



PPB

GROUP BERHAD

QUARTERLY REPORT



INVESTOR UPDATE
2022

Investor Update 2022

Quarterly Report 01

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What We Do



**GRAINS AND
AGRIBUSINESS**



**CONSUMER
PRODUCTS**



**FILM EXHIBITION AND
DISTRIBUTION**



**ENVIRONMENTAL
ENGINEERING AND
UTILITIES**



PROPERTY



**INVESTMENTS & OTHER
OPERATIONS**

FROM THE DESK OF THE CHAIRMAN

Dear Shareholders

FINANCIAL SUMMARY FOR THE 1ST QUARTER OF 2022

We wish to report that PPB Group achieved total revenue of RM1.38 billion for 1Q2022, up 24% compared with 1Q2021 as all key segments contributed positively to the increase in group revenue. The Group recorded a lower pre-tax profit of RM239 million, 46% lower as compared to RM447 million reported in 1Q2021 due to losses recorded in the Grains and Agribusiness segment of RM138 million (1Q2021: profit of RM124 million); this was partially offset by higher contribution from our 18.6%-owned associate, Wilmar International Limited, of RM394 million compared with RM345 million in 1Q2021.



Profit for the period was RM282 million compared with RM422 million in 1Q2021 and accordingly, earnings per share stood at 21.31 sen (1Q2021: 28.27 sen).

HAPPENINGS

PPB held a virtual Press and Analyst Briefing on 3 March 2022, to review the FY2021 results, and to provide an update on the latest developments in the Group. The briefing was well-attended by analysts, fund managers and the local press.

To cater to healthy and nutritious option, FFM Marketing Sdn Bhd introduced V-Soy multi-grain no sugar added soymilk drink, which is suitable for lactose-intolerant and diabetics.

Golden Screen Cinemas Sdn Bhd launched Gourmet Popcorn snacks in two flavours, Crunchy Caramel and Sour Cream & Onion, under its Happy Food Co. lifestyle F&B brand to broaden its products and online revenue channel.

CSR ACTIVITIES

COVID-19 Initiatives

In the quarter under review, PPB contributed basic food provisions to 38 needy families in Kedah, Klang, Kluang, Melaka and Penang; and assisted them and two welfare homes to pay their utility bills that were in arrears. PPB also engaged nine muralists mainly from the B40 group to paint several beautiful murals at New World Park, Penang.

Others

The Group organised/participated in several other CSR activities, and you can read about them in another section of this update.

Tan Sri Datuk Oh Siew Nam
Chairman

9 June 2022



Tan Sri Datuk Oh Siew Nam
Chairman

HAPPENINGS

PRESS AND ANALYST BRIEFING

Following the release of the 4Q2021 results, PPB held a virtual Press and Analyst Briefing on 3 March 2022. A total of 42 analysts and fund managers from various local research houses and securities firms, as well as representatives from the press, logged in for the briefing. The session reviewed the FY2021 unaudited financial results and provided an update on business developments in the Group. Management dealt with questions raised by the analysts and press.

GSC LAUNCHES NEW READY-TO-EAT GOURMET POPCORN!

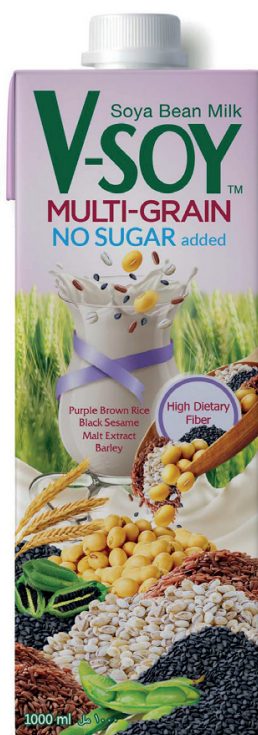
Golden Screen Cinemas launched its first-ever, ready-to-eat Gourmet Popcorn snacks under its Happy Food Co. lifestyle F&B brand. Available in two delicious flavours, Crunchy Caramel and Sour Cream & Onion, these premium treats come in resealable packs so that they can be enjoyed anywhere, anytime. The Gourmet Popcorn is available in all GSC theatres nationwide and can also be purchased online via Keepsake at shop.gsc.com.my. Each pack is currently priced at a discounted RM20 for a limited time only.



