

PPB GROUP BERHAD

Minutes of the 55th Annual General Meeting (“AGM”) of PPB Group Berhad (“PPB” or the “Company”) held at Sabah Room, B2 Level, Shangri-La Kuala Lumpur, 11 Jalan Sultan Ismail, 50250 Kuala Lumpur, Malaysia on Friday, 17 May 2024 at 10.00 am.

Present/Registered

Dato’ Capt Ahmad Sufian @ Qurnain bin Abdul Rashid (*Chairman of the meeting*)

also representing/proxy for a total of 536 members; and

1,327 other members and proxies, representing in total 1,170,867,636 ordinary shares equivalent to 82.28% of the issued shares of the Company;

(as registered by Tricor Investor & Issuing House Services Sdn Bhd, and appearing in the attendance list).

In attendance

Mr Lim Soon Huat	<i>Managing Director (“MD”)</i>	
Datuk Ong Hung Hock	<i>Director</i>	
Mr Soh Chin Teck	<i>Director</i>	
En Ahmad Riza bin Basir	<i>Director</i>	
Madam Tam Chiew Lin	<i>Director</i>	
Tengku Nurul Azian binti Tengku Shahrman	<i>Director</i>	
Ms Yip Jian Lee	<i>Director</i>	
Ms Yap Choi Foong	<i>Group Chief Financial Officer (“CFO”)</i>	
Mr Mah Teck Keong	<i>Company Secretary</i>	
Mr Ong Chee Wai	} <i>Representing Ernst & Young PLT</i>	
Ms Ng Yee Yee		<i>(External auditors)</i>
Mr David Liu		

1. WELCOME BY CHAIRMAN AND QUORUM

Dato’ Capt Ahmad Sufian @ Qurnain bin Abdul Rashid, the Chairman of the Meeting, welcomed the members to the 55th AGM of the Company. The requisite quorum being present pursuant to Clause 64 of the Company’s Constitution, the Chairman declared the meeting duly convened at 10.00 am.

2. NOTICE OF ANNUAL GENERAL MEETING

The members agreed that the notice convening the AGM be taken as read.

The Chairman informed the meeting that voting on all the resolutions in the notice of the 55th AGM would be carried out by poll, and conducted electronically. The Company’s Registrar, Tricor Investor & Issuing House Sdn Bhd (“Tricor”) would conduct the electronic voting, and Asia Securities Sdn Bhd was the scrutineer to validate the votes cast. Voting on all the resolutions would be carried out on completion of the discussion of the agenda items, and members were requested to stay on if they wished to vote.

- 2.2 The Chairman introduced the other directors, senior management and external auditors present at the AGM venue.

3. PRELIMINARY MATTERS

3.1 Advance questions from shareholders

Members had submitted several questions in advance relating to the agenda of the meeting. The Company’s replies to the advanced questions were read out by the Company Secretary, and are attached as Annexure A to these minutes.

3.2 Letter from the Minority Shareholder Watch Group (“MSWG”)

PPB had received a letter dated 8 May 2024 from the MSWG containing several questions on the Group’s operations, sustainability and governance matters. PPB’s replies to MSWG’s questions were read out by the CFO, and PPB’s written reply dated 17 May 2024 is attached as Annexure B to these minutes.

3.3 Presentations on the PPB Group

The CFO presented the key Group financial highlights for financial year ended (“FY”) 31 December 2023, and the MD briefed the members on the group business updates and prospects, including some key highlights on the Group’s sustainability initiatives.

Note (for information)

A copy of the briefing slides presented to members at the AGM is uploaded to the Company website.

4. AUDITED FINANCIAL STATEMENTS AND DIRECTORS’ REPORT

4.1 Audited financial statements – FY2023

The Chairman informed the meeting that the audited financial statements for FY 31 December 2023 together with the reports of the Directors and auditors had been circulated to shareholders, and the members unanimously agreed that the auditors’ report be taken as read.

