

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER**  
**ENDED 31 DECEMBER 2022**

**Unaudited Condensed Consolidated Income Statements For The Financial Year Ended**  
**31 December 2022**

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

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**Unaudited Condensed Consolidated Statements Of Comprehensive Income**  
**For The Financial Year Ended 31 December 2022**

	4th Quarter ended 31 December		12 Months ended 31 December	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period/year</b>	<b>426,941</b>	<b>503,918</b>	<b>2,220,238</b>	<b>1,507,115</b>
Other comprehensive income, net of tax				
<b><u>Items that will not be subsequently reclassified to profit or loss</u></b>				
Fair value gain/(loss) on investment in equity instruments designated as fair value through other comprehensive income	26,091	(21,836)	(24,560)	536
Share of associates' other comprehensive (loss)/income	(16,597)	(2,745)	(43,343)	2,161
<b><u>Items that will be subsequently reclassified to profit or loss</u></b>				
Exchange differences on translation of foreign operations	(1,187,692)	(94,039)	1,073,716	725,396
Share of associates' other comprehensive income/(loss)	<u>101,112</u>	<u>124,863</u>	<u>(1,155,034)</u>	<u>174,949</u>
<b>Total comprehensive income</b>	<b><u>(650,145)</u></b>	<b><u>510,161</u></b>	<b><u>2,071,017</u></b>	<b><u>2,410,157</u></b>
Attributable to :				
Owners of the parent				
Total comprehensive (loss)/income from continuing operations	(650,686)	505,609	2,047,022	2,385,887
Total comprehensive income/(loss) from discontinued operations	<u>577</u>	<u>(1,148)</u>	<u>(136)</u>	<u>(3,340)</u>
Total comprehensive (loss)/income attributable to owners of the parent	(650,109)	504,461	2,046,886	2,382,547
Non-controlling interests				
Total comprehensive (loss)/income from continuing operations	<u>(36)</u>	<u>5,700</u>	<u>24,131</u>	<u>27,610</u>
<b>Total comprehensive (loss)/income</b>	<b><u>(650,145)</u></b>	<b><u>510,161</u></b>	<b><u>2,071,017</u></b>	<b><u>2,410,157</u></b>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

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

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	1,322,671	1,383,088
Investment properties	366,682	317,163
Right-of-use assets	373,976	306,022
Bearer plants	3,893	4,241
Land held for property development	98,170	100,470
Goodwill	70,232	71,201
Other intangible assets	12,604	11,945
Investment in associates	22,329,590	21,063,903
Investment in joint venture	31,159	28,433
Other investments	351,945	372,310
Deferred tax assets	55,695	44,007
<b>Total non-current assets</b>	<b><u>25,016,617</u></b>	<b><u>23,702,783</u></b>
<b>Current assets</b>		
Inventories	1,090,095	1,081,814
Biological assets	19,980	13,422
Property development costs	2,523	41,581
Trade receivables	809,185	715,063
Other receivables	337,320	411,422
Derivative financial assets	289	100,650
Current tax assets	28,334	34,111
Cash and cash equivalents	1,587,047	1,296,316
<b>Total current assets</b>	<b><u>3,874,773</u></b>	<b><u>3,694,379</u></b>
Assets classified as held for sale	41,287	-
	<b><u>3,916,060</u></b>	<b><u>3,694,379</u></b>
<b>TOTAL ASSETS</b>	<b><u><u>28,932,677</u></u></b>	<b><u><u>27,397,162</u></u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,429,314	1,429,314
Reserves	24,401,527	23,002,174
<b>Equity attributable to owners of the parent</b>	<b><u>25,830,841</u></b>	<b><u>24,431,488</u></b>
Non-controlling interests	737,667	748,815
<b>Total equity</b>	<b><u>26,568,508</u></b>	<b><u>25,180,303</u></b>