V-SOY MULTI-GRAIN NO SUGAR ADDED SOYMILK UHT 1000ML

FFM Marketing Sdn Bhd introduced V-Soy multi-grain no sugar added, nutritious soymilk with many natural grains with lower calories and no cane sugar added. This multiple plant-based drink is made from whole soybean and four selected natural grains. It is suitable for lactose intolerance and sugar controllers such as the elderly or diabetics.

This high fibre soymilk drink is presently available on retail shelves at RM5.70/pack in West Malaysia and RM5.95/pack in East Malaysia.



CSR ACTIVITIES



COVID-19 INITIATIVES

To support the community in recovering from the pandemic, PPB Group undertook the following initiatives during the quarter under review:-

- **"Food Aid" Project**

- PPB reached out to 38 needy families in the B40 group in Kedah, Klang, Kluang, Melaka and Penang and provided basic food provisions for three consecutive months, to help relieve their financial burden.
- FFM Berhad and Kuok Foundation together with Pit Stop Community Café (PSCC) collaborated to distribute food aid to marginalised communities from ten homes in the Klang Valley.

- **"Utilities Assistance" Project**

PPB assisted two welfare homes and 15 needy families to pay their utility bills which were in arrears, to lessen their household expenses.



- **"Support Local Muralists"**

To generate some income for the B40 group, PPB engaged nine muralists mainly from the said group to paint murals depicting nostalgic memories of New World Park ("NWP") in Penang, on the NWP walls.

CSR ACTIVITIES *(Continued)*

CHINESE NEW YEAR CELEBRATION

In conjunction with the Chinese New Year celebration, three welfare homes in the Klang Valley, namely, House of Love in Klang; Rumah Charis in Shah Alam; and Pertubuhan Kebajikan Anak-Anak Yatim dan OKU Mesra in Petaling Jaya, enjoyed the warm and scrumptious CNY lunch meals delivered to them. PPB also contributed items requested by the homes such as groceries, mattresses, recliner deck chairs and electrical appliances.



COMMUNITY CHARITY KIOSK

PPB Properties kick-started a charity kiosk space at Level 1, Cheras LeisureMall in the first quarter of 2022 to empower registered non-governmental organisations and social enterprises with entrepreneurial skills by providing them with a space to sell their products.

In February, we welcomed our first NGO, Dual Blessing which sold its premium handmade cookies, snacks and drinks at the kiosk. This non-profit organisation provides the differently abled and former drug addicts with vocational training.



BLOOD DONATION DRIVE

PPB Properties in collaboration with Malaysia Hindu Sangam - Gelugor Local Council organised a blood donation campaign at the Centre Court of New World Park on 22 January 2022. A total of 31 pints of blood was collected during the campaign.

Announcements – 1st quarter 2022

Date	Subject
14 February 2022	PPB announced that the quarterly report for the 4 th quarter ended 31 December 2021 would be released on 28 February 2022.
25 February 2022	PPB announced the appointment of Tengku Nurul Azian binti Tengku Shahrman as an Independent Non-Executive Director with effect from 1 March 2022.
28 February 2022	Release of PPB's quarterly report for the 4 th quarter ended 31 December 2021.
28 February 2022	PPB Board proposed the payment of a final dividend of 25 sen per share for financial year ended 31 December 2021 for shareholders' approval at the 53 rd Annual General Meeting ("AGM"), payable on 1 June 2022 to members whose names appear in the Record of Depositors on 17 May 2022. The final dividend was approved by shareholders at the AGM on 12 May 2022, and paid on 1 June 2022.
28 February 2022	PPB announced that shareholders' approval would be sought at the 53 rd AGM for the following : a) proposed renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and b) proposed renewal of authority for PPB to purchase its own ordinary shares of up to 10% of the issued shares. Both the above proposals were approved by shareholders at the AGM.
8 March 2022	PPB announced the proposed provision of a standby revolving shareholder's loan to FFM Berhad.
24 March 2022	PPB announced the appointment of Tengku Nurul Azian binti Tengku Shahrman as a member of the Audit Committee with effect from 1 April 2022.
24 March 2022	PPB announced that shareholders' approval would be sought for proposed amendments to the Constitution of the Company ("Proposed Amendments") at the 53 rd AGM. The Proposed Amendments were approved by shareholders at the AGM.

