



PROPERTY



Investor Update 2023 Quarterly Report 4





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From the Desk of the Chairman



Dear Shareholders

I am pleased to share with you our FY2023 unaudited results. PPB Group Berhad's ("PPB") unaudited Group pre-tax profit decreased by 34% to RM1.49 billion (FY2022 : RM2.25 billion) due mainly to the lower contribution from our 18.8% associate, Wilmar International Limited (Wilmar) which contributed RM1.30 billion for FY2023 (FY2022 : RM2.10 billion), which was down 38%. However the Group's core business segments recorded a marked overall improvement in pre-tax profit of RM189 million in FY2023 (FY2022 : RM151 million), up 25%. The Group revenue decreased by 9% to RM5.72 billion in FY2023 (FY2022 : RM6.26 billion).

Profit after tax for FY2023 was RM1.42 billion and earnings per share was 98.01 sen.



From the Desk of the Chairman (*continued*)

PROPOSED FINAL DIVIDEND OF 30 SEN PER SHARE

PPB's Board has recommended a final dividend of 30 sen per share for FY2023 subject to PPB shareholders' approval at the 55th Annual General Meeting scheduled to be held on 17 May 2024. The proposed final dividend is payable on 7 June 2024 to shareholders whose names appear in the Record of Depositors on 21 May 2024.

Together with the interim dividend of 12 sen per share, the total dividend paid and payable for FY2023 would be 42 sen per share (FY2022 : 40 sen per share).

GOING FORWARD

With the correction of world grain prices in 2023 from its peak in 2022, the performance of the *Grains and Agribusiness* segment improved significantly in 2023, particularly the Malaysia operations. Nevertheless, we expect competition to be intense; with continued volatility in the global grain commodity markets primarily influenced by the ongoing risks associated with uncertain weather conditions in major grains-growing countries. We will continue to leverage on our extensive experience in grain procurement and expertise in product formulation to drive operational efficiency. We are cautiously optimistic that the *Grains and Agribusiness* segment will deliver a satisfactory set of results in 2024.

The consumer market is expected to face challenges from prevailing consumer sentiment and spending patterns. However, we expect the *Consumer Products* segment to continue to perform well in 2024, as the segment remains focused on the business of manufacturing and distribution of consumer staple food, and continues to expand our product range.

The *Film Exhibition and Distribution* segment recorded a loss in the fourth quarter of 2023 as a result of the deferment of several key blockbuster titles due to the actors' and writers' strikes in Hollywood, and cinema impairments. The strikes which ended in the last quarter of 2023, have also affected production and supply of movie content in the medium term. We anticipate a challenging 2024 for this segment as it is substantially dependent on the supply of content. However, the impact will be partially cushioned by local and regional releases as well as contributions from events, and food & beverages.

With several property development projects at various stages of planning, improving mall performance will be the key driver for the *Property* segment in 2024.

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



From the Desk of the Chairman (continued)

HAPPENINGS

During the quarter under review, FFM Group introduced several new products for distribution namely, Blue Key “Pelbagai Guna” Flour; V-Oat and V-Soy Cocoa under the V-Soy brand; and Marina Chicken Popcorn and Marina Chicken Fingers. Between September to November 2023, roadshows were held as part of the Massimo & Friends campaign featuring Massimo and FFM products.

In line with the nation’s aim to be a regional hub for digital content, Golden Screen Cinemas Sdn Bhd (GSC) in collaboration with Malaysia Digital Economy Corporation launched the first Malaysia Animation Film Festival through MDEC’s platform “Kre8tif” giving opportunities to digital content creators a platform to showcase their stories. GSC introduced its latest boutique cinema in Kuala Lumpur, Velvet at 163 Retail Park in Mont Kiara. This 3-screen cinema reimagines the retro cinematic experience. GSC successfully organised an Aquaman-themed Popcorn Run introducing the competitive 21 km and 10 km runs besides the 5 km fun run which garnered in total more than 7,000 runners. This was held at IOI City Mall, Putrajaya. PPB was also one of the main partners of the Run.

CSR ACTIVITIES

In line with our commitment to corporate social responsibility, PPB Group invested over RM2.4 million in various initiatives to support the community, providing aid to over 16,000 beneficiaries through food donations, utility assistance, upskilling programs, education, and medical assistance.

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

RAMADAN GREETINGS

I wish to take this opportunity to wish our Muslim shareholders and friends “Salam Ramadan” and “Selamat Hari Raya”.

Dato’ Capt Ahmad Sufian
Chairman

18 March 2024





Happenings



MASSIMO & Friends Campaign

The Italian Baker Sdn Bhd (TIB) conducted the Massimo & Friends campaign from September to November 2023, aiming to celebrate friendships while building its brand presence in the market. The campaign featured roadshows showcasing Massimo and FFM products. Customers had an opportunity to redeem limited edition Quby merchandise with every purchase of Massimo and FFM products of up to RM10 and RM40 respectively. An exciting highlight of the campaign was the "FIND QUBY CHALLENGE," offering customers the chance to win up to RM10,000 in cash prizes.

Building on the success of Massimo & Friends, TIB will continue creating innovative campaigns that strengthen brand loyalty and drive sustained growth.



Blue Key Pelbagai Guna Flour

FFM Berhad introduced its new 1 kg Blue Key Pelbagai Guna Flour on 1 November 2023. Blue Key, a renowned flour brand known for its quality, aims to maintain its position as the preferred choice for consumers. The 1 kg Blue Key Pelbagai Guna Flour is available in the Peninsular Malaysia market at RM3.10 per pack.



Happenings (continued)



New V-Soy Products

FFM Marketing Sdn Bhd unveiled the latest additions to its popular brand, V-Soy. V-Soy, a 100% plant-based soy milk from Thailand, introduced its newest product, V-Oat, a high-fibre oat milk drink made from Swedish oats. V-Oat is priced at RM14.60 per 1-litre pack. Another new product from V-Soy, V-Soy Cocoa, tailored for those who are lactose intolerant, is a plant-based drink priced at RM2.70 per 300-ml bottle, offering a low-sugar option.

LOW in Sugar Level

Taste of Real COCOA

LESS Beany Aroma

100% Plant-based Goodness

Great Start to Better Healthier Life!

V-OAT OAT DRINK - V-SOY

Swedish Oats

HIGH IN FIBRE

Smooth Taste

Let V-Oat Charge You Up Every Morning!



