



# FROM THE DESK OF THE CHAIRMAN

## DEAR SHAREHOLDERS

**W**e are pleased to announce that PPB Group's revenue rose by 3% to RM4.68 billion for FY2019 mainly attributed to higher revenue from the *Grains and agribusiness*; *Film exhibition and distribution*; and *Property* segments.

The Group achieved an unaudited profit before tax of RM1.27 billion, 9% higher from the year before due to higher contribution from our 18.5% associate, Wilmar International Limited (Wilmar) of RM960 million; and higher profits from the *Grains and agribusiness* segment.

Profit after tax for FY2019 was RM1.2 billion and earnings per share amounted to 81.02 sen.

The Board of Directors has recommended a final dividend of 23 sen per share for financial year ended 31 December 2019 subject to shareholders' approval at the forthcoming Annual General Meeting. The final dividend is payable on 2 June 2020 and together with the interim dividend of 8 sen per share, the total dividend for FY2019 would be 31 sen per share, 3 sen higher than FY2018.

## GOING FORWARD

*Grains and agribusiness* segment is expected to perform satisfactorily supported by our well-established market position and technical strength in maintaining good and consistent quality products, riding also on the fact that demand for essential basic food products will remain resilient in any economic environment, despite volatile grains commodity and foreign exchange market conditions. The *Consumer products* segment is expected to be stable with support of new agency products. While the *Film exhibition and distribution* segment is expected to be impacted by disruptions from the Covid-19 outbreak in the first quarter of the year, we have implemented adequate preventive measures to provide assurance to moviegoers to continue visiting the cinemas. We are well positioned to weather through this challenging period and will be able to capitalise on the new cinemas opened in 2019 when the situation improves, and titles which have been postponed are released. The *Environmental engineering and utility* segment will continue to focus on replenishing its order book and exploring new project opportunities.

## FY2019

### Revenue



**RM4.68** Billion

### Profit Before Tax



**RM1.27** Billion

The *Property* segment will continue to execute its existing projects and improve yield of its existing investment properties.

While the overall Group financial results depend substantially on Wilmar's business performance, the Group's main business segments are expected to perform satisfactorily in FY2020.

## HAPPENINGS

FFM Marketing Sdn Bhd (FMSB) launched four new products during the quarter under review and they were Kart's Quick Meal-to-Go convenient food; Meadow Fresh UHT Milk; Neptune Lite vegetable oil and V-Soy Low Sugar soya bean milk. FMSB also added a new agency line, Prodental-B oral care products, to its portfolio.

Golden Screen Cinemas Sdn Bhd (GSC) debuted Aurum Theatre, a luxurious boutique cinema at two locations, The Mall, Mid Valley Southkey, Johor Bahru; and The Gardens Mall, Kuala Lumpur. In November 2019, GSC released its co-produced action movie, 'Wira', nationwide.

## FROM THE DESK OF THE CHAIRMAN



### CSR ACTIVITIES

The PPB group and its staff organised and participated in many corporate social responsibility (CSR) activities, amongst them being:

- Sponsorship of zinc roofs and wood panels for orang asli.
- Visited the Malaysian Association for the Blind (MAB), and sponsored audio novels/storybooks in 3 languages.
- Participated in the “Educare Project” under the PPB-KF Welfare Fund for Perlis to supply school items for needy schoolchildren.
- Under another endowment fund known as the PPB50 Fund to commemorate PPB’s 50th anniversary, a “Back to School” project was carried out in Bedong, Kedah, also to supply school items for needy students.
- Organised festive celebrations and events, viz Deepavali and Christmas, for the underprivileged at various locations.
- Organised a health carnival which include a blood donation drive.
- Participated in two corporate charity runs, to promote fitness and health.

**Tan Sri Datuk Oh Siew Nam**

*Chairman*

10 March 2020



# HAPPENINGS

## FFM Launches New Products



During the quarter under review, FFM Marketing Sdn Bhd launched four new products - Kart's Quick Meal-to-Go convenient food; Meadow Fresh UHT Milk; Neptune Lite vegetable oil; and V-Soy Low Sugar soya bean milk.

**Kart's Quick Meal-to-Go** has 6 varieties under 3 different categories – 'Non-Meat', Meat and Dessert. These products are the first retort food technology in Malaysia to be packed in a bowl instead of pouch, which is more commonly found in the retort food market.



Nasi Lemak with 'Non-Meat' Squid (270g)



'Non-Meat' Mutton with Rice (270g)



Nyonya Chicken Curry with Rice (270g)



Asam Beef Tumis with Rice (270g)



Red Bean with Wheat (270g)



Green Bean with Wheat (270g)

## HAPPENINGS

**Meadow Fresh UHT Milk** is made from 100% fresh milk imported from New Zealand. It now comes in a low fat version which is ideal for a healthier lifestyle. Meadow Fresh UHT Milk is now available at leading hypermarkets/supermarkets in 1-litre and 250-ml packs, whilst Choco Choc and Strawberry in 250ml packs are only available at petrol stations and selected convenience stores.



**Neptune Lite** is made from quality pure vegetable oil. Neutral in taste and lighter in colour, it is suitable for deep-frying and high heat cooking without leaving stubborn stains and grease in the kitchen. Neptune Lite, available in 5-kg pack has neither added anti-clouding agents nor additives, and is rich in vitamin E.

**NEPTUNE Lite**

*Mama knows best*

*Pure Is Better!*

**NO ANTICLOUDING AGENT ADDED**

**MADE IN MALAYSIA**

**100% PURE VEGETABLE OIL**

**ANTI-CLOUDING AGENT**

Clouding is a natural occurrence when palm oil is being kept for prolonged periods under air-conditioned environment.  
Neptune used higher grade Super Olein.  
**No Anti Clouding Agent Added.**

**V-Soy Low Sugar** soya bean milk is made from non-GMO Canadian whole soya beans. It is perfect for health-and-sugar conscious consumers with 2% total sugar only, and lactose-free. It is also popular with baristas for brewing soy cappuccino and soy latte, with its low beany aroma and subtle sweet taste.





## HAPPENINGS

# Prodental-B Sdn Bhd Distributorship

- In December 2019, FFM Marketing Sdn Bhd (FMSB) commenced the distribution of Prodental-B Sdn Bhd (Prodental-B) products range for Malaysia.

Prodental-B Range



## HAPPENINGS

Headquartered in Kulim, Kedah, Pro dental-B has over 24 years of R&D and manufacturing experience in oral care products which are not only sold domestically under the Pro dental-B brand, it also contract manufactures for overseas clients in China, Vietnam, Indonesia, Dubai, Kuwait, Bangladesh and others.

