with the era of digitalisation, we value the privacy and protection of our customers' data. Complying with the Personal Data Protection Act 2010, PPB implements cybersecurity practices such as cloud migration, Active Directory (AD) harmonisation, IT Service Management (ITSM), incident management, asset management, patch management and standardisation of antivirus solutions and firewalls. In FY2022, there were zero substantiated complaints concerning leaks or breaches of customer privacy or the loss of customer data.

CONCLUSION

PPB continues to make our mark in the industry with our contributions to social well-being, environmental health, and a just economy. Moving forward, we aspire to strengthen the fundamentals built in the areas of sustainability, people and technology, in order to achieve long-term value for all stakeholders.

AUDIT AND RISK COMMITTEE REPORT

COMPOSITION

The members of the PPB Group Berhad ("PPB") Audit and Risk Committee ("A&RC") during the financial year ended ("FYE") 31 December 2022 comprised the following Directors:

Name of A&RC member	Position	Designation
Mr Soh Chin Teck	Chairman	Independent Non-executive
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	Member	Independent Non-executive
Madam Tam Chiew Lin	Member	Independent Non-executive
Tengku Nurul Azian binti Tengku Shahriman *(Appointed on 1 April 2022)*	Member	Independent Non-executive

The Audit Committee was renamed as the Audit and Risk Committee during the year to better reflect the Committee's oversight role in the Group's risk management function.

MEETINGS

The number of A&RC meetings held in 2022 and details of attendance of each committee member are as follows:

	No. of meetings	
Name of A&RC member	Held	Attended
Mr Soh Chin Teck	6	6
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	6	6
Madam Tam Chiew Lin	6	6
Tengku Nurul Azian binti Tengku Shahriman *(Appointed on 1 April 2022)*	3	3

The A&RC performed the duties specified in its terms of reference in FYE 31 December 2022 as follows:

Financial Reporting

1. At the close of each quarter, the A&RC reviewed the quarterly financial statements of PPB with the Group Chief Financial Officer ("GCFO") and the respective Heads of Finance of the main business units ("BU"), prior to approval by the Board, to ensure that the condensed financial statements are in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the applicable financial reporting standards. Questions and/or concerns raised by the A&RC on the financial statements are addressed accordingly.

External audit

2. For the annual statutory audit, the A&RC together with the GCFO of PPB and the respective Heads of Finance of the BU's, reviewed the external auditors' audit plan and scope of work for FYE 31 December 2022. The A&RC was also briefed on the status of the audit and resolution of areas of audit emphasis which the external auditors noted during the course of the audit. Other observations and opportunities for improvement, together with management's responses, were also highlighted to the A&RC.

3. The A&RC reviewed with the GCFO and the external auditors, the audited financial statements for the year under review prior to approval by the Board, to ensure that they were prepared in accordance with the provisions of the Companies Act 2016 and applicable financial reporting standards. The GCFO addressed all concerns from the A&RC accordingly.

4. Pursuant to the amendments to the International Ethics Standards Board for Accountants (IESBA) Code, the A&RC has on 15 December 2022 put in place a process and general policy to provide pre-concurrence to the external auditor on the provision of non-audit services, and that the provision of these services would not create a threat to the external auditor's independence. Nevertheless, non-audit fees incurred are monitored by management, and any significant increase would be highlighted to the A&RC with justifications. Thus far, there has not been any significant non-audit fee incurred by the Group.

5. The A&RC reviewed the annual assessment conducted on the effectiveness, suitability and independence of the external auditors.

6. The A&RC met with the external auditors without the presence of management after the conclusion of their audit. At the meeting, the external auditors informed the A&RC that they are satisfied with the co-operation and support given by management and staff of the Group in the course of their audit.

Internal audit

7. Four Audit Review Committees ("ARC") have been established for each of the main business divisions in the Group. ARC meetings are usually held quarterly before the scheduled A&RC meetings, and chaired by PPB's GCFO. The ARC meetings serve as an avenue for more in-depth discussion of issues raised in the internal audit reports.

   Senior management of the subject entity are invited to ARC meetings to facilitate discussions and provide further explanation, feedback, updates and action plans on internal audit issues raised. A&RC members may attend selected ARC meetings to seek explanations or participate in deliberations between management and ARC members.

8. Significant audit issues raised in ARC meetings are further discussed at A&RC meetings and where necessary, the A&RC may also request the chief executives of the subsidiaries to provide further information and explanation.

9. The A&RC reviewed the findings of PPB Internal Audit Department ("PPBIAD") reports and noted the discussions at ARC meetings. Outstanding audit issues are tracked monthly by PPBIAD until they are satisfactorily resolved. A status report on the follow-up audit issues together with management's explanations on outstanding items that are overdue, is tabled to the A&RC at the quarterly meetings.

10. The A&RC reviewed and approved PPBIAD's 2022 audit plan, scope and audit approach which is guided by the risk-based assessment approved by the A&RC.

11. At the A&RC meeting held on 24 November 2022, the A&RC assessed the performance and competency of PPBIAD including assessing the adequacy of their manpower and other resources, and is satisfied with PPBIAD's performance and adequacy of its resources.

Related party transactions ("RPT") and conflict of interest ("COI") situations

12. The A&RC noted the methods and procedures (which are reviewed by PPBIAD) by which prices and other terms of recurrent related party transactions ("RRPT") are determined, including the Group's procedures and processes to identify, track and monitor RRPTs.

13. The A&RC reviewed RPT issues including any COI situations as and when highlighted in internal audit reports.

14. The A&RC noted the RPTs and RRPTs entered into by the Group in FYE 2022.

Risk management

15. The A&RC provided oversight, direction and resources for the implementation of the risk management framework in the following key areas:

    a) assessing the effectiveness of the Group's enterprise-wide risk management framework.
    b) reviewing the risk reports of the Group on a quarterly basis.
    c) ensuring the risk management activities of risk identification, assessment, action plans and monitoring of key risks are implemented throughout the organisation.
    d) ensuring key risks of the Group are managed appropriately in order to assure the Board that the residual risk ratings meet the Group's risk appetite.

Others

16. The A&RC reviewed the Audit and Risk Committee Report, and the Statement on Risk Management and Internal Control for inclusion in the 2022 annual report.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group is performed in-house by staff of PPBIAD. PPBIAD reports directly to the A&RC and all its internal auditors are free from any relationships or conflict of interest, which could impair their objectivity and independence.

The total cost incurred by PPBIAD for the internal audit function of the Group for FYE 31 December 2022 was about RM2.2 million.

AUDIT AND RISK COMMITTEE REPORT

SUMMARY OF THE WORK OF PPBIAD

PPBIAD is a corporate member of the Institute of Internal Auditors Malaysia ("IIAM"). The activities and processes of PPBIAD are guided by its charter and generally conform to the 'International Standards for the Professional Practice of Internal Auditing', 'Code of Ethics' and 'Definition of Internal Auditing' in the International Professional Practices Framework of the Institute of Internal Auditors, as well as the annual audit plan approved by the A&RC. PPBIAD adopts a risk-based approach in the development of its audit plan.

During FYE 31 December 2022, PPBIAD:

Key audit areas

1. Reviewed the key risk areas identified by management of PPB and its subsidiaries, and additional risk areas identified by PPBIAD by testing the adequacy and effectiveness of the key internal controls to manage those risks, and performing root cause analysis on audit observations.
2. Reviewed the systems in place to ensure compliance with policies, plans, rules and regulations which may have significant impact on PPB Group.
3. Reviewed controls to safeguard assets and where appropriate, verified the existence of such assets.
4. Reviewed the effectiveness and efficiency of operations and ascertained whether results are consistent with PPB's objectives and goals.
5. Followed up on the Company's application of the relevant principles and recommendations in the Malaysian Code on Corporate Governance.
6. Reviewed RPTs and RRPTs and reported on any COI situations identified during the course of its audit which did not adhere to relevant policies, rules and regulations.

Reporting and communication flow

7. PPBIAD staff attended a total of 6 ARC meetings held to discuss their audit reports.
8. The Group Head of Internal Audit ("GHIA") met with the A&RC Chairman on eight occasions to review key audit issues and discussed audit-related matters prior to scheduled A&RC meetings. At such discussions, the A&RC Chairman may also provide guidance and support to further improve the efficiency and effectiveness of PPBIAD, where applicable.
9. The GHIA highlights at each A&RC meeting, critical and important audit issues in the internal audit reports with particular emphasis on any key unresolved issues.

Resources

10. PPBIAD's head count as at 31 December 2022 was 9. The GHIA, Mr Seng Kian Aik, is a member of the Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants, Malaysian Institute of Certified Public Accountants, and Chartered Accountants Australia and New Zealand. All PPBIAD auditors have at least a relevant tertiary education.
11. Staff attended relevant courses and seminars organized by IIAM and other professional/ regulatory bodies to keep abreast with the latest auditing techniques and regulatory requirements.

(The terms of reference of the A&RC can be viewed on PPB's website at www.ppbgroup.com)

Soh Chin Teck
Audit and Risk Committee Chairman

23 March 2023

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PPB Board acknowledges its responsibility for establishing a sound risk management and internal control system to safeguard shareholders' investments and the Group's assets.

There is an ongoing review process by the Board to ensure the adequacy and effectiveness of the system to meet the Group's objectives and strategies. The risk management framework and internal control system are designed to identify, evaluate and manage risks that may prevent the achievement of the business objectives and strategies within the Group's risk appetite, rather than to eliminate risks. Therefore, it provides reasonable assurance against material misstatement, fraud or loss.

The main features of the Group's risk management framework and internal control system are summarised as follows:

1. Control environment

The Group considers the integrity of staff at all levels to be of utmost importance, and this is pursued through comprehensive recruitment, appraisal and reward programmes. There is a Group organisation structure within which business activities are planned, controlled and monitored.

The Group's culture and values, and the standard of conduct and discipline it expects from employees are communicated to them via the Code of Conduct and Ethics stipulated in the employment terms and conditions, and supported by the incorporation of a competency framework into the employee performance management system.

Group-wide Integrity Steering Committees have been established to provide oversight on matters relating to integrity and ethics, including bribery and corruption.

2. Risk management

A formal Group-wide enterprise risk management ("ERM") framework has been established, which is aligned to ISO31000: Risk Management, covering the Group's core business activities to identify, evaluate and manage significant business risks faced by the Group.

This process was in place throughout the year and is regularly reviewed and monitored by the Audit and Risk Committee ("A&RC") for its adequacy and effectiveness, and reported accordingly to the Board.

The key features of the Group's risk management framework are:

- A formal set of risk policy and guidelines has been established and approved by the Board and communicated to employees throughout the Group through risk awareness sessions and workshops;
- A risk reporting structure which outlines the lines of reporting and responsibilities of the Board, A&RC, Risk Advisory Committee ("RAC") and the various subsidiary risk committees, has been established and approved;
- The RAC reports on the Group risk profile for review by the A&RC, and the A&RC reports on the significant risks and controls available to mitigate those risks to the Board for its consideration;
- The appointment of a Group Chief Risk Officer ("GCRO") at the holding company (PPB Group Berhad), Heads of Risk at the respective Business Units ("BU") and risk officers at the subsidiaries to ensure leadership, direction and coordination of the Group-wide application of risk management;
- The scope of the Group-wide risk assessment process encompasses strategic, governance, legal and compliance, operations, cyber, financial, asset security, health, safety, environment and corruption. The key risks identified in these areas are deliberated and assessed during the risk assessment workshops;
- The risk assessment sessions are mainly carried out through questionnaires, meetings or facilitated workshops by the Risk Management and Integrity teams at the holding company/ BU Heads of Risk/ subsidiaries' risk officers. They provide independent assessment of new/ existing risks identified, and risk ratings determined by the respective risk owners based on the risk appetite set by the Board;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- The GCRO/ BU Heads of Risk/ subsidiaries' risk officers also provide guidance to the risk owners on the development and adoption of appropriate management action plans to mitigate the risks, should the control effectiveness of the existing controls be assessed to require further improvements;

- The heads of the BU, with assistance from their Head of Risk and risk officers are responsible for identifying, analysing and evaluating risks, as well as developing, implementing and monitoring management action plans and reporting all risks to the GCRO, who will subsequently table the Group's key risks to the RAC, A&RC and Board;

- The identification and monitoring of key risk indicators ("KRIs") have been rolled out to the Group, which assist risk owners to assess the risk ratings and the need for further management action plans to mitigate the risks should the KRIs indicate an adverse trend; and

- Ongoing risk management education and training is provided at management and staff levels.

As part of the Group's effort to remain resilient during a crisis, a Group-wide business continuity management ("BCM") framework has been established. This is to provide a structured approach to assist management to respond, recover and resume normal operations in a more efficient and effective manner, in the event of a crisis. A Group BCM Strategic Roadmap has been developed to implement the BCM programme throughout the group in phases. The BCM programme incorporates awareness sessions, risk assessment, business impact analysis, development of recovery strategies/ plans and cascading of the business continuity plans ("BCPs") to relevant staff. The BCPs are reviewed and updated regularly to enhance our capabilities to meet customers, regulatory bodies and other stakeholders' requirements.

3. Control activities

The Group has in place a system to ensure that there are adequate and effective risk management, financial and operational policies and procedures and rules relating to the delegation and segregation of duties.

There are comprehensive budgets, requiring board approval, which are reviewed on a regular basis.

4. Information and communication

There is a system of financial reporting to the Board, based on quarterly results and annual budgets. Key risks and operational performance indicators are regularly monitored and reported to the Board.

Whistleblowing policies and procedures are in place to provide a platform to report on actual or suspected malpractice, misconduct or violation of applicable laws and regulations in a responsible and effective manner.

5. Monitoring

Monitoring of the Group's significant business risks is embedded within the Group's risk management process described in item 2 above. A control self-assessment system is also in place for management to monitor critical and routine risk areas under their jurisdiction using an internal control checklist.

The adequacy and effectiveness of the Group's risk management, internal control and governance processes are reviewed and monitored by the A&RC, which receives regular reports from the internal auditors. Formal procedures are in place for action to be taken to remedy any significant failings or weaknesses identified in these reports.

There were no significant risk management and internal control failings or weaknesses which had resulted in material losses or contingencies during the financial year.

The Board has received assurance from the Group Managing Director and Group Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Group.

Based on the foregoing, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. However, such a system is designed to manage rather than eliminate the risk of failure. Accordingly, the system can only provide a reasonable and not absolute assurance against material misstatement, loss or fraud.

The Group's system of risk management and internal control applies principally to PPB Group Berhad and its subsidiaries. Associates have been excluded as the Group does not have full management and control over them.

28 February 2023

FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY STATEMENT

In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 31 December 2022 set out on pages 74 to 162 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are fair and reasonable.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy financial information for preparation of the financial statements.

The Directors have overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 23 March 2023.

DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are property investment and investment holding.

The principal activities of the subsidiaries of the Group are grains and agribusiness; consumer products; film exhibition and distribution; property; and investment holding.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	2,220,238	671,696
Attributable to:		
Owners of the parent	2,196,818	671,696
Non-controlling interests	23,420	-
	2,220,238	671,696

DIVIDENDS

The dividends paid and payable by the Company since the end of the previous financial year are as follows:

	RM'000
In respect of the financial year ended 31 December 2021 as disclosed in the Directors' report of that year:	
Final dividend of 25 sen per share paid on 1 June 2022	355,650
In respect of the financial year ended 31 December 2022:	
Interim dividend of 12 sen per share paid on 28 September 2022	170,712
Proposed final dividend of 28 sen per share payable on 8 June 2023*	398,328
	569,040

* The Directors have recommended a final dividend of 28 sen per share in respect of the financial year ended 31 December 2022, for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

RESERVES AND PROVISIONS

There were no material transfer to and from reserves and provisions during the financial year other than as disclosed in the financial statements.

SHARES AND DEBENTURES

The Company did not issue any shares or debentures during the financial year.

DIRECTORS

The Directors of the Company during the financial year and up to the date of this report are as follows:

Tan Sri Datuk Oh Siew Nam	*(Chairman)*
Lim Soon Huat*	*(Managing Director)*
Dato' Capt. Ahmad Sufian @ Qurnain bin Abdul Rashid	
Datuk Ong Hung Hock	
Soh Chin Teck	
Ahmad Riza bin Basir	
Tam Chiew Lin	
Tengku Nurul Azian binti Tengku Shahriman	
Yip Jian Lee	*Appointed on 2 January 2023*

* This Director is also a director of the Company's subsidiaries.

Mr Lim Soon Huat, En Ahmad Riza bin Basir and Ms Yip Jian Lee retire pursuant to the Constitution of the Company at the forthcoming Annual General Meeting ("AGM") and being eligible, offer themselves for re-election as Directors.

Tan Sri Datuk Oh Siew Nam who also retires at the AGM pursuant to the Constitution, has decided not to seek re-election.

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

All the other appointed directors of the Company's subsidiaries during the financial year up to the date of this report are disclosed in the Appendix to the Directors' report.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the interests of Directors who held office at the end of the financial year in shares of the Company and its related corporations are as follows:

Interest in the Company

	No. of ordinary shares			
Name of Director	**As at 1.1.22**	**Bought**	**Sold**	**As at 31.12.22**
Direct interest				
Tan Sri Datuk Oh Siew Nam	**144,799**	-	-	144,799
Tam Chiew Lin	**7,200**	-	-	7,200
Deemed interest				
Tan Sri Datuk Oh Siew Nam	1,445,397	-	-	1,445,397
Tam Chiew Lin	12,000	-	-	12,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (CONTINUED)

Interest in subsidiary – Tego Sdn Bhd

		No. of ordinary shares		
Name of Director	**As at 1.1.22**	**Bought**	**Sold**	**As at 31.12.22**
Deemed interest				
Tan Sri Datuk Oh Siew Nam	18,000	-	-	18,000

Interest in holding company – Kuok Brothers Sdn Berhad

		No. of ordinary shares		
Name of Director	**As at 1.1.22**	**Bought**	**Sold**	**As at 31.12.22**
Deemed interest				
Tan Sri Datuk Oh Siew Nam	4,966,667	-	-	4,966,667
Lim Soon Huat	200,000	-	-	200,000
Datuk Ong Hung Hock	290,000	-	-	290,000

Interest in subsidiary of holding company – Coralbid (M) Sdn Bhd

		No. of ordinary shares		
Name of Director	**As at 1.1.22**	**Bought**	**Sold**	**As at 31.12.22**
Deemed interest				
Tan Sri Datuk Oh Siew Nam	100,000	-	-	100,000

The other Directors holding office as at 31 December 2022 did not have any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' INTERESTS IN CONTRACTS, BENEFITS AND EMOLUMENTS

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Company was a party whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The remuneration of the Directors for the current financial year is set out as below :

	Group RM'000	**Company RM'000**
Directors' fees	1,129	1,099
Other emoluments (including salaries and other benefits)	4,238	4,238
	5,367	5,337

The amount of insurance premium paid, and coverage effected for directors and officers of the Group amounted to RM82,425 and RM50 million respectively.

DIRECTORS' REPORT

INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the income statements and statements of financial position of the Group and the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business, the value of the current assets as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(ii) the values attributed to current assets in the financial statements of the Group and the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

(d) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability which has arisen in the Group or in the Company since the end of the financial year.

OTHER STATUTORY INFORMATION

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and the Company, which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors:

(a) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature;

(b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or the Company for the financial year in which this report is made, other than as disclosed in note 44 to the financial statements; and

(c) no contingent or other liability has become enforceable, or is likely to become enforceable, within the succeeding period of twelve months after the end of the financial year which will or may affect the ability of the Group and the Company to meet their obligations as and when they fall due, other than as disclosed in note 43 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Kuok Brothers Sdn Berhad, a company incorporated in Malaysia, as the ultimate holding company.

