



GRAINS & AGRIBUSINESS



Investor Update 2023 Quarterly Report 1





Table of Contents

1.	From the Desk of the Chairman	4
2.	Happenings	6
3.	CSR Activities	8
4.	Announcements	12
5.	Share Analysis for the 1 st Quarter of 2023	13
6.	Bursa Malaysia's Shares2share Initiative	15
7.	Financial Statistics for the 1 st Quarter of 2023	16
8.	Quarterly report ended 31-03-2023	18

From the Desk of the Chairman



Dato' Capt Ahmad Sufian
Chairman



Dear shareholders

FINANCIAL SUMMARY FOR THE 1ST QUARTER OF 2023

We wish to report that PPB Group achieved total revenue of RM1.52 billion for 1Q2023, up 10% compared with 1Q2022. The Group recorded a higher pre-tax profit of RM415 million, 74% higher as compared to RM239 million reported in 1Q2022 mainly attributable to the turnaround of the **Grains and Agribusiness** and **Film Exhibition and Distribution** segments. Contribution from our 18.8%-owned associate, Wilmar International Limited, decreased by 19% to RM321 million compared with RM394 million in 1Q2022.

Profit for the period was RM393 million, a rise from RM282 million in 1Q2022. Accordingly, earnings per share stood at 26.54 sen (1Q2022 : 21.31 sen).

PRE-TAX PROFIT
RM415 mil

EARNINGS PER SHARE
26.54 sen



From the Desk of the Chairman (*continued*)

HAPPENINGS

PPB held a Press and Analyst Briefing on 3 March 2023, to review the FY2022 results, and provide an update on the latest developments in the Group. The briefing was well-attended by analysts, fund managers and the local press.

Blue Key packaged flour unveiled a refreshed look and feel, aligning with current trends.

Golden Screen Cinemas Sdn Bhd (GSC) extended their collaboration with Coca Cola Malaysia with the signing of a new beverage concession agreement for another three years. This partnership will enable GSC patrons to enjoy exclusive offers by Coca Cola Malaysia.

CSR ACTIVITIES

The Group organised/participated in several CSR activities, including:

- Chinese New Year celebrations with welfare homes;
- Provision of food to 800 needy recipients;
- Cooking of hot meals and provision of groceries to 200 families in PPR Pinggiran Bukit Jalil;
- Sponsorship of baking ingredients and a product photoshoot workshop for initiatives under PPB's "Baking for a Better Future" project;
- Mental health training for 17 school teachers in Bedong, Kedah and Cheras, Kuala Lumpur, to be better in handling mental health issues;
- Charity fair to raise funds for Persatuan Jayadiri Selangor; and
- Love is PAWSSible in collaboration with IACT College to raise awareness of animal cruelty, promote adoption and volunteering; and raise funds for the shelter.

APPRECIATION

On behalf of the board of directors and staff, we would like to express our appreciation and gratitude to Tan Sri Datuk Oh Siew Nam, who retired as a Director at PPB's 54th Annual General Meeting held on 17 May 2023.

Tan Sri Oh began his career with Federal Flour Mills Sdn Bhd (now known as FFM Berhad) in 1968 as an engineer. He played a pivotal role in establishing FFM Group as a leading flour and feed miller in the country; and served as Managing Director of FFM from 1982 to 2002, and Executive Chairman from 2002 to 2006. Tan Sri Oh was also Chairman of PPB Oil Palms Berhad from 2004 to 2007 (then a subsidiary of PPB). He joined the PPB Board in 1988 and was Chairman of the Board from 2004 to 2023.

His steadfast contributions and dedication in his 55 years of service, have helped navigate the PPB Group to what it is today.

We extend our warm wishes to Tan Sri Oh for an enjoyable and fulfilling retirement, and good health always.

Dato' Capt Ahmad Sufian

Chairman

12 June 2023



Happenings



Press & Analyst Briefing

On 3 March 2023, PPB held its first Press and Analyst Briefing for the year at the Shangri-La Kuala Lumpur which was attended by 44 analysts and fund managers from various local research houses and securities firms, as well as representatives from the press. The briefing reviewed the unaudited financial results for FY2022, and the latest business developments in the Group. At the briefing, management addressed questions raised by the analysts and press. The attendees then adjourned for lunch at Lemon Garden.



New Logo and Design for Blue Key Packaged Flour

FFM has introduced a new look for its Blue Key Self-Raising Flour, Blue Key Superfine Superwhite Flour and Blue Key Pau Flour. The new look is more premium, trendier, and more up-to-date. To go with the new look, FFM also created a new Blue Key tagline, "FLOUR POWER DOES WONDERS". This tagline emphasizes that Blue Key flours, which are milled from carefully selected wheat, can be used for a variety of baked products. With its new look and feel, Blue Key is better-positioned to continue to grow in an ever-evolving market.