Marina Frozen Food

Marina targets convenience while maintaining flavour with its two new products, Marina Chicken Popcorn and Marina Chicken Fingers. Both products are designed to be a quick and hassle-free snacking solution that does not compromise on taste, made with lean chicken breast meat for a satisfying, protein-packed on-the-go snack.





Happenings (continued)



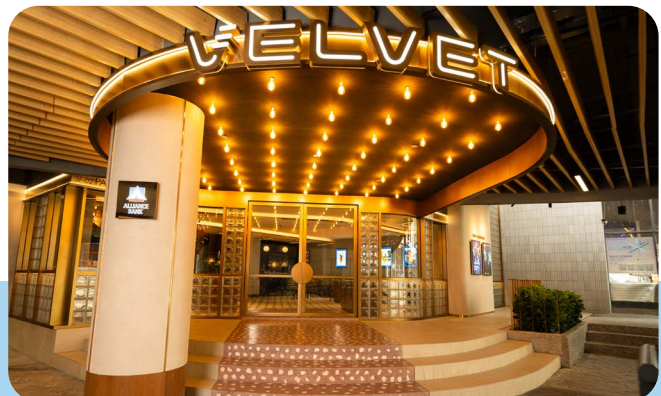
GSC debuts the Malaysia Animation Film Festival

As part of its International Screens efforts to elevate the local movie landscape, GSC in collaboration with Malaysia Digital Economy Corporation ('MDEC') has launched its first-ever Malaysia Animation Film Festival ('MAFF') through MDEC's platform 'Kre8tif!'. The collaboration aims to pave further opportunities for aspiring digital content creators and film-makers with platforms to showcase their stories, aligned with the nation's goal of positioning Malaysia as a regional hub for digital content.



Velvet at 163 Retail Park

GSC launched Velvet, Kuala Lumpur's latest boutique cinema experience in the heart of Mont Kiara at 163 Retail Park. Velvet reimagines retro cinematic experiences, complete with vibrant F&B and lifestyle offerings, in partnership with Alliance Bank. Drawing inspiration from retro cinema in the 1960s, with an eclectic combination of retro and modern designs, Velvet presents an intimate space for audiences to relive the magic of cinema. With a total of 163 seats over 3 halls, Velvet will showcase a line-up dedicated to arthouse films, well-loved cult classics, foreign films, and Hollywood blockbusters, ranging from a multi-verse of genres including horror, thrillers, comedy, action, and others.



Happenings (continued)



GSC makes a splash with the ultimate Aquaman-themed Popcorn Run!

GSC made waves with the Aquaman-themed Popcorn Run, the fourth edition of the highly anticipated GSC Popcorn Run series. This event was a collaboration with GXBank and coincided with the release of Aquaman and the Lost Kingdom. The 2023 edition witnessed unprecedented participation, including the introduction of competitive 21-km and 10-km runs. Over 7,000 enthusiasts converged at IOI City Mall, Putrajaya, for #GSCPopcornRun2023, making it a resounding success. PPB Group Berhad was one of the main partners for the Run.



Conflict-of-interest briefing session

PPB held a session on the regulatory framework on conflicts-of-interest for its directors, heads of department and senior managers on 12 October 2023. The session was conducted by Mr Philip Koh, Senior Partner of Messrs. Mah-Kamariyah & Philip Koh, a full-service legal firm.

In addition to the above, Mr Koh also covered the following subjects under various sections of the Companies Act 2016 and other legislations :

- Duties and responsibilities of directors;
- Responsibility for actions of delegates;
- Responsibilities of nominee directors; and
- Prohibition against improper use of property, position etc.

A lively Q&A session on a wide range of subjects followed the session. The attendees were treated to lunch thereafter.

CSR Activities



PPB Provides Medical Assistance

PPB collaborated with a team of doctors, nurses and dentists from the Faculties of Medicine and Dentistry, University Malaya; University Malaya Medical Centre (UMMC) and Breast Cancer Welfare Association to provide medical assistance to two orang asli villages in Pahang. Orang asli villagers from Kampung Petoh in the Rompin District and Kampung Bugis from Pekan District were provided with a comprehensive set of medical screenings put together by a team of doctors. These screenings included anthropometric measurements, blood glucose and cholesterol levels, consultations, visual acuity, dental and breast check-ups. Over two days, more than 200 villagers underwent screenings and were provided with medical assistance for various ailments.

After completing the screenings, the villagers were provided with food supplies sponsored by PPB such as rice, cooking oil, flour, mee hoon and canned food. The children received milk powder and stationery sets.

PPB also worked with UMMC to sponsor 5 needy young patients with unique and debilitating conditions. The families of these patients could not afford the expensive urgent medical treatment needed, and PPB collaborated with UMMC to mobilise funding for their treatments.



CSR (continued)

Festival Celebrations

On 24 November 2023, PPB celebrated Deepavali with children from Rumah Hope, Petaling Jaya. 57 children and 5 staff had a Deepavali buffet lunch, and the children participated in some educational games organised by PPB that challenged their critical thinking skills.

PPB celebrated Christmas with 71 orang asli villagers from the Jong area in Pekan, Pahang. The villagers joined 13 PPB staff for an outing at the KLCC park and Aquaria KLCC, after which they had a meal at Kenny Rogers Roasters, and received personalised gifts and groceries sponsored by PPB.

PPB Properties continued its annual Toy Bank initiative by expanding the campaign to all its retail properties, including Cheras LeisureMall, Megah Rise Mall, The LINC KL in the Klang Valley; and New World Park, and The Whiteaways Arcade in Penang. The initiative which ran from 8 December 2023 to 5 January 2024 brought joy to 237 underprivileged individuals from six charitable organisations by encouraging shoppers to contribute a gift. A total of 393 gifts were collected.



CSR (continued)



Support Lokal Entertainers

PPB and GSC jointly supported 73 local artistes through a programme known as Support Lokal Entertainers whereby artistes were given an opportunity to perform at the exclusive JIN Gastrobar at Aurum Theatre, The Gardens Mall on Friday and Saturday nights, with a different lineup of entertainers every week from May to December 2023.

PPB is focused on spotlighting talented artistes who are much deserving of exposure. Through this platform, entertainers and musicians can highlight their craft, while leveraging GSC's social media channels to showcase their skills to the world. PPB will continue supporting deserving Malaysian talents by giving them the opportunity and income assistance.



