



## CONSUMER PRODUCTS





# Investor Update 2023 Quarterly Report 3





# Table of Contents

|    |  |    |
|----|--|----|
| 1. | From the Desk of the Chairman                                      | 4  |
| 2. | Happenings   | 6  |
| 3. | CSR Activities   | 9  |
| 4. | Announcements  | 19 |
| 5. | Share Analysis for the 3 <sup>rd</sup> Quarter of 2023             | 20 |
| 6. | Group Financial Highlights for the 3 <sup>rd</sup> Quarter of 2023 | 21 |
| 7. | Quarterly report ended 30-09-2023                                  | 23 |



# From the Desk of the Chairman

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Dear Shareholders

## RESULTS FOR THE 9 MONTHS OF 2023

PPB Group Berhad ("PPB") group's pre-tax profit of RM1.05 billion for 9M2023 was down 42% from the previous period (9M2022 : RM1.80 billion). Group revenue for 9M2023 was RM4.46 billion (9M2022 : RM4.63 billion). The lower profit was mainly attributable to a reduced contribution in 9M2023 from Wilmar International Limited by 57% to RM728 million (9M2022 : RM1.71 billion).

The Group recorded a profit for the period of RM984 million, and earnings per share of 66.98 sen.

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**PROFIT**  
**RM984 mil**

**EARNINGS PER SHARE**  
**66.98 sen**

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## From the Desk of the Chairman (*continued*)

### PROSPECTS FOR THE CURRENT YEAR

Performance of the Grain and Agribusiness segment for 3Q2023 remained robust on the back of a stable grain commodity market. Increasing global geopolitical tensions may trigger further volatility in global grain prices. A prolonged weak Ringgit may also drive up the cost of raw materials and put pressure on margins.

As the segment recorded a good performance for the first nine months of this year, coupled with our extensive experience in grain procurement and product formulation, we are optimistic that it will perform well for the rest of the year.

Amidst a rising cost of living in the country, the Consumer Products segment, which focuses on manufacturing and distribution of consumer stable food, will continue to capitalise on our established nationwide integrated warehousing and distribution network for growth. We expect the segment's performance for the rest of the year to be satisfactory.

The Film Exhibition and Distribution segment recorded improved performance in 3Q2023. However, the recent actors and writers' strikes in Hollywood have led to the deferment of several key blockbuster titles which will affect the admissions and box office collections in the final quarter. Management is re-prioritizing several of its initiatives and optimising costs to navigate the challenges faced by the cinema sector.

Whilst the Property segment is planning for the launches of new development projects, revenue from sales of the remaining units of completed projects is expected to be modest in 4Q2023. During this transition period, we will continue our efforts to improve the occupancy and footfalls of our malls.

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

### HAPPENINGS

PPB held a Press and Analyst Briefing on 5 September 2023 to review the half-year financial results for 2023 and the latest developments in the Group.

The Italian Baker Sdn Bhd introduced a limited edition of Massimo Torta Gula Melaka sponge cake to good response.

In August 2023, Golden Screen Cinemas Sdn Bhd (GSC) launched GSC LaLaport at Bukit Bintang City Centre, a 12-screen cinema with 1,282 seats. During the same quarter, GSC showcased the first Malaysian movie, *Malbatt : Misi Bakara* on IMAX screens at selected cinemas nationwide.

### CSR ACTIVITIES

The Group organised/participated in a number of CSR activities, and you can read about them in other sections in this update.

### GREETINGS

As the year is coming to a close, I take this opportunity to wish our shareholders, business associates and staff of PPB Group, SEASON'S GREETINGS TO ALL and a BLESSED 2024!

**Dato' Capt Ahmad Sufian**  
Chairman

11 December 2023

# Happenings



## Press and Analyst Briefing

PPB's Press and Analyst Briefing following the 2Q2023 results announcement was held on 5 September 2023 at the ONYX Hall, GSC Mid Valley, Kuala Lumpur. A total of 22 analysts and fund managers from various local research houses and securities firms, as well as representatives from the press, attended the event. The briefing reviewed the financial results for the first half of 2023 and the latest developments in the Group, and senior management dealt with questions from the analysts and the press. The attendees then adjourned for lunch at JIN Gastrobar in The Gardens Mall, Kuala Lumpur.







## Happenings (*continued*)



### Massimo Torta Gula Melaka

In September 2023, Massimo introduced the Torta Gula Melaka, a limited-edition sponge cake that is soft and springy and infused with the *gula melaka* flavour, perfect as a snack on the go.



### GSC Launches The Prettiest Cinema in Malaysia at Lalaport Bukit Bintang City Centre

Golden Screen Cinemas (GSC) has unveiled the prettiest cinema in the heart of Kuala Lumpur at LaLaport Bukit Bintang City Centre ('GSC LaLaport'). Reminiscing retro cinema vibes, GSC LaLaport comes with a pastel pink and baby blue interior with rustic golden brass detailing, and the cinema walkways are adorned with peach-pink themed walls. GSC LaLaport is a first-of-its-kind Instagram-worthy cinema with a total of 12 screens and a 1,282-seating capacity. Decked with picturesque corners including swings, intimate seating corners and colourful walls, these areas are designed for movie-goers to enjoy before or even after catching a movie!



## Happenings (*continued*)



### GSC Showcases *Malbatt: Misi Bakara* as The First Malaysian Movie on Imax Screens

Providing movie-goers with an unparalleled cinematic experience, GSC showcased a local production, *MALBATT: Misi Bakara* as the first-ever Malaysian movie on IMAX screens at selected cinemas nationwide. *MALBATT: Misi Bakara* was digitally re-mastered into the image and sound quality of The IMAX Experience® with the proprietary IMAX DMR® (Digital Re-mastering) process, with crystal-clear images from IMAX's customised theatre geometry and powerful digital audio. The movie had an exclusive early preview at IMAX screens on 18 August 2023, and was released nationwide in all other movie formats on 24 August 2023.







# CSR Activities



## "Food Aid" Project

PPB assisted 13 needy families in the Klang Valley and provided basic food provisions such as rice, cooking oil, flour and canned food from July to September 2023, to help ease their financial burden. For some of them with utility bills in arrears, PPB also assisted in paying their bills through our Utility Assistance project.

PPB also assisted the Perak Society for the Promotion of Mental Health (PSPMH) with groceries, a desktop computer and a water purifier. PSPMH is an NGO which aims to promote the standard of mental health in the social, educational and mental aspects.

On 23 September 2023, 19 PPB Group staff volunteered their weekend to cook 500 meals and pack 200 sets of essential groceries sponsored by PPB for needy families residing in Flat Sri Kota, Kuala Lumpur.



## CSR Activities (*continued*)



### Baking for a Better Future

Eight single mums from the fifth batch of Supermum completed their 10 training modules with a business training workshop organised by PPB on 9 September 2023 at its UBN Tower office. The workshop covered topics such as basic accounting, branding and information on wheat flour, and was facilitated by staff from GSC and FFM. Since 2020, a total of 57 single mums have been trained under this initiative.

On 5 August 2023, the Ibupreneur Academy was officially launched. Ibupreneur Academy is a collaboration between PPB, FFM and Ibupreneur to empower vulnerable mothers with homegrown baking businesses to become tech-savvy micro-entrepreneurs to sustain their livelihoods, under the IbuDigital training programme. Each module is led by industry experts who share their knowledge in areas such as product development, digital marketing and basic accounting. PPB contributed to the renovation works while FFM sponsored the baking equipment to set up a baking studio and training centre at the Ibupreneur Academy in TTDI Plaza.

Located at PPR Flat Harmoni, Buntong, Ipoh, the PWW Baking Studio is the first initiative under PPB's Baking for A Better Future project that is outside the Klang Valley. PWW Baking Studio was officially launched on 1 October 2023 and is a collaboration between PPB and the Perak Women for Women Association to provide/train women from the B40 group with baking and entrepreneurship skills. The trainees will also be taught digital marketing to sell their products on social media.

To date, PPB has implemented a total of six initiatives under its Baking for a Better Future project whereby PPB collaborates with reputable NGOs to set up baking studios to empower and train vulnerable groups.