Happenings (*continued*)



Coca-Cola Refreshes Long Standing Partnership with Golden Screen Cinemas

Coca-Cola Malaysia has refreshed its collaboration with Golden Screen Cinemas with the signing of a new beverage concession agreement, extending their over three-decade strategic partnership for another three years.

As part of ongoing enhancements to enrich the cinematic experience, GSC continuously innovates offerings to provide movie-goers greater accessibility and value. This includes a wider range of products, promotions and offers by Coca-Cola Malaysia which are available throughout GSC's cinema locations.



CSR Activities



Chinese New Year Celebrations

In conjunction with the Chinese New Year celebrations, PPB delivered a delicious lunch to three selected welfare homes in the Klang Valley. The homes were Persatuan Insan Istimewa Cheras in Kajang, Pusat Jagaan Warga Emas Chan and Pusat Jagaan Rumah Kasih, both in Setapak. PPB also contributed items requested by the homes such as groceries, furniture, and electrical appliances.

PPB also spread the festive joy at the Ampang Welfare Home. PPB staff organised games for the residents and engaged musicians for a live performance featuring songs of yesteryear. The senior citizens enjoyed the lunch catered by PPB whilst being serenaded by the musicians.

This Chinese New Year, PPB was able to assist several B40 individuals to generate income by engaging them to entertain the senior citizens at the above event as well as purchasing their home-baked cookies for distribution to the welfare homes.

On a separate occasion, PPB sponsored 350 sets of food items to Love Eternal Charity Association (LECA) for its 23rd "Love in the Spring Celebration" Luncheon on 18 February 2023, at which LECA gave angpows, gift bags and lunch packs to 10 welfare groups.





CSR Activities (continued)



“Food Aid” Project

During the quarter under review, PPB contributed basic groceries for three consecutive months to more than 800 recipients from the B40 group and students by collaborating with the following organisations:

Name of Organisation	Location of Recipients
MySkills Foundation	Hulu Selangor
Muhibbah Foodbank Malaysia Society	Seremban
Charity Food Basket Society Klang	Klang Valley

On 19 March 2023, 18 PPB Group staff gathered at Food Aid Foundation to cook 500 wholesome meals and pack essential groceries for 200 needy families at PPR Pingiran Bukit Jalil. All items were sponsored by PPB.



“Baking for A Better Future” Project

Under the “Baking for A Better Future” project, PPB contributed baking ingredients to *bake X Dignity* to facilitate two batches of baking classes conducted this year at the *bake X* baking studio for underprivileged children.

PPB also organised a product photoshoot workshop for 10 single mums from the Supermum Special Edition Training. This Special Edition Training was curated for 10 passionate graduates from previous Supermum training sessions with the aim of enhancing their marketing and promotion skills, as well as to learn more about baking products that have strong market potential.



CSR Activities (continued)



PPB Properties LeapEd sponsorship for Mental Health Literacy Training

PPB Properties collaborated with LeapEd Services, an education social enterprise, to offer mental health literacy training to selected primary and secondary school teachers in Bedong, Kedah and Cheras, Kuala Lumpur. The objective of the program was to increase teachers' knowledge of mental health issues to better support and guide their students.

This face-to-face training was attended by 17 teachers from Bedong and 22 from Cheras.



Persatuan Pembangunan Jayadiri Selangor Charity Fair at Cheras LeisureMall

Cheras LeisureMall hosted a charity fair to raise funds for Persatuan Pembangunan Jayadiri Selangor, a non-profit organisation whose mission is to assist physically challenged individuals and needy families, by providing training and education opportunities. The event featured a series of activities such as demonstrations of handmade rattan products, performances by Heart-to-Heart Outreach Chamber Orchestra and sale of handmade goodies by the underprivileged.



CSR Activities (continued)



Love is PAWSSible by IACT College at Megah Rise Mall

Megah Rise Mall hosted Love is PAWSSible on 18 March 2023. This CSR event organised by the Serving Our Society (S.O.S) of IACT College is to help animals cared for by Paws Animal Welfare Society and Ruff Love Malaysia. The event was held to raise awareness of animal cruelty, promote adoption and volunteering, and raise funds for the shelters. Besides the awareness campaign, the event included a pet adoption drive, games, and a donation drive, with all contributions going to PAWS and Ruff Love.