DIRECTORS' REPORT

SUBSIDIARIES

Details of the subsidiaries are set out in note 40 to the financial statements.

AUDITORS

The remuneration of the auditors for the financial year on a Group and Company basis amounted to RM1.1 million and RM138,000 respectively.

The auditors, Ernst & Young PLT, have indicated their willingness to continue in office.

APPROVAL OF THE DIRECTORS' REPORT

This report is approved by the Board of Directors in accordance with a directors' resolution dated 23 March 2023.

On behalf of the board

TAN SRI DATUK OH SIEW NAM
Chairman

LIM SOON HUAT
Managing Director

Kuala Lumpur
23 March 2023

APPENDIX TO THE DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

DIRECTORS OF THE COMPANY'S SUBSIDIARIES

The directors of the Company's subsidiaries during the financial year up to the date of the Directors' Report are as follows :

Existing
Alfred Chin Siu Wa
Bings Untono
Chang Hung Chieh
Chan Kok Chee
Chew Chuen Wei
Chin Kok Wooi
Datuk Haji Musa @ Ayob bin Saad
Dinh Xuan Quang
Dr Liew Kai Wah
Dr Liew Pit Kang
Francis Quah Chuan Hoe @ Quah Chuan Hoe
Goon Kin Wai @ Jeremy Ruan Jianwei
Heng Beng Fatt
Hoh Yean Jiun
Irving Chee Huan Tong
Keren Chen
Koh Hong Lian
Koh Mei Lee
Koh Mei Leng
Ku Lai Wa
Kuok Khoon Chen
Kuok Khoon Hong
Liew Tau Kuek
Lim Kim Haw
Lim Kwo Kuang
Low Eng Hooi
Mah Teck Keong
Mulyo Setiawan
Nasiet Othsman
Olvy Othsman
Pan Yue
Pang Boon Hong
Pua Seck Guan
Soh Kian Kiat
Sophia Felicia Siregar
Tan Sri Dato' Lee Lam Thye
Teh Lam Chuan
Tonny Muksim
Yap Choi Foong

Appointed
Anandakirti Luhur
(Appointed on 1 April 2022)
Beh Meng Lee
(Appointed on 16 November 2022)
Goh Choon Pin, Julie
(Appointed on 1 December 2022)
Hor Kok Ching
(Appointed on 1 March 2022)
Kefas Prasetya Pratama
(Appointed on 9 February 2023)

Resigned
Ahmad Ramza bin Buan Mohamed @ Ramli
(Resigned on 11 November 2022)
Cheng Kin Ming
(Resigned on 1 March 2022)
Hairuddin Halim
(Resigned on 9 February 2023)
Ho Hiok Kheng
(Resigned on 28 November 2022)
Khor Mee Kuan
(Resigned on 11 November 2022)
Lee Oon Tiong
(Resigned on 28 November 2022)
Leong Yew Weng
(Resigned on 31 December 2022)
Ng Poh Yee
(Resigned on 1 April 2022)
Tan Sri Abdul Razak bin Ramli
(Resigned on 31 December 2022)
Tse Kai Chi
(Resigned on 1 December 2022)

Ceased
Soo Hau Yuh
*(Ceased on 11 November 2022)**

* The company ceased to be a subsidiary on this date.

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Continuing operations			
Revenue	3	**6,151,181**	4,652,881
Cost of sales		**(5,545,550)**	(4,265,011)
Gross profit		**605,631**	387,870
Other operating expenses		**(14,352)**	(37,937)
Distribution costs		**(216,155)**	(196,284)
Administrative expenses		**(201,204)**	(189,929)
Other expenses		**(37,329)**	(5,774)
Share of results of associates		**2,178,089**	1,573,852
Share of results of joint ventures		**3,831**	4,307
Finance costs	4	**(68,173)**	(34,905)
Profit before taxation from continuing operations	5	**2,250,338**	1,501,200
Tax (expense)/credit	6	**(29,964)**	9,255
Profit for the year from continuing operations		**2,220,374**	1,510,455
Discontinued operations			
Profit/(loss) before taxation from discontinued operations		**86**	(3,127)
Income tax expense	6	**(222)**	(213)
Loss for the year from discontinued operations	7	**(136)**	(3,340)
Profit for the year		**2,220,238**	1,507,115
Attributable to:			
Owners of the parent			
Profit from continuing operations		**2,196,954**	1,499,451
Loss from discontinued operations		**(136)**	(3,340)
Profit for the year attributable to owners of the parent		**2,196,818**	1,496,111
Non-controlling interests			
Profit for the year attributable to non-controlling interests		**23,420**	11,004
Profit for the year		**2,220,238**	1,507,115
Earnings per share - basic and diluted (sen)	8		
Profit from continuing operations		**154.4**	105.4
Loss from discontinued operations		**-**	(0.2)
		154.4	105.2

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
Profit for the year	**2,220,238**	1,507,115
Other comprehensive (loss)/income, net of tax		
Items that will not be subsequently reclassified to profit or loss		
Fair value (loss)/gain on investment in equity instruments designated as fair value through other comprehensive income	**(24,560)**	536
Share of associates' other comprehensive (loss)/income		
- Fair value reserve	**(47,523)**	2,576
- Capital reserve	**4,180**	(415)
Items that will be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	**1,073,716**	725,396
Share of associates' other comprehensive (loss)/income		
- Exchange foreign reserve	**(1,124,640)**	124,449
- Hedging reserve	**(30,394)**	50,500
Total comprehensive income, net of tax	**2,071,017**	2,410,157
Attributable to:		
Owners of the parent		
Total comprehensive income from continuing operations	**2,047,022**	2,385,887
Total comprehensive loss from discontinued operations	**(136)**	(3,340)
Total comprehensive income attributable to owners of the parent	**2,046,886**	2,382,547
Non-controlling interests		
Total comprehensive income from continuing operations	**24,131**	27,610
Total comprehensive income	**2,071,017**	2,410,157

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**1,322,671**	1,383,088
Investment properties	10	**366,682**	317,163
Right-of-use assets	11	**373,976**	306,022
Bearer plants	12	**3,893**	4,241
Land held for property development	13	**98,170**	100,470
Goodwill	14	**70,232**	71,201
Other intangible assets	15	**12,604**	11,945
Investment in associates	17	**22,329,590**	21,063,903
Investment in joint ventures	18	**31,159**	28,433
Other investments	19	**351,945**	372,310
Deferred tax assets	20	**55,695**	44,007
Total non-current assets		**25,016,617**	23,702,783
Current assets			
Inventories	21	**1,090,095**	1,081,814
Biological assets	12	**19,980**	13,422
Property development costs	22	**2,523**	41,581
Contract assets	23	**-**	82,529
Trade and other receivables	24	**1,146,505**	1,043,956
Derivative financial assets	25	**289**	100,650
Current tax assets		**28,334**	34,111
Cash and cash equivalents	26	**1,587,047**	1,296,316
Total current assets		**3,874,773**	3,694,379
Assets classified as held for sale	7	**41,287**	-
		3,916,060	3,694,379
TOTAL ASSETS		**28,932,677**	27,397,162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES			
Equity			
Share capital	27	**1,429,314**	1,429,314
Reserves	28	**4,115,216**	4,277,355
Retained earnings		**20,286,311**	18,724,819
Equity attributable to owners of the parent		**25,830,841**	24,431,488
Non-controlling interests		**737,667**	748,815
Total equity		**26,568,508**	25,180,303
Non-current liabilities			
Borrowings	29	**68,691**	137,355
Lease obligations	11	**339,949**	265,835
Deferred tax liabilities	20	**114,433**	101,156
Provision for restoration cost	31	**45,320**	33,273
Total non-current liabilities		**568,393**	537,619
Current liabilities			
Contract liabilities	23	**24,151**	28,022
Trade and other payables	30	**403,744**	521,414
Derivative financial liabilities	25	**41,110**	107,383
Borrowings	29	**1,278,516**	965,230
Lease obligations	11	**41,318**	52,380
Provision for restoration cost	31	**-**	960
Current tax liabilities		**2,732**	3,851
Total current liabilities		**1,791,571**	1,679,240
Liabilities associated with assets classified as held for sale	7	**4,205**	-
		1,795,776	1,679,240
Total liabilities		**2,364,169**	2,216,859
TOTAL EQUITY AND LIABILITIES		**28,932,677**	27,397,162

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to owners of the parent								
			Non-distributable							
	Note	Share Capital RM'000	Exchange Translation Reserve RM'000	Fair Value Reserve RM'000	Hedge Reserve RM'000	Capital Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 January 2022		**1,429,314**	**3,620,819**	**(111,944)**	**(6,363)**	**774,843**	**18,724,819**	**24,431,488**	**748,815**	**25,180,303**
Other comprehensive (loss)/income		**-**	**(51,635)**	**(69,426)**	**(30,394)**	**4,180**	**(2,657)**	**(149,932)**	**711**	**(149,221)**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**2,196,818**	**2,196,818**	**23,420**	**2,220,238**
Total comprehensive (loss)/income		**-**	**(51,635)**	**(69,426)**	**(30,394)**	**4,180**	**2,194,161**	**2,046,886**	**24,131**	**2,071,017**
Share of other changes in equity of associates		**-**	**121**	**(15,970)**	**-**	**(105,322)**	**-**	**(121,171)**	**-**	**(121,171)**
Transfer of reserves		**-**	**-**	**-**	**-**	**106,307**	**(106,307)**	**-**	**-**	**-**
Dividends paid to shareholders of the Company	*32*	**-**	**-**	**-**	**-**	**-**	**(526,362)**	**(526,362)**	**-**	**(526,362)**
Dividends paid to non-controlling interests of subsidiaries		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(38,748)**	**(38,748)**
Disposal of subsidiary		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,840**	**2,840**
Issue of shares to non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**629**	**629**
At 31 December 2022		**1,429,314**	**3,569,305**	**(197,340)**	**(36,757)**	**780,008**	**20,286,311**	**25,830,841**	**737,667**	**26,568,508**
At 1 January 2021		1,429,314	2,787,693	(97,239)	(56,863)	743,411	18,012,433	22,818,749	727,696	23,546,445
Other comprehensive income/(loss)		-	833,239	(14,705)	50,500	(415)	17,817	886,436	16,606	903,042
Profit for the year		-	-	-	-	-	1,496,111	1,496,111	11,004	1,507,115
Total comprehensive income/(loss)		-	833,239	(14,705)	50,500	(415)	1,513,928	2,382,547	27,610	2,410,157
Share of other changes in equity of associates		-	-	-	-	(86,961)	-	(86,961)	-	(86,961)
Transfer of reserves		-	(113)	-	-	118,808	(118,695)	-	-	-
Dividends paid to shareholders of the Company	*32*	-	-	-	-	-	(682,847)	(682,847)	-	(682,847)
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	-	-	(7,544)	(7,544)
Realisation upon liquidation of subsidiaries		-	-	-	-	-	-	-	(1,567)	(1,567)
Issue of shares to non-controlling interests		-	-	-	-	-	-	-	2,620	2,620
At 31 December 2021		1,429,314	3,620,819	(111,944)	(6,363)	774,843	18,724,819	24,431,488	748,815	25,180,303

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation		
Continuing operations	2,250,338	1,501,200
Discontinued operations	86	(3,127)
	2,250,424	1,498,073
Adjustments for non-cash items:		
Amortisation and depreciation	195,040	168,771
(Reversal of impairment)/impairment of trade and other receivables	(42)	2,622
Property, plant and equipment and other assets written off	2,696	318
Reversal of provision for restoration cost	(824)	(363)
Impairment of investment in an associate	26,732	-
Rental waiver income	(6,246)	(16,299)
Loss on disposal of property, plant and equipment	784	1,177
(Gain)/Loss on disposal of an associate	(550)	3,879
Gain on disposal of subsidiaries	(11,411)	-
Fair value gain on biological assets	(6,141)	(1,598)
Share of results of associates	(2,178,089)	(1,573,326)
Share of results of joint ventures	(3,870)	(4,317)
Inventories written down	1,123	1,219
Unrealised net foreign exchange gain	(22,739)	(12,665)
Unrealised net loss/(gain) on fair value of derivative financial instruments	93,081	(80,835)
Interest expense	68,902	35,440
Dividend income	(18,942)	(25,038)
Income from short-term fund placements	(19,981)	(17,290)
Interest income	(10,459)	(4,433)
Operating profit/(loss) before working capital changes	359,488	(24,665)
Adjustments for working capital changes:		
Decrease/(increase) in property development costs	39,058	(9,260)
Increase in inventories	(9,404)	(417,455)
Increase in trade and other receivables	(147,143)	(158,174)
Decrease in net contract assets/liabilities	7,599	19,942
(Decrease)/Increase in trade and other payables	(108,643)	152,000
Cash generated from/(used in) operations	140,955	(437,612)
Taxation	(29,390)	(53,912)
Net cash generated from/(used in) operating activities	111,565	(491,524)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment	(103,456)	(190,326)
Addition of investment properties and other intangible assets	(33,426)	(31,787)
Proceeds from disposal of property, plant and equipment	3,724	5,180
Distribution of profit from joint venture	7,125	8,106
Dividends received	634,619	784,584
Income received from short-term fund placements	14,919	16,316
Interest received	10,256	4,551
Investment in associates	(1,612)	(93,013)
Proceeds from disposal of subsidiaries (Note 16)	11,837	-
Proceeds from disposal of an associate	4,000	44,751
Proceeds arising from liquidation of an associate	-	10,321
Net repayment/(payment) from amount due from associates	2,744	(54,798)
Proceeds from disposal of other investment	1,000	31,144
Addition of other investment	-	(46,694)
Net cash generated from investing activities	551,730	488,335
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of borrowings, net	292,450	611,131
Payment of lease obligations	(44,391)	(24,888)
Interest paid	(52,054)	(23,876)
Dividends paid	(565,110)	(690,391)
Shares issued to non-controlling interests of subsidiaries	629	2,620
Net cash used in financing activities	(368,476)	(125,404)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	294,819	(128,593)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,296,316	1,420,202
EFFECTS OF EXCHANGE RATE CHANGES	5,424	4,707
CASH AND CASH EQUIVALENTS CARRIED FORWARD	1,596,559	1,296,316
Represented by:		
Cash and bank balances	451,558	297,790
Deposits	213,672	156,710
Short-term fund placements	931,329	841,816
	1,596,559	1,296,316
Less: Cash and cash equivalents under assets classified as held for sale	(9,512)	-
	1,587,047	1,296,316

The accompanying notes form an integral part of the financial statements

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
Revenue	3	**707,752**	842,377
Cost of sales		**(25,573)**	(22,892)
Gross profit		**682,179**	819,485
Other operating income		**19,651**	12,287
Administrative expenses		**(30,191)**	(57,304)
Finance costs	4	**(173)**	(219)
Profit before taxation	5	**671,466**	774,249
Tax credit	6	**230**	15
Profit for the year		**671,696**	774,264

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
Profit for the year	**671,696**	774,264
Other comprehensive (loss)/income, net of tax		
Items that will not be subsequently reclassified to profit or loss		
Fair value (loss)/gain on investment in equity instruments designated as fair value through other comprehensive income	**(24,963)**	974
Total comprehensive income, net of tax	**646,733**	775,238

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 RM'000	2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	**844**	1,229
Investment properties	10	**284,191**	286,620
Right-of-use assets	11	**2,902**	4,159
Investment in subsidiaries	16	**1,625,006**	1,620,212
Investment in associates	17	**8,997,602**	8,995,990
Other investments	19	**288,111**	313,982
Total non-current assets		**11,198,656**	11,222,192
Current assets			
Trade and other receivables	24	**26,104**	12,224
Current tax asset		**1,484**	1,109
Cash and cash equivalents	26	**902,193**	775,611
Total current assets		**929,781**	788,944
TOTAL ASSETS		**12,128,437**	12,011,136
EQUITY AND LIABILITIES			
Equity			
Share capital	27	**1,429,314**	1,429,314
Fair value reserve		**(435,918)**	(410,955)
Retained earnings		**11,114,220**	10,968,886
Total equity		**12,107,616**	11,987,245
Non-current liabilities			
Borrowings	29	**-**	14
Deferred tax liabilities	20	**-**	282
Lease obligations	11	**2,067**	3,057
Total non-current liabilities		**2,067**	3,353
Current liabilities			
Trade and other payables	30	**17,722**	19,197
Borrowings	29	**14**	85
Lease obligations	11	**1,018**	1,256
Total current liabilities		**18,754**	20,538
Total liabilities		**20,821**	23,891
TOTAL EQUITY AND LIABILITIES		**12,128,437**	12,011,136

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Share Capital RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 January 2022		**1,429,314**	**(410,955)**	**10,968,886**	**11,987,245**
Other comprehensive loss		**-**	**(24,963)**	**-**	**(24,963)**
Profit for the year		**-**	**-**	**671,696**	**671,696**
Total comprehensive (loss)/income		**-**	**(24,963)**	**671,696**	**646,733**
Dividends paid to shareholders	32	**-**	**-**	**(526,362)**	**(526,362)**
At 31 December 2022		**1,429,314**	**(435,918)**	**11,114,220**	**12,107,616**
At 1 January 2021		1,429,314	(394,117)	10,859,657	11,894,854
Other comprehensive (loss)/income		-	(16,838)	17,812	974
Profit for the year		-	-	774,264	774,264
Total comprehensive (loss)/income		-	(16,838)	792,076	775,238
Dividends paid to shareholders	32	-	-	(682,847)	(682,847)
At 31 December 2021		1,429,314	(410,955)	10,968,886	11,987,245

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**671,466**	774,249
Adjustments for non-cash items:		
Amortisation and depreciation	**8,396**	8,831
(Reversal of impairment)/impairment of trade and other receivables	**(588)**	1,057
Impairment of investment in a subsidiary	**-**	24,414
Interest expense	**173**	-
Dividend income	**(683,248)**	(819,081)
Income from short-term fund placements	**(16,239)**	(13,715)
Interest income	**(3,927)**	(374)
Operating loss before working capital changes	**(23,967)**	(24,619)
Adjustments for working capital changes:		
Increase in trade and other receivables	**(250)**	(7,327)
(Decrease)/Increase in trade and other payables	**(1,475)**	846
Cash used in operations	**(25,692)**	(31,100)
Taxation	**(427)**	(666)
Net cash used in operating activities	**(26,119)**	(31,766)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment	**(240)**	(197)
Addition of investment properties	**(4,043)**	(2,607)
Addition of other investment	**-**	(5,005)
Proceeds from disposal of other investment	**1,000**	31,144
Investment in subsidiary	**(4,794)**	(141,724)
Net advances to subsidiaries and associates	**(146)**	(1,013)
Investment in associates	**(1,612)**	(82,195)
Dividends received	**669,248**	819,081
Income received from short-term fund placements	**12,239**	13,715
Interest received	**3,732**	380
Net cash generated from investing activities	**675,384**	631,579

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	2022 RM'000	2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(173)**	-
Payment of lease obligations	**(1,439)**	(1,438)
Dividends paid	**(526,362)**	(682,847)
Repayment of borrowing	**(85)**	(82)
Net cash used in financing activities	**(528,059)**	(684,367)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**121,206**	(84,554)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**775,611**	858,752
EFFECTS OF EXCHANGE RATE CHANGES	**5,376**	1,413
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**902,193**	775,611
Represented by:		
Cash and bank balances	**1,705**	2,778
Deposits	**94,804**	89,562
Short-term fund placements	**805,684**	683,271
	902,193	775,611

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. GENERAL

The Company is a public company limited by shares incorporated in Malaysia. The Company is domiciled in Malaysia. The shares of the Company are listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 12th Floor, UBN Tower, 10, Jalan P Ramlee, 50250 Kuala Lumpur.

The ultimate holding company is Kuok Brothers Sdn Berhad, a company incorporated in Malaysia.