Pro dental-B is a complete range of oral care products from toothbrushes for adults and children to mouth wash, mouth spray, toothpaste, floss, toothpicks, and other oral care accessories, to disposable razors. FMSB will also be distributing Zennlab Pharmasen (ZP) products, another brandname which Pro dental-B teamed up with Zennlab International Pte Ltd, Hong Kong. ZP's flagship product, AccuPro will be distributed to selective supermarkets, local chain stores and international key accounts, targeting the above average income group.

### Zp Range of Adult & Kids Toothbrush

#### Single Pack



#### Promotional Pack





## HAPPENINGS



### GSC LAUNCHES AURUM THEATRE IN JB AND KL



In November and December, GSC opened its brand-new ultra-luxe boutique cinema – Aurum Theatre at two locations. Named after the Latin word and chemical element representing gold, Aurum features opulent halls, contemporary continental dining and bespoke hospitality. Its offerings include the Getha Lux Suites luxury recliners, as well as a full-service restaurant – Jin Gastrobar. With the purchase of an Aurum Pass, patrons at Aurum Theatre are entitled to not only a movie, but also made-to-order food and drink, as part of a complete cinematic experience.

Aurum Theatre is currently open in The Mall, Mid Valley Southkey, Johor Bahru; and The Gardens Mall, Kuala Lumpur. There are 3 halls in the Johor Bahru location, while its Kuala Lumpur theatre has 7 halls comprising the Getha Lux Suites, Comfort Cabins, and individually themed Escape Studio halls.



## HAPPENINGS

### GSC PRESENTS WIRA: THE FIRST MALAYSIAN MOVIE IN 4DX




In November, GSC launched the highly-anticipated action movie 'Wira' in both 4DX and D-Box formats.

The film was co-produced by GSC, and is the first Malaysian movie to be shown in the immersive 4DX cinema format – a multi-sensory experience that incorporates not only movement, but also wind, water, lights and scent. For those who prefer to feel the action in movement only, 'Wira' was also available in D-Box format at other GSC cinemas nationwide.

# CSR ACTIVITIES

## SPONSORSHIP OF MATERIALS FOR ORANG ASLI HOMES IN SIMPAI, PAHANG



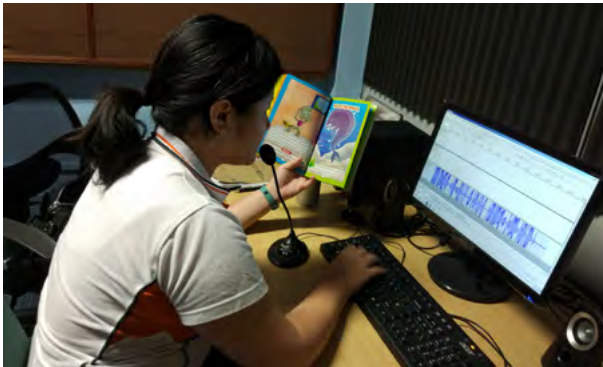
 Since 2015, PPB has endeavoured to provide orang asli with the basic needs eg. clean water. Without ready access to clean water, they had to travel long distances to carry water for their daily needs and used to bathe in stagnant water which led to body sores and illnesses. PPB's sponsorship of wells has attracted more orang asli to build their homes nearer to the wells. Subsequently in 2018, PPB sponsored building materials for sanitation facilities to safeguard their privacy and promote hygiene. The orang asli laboured together to construct two toilets and a bathroom for each well recipient complete with septic tank.

For 2019, PPB sponsored zinc roofs and wood panels for the recipients in Simpai to upgrade their dilapidated huts to more respectable homes. Those recipients who have completed construction of their homes need not worry about getting wet on rainy days as they now have proper shelter.



## CSR ACTIVITIES

### VOLUNTEERING AT THE MALAYSIAN ASSOCIATION FOR THE BLIND



*Every 15 October, the unsighted celebrate International White Cane Day. The white cane is an essential tool for the unsighted as it enables them to achieve fuller and more independent lives as well as allow them more freedom of movement.*

In conjunction with International White Cane Day, 21 PPB staff visited the Malaysian Association for the Blind (MAB) on 12 October 2019 to assist in various tasks assigned by MAB's representative. The tasks included reading to the unsighted; typing storybooks; handicraft work to raise funds; and audio recording. PPB sponsored a total of 14 audio novels/storybooks, in three languages, i.e. English Language, Bahasa Malaysia and Mandarin in 2019. The audio novels/storybooks were distributed to seven primary and secondary schools for the unsighted as well as to the libraries of MAB and St Nicholas Home in Penang.

### EDUCARE PROJECT



*On 18 October 2019, staff from PPB Group Berhad and Kuok Foundation Berhad volunteered to assist in the Educare Project, an annual project by the PPB-KF Welfare Fund for Perlis. Under the project, 700 needy schoolchildren from 7 primary schools in Arau, Perlis were given a school bag, a set of stationery and vouchers worth RM100 each redeemable for school uniforms, shoes and other school items.*

The Educare Project which was launched in 2011, has provided aid to more than 8,000 schoolchildren in Perlis to date. The PPB-KF Welfare Fund for Perlis which was established by PPB and managed by Kuok Foundation, is a RM10 million endowment fund donated by PPB for charitable and welfare activities to benefit underprivileged and needy Malaysians in the state of Perlis.

## CSR ACTIVITIES

### “BACK TO SCHOOL” PROJECT



> *The PPB50 Fund set up by PPB in conjunction with PPB's 50th Anniversary celebration and managed by Kuok Foundation, aims to alleviate poverty through education.*

One of the projects under the PPB50 Fund, the “Back to School” project was held in Bedong, Kedah from 4 to 6 November 2019. 1,416 needy students from 23 primary schools were each given a set of school uniform and shoes under this project. PPB hopes that this contribution would encourage children from poor families to continue with their education.

### PPB CELEBRATES WITH THE CHILDREN FROM SWEET CARE WELFARE SOCIETY HOME

> *In conjunction with the Deepavali celebration, PPB staff visited Sweet Care Welfare Society Home (SCWSH) in Selayang, Kuala Lumpur on 25 October 2019 and brought cheer to the children. A buffet lunch was served followed by some fun games with the children.*



*PPB contributed three units of storage cabinets which were requested by the home whilst every child was gifted a set of new clothing.*

Established in 2011, SCWSH is a home for orphans and children from poor single parents. The Home currently has 67 children of whom three need special care. SCWSH is managed by Ms Thanam Krishnan together with 10 staff. The monthly expenses of the home are approximately RM25,000 which are funded by public donations. Those who wish to contribute may contact the founder, Ms Thanam at 010-2656296.