## CSR Activities (continued)



### PPB F&B Entrepreneur Development

PPB collaborated with Food Aid Foundation (FAF) for an empowerment program known as PPB F&B Entrepreneur Development (PFED) on food handling and culinary skills for vulnerable groups. To equip the trainees to venture into the F&B sector, 50 were selected to train and attend a certified Food Handling Course and received Typhoid injections in June 2023.

Of the 10 shortlisted trainees, six completed a 10-session Culinary Course which included a session on business training and two trial runs in a food truck at Flat Sri Kota and PPR Desa Tun Razak. A graduation ceremony was held on 18 November 2023 at FAF headquarters.



## CSR Activities *(continued)*



### From Zero to Hero in Creative Sewing Project

Since 2021, PPB has been collaborating with Persatuan Seni Jahitan Kreatif Malaysia (PSJKM) and has sponsored 50 participants from the B40 community for a 6-day intensive hands-on training course on natural dyes, eco-printing and creative sewing. After completion of their training, participants were each given a sewing machine and 6 months of continued mentorship. The participants were given the opportunity to sell their handmade products at PSJKM's Facebook Live sessions and various bazaars. They are also encouraged to continue with the advanced sewing courses also sponsored by PPB, to upskill their sewing techniques and create more varieties for their product catalogues. Many who had started without any source of income, are now able to earn an income by selling their sewing products after completing the course.



### MIMOSA

PPB collaborated with Persatuan Pendidikan MIMOSA to enhance the MIMOSA tuition centre for needy students to a more conducive and comfortable place to learn, grow and inculcate good character values. Besides contributing a fresh coat of paint for the centre, PPB contributed a desktop computer, printer and furniture. PPB also supported the centre with their rental payments as well as providing the students a wholesome daily meal.







## CSR Activities *(continued)*



### Empowering The Orang Asli

PPB assisted 362 orang asli from the Jakun tribe in the Pekan and Rompin Districts in Pahang who faced water shortages due to the drought, by contributing 42 units of 600-gallon water tanks for water storage complete with pumps. PPB also provided the materials for the orang asli to construct four sets of sanitation facilities. Each set of sanitation facilities comprises a squat toilet, shower bathroom and wash basin.





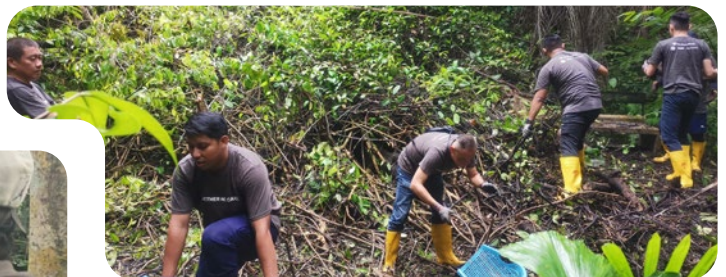
## CSR Activities *(continued)*



### Stream Restoration Project at Taman Tugu, Kuala Lumpur

On 14 July 2023, 35 staff from PPB and its subsidiaries (PPB Group) and their family members volunteered at a stream restoration project at Taman Tugu, Kuala Lumpur organised by Global Environment Centre (GEC). This Group CSR event which was held for the second time since 2022, encourages staff bonding as well as caring for the environment together.

On a separate occasion, PPB invited Mr Faizal Parish, the founder and director of GEC to conduct a virtual awareness talk on water security issues for PPB Group staff. The talk gave the staff a better understanding of both the global and local water security situation, as well as how individuals and corporations can contribute to the sustainable management of water resources.







## CSR Activities (continued)



### Health Awareness Campaigns

The iM Booster Health Awareness Campaign was held at Cheras LeisureMall (CLM) to promote greater public awareness of health and well-being. This two-day event on 1 & 2 July 2023 garnered more than 500 participants.

Together with the Lions Club of Ampang, a blood donation campaign was held on 8 July 2023 at CLM to support the National Blood Centre, Malaysia. A total of 78 bags of blood were collected during the event.

On 24 September 2023, with the theme 'Spreading Our Love, Caring Our Health', a free health clinic was organised by Persatuan TCM Shi Kui at CLM, to provide free health services such as acupuncture to the general public.



## CSR Activities *(continued)*



### Charity Hair Cut

CLM collaborated with Niko Kenz Ho to organise a charity haircut on 23 August 2023 to raise funds for the Jing Sun Welfare Society and Pertubuhan Kebajikan Orang Tua Rahmat. A total of RM3,800 was raised during the event.



### Meow Bazaar & Cat Adoption

Organised by the Kelab Meow United in collaboration with the Stray Free Foundation, the MEOW Bazaar and Cat Adoption Drive was held from 1 to 3 September 2023 at CLM to find new homes for cats and kittens. A total of 52 cats were adopted.



### Lantern Festival Charity Sale

CLM and Heart to Heart Outreach jointly organised a Lantern Festival Charity Sale on 23 September 2023 and successfully raised RM10,000 to support Persatuan Pembangunan Jayadiri Selangor. Rattan products, cookies, mooncakes and accessories made by the disabled were sold.







## CSR Activities (continued)



### Megah Fun Hunt

PPB and PPB Properties were the co-sponsors of the Megah Fun Hunt, a treasure hunt organised by Shelter Home. The Group provided the event venue, Megah Rise Mall and also sponsored GSC Gourmet Popcorn to the participants. A total of 109 participants from 34 teams participated in the Fun Hunt.



### WiEN Bazaar

Organised by WiEN, an Artsy & Crafty Pop-Up Bazaar and Mooncake Festival Bazaar were held at the Megah Rise Mall. These events featured a variety of handmade delicacies, cookies, arts and crafts, apparel and fashion accessories.

WiEN (Winner's Innovative Entrepreneurial Network) is a collective movement, and an inclusive, diverse community commerce platform in Malaysia. It focuses on 'Economic and entrepreneurial Empowerment' that enables artisan, cottage industry and SME micro-entrepreneurs to grow and prosper.



## CSR Activities *(continued)*



### Women Empowerment Market by Jawatankuasa Pembangunan Wanita dan Keluarga

New Work Park and the Jawatankuasa Pembangunan Wanita dan Keluarga (JPWK) jointly organised a Women Empowerment Market, a platform for women from residents' associations, NGOs, various organisations, and the local community to form a network to work together, develop programmes, share experiences and support each other. Held on 29 and 30 July 2023, the activities included a vibrant marketplace by women entrepreneurs, free mental health checks, and game booths.



### #LOVINGAUTISM Bi-monthly Educational Workshop

GSC continued its two series of educational workshops on 8 July and 9 Sept focusing on topics such as "Does My Child Have Autism? Red Flags, Basic Tips and Next Steps" and "Managing Challenging Behaviours". Both workshops also included sharing sessions by parents with a special needs child, Dr Shazril (Medical Doctor and Social Media Influencer), and Iman Wan (Adam's Autism Family) as guest speakers.







# Announcements

| Date              | Subject  |
|-------------------|--|
| 11 August 2023    | PPB announced the proposed disposal by Mantap Aman Sdn Bhd ("MASB") of its 51% equity interest in PT Pundi Kencana to PT Sentratama Niaga Indonesia and PT Wilmar Nabati Indonesia ("Proposed Disposal") at a total cash consideration equivalent to RM87.5 million. MASB is an indirect 100%-owned subsidiary of PPB held via FFM Berhad. |
| 15 August 2023    | PPB announced that the quarterly report for the 2nd quarter ended 30 June 2023 would be released on 29 August 2023.  |
| 29 August 2023    | PPB announced the following :<br>1. Release of the quarterly report for the 2nd quarter ended 30 June 2023.<br>2. PPB Board declared the payment of an interim dividend of 12 sen per share for financial year ending 31 December 2023 ("Interim Dividend").<br>The Interim Dividend was paid on 22 September 2023.                        |
| 12 September 2023 | PPB announced the completion of the Proposed Disposal, and that MASB had received the disposal proceeds on 12 September 2023.  |