CSR (continued)



PPB collaborated with multiple parties including Play Unlimited PLT and Yayasan Anak Warisan Selangor (YAWAS) in August 2023, to convert the Toy Library in PPR Lembah Subang 2 which was in a state of disrepair to a safe, nurturing and conducive place. PPB contributed towards the renovation and upgrading costs of the Toy Library whilst Play Unlimited took on the lead role in managing and implementing activities for the children. Workshops were also carried out to train the youth and women to manage the Toy Library, Toy Recycling Hub and 'pre-loved' shop.

PPB organised a toy collection drive in October and November 2023 whereby PPB Group staff were encouraged to donate used/unwanted toys. These donated toys were cleaned and refurbished at the Toy Recycling Hub for use at the Toy Library or for resale at the pre-loved shop.

As of December 2023, 125 children and 250 parents had utilised the Toy Library. The PPR Lembah Subang 2 community will ultimately take ownership of the Toy Library, Toy Recycling Hub and pre-loved shop and sustain it on their own.





CSR (continued)



Tiger Conservation

PPB worked with Pertubuhan Pelindung Alam Malaysia (Pelindung) to secure the Pahang portion of the Ulu Jelai Forest Plot against intrusion of tiger poachers. While this area recorded high numbers of tigers during the 2020 National Tiger Survey, it was also noted in the survey that there were fewer than 150 Malayan tigers left in the country. As the tigers in this area are endangered by poachers due to a lack of patrols and wildlife monitoring, PPB sponsored 56 new camera traps. Pelindung has been working with the Department of Wildlife and National Parks Peninsular Malaysia to train the orang asli communities as wildlife rangers, who will carry out patrols and record the presence of tigers and other wildlife. The camera traps will be maintained and checked by Pelindung for monitoring and reporting purposes.



Satellite Farming

PPB continues its collaborative work with PWD Smart Farmability Sdn Bhd (PWD) to establish satellite farms in 10 schools together with partners such as Museum of Science, Art & Innovation for Children (MoSAIC), Pusat Kajian Pembangunan, Social dan Persekitaran, Fakulti Sains Sosial dan Kemanusiaan, Universiti Kebangsaan Malaysia (UKM) and the Chemquest Group. Students attend a 1-day workshop to learn useful agricultural knowledge. On completion of the workshop, they receive a TVET certification, Phase 1 in Regenerative Agriculture on Basic Soil Health.

In the second phase of the project, students will also harvest vegetables and Tilapia fish for consumption or distribution to the needy. This enables them to work with live flora and fauna while providing for the community around them. Students who have completed the programme successfully will be granted a TVET certification, Phase 2 from Green Project Management Global USA.



CSR (continued)



Disaster Preparedness Workshop

Captain K Balasupramaniam, an emergency survival trainer, founder and chairman of Malaysian International Search & Rescue (MISAR), facilitated a workshop on disaster preparedness for PPB Group staff on 5 December 2023. At this workshop, preparation for various calamities was reviewed such as fires, vehicular accidents, floods, snake attacks and others. At the end of the session, participants were given emergency kits which included tourniquet bandanas, whistles, and thermal blankets.



Celebrating Youth Mental Health through Film: Youth-made Films take Centre Stage at My Mind On Film (MMOF) Festival

The My Mind on Film (MMOF) Youth Mental Health Short Film Festival wrapped up its third season with a screening and awards ceremony at GSC Starling Mall. Themed "Revival," this season focused on the universal nature of mental health, that it is changeable and includes the positive; a perspective that profoundly resonated with youths. The festival received an overwhelming 953 submissions from youths aged 15-25 in Malaysia and all over the world.



CSR (continued)



#LovingAutism Bi-Monthly Educational Workshop

GSC held its last educational workshop in 2023 on 18 November focusing on the “Teaching Communication” topic. The workshop also included a sharing session by a father with a special needs child, Encik Adli (Autism Café Project) who was the guest speaker. Stand Pie Me and Autism Café Project operated booths during the workshop which sold pies, cookies, and handcrafts made by special needs children.

GSC helped to raise funds from the sale of #LovingAutism T-shirts drawn by talented autistic children from the National Autism Society of Malaysia (NASOM) and the RM12,000 proceeds were presented to Mr Julian Wong from NASOM during the workshop.



CSR (continued)



The REplace Project

The REplace Project, a joint sustainability initiative by PPB Properties and PPB was officially launched in November 2023 at Megah Rise Mall.

This project encompasses four distinct, long-term sustainability features, including a book-sharing corner; a smart urban farm that grows organic vegetables which are donated to three nearby welfare homes; a dedicated recycling area; and electric vehicle (EV) charging bays.

Centred around the theme “Recycling Done Right,” talks and workshops were organised over two weekends to raise awareness and promote a more sustainable lifestyle in the community.



Blood Donation

A blood donation drive was organised at Cheras LeisureMall in collaboration with the Life Line Association Malaysia and the Community Service Group to support the National Blood Centre. The event successfully collected a total of 115 bags of blood.



Announcements

Date	Subject
15 November 2023	PPB Group Berhad (“PPB”) announced that the quarterly report for the 3rd quarter ended 30 September 2023 (“3Q2023”) would be released on 29 November 2023.
29 November 2023	Release of PPB’s quarterly report for 3Q2023.
22 December 2023	<p>PPB issued a follow-up announcement that FFM Berhad (“FFM”) had on 22 December 2023 received from the MyCC a Notice of Finding an Infringement and the Decision of Infringement under the Competition Act 2010.</p> <p><u>Subsequent announcement on 10 January 2024</u></p> <p>PPB announced that FFM had appealed against the MyCC’s Decision, and applied for a stay of the Decision.</p>