## CSR ACTIVITIES

# CHRISTMAS CELEBRATIONS



> *Christmas is not just a time for festivity and merry-making, it is also a time to spread love and joy to others. On 14 December 2019, PPB brought 42 orang asli from the Jakun tribe in Tasik Chini, Pahang for an outing to celebrate Christmas.*

The outing began with the distribution of goodie bags during breakfast at the foyer of GSC 3 Damansara followed by the screening of the movie “Ejen Ali: The Movie”. After the movie, a buffet lunch was served. The orang asli children entertained PPB staff with some Christmas carols which added a more “Christmassy” feel to the event. PPB staff were assigned as ‘Guardian Angels’ to ensure their guests were comfortable and felt welcome in an unfamiliar place. The Guardian Angels assisted their guests in their shopping adventure at Aeon Big with a budget of RM100 per orang asli. The orang asli returned to their village with many gifts and pleasant memories of their outing.

On a separate occasion, the staff of PPB Group Property Division and a few members from the Taman Megah Residents Association visited Rumah Kanak-kanak Impian and brought 15 children from the home to Paradigm Mall, Kelana Jaya for Christmas shopping and lunch. As part of the Christmas celebration, PPB Group Property Division gave a cash donation of RM20,000 to the home.

At Cheras LeisureMall, the shopping mall owned and managed by PPB, members of the public were invited to fulfil the wishes of over 800 children from 15 participating children’s homes through an annual community initiative, “ToyBank, A Gift of Love”.

About 170 children from the participating homes were invited for a fun-filled day at the gift presentation ceremony held on 28 December 2019. They were treated to a special screening of the movie, “Jumanji, The Next Level”, a scrumptious lunch and fun activities such as special appearances by Santa Claus, a thrilling magic show and balloon modelling show by a clown magician, face-painting, and many more.

The participating charity homes and organisations included Bodhi Homecare, House of Love, Lighthouse Children Welfare Home Association, Living Hope Global, Pertubuhan Kebajikan Anak Yatim Mary KL, Persatuan Kebajikan Dan Sosial Da Ci, Persatuan Kebajikan Kanak-Kanak Istimewa Insan (PKKII), Pusat Penjagaan Kanak-Kanak Cacat Taman Megah, Rainbow Home Welfare Society, Rumah Charis, Rumah Sayangan, Rumah Shalom, Rumah Victory – Children & Youth Home, Stepping Stones Living Centre, and Yayasan Sunbeams Home.



## CSR ACTIVITIES

### 'MY HEALTH, I DECIDE' CARNIVAL

> *With the aim of raising awareness of the importance of health and well-being, Cheras LeisureMall collaborated with the Malaysian Red Crescent Society, Kuala Lumpur to organise a 'My Health, I Decide' Carnival on 10 November 2019.*

The carnival featured activities such as blood donation, a CPR and choking demonstration, foot health check and health talks. A total of 68 pints of blood was collected from this event.



## RESCUE HERO PARENT-CHILD CHARITY EVENT



> *Cheras LeisureMall jointly organised a Parent-Child Charity Event with Wan Mei Marketing on 16 November 2019, with the aim of raising funds for two charity homes, the Pusat Kebajikan House of Joy, and Home for Special People in Cheras to help sustain their living expenses.*

There were fun games and activities - cotton candy making, sand art, dance and musical instrument performances, children's fashion show, and T-shirt colouring contest. A total sum of RM2,600 was raised for the homes.



## CSR ACTIVITIES

### KARAOKE CONTEST 2019



➤ *For the first time, PPB and Kuok Brothers Sdn Bhd (KB) jointly organised a karaoke contest, held at KB's recreation room on 22 November 2019. The contest aimed to bring staff together for some karaoke entertainment after a hard day's work and enable staff to showcase their singing talent.*

Four judges evaluated a total of 15 contestants – 12 under the solo category and 3 for the duet category. "Die-hard fans" carried placards and waved LED lights to cheer and encourage their colleagues. Winners received cash prizes whilst tokens of encouragement were given to the non-winners. The evening ended with staff singing together after a hearty dinner.

### PPB FAMILY MOVIE DAY

➤ *PPB staff and their family members were invited for the screening of "Frozen 2" at GSC 4DX Hall in 1 Utama Shopping Centre on 30 November 2019.*

For many PPB staff and their families, it was their first experience of the 4DX Hall and many were enthralled by the multi-sensory effects such as seat motion, wind, rain, lights and scents. PPB Family Movie Day ended with everyone enjoying a buffet lunch at the cinema foyer.



### ORGANISED RUNS



➤ *To promote a healthy lifestyle, PPB has been sponsoring the registration fees to encourage employee participation in various organised runs in the Klang Valley.*

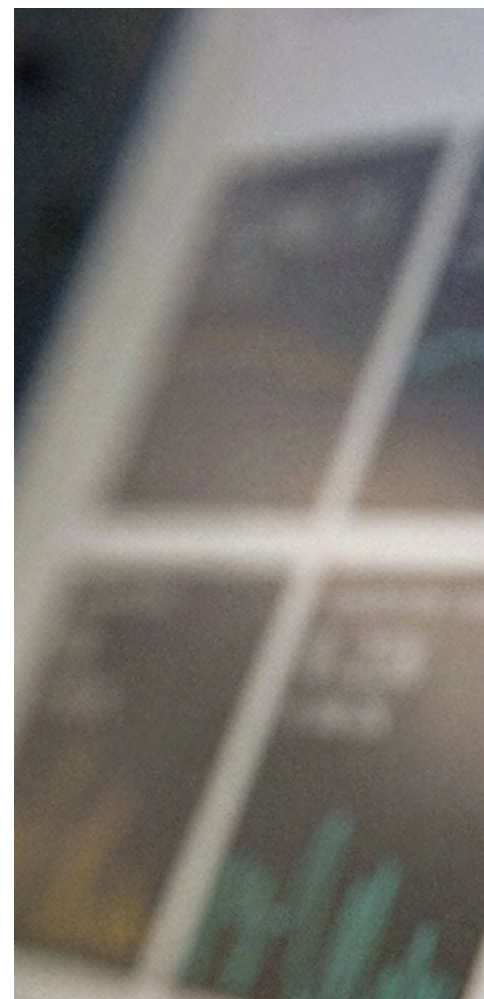
107 employees from PPB and its main subsidiaries participated in the Kami Caring Run that was held on 17 November 2019 at the Perdana Botanical Garden, Kuala Lumpur. PPB also participated in two corporate runs, namely Bursa Bull Charge 2019 and The Edge KL Rat Race 2019 to raise funds for the needy as well as to promote team spirit. PPB group employees are encouraged to exercise regularly to keep healthy and fit.

# SHARE ANALYSIS

Conditions in domestic financial markets improved during the quarter contributed mainly by the resumption in non-resident portfolio inflows. This was largely driven by positive developments in global trade negotiations and global monetary policy easing, which led to improved investor sentiments. The domestic equity market also benefitted from the improved investor risk appetite, with the KLCI increasing by 0.3% to close at 1,589 points as at end-December (end-September: 1,584 points).

[Source : Bank Negara Malaysia website]

PPB shares closed at RM18.84 compared with RM18.14 in the preceding quarter and market capitalisation increased to RM26,809 million. The average daily volume of PPB shares traded during the quarter decreased by 14.9% to 527,861 shares.