The Company is principally engaged in property investment and investment holding. There are no significant changes in the principal activities of the Company during the financial year. The principal activities of the subsidiaries are set out in note 40.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis unless otherwise disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand.

2.2 Changes in accounting policies

The significant accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the adoption of the following Amendments to MFRSs, effective for financial periods beginning on or after 1 January 2022:

Amendments to MFRS 3: Business Combinations: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

Adoption of the above amended standards did not have any material effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued that are not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants	1 January 2024

The adoption of the above standards and interpretations are not expected to have a material impact on the financial statements in the period of application.

2.4 Significant accounting estimates and judgements

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period, and reported amount of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(a) Critical judgement made in applying accounting policies

The following are judgements made by management in the process of applying the Group and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) *Lease liability*

Management has determined the lease term, based on an evaluation of the terms and conditions of the arrangements, as the non-cancellable period of a lease, taking into consideration:

- periods covered by an option to extend the lease; and
- periods covered by an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

(a) Critical judgement made in applying accounting policies (continued)

(i) *Lease liability (continued)*

In determining whether it is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease, management has considered all relevant facts and circumstances that have created the economic incentives to exercise such options when exercising its judgement in the assessment.

The lease terms and the discount rates have been determined using appropriate assumptions as necessary including management's estimation of the applicable interest costs.

The carrying amounts of lease liabilities are disclosed in note 11.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the end of the reporting period that have significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are discussed below:

(i) *Impairment of investments in subsidiaries, associates and joint venture*

Investments in subsidiaries, associates and joint venture are assessed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, an estimation of their recoverable amount is required.

Management ascertains the recoverable amount by using the estimated fair value less cost to sell or expected future cash flows from the subsidiaries, associates and joint venture and applies a suitable discount rate in order to calculate the present value of those cash flows. The carrying value of the Group's investments in associates and joint venture as well as the Company's investments in subsidiaries and associates at the end of the reporting period are disclosed in notes 16, 17 and 18.

(ii) *Impairment of goodwill*

The Group performs goodwill impairment test annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated.

Management ascertains the value-in-use by an estimate of the expected future cash flows from the cash-generating unit and applies a suitable discount rate in order to calculate the present value of those cash flows. The carrying value of the Group's goodwill is disclosed in note 14.

(iii) *Depreciation of property, plant and equipment, and investment properties*

Property, plant and equipment, and investment properties are depreciated on a straight-line basis over the estimated useful lives of the assets. Management estimates the useful lives of these assets to be between 3 to 50 years for property, plant and equipment, and between 10 to 50 years for investment properties, except for leasehold land which is depreciated over the remaining period of the lease.

Changes in the expected level of usage, physical wear and tear and technological development could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges may be revised. The carrying amount of the Group and the Company's property, plant and equipment and investment properties at the end of the reporting period are disclosed in notes 9 and 10.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting estimates and judgements (continued)

(b) <u>Key sources of estimation uncertainty (continued)</u>

(iv) Provision for expected credit losses of trade receivables and contract assets

Management assesses the expected credit losses ("ECL") for trade receivables at each reporting date. Credit losses are the difference between the contractual cash flows that are due to the entity and the cash flows that it actually expects to receive. Management applies the simplified approach of MFRS 9 Financial Instruments in assessing the impairment of trade receivables.

In determining the ECL, management uses the historical credit loss experience for trade receivables to estimate the ECL. Management is not only required to consider historical information that is adjusted to reflect the effects of current conditions and information that provides objective evidence that trade receivables are impaired in relation to incurred losses, but management also considers, when applicable, reasonable and supportable information that may include forecasts of future economic conditions when estimating the ECL, on an individual and collective basis. The need to consider forward-looking information means that management exercises considerable judgement as to how changes in macroeconomic factors will affect the ECL on trade receivables.

The ECL on trade receivables is mainly based on the historical credit loss experience. The carrying amount of trade receivables is disclosed in note 24.

(v) Revenue recognition of property development activities and construction contracts

The Group recognises property development and construction contracts revenue and expenses over time based on the percentage of completion method. The stages of completion of the property development activities and construction contracts are measured in accordance with the accounting policies set out in note 2.18.

Significant judgement is required in determining the percentage of completion, the extent of the development project and contract costs incurred, the estimated total revenue and total costs and the recoverability of the development project and contract. In making these judgements, management relies on past experience and the work of specialists.

2.5 Separate financial statements of the Company

Investments in subsidiaries, associates and joint venture are stated at cost less impairment losses, unless the investment is classified as held for sale.

On disposal, the difference between the net disposal proceeds and the carrying amount of a subsidiary, associate or joint venture disposed of are taken to profit or loss.

2.6 Basis of consolidation

The consolidated financial statements incorporated the financial statements of the Company and of all the subsidiaries controlled by the Company made up to the end of the financial year.

The Company controls an entity if and only if the Company has all the following:

(i) power over the entity;
(ii) exposure, or rights, to variable returns from its involvement with the entity; and
(iii) the ability to use its power over the entity to affect the amount of the returns.

Potential voting rights are considered when assessing control only if the rights are substantive.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Basis of consolidation (continued)

All subsidiaries are consolidated using the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

The consolidated financial statements are prepared using uniform accounting policies for similar transactions and other events in similar circumstances.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

The Company attributes the profit or loss and each component of other comprehensive income to the owners of the Company and to non-controlling interests. The Company also attributes total comprehensive income to the owners of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Change in the ownership interest, which does not result in a loss of control is accounted for within equity. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and a gain or loss is recognised in the income statement.

The Group accounts for each business combination by applying the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer from former owners of the acquiree and the equity interests issued by the acquirer. Acquisition related costs are recognised as expenses when the costs are incurred.

On the date of acquisition, goodwill is measured as the excess of (a) over (b) below:

(a) The aggregate of: (i) the fair value of consideration transferred; (ii) the amount of any non-controlling interest in the acquiree; and (iii) the fair value of the Group's previously held equity interest in the investee, if the business combination is achieved in stages.

(b) The net fair value of the identifiable assets acquired and the liabilities assumed.

If a business combination in which the amount in (b) above exceeds the aggregate of the amounts in (a) above, the Group recognises the resulting gain in profit or loss.

2.7 Associates and joint venture

An associate is an entity in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but no control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Associates and joint venture (continued)

Investments in associates or joint ventures are accounted for in the financial statements using the equity method of accounting. The Group's investment in associates or joint ventures include goodwill identified on acquisition, net of any accumulated impairment loss. The results and net assets of associates or joint ventures are accounted using uniform accounting policies for like transactions and other events in similar circumstances. An investment is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control. Under the equity method, the investments are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associates or joint ventures. Unrealised gains or losses on transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

The Group's share of net profits or losses and changes recognised in the other comprehensive income of the associates or joint venture are recognised in the consolidated income statement and consolidated statement of comprehensive income respectively. The Group's share of an associate's net changes, other than profit or loss or other comprehensive income and distribution received, is recognised in equity.

When the Group's share of losses exceeds its interest in an equity accounted associate or joint venture, the carrying amount of that interest including any long-term investments is reduced to nil, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payment on behalf of the associate.

When changes in the Group's interests in an associate do not result in a loss of significant influence, the retained interests in the associate are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associate is recognised in the income statement.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate is recognised at fair value on the date when significant influence is lost. Any gain or loss arising from the loss of significant influence over an associate is recognised in the income statement.

2.8 Property, plant and equipment

(a) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The policy for impairment losses is disclosed in note 2.20.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is contracted as a consequence of acquiring or using the asset.

Subsequent costs are included as part of the carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Property, plant and equipment (continued)

(b) Depreciation

Freehold land and capital work-in-progress are not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Land and buildings	2% - 20%	or over the remaining period of lease
Plant and machinery	5% - 33%	
Motor vehicles	5% - 20%	
Furniture, fittings, office and other equipment	10% - 33%	

The residual values, useful lives and depreciation methods are reviewed, at the end of each reporting period and adjusted prospectively, when appropriate.

2.9 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both rather than for use in the production or supply of goods and services or for administrative purposes, or sale in the ordinary course of business. Investment properties include properties that are being constructed or developed for future use as investment properties.

(a) Measurement basis

Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of investment properties includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included as part of the carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs of repair and maintenance are charged to the income statement during the financial year in which they are incurred.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

(b) Depreciation

Freehold land is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold buildings	2%	
Leasehold land and buildings	2% - 10%	or over the remaining period of lease

The residual values, useful lives and depreciation methods are reviewed, and adjusted if deemed appropriate, at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Biological assets and bearer plants

Biological assets comprise primarily livestock and fresh fruit bunches (“FFB”) prior to harvest. Bearer plants consist of oil palms.

Biological assets are measured at fair value less costs to sell. Costs to sell include all incremental costs that would be necessary to sell the biological assets. Changes in fair value are recognised in profit or loss.

Livestock

The Group’s biological assets consists of the breeder parent stock, hatchable eggs, pullet and layer stock. The fair value is determined by using the discounted cash flow method applied onto each flock of livestock according to its lifecycle based on the forecasted number of eggs expected to be produced by each flock, the estimated selling price of eggs, day-old-chicks, and the residual value of spent birds.

The costs incurred for production flocks, which include feeds, staff costs and veterinary services, etc. as well as the cost of parent stock purchase, are incorporated in the fair value measurement.

Costs incurred during the rearing stage are recognised as expense when incurred.

2.11 Leases

The Group and the Company as lessee

Right-of-use assets and corresponding lease obligations are recognised with respect to all lease agreements, except for short-term leases and leases of low value assets.

For short-term leases (i.e. leases with a lease term of 12 months or less) and leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the rate implicit in the lease or incremental borrowing rate, where applicable. Lease payments included in the measurement of the lease liability comprise: (i) fixed lease payments, less lease incentives; (ii) variable lease payments based on an index or rate; and (iii) amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group and the Company use their incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The right-of-use assets comprise the corresponding lease liability, lease payments made at or before the lease commencement date and initial direct costs. Whenever there is an obligation to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the agreed condition, a provision is recognised. These costs are included in the related right-of-use assets.

Right-of-use assets are measured at cost less accumulated depreciation and impairment losses. They are depreciated over the lease term or useful life of the underlying assets, whichever is shorter. The depreciation starts on the lease commencement date.

Variable lease payment (not based on an index or rate) is recognised as an expense in the period in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Leases (continued)

The Group and the Company as lessor

Leases are classified as finance leases or operating leases. Whenever the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Initial direct costs incurred are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2.12 Property development

Property development is classified under two categories i.e. land held for property development and property development costs.

Land held for property development

Land held for property development is land on which development is not expected to be completed within the normal operating cycle. No significant development work would have been undertaken on these lands. Accordingly, land held for property development is classified as a non-current asset. Land held for property development is measured at the lower of cost and net realisable value. Costs include incidental expenditure incurred to put the land in a condition ready for development.

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs as a current asset.

Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Property development costs are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

2.13 Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group’s interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised and is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying values may be impaired.

(b) Computer software and film rights

(i) Measurement basis

Computer software and film rights acquired by the Group are stated at cost less accumulated amortisation and impairment losses, if any.

Computer software and film rights are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Intangible assets (continued)

(b) Computer software and film rights (continued)

(ii) Amortisation

Amortisation is calculated to reduce the amount of computer software on a straight-line basis over its estimated useful life. The principal annual rate used is 25%.

Film rights are amortised based on the total revenue stream expected to be generated from the different titles and upon the exploitation of the rights.

The amortisation period and the amortisation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of an instrument.

Financial assets and financial liabilities are initially recognised at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition.

(a) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are measured subsequently in the following manner:

- at amortised cost (debt instruments);
- at fair value through other comprehensive income (“FVTOCI”), with recycling of cumulative gains and losses (debt instruments);
- designated at FVTOCI, without recycling of cumulative gains and losses (equity instruments); or
- at fair value through profit or loss (“FVTPL”).

Financial assets at amortised cost

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses are recognised in profit or loss when an asset is derecognised, modified or impaired.

The effective interest rate method is a method of calculating the amortised cost of a financial assets and of allocating interest income over the relevant period.

Financial assets at FVTOCI

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For financial assets at FVTOCI, the related interest income, foreign exchange revaluation gain/loss and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. All other changes in the carrying amount are recognised in OCI and accumulated in a reserve in equity. Upon derecognition, the cumulative fair value change recognised in OCI is reclassified to profit or loss.

Equity instruments designated at FVTOCI

Upon initial recognition, management may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as FVTOCI. Designation as FVTOCI is not permitted if the equity investment is held for trading or if it is a contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the entity manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments designated as FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in a reserve in equity. The cumulative gain or loss will not be reclassified to profit or loss on derecognition of the equity investments; instead, they will be transferred to retained earnings. Equity instruments designated as FVTOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(a) Financial assets (continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL, including:

- investments in equity instruments are classified as FVTPL, unless management designates an equity investment as FVTOCI on initial recognition;
- debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as FVTPL. Debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as FVTPL upon initial recognition, if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; and
- derivative instruments.

Financial assets at FVTPL are measured at fair value, with fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Impairment of financial assets

Loss allowance is recognised for expected credit losses ("ECL") for all debt instruments not held at FVTPL, and financial guarantee contracts.

ECL is arrived at based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that are expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

Management measures the loss allowance of trade receivables, contract assets and lease receivables using a simplified approach at an amount equal to their lifetime ECL. The ECL on these financial assets are estimated using a provision matrix based on historical credit loss experience, and where appropriate, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider whether a financial asset is in default when contractual payments are more than 90 days past due. In certain cases, the Group and the Company may consider a financial asset to be in default when internal or external information indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For all other financial assets at amortised cost, where credit exposures for which there has not been a significant increase in credit risk since initial recognition, the Group and the Company measure the loss allowance for those financial assets at an amount equal to 12-month ECL. For those credit exposures for which there has been a significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring, a loss allowance is required for credit losses expected over the remaining life of the financial assets (lifetime ECL).

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to the cash flows from the financial asset expire; or when the financial asset is transferred and substantially all the risks and rewards of ownership of the financial asset are transferred to another party.

If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control a transferred financial asset, the entity recognises its retained interest in the financial asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the financial asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. On derecognition of an investment in a debt instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the reserve is reclassified to profit or loss. On derecognition of an investment in equity instrument classified as FVTOCI, the cumulative gain or loss previously accumulated in the reserve is transferred to retained earnings.

(b) Financial liabilities

All financial liabilities are subsequently measured at amortised cost (using the effective interest rate method) or at FVTPL.

Financial liabilities at FVTPL

Financial liabilities are classified as FVTPL when the financial liability is:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- designated as FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the entity that are not designated as hedging instruments. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities.

For financial liabilities that are designated as FVTPL, the change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of the liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in OCI are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(b) Financial liabilities (continued)

Financial liabilities at amortised cost

Financial liabilities that are not:

- contingent consideration of an acquirer in a business combination;
- held for trading; or
- designated as FVTPL,

are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued are initially measured at their fair values and, if not designated as FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the obligations under the liabilities are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability.

(c) Equity instrument

Equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognised at the proceeds received.

Costs incurred directly attributable to the issuance of the equity instruments are accounted for as a deduction from equity.

Preference shares are classified as equity if they are non-redeemable or their redemption is at the discretion of the issuer.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Financial instruments (continued)

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(e) Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and consumables: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of raw materials and labour and a proportion of overheads based on normal operating capacity. These costs are assigned on a weighted average basis.
- Completed properties: Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.
- Land held for development and property development costs: Please refer to note 2.12.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the entity has a present obligation (legal or constructive) as a result of a past event, when it is probable that the entity will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, a provision represents the present value of those estimated future cash flows.

When some or all of the cash flows required to settle a provision are expected to be recovered from a third party, an asset is recognised if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets (or disposal group) are available for immediate sale in their present condition and the sale is highly probable subject only to terms that are usual and of customary in nature.

On initial classification as held for sale, non-current assets are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Non-current assets held for sale and discontinued operations (continued)

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. Subsequent increase in fair value less costs to sell is recognised as a gain in the income statement to the extent of the cumulative impairment loss that had been recognised previously.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement.

2.18 Revenue recognition

(a) Revenue from contracts with customers

Revenue from a contract with a customer is recognised when control of the goods or services is transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Sales of goods

Revenue from sales of goods is recognised at the point in time when control of the goods is transferred to the customers, generally upon delivery of goods.

In determining the revenue for the sales of goods, the effects of variable consideration, the existence of significant financing component, non-cash consideration, and consideration payable to the customer, etc. are taken into consideration.

Rendering of services

Revenue is recognised over time, if a customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.

Revenue is recognised using an input method to measure progress towards complete satisfaction of the services.

The right-to-invoice practical expedient can be applied to a performance obligation satisfied over time by recognising revenue in the amount that the Group has a right to invoice the customer, which corresponds directly with the value transferred to the customer for the performance completed to date. The Group has elected to use the right-to-invoice practical expedient in certain service contracts where the Group invoices its customers on a per day basis that directly corresponds with the value received by the customer. As days are worked on the customer's contract, the Group satisfies its performance obligation to the customer and recognises revenue on a per day basis. When this practical expedient is used, the Group does not estimate variable consideration at the inception of the contract to determine the transaction price or for disclosure purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

Property development and construction contracts

Revenue is recognised over time, if (i) the entity creates an asset with no alternative use to the entity and the entity has an enforceable right to payment for performance completed to-date; or (ii) a customer controls the asset as it is created or enhanced by the entity.

Revenue is recognised over the period of the contract by measuring the progress towards complete satisfaction of that performance obligation. Revenue is measured on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The stage of completion is determined by the proportion of contract costs incurred to-date relative to the estimated total contract costs.

All foreseeable losses for construction contracts are considered in accordance with MFRS 137. The requirements of MFRS 137 prescribe that a provision for onerous contract provision must be calculated on a least net cost basis, which includes unavoidable costs only and comparing these costs to the cost of cancelling a contract including any termination fees. The policy on provisions is in note 2.16.

Revenue from sales of completed properties is recognised when control of the properties has been passed to the buyers.

Revenue from cinema operations

Revenue from film exhibition is recognised upon delivery of services and products except for screen advertising which is recognised on an accrual basis.

Contract balances arising from revenue recognition

Contract assets are the right to consideration in exchange for goods or services transferred to customers. If goods or services are transferred to customers before the customers pay consideration or before payment is due, contract assets are recognised for the earned consideration that is conditional. Trade receivables represent the entity's right to an amount of consideration that is unconditional.

Contract liabilities are the obligation to transfer goods or services to customers for which the entity has received consideration (or an amount of consideration is due) from the customers. If the customers pay consideration before the entity transfers goods or services to the customers, contract liabilities are recognised when the payment is made or the payment is due (whichever is earlier).

Contract liabilities also include certain contracts for the sale of goods, which include a right of return or volume rebates that give rise to variable consideration. Variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The Group recognises the expected rebates to customers where consideration has been received from customers and refunds due to expected returns from customers as refund liabilities. Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly. At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Revenue recognition (continued)

(a) Revenue from contracts with customers (continued)

Cost to obtain a contract

Incremental cost of obtaining a contract with a customer is recognised as assets, if the entity expects to recover the cost. The capitalised contract costs are amortised on a systematic basis that is consistent with the entity's transfer of the related goods or services to the customer.

(b) Other income

Other income is recognised as follows:

- interest income and income from short-term fund placement are recognised using the effective interest rate method;
- dividend income is recognised when the right to receive payment is established; and
- leasing of investment properties (Refer to note 2.11).

2.19 Foreign currencies

(a) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currency.

(b) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are recognised at the prevailing exchange rate on the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are translated at the prevailing exchange rate on that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at the prevailing exchange rate on the date of the transaction. Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the prevailing exchange rates on the date when the fair values were determined.

