



PPB

GROUP BERHAD

QUARTERLY REPORT



INVESTOR UPDATE
2022

Investor Update 2022

Quarterly Report 04

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What We Do



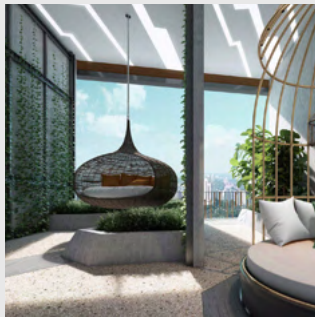
GRAINS AND AGRIBUSINESS



CONSUMER PRODUCTS



FILM EXHIBITION AND DISTRIBUTION



PROPERTY



INVESTMENTS & OTHER OPERATIONS

FROM THE DESK OF THE CHAIRMAN

RESULTS FOR THE 12 MONTHS OF 2022

Dear Shareholders,

We are pleased to announce that PPB Group Berhad's ("PPB") unaudited Group pre-tax profit increased significantly by 50% to RM2.25 billion (FY2021 : RM1.50 billion) due mainly to a 40% increase in profit contribution of RM2.10 billion for FY2022 (FY2021 : RM1.50 billion) from our 18.8% associate, Wilmar International Limited ("Wilmar"), as well as improved performance of all our segments. PPB Group revenue increased by 29% to RM6.26 billion in FY2022 (FY2021 : RM4.86 billion) as all core segments recorded higher revenue.

Profit after tax for FY2022 was RM2.22 billion and earnings per share was 154.43 sen.



PROPOSED FINAL DIVIDEND OF 28 SEN PER SHARE

PPB's Board has recommended a 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, the total dividend paid and payable for FY2022 would be 40 sen per share (FY2021 : 35 sen per share).

GOING FORWARD

Performance of the *Grains and agribusiness* segment improved as grain commodity prices stabilised and gross profit margins improved, 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 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. The segment is expected to deliver a satisfactory performance in 2023.

The performance of 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 nationwide 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 tent pole movies, and support from positive consumer sentiment 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.

HAPPENINGS

During the quarter under review, there were several product launches and cinema/mall openings. FFM Marketing widened its Massimo product range with the launch of Massimo Torta sponge cake in two new flavours. Golden Screen Cinemas (GSC) launched the BIG hall which has a massive format screen at seven GSC locations. The new Megah Rise Mall in Taman Megah, Petaling Jaya was officially opened on 18 December 2022.

In addition, Golden Screen Cinemas Sdn Bhd co-organised four separate film festivals namely, the Tajikistan, European, Latin American and Korean film festivals. Films from the respective countries were screened at GSC International Screens to promote their country and culture. GSC also co-hosted a special 'live' viewing party with Coca-Cola for more than 1,200 football fans to celebrate the final match of the FIFA World Cup 2022 at the rooftop of MyTOWN Shopping Centre.

On 3 November 2022, PPB conducted a hybrid full-day in-house directors' training session which was attended by 135 directors, senior managers and officers of PPB group companies and affiliates. The content comprised subjects which are topical and relevant to the Group, and aims to keep directors and management abreast with the market and regulatory developments and other subjects of interest.

CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

In line with our commitment to corporate social responsibility, PPB Group invested over RM3.0 million in various initiatives to support the community, providing aid to over 16,000 beneficiaries through food donations, utilities assistance, upskilling programmes, job creation for entertainers, and workshops in photography and filmmaking.

PPB Group also organised/participated in several other CSR activities during the quarter under review and you can read about them in another section of this Update.

BOARD APPOINTMENT

I am pleased to welcome Ms Yip Jian Lee, who was appointed as an independent non-executive director of PPB with effect from 2 January 2023. 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.

RAMADAN GREETINGS

I take this opportunity to wish our Muslim shareholders and friends "Salam Ramadan".

Tan Sri Datuk Oh Siew Nam
Chairman

10 March 2023



Tan Sri Datuk Oh Siew Nam
Chairman

HAPPENINGS



MASSIMO TORTA SPONGE CAKES

The word "Torta" in Italian means "cake," and is part of Massimo's product-naming convention, along with other names such as "Favorito," "Duetto," and "Diletto," to convey a sense of premium quality and Italian passion in its creations.

Torta aligns with Massimo's commitment to introducing new and innovative flavours to customers. The limited-edition range, which was launched in December 2022 by The Italian Baker Sdn Bhd, includes two new flavours: strawberry yogurt and sweet potato, to tantalise customers' taste buds.

OPENING OF MEGAH RISE - THE NEIGHBOURHOOD MALL

Megah Rise Mall officially opened its doors to the public on 18 December 2022. Positioned to be a place-making space for the Taman Megah community, Megah Rise Mall is the latest neighbourhood mall in Petaling Jaya.

With approximately 142,000 square feet of net lettable area, the mall features a mix of food and beverage outlets, a premium grocer and other recreational facilities. The mall had secured an occupancy rate of 82% as of 31 December 2022.

Notable tenants include Village Grocer, Nest13, PooF, OOMPH, Kheng Wah, Naj&Belle, Staple Dough, Megah Rise Badminton Academy, Mr DIY and many more.



HAPPENINGS (continued)



GSC PARTNERS WITH HONG LEONG BANK TO INTRODUCE GSC BIG

In partnership with Hong Leong Bank (HLB), GSC launched BIG – its proprietary premium large format (PLF) screen at GSC Starling Mall, Petaling Jaya in conjunction with the release of the superhero blockbuster, Black Adam.

BIG offers movie-goers a more immersive cinematic viewing experience, complete with a larger-than-life screen (the largest in that theatre), multi-speaker Dolby Atmos surround sound, and plush seating with D-BOX motion seats in selected cinemas. This brand-new PLF offering is currently available in GSC The Starling Mall and GSC Tropicana Gardens Mall.



FILM FESTIVALS AT GSC INTERNATIONAL HALLS

The last quarter of 2022 saw a series of film festivals taking place in Malaysia, offering audiences a chance to explore the diverse cultures of different countries through films. The festivals were organised by various embassies in collaboration with GSC and held at various GSC locations including Mid Valley, MyTown, 1 Utama; and Gurney Plaza Penang.

The Inaugural Tajikistan Film Festival marked the 30th anniversary of diplomatic relations between Tajikistan and Malaysia and offered Malaysian audiences a selection of three Tajikistan movies from 28 October to 20 November 2022. The aim of the festival was to develop bilateral cooperation in the field of culture and boost ties between the people of the two countries. A special launch event was held with a special catering of Tajikistan food and a display of Tajikistan products.