Share Analysis

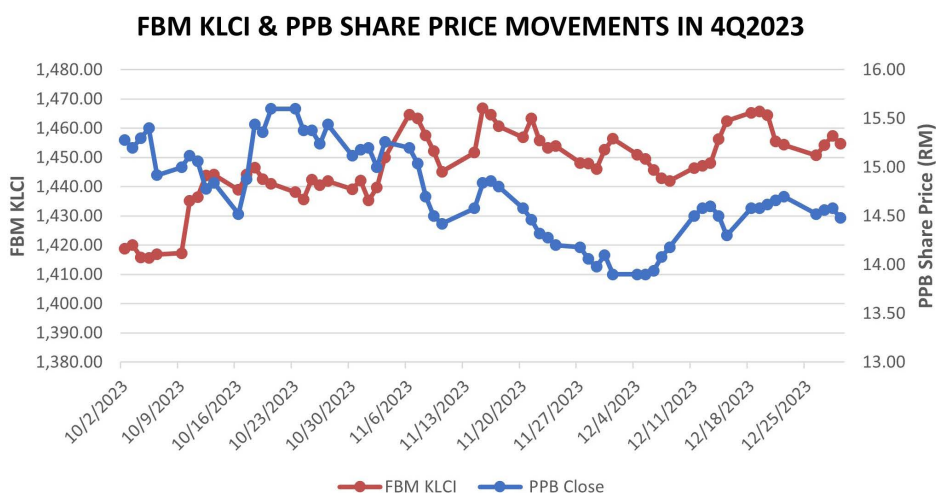
Share Analysis for the 4th Quarter of 2023

The FBM KLCI rose by 2.1% for 4Q2023, supported by lower global interest rate expectations and positive reaction to various national master plans announced in the third quarter of 2023.

[Source: Bank Negara Malaysia website]

PPB shares closed lower at RM14.48 compared with RM15.48 in the preceding quarter and market capitalisation decreased to RM20,605 million. The average daily volume of PPB shares traded during the quarter increased by 64.21% to 798,605 shares.

Date	4Q2023	3Q2023	% change
PPB share price (RM)			
Closing price (high)	15.60	16.86	-7.47%
Closing price (low)	13.90	15.48	-10.21%
Month end closing price	14.48	15.48	-6.46%
Weighted share price	14.68	16.03	-8.42%
Market capitalisation (RM' million)	20,605	22,028	-6.46%
PPB share trading volume (Number of shares)			
Daily volume (high)	3,827,900	2,110,100	81.41%
Daily volume (low)	84,600	34,500	145.22%
Average daily volume	798,605	486,323	64.21%
FBM KLCI			
FBM KLCI closing (high)	1,466.84	1,463.51	2.11%
FBM KLCI closing (low)	1,415.60	1,377.67	2.75%
FBM KLCI quarter end closing	1,454.66	1,424.17	2.14%
FBM KLCI volume (Number of shares)			
Daily volume (high)	487,626,600	312,673,000	55.95%
Daily volume (low)	65,053,300	46,350,800	40.35%
Average daily volume	122,820,751	106,870,734	14.92%





Group Financial Highlights

(The figures have not been audited)

Financial year ended (All figures in RM million)	12 months		Change %
	31.12.23	31.12.22	
INCOME STATEMENT			
Revenue (Continuing operations)	5,721	6,151	(7)
Revenue (Discontinued operations)	-	106	(100)
Revenue	5,721	6,257	(9)
Profit before tax	1,488	2,250	(34)
Profit attributable to owners of the parent	1,394	2,197	(37)
STATEMENT OF FINANCIAL POSITION			
Non-current assets	26,077	25,017	4
<u>Current assets</u>			
Cash and cash equivalents	1,629	1,587	3
Others	1,702	2,282	(26)
Assets classified as held for sale	-	41	(100)
Total current assets	3,331	3,916	(15)
Total assets	29,408	28,933	2
<u>Equity</u>			
Share capital	1,429	1,429	-
Reserves	25,707	24,402	5
Equity attributable to owners of the parent	27,136	25,831	5
Non-controlling interests	675	738	(9)
Total equity	27,811	26,569	5

Group Financial Highlights *(continued)*

Financial year ended <i>(All figures in RM million)</i>	12 months		Change %
	31.12.23	31.12.22	
<u>Non-current liabilities</u>			
Borrowings	17	69	(75)
Others	625	499	25
Total non-current liabilities	642	568	13
<u>Current liabilities</u>			
Borrowings	416	1,279	(67)
Others	539	513	5
Liabilities directly associated with the assets held for sale	-	4	(100)
Total current liabilities	955	1,796	(47)
Total liabilities	1,597	2,364	(32)
Total equity and liabilities	29,408	28,933	2

RATIOS

Return on equity attributable to owners of the parent	(%)	5.1	8.5
Earnings per share	(sen)	98.01	154.43
Debt to equity ratio	(times)	0.02	0.05
Net assets per share	(RM)	19.07	18.16
Dividend per share for financial year ended	(sen)	42.0	40.0

STOCK MARKET INFORMATION

Share price	(RM)	14.48	17.44
Market capitalisation	(RM million)	20,599	24,810



Unaudited Condensed Consolidated Income Statements

For The Financial Year Ended 31 December 2023

	4 th Quarter ended 31 December		12 Months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Continuing operations				
Revenue	1,262,490	1,610,633	5,720,693	6,151,181
Cost of sales	(1,134,898)	(1,453,812)	(5,131,964)	(5,545,550)
Gross profit	127,592	156,821	588,729	605,631
Other operating income/(expenses)	21,241	58,402	252,606	(14,352)
Distribution costs	(48,510)	(54,238)	(206,342)	(216,155)
Administrative expenses	(124,977)	(57,739)	(292,952)	(201,204)
Other expenses	(112,471)	(32,673)	(117,796)	(37,329)
Share of results of associates	589,525	397,011	1,327,465	2,178,089
Share of results of joint venture	238	(53)	4,766	3,831
Finance costs	(10,921)	(22,094)	(68,002)	(68,173)
Profit before taxation	441,717	445,437	1,488,474	2,250,338
Tax expense	(5,362)	(19,073)	(67,835)	(29,964)
Profit for the period/year from continuing operations	436,355	426,364	1,420,639	2,220,374
Discontinued operations				
Profit before taxation	-	682	-	86
Tax expense	-	(105)	-	(222)
Profit/(loss) for the period/year from discontinued operations	-	577	-	(136)
Profit for the period/year	436,355	426,941	1,420,639	2,220,238
Attributable to :				
Owners of the parent				
Profit from continuing operations	441,400	414,923	1,394,305	2,196,954
Profit/(loss) from discontinued operations	-	577	-	(136)
Profit for the period/year attributable to owners of the parent	441,400	415,500	1,394,305	2,196,818
Non-controlling interests				
(Loss)/profit from continuing operations	(5,045)	11,441	26,334	23,420
Profit for the period/year	436,355	426,941	1,420,639	2,220,238
Basic earnings per share (sen)				
- continuing operations	31.03	29.17	98.01	154.44
- discontinued operations	-	0.04	-	(0.01)
	31.03	29.21	98.01	154.43