Exchange differences are recognised in profit or loss, except for:

- exchange differences on borrowings denominated in foreign currencies relating to an asset under construction, which are included in the cost of that asset when the exchange differences are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on amounts receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (i.e. form part of the net investment in that foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

(c) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations (including goodwill and fair value adjustments arising from the acquisition of a foreign operation) are translated at the prevailing exchange rate on the reporting date. Income and expense items are translated at average exchange rates for the period. Exchange differences arising from the translation of the financial statements of the foreign operation are recognised in other comprehensive income; accumulated in a separate component of equity and attributed to non-controlling interests as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Foreign currencies (continued)

(c) Translation of foreign operations (continued)

On disposal of a foreign operation (i.e. loss of control, joint control or significant influence), the accumulated exchange differences recognised in equity relating to that foreign operation are reclassified to profit or loss.

In the case of a partial disposal without loss of control over a foreign operation, the proportionate share of accumulated exchange differences in equity is re-attributed to non-controlling interests and is not recognised in profit or loss. For other partial disposals (i.e. partial disposals of associates or joint ventures that do not result in losing of significant influence or joint control), the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

2.20 Impairment of non-financial assets

(a) Goodwill

Goodwill is reviewed annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units.

An impairment loss is recognised in the income statement when the carrying amount of the cash-generating unit, including the goodwill, exceeds the recoverable amount of the cash-generating unit. The recoverable amount of the cash-generating unit is the higher of the cash-generating unit's fair value less cost to sell and its value in use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the cash-generating unit and then to the other assets of the cash-generating unit proportionately on the basis of the carrying amount of each asset in the cash-generating unit.

Impairment loss recognised on goodwill is not reversed in the event of an increase in recoverable amount in subsequent periods.

(b) Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are charged to the income statement.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(b) Defined contribution benefits

The Company and its Malaysian subsidiaries make monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan. Foreign subsidiaries make contributions to their respective statutory pension plans. The obligation of the Group and the Company is limited to the amount that they agree to contribute to those defined contribution plans. The contributions to those plans are recognised as an expense when employees have rendered service entitling them to the contribution.

2.22 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are completed or during extended periods when active development is interrupted.

All other borrowing costs are charged to the income statement in the period in which they are incurred. The interest component of hire purchase payments is charged to the income statement over the hire purchase period so as to give a constant periodic rate of interest on the remaining tenure of the hire purchase contract.

2.23 Taxation

The income tax expense represents the aggregate amount of current tax and deferred tax.

Current tax and deferred tax are recognised in profit or loss. Current tax and deferred tax are recognised in other comprehensive income or directly in equity, if the tax relates to items that are recognised in other comprehensive income or directly in equity. Where deferred tax arises from a business combination, the tax effect is included in the accounting for the business combination.

Current tax

Current tax is the expected income tax payable on the taxable profit for the year, estimated using the tax rates enacted or substantially enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future payment to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.24 Cash and cash equivalents

Cash and cash equivalents are cash in hand, short-term and highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude deposits pledged to secure banking facilities.

2.25 Segment reporting

Segment reporting in the financial statements is presented on the same basis as that used by management internally for evaluating operating segment performance and in deciding on the allocation of resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision-maker to decide on the allocation of resources to the segment and assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.25 Segment reporting (continued)

Segment revenue, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be reasonably allocated to the segment.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

2.26 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities, for which fair value is measured or disclosed, are categorised within the fair value hierarchy set out below based on the inputs that are significant to the fair value measurement. Fair value measurement is derived from:

Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities

Level 2: Inputs other than quoted prices included in Level 1, for assets or liabilities that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: Valuation techniques that include unobservable inputs for assets or liabilities

3. REVENUE

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Revenue from contracts with customers				
(a) Recognised at a point in time				
Sales of goods	**5,647,259**	4,436,677	**-**	-
Sales of completed properties	**14,069**	-	**-**	-
Revenue from cinema operations	**341,458**	74,342	**-**	-
(b) Recognised over time				
Sales of development properties	**87,713**	76,960	**-**	-
Rendering of services	**15,818**	15,142	**-**	-
	6,106,317	4,603,121	**-**	-
Rental from leasing of investment properties	**25,922**	24,722	**24,504**	23,296
Dividend income				
- subsidiaries	**-**	-	**42,900**	47,219
- associates	**-**	-	**621,640**	747,060
- other investments	**18,942**	25,038	**18,708**	24,802
	6,151,181	4,652,881	**707,752**	842,377

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. REVENUE (CONTINUED)

Reconciliation of revenue from contract customers and segmental information:

	Grains & agribusiness	Consumer products	Film exhibition & distribution	Property	Other operations	Total
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2022						
Sales of goods	**4,655,906**	**751,118**	**163,947**	**7,567**	**68,721**	**5,647,259**
Sales of completed properties	**-**	**-**	**-**	**14,069**	**-**	**14,069**
Sales of development properties	**-**	**-**	**-**	**87,713**	**-**	**87,713**
Revenue from cinema operations	**-**	**-**	**341,458**	**-**	**-**	**341,458**
Rendering of services	**-**	**-**	**9,404**	**5,640**	**774**	**15,818**
	4,655,906	**751,118**	**514,809**	**114,989**	**69,495**	**6,106,317**
2021						
Sales of goods	3,688,799	643,798	33,501	6,599	63,980	4,436,677
Sales of development properties	-	-	-	76,960	-	76,960
Revenue from cinema operations	-	-	74,342	-	-	74,342
Rendering of services	-	-	8,627	5,936	579	15,142
	3,688,799	643,798	116,470	89,495	64,559	4,603,121

Remaining unsatisfied performance obligations ("RUPO") represent the transaction price for goods and services for which the Group has a material right but work has not been performed. Transaction price of the RUPO includes the base transaction price, variable consideration and changes in transaction price. As a practical expedient, the RUPO does not include contracts for which the Group has recognised revenue at the amount to which the Group has the right to invoice for services performed or the performance obligation is part of a contract that has an original expected duration of one year or less. As at 31 December 2022, the aggregate amount of the transaction price allocated to the RUPO of the Group is RM nil (2021: RM379 million).

4. FINANCE COSTS

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Interest expense on:				
Banker's acceptance	**1,515**	1,202	**-**	-
Revolving credits	**26,569**	3,681	**-**	-
Bank term loans	**24,409**	18,637	**-**	-
Bank overdrafts	**390**	14	**-**	-
Interest expense on lease obligations	**15,287**	11,365	**170**	213
Hire purchase	**3**	6	**3**	6
	68,173	34,905	**173**	219

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. PROFIT BEFORE TAXATION

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Profit before taxation is stated after charging/ (crediting):				
Amortisation of other intangible assets	**6,658**	2,487	**-**	-
Auditors' remuneration				
- statutory audit	**1,048**	953	**131**	114
- non-audit services	**81**	101	**7**	16
Other auditors' remuneration				
- statutory audit	**373**	332	**-**	-
(Reversal of impairment)/impairment of trade and other receivables	**(42)**	2,622	**(588)**	1,057
Depreciation				
- property, plant and equipment	**140,009**	128,056	**625**	741
- investment properties	**5,924**	5,488	**6,472**	6,791
- right-of-use assets	**42,221**	32,515	**1,299**	1,299
- bearer plants	**228**	225	**-**	-
Direct operating expenses from investment properties	**28,585**	27,737	**27,132**	26,045
Directors' remuneration				
- fees	**1,129**	1,033	**1,099**	1,016
- other emoluments	**4,238**	3,627	**4,238**	3,625
Net foreign exchange loss/(gain)				
- realised	**7,903**	2,393	**2,141**	2,651
- unrealised	**(22,739)**	(12,665)	**(5,376)**	(1,413)
Net fair value loss/(gain) on				
- derivative financial instruments	**110,422**	111,118	**6,080**	2,770
- biological assets	**(6,141)**	(1,598)	**-**	-
Reversal of provision of restoration cost	**(824)**	(363)	**-**	-
Net loss/(gain) on disposal of				
- property, plant and equipment	**784**	1,177	**-**	-
- subsidiary	**(11,411)**	-	**-**	-
- associate	**(550)**	3,879	**-**	-
Impairment of				
- investment in a subsidiary	**-**	-	**-**	24,414
- investment in an associate	**26,732**	-	**-**	-
Rental waiver income	**(6,246)**	(16,299)	**-**	-
Short-term and low value asset leases	**675**	963	**-**	-
Property, plant and equipment and other assets written off	**2,696**	318	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. PROFIT BEFORE TAXATION (CONTINUED)

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Profit before taxation is stated after charging/ (crediting): (continued)				
Inventories written down	**1,123**	1,219	**-**	-
Interest income	**(10,459)**	(4,433)	**(3,927)**	(374)
Income from short-term fund placements	**(19,981)**	(17,290)	**(16,239)**	(13,715)
Rental income	**(5,989)**	(5,802)	**-**	-

6. TAX EXPENSE/(CREDIT)

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Continuing operations				
Malaysian taxation				
Current	**23,869**	22,636	**319**	257
Deferred	**(7,447)**	(39,944)	**(172)**	96
	16,422	(17,308)	**147**	353
Foreign taxation				
Current	**3,609**	4,886	**-**	-
Deferred	**10,129**	2,447	**-**	-
	13,738	7,333	**-**	-
	30,160	(9,975)	**147**	353
(Over)/under provision in prior year				
Malaysian taxation				
Current	**(29)**	(537)	**(267)**	(337)
Deferred	**(163)**	7	**(110)**	(31)
Foreign taxation				
Current	**(4)**	1,250	**-**	-
	(196)	720	**(377)**	(368)
Tax attributable to continuing operations	**29,964**	(9,255)	**(230)**	(15)
Tax attributable to discontinued operations (Note 7)	**222**	213	**-**	-
	30,186	(9,042)	**(230)**	(15)

6. TAX EXPENSE/(CREDIT) (CONTINUED)

The difference between the provision for taxation and the amount of taxation determined by applying the applicable statutory tax rate to the profit before taxation is analysed as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Accounting profit/(loss) from:				
- continuing operations	**2,250,338**	1,501,200	**671,466**	774,249
- discontinued operations	**86**	(3,127)	**-**	-
Profit before taxation	**2,250,424**	1,498,073	**671,466**	774,249
Taxation at applicable tax rate	**540,102**	358,369	**161,152**	185,820
Tax effects arising from:				
Effect of share of results of:				
- associates	**(522,741)**	(377,598)	**-**	-
- joint ventures	**(929)**	(1,036)	**-**	-
Effect on reduction in tax rate	**-**	627	**-**	-
Non-taxable income	**(17,008)**	(18,300)	**(169,360)**	(199,682)
Non-deductible expenses	**22,207**	18,640	**8,355**	14,215
Utilisation of previously unrecognised tax losses	**(25)**	(1,167)	**-**	-
Withholding tax on undistributed profits of foreign associates	**5,591**	6,645	**-**	-
Deferred tax assets not recognised	**2,825**	4,185	**-**	-
(Over)/under provision in prior year				
- continuing operations	**(196)**	720	**(377)**	(368)
- discontinued operations	**360**	(127)	**-**	-
	30,186	(9,042)	**(230)**	(15)

7. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

a) Disposal of CWM Group Sdn Bhd ("CWM")

Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company had on 18 April 2022 entered into a conditional share sale agreement with Saraworks Sdn Bhd to dispose its entire 100% equity interest comprising 17,000,000 ordinary shares in CWM Group Sdn Bhd ("CWM") for a consideration of RM20 million plus net tangible assets as at the completion date. Following the satisfaction of all conditions precedent, the transaction was completed on 11 November 2022, and CWM has ceased to be a subsidiary of CQ with effect from that date. Further details are disclosed in Note 16.

The disposal of CWM marked the exit of the Group from the environment engineering and utilities business. Accordingly, the financial results of CWM is presented separately on the Consolidated Income Statement as "Profit/(loss) from discontinued operations".

7. DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

a) Disposal of CWM Group Sdn Bhd ("CWM") (continued)

(i) The results of the discontinued operations are as follows:

	10 Months ended 31 October	12 Months ended 31 December
	2022	2021
	RM'000	RM'000
Revenue	**106,214**	204,549
Cost of sales	**(101,133)**	(193,123)
Gross profit	**5,081**	11,426
Other operating income	**3,041**	1,773
Administrative expenses	**(7,363)**	(11,271)
Other income/(expense)	**17**	(4,004)
Share of results of associates	**-**	(526)
Share of results of joint venture	**39**	10
Finance costs	**(729)**	(535)
Profit/(loss) before tax from discontinued operations	**86**	(3,127)
Tax expense	**(222)**	(213)
Loss after tax from discontinued operations	**(136)**	(3,340)

(ii) The net cash flows incurred by CWM Group are as follows:

	2022	2021
	RM'000	RM'000
Net operating cash flows	**(14,801)**	(7,557)
Net investing cash flows	**32,126**	42,977
Net financing cash flows	**(51,216)**	19,481
Net cash (outflow)/inflow	**(33,891)**	54,901

b) Disposal of Malayan Adhesives and Chemicals Sdn Bhd ("MAC")

CQ had on 27 December 2022 entered into a conditional share sale agreement with Techbond Group Bhd ("Techbond") to divest of its entire 99.57% equity interest comprising 13,940,000 ordinary shares in MAC for a cash consideration of RM57 million. The disposal of MAC to Techbond has been completed on 28 February 2023.

As at 31 December 2022, the assets and liabilities of MAC have been classified as "Assets held for sale" and "Liabilities directly associated with the assets held for sale", respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. EARNINGS PER SHARE

The basic and diluted earnings per share are calculated by dividing the Group's profit for the year attributable to owners of the parent by the number of ordinary shares in issue during the year.

	Group	
	2022	2021
Profit for the year attributable to owners of the parent (RM'000):		
- Profit from continuing operations	**2,196,954**	1,499,451
- Loss from discontinued operations	**(136)**	(3,340)
Profit for the year attributable to owners of the parent (RM'000)	**2,196,818**	1,496,111
Number of ordinary shares in issue ('000)	**1,422,599**	1,422,599
Earnings per share - basic and diluted (sen)		
- Profit from continuing operations	**154.4**	105.4
- Profit from discontinued operations	**-**	(0.2)
	154.4	105.2

The basic and diluted earnings per share are the same as the Group has no potential dilutive ordinary shares as at the end of the financial year.

9. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings						
	Freehold	Leasehold	Plant and machinery	Motor vehicles	Furniture, fittings, office and other equipment	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Cost							
At 1.1.2022	**178,556**	**1,097,836**	**1,124,056**	**91,674**	**205,249**	**85,339**	**2,782,710**
Additions	**510**	**10,859**	**18,490**	**6,832**	**10,685**	**64,353**	**111,729**
Disposals	**-**	**-**	**(1,285)**	**(12,477)**	**(577)**	**-**	**(14,339)**
Disposal of subsidiary	**-**	**(5,236)**	**(3,072)**	**(12,275)**	**(2,076)**	**-**	**(22,659)**
Exchange differences	**7**	**(2,736)**	**(1,343)**	**(29)**	**(83)**	**308**	**(3,876)**
Write-offs	**-**	**(4,359)**	**(3,412)**	**(435)**	**(2,715)**	**(3,320)**	**(14,241)**
Reclassifications	**864**	**38,241**	**23,509**	**3,257**	**8,247**	**(74,118)**	**-**
Transfer to disposal group classified as held for sale (Note 7)	**-**	**(14,565)**	**(41,900)**	**(407)**	**(5,340)**	**-**	**(62,212)**
Transfer to investment properties (Note 10)	**-**	**(6,542)**	**-**	**-**	**-**	**-**	**(6,542)**
Transfer to other intangible assets (Note 15)	**-**	**-**	**-**	**-**	**-**	**(807)**	**(807)**
At 31.12.2022	**179,937**	**1,113,498**	**1,115,043**	**76,140**	**213,390**	**71,755**	**2,769,763**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings						
	Freehold	Leasehold	Plant and machinery	Motor vehicles	Furniture, fittings, office and other equipment	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Accumulated depreciation							
At 1.1.2022	**85,264**	**462,525**	**654,654**	**45,173**	**145,062**	**(356)**	**1,392,322**
Charge for the year	**3,634**	**50,381**	**61,586**	**6,187**	**18,221**		**140,009**
Disposals	**-**	**-**	**(841)**	**(8,497)**	**(493)**	**-**	**(9,831)**
Disposal of subsidiary	**-**	**(5,123)**	**(2,970)**	**(9,280)**	**(1,625)**	**-**	**(18,998)**
Exchange differences	**4**	**(1,403)**	**(2,444)**	**4**	**(94)**	**-**	**(3,933)**
Write-offs	**-**	**(2,175)**	**(3,163)**	**(391)**	**(2,492)**	**-**	**(8,221)**
Reclassifications	**-**	**1,231**	**(815)**	**115**	**(887)**	**356**	**-**
Transfer to disposal group classified as held for sale (Note 7)	**-**	**(9,936)**	**(33,819)**	**(231)**	**(4,535)**	**-**	**(48,521)**
At 31.12.2022	**88,902**	**495,500**	**672,188**	**33,080**	**153,157**	**-**	**1,442,827**
Group							
Accumulated impairment losses							
At 1.1.2022	**-**	**877**	**3,158**	**-**	**230**	**3,035**	**7,300**
Disposal of subsidiary	**-**	**-**	**-**	**-**	**-**	**293**	**293**
Write-offs	**-**	**-**	**-**	**-**	**-**	**(3,328)**	**(3,328)**
At 31.12.2022	**-**	**877**	**3,158**	**-**	**230**	**-**	**4,265**
Net book value at 31.12.2022	**91,035**	**617,121**	**439,697**	**43,060**	**60,003**	**71,755**	**1,322,671**
Cost							
At 1.1.2021	185,743	1,043,938	1,037,637	89,563	199,020	69,837	2,625,738
Additions	283	3,512	11,226	20,072	10,064	141,489	186,646
Disposals	(7,275)	-	(3,808)	(22,154)	(5,548)	-	(38,785)
Exchange differences	-	8,285	9,404	103	257	1,539	19,588
Write-offs	-	(4,462)	(3,165)	(113)	(5,018)	-	(12,758)
Reclassifications	(195)	46,563	70,671	4,203	6,257	(127,499)	-
Transfer from investment properties (Note 10)	-	-	2,091	-	247	-	2,338
Transfer to other intangible assets (Note 15)	-	-	-	-	(30)	(27)	(57)
At 31.12.2021	178,556	1,097,836	1,124,056	91,674	205,249	85,339	2,782,710

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Land and buildings						
	Freehold RM'000	Leasehold RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings, office and other equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group							
Accumulated depreciation							
At 1.1.2021	84,899	420,265	599,074	54,459	138,281	-	1,296,978
Charge for the year	3,652	43,822	56,458	7,740	16,384	-	128,056
Disposals	(3,166)	-	(3,408)	(17,033)	(5,066)	-	(28,673)
Exchange differences	-	2,820	5,123	82	204	-	8,229
Write-offs	-	(4,323)	(3,059)	(75)	(4,991)	-	(12,448)
Reclassifications	(121)	(59)	283	-	253	(356)	-
Transfer from investment properties (Note 10)	-	-	183	-	23	-	206
Transfer to other intangible assets (Note 15)	-	-	-	-	(26)	-	(26)
At 31.12.2021	85,264	462,525	654,654	45,173	145,062	(356)	1,392,322
Accumulated impairment losses							
At 1.1.2021	476	877	3,158	-	230	3,035	7,776
Disposal	(476)	-	-	-	-	-	(476)
At 31.12.2021	-	877	3,158	-	230	3,035	7,300
Net book value at 31.12.2021	93,292	634,434	466,244	46,501	59,957	82,660	1,383,088

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Furniture, fittings, office and other equipment RM'000	Total RM'000
Cost			
At 1.1.2022	**1,049**	**5,224**	**6,273**
Additions	**-**	**240**	**240**
Write-offs	**-**	**(46)**	**(46)**
At 31.12.2022	**1,049**	**5,418**	**6,467**
Accumulated depreciation			
At 1.1.2022	**664**	**4,380**	**5,044**
Charge for the year	**187**	**438**	**625**
Write-offs	**-**	**(46)**	**(46)**
At 31.12.2022	**851**	**4,772**	**5,623**
Net book value at 31.12.2022	**198**	**646**	**844**
Cost			
At 1.1.2021	1,049	5,044	6,093
Additions	-	197	197
Write-offs	-	(17)	(17)
At 31.12.2021	1,049	5,224	6,273
Accumulated depreciation			
At 1.1.2021	477	3,843	4,320
Charge for the year	187	554	741
Write-offs	-	(17)	(17)
At 31.12.2021	664	4,380	5,044
Net book value at 31.12.2021	385	844	1,229

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. INVESTMENT PROPERTIES

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Cost				
At 1 January	**461,396**	439,457	**359,243**	356,636
Additions	**48,901**	24,277	**4,043**	2,607
Transfer from/(to) property, plant and equipment (Note 9)	**6,542**	(2,338)	**-**	-
At 31 December	**516,839**	461,396	**363,286**	359,243
Accumulated depreciation				
At 1 January	**139,431**	134,149	**68,601**	61,810
Charge for the year	**5,924**	5,488	**6,472**	6,791
Transfer to property, plant and equipment (Note 9)	**-**	(206)	**-**	-
At 31 December	**145,355**	139,431	**75,073**	68,601
Accumulated impairment losses				
At 1 January / 31 December	**4,802**	4,802	**4,022**	4,022
Net book value at 31 December	**366,682**	317,163	**284,191**	286,620
Fair value at 31 December	**1,013,537**	957,154	**507,956**	507,591

The fair value of the investment properties as at the financial year end was arrived at by reference to market evidence of transacted prices for similar properties and was performed by an experienced registered independent valuer for the locations and type of the properties being valued.