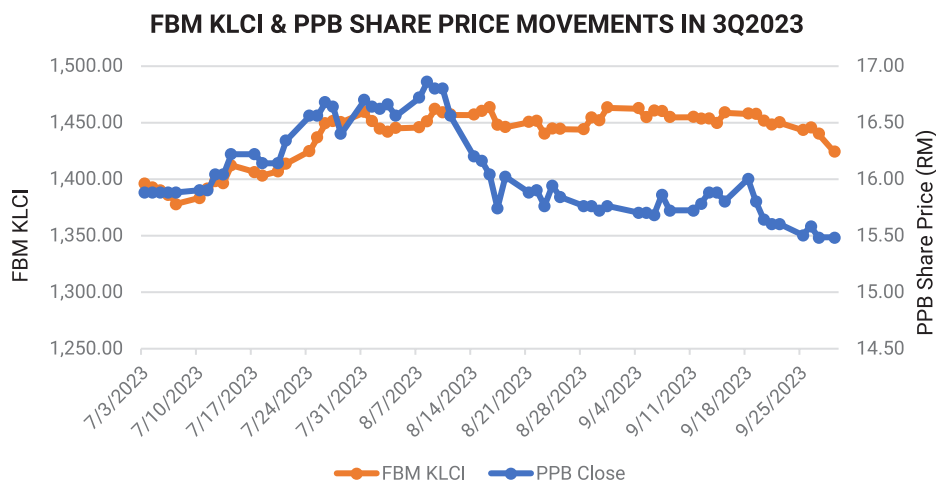
# Share Analysis

The domestic financial market developments were driven mainly by the global monetary policy path. Bond yields increased in line with regional peers on expectations of tighter US monetary policy. The equity markets rose as the launch of national master plans lifted earnings prospects (KLCI : +3.4% QoQ).

[Source : Bank Negara Malaysia website]

PPB shares closed lower at RM15.48 compared with RM15.74 in the preceding quarter and market capitalisation decreased to RM22,028 million. The average daily volume of PPB shares traded during the quarter decreased by 5.42% to 486,323 shares.

| Date  | 3Q2023      | 2Q2023      | % change |
|---|-------------|-------------|----------|
| PPB share price (RM)                        |             |             |          |
| Closing price (high)                        | 16.86       | 16.70       | 0.96%    |
| Closing price (low)                         | 15.48       | 15.72       | -1.53%   |
| Month end closing price                     | 15.48       | 15.74       | -1.65%   |
| Weighted share price                        | 16.03       | 16.15       | -0.76%   |
| Market capitalisation (RM' million)         | 22,028      | 22,398      | -1.65%   |
| PPB share trading volume (Number of shares) |             |             |          |
| Daily volume (high)                         | 2,110,100   | 2,508,300   | -15.88%  |
| Daily volume (low)                          | 34,500      | 122,000     | -71.72%  |
| Average daily volume                        | 486,323     | 514,185     | -5.42%   |
| FBM KLCI                                    |             |             |          |
| FBM KLCI closing (high)                     | 1,463.51    | 1,435.89    | 1.92%    |
| FBM KLCI closing (low)                      | 1,377.67    | 1,374.64    | 0.22%    |
| FBM KLCI quarter end closing                | 1,424.17    | 1,376.68    | 3.45%    |
| FBM KLCI volume (Number of shares)          |             |             |          |
| Daily volume (high)                         | 312,673,000 | 294,167,200 | 6.29%    |
| Daily volume (low)                          | 46,350,800  | 807,181     | >100%    |
| Average daily volume                        | 106,870,734 | 66,902,976  | 59.74%   |







# Group Financial Highlights

(The figures have not been audited)

| Financial period/year ended<br>(All figures in RM million) | 30.09.23      | 9 months<br>30.09.22 | Change<br>% | 12 months<br>31.12.22 |
|--|---------------|----------------------|-------------|-----------------------|
| <b>INCOME STATEMENT</b>                                    |               |                      |             |                       |
| Revenue (Continuing operations)                            | 4,458         | 4,541                | (2)         | 6,151                 |
| Revenue (Discontinued operations)                          | -             | 91                   | n.m.        | 106                   |
| Revenue  | 4,458         | 4,632                | (4)         | 6,257                 |
| Profit before tax (Continuing operations)                  | 1,047         | 1,805                | (42)        | 2,250                 |
| Loss before tax (Discontinued operations)                  | -             | (1)                  | n.m.        | -                     |
| Profit before tax  | 1,047         | 1,804                | (42)        | 2,250                 |
| Profit attributable to owners of the parent                | 953           | 1,781                | (47)        | 2,197                 |
| <b>STATEMENT OF FINANCIAL POSITION</b>                     |               |                      |             |                       |
| Non-current assets   | 25,715        | 25,693               | 0           | 25,017                |
| <u>Current assets</u>                                      |               |                      |             |                       |
| Cash and cash equivalents                                  | 1,748         | 1,607                | 9           | 1,587                 |
| Others   | 1,872         | 2,714                | (31)        | 2,288                 |
| Assets classified as held for sale                         | -             | 226                  | n.m.        | 41                    |
| Total current assets                                       | 3,620         | 4,547                | (20)        | 3,916                 |
| <b>Total assets</b>  | <b>29,335</b> | <b>30,240</b>        | <b>(3)</b>  | <b>28,933</b>         |
| <u>Equity</u>  |               |                      |             |                       |
| Share capital  | 1,429         | 1,429                | -           | 1,429                 |
| Reserves   | 25,525        | 25,037               | 2           | 24,402                |
| Equity attributable to owners of the parent                | 26,954        | 26,466               | 2           | 25,831                |
| Non-controlling interests                                  | 705           | 773                  | (9)         | 738                   |
| Total equity   | 27,659        | 27,239               | 2           | 26,569                |

## Group Financial Highlights (*continued*)

| Financial period/year ended<br>(All figures in RM million)       | 30.09.23      | 9 months<br>30.09.22 | Change<br>% | 12 months<br>31.12.22 |
|--|---------------|----------------------|-------------|-----------------------|
| <u>Non-current liabilities</u>                                   |               |                      |             |                       |
| Borrowings   | 64            | 71                   | (11)        | 69                    |
| Others   | 531           | 484                  | 10          | 499                   |
| Total non-current liabilities                                    | 595           | 555                  | 7           | 568                   |
| <u>Current liabilities</u>                                       |               |                      |             |                       |
| Borrowings   | 495           | 1,469                | (66)        | 1,279                 |
| Others   | 586           | 908                  | (35)        | 513                   |
| Liabilities directly associated with the<br>assets held for sale | -             | 69                   | n.m.        | 4                     |
| Total current liabilities  | 1,081         | 2,446                | (56)        | 1,796                 |
| Total liabilities  | 1,676         | 3,001                | (44)        | 2,364                 |
| <b>Total equity and liabilities</b>                              | <b>29,335</b> | <b>30,240</b>        | <b>(3)</b>  | <b>28,933</b>         |

### RATIOS

|  |         |       |        |        |
|--|---------|-------|--------|--------|
| Return on equity attributable to owners of<br>the parent | (%)     | 4.7   | 9.0    | 8.5    |
| Earnings per share                                       | (sen)   | 66.98 | 125.22 | 154.43 |
| Debt to equity ratio                                     | (times) | 0.02  | 0.06   | 0.05   |
| Net assets per share                                     | (RM)    | 18.95 | 18.60  | 18.16  |
| Dividend per share for financial period/<br>year ended   | (sen)   | 12.0  | 12.0   | 40.0   |

### STOCK MARKET INFORMATION

|                       |              |        |        |        |
|-----------------------|--------------|--------|--------|--------|
| Share price           | (RM)         | 15.48  | 16.10  | 17.44  |
| Market capitalisation | (RM million) | 22,022 | 22,904 | 24,810 |