(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 Year Ended 31 December 2023

	4 th Quarter ended 31 December		12 Months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the period/year	436,355	426,941	1,420,639	2,220,238
Other comprehensive income, net of tax				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Fair value (loss)/income on investment in equity instruments designated as fair value through other comprehensive income	(1,731)	26,091	(37,860)	(24,560)
Share of associates' other comprehensive loss	(32,080)	(16,597)	(4,935)	(43,343)
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(467,010)	(1,187,692)	1,006,622	1,073,716
Share of associates' other comprehensive income/(loss)	248,679	101,112	(432,303)	(1,155,034)
Total comprehensive income/(loss)	184,213	(650,145)	1,952,163	2,071,017
Attributable to :				
Owners of the parent				
Total comprehensive income/(loss) from continuing operations	188,438	(650,686)	1,906,306	2,047,022
Total comprehensive income/(loss) from discontinued operations	-	577	-	(136)
Total comprehensive income/(loss) attributable to owners of the parent	188,438	(650,109)	1,906,306	2,046,886
Non-controlling interests				
Total comprehensive (loss)/income from continuing operations	(4,225)	(36)	45,857	24,131
Total comprehensive income/(loss)	184,213	(650,145)	1,952,163	2,071,017

(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-Dec-23 RM'000	As at 31-Dec-22 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,206,554	1,322,671
Investment properties	359,761	366,682
Right-of-use assets	484,173	373,976
Bearer plants	4,204	3,893
Land held for property development	98,170	98,170
Goodwill	70,232	70,232
Other intangible assets	18,008	12,604
Investment in associates	23,435,075	22,329,590
Investment in joint venture	36,614	31,159
Other investments	321,429	351,945
Deferred tax assets	43,526	55,695
Total non-current assets	26,077,746	25,016,617
Current assets		
Inventories	764,541	1,090,095
Biological assets	25,200	19,980
Property development costs	3,009	2,523
Trade receivables	618,133	809,185
Other receivables	266,780	337,320
Derivative financial assets	7,855	289
Current tax assets	15,776	28,334
Cash and cash equivalents	1,629,324	1,587,047
Total current assets	3,330,618	3,874,773
Assets classified as held for sale	-	41,287
	3,330,618	3,916,060
TOTAL ASSETS	29,408,364	28,932,677
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,429,314
Reserves	25,707,316	24,401,527
Equity attributable to owners of the parent	27,136,630	25,830,841
Non-controlling interests	674,548	737,667
Total equity	27,811,178	26,568,508

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

	As at 31-Dec-23 RM'000	As at 31-Dec-22 RM'000
Non-current liabilities		
Borrowings	16,644	68,691
Lease obligations	455,548	339,949
Deferred tax liabilities	117,754	114,433
Provision for restoration cost	51,850	45,320
Total non-current liabilities	641,796	568,393
Current liabilities		
Trade payables	193,355	225,107
Other payables	282,813	202,788
Derivative financial liabilities	7,075	41,110
Borrowings	416,454	1,278,516
Lease obligations	46,018	41,318
Current tax liabilities	9,675	2,732
Total current liabilities	955,390	1,791,571
Liabilities directly associated with the assets held for sale	-	4,205
	955,390	1,795,776
Total liabilities	1,597,186	2,364,169
TOTAL EQUITY AND LIABILITIES	29,408,364	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 Year Ended 31 December 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
12 Months ended						
31 December 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 year	-	-	1,394,305	1,394,305	26,334	1,420,639
Other comprehensive income	-	510,312	1,689	512,001	19,523	531,524
Total comprehensive income	-	510,312	1,395,994	1,906,306	45,857	1,952,163
Transfer of reserves	-	55,876	(55,876)	-	-	-
Share of other changes in equity of associates	-	(31,779)	-	(31,779)	-	(31,779)
Dividends	-	-	(569,040)	(569,040)	(60,186)	(629,226)
Issue of shares to non-controlling interests	-	-	-	-	4,434	4,434
Disposal of subsidiaries	-	-	-	-	(50,775)	(50,775)
Realisation upon liquidation of subsidiary	-	-	-	-	(1,792)	(1,792)
Acquisition of shares in a subsidiary	-	95	207	302	(657)	(355)
At 31 December 2023	1,429,314	4,649,720	21,057,596	27,136,630	674,548	27,811,178
12 Months ended						
31 December 2022						
At 1 January 2022	1,429,314	4,277,355	18,724,819	24,431,488	748,815	25,180,303
Profit for the year	-	-	2,196,818	2,196,818	23,420	2,220,238
Other comprehensive (loss)/income	-	(147,275)	(2,657)	(149,932)	711	(149,221)
Total comprehensive (loss)/income	-	(147,275)	2,194,161	2,046,886	24,131	2,071,017
Transfer of reserves	-	106,307	(106,307)	-	-	-
Share of other changes in equity of associates	-	(121,171)	-	(121,171)	-	(121,171)
Dividends	-	-	(526,362)	(526,362)	(38,748)	(565,110)
Issue of shares to non-controlling interests	-	-	-	-	629	629
Disposal of a subsidiary	-	-	-	-	2,840	2,840
At 31 December 2022	1,429,314	4,115,216	20,286,311	25,830,841	737,667	26,568,508

(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 Year Ended 31 December 2023

	12 Months ended 31 December	
	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	1,488,474	2,250,338
Profit before tax from discontinued operations	-	86
Profit before taxation	1,488,474	2,250,424
Adjustments:		
Non-cash items	(1,074,602)	(1,910,456)
Non-operating items	2,131	19,520
Operating profit before working capital changes	416,003	359,488
Working capital changes:-		
Net change in current assets	316,611	(107,640)
Net change in current liabilities	46,105	(110,893)
Cash generated from operations	778,719	140,955
Tax paid	(31,787)	(29,390)
Net cash generated from operating activities	746,932	111,565
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment, investment properties, biological assets and other intangible assets	(188,846)	(136,882)
Proceeds from disposal of property, plant and equipment	821	3,724
Investments in associates	(169)	(1,612)
Addition of other investment	(6,755)	-
Proceeds from disposal of a subsidiary	124,498	11,837
Proceeds from disposal of an associate	-	4,000
Proceeds from disposal of other investment	-	1,000
Dividends received	681,960	634,619
Income received from short-term fund placements	40,157	14,919
Interest received	17,826	10,256
(Repayment from)/advances to associates	(761)	2,744
Distribution of profit from joint venture	6,752	7,125
Proceeds from liquidation of a subsidiary	3,722	-
Net cash generated from investing activities	679,205	551,730