The audited financial statements were tabled at the AGM pursuant to Section 340(1)(a) of the Companies Act 2016, and this agenda item is not required to be put to vote.

The Chairman invited questions from the floor on the Company’s financial statements and group’s businesses. The members’ questions on the Group’s businesses and financials were dealt with by the Chairman, MD and CFO. The Company’s responses are set out in Annexure C to these minutes.

The Chairman declared the Company’s audited financial statements for FY2023 properly laid before the meeting, and proceeded to the next item on the agenda.

5. FINAL DIVIDEND

The Directors had proposed the payment of a final dividend of 30 sen per share for FY 31 December 2023. Together with the interim dividend (12 sen per share) already paid, the total dividend rate paid/proposed for FY2023 would be 42 sen per share, equivalent to a total dividend payment of RM597.492 million.

Ordinary Resolution No. 1 to approve the payment of the final dividend of 30 sen per share for FY 31 December 2023 was put to vote.

6. DIRECTORS’ FEES AND BENEFITS

As the Chairman was deemed interested in the proposed increase in Directors’ fees and payment of benefits, the Chair was passed to the MD, Mr Lim Soon Huat to conduct the proceedings.

6.1 Directors’ fees

The Board had recommended that the fees payable to non-salaried Directors for FY2023 be increased as follows :

Position	Fee basis per director per year (RM)	
	FY2023 (Proposed)	FY2022
Chairman of the Board	550,000	500,000
Base fee (other non-salaried Directors)	90,000	80,000
Chairman of Audit and Risk Committee	40,000	35,000
Member of Audit and Risk Committee	25,000	20,000
Chairman of other Board Committees	10,000	8,500
Member of other Board Committees	8,000	6,000

As such the total fees payable to non-salaried Directors who served on the Board and various committees in 2023 would be RM1,274,151/- compared to RM1,098,136/- for FY2022.

Ordinary Resolution No. 2 to approve the increase in Directors’ fees was put to vote.

6.2 Directors’ benefits

The directors’ benefits comprise meeting allowances and benefits-in-kind payable to non-salaried Directors, as well as medical, hospitalisation and life insurance premiums. An amount of RM1,310,000/- in Directors’ benefits for the period from 1 July 2023 to 30 June 2024 was approved at the 54th AGM in 2023, of which about RM149,400/- was expected to be incurred up to 30 June 2024.

6.2 (continued)

The estimated value of benefits for non-salaried Directors for the period from 1 July 2024 to 30 June 2025 is RM1,070,000/-. The MD explained that the lower amount was due to lower provision for the equivalent amount of coverage and benefits not covered by the insurer; and the pay-out would be subject to any actual claims made.

Ordinary Resolution No. 3 to approve the payment of Directors' benefits was put to vote.

Declaration of interests and abstention from voting

Mr Lim informed the meeting that Dato' Capt Ahmad Sufian, Mr Soh Chin Teck and Madam Tam Chiew Lin were deemed interested in Ordinary Resolutions Nos. 2 and 3. They and persons connected with them would abstain from voting on these resolutions.

Mr Lim passed the Chair back to Dato' Capt Ahmad Sufian after the completion of the above agenda items.

7. RE-ELECTION OF DIRECTOR

- 7.1 Mr Soh Chin Teck and Datuk Ong Hung Hock would retire as Directors at the conclusion of the AGM pursuant to Clause 105 of the Constitution. Being eligible, Mr Soh had offered himself for re-election.

Datuk Ong had decided not to seek re-election. The Chairman placed on record the Group's thanks and appreciation for Datuk's Ong's services and contributions to the group, both in the FFM Group as well as during his tenure as a PPB board member.

- 7.2 PPB's Nomination Committee ("NC") had carried out the necessary assessment of the retiring director including his position, qualifications and experience, directorships in listed companies, his relationship with other directors and/or major shareholders of the Company as well as his independence; and participation and contributions at board and board committee meetings; and recommended Mr Soh for re-election as a Director.