The 23rd European Film Festival (EUFF) featured 17 films from 20 European countries over a span of two weeks from 3 to 16 November 2022. The opening ceremony was hosted by Mr Timo Goosman from the EU Delegation, who spoke about the importance of putting culture at the centre of the relationship between the EU and Malaysia. The launch event also featured a Polish-Ukrainian exhibition and a surprise acapella performance from the Embassy of Croatia.

The 20th Latin American Film Festival (LAFF) returned to the cinemas with a selection of 7 titles, held exclusively in GSC 1 Utama and GSC Gurney Plaza from 17 to 27 November 2022. The free screenings were a mix of animated and live-action movies, showcasing the diverse cultures of Latin America. A special launch event was held in GSC 1 Utama.

The 6th Korean Film Festival was launched in GSC Mid Valley with free screenings from 25 to 27 November 2022 which brought the best of Korean cinema to Malaysian audiences.

Overall, these film festivals co-organised by GSC at its GSC International Halls offered Malaysian audiences a unique opportunity to explore different cultures, and connecting people through the medium of film.



HAPPENINGS (continued)

CATCH THE FINAL LIVE VIEWING

BUY GSC COMBO RM 18 ONLY (N/P: RM400)

GET FREE

- VIEWING
- FLOW COKE®
- GOODIE BAG
- & POPCORN

LOTS OF GAMES & AMAZING PRIZES

Rooftop Level 7 MyTOWNKL

18th DEC
8pm - 2am
Match starts at 11pm
*Until match ends

Organized by **GSC** Official Media Partner **astro** Official Venue **MyTOWN**

*Terms & conditions apply.
*Valid for illustrational purposes only.
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*Some drinks sold.

CELEBRATING THE FIFA WORLD CUP QATAR 2022 FINALS WITH COCA-COLA AND GSC

GSC partnered with Coca-Cola to celebrate the final match of the FIFA World Cup 2022 held in Qatar. The companies hosted a special 'live' viewing party for over 1,200 football fans on the rooftop of the MyTOWN Shopping Centre on 18 December 2022. Fans of the Argentina and France teams had a chance to come together, cheer for their favourite team, and enjoy free-flowing popcorn and drinks, games, activities, and prizes to be won.

With the scenic rooftop setting, GSC and Coca-Cola created a memorable event for football lovers.



DIRECTORS' TRAINING IN 2022

PPB Corporate Services Sdn Bhd, a wholly-owned subsidiary of PPB, organised an in-house directors' training programme on 3 November 2022. It was the first time the training was conducted in a hybrid format in view that Malaysia was transitioning to the COVID-19 endemic status. The training was attended by 86 participants at the physical venue and 49 participants remotely via a video-conferencing facility. The participants comprised directors, senior managers and officers of PPB group companies and affiliates.

The session started with a briefing on the outlook for markets and long-term structural trends and drivers of the ASEAN economies by Mr Danny Goh, Co-Head of Asean Research and Head of Malaysia Securities Research, Credit Suisse Securities. Mr Goh shared his views on the global and regional markets.

This was followed by a presentation entitled "Blockchain: Beyond the Crypto Wave" by Mr Ryan Sim, a partner in Technology Consulting from Ernst & Young Consulting Sdn Bhd. Mr Sim provided an overview of blockchain technology, and present and future blockchain applications.

The final item for the day was a session to provide an overview of the Employment (Amendment) Act 2022 ("EA2022"), and the new Anti-Sexual Harassment Act 2022 ("ASHA2022") by Mr Yong Hon Cheong, a partner of ZICO Law. Mr Yong shared with the participants the

key amendments under the EA2022; and an overview of the new ASHA2022.



CSR ACTIVITIES



COVID-19 INITIATIVES

During the quarter under review, PPB continued its support for the community as the country transitions to the endemic phase of Covid-19. PPB continued to implement the following initiatives :-

- **“Food Aid” Project**

- (i) PPB contributed basic groceries for a period of three months to seven welfare homes and over 600 recipients from the B40 group, orang asli, refugees and migrants by collaborating with the following organisations :

Name of Organisation/ Community	Location of Recipients
Cannosa Convent	Sungai Siput, Perak
Orang asli villages	In Pahang- Pekan, Bera, Maran and Rompin In the Klang Valley- Sg. Gabai
Shan De Charity Home	Menglembu, Perak



- (ii) The "Cooking for a Cause" Project saw staff from the Group cooking on-site at PPR Sri Sarawak and Rumah Panjang Ikan Emas, serving a combined total of 1,100 meals. The staff also packed and distributed 400 bags of essential food items sponsored by PPB for the needy.



- **“Utilities Assistance” Project**

PPB assisted five needy families to pay their overdue utility bills, to alleviate their household expenses. For the year, the project assisted a total of 27 families and four deserving welfare homes.

- **“E-Learning, the Way Forward” Project 3.0**

To support students with their online classes and assignments, PPB sponsored five laptops and five desktops to Persatuan Kebajikan Sri Sardha Devi Illam, benefitting 26 students.



CSR ACTIVITIES (continued)

“BAKING FOR A BETTER FUTURE” PROJECT

The "Baking for a Better Future" CSR project was started in 2019 by PPB with the setup of 'bake X dignity' for youth in collaboration with the Dignity for Children Foundation. Under this project, PPB aims to provide vulnerable individuals with baking skills for entrepreneurship or employment, and to support their training needs through the establishment of baking studios.

Initiatives under the project:

bake X dignity

PPB and Dignity for Children Foundation organised a baking competition in November 2022 for 12 students who had received training at bake X Dignity. Judges for the competition comprised representatives from PPB, FFM and Dignity for Children Foundation. The grand prize winner received an oven and baking utensils, whilst the top three finalists received prizes; all sponsored by PPB.



SUPERMUM

Since 2020, PPB has collaborated with the Rotary Club of Petaling Jaya and the Food Aid Foundation to provide single mothers with baking skills through the SUPERMUM initiative. PPB contributed baking equipment, renovated a baking studio at the Majlis Bandaraya Petaling Jaya premises in Taman Megah, and provided transport allowances to each trainee who completed the programme. To date, 39 single mothers have been trained under this initiative.

Stand Pie Me

PPB partnered with Persatuan STAND to relocate and set up a new pie bakery, "Stand Pie Me," at Taman Kinrara, Selangor. PPB contributed baking equipment, air-conditioners, and wall fans, enabling Stand Pie Me to increase production from 250 to 500 pies per day and provide on-the-job training for more young adults with special needs.

CSR ACTIVITIES (continued)



Ibupreneur Academy

PPB and FFM Berhad partnered with Ibupreneur, a social enterprise registered with the Malaysian Global Innovation and Creativity Centre (MaGIC), to empower vulnerable women through a 8-module course to equip them to become tech-savvy micro-entrepreneurs. PPB contributed to the renovation of a baking studio for the Ibupreneur Academy, and FFM sponsored the baking equipment. Ibupreneur Academy is scheduled to start their first training in 2Q2022.