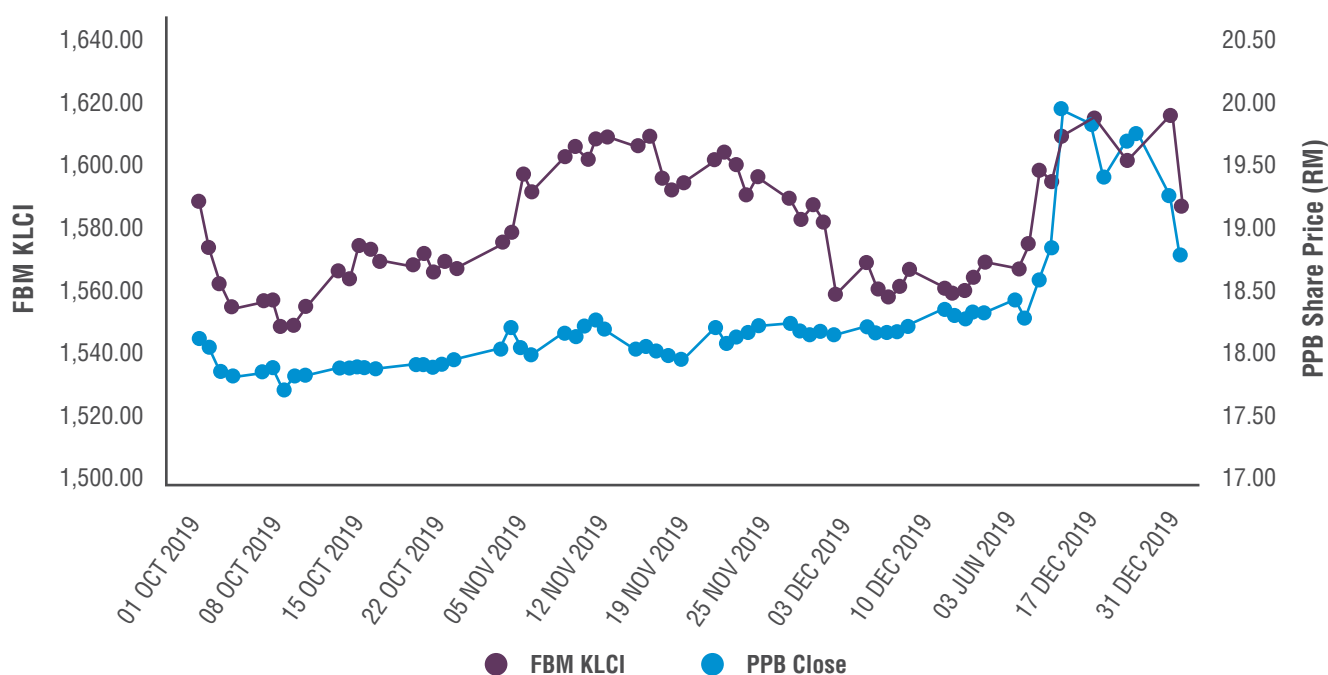


	4Q2019	3Q2019	% change
<b>PPB share price (RM)</b>			
Closing price (high)	19.96	18.80	6.17%
Closing price (low)	17.80	18.14	-1.87%
Month end closing price	18.84	18.14	3.86%
Weighted share price	18.37	18.54	-0.89%
Market capitalisation (RM' million)	26,809	25,813	3.86%
<b>PPB share trading volume (Number of shares)</b>			
Daily volume (high)	3,053,300	2,656,800	14.92%
Daily volume (low)	118,300	111,300	6.29%
Average daily volume	527,861	620,254	-14.90%
<b>FBM KLCI</b>			
FBM KLCI closing (high)	1,615.67	1,691.00	-4.45%
FBM KLCI closing (low)	1,551.23	1,583.91	-2.06%
FBM KLCI quarter end closing	1,588.76	1,583.91	0.31%
<b>FBM KLCI volume (Number of shares)</b>			
Daily volume (high)	255,822,800	377,564,000	-32.24%
Daily volume (low)	22,687,500	73,331,700	-69.06%
Average daily volume	92,352,156	118,219,377	-21.88%





## FBM KLCI & PPB Share Price Movements in 4Q2019



# GROUP FINANCIAL HIGHLIGHTS

Financial year ended (All figures in RM million)	12 months		
	31-Dec-19	31-Dec-18	Change %
<b>INCOME STATEMENT</b>			
Revenue	4,684	4,528	3.4
Profit before tax	1,272	1,168	8.9
Profit attributable to owners of the parent	1,153	1,075	7.3
<b>STATEMENT OF FINANCIAL POSITION</b>			
Non-current assets	20,455	20,111	1.7
<u>Current assets</u>			
Cash and cash equivalents	1,501	1,391	7.9
Others	1,650	1,743	(5.3)
Total current assets	3,151	3,134	0.5
<b>Total assets</b>	<b>23,606</b>	<b>23,245</b>	<b>1.6</b>
<u>Equity</u>			
Share capital	1,429	1,429	0.0
Reserves	20,006	19,611	2.0
Equity attributable to owners of the parent	21,435	21,040	1.9
Non-controlling interests	722	697	3.6
Total equity	22,157	21,737	1.9
<u>Non-current liabilities</u>			
Borrowings	4	21	(81.0)
Others	360	319	12.9
Total non-current liabilities	364	340	7.1
<u>Current liabilities</u>			
Borrowings	357	468	(23.7)
Others	728	700	4.0
Total current liabilities	1,085	1,168	(7.1)
Total liabilities	1,449	1,508	(3.9)
<b>Total equity and liabilities</b>	<b>23,606</b>	<b>23,245</b>	<b>1.6</b>



## Group Financial Highlights

Financial year ended	12 months		
	31-Dec-19	31-Dec-18	
RATIOS			
Return on equity attributable to owners of the parent	(%)	5.4	5.1
Earnings per share	(sen)	81.0	75.6
Interest cover	(times)	38.4	35.4
Debt to equity	(times)	0.02	0.02
Net assets per share	(RM)	15.1	14.8
Dividend per share	(sen)	31.0	28.0
STOCK MARKET INFORMATION			
Share price	(RM)	18.84	17.58
Market capitalisation	(RM million)	26,809	25,016

# ANNOUNCEMENTS

## November 2019

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- PPB announced that the quarterly report for the 3rd quarter ended 30 September 2019 would be released on 21 November 2019.



- Release of PPB's quarterly report for the 3rd quarter ended 30 September 2019.



# CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	4 <sup>th</sup> Quarter ended 31 December		12 Months ended 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	<b>1,180,708</b>	1,164,213	<b>4,683,776</b>	4,528,260
Operating expenses	<b>(1,113,998)</b>	(1,113,286)	<b>(4,475,220)</b>	(4,347,061)
Operating profit	<b>66,710</b>	50,927	<b>208,556</b>	181,199
Other operating income, other gains net of losses	<b>6,522</b>	31,781	<b>62,232</b>	96,751
Share of profits less losses of associates	<b>328,666</b>	180,457	<b>1,039,614</b>	919,922
Share of (losses)/profits of joint venture	<b>(6,290)</b>	337	<b>(4,960)</b>	3,704
Finance costs	<b>(7,001)</b>	(16,784)	<b>(33,814)</b>	(33,893)
Profit before tax	<b>388,607</b>	246,718	<b>1,271,628</b>	1,167,683
Tax expense	<b>(22,537)</b>	(11,242)	<b>(72,366)</b>	(64,732)
Profit for the period/year	<b>366,070</b>	235,476	<b>1,199,262</b>	1,102,951
Attributable to:				
Owners of the parent	<b>349,945</b>	221,340	<b>1,152,551</b>	1,075,096
Non-controlling interests	<b>16,125</b>	14,136	<b>46,711</b>	27,855
Profit for the period/year	<b>366,070</b>	235,476	<b>1,199,262</b>	1,102,951
Basic earnings per share (sen)	<b>24.60</b>	15.56	<b>81.02</b>	75.57

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	4 <sup>th</sup> Quarter ended 31 December		12 Months ended 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit for the period/year	366,070	235,476	1,199,262	1,102,951
Other comprehensive income/(loss), net of tax				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Fair value gain/(loss) on investment in equity instruments designated as fair value through other comprehensive income	5,208	(2,726)	(99,797)	(223,607)
Share of associates' other comprehensive (loss)/income	(13,035)	7,356	(25,532)	7,356
Gain on disposal of equity instruments at fair value through other comprehensive income	6,487	-	6,487	-
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(402,303)	(4,117)	(171,328)	336,574
Share of associates' other comprehensive income/(loss)	168,245	(18,276)	(65,014)	(466,575)
Total comprehensive income	130,672	217,713	844,078	756,699
Attributable to:				
Owners of the parent	112,307	205,340	793,513	740,353
Non-controlling interests	18,365	12,373	50,565	16,346
Total comprehensive income	130,672	217,713	844,078	756,699

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,337,417	1,297,512
Investment properties	265,770	243,649
Right-of-use assets	245,769	223,142
Biological assets	3,042	3,804
Goodwill	73,704	73,704
Other intangible assets	9,177	12,241
Land held for property development	100,178	101,525
Investment in associates	17,960,226	17,551,604
Investment in joint venture	43,308	57,017
Receivables	10,600	8,604
Other investments	405,179	534,069
Deferred tax assets	342	4,052
	<b>20,454,712</b>	<b>20,110,923</b>
<b>Current Assets</b>		
Inventories	802,513	892,023
Biological assets	16,767	21,980
Other intangible assets	25	50
Property development costs	18,881	13,790
Receivables	801,805	793,336
Derivative financial assets	128	498
Current tax assets	9,921	20,899
Cash and cash equivalents	1,500,909	1,391,164
	<b>3,150,949</b>	<b>3,133,740</b>
<b>TOTAL ASSETS</b>	<b>23,605,661</b>	<b>23,244,663</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,429,314	1,429,314
Reserves	20,005,945	19,610,760
Equity attributable to owners of the parent	21,435,259	21,040,074
Non-controlling interests	721,436	696,797
<b>Total equity</b>	<b>22,156,695</b>	<b>21,736,871</b>

## Unaudited Condensed Consolidated Statements Of Financial Position (Cont'd)

	As at 31-Dec-19 RM'000	As at 31-Dec-18 RM'000
<b>Non-current Liabilities</b>		
Borrowings	4,096	20,857
Lease obligations	257,316	232,604
Deferred tax liabilities	102,191	86,853
	<b>363,603</b>	340,314
<b>Current Liabilities</b>		
Payables	669,190	654,321
Derivative financial liabilities	17,339	470
Borrowings	357,075	468,068
Lease obligations	33,740	32,469
Current tax liabilities	8,019	12,150
	<b>1,085,363</b>	1,167,478
<b>Total Liabilities</b>	<b>1,448,966</b>	1,507,792
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,605,661</b>	23,244,663

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Non-distributable			Distributable				
	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	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>12 months ended 31 December 2019</b>									
At 1 January 2019	1,429,314	2,883,511	68,512	(9,949)	224,442	16,444,244	21,040,074	696,797	21,736,871
Total comprehensive (loss)/income	-	(229,622)	(93,685)	(35,359)	(749)	1,152,928	793,513	50,565	844,078
Transfer of reserves	-	-	-	-	18,827	(18,827)	-	-	-
Dividends	-	-	-	-	-	(398,328)	(398,328)	(25,926)	(424,254)
At 31 December 2019	1,429,314	2,653,889	(25,173)	(45,308)	242,520	17,180,017	21,435,259	721,436	22,156,695
<b>12 months ended 31 December 2018</b>									
At 1 January 2018	1,192,215	2,982,165	292,119	19,014	202,977	15,991,602	20,680,092	675,863	21,355,955
Total comprehensive (loss)/income	-	(98,654)	(223,607)	(28,963)	16,481	1,075,096	740,353	16,346	756,699
Transfer of reserves	-	-	-	-	4,984	(4,984)	-	-	-
Issuance of bonus shares	237,099	-	-	-	-	(237,099)	-	-	-
Expenses for issuance of bonus shares	-	-	-	-	-	(228)	(228)	-	(228)
Dividends	-	-	-	-	-	(374,618)	(374,618)	(19,395)	(394,013)
Issue of shares to non-controlling interest	-	-	-	-	-	-	-	29,857	29,857
Acquisition of shares in a subsidiary	-	-	-	-	-	874	874	(5,874)	(5,000)
Changes in equity interest in an associate	-	-	-	-	-	(6,399)	(6,399)	-	(6,399)
At 31 December 2018	1,429,314	2,883,511	68,512	(9,949)	224,442	16,444,244	21,040,074	696,797	21,736,871

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)



# UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	12 months ended 31 December	
	2019 RM'000	2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,271,628	1,167,683
Adjustments:		
Non-cash items	(856,897)	(755,253)
Non-operating items	(26,009)	(22,307)
Operating profit before working capital changes	388,722	390,123
Working capital changes:		
Net change in current assets	97,510	(97,560)
Net change in current liabilities	(38,820)	245,269
Cash generated from operations	447,412	537,832
Tax paid	(46,438)	(58,289)
<b>Net cash generated from operating activities</b>	<b>400,974</b>	<b>479,543</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(142,640)	(150,622)
Proceeds from disposal of property, plant and equipment	5,266	4,475
Purchase of investments	-	(140,201)
Proceeds from disposal of investments	35,536	7,205
Dividends received	382,169	390,183
Income received from short-term fund placements	34,946	30,372
Interest received	9,266	14,614
Repayment from associates	496	130,677
Distribution of profit from joint venture	7,555	6,403
Other investing activities	-	135
<b>Net cash generated from investing activities</b>	<b>332,594</b>	<b>293,241</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of bank borrowings	(133,285)	(291,384)
Interest paid	(23,814)	(23,488)
Dividends paid	(424,254)	(394,013)
Payment of lease obligations	(42,470)	(43,618)
Proceeds from issue of shares by a subsidiary	-	29,857
Other financing activities	-	(227)
<b>Net cash used in financing activities</b>	<b>(623,823)</b>	<b>(722,873)</b>
<b>Net increase in cash and cash equivalents</b>	<b>109,745</b>	<b>49,911</b>
Cash and cash equivalents brought forward	1,390,711	1,338,663
Effect of exchange rate changes	114	2,137
<b>Cash and cash equivalents carried forward</b>	<b>1,500,570</b>	<b>1,390,711</b>
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	180,967	193,760
Bank deposits	174,977	281,455
Short-term fund placements	1,144,965	915,949
Bank overdrafts	(339)	(453)
	<b>1,500,570</b>	<b>1,390,711</b>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# NOTES

## A1. Accounting policies

The interim financial statements of the Group have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") MFRS 134 Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The Group early adopted MFRS 16 Leases in the financial year ended 31 December 2018. Following the adoption of MFRS 16, the Group recognised depreciation of the right-of-use assets and interest on lease liability, instead of lease rental, in the profit or loss. The higher finance cost is attributable to the interest on lease liability.

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2018 except for the adoption of the following MFRS, Amendments to MFRS and Issues Committee Interpretation ("IC Interpretation") that are effective for financial periods beginning on or after 1 January 2019:

IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 - 2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

## A2. Seasonality or cyclicity of interim operations

The Group's operations are not materially affected by any seasonal or cyclical factors.

## A3. Exceptional or unusual items

There were no exceptional or unusual items for the financial year ended 31 December 2019.

## A4. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in the previous financial year which have a material effect in the current financial year.

## A5. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There were no issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year.

## A6. Dividends paid

During the financial year ended 31 December 2019, a final dividend of 20 sen per share in respect of financial year ended 31 December 2018 was paid on 10 June 2019, and an interim dividend of 8 sen per share in respect of financial year ended 31 December 2019 was paid on 2 October 2019.

Notes

A7. Segmental reporting

Perfomance of the Group's business segments for the financial year ended 31 December 2019 is as follows:

Business segments: <i>All figures in RM'000</i>	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments and Other operations	Inter-segment elimination	Total
<b>REVENUE</b>								
External revenue	3,153,532	624,197	556,127	194,569	63,298	92,053	-	4,683,776
Inter-segment sales	150,615	3,243	-	270	1,337	319	(155,784)	-
Total revenue	3,304,147	627,440	556,127	194,839	64,635	92,372	(155,784)	4,683,776
<b>RESULTS</b>								
Segment results	135,204	6,377	65,287	11,310	13,491	48,655	-	280,324
Share of profits less losses of associates	77,806	(5,730)	1,551	4,922	400	960,665	-	1,039,614
Share of losses of joint venture	-	-	-	(4,960)	-	-	-	(4,960)
Unallocated corporate expenses	-	-	-	-	-	-	-	(43,350)
Profit before tax	213,010	647	66,838	11,272	13,891	1,009,320	-	1,271,628

A8. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the financial year that have not been reflected in the financial statements under review.

A9. Changes in the composition of the Group

There were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the financial year ended 31 December 2019.

A10. Changes in contingent liabilities or contingent assets

There were no material changes in contingent assets and contingent liabilities since the end of the previous financial year.



## Notes

### A11. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 31 December 2019 are as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	17,989
- not contracted	446,150
	464,139
Other commitments	
- contracted	393,951
Total	858,090

### A12. Significant related party transactions

Significant related party transactions during the financial year ended 31 December 2019 are as follows:

	RM'000
Transactions with associates	
- Film rental income	5,807
- Sales of goods	1,670
- Interest income	1,162
- Purchase of goods	36,742
Transactions with a subsidiary of the ultimate holding company	
- Supervision fee income	2,211
- Sales of goods	25,108
- Purchase of goods	1,100
Transactions with subsidiaries of associates	
- Purchase of goods	195,069
- Sales of goods	108,662
- Rental income	3,333
- Security and other service expenses	7,973
- Supervision fee income	2,954
- Freight cost	131,642

Notes

B1. Performance analysis

Group financial performance by business segment

Business segments: All figures in RM'000	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments and Other operations	Inter-segment elimination	Total
4Q2019								
REVENUE								
External revenue	787,379	139,957	147,480	63,499	20,699	21,694	-	1,180,708
Inter-segment sales	33,056	914	-	78	420	79	(34,547)	-
Total revenue	820,435	140,871	147,480	63,577	21,119	21,773	(34,547)	1,180,708
RESULTS								
Segment results	49,197	(723)	12,892	2,081	2,912	11,387	-	77,746
Share of profits less losses of associates	24,495	(1,096)	(1,314)	891	(2,319)	308,009	-	328,666
Share of losses of joint venture	-	-	-	(6,290)	-	-	-	(6,290)
Unallocated corporate expenses	-	-	-	-	-	-	-	(11,515)
Profit/(Loss) before tax	73,692	(1,819)	11,578	(3,318)	593	319,396	-	388,607
4Q2018								
REVENUE								
External revenue	767,479	152,373	143,808	55,710	19,625	25,218	-	1,164,213
Inter-segment sales	60,168	828	-	48	436	114	(61,594)	-
Total revenue	827,647	153,201	143,808	55,758	20,061	25,332	(61,594)	1,164,213
RESULTS								
Segment results	32,492	3,711	14,649	4,882	4,029	12,432	-	72,195
Share of profits less losses of associates	18,686	(2,762)	(1,919)	1,589	9,183	155,680	-	180,457
Share of profits of joint venture	-	-	-	337	-	-	-	337
Unallocated corporate expenses	-	-	-	-	-	-	-	(6,271)
Profit before tax	51,178	949	12,730	6,808	13,212	168,112	-	246,718
Variance								
Revenue (%)	-1%	-8%	3%	14%	5%	-14%	44%	1%
Profit/(Loss) before tax (%)	44%	->100%	-9%	->100%	-96%	90%	0%	58%

(Certain comparative figures have been reclassified to conform with current year presentation)

Notes

B1. Performance analysis (Cont'd)