# Unaudited Condensed Consolidated Income Statements

For The Financial Period Ended 30 September 2023

|  | 3 <sup>rd</sup> Quarter ended<br>30 September |                | 9 Months ended<br>30 September |                  |
|--|---|----------------|--------------------------------|------------------|
|  | 2023<br>RM'000                                | 2022<br>RM'000 | 2023<br>RM'000                 | 2022<br>RM'000   |
| <b>Continuing operations</b>                                     |   |                |                                |                  |
| Revenue  | 1,457,594                                     | 1,649,343      | 4,458,203                      | 4,540,548        |
| Cost of sales  | (1,304,135)                                   | (1,488,010)    | (3,997,066)                    | (4,091,738)      |
| Gross profit   | 153,459                                       | 161,333        | 461,137                        | 448,810          |
| Other operating income/(expenses)                                | 81,392  | 38,245         | 231,365                        | (72,754)         |
| Distribution costs   | (50,929)                                      | (54,421)       | (157,832)                      | (161,917)        |
| Administrative expenses  | (54,764)                                      | (50,670)       | (167,975)                      | (143,465)        |
| Other expenses   | (2,142)                                       | (1,507)        | (5,325)                        | (4,656)          |
| Share of results of associates                                   | 284,879                                       | 736,936        | 737,940                        | 1,781,078        |
| Share of results of joint venture                                | 2,055   | 1,336          | 4,528                          | 3,884            |
| Finance costs  | (15,031)                                      | (18,887)       | (57,081)                       | (46,079)         |
| <b>Profit before taxation</b>                                    | <b>398,919</b>                                | <b>812,365</b> | <b>1,046,757</b>               | <b>1,804,901</b> |
| Tax expense  | (15,024)                                      | (17,109)       | (62,473)                       | (10,891)         |
| <b>Profit for the period from continuing operations</b>          | <b>383,895</b>                                | <b>795,256</b> | <b>984,284</b>                 | <b>1,794,010</b> |
| <b>Discontinued operations</b>                                   |   |                |                                |                  |
| Profit/(loss) before taxation                                    | -   | 778            | -                              | (596)            |
| Tax expense  | -   | (497)          | -                              | (117)            |
| <b>Profit/(loss) for the period from discontinued operations</b> | <b>-</b>                                      | <b>281</b>     | <b>-</b>                       | <b>(713)</b>     |
| <b>Profit for the period</b>                                     | <b>383,895</b>                                | <b>795,537</b> | <b>984,284</b>                 | <b>1,793,297</b> |
| Attributable to :  |   |                |                                |                  |
| Owners of the parent   |   |                |                                |                  |
| Profit from continuing operations                                | 372,554                                       | 784,471        | 952,905                        | 1,782,031        |
| Profit/(loss) from discontinued operations                       | -   | 281            | -                              | (713)            |
| Profit for the period attributable to owners of the parent       | 372,554                                       | 784,752        | 952,905                        | 1,781,318        |
| Non-controlling interests  |   |                |                                |                  |
| Profit from continuing operations                                | 11,341  | 10,785         | 31,379                         | 11,979           |
| <b>Profit for the period</b>                                     | <b>383,895</b>                                | <b>795,537</b> | <b>984,284</b>                 | <b>1,793,297</b> |
| Basic earnings per share (sen)                                   |   |                |                                |                  |
| - continuing operations  | 26.19   | 55.14          | 66.98                          | 125.27           |
| - discontinued operations  | -   | 0.02           | -                              | (0.05)           |
|  | 26.19   | 55.16          | 66.98                          | 125.22           |

(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 30 September 2023

|   | 3 <sup>rd</sup> Quarter ended<br>30 September |                  | 9 Months ended<br>30 September |                  |
|---|---|------------------|--------------------------------|------------------|
|   | 2023<br>RM'000                                | 2022<br>RM'000   | 2023<br>RM'000                 | 2022<br>RM'000   |
| <b>Profit for the period</b>  | <b>383,895</b>                                | <b>795,537</b>   | <b>984,284</b>                 | <b>1,793,297</b> |
| Other comprehensive income, net of tax  |   |                  |                                |                  |
| <b><u>Items that will not be subsequently reclassified to profit or loss</u></b>                                |   |                  |                                |                  |
| Fair value loss on investment in equity instruments designated as fair value through other comprehensive income | (27,230)                                      | (41,588)         | (36,129)                       | (50,651)         |
| Share of associates' other comprehensive income/(loss)  | 9,567   | (9,427)          | 27,145                         | (26,746)         |
| <b><u>Items that will be subsequently reclassified to profit or loss</u></b>                                    |   |                  |                                |                  |
| Exchange differences on translation of foreign operations   | 112,048                                       | 1,070,319        | 1,473,632                      | 2,261,408        |
| Share of associates' other comprehensive loss   | (194,051)                                     | (697,102)        | (680,982)                      | (1,256,146)      |
| <b>Total comprehensive income</b>   | <b>284,229</b>                                | <b>1,117,739</b> | <b>1,767,950</b>               | <b>2,721,162</b> |
| Attributable to :   |   |                  |                                |                  |
| Owners of the parent  |   |                  |                                |                  |
| Total comprehensive income from continuing operations   | 273,333                                       | 1,102,569        | 1,717,868                      | 2,697,708        |
| Total comprehensive income/(loss) from discontinued operations  | -   | 281              | -                              | (713)            |
| Total comprehensive income attributable to owners of the parent   | 273,333                                       | 1,102,850        | 1,717,868                      | 2,696,995        |
| Non-controlling interests   |   |                  |                                |                  |
| Total comprehensive income from continuing operations   | 10,896  | 14,889           | 50,082                         | 24,167           |
| <b>Total comprehensive income</b>   | <b>284,229</b>                                | <b>1,117,739</b> | <b>1,767,950</b>               | <b>2,721,162</b> |

(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<br>30-Sep-23<br>RM'000 | As at<br>31-Dec-22<br>RM'000 |
|--|------------------------------|------------------------------|
| <b>ASSETS</b>                                      |                              |                              |
| <b>Non-current assets</b>                          |                              |                              |
| Property, plant and equipment                      | 1,223,565                    | 1,322,671                    |
| Investment properties                              | 359,177                      | 366,682                      |
| Right-of-use assets                                | 403,240                      | 373,976                      |
| Bearer plants                                      | 4,036                        | 3,893                        |
| Land held for property development                 | 99,242                       | 98,170                       |
| Goodwill   | 70,232                       | 70,232                       |
| Other intangible assets                            | 13,216                       | 12,604                       |
| Investment in associates                           | 23,158,798                   | 22,329,590                   |
| Investment in joint venture                        | 36,213                       | 31,159                       |
| Other investments                                  | 316,430                      | 351,945                      |
| Deferred tax assets                                | 31,116                       | 55,695                       |
| <b>Total non-current assets</b>                    | <b>25,715,265</b>            | <b>25,016,617</b>            |
| <b>Current assets</b>                              |                              |                              |
| Inventories  | 869,906                      | 1,090,095                    |
| Biological assets                                  | 27,315                       | 19,980                       |
| Property development costs                         | 1,846                        | 2,523                        |
| Trade receivables                                  | 638,288                      | 809,185                      |
| Other receivables                                  | 288,668                      | 337,320                      |
| Derivative financial assets                        | 30,153                       | 289                          |
| Current tax assets                                 | 15,460                       | 28,334                       |
| Cash and cash equivalents                          | 1,747,832                    | 1,587,047                    |
| <b>Total current assets</b>                        | <b>3,619,468</b>             | <b>3,874,773</b>             |
| Assets classified as held for sale                 | -                            | 41,287                       |
|  | <b>3,619,468</b>             | <b>3,916,060</b>             |
| <b>TOTAL ASSETS</b>                                | <b>29,334,733</b>            | <b>28,932,677</b>            |
| <b>EQUITY AND LIABILITIES</b>                      |                              |                              |
| <b>Equity</b>                                      |                              |                              |
| Share capital                                      | 1,429,314                    | 1,429,314                    |
| Reserves   | 25,524,793                   | 24,401,527                   |
| <b>Equity attributable to owners of the parent</b> | <b>26,954,107</b>            | <b>25,830,841</b>            |
| Non-controlling interests                          | 705,400                      | 737,667                      |
| <b>Total equity</b>                                | <b>27,659,507</b>            | <b>26,568,508</b>            |