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

	<b>As at 31-Dec-22 RM'000</b>	<b>As at 31-Dec-21 RM'000</b>
<b>Non-current liabilities</b>		
Borrowings	68,691	67,828
Lease obligations	339,949	282,241
Deferred tax liabilities	114,433	101,156
Provision for restoration cost	45,320	33,273
<b>Total non-current liabilities</b>	<b><u>568,393</u></b>	<b><u>484,498</u></b>
<b>Current liabilities</b>		
Trade payables	225,107	325,814
Other payables	202,788	223,622
Derivative financial liabilities	41,110	107,383
Borrowings	1,278,516	1,034,757
Lease obligations	41,318	35,974
Provision for restoration cost	-	960
Current tax liabilities	2,732	3,851
<b>Total current liabilities</b>	<b><u>1,791,571</u></b>	<b><u>1,732,361</u></b>
Liabilities directly associated with the assets held for sale	4,205	-
	<b><u>1,795,776</u></b>	<b><u>1,732,361</u></b>
<b>Total liabilities</b>	<b><u>2,364,169</u></b>	<b><u>2,216,859</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>28,932,677</u></b>	<b><u>27,397,162</u></b>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

**Unaudited Condensed Consolidated Statements Of Changes In Equity For The Financial Year Ended 31 December 2022**

	Share capital RM'000	Non-distributable reserves RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
<b><u>12 Months ended 31 December 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 year	-	-	2,196,818	2,196,818	23,420	2,220,238
Other comprehensive (loss)/income	-	(147,275)	(2,657)	(149,932)	711	(149,221)
Total comprehensive (loss)/income	-	(147,275)	2,194,161	2,046,886	24,131	2,071,017
Transfer of reserves	-	106,307	(106,307)	-	-	-
Dividends	-	-	(526,362)	(526,362)	(38,748)	(565,110)
Share of other changes in equity of associates	-	(121,171)	-	(121,171)	-	(121,171)
Issue of shares to non-controlling interests	-	-	-	-	629	629
Disposal of a subsidiary	-	-	-	-	2,840	2,840
At 31 December 2022	<u>1,429,314</u>	<u>4,115,216</u>	<u>20,286,311</u>	<u>25,830,841</u>	<u>737,667</u>	<u>26,568,508</u>

**12 Months ended 31 December 2021**

At 1 January 2021	1,429,314	3,377,002	18,012,433	22,818,749	727,696	23,546,445
Profit for the year	-	-	1,496,111	1,496,111	11,004	1,507,115
Other comprehensive income	-	868,619	17,817	886,436	16,606	903,042
Total comprehensive income	-	868,619	1,513,928	2,382,547	27,610	2,410,157
Transfer of reserves	-	118,695	(118,695)	-	-	-
Dividends	-	-	(682,847)	(682,847)	(7,544)	(690,391)
Issue of shares to non-controlling interests	-	-	-	-	2,620	2,620
Share of other changes in equity of associates	-	(86,961)	-	(86,961)	-	(86,961)
Realisation upon liquidation of subsidiaries	-	-	-	-	(1,567)	(1,567)
At 31 December 2021	<u>1,429,314</u>	<u>4,277,355</u>	<u>18,724,819</u>	<u>24,431,488</u>	<u>748,815</u>	<u>25,180,303</u>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