Share Analysis

The FBM KLCI rose amid an improved outlook for corporate earnings due to higher commodity prices, continued recovery in domestic economic activity and the reopening of international borders. The FBM KLCI was driven by positive performance in the plantation (+21.4%), financial services (+7.8%) and construction services (+4.8%) sectors.

[Source: Bank Negara Malaysia website]

PPB shares closed at RM17.10, the same as the preceding quarter and market capitalisation remained at RM24,333 million. The average daily volume of PPB shares traded during the quarter increased by 27.19% to 649,715 shares.

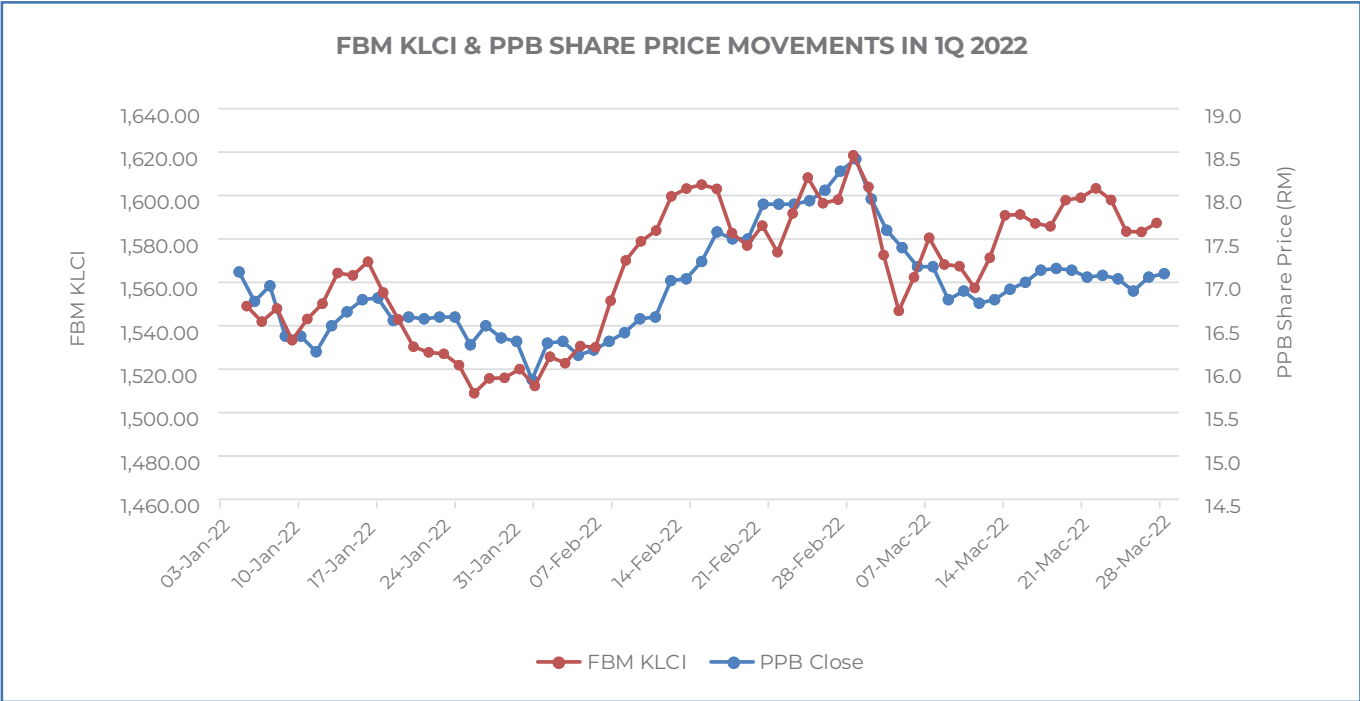
	1Q2022	4Q2021	% change
PPB share price (RM)			
Closing price (high)	18.42	18.70	-1.50%
Closing price (low)	15.88	16.50	-3.76%
Month end closing price	17.10	17.10	-
Weighted share price	17.22	17.54	-1.79%
Market capitalisation (RM'million)	24,333	24,333	-

PPB share trading volume (Number of shares)			
Daily volume (high)	3,144,000	4,727,100	-33.49%
Daily volume (low)	160,800	12,600	1176.19%
Average daily volume	649,715	510,841	27.19%