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

|   | As at<br>30-Sep-23<br>RM'000 | As at<br>31-Dec-22<br>RM'000 |
|---|------------------------------|------------------------------|
| <b>Non-current liabilities</b>                                |                              |                              |
| Borrowings  | 63,620                       | 68,691                       |
| Lease obligations   | 368,498                      | 339,949                      |
| Deferred tax liabilities                                      | 114,813                      | 114,433                      |
| Provision for restoration cost                                | 47,270                       | 45,320                       |
| <b>Total non-current liabilities</b>                          | <b>594,201</b>               | <b>568,393</b>               |
| <b>Current liabilities</b>                                    |                              |                              |
| Trade payables  | 231,584                      | 225,106                      |
| Other payables  | 280,622                      | 202,789                      |
| Derivative financial liabilities                              | 20,973                       | 41,110                       |
| Borrowings  | 495,492                      | 1,278,516                    |
| Lease obligations   | 44,928                       | 41,318                       |
| Current tax liabilities                                       | 7,426                        | 2,732                        |
| <b>Total current liabilities</b>                              | <b>1,081,025</b>             | <b>1,791,571</b>             |
| Liabilities directly associated with the assets held for sale | -                            | 4,205                        |
|   | <b>1,081,025</b>             | <b>1,795,776</b>             |
| <b>Total liabilities</b>                                      | <b>1,675,226</b>             | <b>2,364,169</b>             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           | <b>29,334,733</b>            | <b>28,932,677</b>            |

(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 30 September 2023

|   | Share capital<br>RM'000 | Non-distributable<br>reserves<br>RM'000 | Retained<br>earnings<br>RM'000 | Attributable<br>to owners of<br>the parent<br>RM'000 | Non-controlling<br>interests<br>RM'000 | Total<br>equity<br>RM'000 |
|---|-------------------------|---|--------------------------------|--|--|---------------------------|
| <b>9 Months ended<br/>30 September 2023</b>                 |                         |   |                                |  |  |                           |
| 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                                       | -                       | -                                       | 952,905                        | 952,905  | 31,379                                 | 984,284                   |
| Other comprehensive income                                  | -                       | 764,963                                 | -                              | 764,963  | 18,703                                 | 783,666                   |
| Total comprehensive income                                  | -                       | 764,963                                 | 952,905                        | 1,717,868  | 50,082                                 | 1,767,950                 |
| Transfer of reserves  | -                       | 33,487                                  | (33,487)                       | -  | -                                      | -                         |
| Dividends paid to shareholders of the Company               | -                       | -                                       | (569,040)                      | (569,040)  | -                                      | (569,040)                 |
| Dividends paid to non-controlling interests of subsidiaries | -                       | -                                       | -                              | -  | (31,531)                               | (31,531)                  |
| Issue of shares to non-controlling interests                | -                       | -                                       | -                              | -  | 4,434                                  | 4,434                     |
| Realisation upon liquidation of subsidiary                  | -                       | -                                       | -                              | -  | (1,792)                                | (1,792)                   |
| Share of other changes in equity of associates              | -                       | (25,562)                                | -                              | (25,562)   | -                                      | (25,562)                  |
| Disposal of a subsidiary                                    | -                       | -                                       | -                              | -  | (53,460)                               | (53,460)                  |
| At 30 September 2023  | 1,429,314               | 4,888,104                               | 20,636,689                     | 26,954,107   | 705,400                                | 27,659,507                |

|  |           |           |            |            |         |            |
|--|-----------|-----------|------------|------------|---------|------------|
| <b>9 Months ended<br/>30 September 2022</b>    |           |           |            |            |         |            |
| At 1 January 2022                              | 1,429,314 | 4,277,355 | 18,724,819 | 24,431,488 | 748,815 | 25,180,303 |
| Profit for the period                          | -         | -         | 1,781,318  | 1,781,318  | 11,979  | 1,793,297  |
| Other comprehensive income/(loss)              | -         | 918,488   | (2,811)    | 915,677    | 12,188  | 927,865    |
| Total comprehensive income                     | -         | 918,488   | 1,778,507  | 2,696,995  | 24,167  | 2,721,162  |
| Transfer of reserves                           | -         | 97,772    | (97,772)   | -          | -       | -          |
| Dividends paid to shareholders of the Company  | -         | -         | (526,362)  | (526,362)  | -       | (526,362)  |
| Share of other changes in equity of associates | -         | (136,131) | -          | (136,131)  | -       | (136,131)  |
| At 30 September 2022                           | 1,429,314 | 5,157,484 | 19,879,192 | 26,465,990 | 772,982 | 27,238,972 |

(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 30 September 2023

|   | 9 Months ended<br>30 September |                  |
|---|--------------------------------|------------------|
|   | 2023<br>RM'000                 | 2022<br>RM'000   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                |                  |
| Profit before tax from continuing operations  | 1,046,757                      | 1,804,901        |
| Loss before tax from discontinued operations  | -                              | (596)            |
| <b>Profit before taxation</b>   | <b>1,046,757</b>               | <b>1,804,305</b> |
| Adjustments:  |                                |                  |
| Non-cash items  | (679,690)                      | (1,584,030)      |
| Non-operating items   | 8,992                          | 23,174           |
| Operating profit before working capital changes   | 376,059                        | 243,449          |
| Working capital changes:-   |                                |                  |
| Net change in current assets  | 205,622                        | (534,002)        |
| Net change in current liabilities   | 76,908                         | 321,722          |
| Cash generated from operations  | 658,589                        | 31,169           |
| Tax paid  | (18,102)                       | (21,700)         |
| <b>Net cash generated from operating activities</b>   | <b>640,487</b>                 | <b>9,469</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                |                  |
| Addition of property, plant and equipment, investment properties, biological assets and other intangible assets | (110,335)                      | (119,236)        |
| Proceeds from disposal of property, plant and equipment   | 796                            | 4,567            |
| Investments in associates   | (169)                          | (1,611)          |
| Proceeds from disposal of a subsidiary  | 124,498                        | 8,931            |
| Proceeds from disposal of other investment  | -                              | 1,000            |
| Dividends received  | 677,453                        | 630,454          |
| Income received from short-term fund placements   | 29,181                         | 12,538           |
| Interest received   | 13,026                         | 5,674            |
| (Repayment from)/advances to associates   | (347)                          | 3,328            |
| Distribution of profit from joint venture   | 3,767                          | 3,872            |
| Proceeds from liquidation of a subsidiary   | 3,722                          | -                |
| <b>Net cash generated from investing activities</b>   | <b>741,592</b>                 | <b>549,517</b>   |





# Unaudited Condensed Consolidated Statements Of Cash Flows For The Financial Period Ended 30 September 2023 (continued)

|   | 9 Months ended<br>30 September |                  |
|---|--------------------------------|------------------|
|   | 2023<br>RM'000                 | 2022<br>RM'000   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                 |                                |                  |
| (Repayment)/Drawdown of bank borrowings                     | (559,844)                      | 407,513          |
| Interest paid   | (47,272)                       | (34,509)         |
| Dividends paid to shareholders of the Company               | (569,040)                      | (526,362)        |
| Dividends paid to non-controlling interests of subsidiaries | (31,531)                       | -                |
| Payment of lease obligations                                | (40,519)                       | (32,394)         |
| Shares issued to non-controlling interest of a subsidiary   | 4,434                          | -                |
| <b>Net cash used in financing activities</b>                | <b>(1,243,772)</b>             | <b>(185,752)</b> |
| <b>Net increase in cash and cash equivalents</b>            | <b>138,307</b>                 | <b>373,234</b>   |
| Cash and cash equivalents brought forward                   | 1,596,559                      | 1,296,316        |
| Effect of exchange rate changes                             | 12,966                         | 14,916           |
| <b>Cash and cash equivalents carried forward</b>            | <b>1,747,832</b>               | <b>1,684,466</b> |
| (including cash in asset classified as held for sale)       |                                |                  |
| <u>Cash and cash equivalents represented by:</u>            |                                |                  |
| Cash and bank balances                                      | 321,465                        | 598,102          |
| Bank deposits   | 205,772                        | 149,998          |
| Short-term fund placements                                  | 1,220,595                      | 936,366          |
|   | <b>1,747,832</b>               | <b>1,684,466</b> |

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

# Notes

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## 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
- Amendments to MFRS 112 Income Taxes: International Tax Reform - Pillar Two Model Rules

The adoption of the above Amendments to MFRS did 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 30 September 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

During the financial period ended 30 September 2023, a final dividend of 28 sen per share in respect of financial year ended 31 December 2022 was paid on 8 June 2023. An interim dividend of 12 sen per share in respect of financial year ending 31 December 2023, was paid on 22 September 2023.