EZY Baking Workshop

PPB collaborated with the Project Hope Welfare Association to set up a baking studio at their Community Empowerment Centre in Subang Jaya Goodyear Court 2 to offer, "EZY Baking Workshop" to train the needy community in baking skills. After completing the baking programme, trainees will also receive digital marketing training to sell their products on social media. The first training session started in March 2023.



In addition to establishing the baking studios, PPB collaborated with PPB Properties to hold a bazaar at Cheras LeisureMall for initiatives under the "Baking for a Better Future" project. This bazaar provided trainees with exposure in managing a booth and selling their bakery products. The bazaar was held for three days each month from November 2022 to January 2023.



PHOTOGRAPHY WORKSHOPS

PPB Properties in partnership with PPB and SONY Malaysia, organised five photography workshops in 2022 to equip youth and micro-entrepreneurs with photography skills. One workshop was held at the Whiteaways Arcade in Penang, and four at GSC NU Sentral in Kuala Lumpur, facilitated by professional photographers. Each workshop was about two hours, with an hour dedicated to the professional photographer sharing techniques on capturing attractive photographs, and another hour dedicated to reviewing participants' photographs.



CSR ACTIVITIES (continued)

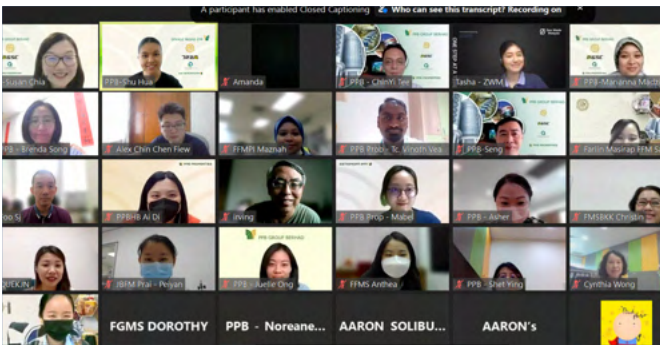


CHAMPIONING THE ARTS AND INSPIRING CREATIVITY AMONGST THE YOUTH

GSC, PPB and TikTok hosted a "Content Creator Day" workshop to inspire creativity, and support the arts and youth. The workshop, which was open to the public, aimed to help participants develop their content creation skills and learn about video-making, communications, social media, and others. Over 200 attendees participated in the workshop, which included talks from well-established TikTok influencers on animation, education, movies, and other topics, as well as tips and tricks for creating positive, impactful, and engaging content.

MORE SUPPORTIVE WORLD FOR THE HEARING-IMPAIRED COMMUNITY

Committed to diversity and inclusion, GSC organised a workshop for employees and their families to learn about the hearing-impaired community in Malaysia. The workshop was facilitated by RC Deaf Missions Malaysia and aimed to create awareness about the struggles faced by the hearing-impaired, culture, and language, providing a better understanding of their experience and challenges. Participants also had the opportunity to learn some words and phrases in Bahasa Isyarat Malaysia.



GUARDING OUR FUTURE: ENVIRONMENTAL RESPONSIBILITY AND CARE

PPB collaborated with Zero Waste Malaysia (ZWM) to organise five virtual talks on zero waste living, to promote the UN SDG 13 on Climate Action and encouraging staff in the group to participate in the initiative. ZWM is a non-profit organisation that promotes zero waste living in Malaysia through education, as a resource hub, corporate and community engagement, and on-ground projects.

On 16 December 2022, 45 PPB Group staff and their family members volunteered at Global Environment Centre's (GEC) stream restoration event at Taman Tugu, Kuala Lumpur. The event was aimed at removing blockages and reintroduce wetland plants to improve stream ecology at the park. GEC is a non-profit organisation established in 1998 to address key environmental issues and it has adopted the stream in the Taman Tugu site for restoration.



CSR ACTIVITIES (continued)

FESTIVAL CELEBRATIONS

PPB celebrates four main festivals each year and includes those in welfare homes as they are not forgotten during these celebrations. For Deepavali, PPB staff visited Persatuan Kebajikan Sri Sardha Devi Illam in Rawang to bring cheer, contributed provisions and arranged for a buffet lunch and games for the children. PPB also catered lunch and bought groceries for the Sai Pandian Orphanage Children Home (SPOCH) in Setia Alam, as well as installed new doors at their centre. In addition, PPB purchased cookies and murukku made by the Supermum graduates for seven welfare homes, namely SPOCH; Pusat Jagaan Rumah Keluarga Kami, Kajang; Rumah Hope, Petaling Jaya; Rumah Kebajikan Anbu Illam & Karunai Illam, Kuala Lumpur; Anbe Sivam Charity Homes, Klang; and Pusat Jagaan Kanak-Kanak Kurang Upaya KIRTARSH, Rawang.



For Christmas, PPB brought 45 children from three welfare homes, i.e. Rumah Kebajikan Kanak-kanak Cornerstone, Semenyih; Rainbow Home, Cheras; and Rumah Charis, Kuala Lumpur to enjoy a day at Escape Park, Paradigm Mall, presented Christmas gifts and treated them to an A&W lunch. PPB also contributed groceries and stationery items to Pertubuhan Kebajikan Mega Kanak-kanak Orang Asli in Sri Damansara, Kuala Lumpur.



In a separate event, PPB Properties' annual toy bank received 589 gifts across all four participating retail malls, namely Cheras LeisureMall, The LINC KL, Megah Rise Mall and New World Park, Penang. The gifts and groceries were distributed to 283 needy children from 11 welfare homes in the Klang Valley and Penang.



CHERAS LEISUREMALL ORGANISES HEALTH CAMPAIGNS AND BLOOD DONATION DRIVE

Cheras LeisureMall collaborated with the Malaysian Fo Guang Buddhist Association to collect 123 pints of blood during a two-day blood donation campaign. They also organised a community campaign entitled "Mental Wellbeing For All - Make It A Reality" on World Mental Health Day, which included an exhibition, forums, and talks. Pejabat Kesihatan Cheras also provided free health screenings for shoppers during a National Health Screening Initiative outreach programme at the Mall.



CHILDREN'S CHARITY ART EXHIBITION

The 'Beautifully Imperfect 4.0' charity art exhibition at Cheras LeisureMall featured 50 artworks by children, for sale to raise funds for students in Third World countries.

CSR ACTIVITIES (continued)



FLOOD AID

In December 2022, massive floods in Kelantan affected over 6,000 families and resulted in many road closures, making it difficult for evacuation of flood victims and movement of supplies. In response, PPB donated essential food items worth approximately RM100,000 to the Malaysia International Search and Rescue team, led by Captain Balasupramaniam Krishnan, for distribution to the flood victims in Kelantan.