**Unaudited Condensed Consolidated Statements Of Cash Flows  
For The Financial Year Ended 31 December 2022**

	<b>12 Months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	2,250,338	1,501,200
Profit/(loss) before tax from discontinued operations	86	(3,127)
<b>Profit before taxation</b>	<b>2,250,424</b>	<b>1,498,073</b>
Adjustments:		
Non-cash items	(1,909,896)	(1,511,529)
Non-operating items	19,520	(11,321)
Operating profit/(loss) before working capital changes	360,048	(24,777)
Working capital changes:-		
Net change in current assets	(114,508)	(573,287)
Net change in current liabilities	(103,752)	160,452
Cash generated from/(used in) operations	141,788	(437,612)
Tax paid	(29,390)	(53,912)
<b>Net cash generated from/(used in) operating activities</b>	<b>112,398</b>	<b>(491,524)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition of property, plant and equipment, investment properties, biological assets and other intangible assets	(136,891)	(222,113)
Proceeds from disposal of property, plant and equipment	3,724	5,180
Investments in associates	(1,611)	(93,013)
Addition of other investment	-	(46,694)
Proceeds from disposal of subsidiaries	11,837	-
Proceeds from disposal of an associate	4,000	44,751
Redemption/disposal of other investment	1,000	31,144
Dividends received	634,619	784,584
Income received from short-term fund placements	14,919	16,316
Interest received	10,256	4,551
Repayment from/(advances to) associates	2,744	(54,798)
Distribution of profit from joint venture	7,125	8,106
Proceeds from liquidation of an associate	-	10,321
<b>Net cash generated from investing activities</b>	<b>551,722</b>	<b>488,335</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank borrowings	292,450	611,131
Interest paid	(52,054)	(23,876)
Dividends paid	(565,110)	(690,391)
Payment of lease obligations	(45,216)	(24,888)
Shares issued to non-controlling interest of a subsidiary	629	2,620
<b>Net cash used in financing activities</b>	<b>(369,301)</b>	<b>(125,404)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>294,819</b>	<b>(128,593)</b>
Cash and cash equivalents brought forward	1,296,316	1,420,202
Effect of exchange rate changes	5,424	4,707
<b>Cash and cash equivalents carried forward</b>	<b>1,596,559</b>	<b>1,296,316</b>
(including cash in asset classified as held for sale)		

**PPB GROUP BERHAD** [196801000571 (8167-W)]  
**Unaudited Condensed Consolidated Statements Of Cash Flows**  
**For The Financial Year Ended 31 December 2022**

	<b>12 Months ended 31 December</b>	
	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	451,558	297,790
Bank deposits	213,672	156,710
Short-term fund placements	931,329	841,816
	<u><b>1,596,559</b></u>	<u><b>1,296,316</b></u>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2021)

## NOTES

### **A1. Accounting policies**

The interim financial statements of the Group have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") MFRS 134 Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following Amendments to MFRS that are effective for financial periods beginning on or after 1 January 2022 :

- Amendments to MFRS 3 : Business Combinations: Reference to the Conceptual Framework
- Amendments to MFRS 116 : Property, Plant and Equipment - Proceeds before Intended Use
- Amendments to MFRS 137 : Provisions, Contingent Liabilities and Contingent Assets : Onerous Cost of Fulfilling a Contract
- Annual improvements to MFRS Standards 2018 - 2020

The adoption of the above Amendments to MFRS do not have any material impact on the condensed financial statements in the period of initial application.

### **A2. Seasonality or cyclical nature of interim operations**

The Group's operations are not materially affected by any seasonal or cyclical factors.

### **A3. Exceptional or unusual items**

There were no exceptional or unusual items for the financial year ended 31 December 2022.

### **A4. Nature and amount of changes in estimates**

There were no changes in estimates of amounts reported in the previous financial year which have a material effect in the current financial year.

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

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

### **A6. Dividends paid**

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



**A7. Segmental reporting**

Performance of the Group's business segments for the financial year ended 31 December 2022 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>Environmental engineering and utilities (discontinued operations)</u>	<u>Property</u>	<u>Other operations</u>	<u>Inter-segment elimination</u>	<u>Total</u>
<b>REVENUE</b>								
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)	-
<b>Total revenue</b>	<b>4,786,812</b>	<b>756,479</b>	<b>514,809</b>	<b>106,251</b>	<b>141,761</b>	<b>88,431</b>	<b>(137,148)</b>	<b>6,257,395</b>
<b>RESULTS</b>								
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)
<b>Profit/(loss) before taxation</b>	<b>74,329</b>	<b>33,607</b>	<b>(17,088)</b>	<b>86</b>	<b>34,909</b>	<b>2,153,227</b>	<b>-</b>	<b>2,250,424</b>

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

Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company had on 27 December 2022 entered into a conditional share sale agreement with Techbond Group Bhd ("Techbond") to divest of its entire 99.57% equity interest comprising 13,940,000 ordinary shares in Malayan Adhesives and Chemicals Sdn Bhd ("MAC") for a cash consideration of RM57 million. The disposal of MAC to Techbond has been completed on 28 February 2023.