## Notes (continued)

### A7. Segmental reporting

Performance of the Group's business segments for the financial period ended 30 September 2023 is as follows:

|                                   | Grains and<br>agribusiness | Consumer<br>products | Film<br>exhibition<br>and<br>distribution | Property      | Other<br>operations | Inter-<br>segment<br>elimination | Total            |
|-----------------------------------|----------------------------|----------------------|---|---------------|---------------------|----------------------------------|------------------|
| <b>Business segments:</b>         |                            |                      |   |               |                     |                                  |                  |
| All figures in RM'000             |                            |                      |   |               |                     |                                  |                  |
| <b>REVENUE</b>                    |                            |                      |   |               |                     |                                  |                  |
| External revenue                  | 3,317,580                  | 576,386              | 463,257                                   | 87,308        | 13,672              | -                                | 4,458,203        |
| Inter-segment sales               | 84,548                     | 4,576                | -   | 602           | -                   | (89,726)                         | -                |
| <b>Total revenue</b>              | <b>3,402,128</b>           | <b>580,962</b>       | <b>463,257</b>                            | <b>87,910</b> | <b>13,672</b>       | <b>(89,726)</b>                  | <b>4,458,203</b> |
| <b>RESULTS</b>                    |                            |                      |   |               |                     |                                  |                  |
| Segment results                   | 219,610                    | 19,286               | 14,164                                    | 13,041        | 61,466              | -                                | 327,567          |
| Share of results of associates    | 3,470                      | (783)                | 5,198                                     | 938           | 729,117             | -                                | 737,940          |
| Share of results of joint venture | -                          | -                    | -   | -             | 4,528               | -                                | 4,528            |
| Unallocated corporate expenses    | -                          | -                    | -   | -             | -                   | -                                | (23,278)         |
| <b>Profit before taxation</b>     | <b>223,080</b>             | <b>18,503</b>        | <b>19,362</b>                             | <b>13,979</b> | <b>795,111</b>      | <b>-</b>                         | <b>1,046,757</b> |

## Notes (continued)

### 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 has been recorded in the financial statements for the interim period.

On 11 September 2023, Mantap Aman Sdn Bhd, a 100%-owned indirect subsidiary of the Company held via the Company's 80% equity interest in FFM Berhad ("FFM"), completed the disposal of its entire 51% equity interest in PT Pundi Kencana to PT Sentratama Niaga Indonesia and PT Wilmar Nabati Indonesia for a cash consideration of Rp290.7 billion (equivalent to RM88.5 million). A gain on disposal of RM31.3 million has been recorded in the financial statements for the interim period.

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.

### A10. Changes in contingent liabilities or contingent assets

On 5 August 2022, FFM 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 and is now awaiting a decision from MyCC.



## Notes (continued)

### A11. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 30 September 2023 are as follows:

|  | RM'000         |
|--|----------------|
| Property, plant and equipment, investment properties and biological assets |                |
| - contracted   | 120,537        |
| - not contracted   | 319,786        |
|  | 440,323        |
| Other commitments  |                |
| - contracted   | 411,366        |
| <b>Total</b>   | <b>851,689</b> |

### A12. Significant related party transactions

Significant related party transactions during the financial period ended 30 September 2023 are as follows:

|  | RM'000  |
|--|---------|
| Transactions with associates                                   |         |
| - Sales of goods   | 8,481   |
| - Purchase of goods  | 6,833   |
| Transactions with subsidiaries of the ultimate holding company |         |
| - Sales of goods   | 11,570  |
| - Supervision fee income                                       | 2,044   |
| Transactions with subsidiaries of associates                   |         |
| - Purchase of goods  | 460,714 |
| - Sales of goods   | 80,372  |
| - Rental income  | 2,548   |
| - Other services expenses                                      | 12,196  |
| - Supervision fees income                                      | 1,263   |
| - Freight cost   | 74,011  |
| - Disposal of a subsidiary                                     | 88,482  |



## Notes (continued)

### B1. Performance analysis

Group financial performance by business segment

|                                   | Grains and<br>agribusiness | Consumer<br>products | Film<br>exhibition<br>and<br>distribution | Environmental<br>engineering<br>and utilities<br>(discontinued<br>operations) | Property      | Other<br>operations | Inter-<br>segment<br>elimination | Total            |
|-----------------------------------|----------------------------|----------------------|---|---|---------------|---------------------|----------------------------------|------------------|
| <b>Business segments:</b>         |                            |                      |   |   |               |                     |                                  |                  |
| All figures in RM'000             |                            |                      |   |   |               |                     |                                  |                  |
| <u>3Q2023</u>                     |                            |                      |   |   |               |                     |                                  |                  |
| <b>REVENUE</b>                    |                            |                      |   |   |               |                     |                                  |                  |
| External revenue                  | 1,058,640                  | 187,980              | 166,906                                   | -   | 42,336        | 1,732               | -                                | 1,457,594        |
| Inter-segment sales               | 26,229                     | 1,609                | -   | -   | 201           | -                   | (28,039)                         | -                |
| <b>Total revenue</b>              | <b>1,084,869</b>           | <b>189,589</b>       | <b>166,906</b>                            | <b>-</b>  | <b>42,537</b> | <b>1,732</b>        | <b>(28,039)</b>                  | <b>1,457,594</b> |
| <b>RESULTS</b>                    |                            |                      |   |   |               |                     |                                  |                  |
| Segment results                   | 82,816                     | 6,531                | 6,934                                     | -   | 10,588        | 12,511              | -                                | 119,380          |
| Share of results of associates    | 13,578                     | 56                   | (1,591)                                   | -   | 29            | 272,807             | -                                | 284,879          |
| Share of results of joint venture | -                          | -                    | -   | -   | -             | 2,055               | -                                | 2,055            |
| Unallocated corporate expenses    | -                          | -                    | -   | -   | -             | -                   | -                                | (7,395)          |
| <b>Profit before taxation</b>     | <b>96,394</b>              | <b>6,587</b>         | <b>5,343</b>                              | <b>-</b>  | <b>10,617</b> | <b>287,373</b>      | <b>-</b>                         | <b>398,919</b>   |



## Notes (continued)

### B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

|                                   | Grains and<br>agribusiness | Consumer<br>products | Film<br>exhibition<br>and<br>distribution | Environmental<br>engineering<br>and utilities<br>(discontinued<br>operations) | Property      | Other<br>operations | Inter-<br>segment<br>elimination | Total            |
|-----------------------------------|----------------------------|----------------------|---|---|---------------|---------------------|----------------------------------|------------------|
| <b>Business segments:</b>         |                            |                      |   |   |               |                     |                                  |                  |
| All figures in RM'000             |                            |                      |   |   |               |                     |                                  |                  |
| <u>3Q2022</u>                     |                            |                      |   |   |               |                     |                                  |                  |
| <b>REVENUE</b>                    |                            |                      |   |   |               |                     |                                  |                  |
| External revenue                  | 1,234,459                  | 191,113              | 161,750                                   | 23,557  | 44,350        | 17,671              | -                                | 1,672,900        |
| Inter-segment sales               | 33,354                     | 1,450                | -   | -   | -             | -                   | (34,804)                         | -                |
| <b>Total revenue</b>              | <b>1,267,813</b>           | <b>192,563</b>       | <b>161,750</b>                            | <b>23,557</b>   | <b>44,350</b> | <b>17,671</b>       | <b>(34,804)</b>                  | <b>1,672,900</b> |
| <b>RESULTS</b>                    |                            |                      |   |   |               |                     |                                  |                  |
| Segment results                   | 31,910                     | 10,983               | 16,202                                    | 772   | 15,892        | 6,123               | -                                | 81,882           |
| Share of results of associates    | 10,573                     | (865)                | 569                                       | -   | 1,466         | 725,193             | -                                | 736,936          |
| Share of results of joint venture | -                          | -                    | -   | 6   | -             | 1,336               | -                                | 1,342            |
| Unallocated corporate expenses    | -                          | -                    | -   | -   | -             | -                   | -                                | (7,017)          |
| <b>Profit before taxation</b>     | <b>42,483</b>              | <b>10,118</b>        | <b>16,771</b>                             | <b>778</b>  | <b>17,358</b> | <b>732,652</b>      | <b>-</b>                         | <b>813,143</b>   |
| <b>Variance</b>                   |                            |                      |   |   |               |                     |                                  |                  |
| Revenue (%)                       | -14%                       | -2%                  | 3%  | -100%   | -5%           | -90%                | 19%                              | -13%             |
| Profit before taxation (%)        | >100%                      | -35%                 | -68%                                      | n.m   | -39%          | -61%                | -                                | -51%             |