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

	12 Months ended 31 December	
	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/Drawdown of bank borrowings	(675,323)	292,450
Interest paid	(52,598)	(52,054)
Dividends paid to shareholders of the Company	(569,040)	(526,362)
Dividends paid to non-controlling interests of subsidiaries	(60,186)	(38,748)
Payment of lease obligations	(52,903)	(44,391)
Acquisition of shares in a subsidiary	(355)	-
Shares issued to non-controlling interest of a subsidiary	4,434	629
Net cash used in financing activities	(1,405,971)	(368,476)
Net increase in cash and cash equivalents	20,166	294,819
Cash and cash equivalents brought forward	1,596,559	1,296,316
Effect of exchange rate changes	12,599	5,424
Cash and cash equivalents carried forward	1,629,324	1,596,559
(including cash in asset classified as held for sale)		
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	282,034	451,558
Bank deposits	160,411	213,672
Short-term fund placements	1,186,879	931,329
	1,629,324	1,596,559

(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
- 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 year ended 31 December 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 financial year.

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

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

A6. Dividends paid

During the financial year 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 year ended 31 December 2023 is as follows :

	Grains 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	4,255,957	761,035	570,269	117,483	15,949	-	5,720,693
Inter-segment sales	112,936	5,497	-	602	-	(119,035)	-
Total revenue	4,368,893	766,532	570,269	118,085	15,949	(119,035)	5,720,693
RESULTS							
Segment results	214,565	26,571	(127,092)	14,985	62,300	-	191,329
Share of results of associates	15,346	(644)	6,692	2,415	1,303,656	-	1,327,465
Share of results of joint venture	-	-	-	-	4,766	-	4,766
Unallocated corporate expenses	-	-	-	-	-	-	(35,086)
Profit before taxation	229,911	25,927	(120,400)	17,400	1,370,722	-	1,488,474

Notes (continued)

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

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

A9. Changes in the composition of the Group

On 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 during the financial year.

On 12 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 during the financial year.

Other than the above, there were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the financial year ended 31 December 2023.

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.

On 22 December 2023, MyCC issued a Notice of Finding of An Infringement under Section 40 of the Competition Act 2010 and the Decision of Infringement of Section 4(1) read with Sections 4(2)(a) and 4(3) of the Competition Act 2010, with a final penalty of RM42.689 million.

FFM is of the view that the Decision is without merit and had on 9 January 2024 appealed against the Decision via the filing of a notice of appeal with the Competition Appeal Tribunal ("CAT") and applied for a stay of the Decision.

Pending the outcome of the CAT, on prudent grounds, the Group has made full provision for the penalty amounting to RM42.689 million in the current year financial statements.



Notes (continued)

A11. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 31 December 2023 are as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	83,011
- not contracted	357,540
	440,551
Other commitments	
- contracted	395,998
Total	836,549

A12. Significant related party transactions

Significant related party transactions during the financial year ended 31 December 2023 are as follows:

	RM'000
Transactions with associates	
- Sales of goods	11,358
- Purchase of goods	8,524
Transactions with subsidiaries of the ultimate holding company	
- Sales of goods	14,619
- Supervision fee income	2,778
Transactions with subsidiaries of associates	
- Purchase of goods	649,833
- Sales of goods	97,098
- Rental income	3,398
- IT service fee expenses	1,180
- Security and other service expenses	15,996
- Supervision fees income	1,340
- Freight cost	95,754
- Disposal of a subsidiary	88,482
Transactions with subsidiary of associate of ultimate holding company	
- Rental expense	1,000

Notes (continued)

B1. Performance analysis

Group financial performance by business segment

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
4Q2023								
REVENUE								
External revenue	938,377	184,649	107,012	-	30,175	2,277	-	1,262,490
Inter-segment sales	28,388	921	-	-	-	-	(29,309)	-
Total revenue	966,765	185,570	107,012	-	30,175	2,277	(29,309)	1,262,490
RESULTS								
Segment results	(5,045)	7,285	(141,256)	-	1,944	834	-	(136,238)
Share of results of associates	11,876	139	1,494	-	1,477	574,539	-	589,525
Share of results of joint venture	-	-	-	-	-	238	-	238
Unallocated corporate expenses	-	-	-	-	-	-	-	(11,808)
Profit/(loss) before taxation	6,831	7,424	(139,762)	-	3,421	575,611	-	441,717



Notes (continued)

B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
4Q2022								
REVENUE								
External revenue	1,251,633	184,559	132,446	14,873	14,479	27,516	-	1,625,506
Inter-segment sales	35,810	1,526	-	-	401	-	(37,737)	-
Total revenue	1,287,443	186,085	132,446	14,873	14,880	27,516	(37,737)	1,625,506
RESULTS								
Segment results	44,649	10,645	(26,123)	676	(4,884)	31,903	-	56,866
Share of results of associates	10,247	(236)	(87)	-	654	386,433	-	397,011
Share of results of joint venture	-	-	-	6	-	(53)	-	(47)
Unallocated corporate expenses	-	-	-	-	-	-	-	(7,711)
Profit/(loss) before taxation	54,896	10,409	(26,210)	682	(4,230)	418,283	-	446,119
Variance								
Revenue (%)	-25%	0%	-19%	-100%	>100%	-92%	22%	-22%
Profit before taxation (%)	-88%	-29%	->100%	n.m	n.m	38%	-	-1%

n.m - not meaningful

Notes (continued)

B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter- segment elimination	Total
Business segments:								
All figures in RM'000								
FY2023								
REVENUE								
External revenue	4,255,957	761,035	570,269	-	117,483	15,949	-	5,720,693
Inter-segment sales	112,936	5,497	-	-	602	-	(119,035)	-
Total revenue	4,368,893	766,532	570,269	-	118,085	15,949	(119,035)	5,720,693
RESULTS								
Segment results	214,565	26,571	(127,092)	-	14,985	62,300	-	191,329
Share of results of associates	15,346	(644)	6,692	-	2,415	1,303,656	-	1,327,465
Share of results of joint venture	-	-	-	-	-	4,766	-	4,766
Unallocated corporate expenses	-	-	-	-	-	-	-	(35,086)
Profit/(loss) before taxation	229,911	25,927	(120,400)	-	17,400	1,370,722	-	1,488,474