CSR ACTIVITIES (continued)



GSC X AIR SELANGOR HYDRO RUN

Building on its annual GSC Popcorn Walk, GSC and Air Selangor jointly hosted in November 2022, the inaugural GSC x Air Selangor Hydro Run. The event was held at the IOI City Mall in Putrajaya and with over 3,000 participants, including families, young adults, and children. The Hydro Run offered participants the choice of either a 5-km or 10-km scenic route around the shopping centre. Aimed at encouraging members of the public to stay active, and bond over animated movies and popcorn with their loved ones and friends, the event was a fiesta of food, drinks, giveaways, lucky draws, as well as interactive activities featuring mascot appearances from BoBoiBoy and Mechamoto.



Announcements – 4th Quarter of 2022

Date	Subject
17 October 2022	PPB announced that the Malaysia Competition Commission (“MyCC”) had issued an amended Proposed Decision (“APD”) to FFM Berhad, an 80%-owned subsidiary of PPB due to certain changes to documents pertaining to the original Proposed Decision, and Supplementary Proposed Decision (“SPD”) to reflect additional evidence and MyCC’s findings. FFM was granted additional time until 12 noon on 19 December 2022 to submit the written representations to both the APD and SPD.
14 November 2022	PPB announced that the quarterly report for the 3 rd quarter ended 30 September 2022 (“3Q2022”) would be released on 28 November 2022.
25 November 2022	PPB announced the change of release date of the quarterly report for 3Q2022 to 29 November 2022, due to the closure of Bursa Malaysia Berhad on 28 November 2022.
29 November 2022	<ul style="list-style-type: none"> • Release of PPB’s quarterly report for 3Q2022. • PPB announced a change of registrar with effect from 1 December 2022, to Tricor Investor & Issuing House Services Sdn Bhd.
7 December 2022	PPB announced the striking off application of LGSC Cambodia Limited (“LGSC”) with the Labuan Financial Services Authority. LGSC is an indirect 100%-owned subsidiary of PPB.
19 December 2022	PPB announced that MyCC had granted FFM an extension of time to 31 January 2023 to submit its written representations, pending access to confidential documents in MyCC’s files to be granted by MyCC.
28 December 2022	PPB announced that the shareholders of Golden Screen Cinemas (Cambodia) Co., Ltd (“GSCCC”), an indirect 60%-owned subsidiary of PPB had approved the proposed dissolution and liquidation of GSCCC pursuant to the relevant provisions of the Cambodian Law on Commercial Enterprises relating thereto.
30 December 2022	PPB announced the appointment of Ms Yip Jian Lee as an Independent Non-Executive Director with effect from 2 January 2023.

Share Analysis

Following the rise in investors' risk appetite, regional bond yields including Malaysia fell during the quarter. The Malaysian Government Securities (MGS) yields declined across the curve with the 3-year, 5-year and 10-year yields decreasing by 10, 20, and 34 basis points respectively. Meanwhile, the FBM KLCI rose by 7.2%, supported by the better-than-expected third quarter GDP growth in Malaysia as well as the formation of the new Government in November 2022.

[Source: Bank Negara Malaysia website]

PPB shares closed higher at RM17.44 compared with RM16.10 in the preceding quarter and market capitalisation increased to RM24,817 million. The average daily volume of PPB shares traded during the quarter increased by 28.95% to 663,962 shares.

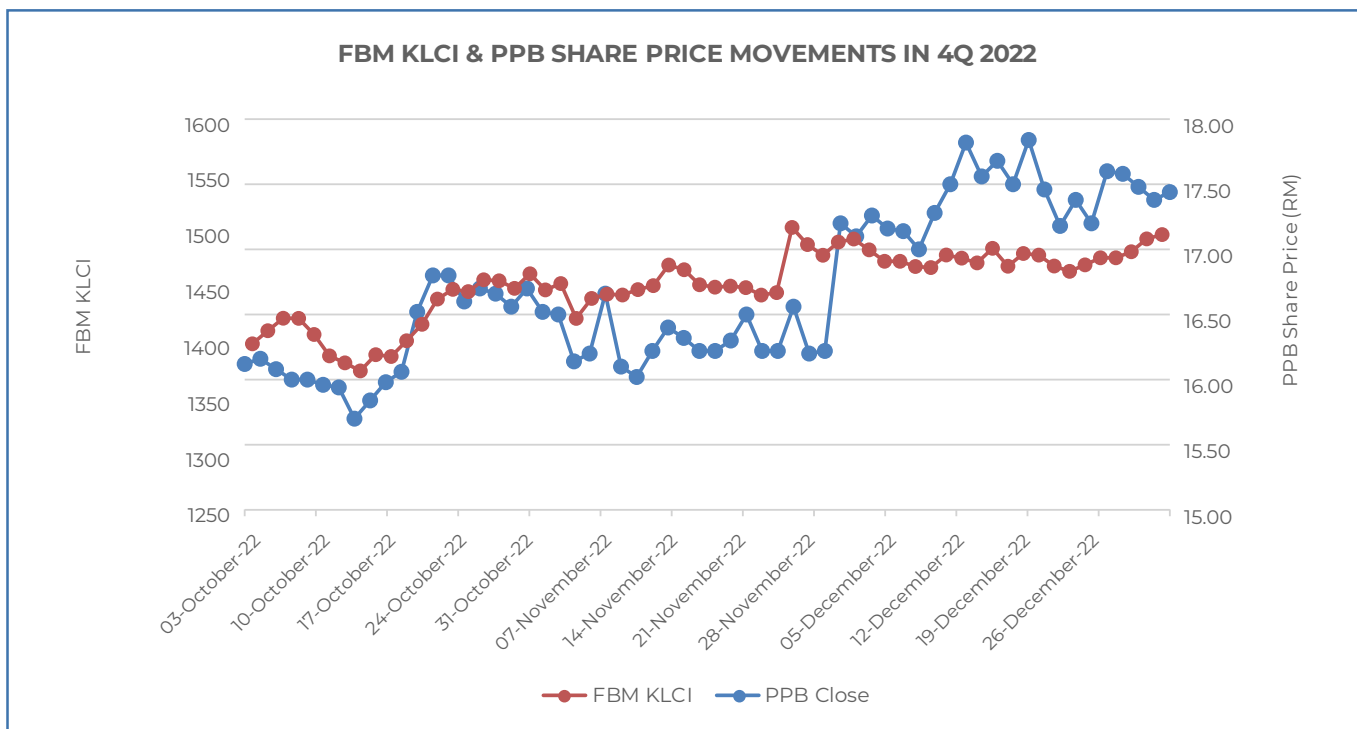
	4Q2022	3Q2022	% change
PPB share price (RM)			
Closing price (high)	17.84	17.60	1.36%
Closing price (low)	15.70	15.28	2.75%
Month end closing price	17.44	16.10	8.32%
Weighted share price	16.69	16.49	1.21%
Market capitalisation (RM'million)	24,817	22,910	8.32%