The fair value of the investment properties is within Level 3 of the fair value hierarchy.

11. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS

The Group and Company as Lessee:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Right-of-use assets:				
Properties	**373,976**	306,022	**2,902**	4,159
Lease obligations:				
Non-current	**339,949**	265,835	**2,067**	3,057
Current	**41,318**	52,380	**1,018**	1,256
	381,267	318,215	**3,085**	4,313

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (CONTINUED)

The leases of properties are typically made for periods of 1 to 15 years. The lessors do not impose any covenants. The properties are mainly used for the Group's cinema operations and offices.

Additions to right-of-use assets during the current financial year for the Group amounted to RM111.3 million (2021: RM79.8 million).

Leases of land and buildings are disclosed in notes 9 and 13.

The changes in lease obligations (fixed lease payments) are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Balance as at 1 January	**318,215**	268,151	**4,313**	4,660
Lease payment	**(44,391)**	(24,888)	**(1,439)**	(1,438)
Rental waiver income (Note 5)	**(6,246)**	(16,299)	**-**	-
Interest expense (continuing operations)	**15,287**	11,365	**170**	213
Interest expense (discontinued operations)	**105**	5	**-**	-
Addition	**98,432**	79,823	**41**	878
Disposal of subsidiary	**(108)**	-	**-**	-
Termination	**(45)**	-	**-**	-
Exchange differences	**18**	58	**-**	-
Balance as at 31 December	**381,267**	318,215	**3,085**	4,313

For the leases in relation to the cinema operations, the lease payments can vary based on a certain percentage of the cinema's revenue. There are renewal options for the leases, whereby the lease liability has already incorporated the extension options based on the expected tenure.

The committed leases which have yet to commence at the reporting date are as follows:

	Group	
	2022	2021
	RM'000	RM'000
- within one year	**6,294**	6,720
- more than one year but less than five years	**58,590**	27,270
- over five years	**68,845**	84,031
	133,729	118,021

11. RIGHT-OF-USE ASSETS AND LEASE OBLIGATIONS (CONTINUED)

The Group and Company as Lessor:

Operating leases

Investment properties are leased out typically for 1 to 3 years.

Analysis of undiscounted lease payments to be received after the reporting date, on an annual basis:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
- within one year	**22,123**	23,490	**17,574**	20,472
- more than one year but less than five years	**23,706**	15,580	**15,824**	11,852
	45,829	39,070	**33,398**	32,324

12. BIOLOGICAL ASSETS AND BEARER PLANTS

(a) Bearer Plants
(included under non-current assets)

	Group	
	2022	2021
	RM'000	RM'000
Carrying amount	**3,893**	4,241

(b) Livestock
(included under current assets)

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	**13,422**	8,635
Changes in fair value	**6,141**	1,598
Purchases	**5,232**	5,638
Disposals	**(4,815)**	(2,449)
At 31 December	**19,980**	13,422

During the financial year, the Group produced approximately 33.8 million (2021: 36.8 million) day-old-chicks and 219.0 million (2021: 246.9 million) table eggs.

As at 31 December 2022, the quantities of poultry and hatchable eggs were 1.3 million birds and 2.4 million eggs (2021: 1.3 million birds and 3.7 million eggs) respectively.

The fair value measurements of biological assets are categorised at Level 3 of the fair value hierarchy.

13. LAND HELD FOR PROPERTY DEVELOPMENT

	Freehold land	Leasehold land	Development expenditure	Total
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Cost				
At 1 January 2022	**67,289**	**263**	**32,918**	**100,470**
Additions	**-**	**-**	**5**	**5**
Transfer to property development costs (Note 22)	**(1,185)**	**-**	**(1,120)**	**(2,305)**
At 31 December 2022	**66,104**	**263**	**31,803**	**98,170**
At 31 December 2021	67,289	263	32,918	100,470

14. GOODWILL

	Group	
	2022	2021
	RM'000	RM'000
Cost		
At 1 January	**71,201**	71,201
Disposal of subsidiaries (see Note 7)	**(969)**	-
At 31 December	**70,232**	71,201

Impairment testing of goodwill

Goodwill arising from business combinations had been allocated to the Group's cash-generating units ("CGU") identified according to business segments as follows:

	Group	
	2022	2021
	RM'000	RM'000
Film exhibition and distribution	**70,232**	70,232
Environmental engineering and utilities	**-**	969
	70,232	71,201

Film exhibition and distribution

The recoverable amount of the CGU of film exhibition and distribution is determined by value-in-use calculation using cash flow projections based on financial budgets covering a five-year period. Cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 2.0% (2021: 2.0%) per annum ("p.a."), based on the long-term average growth rate of the industry. A pre-tax discount rate of 13.3% (2021: 10.8%) is applied to cash flow projections which also reflects the specific risks relating to the CGU.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

14. GOODWILL (CONTINUED)

Sensitivity to changes in assumptions

All the above key assumptions are based on management knowledge in the respective industries and historical information. In assessing the value-in-use, management is of the view that no foreseeable changes in any of the above key assumptions are expected to cause the carrying values of the respective CGUs to materially exceed their recoverable amounts.

15. OTHER INTANGIBLE ASSETS

Group	Film rights RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 January 2022	**119,988**	**23,520**	**143,508**
Additions	**877**	**5,646**	**6,523**
Write-offs	**-**	**(248)**	**(248)**
Transfer from property, plant and equipment (Note 9)	**-**	**807**	**807**
Rights expired	**(2,545)**	**-**	**(2,545)**
Exchange differences	**-**	**(34)**	**(34)**
At 31 December 2022	**118,320**	**29,691**	**148,011**
Accumulated amortisation			
At 1 January 2022	**113,071**	**18,492**	**131,563**
Charge for the year	**4,891**	**1,767**	**6,658**
Write-offs	**-**	**(244)**	**(244)**
Rights expired	**(2,539)**	**-**	**(2,539)**
Exchange differences	**-**	**(31)**	**(31)**
At 31 December 2022	**115,423**	**19,984**	**135,407**
Carrying amount as at 31 December 2022	**2,897**	**9,707**	**12,604**

Group	Film rights RM'000	Computer software RM'000	Total RM'000
Cost			
At 1 January 2021	125,543	20,722	146,265
Additions	3,556	3,173	6,729
Disposal	-	(2)	(2)
Write-offs	(309)	(458)	(767)
Transfer from property, plant and equipment (Note 9)	-	57	57
Rights expired	(8,802)	-	(8,802)
Exchange differences	-	28	28
At 31 December 2021	119,988	23,520	143,508
Accumulated amortisation			
At 1 January 2021	121,112	17,449	138,561
Charge for the year	1,040	1,447	2,487
Disposal	-	(1)	(1)
Write-offs	(309)	(450)	(759)
Transfer from property, plant and equipment (Note 9)	-	26	26
Rights expired	(8,802)	-	(8,802)
Exchange differences	30	21	51
At 31 December 2021	113,071	18,492	131,563
Carrying amount as at 31 December 2021	6,917	5,028	11,945

15. OTHER INTANGIBLE ASSETS (CONTINUED)

16. INVESTMENT IN SUBSIDIARIES

	Company 2022 RM'000	2021 RM'000
Unquoted shares at cost	**1,650,544**	1,645,750
Impairment loss on unquoted shares at cost	**(25,538)**	(25,538)
	1,625,006	1,620,212

Details of the subsidiaries are set out in note 40.

The Group has assessed the non-controlling interests in the subsidiaries of the Group and has determined that the non-controlling interests are not individually material to the Group's financial position, performance and cash flows.

For the current financial year ended 31 December 2022

On 24 February 2022, Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company had disposed its 100% equity interest in Sitamas Environmental Systems Sdn Bhd ("Sitamas") for a consideration of RM9 million.

On 11 November 2022, CQ completed the disposal of its entire 100% equity interest in CWM Group Sdn Bhd ("CWM") to Saraworks Sdn Bhd for a consideration of RM20 million plus net tangible assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

16. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The effects of the disposal of Sitamas and CWM on cash flows were as follows:

Group	2022 RM'000
Net assets disposed	**130,094**
Attributable goodwill	**959**
	131,053
Total disposal proceeds	**(142,464)**
Gain on disposal recognised in profit or loss	**(11,411)**
Disposal proceeds settled by:	
Cash	**65,931**
Deferred payment	**76,533**
	142,464
Cash inflow arising on disposals:	
Cash considerations	**65,931**
Cash and cash equivalents of subsidiaries disposed	**(54,094)**
Net cash inflow on disposal	**11,837**

17. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Quoted shares at cost	**8,080,369**	8,080,369	**8,684,629**	8,684,629
Unquoted shares at cost	**740,337**	741,648	**312,998**	311,386
	8,820,706	8,822,017	**8,997,627**	8,996,015
Impairment loss on unquoted shares	**(28,441)**	(1,709)	**(25)**	(25)
Group's share of post-acquisition reserves	**13,537,325**	12,243,595	**-**	-
	22,329,590	21,063,903	**8,997,602**	8,995,990
Market value of quoted shares	**16,009,217**	14,977,975	**16,009,217**	14,977,975

The Group's share of the associates' current year loss and accumulated losses amounted to RM159,000 and RM3,977,000 (2021: RM114,000 and RM3,818,000) respectively have not been recognised in the Group's income statement as equity accounting ceased when the Group's share of losses of these associates exceeded the carrying amount of its investment in these associates.

17. INVESTMENT IN ASSOCIATES (CONTINUED)

The Group regards Wilmar International Limited ("Wilmar") as material associate to the Group. The summarised financial information below represents the amounts in the financial statements of Wilmar and not the Group's share of those amounts:

	2022 RM'000	2021 RM'000
Non-current assets	**121,908,368**	112,052,861
Current assets	**143,256,280**	132,509,467
Non-current liabilities	**(34,501,269)**	(32,165,820)
Current liabilities	**(131,446,886)**	(118,257,807)
Net assets	**99,216,493**	94,138,701
Revenue	**323,285,790**	272,530,329
Profit for the year	**11,316,680**	8,558,858
Other comprehensive (loss)/income	**(7,368,517)**	1,116,261
Total comprehensive income	**3,948,163**	9,675,119
Other disclosures		
Cash and cash equivalents	**12,497,017**	10,777,533
Current financial liabilities (excluding trade and other payables and provision)	**(106,030,678)**	(95,205,432)
Non-current financial liabilities (excluding trade and other payables and provision)	**(30,814,086)**	(28,646,558)
Depreciation and amortisation	**(5,080,212)**	(4,749,678)
Finance income	**1,866,345**	1,388,826
Finance expense	**(3,841,094)**	(2,437,362)
Income tax expense	**(2,410,200)**	(2,897,891)

The reconciliation of the summarised financial information of the Group's material associate to the carrying amount of interest in the associate is as follows:

	2022 RM'000	2021 RM'000
Net assets	**99,216,493**	94,138,701
Proportion of ownership interest held by the Group	**18.8%**	18.6%
Group's share of net assets	**18,632,857**	17,538,040
Goodwill	**4,510,961**	4,279,842
Other adjustments		
- Non-controlling interests' share of associate's net assets	**(2,155,777)**	(2,078,318)
- Others	**(61,694)**	(58,678)
Carrying amount of the Group's interest in the associate	**20,926,347**	19,680,886

The Company considers Wilmar as an associate by virtue of its ability to exercise significant influence over Wilmar's financial and operating policy decisions through its board representation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. INVESTMENT IN ASSOCIATES (CONTINUED)

During the financial year, the Company received dividends from Wilmar amounted to RM616.7 million (2021: RM744.7 million).

As at 31 December 2022, the market value of shares in Wilmar held by the Company was below its carrying amount. Accordingly, the Company had undertaken an impairment test on the carrying amount of the investment in the associate.

The recoverable amount of the investment in the associate was estimated using cash flow projections covering a five-year period. Cash flows beyond that five-year period have been extrapolated using a terminal growth rate of 3.5% (2021: 3.5%) p.a. A post-tax discount rate of 8.1% (2021: 6.5%) was applied to the cash flow projections. All the above key assumptions are based on management knowledge in the respective industries and historical information.

As the recoverable amount was in excess of the carrying amount, no impairment was required.

During the year, the Group recognised an impairment loss of RM27 million with recoverable amount of RM133 million, which was determined based on a fair value model on the investment in Galaxy Studio Joint Stock Company. This is mainly due to the increasing cost and challenging business environment in Vietnam.

The summarised aggregate financial information of the Group's share in other individually non-material associates as at 31 December are as follows:

	2022 RM'000	2021 RM'000
Profit for the year	78,456	71,825
Other comprehensive loss	(19,394)	(1,548)
Total comprehensive income	59,062	70,277
Carrying amount of the Group's interests in other associates	1,403,243	1,383,017

Details of the associates are set out in note 41.

The Group has received dividends from non-material associates in the current financial year amounted to RM12.9 million (2021: RM14.8 million).

18. INVESTMENT IN JOINT VENTURES

	Group	
	2022 RM'000	2021 RM'000
Group's share of post-acquisition reserves	31,159	28,433

The summarised financial information of the Group's share of joint ventures as at 31 December is as follows:

	Group	
	2022 RM'000	2021 RM'000
Profit for the year	3,831	4,307

Details of the joint ventures are set out in note 42.

The distribution of profit from joint venture in the current financial year amounted to RM7.1 million (2021: RM8.1 million).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. OTHER INVESTMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Equity instruments designated at FVTOCI				
Quoted shares	299,938	324,189	282,748	307,711
Unquoted shares	427	427	266	266
Amortised costs				
Other investments	-	1,000	-	1,000
Financial instruments designated at FVTPL				
Other investments	51,580	46,694	5,097	5,005
	351,945	372,310	288,111	313,982

Equity instruments designated at FVTOCI

The Group has elected to measure these equity instruments at FVTOCI due to the Group's intention to hold these equity instruments for long-term appreciation.

The Group and the Company received dividends of RM18.9 million (2021: RM25.0 million) and RM18.7 million (2021: RM24.8 million) respectively from these investments during the year.

20. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	(57,149)	(95,534)	(282)	(217)
Arising from disposal of subsidiary companies	(251)	-	-	-
Transfer to disposal groups	954	-	-	-
Exchange translation differences	227	330	-	-
Recognised in profit or loss	(2,519)	38,055	282	(65)
At 31 December	(58,738)	(57,149)	-	(282)

Presented after offsetting as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets	55,695	44,007	-	-
Deferred tax liabilities	(114,433)	(101,156)	-	(282)
	(58,738)	(57,149)	-	(282)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred Tax Assets

Group	Unabsorbed tax losses and capital allowances RM'000	Others RM'000	Total RM'000
2022			
At beginning of the financial year	**83,619**	**3,648**	**87,267**
Arising from disposal of subsidiary companies	**-**	**(251)**	**(251)**
Recognised in profit or loss	**1,882**	**(1,153)**	**729**
Exchange differences	**-**	**227**	**227**
At end of financial year	**85,501**	**2,471**	**87,972**
Set-off deferred tax liability			**(32,277)**
			55,695

Deferred Tax Liabilities

Group	Property, plant and equipment RM'000	Withholding tax on undistributed profits of foreign associates RM'000	Total RM'000
2022			
At beginning of the financial year	**(94,384)**	**(50,032)**	**(144,416)**
Transfer to disposal groups	**954**	**-**	**954**
Recognised in profit or loss	**2,343**	**(5,591)**	**(3,248)**
At end of financial year	**(91,087)**	**(55,623)**	**(146,710)**
Set-off deferred tax asset			**32,277**
			(114,433)

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows: (continued)

Deferred Tax Assets

Group	Unabsorbed tax losses and capital allowances RM'000	Others RM'000	Total RM'000
2021			
At beginning of the financial year	51,015	8,120	59,135
Recognised in profit or loss	32,604	(4,424)	28,180
Exchange differences	-	(48)	(48)
At end of financial year	83,619	3,648	87,267
Set-off deferred tax liability			(43,260)
			44,007

Deferred Tax Liabilities

Group	Property, plant and equipment RM'000	Withholding tax on undistributed profits of foreign associates RM'000	Total RM'000
2021			
At beginning of the financial year	(111,282)	(43,387)	(154,669)
Recognised in profit or loss	16,898	(6,645)	10,253
At end of financial year	(94,384)	(50,032)	(144,416)
Set-off deferred tax asset			43,260
			(101,156)

The temporary differences and unused tax credits exist as at 31 December of which the deferred tax assets have not been recognised in the financial statements are as follows:

	Group	
	2022	2021
	RM'000	RM'000
Unabsorbed tax losses and capital allowances*	**163,987**	152,426

* Based on the latest Malaysia Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years. As a result of this change, the unutilised tax losses accumulated up to the YA 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from YA 2019 to 2028) and any balance of the unutilised tax losses thereafter shall be disregarded.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The Group has recognised the deferred tax assets based on the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.

Pursuant to the relevant tax regulations, the unrecognised tax credits at the end of the reporting period will expire as follows:

	Group	
	2022	2021
	RM'000	RM'000
- With no expiry	**25,838**	7,655
- Within 12 months	**2,075**	-
- More than 12 months	**136,074**	144,771
	163,987	152,426

21. INVENTORIES

	Group	
	2022	2021
	RM'000	RM'000
At cost:		
Raw materials	**834,250**	592,431
Goods in transit - raw materials	**8,932**	339,178
Work-in-progress	**3,302**	447
Finished goods	**150,420**	110,205
Completed properties	**58,202**	8,957
Consumables	**34,989**	30,596
	1,090,095	1,081,814
Recognised in income statement:		
Inventories recognised in cost of sales	**5,108,483**	4,010,768

22. PROPERTY DEVELOPMENT COSTS

	Group	
	2022	2021
	RM'000	RM'000
Freehold land - at cost	**1,404**	1,404
Development and construction costs	**40,177**	31,209
At 1 January	**41,581**	32,613
Additions	**66,216**	48,865
Cost recognised in income statement during the year	**(47,403)**	(39,897)
Transfer to inventories (Note 21)	**(60,176)**	-
Transfer from land held for property development (Note 13)	**2,305**	-
At 31 December	**2,523**	41,581

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. CONTRACT ASSETS/LIABILITIES

	Group	
	2022	2021
	RM'000	RM'000
(a) Contract assets		
Construction contracts	**-**	82,529
(b) Contract liabilities		
Construction contracts	**-**	9,475
Consideration received in advance	**13,221**	5,087
Other contract related liabilities:		
- Refund liabilities and expected rebates	**10,930**	13,460
	24,151	28,022

Revenue from construction contract is recognised over time using the input method, which is based on the actual cost incurred to date on the project as compared to the total budgeted cost for the respective projects. Because the customers pay according to contractual milestones, which give rise to timing differences, this will be recognised as contract assets or contract liabilities.