As at 31 December 2022, the assets and liabilities of MAC have been classified as "Assets held for sale" and "Liabilities directly associated with the assets held for sale", respectively.

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

**A9. Changes in the composition of the Group**

On 24 February 2022, CQ disposed of its 100% equity interest in Sitamas Environmental Systems Sdn Bhd for a consideration of RM9 million.

On 11 November 2022, CQ completed the disposal of its entire 100% equity interest in CWM Group Sdn Bhd to Saraworks Sdn Bhd for a consideration of RM20 million plus net tangible assets.

Other than the above, there were no material changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the financial year ended 31 December 2022.

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

On 5 August 2022, FFM Berhad ("FFM"), an 80%-owned subsidiary of the Company, received a Notice of Proposed Decision issued by the Malaysia Competition Commission ("MyCC") pursuant to Section 36 of the Competition Act 2010 ("the Act"). The Proposed Decision was premised primarily on the allegation that FFM had engaged in agreements and/or concerted practices to fix the quantum of poultry feed prices in breach of Section 4 of the Act.

MyCC has highlighted that their findings are provisional and it should not be assumed that FFM has broken the law at this stage. Subject to the findings in relation to the alleged infringement, MyCC proposed to impose a penalty of RM46.63 million on FFM. This is, however, neither final nor conclusive.

FFM has on 31 January 2023 submitted the required written representation to MyCC.

**A11. Capital and other commitments**

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

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

**A12. Significant related party transactions**

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

	RM'000
Transactions with associates	
- Film rental income	3,042
- Sales of goods	14,434
- Purchase of goods	9,175
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Transactions with subsidiaries of the ultimate holding company	
- Supervision fee income	2,725
- Sales of goods	20,543
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Transactions with subsidiaries of associates	
- Purchase of goods	538,156
- Sales of goods	187,528
- Rental income	3,362
- Other services expenses	16,904
- Supervision fees income	1,785
- Freight cost	222,873
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**A13. Discontinued operations**

Chemquest Sdn Bhd ("CQ"), a 55%-owned subsidiary of the Company had on 18 April 2022 entered into a conditional share sale agreement with Saraworks Sdn Bhd to dispose its entire 100% equity interest comprising 17,000,000 ordinary shares in CWM Group Sdn Bhd ("CWM") for a consideration of RM20 million plus net tangible assets as at the completion date. Following the satisfaction of all conditions precedent, the transaction was completed on 11 November 2022, and CWM has ceased to be a subsidiary of CQ with effect from that date.

The disposal of CWM marked the exit of the Group from the environment engineering and utilities business. Accordingly, the financial results of CWM is presented separately on the Consolidated Income Statement as "Profit/(loss) from discontinued operations".

The results of the Discontinued Operations are as follows:-

	<b>10 Months ended 31 October 2022 RM'000</b>	<b>12 Months ended 31 December 2021 RM'000</b>
Revenue	106,214	204,549
Operating expenses	(108,479)	(208,398)
Operating loss	(2,265)	(3,849)
Other operating income	3,041	1,773
Share of results of associates	-	(526)
Share of results of joint venture	39	10
Finance costs	(729)	(535)
<b>Profit/(Loss) before tax from discontinued operations</b>	<b>86</b>	<b>(3,127)</b>
Income tax expense	(222)	(213)
<b>Loss for the year from discontinued operations</b>	<b>(136)</b>	<b>(3,340)</b>

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

	<b>10 Months ended 31 October 2022 RM'000</b>	<b>12 Months ended 31 December 2021 RM'000</b>
Net operating cash flows	(14,801)	(7,557)
Net investing cash flows	32,126	42,977
Net financing cash flows	(51,216)	19,481
<b>Net cash (outflow)/inflow</b>	<b>(33,891)</b>	<b>54,901</b>