Notes (continued)

B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities (discontinued operations)	Property	Other operations	Inter-segment elimination	Total
Business segments:								
All figures in RM'000								
FY2022								
REVENUE								
External revenue	4,655,906	751,118	514,809	106,214	140,959	88,389	-	6,257,395
Inter-segment sales	130,906	5,361	-	37	802	42	(137,148)	-
Total revenue	4,786,812	756,479	514,809	106,251	141,761	88,431	(137,148)	6,257,395
RESULTS								
Segment results	50	35,643	(17,341)	47	33,066	45,646	-	97,111
Share of results of associates	74,279	(2,036)	253	-	1,843	2,103,750	-	2,178,089
Share of results of joint venture	-	-	-	39	-	3,831	-	3,870
Unallocated corporate expenses	-	-	-	-	-	-	-	(28,646)
Profit/ (loss) before taxation	74,329	33,607	(17,088)	86	34,909	2,153,227	-	2,250,424
Variance								
Revenue (%)	-9%	1%	11%	-100%	-17%	-82%	13%	-9%
Profit/ (loss) before taxation (%)	>100%	-23%	>-100%	n.m	-50%	-36%	-	-34%

n.m - not meaningful

Notes (continued)

B1. Performance analysis (CONTINUED)

Group performance review

For 4Q2023 and FY2023, Group revenue amounted to RM1.26 billion (4Q2022: RM1.63 billion) and RM5.72 billion (FY2022: RM6.26 billion) respectively. Pre-tax profit for 4Q2023 was 1% lower at RM442 million (4Q2022: RM446 million). This was mainly attributable to the lower contribution from the divested Indonesia flour operations, and partially offset by a higher contribution from Wilmar at RM572 million in 4Q2023 (4Q2022: RM387 million).

Pre-tax profit for FY2023 was lower by 34% to RM1.49 billion (FY2022: RM2.25 billion), mainly attributable to the lower contribution from Wilmar International Limited ("Wilmar") by 38% to RM1.30 billion in FY2023 (FY2022: RM2.10 billion). The Group's core business segments, however, recorded a marked overall improvement in profit before tax by 25% to RM189 million in FY2023 (FY2022: RM151 million).

Grains and agribusiness

Segment revenue for 4Q2023 and FY2023 was at RM938 million (4Q2022: RM1.25 billion) and RM4.26 billion (FY2022: RM4.66 billion) respectively, mainly attributable to lower revenue from the Indonesia flour operations, which was divested on 12 September 2023. The segment recorded lower profit at RM7 million in 4Q2023 (4Q2022: RM55 million) due mainly to the provision for MyCC penalty of RM42.7 million (Refer to Note A10). Excluding the provision for MyCC penalty, the segment recorded a profit of RM50 million in 4Q2023 (4Q2022: RM55 million). For FY2023, the segment reported higher profit at RM230 million (FY2022: RM74 million), mainly attributable to the improved performance at the flour, feed and livestock sub-segments, partially offset by losses at the divested Indonesia flour operations and provision for MyCC penalty.

Consumer products

Segment revenue for 4Q2023 and FY2023 was at RM185 million (4Q2022: RM185 million) and RM761 million (FY2022: RM751 million) respectively. The segment reported lower profit at RM7 million in 4Q2023 (4Q2022: RM10 million) and RM26 million in FY2023 (FY2022: RM34 million) respectively, mainly attributable to higher trade promotion and operating costs.

Film exhibition and distribution

Segment revenue for 4Q2023 and FY2023 was at RM107 million (4Q2022: RM132 million) and RM570 million (FY2022: RM515 million) respectively. The segment reported higher loss at RM140 million in 4Q2023 (4Q2022: RM26 million) and RM120 million in FY2023 (FY2022: RM17 million). The losses were primarily attributable to the impairment on the Vietnam operations which amounted to RM60 million (FY2022: RM27 million) and the impairment on the Malaysia cinema assets amounting to RM53 million. Excluding these impairments, the segment recorded a loss of RM27 million in 4Q2023 (4Q2022: RM522,000 profit) and RM8 million in FY2023 (FY2022: RM10 million profit). The losses were mainly attributable to higher cinema operating costs.



Notes (continued)

Property

Segment revenue for 4Q2023 and FY2023 was at RM30 million (4Q2022: RM14 million) and RM117 million (FY2022: RM141 million) respectively. The segment turn around with a profit of RM3 million in 4Q2023 (4Q2022: RM4 million loss) mainly attributable to higher sales of Megah Rise Residensi units and better performance at Megah Rise Mall. For FY2023, the segment reported lower profit at RM17 million (FY2022: RM35 million) mainly attributable to lower progressive profit recognised from the Megah Rise Residensi units sold as the project was completed in August 2022.

Other operations

Segment profit for 4Q2023 and FY2023 was at RM576 million (4Q2022: RM418 million) and RM1.37 billion (FY2022: RM2.15 billion) respectively. The higher profit in 4Q2023 was mainly attributable to higher contribution from Wilmar by RM185 million to RM572 million in 4Q2023 (4Q2022: RM387 million), partially offset by the lower dividend income by RM12 million to RM2 million (4Q2022: RM14 million) as well as absence of a gain on disposal of CWM of RM11 million in 4Q2022. For FY2023, the lower profit was mainly due to lower contribution from Wilmar by RM800 million to RM1.30 billion (FY2022: RM2.10 billion).

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

For 4Q2023, profit before taxation was higher by 11% to RM442 million as compared to RM399 million recorded in 3Q2023. The increase was mainly attributable to higher contribution from Wilmar at RM572 million (3Q2023: RM268 million), partially offset by losses in the *Film Exhibition and Distribution* segment at RM140 million (3Q2023: RM5 million profit) and lower contribution from the *Grains and Agribusiness* segment at RM7 million (3Q2023: RM96 million). The 4Q2023 performance was affected by the provision for the MyCC penalty of RM42.7 million and lower hedging gains.

