

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER**  
**ENDED 30 SEPTEMBER 2023**

**Unaudited Condensed Consolidated Income Statements For The Financial Period Ended**  
**30 September 2023**

	3rd Quarter ended 30 September		9 Months ended 30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b><u>Continuing operations</u></b>				
Revenue	1,457,594	1,649,343	4,458,203	4,540,548
Cost of sales	<u>(1,304,135)</u>	<u>(1,488,010)</u>	<u>(3,997,066)</u>	<u>(4,091,738)</u>
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	<u>(15,031)</u>	<u>(18,887)</u>	<u>(57,081)</u>	<u>(46,079)</u>
<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	<u>(15,024)</u>	<u>(17,109)</u>	<u>(62,473)</u>	<u>(10,891)</u>
<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><u>Discontinued operations</u></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	<u>372,554</u>	<u>784,752</u>	<u>952,905</u>	<u>1,781,318</u>
Non-controlling interests				
Profit from continuing operations	<u>11,341</u>	<u>10,785</u>	<u>31,379</u>	<u>11,979</u>
<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)
	<u>26.19</u>	<u>55.16</u>	<u>66.98</u>	<u>125.22</u>

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

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**Unaudited Condensed Consolidated Statements Of Comprehensive Income**  
**For The Financial Period Ended 30 September 2023**

	<b>3rd Quarter ended</b>		<b>9 Months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<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><u>284,229</u></b>	<b><u>1,117,739</u></b>	<b><u>1,767,950</u></b>	<b><u>2,721,162</u></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><u>284,229</u></b>	<b><u>1,117,739</u></b>	<b><u>1,767,950</u></b>	<b><u>2,721,162</u></b>

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

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**Unaudited Condensed Consolidated Statements Of Financial Position**

	As at <b>30-Sep-23</b> RM'000	As at <b>31-Dec-22</b> 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><u>25,715,265</u></b>	<b><u>25,016,617</u></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><u>3,619,468</u></b>	<b><u>3,874,773</u></b>
Assets classified as held for sale	-	41,287
	<b><u>3,619,468</u></b>	<b><u>3,916,060</u></b>
<b>TOTAL ASSETS</b>	<b><u>29,334,733</u></b>	<b><u>28,932,677</u></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><u>26,954,107</u></b>	<b><u>25,830,841</u></b>
Non-controlling interests	705,400	737,667
<b>Total equity</b>	<b><u>27,659,507</u></b>	<b><u>26,568,508</u></b>

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**Unaudited Condensed Consolidated Statements Of Financial Position**  
*(continued)*

	As at 30-Sep-23 RM'000	As at 31-Dec-22 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 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
<b><u>9 Months ended 30 September 2023</u></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 subsidiaries	-	-	-	-	(53,460)	(53,460)
At 30 September 2023	<u>1,429,314</u>	<u>4,888,104</u>	<u>20,636,689</u>	<u>26,954,107</u>	<u>705,400</u>	<u>27,659,507</u>
<b><u>9 Months ended 30 September 2022</u></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	<u>1,429,314</u>	<u>5,157,484</u>	<u>19,879,192</u>	<u>26,465,990</u>	<u>772,982</u>	<u>27,238,972</u>

(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**

	<b>9 Months ended 30 September</b>	
	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
<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>
<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 assets 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

### 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 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.

**A7. Segmental reporting**

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

<b>Business segments:</b> All figures in RM'000	<u>Grains and agribusiness</u>	<u>Consumer products</u>	<u>Film exhibition and distribution</u>	<u>Property</u>	<u>Other operations</u>	<u>Inter-segment elimination</u>	<u>Total</u>
<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>



**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.

**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 other intangible assets	
- contracted	120,537
- not contracted	319,786
	<u>440,323</u>
Other commitments	
- contracted	411,366
<b>Total</b>	<b><u><u>851,689</u></u></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
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Transactions with subsidiaries of the ultimate holding company	
- Sales of goods	11,570
- Supervision fee income	2,044
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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
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**B1. Performance analysis**

**Group financial performance by business segment**

<b>Business segments:</b> All figures in RM'000	<u>Grains and agribusiness</u>	<u>Consumer products</u>	<u>Film exhibition and distribution</u>	<u>Environmental engineering and utilities (discontinued operations)</u>	<u>Property</u>	<u>Other operations</u>	<u>Inter- segment elimination</u>	<u>Total</u>
<b>3Q2023</b>								
<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>
<b>3Q2022</b>								
<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

**B1. Performance analysis**

**Group financial performance by business segment**

<b>Business segments:</b> All figures in RM'000								<b>Total</b>
	<b>Grains and agribusiness</b>	<b>Consumer products</b>	<b>Film exhibition and distribution</b>	<b>Environmental engineering and utilities (discontinued operations)</b>	<b>Property</b>	<b>Other operations</b>	<b>Inter-segment elimination</b>	
<u>9M2023</u>								
<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>
<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

### **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).

**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.

**B5. Profit before taxation**

	3rd Quarter ended 30-Sep-23 RM'000	9 Months ended 30-Sep-23 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 subsidiaries	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**

	3rd Quarter ended 30-Sep-23 RM'000	9 Months ended 30-Sep-23 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)
	<u>(14,173)</u>	<u>(59,703)</u>
Foreign taxation:		
Current tax expense	(399)	(1,241)
Deferred tax expense	(2,067)	(3,144)
	<u>(16,639)</u>	<u>(64,088)</u>
(Under)/over provision in prior years:		
Current tax	(5,622)	(5,622)
Deferred tax	7,237	7,237
	<u>(15,024)</u>	<u>(62,473)</u>

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.

**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 RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loan (RM)	44,500	44,500 (a)	-
Long-term bank loan (VND)	19,120	19,120 (b)	-
	<b>63,620</b>	<b>63,620</b>	<b>-</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 / Notional value RM'000	Fair value - Assets / Liabilities RM'000
<u>Derivative financial assets</u>		
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>
<u>Derivative financial liabilities</u>		
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.



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**

	3rd Quarter ended		9 Months ended	
	30 September		30 September	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	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.

**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*