FBM KLCI			
FBM KLCI closing (high)	1,618.54	1,606.32	0.76%
FBM KLCI closing (low)	1,508.91	1,480.92	1.89%
FBM KLCI quarter end closing	1,587.36	1,567.53	1.27%

FBM KLCI volume (Number of shares)			
Daily volume (high)	562,490,600	523,798,500	7.39%
Daily volume (low)	40,381,500	33,392,700	20.93%
Average daily volume	151,155,910	120,796,862	25.13%

Share Analysis (Continued)



Group Financial Highlights

Financial period/year ended (All figures in RM million)	31.03.22	3 months 31.03.21	Change %	12 months 31.12.21
INCOME STATEMENT				
Revenue	1,382	1,118	24	4,857
Profit before tax	239	447	(47)	1,498
Profit attributable to owners of the parent	303	402	(25)	1,496
STATEMENT OF FINANCIAL POSITION				
Non-current assets	24,294	22,830	6	23,703
<u>Current assets</u>				
Cash and cash equivalents	1,446	1,417	2	1,296
Others	2,481	1,769	40	2,398
Total current assets	3,927	3,186	23	3,694
Total assets	28,221	26,016	8	27,397
<u>Equity</u>				
Share capital	1,429	1,429	-	1,429
Reserves	23,392	22,359	5	23,002
Equity attributable to owners of the parent	24,821	23,788	4	24,431
Non-controlling interests	733	753	(3)	749
Total equity	25,554	24,541	4	25,180

Group Financial Highlights (Continued)

Financial period/year ended (All figures in RM million)	31.03.22	3 months 31.03.21	Change %	12 months 31.12.21
<u>Non-current liabilities</u>				
Borrowings	69	10	>100	68
Others	479	390	23	416
Total non-current liabilities	548	400	37	484
<u>Current liabilities</u>				
Borrowings	1,444	565	>100	1,035
Others	675	510	32	698
Total current liabilities	2,119	1,075	97	1,733
Total liabilities	2,667	1,475	81	2,217
Total equity and liabilities	28,221	26,016	8	27,397

RATIOS

Return on equity attributable to owners of the parent	(%)	4.9	6.8	6.1
Earnings per share	(sen)	21.3	28.3	105.2
Debt to equity ratio	(times)	0.06	0.02	0.05
Net assets per share	(RM)	17.4	16.7	17.2
Dividend per share for financial year	(sen)	-	-	35.0

STOCK MARKET INFORMATION

Share price	(RM)	17.10	18.50	17.10
Market capitalisation	(RM million)	24,333	26,326	24,333

Unaudited Condensed Consolidated Income Statements

For The Financial Period Ended 31 March 2022

	1 st Quarter ended 31 March		3 Months ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	1,381,675	1,117,739	1,381,675	1,117,739
Operating expenses	(1,377,185)	(1,108,367)	(1,377,185)	(1,108,367)
Operating profit	4,490	9,372	4,490	9,372
Other operating (loss)/income	(169,621)	63,201	(169,621)	63,201
Share of results of associates	415,646	379,897	415,646	379,897
Share of results of joint venture	1,335	1,156	1,335	1,156
Finance costs	(12,760)	(7,018)	(12,760)	(7,018)
Profit before taxation	239,090	446,608	239,090	446,608
Tax credit/(expense)	42,822	(24,365)	42,822	(24,365)
Profit for the period	281,912	422,243	281,912	422,243
Attributable to :				
Owners of the parent	303,159	402,182	303,159	402,182
Non-controlling interests	(21,247)	20,061	(21,247)	20,061
Profit for the period	281,912	422,243	281,912	422,243
Basic earnings per share (sen)	21.31	28.27	21.31	28.27

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

Unaudited Condensed Consolidated Statements Of Comprehensive Income

For The Financial Period Ended 31 March 2022

	1 st Quarter ended 31 March		3 Months ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the period	281,912	422,243	281,912	422,243

Other comprehensive 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	(6,082)	56,861	(6,082)	56,861
Share of associates' other comprehensive loss	(29,781)	(21,928)	(29,781)	(21,928)

Items that will be subsequently reclassified to profit or loss

Exchange differences on translation of foreign operations	213,690	618,015	213,690	618,015
Share of associates' other comprehensive loss	(96,622)	(81,013)	(96,622)	(81,013)
Total comprehensive income	363,117	994,178	363,117	994,178

Attributable to :