**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>
<u>4Q2022</u>								
<b>REVENUE</b>								
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)	-
<b>Total revenue</b>	<b>1,287,443</b>	<b>186,085</b>	<b>132,446</b>	<b>14,873</b>	<b>14,880</b>	<b>27,516</b>	<b>(37,737)</b>	<b>1,625,506</b>
<b>RESULTS</b>								
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)
<b>Profit/(Loss) before taxation</b>	<b>54,896</b>	<b>10,409</b>	<b>(26,210)</b>	<b>682</b>	<b>(4,230)</b>	<b>418,283</b>	<b>-</b>	<b>446,119</b>
<u>4Q2021</u>								
<b>REVENUE</b>								
External revenue	1,040,350	162,871	72,356	55,439	44,385	40,787	-	1,416,188
Inter-segment sales	20,277	912	-	(23)	200	56	(21,422)	-
<b>Total revenue</b>	<b>1,060,627</b>	<b>163,783</b>	<b>72,356</b>	<b>55,416</b>	<b>44,585</b>	<b>40,843</b>	<b>(21,422)</b>	<b>1,416,188</b>
<b>RESULTS</b>								
Segment results	(33,926)	4,460	(10,490)	(2,039)	11,487	38,873	-	8,365
Share of results of associates	20,193	(264)	(2,879)	-	(1,742)	475,175	-	490,483
Share of results of joint venture	-	-	-	10	-	934	-	944
Unallocated corporate expenses	-	-	-	-	-	-	-	(8,039)
<b>(Loss)/Profit before taxation</b>	<b>(13,733)</b>	<b>4,196</b>	<b>(13,369)</b>	<b>(2,029)</b>	<b>9,745</b>	<b>514,982</b>	<b>-</b>	<b>491,753</b>
<b>Variance</b>								
Revenue (%)	20%	13%	83%	-73%	-67%	-33%	-76%	15%
Profit/(Loss) before taxation (%)	n.m	>100%	-96%	n.m	n.m	-19%	-	-9%

n.m - not meaningful

**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>
<u>FY2022</u>								
<b>REVENUE</b>								
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)	-
<b>Total revenue</b>	<u>4,786,812</u>	<u>756,479</u>	<u>514,809</u>	<u>106,251</u>	<u>141,761</u>	<u>88,431</u>	<u>(137,148)</u>	<u>6,257,395</u>
<b>RESULTS</b>								
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)
<b>Profit/(loss) before taxation</b>	<u>74,329</u>	<u>33,607</u>	<u>(17,088)</u>	<u>86</u>	<u>34,909</u>	<u>2,153,227</u>	<u>-</u>	<u>2,250,424</u>
<u>FY2021</u>								
<b>REVENUE</b>								
External revenue	3,688,799	643,798	116,470	204,549	114,267	89,547	-	4,857,430
Inter-segment sales	81,833	1,385	-	131	763	233	(84,345)	-
<b>Total revenue</b>	<u>3,770,632</u>	<u>645,183</u>	<u>116,470</u>	<u>204,680</u>	<u>115,030</u>	<u>89,780</u>	<u>(84,345)</u>	<u>4,857,430</u>
<b>RESULTS</b>								
Segment results	(21,271)	8,671	(105,331)	(2,611)	18,190	52,548	-	(49,804)
Share of results of associates	82,794	(2,128)	(7,947)	(526)	(3,365)	1,504,498	-	1,573,326
Share of results of joint venture	-	-	-	10	-	4,307	-	4,317
Unallocated corporate expenses	-	-	-	-	-	-	-	(29,766)
<b>Profit/(Loss) before taxation</b>	<u>61,523</u>	<u>6,543</u>	<u>(113,278)</u>	<u>(3,127)</u>	<u>14,825</u>	<u>1,561,353</u>	<u>-</u>	<u>1,498,073</u>
<b>Variance</b>								
Revenue (%)	26%	17%	>100%	-48%	23%	-1%	-63%	29%
Profit/(Loss) before taxation (%)	21%	>100%	85%	n.m	>100%	38%	-	50%