n.m - not meaningful

## Notes (continued)

### B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

|                                   | Grains and<br>agribusiness | Consumer<br>products | Film<br>exhibition<br>and<br>distribution | Environmental<br>engineering<br>and utilities<br>(discontinued<br>operations) | Property      | Other<br>Operations | Inter-<br>segment<br>elimination | Total            |
|-----------------------------------|----------------------------|----------------------|---|---|---------------|---------------------|----------------------------------|------------------|
| <b>Business segments:</b>         |                            |                      |   |   |               |                     |                                  |                  |
| All figures in RM'000             |                            |                      |   |   |               |                     |                                  |                  |
| 9M2023                            |                            |                      |   |   |               |                     |                                  |                  |
| <b>REVENUE</b>                    |                            |                      |   |   |               |                     |                                  |                  |
| External revenue                  | 3,317,580                  | 576,386              | 463,257                                   | -   | 87,308        | 13,672              | -                                | 4,458,203        |
| Inter-segment sales               | 84,548                     | 4,576                | -   | -   | 602           | -                   | (89,726)                         | -                |
| <b>Total revenue</b>              | <b>3,402,128</b>           | <b>580,962</b>       | <b>463,257</b>                            | <b>-</b>  | <b>87,910</b> | <b>13,672</b>       | <b>(89,726)</b>                  | <b>4,458,203</b> |
| <b>RESULTS</b>                    |                            |                      |   |   |               |                     |                                  |                  |
| Segment results                   | 219,610                    | 19,286               | 14,164                                    | -   | 13,041        | 61,466              | -                                | 327,567          |
| Share of results of associates    | 3,470                      | (783)                | 5,198                                     | -   | 938           | 729,117             | -                                | 737,940          |
| Share of results of joint venture | -                          | -                    | -   | -   | -             | 4,528               | -                                | 4,528            |
| Unallocated corporate expenses    | -                          | -                    | -   | -   | -             | -                   | -                                | (23,278)         |
| <b>Profit before taxation</b>     | <b>223,080</b>             | <b>18,503</b>        | <b>19,362</b>                             | <b>-</b>  | <b>13,979</b> | <b>795,111</b>      | <b>-</b>                         | <b>1,046,757</b> |





## Notes (continued)

### B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

|                                      | Grains and<br>agribusiness | Consumer<br>products | Film<br>exhibition<br>and<br>distribution | Environmental<br>engineering<br>and utilities<br>(discontinued<br>operations) | Property       | Other<br>Operations | Inter-<br>segment<br>elimination | Total            |
|--------------------------------------|----------------------------|----------------------|---|---|----------------|---------------------|----------------------------------|------------------|
| <b>Business segments:</b>            |                            |                      |   |   |                |                     |                                  |                  |
| All figures in RM'000                |                            |                      |   |   |                |                     |                                  |                  |
| <u>9M2022</u>                        |                            |                      |   |   |                |                     |                                  |                  |
| <b>REVENUE</b>                       |                            |                      |   |   |                |                     |                                  |                  |
| External revenue                     | 3,404,273                  | 566,559              | 382,363                                   | 91,341  | 126,480        | 60,873              | -                                | 4,631,889        |
| Inter-segment sales                  | 95,096                     | 3,835                | -   | 37  | 401            | 42                  | (99,411)                         | -                |
| <b>Total revenue</b>                 | <b>3,499,369</b>           | <b>570,394</b>       | <b>382,363</b>                            | <b>91,378</b>   | <b>126,881</b> | <b>60,915</b>       | <b>(99,411)</b>                  | <b>4,631,889</b> |
| <b>RESULTS</b>                       |                            |                      |   |   |                |                     |                                  |                  |
| Segment results                      | (44,599)                   | 24,998               | 8,782                                     | (629)   | 37,950         | 13,743              | -                                | 40,245           |
| Share of results of associates       | 64,032                     | (1,800)              | 340                                       | -   | 1,189          | 1,717,317           | -                                | 1,781,078        |
| Share of results of joint venture    | -                          | -                    | -   | 33  | -              | 3,884               | -                                | 3,917            |
| Unallocated corporate expenses       | -                          | -                    | -   | -   | -              | -                   | -                                | (20,935)         |
| <b>Profit/(loss) before taxation</b> | <b>19,433</b>              | <b>23,198</b>        | <b>9,122</b>                              | <b>(596)</b>  | <b>39,139</b>  | <b>1,734,944</b>    | <b>-</b>                         | <b>1,804,305</b> |
| <b>Variance</b>                      |                            |                      |   |   |                |                     |                                  |                  |
| Revenue (%)                          | -3%                        | 2%                   | 21%                                       | -100%   | -31%           | -78%                | 10%                              | -4%              |
| Profit/(Loss) before taxation (%)    | >100%                      | -20%                 | >100%                                     | n.m   | -64%           | -54%                | -                                | -42%             |

n.m - not meaningful

## Notes (continued)

### B1. Performance analysis (CONTINUED)

#### Group performance review

For 3Q2023 and 9M2023, the Group achieved total revenue of RM1.46 billion and RM4.46 billion respectively (3Q2022: RM1.67 billion; 9M2022: RM4.63 billion). Pre-tax profit for 3Q2023 and 9M2023 was lower by 51% to RM399 million (3Q2022: RM813 million) and 42% to RM1.05 billion (9M2022: RM1.80 billion). The lower profits were mainly attributable to the lower contribution from Wilmar International Limited ("Wilmar") by 63% to RM268 million in 3Q2023 (3Q2022: RM721 million) and 57% to RM728 million in 9M2023 (9M2022: RM1.71 billion). The Group's core business segments, however, recorded a marked improvement in profit before tax by 250% to RM319 million in 9M2023 (9M2022: RM91 million).

#### Grains and agribusiness

Segment revenue for 3Q2023 and 9M2023 was at RM1.06 billion (3Q2022: RM1.23 billion) and RM3.32 billion (9M2022: RM3.40 billion) respectively. The segment recorded higher profit at RM96 million in 3Q2023 (3Q2022: RM42 million) and RM223 million in 9M2023 (9M2022: RM19 million) respectively. Included in 3Q2023 was a gain on disposal of PT Pundi Kencana (Refer to Note A9) amounting to RM31.3 million; excluding that, the Malaysian operations contributed significantly to the improvement in performance of this segment with higher sales and profit margin.

#### Consumer products

Segment revenue for 3Q2023 and 9M2023 was at RM188 million (3Q2022: RM191 million) and RM576 million (9M2022: RM567 million) respectively. The segment reported lower profit at RM7 million in 3Q2023 (3Q2022: RM10 million) and RM19 million in 9M2023 (9M2022: RM23 million) respectively, attributable mainly to higher operating costs.

#### Film exhibition and distribution

Segment revenue for 3Q2023 and 9M2023 was higher at RM167 million (3Q2022: RM162 million) and RM463 million (9M2022: RM382 million) respectively. The segment reported a lower profit at RM5 million in 3Q2023 (3Q2022: RM17 million) due mainly to higher cinema operating costs. For 9M2023, the segment reported higher profit of RM19 million (9M2022: RM9 million) on the back of a 23% and 25% increase in the Malaysian box office collections and admissions. In addition, the better performance of the Vietnam operation further contributed to the improved profitability of the segment.

#### Property

Segment revenue for 3Q2023 and 9M2023 was at RM42 million (3Q2022: RM44 million) and RM87 million (9M2022: RM126 million) respectively. Segment profit for 3Q2023 and 9M2023 was lower at RM11 million (3Q2022: RM17 million) and RM14 million (9M2022: RM39 million). The lower revenue and profit was mainly attributable to the lower revenue recognised from Megah Rise Residensi units sold as the project was completed in August 2022; and the operating costs relating to the Megah Rise Mall which was opened in December 2022.