Announcements

Date	Subject
14 February 2023	PPB announced that the quarterly report for the 4 th quarter ended 31 December 2022 would be released on 28 February 2023.
28 February 2023	Release of PPB's quarterly report for the 4 th quarter ended 31 December 2022.
28 February 2023	PPB Board proposed the payment of a final dividend of 28 sen per share for financial year ended 31 December 2022 for shareholders' approval at the 54 th Annual General Meeting ("AGM"), payable on 8 June 2023 to members whose names appear in the Record of Depositors on 19 May 2023.
	The final dividend was approved by shareholders at the AGM on 17 May 2023, and paid on 8 June 2023.
28 February 2023	PPB announced that shareholders' approval would be sought at the 54 th AGM for the following: <ul style="list-style-type: none">• proposed renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and• 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.



Share Analysis

Uncertainty about the global economic outlook amid the banking sector stress in some advanced economies led to mixed expectations for the global monetary policy path and corporate earnings prospects. Investors' outlook for emerging market economies, including Malaysia, remained intact as contagion risks from the recent episodes of banking sector stress in advanced economies were assessed to be limited.

[Source : Bank Negara Malaysia website]

PPB shares closed lower at RM16.56 compared with RM17.44 in the preceding quarter and market capitalisation decreased to RM23,565 million. The average daily volume of PPB shares traded during the quarter decreased by 11.74% to 586,000 shares.

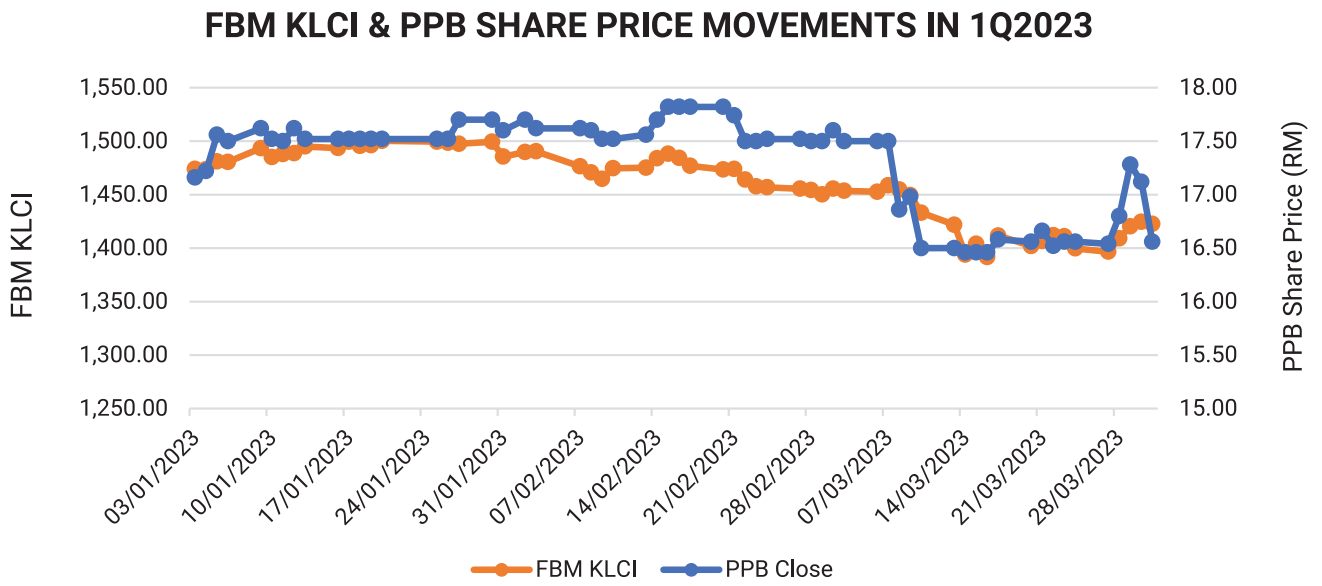
	1Q2023	4Q2022	% change
PPB share price (RM)			
Closing price (high)	17.82	17.84	-0.11%
Closing price (low)	16.46	15.70	4.84%
Month end closing price	16.56	17.44	-5.05%
Weighted share price	17.22	16.69	3.16%
Market capitalisation (RM' million)	23,565	24,817	-5.05%

PPB share trading volume (Number of shares)			
Daily volume (high)	3,264,200	3,139,800	3.96%
Daily volume (low)	144,500	52,700	174.19%
Average daily volume	586,000	663,962	-11.74%

FBM KLCI			
FBM KLCI closing (high)	1,500.33	1,501.88	-0.10%
FBM KLCI closing (low)	1,391.60	1,373.36	1.33%
FBM KLCI quarter end closing	1,422.59	1,495.49	-4.87%

FBM KLCI volume (Number of shares)			
Daily volume (high)	435,741,700	485,105,000	-10.18%
Daily volume (low)	47,980,300	63,903,900	-24.92%
Average daily volume	132,890,565	150,806,637	-11.88%

Share Analysis (continued)





Bursa Malaysia's Shares2share Initiative

Bursa Malaysia launched its 'Shares2share' initiative in November 2022. It facilitates the donation of listed securities for charity and provides an opportunity for investors to donate their securities to benefit approved charities.