Refund liabilities and expected rebates are estimated based on terms in trade agreements entered into within customers.

24. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2022	2021	**2022**	2021
		RM'000	RM'000	**RM'000**	RM'000
Current					
Receivables from contract with customers					
- third parties		**798,898**	692,959	**-**	-
- associates		**19,681**	21,914	**-**	-
- joint venture		**-**	4,950	**-**	-
		818,579	719,823	**-**	-
Other trade receivables					
- third parties		**3,728**	9,210	**3,034**	8,846
		822,307	729,033	**3,034**	8,846
Impairment		**(13,122)**	(13,970)	**(938)**	(1,526)
Total trade receivables	(a)	**809,185**	715,063	**2,096**	7,320
Other receivables	(b)	**246,208**	232,822	**21,799**	2,841
Amount due from subsidiaries	(c)	**-**	-	**2,205**	2,063
Amount due from associates	(d)	**91,112**	96,071	**4**	-
Trade and other receivables		**1,146,505**	1,043,956	**26,104**	12,224

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables

The balances are subject to normal credit terms of the Group and the Company ranging from 5 to 120 days.

Included in trade receivables of the Group is a retention sum of RM11.5 million (2021: RM24.0 million) arising from contract customers and construction contracts.

(b) Other receivables

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Sundry receivables	**125,626**	50,345	**20,730**	1,950
Impairment	**(2,627)**	(2,711)	**-**	-
	122,999	47,634	**20,730**	1,950
Interest receivable	**229**	26	**121**	18
Deposits	**94,822**	81,149	**638**	610
Surplus from liquidation of a subsidiary	**3,653**	3,653	**-**	-
Prepayments - shipment in transit	**12,234**	90,865	**-**	-
Prepayments - others	**12,271**	9,495	**310**	263
	246,208	232,822	**21,799**	2,841

Included in sundry receivables is an amount of RM76.5 million related to the remaining deferred payment for the disposal of CWM as disclosed in Note 16.

(c) Amount due from subsidiaries

The amount due from subsidiaries included under current assets is unsecured and is analysed as follows:

	Company	
	2022	2021
	RM'000	RM'000
Non-interest bearing	**2,205**	2,063

The non-interest bearing balances are non-trade in nature, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Amount due from associates

The amount due from associates included under current assets is unsecured and is analysed as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Interest-bearing at 2.80% (2021: 2.80%) p.a.	**98,366**	103,266	**-**	-
Non-interest bearing	**1,461**	1,617	**4**	-
	99,827	104,883	**4**	-
Allowance for impairment	**(8,715)**	(8,812)	**-**	-
	91,112	96,071	**4**	-

The non-interest bearing balances are non-trade in nature, unsecured and repayable on demand.

25. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

Group	Notional value RM'000	Derivative financial assets RM'000	Derivative financial liabilities RM'000
2022			
Forward foreign currency contracts	**598,838**	**162**	**(20,650)**
Futures and options contracts	**1,210,276**	**127**	**(20,460)**
		289	**(41,110)**
2021			
Forward foreign currency contracts	369,026	83	(2,793)
Futures and options contracts	2,982,405	100,567	(104,590)
		100,650	(107,383)

The Group classifies all derivative financial instruments as financial assets/financial liabilities at fair value through profit or loss.

The Group enters into foreign currency forward contracts to manage the exchange rate risk associated with anticipated foreign currency payments or receipts.

The Group enters into commodity futures and options to manage the commodity price risk associated with anticipated purchases of raw materials.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. CASH AND CASH EQUIVALENTS

		Group		Company	
		2022	2021	**2022**	2021
		RM'000	RM'000	**RM'000**	RM'000
Cash and bank balances	(a)	**447,072**	297,790	**1,705**	2,778
Deposits	(b)	**213,672**	156,710	**94,804**	89,562
Short-term fund placements	(c)	**926,303**	841,816	**805,684**	683,271
		1,587,047	1,296,316	**902,193**	775,611

(a) Cash and bank balances

Included in cash and bank balances of the Group is an amount of RM81.1 million (2021: RM26.4 million) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

(b) Deposits

Short-term deposits were placed for varying periods up to 3 months, and the interest rate for the Group and Company is at 1.81% to 4.95% per annum (2021: 0.05% to 2.00% per annum) and 3.68% to 4.14% per annum (2021: 0.05% to 0.23% per annum) respectively.

(c) Short-term fund placements

Short-term fund placements represent investment in highly liquid money market instruments. This investment is readily convertible to cash and has insignificant risk of changes in value.

27. SHARE CAPITAL

	2022		2021	
	Number of shares		Number of shares	
	'000	**RM'000**	'000	RM'000
Issued and fully paid ordinary shares:				
At 1 January / 31 December	**1,422,599**	**1,429,314**	1,422,599	1,429,314

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

28. OTHER NON-DISTRIBUTABLE RESERVES

		Group	
		2022	2021
		RM'000	RM'000
Exchange translation reserve	(a)	**3,569,305**	3,620,819
Fair value reserve	(b)	**(197,340)**	(111,944)
Hedge reserve	(c)	**(36,757)**	(6,363)
Capital reserve	(d)	**780,008**	774,843
		4,115,216	4,277,355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. OTHER NON-DISTRIBUTABLE RESERVES (CONTINUED)

(a) Exchange translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency and the share of exchange translation reserve of associates.

(b) Fair value reserve

Fair value reserve represents the cumulative fair value changes of equity instruments at fair value through other comprehensive income until they are disposed of or impaired.

Fair value reserve includes the share of fair value reserve of associates.

(c) Hedge reserve

Hedge reserve represents the share of associate's cumulative fair value changes net of tax of the derivative contracts which apply hedge accounting.

(d) Capital reserve

Capital reserve includes the share of all other reserves of associates, including the changes in ownership interests of subsidiaries of associates.

The transfer from retained earnings to capital reserve is attributable to the Group's share of associates' reserves. The associates transferred a specific amount of their net profit to reserve fund in accordance with the applicable local laws of the countries where they operate.

Capital reserve includes the share of all other reserves of associates.

29. BORROWINGS

		Group		Company	
		2022	2021	**2022**	2021
		RM'000	RM'000	**RM'000**	RM'000
Non-current					
Term loans					
- RM		**-**	69,527	**-**	-
- RM	(a)	**44,500**	44,500	**-**	-
- VND	(b)	**24,191**	23,314	**-**	-
Hire purchase		**-**	14	**-**	14
		68,691	137,355	**-**	14

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. BORROWINGS (CONTINUED)

		Group		Company	
		2022	2021	**2022**	2021
		RM'000	RM'000	**RM'000**	RM'000
Current					
Term loans					
- USD		**427,766**	451,388	**-**	-
- VND		**189,467**	191,501	**-**	-
- RM		**204,110**	-	**-**	-
Revolving credits					
- IDR		**275,514**	224,256	**-**	-
- RM		**113,645**	60,000	**-**	-
- RM	(a)	**68,000**	38,000	**-**	-
Hire purchase		**14**	85	**14**	85
		1,278,516	965,230	**14**	85
Total borrowings		**1,347,207**	1,102,585	**14**	99

IDR - Indonesian Rupiah
VND - Vietnam Dong
USD - United States Dollar
RM - Ringgit Malaysia

All of the above borrowings are unsecured except for the following:

(a) The RM-denominated term loan and revolving credits are secured by a corporate guarantee from a subsidiary.

(b) The VND-denominated term loan is secured by a corporate guarantee from a subsidiary.

The range of effective interest rates at the reporting date of the borrowings are as follows:

	2022	2021
	% p.a.	% p.a.
Term loans		
- USD	**4.43 - 6.35**	0.21 - 1.50
- VND	**4.30 - 9.40**	2.40 - 5.70
- RM	**2.89 - 3.50**	2.80 - 2.89
Revolving credits		
- IDR	**5.85 - 6.70**	6.00 - 6.35
- RM	**3.25 - 4.34**	2.49 - 2.94

29. BORROWINGS (CONTINUED)

The changes in borrowings are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Balance as at 1 January	**1,102,585**	481,120	**99**	181
Net drawdown/(repayment) of debts	**292,450**	611,131	**(85)**	(82)
Disposal of a subsidiary	**(25,000)**	-	**-**	-
Exchange differences	**(22,828)**	10,334	**-**	-
Balance as at 31 December	**1,347,207**	1,102,585	**14**	99

30. TRADE AND OTHER PAYABLES

		Group		Company	
		2022	2021	**2022**	2021
		RM'000	RM'000	**RM'000**	RM'000
Trade payables					
- third parties		**184,406**	277,858	**220**	853
- associates		**40,700**	47,956	**-**	-
	(a)	**225,106**	325,814	**220**	853
Interest accrued		**2,412**	854	**-**	-
Other payables		**64,285**	84,652	**3,552**	4,628
Accruals		**99,766**	98,774	**6,309**	5,751
Refundable deposits		**12,175**	11,320	**7,500**	7,936
Amount due to subsidiaries	(b)	**-**	-	**141**	29
		403,744	521,414	**17,722**	19,197

(a) Trade payables

The normal credit terms extended by suppliers range from 7 to 90 days. Retention sums for construction contracts of RM10.6 million (2021: RM33.0 million) are payable upon the expiry of the defects liability period of the respective construction contracts.

(b) Amount due to subsidiaries

The amount due to subsidiaries is interest-free, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

31. PROVISION FOR RESTORATION COST

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	**34,233**	30,315
Additional provision	**12,047**	4,281
Utilisation of provision	**(136)**	-
Unused amount reversed	**(824)**	(363)
At 31 December	**45,320**	34,233
Current	**-**	960
Non-current	**45,320**	33,273
	45,320	34,233

The provision represents the estimated cost of restoring the leased properties to the condition stipulated in the contracts, which is capitalised and included in the cost of right-of-use assets.

32. DIVIDENDS

	Group/Company	
	2022	2021
	RM'000	RM'000
In respect of the financial year ended 31 December 2020:		
- Final dividend of 22 sen per share	**-**	312,972
- Special dividend of 16 sen per share	**-**	227,616
In respect of the financial year ended 31 December 2021:		
- Interim dividend of 10 sen per share	**-**	142,259
- Final dividend of 25 sen per share	**355,650**	-
In respect of the financial year ended 31 December 2022:		
- Interim dividend of 12 sen per share	**170,712**	-
	526,362	682,847

A final dividend of 28 sen per share totaling RM398.3 million in respect of the financial year ended 31 December 2022 has been proposed for the forthcoming annual general meeting. The dividend, if approved, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. RELATED PARTY DISCLOSURES

(a) Other than those disclosed elsewhere in the financial statements, the significant related party transactions during the financial year are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Transactions with subsidiaries				
Management fee income	**-**	-	**1,032**	1,418
Management fee expense	**-**	-	**4,389**	3,851
Purchase of goods	**-**	-	**505**	1,191
Transactions with associates				
Purchase of goods	**9,175**	8,933	**-**	-
Sales of goods	**14,434**	1,340	**-**	-
Film rental income	**3,042**	2,019	**-**	-
Transactions with subsidiaries of the ultimate holding company				
Sales of goods	**20,543**	47,393	**-**	-
Supervision fees income	**2,725**	2,256	**-**	-
Transactions with subsidiaries of associates				
Purchase of goods	**538,156**	459,643	**-**	-
Sales of goods	**187,528**	160,327	**-**	-
Rental income	**3,362**	3,333	**-**	-
Security and other services expense	**16,904**	13,571	**-**	-
Freight cost	**222,873**	185,936	**-**	-
IT service fee expenses	**1,838**	1,311	**-**	-
Supervision fees income	**1,785**	1,679	**-**	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Key management personnel compensation

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Directors				
Short-term employee benefits	**4,806**	4,179	**4,776**	4,161
Contributions to defined contribution plan	**561**	481	**561**	480
Sub-total	**5,367**	4,660	**5,337**	4,641
Other key management personnel				
Short-term employee benefits	**23,193**	21,541	**5,603**	5,712
Contributions to defined contribution plan	**2,773**	2,170	**889**	807
Sub-total	**25,966**	23,711	**6,492**	6,519
Total compensation	**31,333**	28,371	**11,829**	11,160

34. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Short-term employee benefits	**365,547**	338,038	**21,954**	20,754
Contributions to defined contribution plan	**45,136**	36,883	**3,068**	2,881
Total employee benefits expense	**410,683**	374,921	**25,022**	23,635

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

35. CAPITAL AND OTHER COMMITMENTS

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Capital commitments				
Property, plant and equipment, investment properties, and other intangible assets				
- contracted	**58,635**	70,241	**263**	3,860
- not contracted	**398,300**	388,259	**15,860**	6,577
	456,935	458,500	**16,123**	10,437
Other commitments				
- contracted	**385,226**	373,566	**49,510**	109,050
	385,226	373,566	**49,510**	109,050
Total commitments	**842,161**	832,066	**65,633**	119,487

36. SEGMENTAL REPORTING

The Group's operating and reportable segments are business units engaged in providing different products and services and operating in different geographical locations.

There was no transaction with any single external customer which amounted to 10% or more of the Group's revenues for the current financial year (2021: none).

(a) By business segment

The Group's operations comprise the following reportable segments:

(i) Grains and agribusiness	- Flour milling and manufacturing of animal feed, wheat and maize trading, production of day-old-chicks, eggs and other related downstream activities, and oil palm plantations
(ii) Consumer products	- Marketing and distribution of edible oils and consumer products, manufacturing and distribution of frozen food and bakery products
(iii) Film exhibition and distribution	- Exhibition and distribution of movies and content
(iv) Environmental engineering and utilities *(discontinued operations)*	- Construction works specialising in the water and environmental industries and provision of waste management services
(v) Property	- Letting of commercial properties and development of residential and commercial properties
(vi) Other operations	- Investment holding, chemical trading and manufacturing, and others

(b) Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties, intangible assets and bearer plants.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. SEGMENTAL REPORTING (CONTINUED)

2022	Grains & agribusiness RM'000	Consumer products RM'000	Film exhibition & distribution RM'000	Environmental engineering & utilities *(discontinued operations)* RM'000	Property RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
REVENUE								
External sales	4,655,906	751,118	514,809	106,214	140,959	88,389	-	6,257,395
Inter-segment sales	130,906	5,361	-	37	802	42	(137,148)	-
Total revenue	4,786,812	756,479	514,809	106,251	141,761	88,431	(137,148)	6,257,395
RESULTS								
Segment results	50	35,643	(17,341)	47	33,066	45,646	-	97,111
Share of results of associates	74,279	(2,036)	253	-	1,843	2,103,750	-	2,178,089
Share of results of joint ventures	-	-	-	39	-	3,831	-	3,870
Unallocated corporate expense	-	-	-	-	-	-	-	(28,646)
Profit/(loss) before taxation	74,329	33,607	(17,088)	86	34,909	2,153,227	-	2,250,424
Tax expense								(30,186)
Profit for the year								2,220,238
OTHER INFORMATION								
Segment assets	2,920,785	570,459	862,600	-	657,309	1,454,937	(1,271)	6,464,819
Investment in associates	832,789	9,668	136,159	-	330,218	21,020,756	-	22,329,590
Investment in joint ventures	-	-	-	-	-	31,159	-	31,159
Tax assets								84,029
Unallocated corporate assets								23,080
Consolidated total assets								28,932,677
Segment liabilities	152,593	92,303	554,818	-	75,590	14,114	(1,271)	888,147
Borrowings								1,347,207
Tax liabilities								117,165
Unallocated corporate liabilities								11,650
Consolidated total liabilities								2,364,169
Capital expenditure	41,378	14,339	59,936	310	48,560	2,704	-	167,227
Unallocated corporate capital expenditure								205
								167,432
Amortisation and depreciation	66,584	16,296	101,636	1,175	5,893	2,007	-	193,591
Amortisation and depreciation of unallocated capital expenditure								1,449
								195,040
Non-cash items other than amortisation and depreciation	68,671	1,029	9,227	(6,822)	(291)	(13,468)	-	58,346

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. SEGMENTAL REPORTING (CONTINUED)

2021	Grains & agribusiness RM'000	Consumer products RM'000	Film exhibition & distribution RM'000	Environmental engineering & utilities *(discontinued operations)* RM'000	Property RM'000	Other operations RM'000	Elimination RM'000	Total RM'000
REVENUE								
External sales	3,688,799	643,798	116,470	204,549	114,267	89,547	-	4,857,430
Inter-segment sales	81,833	1,385	-	131	763	233	(84,345)	-
Total revenue	3,770,632	645,183	116,470	204,680	115,030	89,780	(84,345)	4,857,430
RESULTS								
Segment results	(21,272)	8,671	(105,331)	(2,611)	18,190	52,549	-	(49,804)
Share of results of associates	82,794	(2,128)	(7,947)	(526)	(3,365)	1,504,498	-	1,573,326
Share of results of joint ventures	-	-	-	10	-	4,307	-	4,317
Unallocated corporate expense	-	-	-	-	-	-	-	(29,766)
Profit/(loss) before taxation	61,522	6,543	(113,278)	(3,127)	14,825	1,561,354	-	1,498,073
Tax expense								9,042
Profit for the year								1,507,115
OTHER INFORMATION								
Segment assets	2,889,428	528,651	735,519	250,283	570,127	1,239,514	(211)	6,213,311
Investment in associates	778,849	10,542	172,766	-	327,188	19,774,558	-	21,063,903
Investment in joint ventures	-	-	-	10	-	28,423	-	28,433
Tax assets								78,118
Unallocated corporate assets								13,397
Consolidated total assets								27,397,162
Segment liabilities	359,055	57,035	455,088	67,065	48,116	11,870	(211)	998,018
Borrowings								1,102,585
Tax liabilities								105,007
Unallocated corporate liabilities								11,249
Consolidated total liabilities								2,216,859
Capital expenditure	52,122	34,138	103,122	436	25,925	2,510	-	218,253
Unallocated corporate capital expenditure								186
								218,439
Amortisation and depreciation	64,787	16,396	76,234	2,181	5,522	2,083	-	167,203
Amortisation and depreciation of unallocated capital expenditure								1,568
								168,771
Non-cash items other than amortisation and depreciation	(93,064)	(1,877)	(14,350)	3,871	1,056	1,819	-	(102,545)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. SEGMENTAL REPORTING (CONTINUED)

(c) By geographical segment

The Group operates mainly in Asia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Non-current assets are disclosed based on the geographical locations of the assets, and do not include goodwill, investments in associates and joint ventures, other investments and deferred tax assets.