Group financial performance by business segment

Business segments: <i>All figures in RM'000</i>	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments and Other operations	Inter-segment elimination	Total
<b>FY2019</b>								
<b>REVENUE</b>								
External revenue	3,153,532	624,197	556,127	194,569	63,298	92,053	-	4,683,776
Inter-segment sales	150,615	3,243	-	270	1,337	319	(155,784)	-
Total revenue	3,304,147	627,440	556,127	194,839	64,635	92,372	(155,784)	4,683,776
<b>RESULTS</b>								
Segment results	135,204	6,377	65,287	11,310	13,491	48,655	-	280,324
Share of profits less losses of associates	77,806	(5,730)	1,551	4,922	400	960,665	-	1,039,614
Share of losses of joint venture	-	-	-	(4,960)	-	-	-	(4,960)
Unallocated corporate expenses	-	-	-	-	-	-	-	(43,350)
Profit before tax	213,010	647	66,838	11,272	13,891	1,009,320	-	1,271,628
<b>FY2018</b>								
<b>REVENUE</b>								
External revenue	2,989,625	637,721	545,439	204,699	54,711	96,065	-	4,528,260
Inter-segment sales	156,340	2,846	-	192	1,823	541	(161,742)	-
Total revenue	3,145,965	640,567	545,439	204,891	56,534	96,606	(161,742)	4,528,260
<b>RESULTS</b>								
Segment results	110,467	14,355	65,834	17,328	15,906	45,614	-	269,504
Share of profits less losses of associates	72,087	(7,267)	1,340	(116)	16,181	837,697	-	919,922
Share of profits of joint venture	-	-	-	3,704	-	-	-	3,704
Unallocated corporate expenses	-	-	-	-	-	-	-	(25,447)
Profit before tax	182,554	7,088	67,174	20,916	32,087	883,311	-	1,167,683
<b>Variance</b>								
Revenue (%)	5%	-2%	2%	-5%	14%	-4%	4%	3%
Profit before tax (%)	17%	-91%	0%	-46%	-57%	14%	0%	9%

(Certain comparative figures have been reclassified to conform with current year presentation)



## Notes

### B1. Performance analysis (Cont'd)

#### Group performance review

The Group recorded revenue of RM1.18 billion in 4Q2019 (4Q2018: RM1.16 billion). Pre-tax profit of the Group was at RM389 million, 58% higher as compared to RM247 million recorded in 4Q2018. The higher profit was mainly attributed to the stronger contribution from Wilmar International Limited ("Wilmar").

For financial year 2019, total Group revenue increased by 3% to RM4.68 billion (2018: RM4.53 billion); higher revenue was recorded by *Grains and agribusiness*, *Film exhibition and distribution* and *Property* segments.

Group pre-tax profit was higher by 9% to RM1.27 billion for financial year 2019 (2018: RM1.17 billion) attributable to higher contribution from Wilmar at RM960 million (2018: RM837 million) as well as higher profits from the *Grains and agribusiness* segment by 17% to RM213 million (2018: RM183 million).

#### Grains and agribusiness

Segment revenue in 4Q2019 remained relatively unchanged at RM820 million (4Q2018: RM828 million). Segment profit for 4Q2019 was higher by 44% at RM74 million (4Q2018: RM51 million) mainly attributable to higher contribution from the flour business.

For financial year 2019, segment revenue increased by 5% to RM3.30 billion (2018: RM3.15 billion) mainly attributable to higher flour prices. Segment profit increased by 17% to RM213 million (2018: RM183 million) mainly due to higher flour prices, partially offset by higher raw material costs.

#### Consumer products

Segment revenue for 4Q2019 and financial year 2019 was lower by 8% to RM141 million (4Q2018: RM153 million) and 2% to RM627 million (2018: RM641 million) respectively. In 4Q2019, the segment reported a loss of RM2 million as compared to a profit of RM1 million recorded in 4Q2018 mainly due to lower sales of in-house products. For financial year 2019, segment profit was lower at RM647,000 (2018: RM7 million) mainly due to lower sales of in-house products and higher operating costs at the bakery division.

#### Film exhibition and distribution

Segment revenue for 4Q2019 and financial year 2019 was higher by 3% and 2% to RM147 million (4Q2018: RM144 million) and RM556 million (2018: RM545 million) respectively. This was mainly driven by strong movie titles in 4Q2019.

Segment profit for 4Q2019 was lower by 9% at RM12 million (4Q2018: RM13 million) mainly due to accelerated depreciation for GSC Pavilion assets in view of the intended closure in early 2020. For financial year 2019, segment profit remained at RM67 million (2018: RM67 million). Whilst revenue was higher by RM10.7 million, it was offset by lower virtual print fee income by RM3.9 million, and higher cinema operating costs by RM6.3 million.

#### Environmental engineering and utilities

For 4Q2019, segment revenue was higher at RM64 million (4Q2018: RM56 million) mainly due to progressive recognition of revenue from projects secured. The segment reported a loss of RM3 million as compared to a gain of RM7 million recorded in 4Q2018 mainly due to one-off impairment of an overseas joint venture amounting to RM8.9 million.

For financial year 2019, segment revenue and profit was at RM195 million (2018: RM205 million) and RM11 million (2018: RM21 million) respectively. The lower profit was mainly due to one-off impairment of an overseas joint venture.

#### Property

Segment revenue for 4Q2019 and financial year 2019 was at RM21 million (4Q2018: RM20 million) and RM65 million (2018: RM57 million) respectively.

Segment profit for 4Q2019 and financial year 2019 was lower at RM1 million (4Q2018: RM13 million) and RM14 million (2018: RM32 million) respectively, mainly attributable to lower share of profit from an associate.

#### Investments and Other operations

Combined segment recorded a profit of RM319 million in 4Q2019 (4Q2018: RM168 million) and RM1.01 billion for financial year 2019 (2018: RM883 million) respectively. Profit contribution from Wilmar for 4Q2019 and financial year 2019 was higher at RM308 million (4Q2018: RM155 million) and RM960 million (2018: RM837 million) respectively.

## Notes

### B2. Material changes in the quarterly results compared to the results of the preceding quarter

Group pre-tax profit was lower at RM389 million in 4Q2019 (3Q2019: RM422 million) mainly due to decrease in profit contribution from Wilmar at RM308 million (3Q2019: RM342 million).

### B3. Prospects

Malaysia's GDP grew at 3.6% for the fourth quarter 2019 which dragged down the annual GDP growth to 4.3% in 2019. The slowdown in economic growth is expected to continue into the first quarter of 2020 in light of the Covid-19 outbreak which has disrupted the global supply chain and adversely affected the tourism, hospitality and manufacturing sectors. The overall impact on the Malaysian economy will, however, depend on the duration and spread of the outbreak as well as policy responses by authorities.

For the year as a whole, growth will be supported by household spending, underpinned by continued income and employment growth amid modest price pressures. The growth momentum is subject to high near term downside risks. The most significant would be the prolonged impact of the coronavirus. In addition, uncertainties remain in global economic and financial conditions. On the domestic front, risks emanate mainly from weakness in the commodities sector and delays in project implementation.