Investors who wish to participate in Shares2share can choose from two options:

- Donation of securities without a tax receipt, or
- Donation of sale proceeds with tax receipt, which enables the investor donor to receive a tax deduction.

For better accessibility and to simplify the donation process, there are no minimum or maximum requirements for the number of shares that can be transferred. This means that investors can donate both odd and board lots.

For more information on Shares2share, you may check out the link below:

https://www.bursamalaysia.com/about_bursa/sustainability/yayasan-bursa-malaysia/shares2share

Group Financial Highlights

Financial period/year ended <i>(All figures in RM million)</i>	31.03.23	3 months 31.03.22	Change %	12 months 31.12.22
INCOME STATEMENT				
Revenue (Continuing operations)	1,520	1,348	13	6,151
Revenue (Discontinued operations)	-	34	(100)	106
Revenue	1,520	1,382	10	6,257
Profit before tax (Continuing operations)	415	240	73	2,250
Loss before tax (Discontinued operations)	-	(1)	100	-
Profit before tax	415	239	74	2,250
Profit attributable to owners of the parent	378	303	25	2,197
STATEMENT OF FINANCIAL POSITION				
Non-current assets	25,634	24,294	6	25,017
<u>Current assets</u>				
Cash and cash equivalents	1,538	1,446	6	1,587
Others	2,460	2,481	(1)	2,288
Assets classified as held for sale	-	-	-	41
Total current assets	3,998	3,927	2	3,916
Total assets	29,632	28,221	5	28,933
<u>Equity</u>				
Share capital	1,429	1,429	-	1,429
Reserves	25,054	23,392	7	24,402
Equity attributable to owners of the parent	26,483	24,821	7	25,831
Non-controlling interests	732	733	-	738
Total equity	27,215	25,554	6	26,569



Group Financial Highlights (*continued*)

Financial period/year ended (All figures in RM million)	31.03.23	3 months 31.03.22	Change %	12 months 31.12.22
<u>Non-current liabilities</u>				
Borrowings	67	69	(3)	69
Others	518	479	8	499
Total non-current liabilities	585	548	7	568
<u>Current liabilities</u>				
Borrowings	1,256	1,444	(13)	1,279
Others	576	675	(15)	513
Liabilities directly associated with the assets held for sale	-	-	-	4
Total current liabilities	1,832	2,119	(14)	1,796
Total liabilities	2,417	2,667	(9)	2,364
Total equity and liabilities	29,632	28,221	5	28,933

RATIOS

Return on equity attributable to owners of the parent	(%)	5.7	4.9	8.5
Earnings per share	(sen)	26.5	21.3	154.4
Debt to equity ratio	(times)	0.05	0.06	0.05
Net assets per share	(RM)	18.62	17.45	18.16
Dividend per share for financial year	(sen)	-	-	40.0

STOCK MARKET INFORMATION

Share price	(RM)	16.56	17.10	17.44
Market capitalisation	(RM million)	23,558	24,326	24,810
Finance cost	(RM million)	22	13	68
Net dividend declared for the financial year	(RM million)	-	-	569

Unaudited Condensed Consolidated Income Statements

For The Financial Period Ended 31 March 2023

	1 st Quarter ended 31 March		3 Months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing operations				
Revenue	1,519,675	1,348,335	1,519,675	1,348,335
Cost of sales	(1,366,040)	(1,239,005)	(1,366,040)	(1,239,005)
Gross profit	153,635	109,330	153,635	109,330
Other operating income/(expenses)	72,758	(171,453)	72,758	(171,453)
Distribution costs	(53,611)	(54,490)	(53,611)	(54,490)
Administrative expenses	(56,756)	(46,476)	(56,756)	(46,476)
Other expenses	(1,159)	(1,278)	(1,159)	(1,278)
Share of results of associates	320,778	415,646	320,778	415,646
Share of results of joint venture	1,000	1,320	1,000	1,320
Finance costs	(21,631)	(12,588)	(21,631)	(12,588)
Profit before taxation	415,014	240,011	415,014	240,011
Tax (expense)/credit	(22,496)	42,616	(22,496)	42,616
Profit for the period from continuing operations	392,518	282,627	392,518	282,627
Discontinued operations				
Loss before taxation	-	(921)	-	(921)
Tax credit	-	206	-	206
Loss for the period from discontinued operations	-	(715)	-	(715)
Profit for the period	392,518	281,912	392,518	281,912
Attributable to :				
Owners of the parent				
Profit from continuing operations	377,537	303,874	377,537	303,874
Loss from discontinued operations	-	(715)	-	(715)
Profit for the period attributable to owners of the parent	377,537	303,159	377,537	303,159
Non-controlling interests				
Profit/(loss) from continuing operations	14,981	(21,247)	14,981	(21,247)
Profit for the period	392,518	281,912	392,518	281,912
Basic earnings per share (sen)				
- continuing operations	26.54	21.36	26.54	21.36
- discontinued operations	-	(0.05)	-	(0.05)
	26.54	21.31	26.54	21.31