#### Other operations

Segment profit for 3Q2023 and 9M2023 was at RM287 million (3Q2022: RM733 million) and RM795 million (9M2022: RM1.73 billion) respectively. Contribution from Wilmar for 3Q2023 and 9M2023 was lower at RM268 million (3Q2022: RM721 million) and RM728 million (9M2022: 1.71 billion), this was partially offset by a gain on disposal of Malayan Adhesives and Chemicals Sdn Bhd ("MAC") amounting to RM24.5 million (Refer to Note A9).



## Notes (continued)

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

For 3Q2023, profit before taxation was higher at RM399 million as compared to RM233 million recorded in 2Q2023, mainly attributed to higher contribution from Wilmar at RM268 million (2Q2023: RM139 million) and a gain on disposal of PT Pundi Kencana amounting to RM31.3 million (Refer to Note A9).

### B3. Prospects

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (2Q2023: 2.9%). Growth was anchored by resilient domestic demand. Investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. However, exports remained soft amid prolonged weakness in external demand, and this was partially offset by the recovery in inbound tourism. Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023.

Going forward, growth will remain resilient despite external headwinds on account of firm domestic demand. The Malaysian economic is projected to expand by around 4% in 2023.

Performance of the *Grain and Agribusiness* segment for the third quarter of 2023 remained robust on the back of a stable grain commodity market. Increasing global geopolitical tensions may trigger further volatility to the global grain prices. A prolonged weak Ringgit may also drive up cost of raw materials and put pressure on margins.

As the segment recorded a good performance for the first nine months of this year, coupled with our extensive experience in grain procurement and product formulation, we are optimistic that it will perform well for the rest of the year.

Amidst a rising cost of living in the country, the *Consumer Products* segment, which focuses on manufacturing and distribution of consumer stable food, will continue to capitalize on our established nation-wide integrated warehousing and distribution network for growth. We expect the segment's performance for the rest of the year to be satisfactory.

The *Film Exhibition and Distribution* segment recorded improved performance in the third quarter of 2023. However, the recent actors and writers' strikes in the Hollywood had led to the deferment of several key blockbuster titles which will affect the admissions and box office collections in the final quarter. Management is re-prioritizing several of its initiatives and optimizing costs to navigate the challenges faced by the cinema industry.

Whilst the *Property* segment is planning for the launches of new development projects, revenue from sales of the remaining units of completed projects is expected to be modest in the fourth quarter of 2023. At this transition period, we will continue our efforts to improve the occupancy and footfalls of our malls.

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

|   | 3 <sup>rd</sup> Quarter<br>ended<br>30-Sep-23<br>RM'000 | 9 Months<br>ended<br>30-Sep-23<br>RM'000 |
|---|---|--|
| Profit before taxation was stated after crediting/(charging): |   |  |
| Interest income and income from short-term fund placements    | 15,275  | 42,964                                   |
| Dividend income   | 1,559   | 5,125                                    |
| Net foreign exchange gain/(loss)                              | 3,048   | (4,482)                                  |
| Gain on disposal of subsidiary                                | 31,285  | 55,786                                   |
| Net fair value gain on derivatives                            | 22,729  | 107,623                                  |
| Net write back of impairment on receivables                   | 1,097   | 1,619                                    |
| Depreciation and amortisation                                 | (50,229)  | (149,466)                                |
| Interest expense on lease obligations                         | (4,119)   | (12,227)                                 |

### B6. Tax expense

|  | 3 <sup>rd</sup> Quarter<br>ended<br>30-Sep-23<br>RM'000 | 9 Months<br>ended<br>30-Sep-23<br>RM'000 |
|--|---|--|
| Taxation based on the profit for the financial period: |   |  |
| Malaysian taxation:                                    |   |  |
| Current tax expense                                    | (3,934)   | (23,352)                                 |
| Deferred tax expense                                   | (10,239)  | (36,351)                                 |
|  | (14,173)  | (59,703)                                 |
| Foreign taxation:                                      |   |  |
| Current tax expense                                    | (399)   | (1,241)                                  |
| Deferred tax expense                                   | (2,067)   | (3,144)                                  |
|  | (16,639)  | (64,088)                                 |
| (Under)/over provision in prior years:                 |   |  |
| Current tax  | (5,622)   | (5,622)                                  |
| Deferred tax   | 7,237   | 7,237                                    |
|  | <b>(15,024)</b>   | <b>(62,473)</b>                          |

The Group's effective tax rate is lower than the statutory tax rate, mainly due to capital gain on disposal of subsidiaries which is not subject to tax.



## Notes (continued)

### B7. Status of corporate proposals

There were no corporate proposals announced but not completed.

### B8. Group borrowings

Total Group borrowings as at 30 September 2023 were as follows:

|                            | Total<br>RM'000 | Secured<br>RM'000 |     | Unsecured<br>RM'000 |
|----------------------------|-----------------|-------------------|-----|---------------------|
| Long-term bank borrowings  |                 |                   |     |                     |
| Long-term bank loan (RM)   | 44,500          | 44,500            | (a) | -                   |
| Long-term bank loan (VND)  | 19,120          | 19,120            | (b) | -                   |
|                            | <b>63,620</b>   | <b>63,620</b>     |     | -                   |
| Short-term bank borrowings |                 |                   |     |                     |
| Revolving credit (RM)      | 163,733         | 50,000            | (a) | 113,733             |
| Short-term loan (USD)      | 177,874         | -                 |     | 177,874             |
| Short-term loan (VND)      | 153,885         | 8,498             | (b) | 145,387             |
|                            | <b>495,492</b>  | <b>58,498</b>     |     | <b>436,994</b>      |

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 30 September 2023

|  | Contract /<br>Notional<br>value<br>RM'000 | Fair value -<br>Assets /<br>Liabilities<br>RM'000 |
|--|---|---|
| Derivative financial assets            |   |   |
| i) Futures contracts                   | 315,621                                   | 25,135  |
| ii) Forward foreign currency contracts | 202,758                                   | 5,018   |
| <b>Total derivative assets</b>         |   | <b>30,153</b>                                     |
| Derivative financial liabilities       |   |   |
| i) Options contracts                   | 165,136                                   | 20,950  |
| ii) Forward foreign currency contracts | 12,351                                    | 23  |
| <b>Total derivative liabilities</b>    |   | <b>20,973</b>                                     |

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.

## Notes (continued)

### 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 the 3rd quarter of 2023, unrealised fair value loss on derivative financial instruments amounted to RM12.5 million (3Q2022: RM97.7 million).

For 9M2023, unrealised fair value gain on derivative financial instruments amounted to RM18.4 million (9M2022: RM6.3 million).

### **B10. Material litigation**

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

### **B11. Dividend**

An interim dividend of 12 sen per share in respect of financial year ending 31 December 2023 was paid on 22 September 2023 to shareholders whose names appear on the Record of Depositors on 13 September 2023.

The directors do not recommend the payment of any dividend for the third quarter under review.

### **B12. Earnings per share**

|   | 3 <sup>rd</sup> Quarter ended<br>30 September |                | 9 Months ended<br>30 September |                |
|---|---|----------------|--------------------------------|----------------|
|   | 2023<br>RM'000                                | 2022<br>RM'000 | 2023<br>RM'000                 | 2022<br>RM'000 |
| Net profit for the period                 | 372,554                                       | 784,752        | 952,905                        | 1,781,318      |
| Number of ordinary shares in issue ('000) | 1,422,599                                     | 1,422,599      | 1,422,599                      | 1,422,599      |
| Basic earnings per share (sen)            | 26.19   | 55.16          | 66.98                          | 125.22         |

There were no potential dilutive ordinary shares outstanding as at 30 September 2023 and 30 September 2022. As such, there were no diluted earnings per share for the financial period ended 30 September 2023 and 30 September 2022.





## Notes (*continued*)

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

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

**Kuala Lumpur**  
**29 November 2023**

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

**PPB GROUP BERHAD**

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