Ordinary Resolution No. 4 to approve the re-election of Mr Soh Chin Teck was put to vote.

Declaration of interest and abstention from voting

Mr Soh Chin Teck is interested in Ordinary Resolution No. 4. His connected persons would abstain from voting on this resolution.

8. RE-APPOINTMENT OF AUDITORS

Ernst & Young PLT, the retiring auditors had indicated their willingness to be re-appointed and the Audit and Risk Committee had recommended their re-appointment.

Ordinary Resolution No. 5 to approve the re-appointment of Ernst & Young PLT was put to vote.

OTHER BUSINESS

9. CONTINUATION OF TENURE OF INDEPENDENT DIRECTORS

- 9.1 The Chairman informed the meeting that Mr Soh Chin Teck and En Ahmad Riza bin Basir were appointed as independent non-executive directors of the Company in 2012 and 2013 respectively, and had served as independent directors for cumulative terms of more than nine years. Their tenures as independent directors were extended at the AGM in 2023 until the conclusion of today's meeting.
- 9.2 Pursuant to the Malaysian Code on Corporate Governance, the Board through the NC had carried out an assessment, and was satisfied that Mr Soh and En Riza are able to exercise independent judgement, and act in the best interest of the Company.

Shareholders' approval for the proposed Ordinary Resolutions Nos. 6 and 7 was sought through a single-tier voting process. The following ordinary resolutions were put to vote :

- (a) Ordinary Resolution No. 6 to approve the continuation of Mr Soh Chin Teck's tenure as an independent director until 8 October 2024; and
- (b) Ordinary Resolution No. 7 to approve the continuation of En Ahmad Riza Basir's tenure as an independent director until conclusion of the next AGM.

Declaration of interest and abstention from voting

Mr Soh Chin Teck is interested in Ordinary Resolution No. 6. His connected persons would abstain from voting on this resolution.

10. PAYMENT OF GRATUITY TO THE FORMER CHAIRMAN OF THE BOARD OF DIRECTORS OF THE COMPANY

The Chairman briefed the Meeting on Tan Sri Datuk Oh Siew Nam's retirement at the 54th AGM of the Company on 17 May 2023. Tan Sri Oh had first joined Federal Flour Mills Berhad (now FFM Berhad) in 1968, and had served in the PPB Group over the years in various capacities.

The proposed gratuity payment is in recognition of Tan Sri Oh's services, guidance and commitment to the PPB Group, which he had served for more than 50 years. The Board of Directors was of the opinion that the gratuity payment is appropriate in view of Tan Sri's contributions and dedicated service to the Group.

Ordinary Resolution No. 8 to approve the payment of gratuity to the former Chairman of the Board of Directors of the Company was put to vote.

11. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016

Shareholders' approval was sought to authorise the Directors to allot and issue shares not exceeding 10% of the Company's issued shares to avoid any delay and cost of convening general meetings should the Company need to issue new shares for business or investment opportunities which may arise. The Company had not issued any new shares since the previous mandate in 2023.

Ordinary Resolution No. 9 to authorise the Directors to issue shares was put to vote.

12. SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Chairman informed members that details of the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature to be entered into with PGEO Group Sdn Bhd ("PGEO") and/or its connected persons ("PGEO Mandate") are set out in Part A of the Circular to Shareholders dated 19 April 2024 (the "Circular"). PGEO is a major shareholder of FFM Berhad with 20% direct interest.

Declaration of interest and abstention from voting

The Chairman informed the meeting that PGEO and its connected persons would abstain from voting on the resolution.

Ordinary Resolution No. 10 to approve the PGEO Mandate was put to vote.

13. RENEWAL OF AUTHORITY FOR PROPOSED SHARE BUY-BACK

The Chairman explained that the renewal of the authority for the Proposed Share Buy-back would enable the Company to purchase its own ordinary shares, up to a maximum of 10% of the issued shares of the Company. He informed members that details of the Proposed Share Buy-back are set out in Part B of the Circular.