n.m. - not meaningful

### **Group performance review**

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

### **Grains and agribusiness**

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

### **Consumer products**

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

### **Film exhibition and distribution**

Segment revenue for 4Q2022 and FY2022 increased significantly to RM132 million (4Q2021: RM72 million) and RM515 million (FY2021: RM116 million) respectively. The segment recorded a loss of RM26 million in 4Q2022 (4Q2021: RM13 million loss) and a loss of RM17 million for FY2022 (FY2021: RM113 million loss). Included in the segment results for 4Q2022 was an impairment on investment in an associate in Vietnam amounting to RM27 million; excluding that, the segment made a profit of RM522,000 and RM10 million in 4Q2022 and FY2022 respectively. A five-fold increase in admissions and box office collections were the main contributing factors for the return to profitability of the Malaysian operations of this segment.

### **Environmental engineering and utilities (Discontinued Operations)**

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

### **Property**

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

### **Other operations**

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

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

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

### B3. Prospects

The Malaysian economy grew slower at 7.0% in the fourth quarter of 2022 (3Q2022: 14.2%) as support from the stimulus measures and low base effect waned. Private sector activity remained the key driver of growth, supported by private consumption and investment. Overall, the Malaysian economy expanded by 8.7% in 2022.

For 2023, the Malaysian economy is expected to expand at a more moderate pace at 4.5%, amid a challenging external environment. Given the slowing global demand, domestic demand will remain as the key driver of growth, supported by the continued recovery in the labour market and realisation of multi-year investment projects.

Performance of the *Grains and agribusiness* segment improved as grain commodity prices stabilized, particularly in the second half of 2022. We expect grain commodity prices to remain volatile given the uncertain weather conditions in the major grains-growing countries and on-going Russian-Ukraine war. To navigate the challenges ahead, the segment will continue to leverage on its market intelligence to drive procurement and operational efficiencies. We expect the segment to deliver a satisfactory performance in 2023.

The *Consumer products* segment has performed well in 2022 and is expected to improve amid recovery of consumer spending. The segment will continue to improve operational efficiencies through its integrated marketing system and established nation-wide distribution network in distributing a widely-accepted range of necessities, and in expanding its range of consumer products.

The Malaysian operations of the *Film exhibition and distribution* segment closed on a positive note in the fourth quarter of 2022, attributable mainly to better performance of several major blockbusters during the holiday season. For 2023, we expect performance of the segment to improve further with the release of more tentpole movies, and support from positive consumer sentiment and confidence.

The *Property* segment will continue to focus on planned development projects in Kedah and Penang, as well as enhancing our malls performance. We expect the segment to perform satisfactorily.

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

### B4. Variance of actual profit from forecast profit

Not applicable.

### B5. Profit before taxation

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



**B6. Tax (expense)/credit**

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

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

**B7. Status of corporate proposals**

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

**B8. Group borrowings**

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

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

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

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

**B9. Derivative financial instruments**

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

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

Since the end of the previous financial year ended 31 December 2021, grain commodity prices have remained volatile as a result of the challenging global macroeconomic conditions and the ongoing Russia-Ukraine war. The Group will continue to monitor closely the market volatilities and take appropriate measures to mitigate such risks.

There have been no other significant changes in respect of the following:

- (i) the credit risk, market risk and liquidity risk associated with the derivatives;
- (ii) the cash requirements of the derivatives;
- (iii) the policies in place for mitigating or controlling the risks associated with the derivatives; and
- (iv) the related accounting policies.

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

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

**B10. Material litigation**

There was no material litigation as at 22 February 2023.

**B11. Dividend**

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

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

**B12. Earnings per share**

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

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

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

The auditors' report for the financial year ended 31 December 2021 was not subject to any qualification.

**Kuala Lumpur**  
**28 February 2023**

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