*Grains and agribusiness* segment is expected to perform satisfactorily supported by our well established market position and technical strength in maintaining good and consistent quality products, riding also on the fact that demand for essential basic food products will remain resilient in any economic environment, despite volatile grains commodity and foreign exchange market conditions. The *Consumer products* segment is expected to be stable with the support of new agency products. While the *Film exhibition and distribution* segment is expected to be impacted by disruptions from the Covid-19 outbreak in the first quarter of the year, this segment is well positioned to maintain its market leadership with the full year performance of new cinemas opened in 2019 and strong lineup of new titles. The *Environmental engineering and utilities* segment will continue to focus on replenishing its order book and exploring new project opportunities. The *Property* segment will continue to execute its existing projects and improve yield of its existing investment properties.

While the overall Group financial results depend substantially on Wilmar's business performance, the Group's main business segments are expected to perform satisfactorily in financial year 2020.

### B4. Variance of actual profit from forecast profit

Not applicable.

### B5. Profit before tax

	4 <sup>th</sup> Quarter ended 31-Dec-19 RM'000	12 months ended 31-Dec-19 RM'000
Profit before tax was stated after charging/(crediting):		
Interest income and income from short-term fund placements	12,220	48,312
Dividend income	2,213	11,511
Net foreign exchange gain	2,009	2,070
Allowance for doubtful debts and receivables written off	110	(1,591)
Net fair value loss on derivatives	(6,845)	(10,137)
Depreciation and amortisation	(39,492)	(172,694)

## Notes

### B6. Tax expense

	4 <sup>th</sup> Quarter ended 31-Dec-19 RM'000	12 months ended 31-Dec-19 RM'000
Taxation comprises:		
Malaysian operation		
Current income tax	8,322	42,212
Deferred tax	915	930
	9,237	43,142
Foreign operation		
Current income tax	(2,178)	5,916
Deferred tax	8,825	15,523
	15,884	64,581
Underprovision in prior year:		
Current	4,157	5,160
Deferred tax	2,496	2,625
	22,537	72,366

The effective tax rate is higher than the statutory tax rate due mainly to provision for withholding tax on undistributed profits of foreign associates and deferred tax asset not recognised by certain subsidiaries. Deferred tax benefit will only be recognised when it is probable that taxable profits will be available to allow deferred tax benefit to be realised.

### B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 20 February 2020.

### B8. Group borrowings

Total Group borrowings as at 31 December 2019 were as follows:

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (VND)	3,915	3,915	-
Hire purchase financing	181	181	-
	4,096	4,096	-



## Notes

### B8. Group borrowings (Cont'd)

	Total RM'000	Secured RM'000	Unsecured RM'000
Short-term bank borrowings			
Bills payable (IDR)	104,720	-	104,720
Short-term loans	400	-	400
Short-term loans (USD)	126,006	11,341	114,665
Short-term loans (IDR)	36,875	-	36,875
Short-term loans (VND)	88,657	5,219	83,438
Hire purchase financing	78	78	-
	356,736	16,638	340,098
Bank overdrafts	339	-	339
	357,075	16,638	340,437

### B9. Derivative financial instruments

#### (a) Derivative financial assets and financial liabilities

	As at 31 December 2019	
	Contract/ Notional value RM'000	Fair value - Assets/Liabilities RM'000
<u>Derivative financial assets</u>		
i) Forward foreign currency contracts	9,322	128
Total derivative assets		128
<u>Derivative financial liabilities</u>		
i) Options contracts	14,961	4,910
ii) Futures contracts	206,090	12,334
iii) Forward foreign currency contracts	8,460	95
Total derivative liabilities		17,339

All contracts will mature within one year.

## Notes

### B9. Derivative financial instruments (Cont'd)

#### (a) Derivative financial assets and financial liabilities (Cont'd)

##### Futures and options contracts

The Group is exposed to market risk mainly from fluctuations in the prices of agricultural commodities, namely wheat and corn which are the key raw materials used in the Group's *Grains and agribusiness* segment. Commodity futures and options contracts are entered into with the objective to mitigate and hedge against the volatility of commodity prices. It is the policy of the Group to hedge only in contracts with corresponding underlying commodities that are used in its grains and agribusiness activities.

##### Forward foreign currency contracts

The Group enters into foreign currency forward contracts to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency. Under the Group's policy, foreign currency hedging is only considered for committed transactions and shall not exceed 100% of the committed amount.

There have been no significant changes since the end of the previous financial year ended 31 December 2018 in respect of the following:

- (i) the credit risk, market risk and liquidity risk associated with the derivatives;
- (ii) the cash requirements of the derivatives;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies.

#### (b) Fair value changes of financial instruments

The derivative financial instruments are recognised at fair value on contract dates and subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in the income statement. Fair value changes are dependent on the market prices of derivatives as at liquidation date and end of reporting period.

For fourth quarter 2019, net fair value gain on derivative financial instruments amounted to RM0.3 million (4Q2018: RM2.4 million).

For financial year 2019, net fair value loss on derivative financial instruments amounted to RM2.3 million (FY2018: RM0.5 million).

### B10. Material litigation

There was no material litigation as at 20 February 2020.

### B11. Dividends

The Board of Directors is pleased to recommend a proposed final dividend for the financial year ended 31 December 2019 of 23 sen per share (2018: Final dividend of 20 sen per share) payable on Tuesday, 2 June 2020 subject to approval of shareholders at the 51st Annual General Meeting to be held on Thursday, 14 May 2020.

Together with the interim dividend of 8 sen per share paid on 2 October 2019, total dividends paid and payable for the financial year ended 31 December 2019 would amount to 31 sen per share (2018 - Interim: 8 sen per share; Final: 20 sen per share).

Notice is hereby given that the proposed final dividend is payable on Tuesday, 2 June 2020 to shareholders whose names appear in the Record of Depositors at the close of business on Monday, 18 May 2020.

## Notes

### B12. Earnings per share

	4 <sup>th</sup> Quarter ended 31 December		12 months ended 31 December	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net profit for the period/year	<b>349,945</b>	221,340	<b>1,152,551</b>	1,075,096
Number of ordinary shares in issue ('000)	<b>1,422,599</b>	1,422,599	<b>1,422,599</b>	1,422,599
Basic earnings per share (sen)	<b>24.60</b>	15.56	<b>81.02</b>	75.57

There were no dilutive potential ordinary shares outstanding as at 31 December 2019 and 31 December 2018. As a result, there were no diluted earnings per share for the financial year ended 31 December 2019 and the previous financial year.

### B13. Disclosure of audit report qualification and status of matters raised

The auditors' report for the financial year ended 31 December 2018 was not subject to any qualification.

Kuala Lumpur  
27 February 2020

**By Order of the Board**  
Mah Teck Keong  
Company Secretary



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