PPB share trading volume (Number of shares)			
Daily volume (high)	3,139,800	1,774,100	76.98%
Daily volume (low)	52,700	49,900	5.61%
Average daily volume	663,962	514,902	28.95%

FBM KLCI			
FBM KLCI closing (high)	1,501.88	1,518.78	-1.11%
FBM KLCI closing (low)	1,373.36	1,394.63	-1.53%
FBM KLCI quarter end closing	1,495.49	1,394.63	7.23%

FBM KLCI volume (Number of shares)			
Daily volume (high)	485,105,000	315,588,600	53.71%
Daily volume (low)	63,903,900	55,684,900	14.76%
Average daily volume	150,806,637	125,824,014	19.86%

Share Analysis (continued)



Group Financial Highlights

Financial period/year ended <i>(All figures in RM million)</i>	12 months		Change %
	31.12.22	31.12.21	
INCOME STATEMENT			
Revenue (Continuing operations)	6,151	4,653	32
Revenue (Discontinued operations)	106	204	(48)
Revenue	6,257	4,857	29
Profit before tax (Continuing operations)	2,250	1,501	50
Loss before tax (Discontinued operations)	-	(3)	100
Profit before tax	2,250	1,498	50
Profit attributable to owners of the parent	2,197	1,496	47
STATEMENT OF FINANCIAL POSITION			
Non-current assets	25,017	23,703	6
<u>Current assets</u>			
Cash and cash equivalents	1,587	1,296	22
Others	2,288	2,398	(5)
Assets classified as held for sale	41	-	100
Total current assets	3,916	3,694	6
Total assets	28,933	27,397	6
<u>Equity</u>			
Share capital	1,429	1,429	-
Reserves	24,402	23,002	6
Equity attributable to owners of the parent	25,831	24,431	6
Non-controlling interests	738	749	(1)
Total equity	26,569	25,180	6
<u>Non-current liabilities</u>			
Borrowings	69	68	1
Others	499	416	20
Total non-current liabilities	568	484	17

Group Financial Highlights *(continued)*

Financial period/year ended <i>(All figures in RM million)</i>	12 months		Change %
	31.12.22	31.12.21	
Current liabilities			
Borrowings	1,279	1,035	24
Others	513	698	(27)
Liabilities directly associated with the assets held for sale	4	-	100
Total current liabilities	1,796	1,733	4
Total liabilities	2,364	2,217	7
Total equity and liabilities	28,933	27,397	6

RATIOS

Return on equity attributable to owners of the parent	(%)	8.5	6.1
Earnings per share	(sen)	154.4	105.2
Debt to equity ratio	(times)	0.05	0.05
Net assets per share	(RM)	18.2	17.2
Dividend per share for financial year	(sen)	40.0	35.0

STOCK MARKET INFORMATION

Share price	(RM)	17.44	17.10
Market capitalisation	(RM million)	24,810	24,326

Unaudited Condensed Consolidated Income Statements

For The Financial Year Ended 31 December 2022

	4 th Quarter ended 31 December		12 Months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Continuing operations				
Revenue	1,610,633	1,360,749	6,151,181	4,652,881
Operating expenses	(1,598,462)	(1,317,189)	(6,000,238)	(4,655,747)
Operating profit/(loss)	12,171	43,560	150,943	(2,866)
Other operating income/(loss)	58,402	(30,904)	(14,352)	(39,188)
Share of results of associates	397,011	490,483	2,178,089	1,573,852
Share of results of joint venture	(53)	934	3,831	4,307
Finance costs	(22,094)	(10,291)	(68,173)	(34,905)
Profit before tax from continuing operations	445,437	493,782	2,250,338	1,501,200
Tax (expense)/credit	(19,073)	11,284	(29,964)	9,255
Profit for the period/year from continuing operations	426,364	505,066	2,220,374	1,510,455
Discontinued operations				
Profit/(loss) before tax for the period/year from discontinued operations	682	(2,029)	86	(3,127)
Tax (expense)/credit	(105)	881	(222)	(213)
Profit/(loss) after tax for the period/year from discontinued operations	577	(1,148)	(136)	(3,340)
Profit for the period/year	426,941	503,918	2,220,238	1,507,115
Attributable to :				
Owners of the parent				
Profit from continuing operations	414,923	503,703	2,196,954	1,499,451
Profit/(loss) from discontinued operations	577	(1,148)	(136)	(3,340)
Profit for the year attributable to owners of the parent	415,500	502,555	2,196,818	1,496,111
Non-controlling interests				
Profit from continuing operations	11,441	1,363	23,420	11,004
Profit for the period/year	426,941	503,918	2,220,238	1,507,115
Basic earnings per share (sen)				
- continuing operations	29.17	35.41	154.44	105.40
- discontinued operations	0.04	(0.08)	(0.01)	(0.23)
	29.21	35.33	154.43	105.17

(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 Year Ended 31 December 2022

	4 th Quarter ended 31 December		12 Months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the period/year	426,941	503,918	2,220,238	1,507,115
Other comprehensive income, 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	26,091	(21,836)	(24,560)	536
Share of associates' other comprehensive (loss)/income	(16,597)	(2,745)	(43,343)	2,161
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(1,187,692)	(94,039)	1,073,716	725,396
Share of associates' other comprehensive income/(loss)	101,112	124,863	(1,155,034)	174,949
Total comprehensive income	(650,145)	510,161	2,071,017	2,410,157
Attributable to :				
Owners of the parent				
Total comprehensive (loss)/income from continuing operations	(650,686)	505,609	2,047,022	2,385,887
Total comprehensive income/(loss) from discontinued operations	577	(1,148)	(136)	(3,340)
Total comprehensive (loss)/income attributable to owners of the parent	(650,109)	504,461	2,046,886	2,382,547
Non-controlling interests				
Total comprehensive (loss)/income from continuing operations	(36)	5,700	24,131	27,610
Total comprehensive (loss)/income	(650,145)	510,161	2,071,017	2,410,157