Owners of the parent	379,456	969,095	379,456	969,095
Non-controlling interests	(16,339)	25,083	(16,339)	25,083
Total comprehensive income	363,117	994,178	363,117	994,178

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

Unaudited Condensed Consolidated Statements Of Financial Position

	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,361,490	1,383,088
Investment properties	324,638	317,163
Right-of-use assets	365,560	306,022
Bearer plants	4,455	4,241
Land held for property development	100,545	100,470
Goodwill	71,201	71,201
Other intangible assets	9,327	11,945
Investment in associates	21,563,916	21,063,903
Investment in joint venture	30,103	28,433
Other investments	366,264	372,310
Deferred tax assets	96,015	44,007
Total non-current assets	24,293,514	23,702,783
Current assets		
Inventories	1,178,092	1,081,814
Biological assets	17,545	13,422
Property development costs	40,807	41,581
Trade receivables	753,372	715,063
Other receivables	453,712	411,422
Derivative financial assets	1,937	100,650
Current tax assets	35,889	34,111
Cash and cash equivalents	1,446,152	1,296,316
Total current assets	3,927,506	3,694,379
TOTAL ASSETS	28,221,020	27,397,162
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,429,314
Reserves	23,391,514	23,002,174
Equity attributable to owners of the parent	24,820,828	24,431,488
Non-controlling interests	732,476	748,815
Total equity	25,553,304	25,180,303

Unaudited Condensed Consolidated Statements Of Financial Position *(Continued)*

	As at 31-Mar-22 RM'000	As at 31-Dec-21 RM'000
Non-current liabilities		
Borrowings	69,082	67,828
Lease obligations	342,088	282,241
Deferred tax liabilities	104,026	101,156
Provision for restoration cost	33,273	33,273
Total non-current liabilities	548,469	484,498
Current liabilities		
Trade payables	336,534	325,814
Other payables	230,736	223,622
Derivative financial liabilities	65,324	107,383
Borrowings	1,443,756	1,034,757
Lease obligations	37,880	35,974
Provision for restoration cost	960	960
Current tax liabilities	4,057	3,851
Total current liabilities	2,119,247	1,732,361
Total liabilities	2,667,716	2,216,859
TOTAL EQUITY AND LIABILITIES	28,221,020	27,397,162

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

Unaudited Condensed Consolidated Statements Of Changes In Equity

For The Financial Period Ended 31 March 2022

	Share capital RM'000	Non-distributable reserves RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
3 Months ended 31 March 2022						
At 1 January 2022	1,429,314	4,277,355	18,724,819	24,431,488	748,815	25,180,303
Total comprehensive income	-	83,091	296,365	379,456	(16,339)	363,117
Transfer of reserves	-	100,386	(100,386)	-	-	-
Share of other changes in equity of associates	-	9,884	-	9,884	-	9,884
At 31 March 2022	1,429,314	4,470,716	18,920,798	24,820,828	732,476	25,553,304
3 Months ended 31 March 2021						
At 1 January 2021	1,429,314	3,377,002	18,012,433	22,818,749	727,696	23,546,445
Total comprehensive income	-	566,913	402,182	969,095	25,083	994,178
Transfer of reserves	-	109,304	(109,304)	-	-	-
At 31 March 2021	1,429,314	4,053,219	18,305,311	23,787,844	752,779	24,540,623

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

Unaudited Condensed Consolidated Statements Of Cash Flows

For The Financial Period Ended 31 March 2022

	3 months ended 31 March	
	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	239,090	446,608
Adjustments:		
Non-cash items	(250,904)	(411,573)
Non-operating items	8,557	1,239
Operating profit before working capital changes	(3,257)	36,274
Working capital changes:-		
Net change in current assets	(239,379)	(108,501)
Net change in current liabilities	22,504	46,157
Cash used in operations	(220,132)	(26,070)
Tax paid	(8,212)	(19,635)
Net cash used in operating activities	(228,344)	(45,705)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment, investment properties, biological assets and other intangible assets	(30,288)	(32,737)
Proceeds from disposal of property, plant and equipment	2,411	1,490
Investments in associates	-	(27,378)
Proceeds from disposal of a subsidiary	8,931	-
Dividends received	7,223	11,135
Income received from short-term fund placements	3,241	4,510
Interest received	695	973
Advances to associates	(1,342)	(441)
Proceeds from liquidation of an associate	-	10,321
Net cash used in investing activities	(9,129)	(32,127)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	406,837	79,242
Interest paid	(9,193)	(4,179)
Payment of lease obligations	(9,370)	(4,093)
Net cash generated from financing activities	388,274	70,970
Net increase/(decrease) in cash and cash equivalents	150,801	(6,862)
Cash and cash equivalents brought forward	1,296,316	1,420,202
Effect of exchange rate changes	(965)	3,674
Cash and cash equivalents carried forward	1,446,152	1,417,014
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	785,678	303,776
Bank deposits	147,490	232,687
Short-term fund placements	512,984	880,551
	1,446,152	1,417,014