Ordinary Resolution No. 11 to authorise the Proposed Share Buy-back was put to vote.

14. OTHER BUSINESS

The Secretary informed the Chairman that the Company had not received notice of any other business of an AGM.

15. COMPLETION OF POLL VOTING AND DECLARATION OF RESULTS

- 15.1 The Chairman informed the meeting that all 11 resolutions would be voted by poll, and registration of shareholders/proxy holders for voting was closed at 12.00 noon. A video was played on the procedure to conduct of the e-voting process.

The meeting was adjourned at 12.05 pm for commencement of the voting process.

- 15.2 The Chairman resumed the meeting at 12.20 pm for the declaration of the voting results provided by the poll administrator and verified by the scrutineers.

15.3 Declaration of voting results

Based on the results of the voting set out in Annexure D to these minutes, the Chairman declared that all the resolutions put to vote at the 55th AGM of the Company were passed.

The resolutions passed at the 55th AGM are set out in Annexure E to these minutes.

16. CLOSE OF MEETING

There being no further business, the Chairman thanked those present for attending the AGM, and declared the meeting closed at 12.26 pm.

Confirmed

Kuala Lumpur
17 May 2024

CHAIRMAN

[https://ppbgroup.sharepoint.com/sites/ppbhocorporatesecretarial/shared documents/ppb corporate secretarial department share/minutes of meetings/ppb agm & egm/55th agm/55th agm minutes_17may24\(final\).docx](https://ppbgroup.sharepoint.com/sites/ppbhocorporatesecretarial/shared%20documents/ppb%20corporate%20secretarial%20department%20share/minutes%20of%20meetings/ppb%20agm%20&%20egm/55th%20agm/55th%20agm%20minutes_17may24(final).docx)

RESPONSES TO ADVANCE QUESTIONS FROM MEMBERS

1. Will 2024 be a better year than 2023 or will be worse due to new challenges?

Answer

Amidst an uncertain and competitive operating landscape, we expect our core business segments to deliver a satisfactory set of results in FY2024. However, we expect FY2024 to be a very challenging year for the Film Exhibition and Distribution segment as a result of the deferment of several key blockbuster titles.

Wilmar will continue to be a substantial contributor to the overall profitability of the PPB Group.

2. I understand from the Managing Director's Review section of your Annual Report that there has been an impairment of roughly RM113 million in cinema operations in Vietnam and Malaysia in 2023. Can you provide more details as to the reasons behind this impairment. If the operating performance of your cinema operations in both countries improves in the future can these impairments be written back into your financial statements in the future.

Answer

The impairment was made in accordance with MFRS 136. It was a result of lower admission rates in certain non-strategic locations of the Malaysian cinemas, also the slower than expected recovery within the Vietnam cinema industry. This had led to a lower recoverable amount of these assets against the carrying value on book.

The Hollywood actors and writers' strikes, which ended in the last quarter of 2023, has affected the production and supply of movie content in the medium term. We expect a challenging 2024 as it is substantially dependent on the supply of movie content. However, the impact may be partially cushioned by local and regional releases, as well as contribution from events and F&B business.

Should the operating performance of the cinemas in both countries improve, we shall write back the amount into the Income Statement in accordance with MFRS 136.

3. In Note 10 - Investment Properties, I noted that the Fair Value of the investment properties is significantly higher than the current recorded Net Book Value. Why doesn't the management want to consider recording the investment properties at its fair value.

Answer

The investment properties are held for renting out to tenants and not for realisation of fair value changes. The Group has adopted the cost model in the recording of these investments pursuant to MFRS 140.

This is so as to avoid the impact of fair value changes of the investment properties that may affect the true performance of our business operations.

4. In Note 4, I noted that finance costs on bank term loans remained constant around RM25 million in 2023 despite there being a significant drop in bank borrowings in 2023. Can you provide more details as to why finance costs for bank term loans remained constant despite significantly lower bank borrowings.

Answer

Finance costs include interest on borrowings as well as interest on lease.