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022)



Unaudited Condensed Consolidated Statements Of Comprehensive Income

For The Financial Period Ended 31 March 2023

	1 st Quarter ended 31 March		3 Months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the period	392,518	281,912	392,518	281,912
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	34,538	(6,082)	34,538	(6,082)
Share of associates' other comprehensive income/(loss)	5,543	(29,781)	5,543	(29,781)
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	150,624	213,690	150,624	213,690
Share of associates' other comprehensive income/(loss)	123,903	(96,622)	123,903	(96,622)
Total comprehensive income	707,126	363,117	707,126	363,117
Attributable to :				
Owners of the parent				
Total comprehensive income from continuing operations	683,834	380,171	683,834	380,171
Total comprehensive loss from discontinued operations	-	(715)	-	(715)
Total comprehensive income attributable to owners of the parent	683,834	379,456	683,834	379,456
Non-controlling interests				
Total comprehensive income/(loss) from continuing operations	23,292	(16,339)	23,292	(16,339)
Total comprehensive income	707,126	363,117	707,126	363,117

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022)

Unaudited Condensed Consolidated Statements Of Financial Position

	As at 31-Mar-23 RM'000	As at 31-Dec-22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,336,116	1,322,671
Investment properties	362,877	366,682
Right-of-use assets	391,063	373,976
Bearer plants	3,881	3,893
Land held for property development	98,170	98,170
Goodwill	70,232	70,232
Other intangible assets	12,317	12,604
Investment in associates	22,888,420	22,329,590
Investment in joint venture	32,680	31,159
Other investments	386,580	351,945
Deferred tax assets	51,765	55,695
Total non-current assets	25,634,101	25,016,617
Current assets		
Inventories	1,372,959	1,090,095
Biological assets	22,184	19,980
Property development costs	3,093	2,523
Trade receivables	719,590	809,185
Other receivables	308,529	337,320
Derivative financial assets	9,740	289
Current tax assets	24,311	28,334
Cash and cash equivalents	1,537,668	1,587,047
Total current assets	3,998,074	3,874,773
Assets classified as held for sale	-	41,287
	3,998,074	3,916,060
TOTAL ASSETS	29,632,175	28,932,677
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,429,314
Reserves	25,054,108	24,401,527
Equity attributable to owners of the parent	26,483,422	25,830,841
Non-controlling interests	731,921	737,667
Total equity	27,215,343	26,568,508



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

	As at 31-Mar-23 RM'000	As at 31-Dec-22 RM'000
Non-current liabilities		
Borrowings	67,264	68,691
Lease obligations	354,743	339,949
Deferred tax liabilities	116,149	114,433
Provision for restoration cost	47,270	45,320
Total non-current liabilities	585,426	568,393
Current liabilities		
Trade payables	293,190	225,106
Other payables	208,092	202,789
Derivative financial liabilities	21,468	41,110
Borrowings	1,256,185	1,278,516
Lease obligations	43,115	41,318
Current tax liabilities	9,356	2,732
Total current liabilities	1,831,406	1,791,571
Liabilities directly associated with the assets held for sale	-	4,205
	1,831,406	1,795,776
Total liabilities	2,416,832	2,364,169
TOTAL EQUITY AND LIABILITIES	29,632,175	28,932,677

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022)

Unaudited Condensed Consolidated Statements Of Changes In Equity

For The Financial Period Ended 31 March 2023

	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 2023						
At 1 January 2023	1,429,314	4,115,216	20,286,311	25,830,841	737,667	26,568,508
Profit for the period	-	-	377,537	377,537	14,981	392,518
Other comprehensive income	-	306,297	-	306,297	8,311	314,608
Total comprehensive income	-	306,297	377,537	683,834	23,292	707,126
Transfer of reserves	-	37,268	(37,268)	-	-	-
Share of other changes in equity of associates	-	(36,460)	5,207	(31,253)	-	(31,253)
Dividends paid to non-controlling interest of subsidiaries	-	-	-	-	(31,531)	(31,531)
Issue of shares to non-controlling interests	-	-	-	-	2,643	2,643
Disposal of a subsidiary	-	-	-	-	(150)	(150)
At 31 March 2023	1,429,314	4,422,321	20,631,787	26,483,422	731,921	27,215,343