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

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 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 2021 except for the adoption of the following Amendments to MFRS that are effective for financial periods beginning on or after 1 January 2022 :

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

The adoption of the above Amendments to MFRS did not have any material effect on the condensed financial statements in the period of initial application.

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 period ended 31 March 2022.

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 interim period.

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

There were no issuance 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 period to-date.

A6. Dividends paid

No dividend was paid during the financial period under review.

NOTES (Continued)

A7. Segmental reporting

Performance of the Group's business segments for the financial period ended 31 March 2022 is as follows :

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
REVENUE								
External revenue	1,044,329	183,490	63,943	33,398	35,292	21,223	-	1,381,675
Inter-segment sales	27,520	678	-	37	201	28	(28,464)	-
Total revenue	1,071,849	184,168	63,943	33,435	35,493	21,251	(28,464)	1,381,675
RESULTS								
Segment results	(161,035)	7,120	(28,734)	(1,171)	9,225	3,797	-	(170,798)
Share of results of associates	22,729	(150)	(1,172)	294	(72)	394,017	-	415,646
Share of results of joint venture	-	-	-	1,335	-	-	-	1,335
Unallocate corporate expenses	-	-	-	-	-	-	-	(7,093)
(Loss)/Profit before taxation	(138,306)	6,970	(29,906)	458	9,153	397,814	-	239,090

NOTES (Continued)

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

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

A9. Changes in the composition of the Group

Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company had on 24 February 2022 disposed off its 100%-equity interest in Sitamas Environmental Systems Sdn Bhd for a consideration of RM9 million. A gain on disposal amounting to RM262,000 was recorded in the interim financial statements.

Except for the above, 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 period under review.

A10. Changes in contingent liabilities or contingent assets

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

A11. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 31 March 2022 are as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	75,441
- not contracted	382,904
	458,345
Other commitments	
- contracted	374,363
Total	832,708

A12. Significant related party transactions

Significant related party transactions during the financial period ended 31 March 2022 are as follows:

	RM'000
Transactions with associates	
- Sales of goods	5,101
- Purchase of goods	2,239
Transactions with subsidiaries of the ultimate holding company	
- Sales of goods	12,442
Transactions with subsidiaries of associates	
- Purchase of goods	101,663
- Sales of goods	58,111
- Other services expenses	3,959
- Freight cost	62,192

NOTES (Continued)

B1. Performance analysis

Group financial performance by business segment

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
<u>1Q2022</u>								
REVENUE								
External revenue	1,044,329	183,490	63,943	33,398	35,292	21,223	-	1,381,675
Inter-segment sales	27,520	678	-	37	201	28	(28,464)	-
Total revenue	1,071,849	184,168	63,943	33,435	35,493	21,251	(28,464)	1,381,675

RESULTS

Segment results	(161,035)	7,120	(28,734)	(1,171)	9,225	3,797	-	(170,798)
Share of results of associates	22,729	(150)	(1,172)	294	(72)	394,017	-	415,646
Share of results of joint venture	-	-	-	1,335	-	-	-	1,335
Unallocated corporate expenses	-	-	-	-	-	-	-	(7,093)
(Loss)/Profit before taxation	(138,306)	6,970	(29,906)	458	9,153	397,814	-	239,090

1Q2021

REVENUE

External revenue	845,173	155,884	22,087	47,192	29,798	17,605	-	1,117,739
Inter-segment sales	20,570	326	-	108	162	71	(21,237)	-
Total revenue	865,743	156,210	22,087	47,300	29,960	17,676	(21,237)	1,117,739