(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-Dec-22 RM'000	As at 31-Dec-21 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,322,671	1,383,088
Investment properties	366,682	317,163
Right-of-use assets	373,976	306,022
Bearer plants	3,893	4,241
Land held for property development	98,170	100,470
Goodwill	70,232	71,201
Other intangible assets	12,604	11,945
Investment in associates	22,329,590	21,063,903
Investment in joint venture	31,159	28,433
Other investments	351,945	372,310
Deferred tax assets	55,695	44,007
Total non-current assets	25,016,617	23,702,783
Current assets		
Inventories	1,090,095	1,081,814
Biological assets	19,980	13,422
Property development costs	2,523	41,581
Trade receivables	809,185	715,063
Other receivables	337,320	411,422
Derivative financial assets	289	100,650
Current tax assets	28,334	34,111
Cash and cash equivalents	1,587,047	1,296,316
Total current assets	3,874,773	3,694,379
Assets classified as held for sale	41,287	-
	3,916,060	3,694,379
TOTAL ASSETS	28,932,677	27,397,162
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,429,314
Reserves	24,401,527	23,002,174
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

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

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
Non-current liabilities		
Borrowings	68,691	67,828
Lease obligations	339,949	282,241
Deferred tax liabilities	114,433	101,156
Provision for restoration cost	45,320	33,273
Total non-current liabilities	568,393	484,498
Current liabilities		
Trade payables	225,107	325,814
Other payables	202,788	223,622
Derivative financial liabilities	41,110	107,383
Borrowings	1,278,516	1,034,757
Lease obligations	41,318	35,974
Provision for restoration cost	-	960
Current tax liabilities	2,732	3,851
Total current liabilities	1,791,571	1,732,361
Liabilities directly associated with the assets held for sale	4,205	-
	1,795,776	1,732,361
Total liabilities	2,364,169	2,216,859
TOTAL EQUITY AND LIABILITIES	28,932,677	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 Year Ended 31 December 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
12 Months ended						
31 December 2022						
At 1 January 2022	1,429,314	4,277,355	18,724,819	24,431,488	748,815	25,180,303
Profit for the year	-	-	2,196,818	2,196,818	23,420	2,220,238
Other comprehensive (loss)/income	-	(147,275)	(2,657)	(149,932)	711	(149,221)
Total comprehensive (loss)/income	-	(147,275)	2,194,161	2,046,886	24,131	2,071,017
Transfer of reserves	-	106,307	(106,307)	-	-	-
Dividends	-	-	(526,362)	(526,362)	(38,748)	(565,110)
Share of other changes in equity of associates	-	(121,171)	-	(121,171)	-	(121,171)
Issue of shares to non-controlling interests	-	-	-	-	629	629
Disposal of a subsidiary	-	-	-	-	2,840	2,840
At 31 December 2022	1,429,314	4,115,216	20,286,311	25,830,841	737,667	26,568,508
12 Months ended						
31 December 2021						
At 1 January 2021	1,429,314	3,377,002	18,012,433	22,818,749	727,696	23,546,445
Profit for the year	-	-	1,496,111	1,496,111	11,004	1,507,115
Other comprehensive income	-	868,619	17,817	886,436	16,606	903,042
Total comprehensive income	-	868,619	1,513,928	2,382,547	27,610	2,410,157
Transfer of reserves	-	118,695	(118,695)	-	-	-
Dividends	-	-	(682,847)	(682,847)	(7,544)	(690,391)
Issue of shares to non-controlling interests	-	-	-	-	2,620	2,620
Share of other changes in equity of associates	-	(86,961)	-	(86,961)	-	(86,961)
Realisation upon liquidation of subsidiaries	-	-	-	-	(1,567)	(1,567)
At 31 December 2021	1,429,314	4,277,355	18,724,819	24,431,488	748,815	25,180,303

(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 Year Ended 31 December 2022

	12 Months ended 31 December	
	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	2,250,338	1,501,200
Profit/(loss) before tax from discontinued operations	86	(3,127)
Profit before taxation	2,250,424	1,498,073
Adjustments:		
Non-cash items	(1,909,896)	(1,511,529)
Non-operating items	19,520	(11,321)
Operating profit/(loss) before working capital changes	360,048	(24,777)
Working capital changes:-		
Net change in current assets	(114,508)	(573,287)
Net change in current liabilities	(103,752)	160,452
Cash generated from/(used in) operations	141,788	(437,612)
Tax paid	(29,390)	(53,912)
Net cash generated from/(used in) operating activities	112,398	(491,524)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment, investment properties, biological assets and other intangible assets	(136,891)	(222,113)
Proceeds from disposal of property, plant and equipment	3,724	5,180
Investments in associates	(1,611)	(93,013)
Addition of other investment	-	(46,694)
Proceeds from disposal of subsidiaries	11,837	-
Proceeds from disposal of an associate	4,000	44,751
Redemption/disposal of other investment	1,000	31,144
Dividends received	634,619	784,584
Income received from short-term fund placements	14,919	16,316
Interest received	10,256	4,551
Repayment from/(advances to) associates	2,744	(54,798)
Distribution of profit from joint venture	7,125	8,106
Proceeds from liquidation of an associate	-	10,321
Net cash generated from investing activities	551,722	488,335

Unaudited Condensed Consolidated Statements Of Cash Flows *(continued)*

	12 Months ended 31 December	
	2022 RM'000	2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of bank borrowings	292,450	611,131
Interest paid	(52,054)	(23,876)
Dividends paid	(565,110)	(690,391)
Payment of lease obligations	(45,216)	(24,888)
Shares issued to non-controlling interest of a subsidiary	629	2,620
Net cash used in financing activities	(369,301)	(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
Effect of exchange rate changes	5,424	4,707
Cash and cash equivalents carried forward (including cash in asset classified as held for sale)	1,596,559	1,296,316
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	451,558	297,790
Bank deposits	213,672	156,710
Short-term fund placements	931,329	841,816
	1,596,559	1,296,316

(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 do not have any material impact 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 year ended 31 December 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 financial year.

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 year.

A6. Dividends paid

During the financial year 2022, a final dividend of 25 sen per share in respect of financial year ended 31 December 2021 was paid on 1 June 2022. An interim dividend of 12 sen per share in respect of financial year ending 31 December 2022 was paid on 28 September 2022.

NOTES (continued)

A7. Segmental reporting

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

Business segments:	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter-segment elimination	Total
All figures in RM'000								
REVENUE								
External revenue	4,655,906	751,118	5 14,809	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	5 14,809	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 venture	-	-	-	39	-	3,831	-	3,870
Unallocated corporate expenses	-	-	-	-	-	-	-	(28,646)
Profit/(Loss) before taxation	74,329	33,607	(17,088)	86	34,909	2,153,227	-	2,250,424

A8. Material events subsequent to the end of the financial year

Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company 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 Malayan Adhesives and Chemicals Sdn Bhd ("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.

Except for the above, there are no material events or transactions since the end of the financial year to the date of this announcement which materially affect the results of the Group.