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
Profit/(loss) for the period	-	-	303,159	303,159	(21,247)	281,912
Other comprehensive income/(loss)	-	83,091	(6,794)	76,297	4,908	81,205
Total comprehensive income/(loss)	-	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

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022)



Unaudited Condensed Consolidated Statements Of Cash Flows

For The Financial Period Ended 31 March 2023

	3 Months ended 31 March	
	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	415,014	240,011
Loss before tax from discontinued operations	-	(921)
Profit before taxation	415,014	239,090
Adjustments:		
Non-cash items	(318,155)	(250,904)
Non-operating items	8,376	8,557
Operating profit/(loss) before working capital changes	105,235	(3,257)
Working capital changes:-		
Net change in current assets	(147,255)	(239,379)
Net change in current liabilities	64,533	22,504
Cash generated from/(used in) operations	22,513	(220,132)
Tax paid	(5,227)	(8,212)
Net cash generated from/(used in) operating activities	17,286	(228,344)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment, investment properties, biological assets and other intangible assets	(38,976)	(30,288)
Proceeds from disposal of property, plant and equipment	158	2,411
Proceeds from disposal of a subsidiary	50,322	8,931
Dividends received	60	7,223
Income received from short-term fund placements	8,675	3,241
Interest received	4,347	695
Advances to associates	(12)	(1,342)
Proceeds from liquidation of a subsidiary	3,722	-
Net cash generated from/(used in) investing activities	28,296	(9,129)

Unaudited Condensed Consolidated Statements Of Cash Flows For The Financial Period Ended 31 March 2023 (continued)

	3 Months ended 31 March	
	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/Drawdown of bank borrowings	(50,761)	406,837
Interest paid	(17,498)	(9,193)
Dividends paid	(31,531)	-
Payment of lease obligations	(14,048)	(9,370)
Shares issued to non-controlling interest of a subsidiary	4,434	-
Net cash (used in)/generated from financing activities	(109,404)	388,274
Net (decrease)/increase in cash and cash equivalents	(63,822)	150,801
Cash and cash equivalents brought forward	1,596,559	1,296,316
Effect of exchange rate changes	4,931	(965)
Cash and cash equivalents carried forward	1,537,668	1,446,152
(including cash in asset classified as held for sale)		
 <u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	329,912	785,678
Bank deposits	251,381	147,490
Short-term fund placements	956,375	512,984
	1,537,668	1,446,152

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022)



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 2022 except for the adoption of the following Amendments to MFRS that are effective for financial periods beginning on or after 1 January 2023:

- Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts: Initial Application of MFRS 17 and MFRS 9 - Comparative Information
- Amendments to MFRS 112 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction

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 period ended 31 March 2023.

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 2023 is as follows:

	Grain and agribusiness	Consumer products	Film exhibition and distribution	Property	Other Operations	Inter- segment elimination	Total
Business segments:							
All figures in RM'000							
REVENUE							
External revenue	1,160,787	199,323	128,352	22,897	8,316	-	1,519,675
Inter-segment sales	31,694	1,257	-	200	-	(33,151)	-
Total revenue	1,192,481	200,580	128,352	23,097	8,316	(33,151)	1,519,675
RESULTS							
Segment results	60,937	8,097	(4,397)	1,633	34,244	-	100,514
Share of results of associates	(2,478)	(756)	4,372	(907)	320,547	-	320,778
Share of results of joint venture	-	-	-	-	1,000	-	1,000
Unallocated corporate expenses	-	-	-	-	-	-	(7,278)
Profit/(loss) before taxation	58,459	7,341	(25)	726	355,791	-	415,014

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

There were no material events or transactions since the end of the financial period to the date of this announcement which materially affect the results of the Group.

A9. Changes in the composition of the Group

On 28 February 2023, Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company completed the disposal of its entire 99.57% equity interest in Malayan Adhesives and Chemicals Sdn Bhd ("MAC") to Techbond Group Bhd for a cash consideration of RM57 million. A gain on disposal of RM24.5 million was recorded during the quarter. Arising therefrom, MAC has ceased to be a subsidiary of CQ.

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 period under review.