RESULTS

Segment results	89,285	(1,189)	(25,744)	553	5,356	3,541	-	71,802
Share of results of associates	34,293	(193)	842	369	(606)	345,192	-	379,897
Share of results of joint venture	-	-	-	1,156	-	-	-	1,156
Unallocated corporate expenses	-	-	-	-	-	-	-	(6,247)
Profit/(Loss) before taxation	123,578	(1,382)	(24,902)	2,078	4,750	348,733	-	446,608

Variance

Revenue (%)	24%	18%	n.m.	-29%	18%	20%	-34%	24%
Profit/(Loss) before taxation (%)	n.m.	n.m.	-20%	-78%	93%	14%	-	-46%

n.m. - not meaningful

NOTES (Continued)

Group performance review

The Group achieved total revenue of RM1.38 billion for 1Q2022, an increase of 24% as compared to RM1.12 billion in 1Q2021. All key segments contributed positively to the increase in group revenue.

For 1Q2022, the Group recorded a lower pre-tax profit at RM239 million, 46% lower as compared to RM447 million reported in 1Q2021. This was mainly due to losses recorded in *Grains and agribusiness* segment at RM138 million (1Q2021: profit of RM124 million), partially offset by the higher contribution from Wilmar International Limited ("Wilmar") by 14% to RM394 million (1Q2021: RM345 million).

Grains and agribusiness

Segment revenue increased by 24% to RM1.04 billion (1Q2021: RM845 million) with higher revenue recorded by all sub-segments.

For 1Q2022, the segment recorded a loss of RM138 million as compared to a profit of RM124 million achieved in 1Q2021. The losses were mainly attributable to fair value losses on derivatives instruments for hedging purposes as well as increase in raw material costs.

Consumer products

Segment revenue increased by 18% to RM183 million (1Q2021: RM156 million) mainly attributed to higher sales of bakery products.

The segment turnaround with a profit of RM7.0 million in 1Q2022 (1Q2021: loss of RM1.4 million). This was mainly attributable to improved performance in the bakery division and higher sales of other fast-moving consumer products.

Film exhibition and distribution

Segment revenue for 1Q2022 increased threefold to RM64 million (1Q2021: RM22 million).

However, the segment reported a loss at RM30 million (1Q2021: RM25 million). Cinema operating costs were higher in 1Q2022 with the resumption of cinema operations, whereas cinemas were closed for most of 1Q2021 as the country was placed under the movement control order.

Environmental engineering and utilities

Segment revenue and profit for 1Q2022 were lower at RM33 million (1Q2021: RM47 million) and RM458,000 (1Q2021: RM2.1 million) respectively. This was mainly attributable to lower project revenue recognised, higher raw material costs and new projects secured being at the early stages of work.

Property

Segment revenue and profit for 1Q2022 was at RM35 million (1Q2021: RM30 million) and RM9 million (1Q2021: RM5 million) respectively. The improvement in profit was mainly attributable to new sales and progressive profit recognition of the Megah Rise development project, as well as improved mall business performance.

Other operations

For 1Q2022, segment profit increased by 14% to RM398 million (1Q2021: RM349 million). Contributions from Wilmar for 1Q2022 increased by 14% to RM394 million (1Q2021: RM345 million).

NOTES (Continued)

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

Group pre-tax profit was lower at RM239 million for 1Q2022 (4Q2021: RM492 million). This was mainly attributable to higher losses in *Grains and agribusiness* segment at RM138 million (4Q2021: RM14 million) and lower contribution from Wilmar by RM82 million to RM394 million (4Q2021: RM476 million).

B3. Prospects

The Malaysian economy registered a growth of 5.0% in the first quarter of 2022, supported mainly by the improving domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the job market, as well as continued policy support.

The domestic economy is expected to improve further in 2022, with growth projected at between 5.3% to 6.3%. This is underpinned by stronger domestic demand, continued expansion in external demand, and further improvements in the labour market.

However, we expect the *Grains and agribusiness* segment to experience further profit margin erosions, as food commodity prices and operating costs are expected to stay high as a result of the challenging global macroeconomic conditions and on-going Russian-Ukraine conflict. The segment is making every effort to mitigate such losses through alternative origins of grain sourcing and leveraging on our technical expertise in formulations and product performance, nonetheless price increase of our core products would be inevitable to address the impact of cost escalation.

The *Consumer Products* segment will continue to face high product and labour costs. Nevertheless, the segment is expected to perform satisfactorily with the increase in consumer demand as the country enters the endemic phase.