	Revenue		Carrying amount of non-current assets	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Malaysia	**4,123,739**	3,028,412	**1,866,612**	1,783,588
Indonesia	**868,753**	770,533	**123,588**	141,561
Vietnam	**845,527**	641,319	**187,531**	197,340
Other ASEAN countries	**179,008**	134,507	**265**	440
Other Asian countries	**67,689**	24,082	**-**	-
Others	**66,465**	54,028	**-**	-
	6,151,181	4,652,881	**2,177,996**	2,122,929

37. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets	**At amortised cost RM'000**	**At FVTOCI[1] RM'000**	**At FVTPL[2] RM'000**	**Total RM'000**
Group				
2022				
Other investments	**-**	**300,365**	**51,580**	**351,945**
Receivables	**1,108,057**	**-**	**-**	**1,108,057**
Derivative financial assets	**-**	**-**	**289**	**289**
Deposits, cash and bank balances	**660,744**	**-**	**-**	**660,744**
Short-term fund placements	**-**	**-**	**926,303**	**926,303**
Total financial assets	**1,768,801**	**300,365**	**978,172**	**3,047,338**

FVTOCI[1] represents fair value through other comprehensive income
FVTPL[2] represents fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

Financial assets	**At amortised cost RM'000**	**At FVTOCI[1] RM'000**	**At FVTPL[2] RM'000**	**Total RM'000**
Group				
2021				
Other investments	1,000	324,616	46,694	372,310
Receivables	936,127	-	-	936,127
Derivative financial assets	-	-	100,650	100,650
Deposits, cash and bank balances	454,500	-	-	454,500
Short-term fund placements	-	-	841,816	841,816
Total financial assets	1,391,627	324,616	989,160	2,705,403
Company				
2022				
Other investments	**-**	**283,014**	**5,097**	**288,111**
Receivables	**25,794**	**-**	**-**	**25,794**
Deposits, cash and bank balances	**96,509**	**-**	**-**	**96,509**
Short-term fund placements	**-**	**-**	**805,684**	**805,684**
Total financial assets	**122,303**	**283,014**	**810,781**	**1,216,098**
2021				
Other investments	1,000	307,977	5,005	313,982
Receivables	11,961	-	-	11,961
Deposits, cash and bank balances	92,340	-	-	92,340
Short-term fund placements	-	-	683,271	683,271
Total financial assets	105,301	307,977	688,276	1,101,554

FVTOCI[1] represents fair value through other comprehensive income
FVTPL[2] represents fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Classification of financial instruments (continued)

Financial liabilities	At amortised cost RM'000	At FVTPL[1] RM'000	Total RM'000
Group			
2022			
Payables	**399,489**	**-**	**399,489**
Borrowings	**1,347,207**	**-**	**1,347,207**
Lease obligations	**381,267**	**-**	**381,267**
Derivative financial liabilities	**-**	**41,110**	**41,110**
Total financial liabilities	**2,127,963**	**41,110**	**2,169,073**
2021			
Payables	515,850	-	515,850
Borrowings	1,102,585	-	1,102,585
Lease obligations	318,215	-	318,215
Derivative financial liabilities	-	107,383	107,383
Total financial liabilities	1,936,650	107,383	2,044,033
Company			
2022			
Payables	**17,722**	**-**	**17,722**
Lease obligations	**3,085**	**-**	**3,085**
Borrowings	**14**	**-**	**14**
Total financial liabilities	**20,821**	**-**	**20,821**
2021			
Payables	19,197	-	19,197
Lease obligations	4,313	-	4,313
Borrowings	99	-	99
Total financial liabilities	23,609	-	23,609

FVTPL[1] represents fair value through profit or loss

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments

The following summarises the methods used in determining the fair value of financial instruments:

(i) Other investments

Fair value of investments in quoted shares has been determined by reference to their quoted closing bid price at the end of the reporting period.

Fair value of unquoted equity investments is measured using generally acceptable valuation techniques.

(ii) Derivatives

Fair value of forward foreign currency contracts has been determined by reference to current forward exchange rates for contracts with similar maturity profiles.

Fair value of commodities futures and options has been determined by reference to current quoted market prices for contracts with similar maturity profiles.

(iii) Short-term fund

Fair value of the short-term fund has been determined by reference to the net assets value of the fund at the end of the reporting period as quoted by the fund managers.

Financial assets and financial liabilities that are measured at fair value on a recurring basis:

Financial assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2022				
Other investments	**305,035**	**-**	**46,910**	**351,945**
Short-term fund placements	**926,303**	**-**	**-**	**926,303**
Derivative financial assets	**-**	**289**	**-**	**289**
	1,231,338	**289**	**46,910**	**1,278,537**
2021				
Other investments	329,194	-	42,116	371,310
Short-term fund placements	841,816	-	-	841,816
Derivative financial assets	-	100,650	-	100,650
	1,171,010	100,650	42,116	1,313,776

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value of financial instruments (continued)

Financial assets	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2022				
Other investments	**287,845**	**-**	**266**	**288,111**
Short-term fund placements	**805,684**	**-**	**-**	**805,684**
	1,093,529	**-**	**266**	**1,093,795**
2021				
Other investments	312,716	-	266	312,982
Short-term fund placements	683,271	-	-	683,271
	995,987	-	266	996,253

Financial liabilities	Level 2 RM'000	Total RM'000
Group		
2022		
Forward contracts	**20,650**	**20,650**
Futures and options contracts	**20,460**	**20,460**
	41,110	**41,110**
2021		
Forward contracts	2,793	2,793
Futures and options contracts	104,590	104,590
	107,383	107,383

There were no transfers between Level 1, Level 2 and Level 3 assets and liabilities throughout the year.

The carrying amounts of the financial instruments of the Group and the Company, which are not measured at fair value on a recurring basis at the end of the reporting period approximated or were at their fair value, due to their short-term or interest-bearing nature.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's business activities are exposed to a variety of financial risks. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

The Group minimises risk associated to its business activity through risk reviews, internal control systems, insurance programmes and adherence to financial risk management policies.

The Group enters into derivative instruments, principally forward, futures and options contracts to hedge its exposure to financial risks. The Group does not trade in derivative instruments.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

There have been no significant changes in the Group's exposure to financial risks from the previous year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

Summarised below are the key financial risks and risk management objectives and policies applied:

(a) Foreign currency exchange risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into in currencies other than its functional currencies. The Group enters into forward foreign currency contracts to limit its exposure to foreign currency receivables and payables, and on cash flows from anticipated transactions denominated in foreign currencies.

The carrying amounts of material foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Group 2022 RM'000	2021 RM'000
Assets		
- United States Dollar ("USD")	**235,306**	320,092
- Singapore Dollar ("SGD")	**104,015**	96,443
- Indonesian Rupiah ("IDR")	**13,314**	14,588
- Vietnamese Dong ("VND")	**62,752**	50,748
Liabilities		
- USD	**443,299**	653,193
- SGD	**2,398**	1,258
- IDR	**295,090**	257,207
- VND	**234,848**	247,084

A sensitivity analysis has been performed on changes in exchange rates of foreign currencies against RM for outstanding foreign currency denominated monetary items. Management has considered the recent volatility in exchange rates and has concluded that a 5% movement in exchange rates is a reasonably possible assumption. If the following foreign currencies appreciate against RM with all other variables held constant, the Group's profit before taxation would increase/(decrease) as follows:

	Group 2022 RM'000	2021 RM'000
USD	**(10,400)**	(16,655)
SGD	**5,081**	4,758
IDR	**(14,089)**	(12,131)
VND	**(8,605)**	(9,817)

As other foreign currency denominated monetary items as at 31 December 2022 and 31 December 2021 are not material, the sensitivity analysis has not been presented.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Interest rate risk

The Group is exposed to interest rate risk which is the risk that the fair value of the financial instrument or future cash flows will fluctuate as a result of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to changes in interest rate risk relates primarily to the Group's bank borrowings, short-term fund placements and deposits placed with licensed banks and financial institutions. As the exposure to interest risk is not expected to be material, the sensitivity analysis has not been presented.

(c) Commodity price risk

The prices of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living, and global production of similar and competitive crops. During its ordinary course of business, the value of the Group's open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. To the extent that its open sales and purchases commitments do not match at the end of each business day, the Group is subjected to price fluctuations in the commodities market.

While the Group is exposed to fluctuations in agricultural commodities prices, its policy is to minimise its risks arising from such fluctuations by hedging its raw materials purchases either through direct purchase of a similar commodity or through futures and option contracts on the commodity exchanges. The prices on the commodity exchanges are generally quoted up to twelve months forward.

In the course of hedging its purchases either through direct purchases or through futures and options, the Group may also be exposed to the inherent risk associated with trading activities conducted by its personnel. The Group has in place risk management policies to manage such risk exposure. Any increase in the commodity prices would generally decrease the group's profit before taxation.

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than commodity price, interest or exchange rates). The Group is exposed to equity price risk arising from its investment in equity instruments. These instruments are classified as investment securities at FVTOCI.

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligation.

The Group's management has credit policies in place to ensure that transactions are conducted with creditworthy counterparties.

The Group's credit risk is primarily attributable to trade receivables arising from the sale of goods or services, unsecured loans to associates, and cash and cash equivalents.

An impairment analysis is performed at each reporting date to measure the ECL. The calculation reflects information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Credit risk (continued)

Trade receivables

Management applied a simplified approach (i.e. lifetime ECL) in measuring the loss allowance for trade receivables, lease receivables and contract assets. The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtors and an analysis of the debtors' current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Management writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Exposure to credit risk arising from sales made on deferred credit terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counterparties as a means of mitigating losses in the event of default.

Apart from two customers of subsidiaries (2021: one customer of a subsidiary), the Group does not have significant credit risk exposure to any single debtor or any group of debtors. The amount due from the said customers amounted to RM66.3 million (2021: RM54.0 million) as at the end of the reporting period. The credit risk associated with trade receivables from the customers are mitigated by immoveable property charged to the subsidiaries and personal guarantee pledged in favour of the subsidiaries.

The risk profile and aging analysis of trade receivables are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
Not past due	**610,973**	551,685	**241**	139
Less than 30 days past due	**135,512**	95,285	**54**	1,281
Between 30 and 90 days past due	**57,147**	48,416	**308**	1,169
More than 90 days past due	**18,675**	33,647	**2,431**	6,257
	822,307	729,033	**3,034**	8,846
Impaired	**(13,122)**	(13,970)	**(938)**	(1,526)
	809,185	715,063	**2,096**	7,320

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Credit risk (continued)

Trade receivables (continued)

Movements in the impairment of trade receivables are as follows:

	Group		Company	
	2022	2021	**2022**	2021
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	**13,970**	12,019	**1,526**	469
Impairment recognised	**3,030**	3,436	**-**	1,526
Bad debts written off	**(988)**	(451)	**-**	-
Reversal of impairment	**(2,891)**	(1,045)	**(588)**	(469)
Exchange translation differences	**1**	11	**-**	-
At 31 December	**13,122**	13,970	**938**	1,526

Loans to associates

Exposure to credit risk arising from unsecured loans to associates is managed through credit evaluation and ongoing monitoring of the credit quality of the associates.

Management assessed the credit risk in respect of loans to associates with reference to the financial capability and probability of default.

Management concluded that the credit risk in respect of loans to associates is low.

Cash and cash equivalents

The Group seeks to invest its surplus cash prudently by depositing it with licensed banks and financial institutions.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group also seeks to maintain sufficient credit lines available to meet its liquidity requirements while ensuring effective working capital management within the Group.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**
Group	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2022				
Payables	**399,489**	**-**	**-**	**399,489**
Borrowings	**1,335,400**	**74,259**	**-**	**1,409,659**
Derivative financial liabilities	**41,110**	**-**	**-**	**41,110**
Lease obligations	**55,371**	**195,883**	**216,978**	**468,232**
	1,831,370	**270,142**	**216,978**	**2,318,490**
2021				
Payables	515,850	-	-	515,850
Borrowings	978,578	145,846	-	1,124,424
Derivative financial liabilities	107,383	-	-	107,383
Lease obligations	39,086	138,864	148,845	326,795
	1,640,897	284,710	148,845	2,074,452

	Less than 1 year	**1 to 5 years**	**Total**
	RM'000	**RM'000**	**RM'000**
Company			
2022			
Payables	**17,722**	**-**	**17,722**
Lease obligations	**1,135**	**2,175**	**3,310**
Borrowings	**15**	**-**	**15**
	18,872	**2,175**	**21,047**
2021			
Payables	19,197	-	19,197
Lease obligations	1,424	3,283	4,707
Borrowings	88	15	103
	20,709	3,298	24,007

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

39. CAPITAL MANAGEMENT

The Group aims to maintain a strong capital base in order to support its existing business operations and enable future development of the businesses as well as maximise shareholders' value.

The capital structure of the Group consists of equity attributable to the owners of the parent (i.e. share capital, reserves) and total borrowings.

Management reviews and manages the capital structure regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in the Group's business operations. These initiatives may include adjustment to the amount of dividends to be distributed to shareholders. No changes were made in the objectives, policies and processes during the current financial year.

The total borrowings to capital ratio was as follows:

	Group	
	2022	2021
	RM'000	RM'000
Share capital	**1,429,314**	1,429,314
Reserves	**24,401,527**	23,002,174
Total capital	**25,830,841**	24,431,488
Short-term borrowings	**1,278,516**	965,230
Long-term borrowings	**68,691**	137,355
Total borrowings	**1,347,207**	1,102,585
Total borrowings to capital ratio (times)	**0.05**	0.05

40. SUBSIDIARIES

The subsidiaries are as follows:

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
FFM Berhad	**80.0**	80.0	Malaysia	Investment holding, flour milling, animal feed manufacturing, grains trading and trading in rice products
Johor Bahru Flour Mill Sdn Bhd	**100.0**	100.0	Malaysia	Flour milling, manufacturing of animal feed and provision of management services
FFM (Sabah) Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and trading of animal feed
FFM Feedmills (Sarawak) Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and trading of animal feed and its by-products
Mantap Aman Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
# PT Pundi Kencana	**51.0**	51.0	Indonesia	Flour milling
FFM Marketing Sdn Bhd	**100.0**	100.0	Malaysia	Distribution and marketing of edible oils and consumer products

Subsidiaries audited by a network firm of Ernst & Young PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

40. SUBSIDIARIES (CONTINUED)

The subsidiaries are as follows: (continued)

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
FFM Flour Mills (Sabah) Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
Taloh Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Waikari Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* Buxton Ltd	**100.0**	100.0	Samoa	Investment holding
Friendship Trading Sdn Bhd	**100.0**	100.0	Malaysia	Provision of transportation management services
* Glowland Ltd	**100.0**	100.0	Samoa	Investment holding
JBFM Flour Mill Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
FFM Farms Sdn Bhd	**100.0**	100.0	Malaysia	Poultry farming and breeding, production of organic fertilisers and oil palm cultivation
FFM Pulau Indah Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
FFM Grains & Mills Sdn Bhd	**100.0**	100.0	Malaysia	Flour milling and manufacturing of animal feed
FFM SMI Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* Vietnam Flour Mills Ltd	**100.0**	100.0	Vietnam	Flour milling
* VFM-Wilmar Flour Mills Company Ltd	**51.0**	51.0	Vietnam	Wheat flour milling and the sale of flour, flour based products and by-products
Tego Sdn Bhd	**96.4**	96.4	Malaysia	Investment holding
Tego Multifil Sdn Bhd	**100.0**	100.0	Malaysia	Under members' voluntary liquidation
The Italian Baker Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and distribution of bakery products
FFM Further Processing Sdn Bhd	**100.0**	100.0	Malaysia	Manufacturing and processing of nuggets, sausages and burgers
PPB Hartabina Sdn Bhd	**100.0**	100.0	Malaysia	Property development, and provision of project management and other property-related services
South Island Mining Company Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding and oil palm cultivation
Seletar Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm cultivation and property development
PPB Property Development Sdn Bhd	**100.0**	100.0	Malaysia	Provision of project management and other property-related services
Peakland Property Management Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
PPB Leisure Holdings Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Cathay Screen Cinemas Sdn Bhd	**100.0**	100.0	Malaysia	Property investment and investment holding
Cathay Theatres Sdn Bhd	**100.0**	100.0	Malaysia	Property investment
Golden Screen Cinemas Sdn Bhd	**100.0**	100.0	Malaysia	Exhibition of movies and content

* Subsidiaries not audited by Ernst & Young PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

40. SUBSIDIARIES (CONTINUED)

The subsidiaries are as follows: (continued)

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
Cinead Sdn Bhd	**100.0**	100.0	Malaysia	Advertising contractor and consultant
Glitters Café Sdn Bhd	**100.0**	100.0	Malaysia	Operator of cafés and sales of merchandise goods
Easi (M) Sdn Bhd	**60.0**	60.0	Malaysia	Provision of information technology solutions, consultation services and sales of related products and services
* Enterprise Advanced System Intelligence Pte Ltd	**60.0**	60.0	Singapore	Provision of information technology solutions, consultation services and sales of related products and services
Easi Ticketing Sdn Bhd	**100.0**	100.0	Malaysia	Provision of information technology services and sales of related products
GSC Movies Sdn Bhd	**100.0**	100.0	Malaysia	Distribution of movies and content
Golden Screen International Sdn Bhd	-	100.0	Malaysia	Dissolved on 26 February 2022
Mediamore Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
GSC Vietnam Ltd	**100.0**	100.0	Malaysia	Investment holding
GSC Cambodia Ltd	**100.0**	100.0	Malaysia	Investment holding
* Golden Screen Cinemas (Cambodia) Co., Ltd	**100.0**	60.0	Kingdom of Cambodia	Under dissolution and liquidation
* LGSC Cambodia Limited	**100.0**	100.0	Malaysia	Under striking off
PPB Corporate Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of corporate secretarial, share registration and share nominee services
PPB Ventures Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
Hexarich Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
* **Masuma Trading Co Ltd**	**100.0**	100.0	Hong Kong	Investment holding
Chemquest Sdn Bhd	**55.0**	55.0	Malaysia	Trading in chemical products, investment holding and provision of management services
Products Manufacturing Sdn Bhd	-	70.0	Malaysia	In members' voluntary winding up
CWM Group Sdn Bhd	-	100.0	Malaysia	Disposed on 11 November 2022
Dinamik Cemerlang Sdn Bhd	-	100.0	Malaysia	Disposed on 11 November 2022
Cipta Wawasan Maju Engineering Sdn Bhd	-	100.0	Malaysia	Disposed on 11 November 2022
Sitamas Environmental Systems Sdn Bhd	-	100.0	Malaysia	Disposed on 24 February 2022
Entrol Systems Sdn Bhd	-	100.0	Malaysia	Disposed on 24 February 2022
Tunggak Menara Services Sdn Bhd	-	100.0	Malaysia	In members' voluntary winding up

* Subsidiaries not audited by Ernst & Young PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

40. SUBSIDIARIES (CONTINUED)

The subsidiaries are as follows: (continued)

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
Malayan Adhesives And Chemicals Sdn Bhd	**99.6**	99.6	Malaysia	Manufacturing and marketing of adhesives, resins, additives, formaldehyde and phenoset microsphere and trading in contact glue
* Chemquest (Overseas) Ltd	**100.0**	100.0	British Virgin Islands	Investment holding
* PT Healthcare Glovindo	**99.9**	99.9	Indonesia	Dormant
* Kerry Utilities Ltd	**50.0**	50.0	Samoa	Investment holding
* Beijing KVW Wastewater Technology Company Ltd.	**51.0**	51.0	The People's Republic of China	Investment holding
* Beijing CQ Environmental Management Consultancy Services Co Ltd	**100.0**	100.0	The People's Republic of China	Provision of consultancy services
* Chemquest Pte. Ltd.	**100.0**	100.0	Singapore	Wholesale of industrial, construction and related machinery and equipment, variety of goods without a dominant product

* Subsidiaries not audited by Ernst & Young PLT

41. ASSOCIATES

The associates are as follows:

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
* Shaw Brothers (M) Sdn Bhd	**34.0**	34.0	Malaysia	Investment holding, property investment and hotel ownership operation
* Vita Tenggara Fruit Industries Sdn Bhd	**40.0**	40.0	Malaysia	Property development, investment in real properties and aquaculture
* Trinity Coral Sdn Bhd	**25.0**	25.0	Malaysia	Investment holding
Huge Quest Realty Sdn Bhd	**40.0**	40.0	Malaysia	Investment holding
* Kerry Flour Mills Ltd	**43.4**	43.4	Thailand	Wheat flour milling and distribution
Berjaya-GSC Sdn Bhd	**50.0**	50.0	Malaysia	Exhibition of movies and content
* Ancom-Chemquest Terminals Sdn Bhd	-	25.0	Malaysia	Disposed on 1 October 2022
* Veolia Water Kerry Water Services Ltd	**49.0**	49.0	Hong Kong	Investment holding
* Meizan CLV Corporation	**50.0**	50.0	Vietnam	Manufacturing of value added grain food processed from all kinds of grains

* Associates not audited by Ernst & Young PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41. ASSOCIATES (CONTINUED)

The associates are as follows: (continued)

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
# Wilmar International Limited	**18.8**	18.6	Singapore	Cultivation and milling of palm oil and sugarcane, to processing, branding and distribution of a wide range of edible food products in consumer, medium and bulk packaging, animal feeds and industrial agri-products such as oleochemicals and biodiesel
* PT Tri Persada Mulia	**30.0**	30.0	Indonesia	Dormant
* Kart Food Industries Sdn Bhd	**45.0**	45.0	Malaysia	Manufacturing and trading of food products
* Kart Food Marketing Sdn Bhd	**45.0**	45.0	Malaysia	Dormant
* Yihai Kerry (Quanzhou) Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Anyang) Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Beijing) Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai (Zhoukou) Wheat Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
* Yihai Kerry (Kunshan) Foodstuffs Industries Co., Ltd	**20.0**	20.0	The People's Republic of China	Flour milling
Raintree Profits Sdn Bhd	**31.5**	31.5	Malaysia	Intellectual property owner and production of cinematography films
* Dream Talents Pictures Sdn Bhd	**35.0**	35.0	Malaysia	Dormant
* Galaxy Studio Joint Stock Company	**40.0**	40.0	Vietnam	Exhibition and distribution of movies and content
Vietnam Investment Ltd	**50.0**	50.0	Malaysia	Investment holding

* Associates not audited by Ernst & Young PLT

Associates audited by a network firm of Ernst & Young PLT

41. ASSOCIATES (CONTINUED)

The associates are as follows: (continued)

Companies	Group's equity interest 2022 %	2021 %	Place of incorporation	Principal activities
Hillcrest Gardens Sdn Bhd	**16.8**	16.8	Malaysia	Real property development, property holding and management
Orion Capital Sdn Bhd	**40.0**	40.0	Malaysia	Investment holding
# Orion Fund Pte Ltd	**40.0**	40.0	Singapore	Investment holding
# Orion Fund II Pte Ltd	**40.0**	40.0	Singapore	Investment holding

Associates audited by a network firm of Ernst & Young PLT

The financial year ends of the associates are co-terminous with that of the Group except for the following:

Company	Financial year end
Shaw Brothers (M) Sdn Bhd	31 March

For the purpose of applying equity accounting, management financial statements of the associate is prepared to the same reporting date as the Group.

42. JOINT VENTURES

The joint ventures are as follows:

	Proportion of ownership interest 2022 %	2021 %	Place of operation	Principal activities
* Beijing Drainage Group Co Ltd Veolia Kerry Wastewater Treatment Plant	**42.0**	42.0	The People's Republic of China	Own, operate and maintain a waste water treatment plant
WBC CWM JV Sdn Bhd	**-**	50.0	Malaysia	Disposed on 11 November 2022

* Joint venture not audited by Ernst & Young PLT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

43. CONTINGENT LIABILITIES

On 5 August 2022, FFM Berhad ("FFM"), an 80%-owned subsidiary of the Company, received a Notice of Proposed Decision issued by the Malaysia Competition Commission ("MyCC") pursuant to Section 36 of the Competition Act 2010 ("the Act"). The Proposed Decision was premised primarily on the allegation that FFM had engaged in agreements and/or concerted practices to fix the quantum of poultry feed prices in breach of Section 4 of the Act.

MyCC has highlighted that their findings are provisional and it should not be assumed that FFM has broken the law at this stage. Subject to the findings in relation to the alleged infringement, MyCC proposed to impose a penalty of RM46.63 million on FFM. This is, however, neither final nor conclusive.

FFM has on 31 January 2023 submitted the required written representation to MyCC.

44. SUBSEQUENT EVENT

Other than as disclosed in Note 7(b), there are no material events or transactions since the end of the financial year that has significantly affected, or may significantly affect the Group's and the Company's financial position.

45. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Directors on 23 March 2023.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, SOH CHIN TECK and DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID, being two of the Directors of PPB Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 74 to 162 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and the Company at 31 December 2022 and of the financial performance and cash flows for the year ended on that date.

On behalf of the Board

SOH CHIN TECK
Director

DATO' CAPT. AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID
Director

Kuala Lumpur
23 March 2023

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, YAP CHOI FOONG, being the person primarily responsible for the accounting records and financial management of PPB Group Berhad, do solemnly and sincerely declare that the financial statements of the Group and the Company set out on pages 74 to 162 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

YAP CHOI FOONG

Subscribed and solemnly declared by the
abovenamed Yap Choi Foong, MIA No. CA 7287,
at Kuala Lumpur in the Federal Territory
on this 23rd day of March, 2023

Before me,

MAZLEE BIN ISMAIL

Commissioner for Oaths
Malaysia
No. W864

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PPB GROUP BERHAD

Report on the audit of the financial statements

Opinion

We have audited the financial statements of PPB Group Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 162.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Impairment assessment of investment in an associate, Wilmar International Limited
(Refer to Note 17 to the financial statements)

As at 31 December 2022, the Group's investment in an associate, Wilmar International Limited, amounted to RM20,926 million, representing 84% and 72% of the Group's total non-current assets and total assets respectively. In accordance with MFRS 136: Impairment of Assets, the Group is required to assess at each reporting date, whether there are any indications of impairment amongst others for investment in associates. If indicators of impairment exist, an impairment test is carried out by comparing the carrying amount of the investment in associates with its recoverable amount. Recoverable amount is defined as the higher of fair value less cost of disposal and value-in-use ("VIU"). Brought about by the lower market capitalisation of a material investment in associate as compared to its carrying amount, the Group estimated the recoverable amount of the said investment in an associate using the VIU method.

Key audit matter (continued)

Impairment assessment of investment in an associate, Wilmar International Limited (continued)
(Refer to Note 17 to the financial statements)

In estimating the VIU, management exercised significant judgement in preparing the discounted cash flow forecast. It involves determining the key assumptions such as forecasted earnings, growth rate and discount rate which have a significant impact on the estimated VIU. The key assumptions made in relation to the impairment assessment of investment in an associate are disclosed in Note 17 to the financial statements.

We considered this as an area of audit focus due to the magnitude of the carrying value of the investment in associates. Further, significant judgement is involved in the estimation, which requires substantial audit effort in the assessment of possible variations in the assumptions used by management.

In addressing the matter above, we have amongst others performed the following audit procedures:

i) Obtained an understanding of the relevant processes and internal controls over the impairment assessment process;
ii) Evaluated the key assumptions used by management in the cash flow projections on whether they are reasonable by comparing to historical results and cash flows of the associate;
iii) Corroborated the key assumptions with industry analysts' views and available market information;
iv) Evaluated the discount rates, growth rates and methodology used in deriving the present value of the cash flows with the support of our valuation specialist;
v) Performed sensitivity analysis on the key inputs to understand the impact that alternative assumptions would have had on the overall carrying value;
vi) Considered other facts and circumstances to indicate whether any impairment exists; and
vii) Assessed the adequacy of the disclosures made in the financial statements.

Information other than the financial statements and auditors' report

The directors of the Company are responsible for the other information. The other information comprises the director's report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Group's Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PPB GROUP BERHAD

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PPB GROUP BERHAD

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 40 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ng Yee Yee
No. 03176/05/2023 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 March 2023

ADDITIONAL COMPLIANCE INFORMATION

The following additional information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. Audit and non-audit fees

The audit and non-audit fees paid or payable to the external auditors of PPB Group Berhad ("PPB") by the Group and the Company for the financial year ended ("FYE") 31 December 2022 were as follows:

	Group RM'000	Company RM'000
Audit fees	1,048	131
Non-audit fees	81	7

2. Material contracts

There were no material contracts entered into by PPB involving the interests of directors and major shareholders since the end of the previous financial year nor still subsisting at the end of the FYE 31 December 2022.

3. Recurrent related party transactions of a revenue or trading nature ("RRPT")

The actual values of RRPTs entered into by PPB with PGEO Group Sdn Bhd ("PGSB") and/or its connected persons in FYE 31 December 2022 pursuant to the shareholders' mandate obtained at the 53rd Annual General Meeting are as follows:

Nature of transactions undertaken by PPB and/ or its subsidiaries	Transacting party	FYE 2022 Actual RM'000	Nature of relationship
Purchase of cooking oil, soyabean and related products from PGSB Group			
FFM Berhad ("FFM")* Group	PGSB Group	280,920	PGSB is a major shareholder of FFM.
Charter hire of vessels from RSI			
FFM Group	Raffles Shipping International Pte Ltd ("RSI")	222,873	RSI is a 100%-owned subsidiary of Wilmar International Limited ("Wilmar"), a person connected with PGSB.
Purchase of crude palm oil and refined palm products from Wilmar Group			
FFM Group	Wilmar Group	19,018	Wilmar is a person connected with PGSB.
Sale of flour, pollard and soya bean meal to Wilmar Group			
FFM Group	Wilmar Group	187,078	Wilmar is a person connected with PGSB.
Payment of agency commission to Wilmar Group for sale of flour, pollard, corn and soya bean meal			
FFM Group	Wilmar Group	11,776	Wilmar is a person connected with PGSB.

3. Recurrent related party transactions of a revenue or trading nature ("RRPT") (continued)

Nature of transactions undertaken by PPB and/ or its subsidiaries	Transacting party	FYE 2022 Actual RM'000	Nature of relationship
Rental of land and buildings to PGEO			
Taloh Sdn Bhd	PGEO Edible Oils Sdn Bhd ("PGEO")	1,980	PGEO is a wholly-owned subsidiary of PGSB.
Purchase of meat bone meal and wheat from WGPL			
FFM Group	Wilmar Trading (Australia) Pty Ltd ("WGPL")	155,211	WGPL is a 100%-owned subsidiary of Wilmar, a person connected with PGSB.
Payment of advisory fee to WTA			
FFM	Wilmar Trading (Asia) Pte Ltd ("WTA")	3,053	WTA is an indirect 100%-owned subsidiary of Wilmar.
Purchase of consumer products			
FFM Group	Goodman Fielder Pte Ltd ("GFP")	28,141	GFP is an indirect 100%-owned subsidiary of Wilmar.
Purchase of consumer products			
Golden Screen Cinemas Sdn Bhd	FFM Marketing Sdn Bhd ("FFMM")	5,361	FFMM is a wholly-owned subsidiary of FFM, a person connected with PGSB.

* FFM is an 80%-owned subsidiary of PPB.

LIST OF TOP 10 PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition/ revaluation	Age of buildings in years	Land area	Built up area	Tenure	Year of expiry	Net book value at 31.12.2022 RM'000
STATE OF KEDAH								
PT 876-2360, 2363-2372, & 2390-2398 3726-3733, 3774-3781, 4027-4350 & 4681-4728, Mukim Semeling, Daerah Kuala Muda	Land for property development	13.4.1981	13	501,774 sq metres	-	Freehold	-	20,794
STATE OF PENANG								
GM 59 Lot 3582 & GM 60 Lot 3583 Mukim 18, Tempat Vale of Tempe, Daerah Timor Laut, Negeri Pulau Pinang	Land for property development	20.4.2016	-	23,548 sq metres	-	Freehold	-	46,234
STATE OF PERAK								
Lot 504, 523, 834-852, 857, 863, 870-891, 902-904, 907-917, 944-961, 1016, 1032-1040, 1089, 1111, 1125-1126, 1131-1132, 1148, 1178, 1192, 1244, 2380-2382, 2387,2389, 2394-2401, 2405-2408, 2410 & 3485 Mukim Trong, Daerah Larut and Matang	Layer farm & oil palm plantation	25.10.1996	24	221 hectares	47,606 sq metres	Freehold	-	33,195
STATE OF SELANGOR								
Lot 64531-64532 Lot 142827 Mukim Klang Daerah Klang	Factory, warehouse & vacant industrial land	6.6.1995	6 to 21	207,499 sq metres	82,285 sq metres	Leasehold	2097	176,266
Lots 2824-2827 & PT 45125 Mukim Sg Buloh Daerah Petaling Jaya	Warehouse cum office & vacant industrial land	19.10.1993 1.6.1994	12 to 25	243,419 sq metres	13,177 sq metres	Freehold	-	59,536

LIST OF TOP 10 PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition/ revaluation	Age of buildings in years	Land area	Built up area	Tenure	Year of expiry	Net book value at 31.12.2022 RM'000
STATE OF SELANGOR (CONTINUED)								
No Hakmilik: 334105, Lot 60949 Seksyen 39, Bandar Petaling Jaya, Petaling, Selangor (formerly known as Lot No PT 10989 & PT 10991, Jalan SS24/10 & 24/5, Taman Megah, 47301 Petaling Jaya)	Shopping mall	16.4.1990	1	13,615 sq metres	36,426 sq metres	Freehold	-	124,620
WILAYAH PERSEKUTUAN								
Cheras LeisureMall Jln Manis 6, Taman Segar, Cheras, 56100 Kuala Lumpur	Shopping mall	9.3.1982	28	21,225 sq metres	73,339 sq metres	Leasehold	2077 & 2080	66,235
STATE OF JOHOR								
Lot 66243 Mukim Plentong Daerah Johor Bahru	Factory & office building	7.1.1989	6 to 48	36,394 sq metres	20,823 sq metres	Leasehold	2057	46,151
STATE OF SABAH								
CL 015582233 Kota Kinabalu Industrial Park Kota Kinabalu	Factory & office building	19.10.2006	12	14,520 sq metres	5,230 sq metres	Leasehold	2096	21,921
INDONESIA								
Jl.S.Gunungjati, LK. Lijajar Rt. 13/06, Kelurahan Tegalratu Kecamatan Ciwandan, Kota Cilegon	Factory & office building	26.1.2007 3.4.2007	9 to 14	149,661 sq metres	71,160 sq metres	Leasehold	2039 to 2048	84,195

STATEMENT OF SHAREHOLDINGS
AS AT 15 MARCH 2023

Class of Shares : Ordinary Shares
Voting Rights : One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders %	No. of Issued Shares	% of Issued Shares %
Less than 100	1,252	13.83	25,772	0.00
100 - 1,000	1,969	21.75	867,141	0.06
1,001 - 10,000	3,976	43.92	14,691,177	1.03
10,001 - 100,000	1,455	16.07	45,218,797	3.18
100,001 to less than 5% of issued shares	399	4.41	502,927,547	35.35
5% and above of issued shares	2	0.02	858,868,505	60.38
Total	9,053	100.00	1,422,598,939	100.00

DIRECTORS' INTERESTS IN SHARES

	Direct Interest		Deemed Interest	
	No. of Issued Shares	% of Issued Shares %	No. of Issued Shares	% of Issued Shares %
IN THE COMPANY				
Tan Sri Datuk Oh Siew Nam	144,799	0.01	1,445,397	0.10
Tam Chiew Lin	7,200	0.00	12,000	0.00
IN RELATED CORPORATIONS				
Kuok Brothers Sdn Berhad - Holding Company				
Tan Sri Datuk Oh Siew Nam	-	-	4,966,667	0.99
Lim Soon Huat	-	-	200,000	0.04
Datuk Ong Hung Hock	-	-	290,000	0.06
Tego Sdn Bhd - Subsidiary				
Tan Sri Datuk Oh Siew Nam	-	-	18,000	0.10

Save as disclosed above, none of the other Directors had any direct nor deemed interest in shares of the Company or its related corporations.

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest		Total	
	No. of Issued Shares	% of Issued Shares %	No. of Issued Shares	% of Issued Shares %	No. of Issued Shares	% of Issued Shares %
Kuok Brothers Sdn Berhad	718,200,716	50.49	4,571,436	0.32	722,772,152	50.81
Employees Provident Fund Board	147,714,554	10.38	-	-	147,714,554	10.38

THIRTY LARGEST SHAREHOLDERS (as per Record of Depositors)
as at 15 March 2023

	Name of Shareholder	No. of Issued Shares	% of Issued Shares %
1.	Kuok Brothers Sdn Berhad	567,253,646	39.87
2.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	140,666,357	9.89
3.	Kuok Brothers Sdn Berhad	91,792,686	6.45
4.	Kuok Brothers Sdn Berhad	59,155,816	4.16
5.	Nai Seng Sdn Berhad	48,991,800	3.44
6.	Kuok Foundation Berhad	20,543,664	1.44
7.	HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Morgan Stanley & Co. International PLC (Client)*	19,600,562	1.38
8.	Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for State Street Bank & Trust Company (West CLT OD67)*	16,926,039	1.19
9.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for UBS AG Hong Kong (Foreign)*	14,270,700	1.00
10.	Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for UBS AG Singapore (Foreign)*	14,213,100	1.00
11.	Kumpulan Wang Persaraan (Diperbadankan)	13,498,980	0.95
12.	Chinchoo Investment Sdn Berhad	12,220,920	0.86
13.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	10,556,760	0.74
14.	UOBM Nominees (Asing) Sdn Bhd *United Overseas Bank Nominees (Pte) Ltd For Sin Heng Chan (1960) Pte Ltd*	10,320,000	0.73
15.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	10,000,000	0.70
16.	HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	9,441,060	0.66
17.	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients)*	9,146,455	0.64

STATEMENT OF SHAREHOLDINGS
AS AT 15 MARCH 2023

Name of Shareholder	No. of Issued Shares	% of Issued Shares %
18. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	8,848,545	0.62
19. Maybank Securities Nominees (Asing) Sdn Bhd *Exempt AN for Lim & Tan Securities Pte Ltd (Clients A/C)*	6,901,072	0.49
20. Citigroup Nominees (Asing) Sdn Bhd *Exempt AN for Bank of Singapore Limited (Foreign)*	6,711,892	0.47
21. Key Development Sdn Berhad	6,000,000	0.42
22. Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for AIA Bhd*	5,822,440	0.41
23. Citigroup Nominees (Asing) Sdn Bhd *CB Spore GW for Government of Singapore (GIC C)*	5,527,161	0.39
24. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA For Flexshares Morningstar Global Upstream Natural Resources Index Fund*	5,238,000	0.37
25. HSBC Nominees (Asing) Sdn Bhd *Exempt AN for CACEIS Bank (Lux BR-UCITSCLT)*	4,975,140	0.35
26. Cartaban Nominees (Asing) Sdn Bhd *BNYM SA/NV for People's Bank of China (SICL Asia EM)*	4,597,240	0.32
27. Ang Poon Tiak	4,460,000	0.31
28. Cartaban Nominees (Asing) Sdn Bhd *State Street London Fund OQ78 for IShares IV Public Limited Company*	4,459,700	0.31
29. HSBC Nominees (Asing) Sdn Bhd *Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Bch)*	4,279,478	0.30
30. HSBC Nominees (Asing) Sdn Bhd *J.P. Morgan Securities PLC*	4,270,760	0.30
Total	**1,140,689,973**	**80.18**

PPB GROUP BERHAD
196801000571 (8167-W)

12th Floor, UBN Tower, No. 10 Jalan P. Ramlee,
50250 Kuala Lumpur, Malaysia

T | +603 2726 0088 F | +603 2726 0099

www.ppbgroup.com

FSC
www.fsc.org
MIX
Paper from responsible sources
FSC® C104284