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 March 2023 are as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	58,075
- not contracted	420,116
	478,191
Other commitments	
- contracted	387,256
Total	865,447

A12. Significant related party transactions

Significant related party transactions during the financial period ended 31 March 2023 are as follows:

	RM'000
Transactions with associates	
- Sales of goods	3,131
- Purchase of goods	2,522
Transactions with subsidiaries of the ultimate holding company	
- Sales of goods	4,540
Transactions with subsidiaries of associates	
- Purchase of goods	178,393
- Sales of goods	39,307
- Other services expenses	3,719
- Freight cost	38,542

Notes (continued)

B1. Performance analysis

Group financial performance by business segment

	Grain 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								
1Q2023								
REVENUE								
External revenue	1,160,787	199,323	128,352	-	22,897	8,316	-	1,519,675
Inter-segment sales	31,694	1,257	-	-	200	-	(33,151)	-
Total revenue	1,192,481	200,580	128,352	-	23,097	8,316	(33,151)	1,519,675
RESULTS								
Segment results	60,937	8,097	(4,397)	-	1,633	34,244	-	100,514
Share of results of associates	(2,478)	(756)	4,372	-	(907)	320,547	-	320,778
Share of results of joint venture	-	-	-	-	-	1,000	-	1,000
Unallocated corporate expenses	-	-	-	-	-	-	-	(7,278)
Profit/(Loss) before taxation	58,459	7,341	(25)	-	726	355,791	-	415,014



Notes (continued)

B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

	Grain 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								
1Q2022								
REVENUE								
External revenue	1,044,329	183,490	63,943	33,303	35,292	21,318	-	1,381,675
Inter-segment sales	27,520	678	-	37	201	28	(28,464)	-
Total revenue	1,071,849	184,168	63,943	33,340	35,493	21,346	(28,464)	1,381,675
RESULTS								
Segment results	(161,035)	7,120	(28,734)	(936)	9,225	3,562	-	(170,798)
Share of results of associates	22,729	(150)	(1,172)	-	(72)	394,311	-	415,646
Share of results of joint venture	-	-	-	15	-	1,320	-	1,335
Unallocated corporate expenses	-	-	-	-	-	-	-	(7,093)
(Loss)/ Profit before taxation	(138,306)	6,970	(29,906)	(921)	9,153	399,193	-	239,090
Variance								
Revenue (%)	11%	9%	>100%	-100%	-35%	-61%	-16%	-10%
Profit/(Loss) before taxation (%)	n.m	5%	100%	n.m	-92%	-11%	-	74%

n.m - not meaningful

Notes (continued)

B1. Performance analysis (CONTINUED)

Group performance review

For the first quarter of 2023, the Group achieved total revenue of RM1.52 billion, an increase of 10% as compared to RM1.38 billion recorded in 1Q2022. Pre-tax profit increased by 74% to RM415 million (1Q2022: RM239 million). This was mainly attributable to the turnaround of the *Grains and agribusiness and Film exhibition and distribution* segments; contribution from Wilmar International Limited (“Wilmar”) however, was lower by 19% to RM321 million (1Q2022: RM394 million).

Grains and agribusiness

Segment revenue increased by 11% to RM1.16 billion (1Q2022: RM1.04 billion). The segment recorded a profit of RM58 million for 1Q2023 (1Q2022: RM138 million loss). The improved performance was mainly attributable to a stabilised grains commodity market.

Consumer products

Segment revenue and profit for 1Q2023 were higher by 9% and 5% to RM199 million (1Q2022: RM183 million) and RM7.3 million (1Q2022: RM7.0 million) respectively. This was mainly attributable to higher sales of bakery and consumer products.

Film exhibition and distribution

Segment revenue for 1Q2023 increased significantly to RM128 million (1Q2022: RM64 million). The segment reported a marginal loss of RM25,000 in 1Q2023 (1Q2022: RM30 million loss), on the back of a 113% and 96% increase in admissions and box office collections respectively.

Property

Segment revenue and profit for 1Q2023 were lower at RM23 million (1Q2022: RM35 million) and RM726,000 (1Q2022: RM9.2 million) respectively. The lower revenue and profit was mainly attributable to the absence of progressive profit recognised for sold units as the Megah Rise residential project has been fully completed in August 2022; and higher mall operating costs.

Other operations

Segment profit decreased by 11% to RM356 million in 1Q2023 (1Q2022: RM399 million). Contribution from Wilmar was lower at RM321 million (1Q2022: RM394 million), partially offset by a gain on disposal of Malayan Adhesives and Chemicals Sdn Bhd amounting to RM24.5 million (Refer to Note A9).

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

For 1Q2023, profit before taxation was lower at RM415 million as compared to RM446 million recorded in 4Q2022, mainly attributed to lower contribution from Wilmar at RM321 million (4Q2022: RM387 million), partially offset by a significantly lower loss at the *Film exhibition and distribution* segment of RM25,000 (4Q2022: RM26 million loss).



Notes (continued)

B3. Prospects

The Malaysian economy expanded in the first quarter of 2023 by 5.6%, driven mainly by domestic demand, especially private consumption spending. Meanwhile, investment activity was underpinned by capacity expansion and continued implementation of multi-year projects. The economic performance on the supply side was attributed to continuous growth of the services and manufacturing sectors.