A9. Changes in the composition of the Group

On 24 February 2022, CQ disposed of its 100% equity interest in Sitamas Environmental Systems Sdn Bhd 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 to Saraworks Sdn Bhd for a consideration of RM20 million plus net tangible assets.

Other than 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 financial year ended 31 December 2022.

NOTES (continued)

A10. Changes in contingent liabilities or contingent assets

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.

A11. Capital and other commitments

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

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	58,635
- not contracted	398,300
	456,935
Other commitments	
- contracted	385,226
Total	842,161

A12. Significant related party transactions

Significant related party transactions during the financial year ended 31 December 2022 are as follows:

	RM'000
Transactions with associates	
- Film rental income	3,042
- Sales of goods	14,434
- Purchase of goods	9,175
Transactions with subsidiaries of the ultimate holding company	
- Supervision fee income	2,725
- Sales of goods	20,543
Transactions with subsidiaries of associates	
- Purchase of goods	538,156
- Sales of goods	187,528
- Rental income	3,362
- Other services expenses	16,904
- Supervision fees income	1,785
- Freight cost	222,873

NOTES (continued)

A13. Discontinued operations

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.

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".

The results of the Discontinued Operations are as follows:-

	10 Months ended 31 October 2022 RM'000	12 Months ended 31 December 2021 RM'000
Revenue	106,214	204,549
Operating expenses	(108,479)	(208,398)
Operating loss	(2,265)	(3,849)
Other operating income	3,041	1,773
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)
Income tax expense	(222)	(213)
Loss for the year from discontinued operations	(136)	(3,340)

The net cash (outflow)/inflow from CWM Group Sdn Bhd are as follows:

	10 Months ended 31 October 2022 RM'000	12 Months ended 31 December 2021 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

NOTES (continued)

B1. Performance analysis

Group financial performance by business segment

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
<u>4Q2022</u>								
REVENUE								
External revenue	1,251,633	184,559	1 32,446	14,873	14,479	27,516	-	1,625,506
Inter-segment sales	35,810	1,526	-	-	401	-	(37,737)	-
Total revenue	1,287,443	186,085	1 32,446	14,873	14,880	27,516	(37,737)	1,625,506
RESULTS								
Segment results	44,649	10,645	(26,123)	676	(4,884)	31,903	-	56,866
Share of results of associates	10,247	(236)	(87)	-	654	386,433	-	397,011
Share of results of joint venture	-	-	-	6	-	(53)	-	(47)
Unallocated corporate expenses	-	-	-	-	-	-	-	(7,711)
Profit/(Loss) before taxation	54,896	10,409	(26,210)	682	(4,230)	418,283	-	446,119
<u>4Q2021</u>								
REVENUE								
External revenue	1,040,350	162,871	7 2,356	55,439	44,385	40,787	-	1,416,188
Inter-segment sales	20,277	912	-	(23)	200	56	(21,422)	-
Total revenue	1,060,627	163,783	7 2,356	55,416	44,585	40,843	(21,422)	1,416,188
RESULTS								
Segment results	(33,926)	4,460	(10,490)	(2,039)	11,487	38,873	-	8,365
Share of results of associates	20,193	(264)	(2,879)	-	(1,742)	475,175	-	490,483
Share of results of joint venture	-	-	-	10	-	934	-	944
Unallocated corporate expenses	-	-	-	-	-	-	-	(8,039)
(Loss)/Profit before taxation	(13,733)	4,196	(13,369)	(2,029)	9,745	514,982	-	491,753
Variance								
Revenue (%)	20%	13%	83%	-73%	-67%	-33%	-76%	15%
Profit/(Loss) before taxation (%)	n.m	>100%	-96%	n.m	n.m	-19%	-	-9%

n.m - not meaningful

NOTES (continued)

B1. Performance analysis

Group financial performance by business segment

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
<u>FY2022</u>								
REVENUE								
External revenue	4,655,906	751,118	5 14,809	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	5 14,809	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)	2 53	-	1,843	2,103,750	-	2,178,089
Share of results of joint venture	-	-	-	39	-	3,831	-	3,870
Unallocated corporate expenses	-	-	-	-	-	-	-	(28,646)
Profit/(Loss) before taxation	74,329	33,607	(17,088)	86	34,909	2,153,227	-	2,250,424
<u>FY2021</u>								
REVENUE								
External revenue	3,688,799	643,798	1 16,470	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	1 16,470	204,680	115,030	89,780	(84,345)	4,857,430
RESULTS								
Segment results	(21,271)	8,671	(105,331)	(2,611)	18,190	52,548	-	(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 venture	-	-	-	10	-	4,307	-	4,317
Unallocated corporate expenses	-	-	-	-	-	-	-	(29,766)
Profit/(Loss) before taxation	61,523	6,543	(113,278)	(3,127)	14,825	1,561,353	-	1,498,073
Variance								
Revenue (%)	26%	17%	>100%	-48%	23%	-1%	-63%	29%
Profit/(Loss) before taxation (%)	21%	>100%	85%	n.m	>100%	38%	-	50%

NOTES (continued)

Group performance review

For 4Q2022 and FY2022, the Group achieved total revenue of RM1.63 billion and RM6.26 billion, up 15% and 29% from 4Q2021 and FY2021 respectively. Pre-tax profit for 4Q2022 was lower by 9% at RM446 million (4Q2021: RM492 million). Pre-tax profit for FY2022 increased by 50% to RM2.25 billion (FY2021: RM1.50 billion) with contribution from Wilmar International Limited (“Wilmar”) which increased by 40% to RM2.10 billion. All key segments recorded improvement in revenue and profitability.

Grains and agribusiness

Segment revenue for 4Q2022 and FY2022 increased by 20% and 26% to RM1.25 billion (4Q2021: RM1.04 billion) and RM4.66 billion (FY2021: RM3.69 billion) respectively. The segment recorded a profit of RM55 million for 4Q2022 (4Q2021: RM14 million loss); and RM74 million for FY2022 (FY2021: RM62 million), up by 21%. The improved performance was largely due to a more stable grain commodity market.

Consumer products

Segment revenue for 4Q2022 and FY2022 was higher by 13% and 17% to RM185 million (4Q2021: RM163 million) and RM751 million (FY2021: RM644 million) respectively. Segment profit for 4Q2022 and FY2022 was higher at RM10 million (4Q2021: RM4 million) and RM34 million (FY2021: RM7 million) respectively. This was mainly attributable to higher sales of bakery and other fast-moving consumer products.

Film exhibition and distribution

Segment revenue for 4Q2022 and FY2022 increased significantly to RM132 million (4Q2021: RM72 million) and RM515 million (FY2021: RM116 million) respectively. The segment recorded a loss of RM26 million in 4Q2022 (4Q2021: RM13 million loss) and a loss of RM17 million for FY2022 (FY2021: RM113 million loss). Included in the segment results for 4Q2022 was an impairment on investment in an associate in Vietnam amounting to RM27 million; excluding that, the segment made a profit of RM522,000 and RM10 million in 4Q2022 and FY2022 respectively. 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.