Notes (continued)

B3. Prospects

The Malaysian economy expanded by 3% in the fourth quarter of 2023 (3Q2023: 3.3%). Household spending remained supported by improving labour market conditions and easing cost pressures. Meanwhile, growth in investment activity was underpinned by the progressive realization of multi-year projects and capacity expansion by firms.

Looking at the overall performance in 2023, growth for the Malaysian economy moderated to 3.7% amid a challenging external environment, following a strong growth registered in the previous year (2022: 8.7%).

For 2024, growth of the Malaysian economy is anticipated to be driven by robust domestic expenditure and a positive shift in external demand. Household spending is expected to be supported by ongoing employment stability and continued wages growth. Additionally, investment activity is set to be bolstered by further progress of multi-year projects in both private and public sectors, along with the implementation of catalytic initiatives under national master plans.

With the correction of world grain prices in 2023 from its peak in 2022, performance of the *Grains and Agribusiness* segment improved significantly for 2023, particularly in the Malaysia operations. Nevertheless, we expect competition to be intense; with continued volatility in the global grain commodity markets primarily influenced by the ongoing risks associated with uncertain weather conditions in major grains growing countries. We will continue to leverage on our extensive experience in grain procurement and expertise in product formulation to drive operational efficiency. We are cautiously optimistic that the *Grains and Agribusiness* segment will deliver a satisfactory set of results in 2024.

The consumer market is expected to face challenges arising from prevailing consumer sentiment and spending patterns. However, we expect the *Consumer Products* segment to continue to perform well in 2024, as the segment remains focus in the business of the manufacturing and distribution of consumer staple food and continues to expand its product range.

The *Film Exhibition and Distribution* segment recorded a loss in the fourth quarter of 2023 as a result of the deferment of several key blockbuster titles due to the actors and writers' strikes in the Hollywood and cinema impairments. The strikes which ended in the last quarter of 2023, has also halted production and affected the supply of movie contents in the medium term. We anticipate a challenging 2024 for the *Film Exhibition and Distribution* segment as it will be substantially dependent on the supply of contents. However, the impact will be partially cushioned by local and regional releases as well as contributions from events and F&B business.

With several property development projects being planned at various stages, improving mall performance will be the key driver for the *Property* segment in 2024.

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

	4 th Quarter ended 31-Dec-23 RM'000	12 Months ended 31-Dec-23 RM'000
Profit before taxation was stated after crediting/(charging):		
Interest income and income from short-term fund placements	15,644	58,608
Dividend income	2,136	7,261
Net foreign exchange gain/(loss)	2,109	(2,373)
Gain on disposal of subsidiaries	-	55,786
Net fair value gain on derivatives	213	107,836
Net impairment on receivables	(23,299)	(21,680)
Depreciation and amortisation	(49,432)	(198,898)
Interest expense on lease obligations	(5,596)	(17,823)
Impairment of property, plant and equipment	(47,341)	(47,341)
Impairment of right-of-use assets	(5,340)	(5,340)
Impairment of investment in an associate	(59,554)	(59,554)

B6. Tax expense

	4 th Quarter ended 31-Dec-23 RM'000	12 Months ended 31-Dec-23 RM'000
Taxation based on the profit for the financial period/year:		
Malaysian taxation:		
Current tax expense	(11,831)	(35,183)
Deferred tax credit/(expense)	10,609	(25,742)
	(1,222)	(60,925)
Foreign taxation:		
Current tax expense	(988)	(2,229)
Deferred tax expense	(2,569)	(5,713)
	(4,779)	(68,867)
(Under)/over provision in prior years:		
Current tax	(2,015)	(7,637)
Deferred tax	1,432	8,669
	(5,362)	(67,835)

For FY2023, the Group's effective tax rate was higher than the statutory rate, mainly due to non-deductible expenses, deferred tax assets not recognised on tax losses of certain subsidiaries, provision of withholding tax on undistributed profits of foreign associates, and partially offset by income not subject to tax.

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 December 2023 were as follows:

	Total RM'000	Secured RM'000		Unsecured RM'000
Long-term bank borrowings				
Long-term bank loan (VND)	16,644	16,644	(a)	-
	16,644	16,644		-
Short-term bank borrowings				
Revolving credit (RM)	233,763	120,000	(b)	113,763
Short-term loan (RM)	44,500	44,500	(b)	-
Short-term loan (USD)	28,036	-		28,036
Short-term loan (VND)	110,155	-	(a)	110,155
	416,454	164,500		251,954

All of the above borrowings are unsecured except for the following:

- (a) The VND-denominated term loan is secured by a corporate guarantee from a subsidiary.
- (b) The RM-denominated term loan and revolving credits are secured by a corporate guarantee from a subsidiary.

B9. Derivative financial instruments

(a) Derivative financial assets and financial liabilities as at 31 December 2023

	Contract / Notional value RM'000	Fair value - Assets / Liabilities RM'000
Derivative financial assets		
i) Futures contracts	169,096	7,785
ii) Forward foreign currency contracts	22,135	70
Total derivative assets		7,855
Derivative financial liabilities		
i) Options contracts	104,283	2,898
ii) Futures contracts	102,467	3,510
iii) Forward foreign currency contracts	75,431	667
Total derivative liabilities		7,075

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 4th quarter of 2023, unrealised fair value loss on derivative financial instruments amounted to RM12.6 million (4Q2022: RM32.0 million).

For the financial year 2023, unrealised fair value gain on derivative financial instruments amounted to RM5.9 million (FY2022: RM25.7 million loss).

B10. Material litigation

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

B11. Dividend

The Board of Directors is pleased to recommend a proposed final dividend of 30 sen per share for the financial year ended 31 December 2023 (2022: Final dividend of 28 sen per share) payable on 7 June 2024 to shareholders whose names appear in the Record of Depositors at the close of business on 21 May 2024, subject to the approval of shareholders at the 55th Annual General Meeting scheduled to be held on Friday, 17 May 2024.

Together with the interim dividend of 12 sen per share paid on 22 September 2023, total dividends paid and payable for the financial year ended 31 December 2023 would amount to 42 sen per share (2022: 40 sen per share).

Notes (continued)

B12. Earnings per share

	4 th Quarter ended 31 December		12 Months ended 31 December	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net profit for the period/year	441,400	415,500	1,394,305	2,196,818
Number of ordinary shares in issue ('000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	31.03	29.21	98.01	154.43

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

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
28 February 2024

By Order of the Board
Mah Teck Keong
Company Secretary

PPB GROUP BERHAD

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