Despite global headwinds, the Malaysian economy is projected to expand by 4.0% to 5.0% in 2023, driven by firm domestic demand. Improving employment and income as well as continued implementation of multi-year projects would support consumption and investment activity.

Whilst the volatility of global grains commodity prices have moderated at the beginning of 2023 as the market has factored in the supply disruption caused by the Russian-Ukraine war, potential adverse weather condition in certain major grains growing countries may affect the grains commodity prices.

On the back of a stable grains commodity market, coupled with our continuous effort to drive production and cost efficiency, we expect the *Grains and Agribusiness* segment to perform satisfactorily.

The *Consumer Products* segment will continue to leverage its well-established nation-wide distribution network and integrated marketing system to enhance its operational efficiency in distributing a widely accepted range of necessities, while expanding its range of consumer products and widen its distribution base. We expect the segment to perform satisfactorily.

The recovery of the *Film Exhibition and Distribution* segment is in line with the ongoing improvement in consumer sentiment and confidence. The upcoming lineup of strong movie titles beginning second quarter of this year would contribute positively to the segment's performance in 2023.

We expect the *Property* Segment to perform satisfactorily as the new development projects in Kedah and Penang are in its planning stage. Improved malls occupancy and footfall are expected to contribute positively to the top line of this segment in 2023.

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

	1st Quarter ended 31-Mar-23 RM'000
Profit before taxation was stated after crediting/(charging):	
Interest income and income from short-term fund placements	13,195
Dividend income	60
Net foreign exchange loss	(9,260)
Gain on disposal of subsidiary	24,501
Net fair value gain on derivatives	35,026
Net write back of impairment on receivables	290
Depreciation and amortisation	(50,130)
Interest expense on lease obligations	(4,099)

B6. Tax (expense)/credit

	1st Quarter ended 31-Mar-23 RM'000
Taxation based on the profit for the financial period:	
Malaysian taxation:	
Current tax expense	(16,440)
Deferred tax expense	(4,802)
	(21,242)
Foreign taxation:	
Current tax expense	(648)
Deferred tax expense	(606)
	(22,496)

The effective tax rate for 1Q2023 stood at 24%.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed.



Notes (continued)

B8. Group borrowings

Total Group borrowings as at 31 March 2023 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)	22,764	22,764	(b)	-
	67,264	67,264		-
Short-term bank borrowings				
Revolving credit (RM)	163,674	50,000	(a)	113,674
Revolving credit (IDR)	284,380	-		284,380
Short-term loan (RM)	152,000	-		152,000
Short-term loan (USD)	444,252	-		444,252
Short-term loan (VND)	211,879	4,139	(b)	207,740
	1,256,185	54,139		1,202,046

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 March 2023

	Contract / Notional value RM'000	Fair value - Assets / Liabilities RM'000
Derivative financial assets		
i) Futures contracts	197,121	8,399
ii) Forward foreign currency contracts	552,957	1,341
Total derivative assets		9,740
Derivative financial liabilities		
i) Options contracts	1,725,680	15,731
ii) Futures contracts	196,691	1,111
iii) Forward foreign currency contracts	436,866	4,626
Total derivative liabilities		21,468

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. 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 1Q2023, unrealised fair value loss on derivative financial instruments amounted to RM1.5 million (1Q2022: RM52.4 million).



Notes (continued)

B10. Material litigation

There was no material litigation as at the date of this report.

B11. Dividend

At the 54th Annual General Meeting on 17 May 2023, shareholders of the Company have approved a final dividend of 28 sen per share for the financial year ended 31 December 2022, payable on Thursday, 8 June 2023.

B12. Earnings per share

	1 st Quarter ended 31 March		3 Months ended 31 March	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net profit for the period	377,537	303,159	377,537	303,159
Number of ordinary shares in issue ('000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	26.54	21.31	26.54	21.31

There were no potential dilutive ordinary shares outstanding as at 31 March 2023 and 31 March 2022. As such, there were no diluted earnings per share for the financial period ended 31 March 2023 and 31 March 2022.

B13. Earnings per share

The auditors' report for the financial year ended 31 December 2022 was not subject to any qualification.

Kuala Lumpur
31 May 2023

By Order of the Board
Mah Teck Keong
Company Secretary



PPB GROUP BERHAD

196801000571 (8167-W)

Letter Box No. 115, 12th Floor,
UBN Tower, No. 10 Jalan P Ramlee,
50250 Kuala Lumpur, Malaysia

www.ppbgroup.com

T: 603-2726 0088

F: 603-2726 0198 (*Corporate Affairs*)

F: 603-2726 0099 (*General Line*)

E: corporateaffairs@ppb.com.my