Environmental engineering and utilities (Discontinued Operations)

Segment revenue for 4Q2022 and FY2022 were lower at RM15 million (4Q2021: RM55 million) and RM106 million (FY2021: RM205 million) respectively. The segment reported a profit of RM682,000 for 4Q2022 (4Q2021: RM2 million loss) and RM86,000 for FY2022 (FY2021: RM3 million loss).

Property

Segment revenue for 4Q2022 and FY2022 was at RM14 million (4Q2021: RM44 million) and RM141 million (FY2021: RM114 million) respectively. The segment reported a loss of RM4 million for 4Q2022 (4Q2021: RM10 million profit). That was mainly attributable to lower property sales during the quarter as well as costs associated with the newly opened Megah Rise Mall in December 2022. The segment reported a profit of RM35 million for FY2022 (FY2021: RM15 million), the higher profit 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.

Other operations

Segment profit for 4Q2022 and FY2022 was at RM418 million (4Q2021: RM515 million) and RM2.15 billion (FY2021: RM1.56 billion) respectively. Contributions from Wilmar for 4Q2022 and FY2022 amounted to RM387 million (4Q2021: RM476 million) and RM2.10 billion (FY2021: RM1.50 billion) respectively.

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

Profit before taxation for 4Q2022 was lower at RM446 million as compared to RM813 million recorded in 3Q2022; this was mainly due to lower contribution from Wilmar at RM387 million (3Q2022: RM721 million).

NOTES (continued)

B3. Prospects

The Malaysian economy grew slower at 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. Given the slowing global demand, domestic demand will remain as the key driver of growth, supported by the continued recovery in the labour market and realisation of multiyear investment projects.

Performance of the *Grains and agribusiness* segment improved as grain commodity prices stabilised, 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 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 sentiment 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.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before taxation

	4 th Quarter ended 31-Dec-22 RM'000	12 Months ended 31-Dec-22 RM'000
Profit before taxation was stated after crediting/(charging):		
Interest income and income from short-term fund placements	11,765	30,440
Dividend income	14,076	18,942
Net foreign exchange gain	25,041	14,836
Gain on disposal of subsidiaries	11,149	11,411
Net fair value loss on derivatives	(67)	(110,402)
Net impairment on receivables	(2,519)	(572)
Depreciation and amortisation	(50,099)	(194,044)
Interest expense on lease obligations	(3,941)	(15,392)
Impairment of investment in an associate	(26,732)	(26,732)

NOTES (continued)

B6. Tax (expense)/credit

	4 th Quarter ended 31-Dec-22 RM'000	12 Months ended 31-Dec-22 RM'000
Taxation based on the profit for the financial period/year:		
Malaysian taxation:		
Current tax expense	(6,905)	(23,731)
Deferred tax (expense)/credit	(6,168)	7,447
	<u>(13,073)</u>	<u>(16,284)</u>
Foreign taxation:		
Current tax expense	(1,230)	(3,609)
Deferred tax expense	(4,483)	(10,129)
	<u>(18,786)</u>	<u>(30,022)</u>
(Under)/over provision in prior years:		
Current tax	(302)	(327)
Deferred tax	(90)	163
	<u>(19,178)</u>	<u>(30,186)</u>

The Group's effective tax rate for 4Q2022 and FY2022 was at 39% and 44% respectively, which is higher than the statutory tax rate. This is mainly due to deferred tax assets not recognised on tax losses of certain subsidiaries and provision for withholding tax on undistributed profits of foreign associates. Deferred tax benefits will only be recognised when it is probable that taxable profits will be available to allow deferred tax benefits to be realised.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 22 February 2023.

B8. Group borrowings

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

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loan (RM)	44,500	44,500 ^(a)	-
Long-term bank loan (VND)	24,191	24,191 ^(b)	-
	<u>68,691</u>	<u>68,691</u>	<u>-</u>
Short-term bank borrowings			
Revolving credit (RM)	181,645	68,000 ^(a)	113,645
Revolving credit (IDR)	275,514	-	275,514
Short-term loan (RM)	204,124	14	204,110
Short-term loan (USD)	427,766	-	427,766
Short-term loan (VND)	189,467	-	189,467
	<u>1,278,516</u>	<u>68,014</u>	<u>1,210,502</u>

NOTES (continued)

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.

B9. Derivative financial instruments

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

	Contract / Notional value RM'000	Fair value - Assets / Liabilities RM'000
<u>Derivative financial assets</u>		
i) Futures contracts	207,349	127
ii) Forward foreign currency contracts	69,962	162
Total derivative assets		289
<u>Derivative financial liabilities</u>		
i) Options contracts	791,932	9,293
ii) Futures contracts	210,995	11,167
iii) Forward foreign currency contracts	528,876	20,650
Total derivative liabilities		41,110

All contracts will be maturing within one year.

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, grain commodity prices have remained volatile as a result of the challenging global macroeconomic conditions and the ongoing Russia-Ukraine war. 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.

NOTES (continued)

(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 remeasurement 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 4Q2022, unrealised fair value loss on derivative financial instruments amounted to RM32.0 million (4Q2021: RM54.8 million gain).

For the financial year 2022, unrealised fair value loss on derivative financial instruments amounted to RM25.7 million (FY2021: RM67.7 million gain).

B10. Material litigation

There was no material litigation as at 22 February 2023.

B11. Dividend

The Board of Directors is pleased to recommend a proposed final dividend of 28 sen per share for the financial year ended 31 December 2022 (2021: Final dividend of 25 sen per share) payable on Thursday, 8 June 2023 to shareholders whose names appear in the Record of Depositors at the close of business on Friday, 19 May 2023, subject to the approval of shareholders at the 54th Annual General Meeting scheduled to be held on Wednesday, 17 May 2023.

Together with the interim dividend of 12 sen per share paid on 28 September 2022, total dividends paid and payable for the financial year ended 31 December 2022 would amount to 40 sen per share (2021: 35 sen per share).

B12. Earnings per share

	4 th Quarter ended 31 December		12 Months ended 31 December	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net profit for the period/year	415,500	502,555	2,196,818	1,496,111
Number of ordinary shares in issue ('000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	29.21	35.33	154.43	105.17

There were no potential dilutive ordinary shares outstanding as at 31 December 2022 and 31 December 2021. As such, there were no diluted earnings per share for the financial year ended 31 December 2022 and 31 December 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
28 February 2023

By Order of the Board
Mah Teck Keong
Company Secretary

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