The *Film exhibition and distribution* segment started the year on a stronger footing with cinema admissions improving significantly year-on-year. The continued easing of Covid-19 SOPs coupled with a strong movie line-up for the summer releases are expected to contribute positively to the segment going into the second half of the year. Management will remain focused in driving operational cost efficiency and revenue diversification.

The *Environmental engineering and utilities* segment will continue to focus on replenishing its order book and exploring new project opportunities.

Performance of the *Property* segment is expected to improve with a gradual recovery in our mall operations. The Megah Rise development project is scheduled to be completed by 2Q2022.

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

B4. Variance of actual profit from forecast profit

Not applicable.

NOTES (Continued)

B5. Profit before taxation

	1 st Quarter ended 31-Mar-22 RM'000
Profit before taxation was stated after charging/(crediting):	
Interest income and income from short-term fund placements	(4,132)
Dividend income	(71)
Net foreign exchange gain	(1,150)
Net fair value loss on derivatives	188,011
Net write back of impairment on receivables	(882)
Depreciation and amortisation	50,223
Interest expense on lease obligations	3,719

B6. Tax (credit)/expense

	1 st Quarter ended 31-Mar-22 RM'000
Taxation based on the profit for the financial period:	
Malaysian taxation	(45,446)
Foreign taxation	3,946
(Over)/under provision in prior years:	
Current tax	122
Deferred tax	(1,444)
	(42,822)

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 25 May 2022.

NOTES (Continued)

B8. Group borrowings

Total Group borrowings as at 31 March 2022 were as follows:

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loan	44,500	44,500	-
Long-term bank loan (VND)	24,582	24,582	-
	69,082	69,082	-
Short-term bank borrowings			
Revolving credit	192,056	58,000	134,056
Revolving credit (IDR)	327,867	-	327,867
Short-term loan	89,600	-	89,600
Short-term loan (USD)	605,253	-	605,253
Short-term loan (VND)	228,901	-	228,901
Hire purchase financing	79	79	-
	1,443,756	58,079	1,385,677

B9. Derivative financial instruments

(a) Derivative financial assets and financial liabilities as at 31 March 2022:

	Contract / Notional value RM'000	Fair value - Assets / Liabilities RM'000
<u>Derivative financial assets</u>		
i) Futures contracts	3,569	167
ii) Forward foreign currency contracts	652,177	1,770
Total derivative assets		1,937
<u>Derivative financial liabilities</u>		
i) Options contracts	668,903	4,579
ii) Futures contracts	865,070	59,800
iii) Forward foreign currency contracts	388,290	945
Total derivative liabilities		65,324

All contracts will be maturing within one year.

NOTES (Continued)

Futures and options contracts

The Group is exposed to market risk mainly from fluctuation 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 manage volatility of commodity prices. It is the policy of the Group to manage the commodity prices with reference to underlying contracts of corresponding commodities that are used in its grains and agribusiness operations.

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.

Since the end of the previous financial year ended 31 December 2021, food commodity prices have continued to increase significantly as a result of the challenging global macroeconomic conditions and the on-going Russia-Ukraine conflict. The Group will continue to monitor closely the market volatilities and take appropriate measures to mitigate such risks.

There have been no other significant changes 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 the 1st quarter of 2022, unrealised fair value loss on derivative financial instruments amounted to RM52.4 million (1Q2021: RM54.6 million gain).

B10. Material litigation

There was no material litigation as at 25 May 2022.

B11. Dividend

At the 53rd Annual General Meeting on 12 May 2022, shareholders approved a final dividend of 25 per share for the financial year ended 31 December 2021, to be paid on 1 June 2022.

The Directors do not recommend the payment of any dividend for the first quarter of 2022.

NOTES (Continued)

B12. Earnings per share

	1 st Quarter ended 31 March		3 Months ended 31 March	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net profit for the period	303,159	402,182	303,159	402,182
Number of ordinary shares in issue ('000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	21.31	28.27	21.31	28.27

There were no potential dilutive ordinary shares outstanding as at 31 March 2022 and 31 March 2021. As such, there were no diluted earnings per share for the financial period ended 31 March 2022 and 31 March 2021.

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

The auditors' report for the financial year ended 31 December 2021 was not subject to any qualification.

Kuala Lumpur
31 May 2022

By Order of the Board
Mah Teck Keong
Company Secretary

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