Excluding interest on lease, borrowing cost was lower at RM50 million as compared to RM53 million in FY2022. Whilst we have deconsolidated the borrowings on the divested Indonesian flour mill, the interest expense for the 8 months immediately prior to the divestment remained in the income statement for FY2023.

On the other hand, with the opening of 5 new cinemas, interest on lease increased by RM3 million to RM18 million in FY2023.

Annexure B

PPB's reply dated 17 May 2024 to MSWG's letter is set out in the following pages.

17 May 2024

By email/post

Minority Shareholders Watch Group
Level 23, Unit 23-2, Menara AIA Sentral
30 Jalan Sultan Ismail
50250 Kuala Lumpur

Dear Sirs

55TH ANNUAL GENERAL MEETING (“AGM”) OF PPB GROUP BERHAD ON 17 MAY 2024

We refer to your letter of 8 May 2024 and are pleased to reply to the points raised therein as follows :

Operational & Financial Matters

1. Group revenue for FY2023 decreased to RM5.72 billion (FY2022: RM6.26 billion) primarily due to a strategic decision to divest its Indonesia flour business. Although its pre-tax profit declined to RM1.49 billion in FY2023 (FY2022: RM2.25 billion) due to the lower contribution from its 18.8% associate, Wilmar International Limited (“Wilmar”), the Group's core business segments witnessed an overall improvement in profit before tax (Page 16 of the Annual Report 2023).
 - (a) What was the Indonesian flour business's top-line and bottom-line percentage contribution to the Group's level, and to what extent will the divestment of the Indonesian flour business impact the Group revenue and profit level in FY2024?

Answer

Revenue from the divested Indonesian flour mill accounted for 8% of the Group revenue, however, it registered a loss of RM21.2 million in FY2023.

The divestment was undertaken to consolidate our flour milling business in Indonesia within Wilmar's larger network of operations, leveraging on its resources and market presence for greater distribution efficiency and market share.

Going forward, PPB will continue to share in the growth of the enlarged Indonesian flour milling business via our 18.8% interest in Wilmar.

- (b) Does the Group expect its core business segments to continue to record another year-on-year overall improvement in profit before tax in FY2024? If not, why?
 - (c) What is the outlook for the Group's top-line and bottom-line performance, including Wilmar's contribution in FY2024?

Answer (for b and c)

Amidst an uncertain and competitive operating landscape, we expect our core business segments to deliver a satisfactory set of results in FY2024. However, we expect FY2024 to be a very challenging year for the Film Exhibition and Distribution segment as a result of the deferment of several key blockbuster titles.

Wilmar will continue to be the substantial contributor to the overall profitability of PPB Group.

2. Operating Cash Flow Ratio (Operating Cash Flow/Current Liabilities)
Despite recording a positive cash flow in FY2023, the Group's operating cash flow ratio (RM746,542,000/RM916,590,000) (Page 76 and Page 73 of the Annual Report 2023) is less than one (1). This indicates that the Group needs to generate more cash from its business operation to cover its current liabilities.

How does the Group intend to manage this ratio moving forward?



Answer

As at 31 December 2023, the Group has a net cash position of RM1.2 billion and sufficient undrawn banking facilities to cover any potential shortfall in operating cash flow.

The Group manages its cashflow dynamically taking into consideration multiple factors including business requirements and economic conditions.

3. The Film Exhibition & Distribution segment reported a loss of RM120 million for FY2023 compared to a loss of RM17 million in FY2022 due to impairments of the Vietnam cinema operations and the Malaysia cinema assets. These impairments were due to the slower-than-expected recovery of the cinema business post-pandemic.

Does the segment expect an impairment to recur, impacting its bottom-line result in FY2024? If so, what is the expected amount?

Answer

The impairment was made in accordance with MFRS 136. It was a result of lower admission rates in certain non-strategic locations of the Malaysian cinemas, and the slower than expected recovery within the Vietnam cinema industry. These had led to a lower recoverable amount of these assets against the carrying value on book.

The Hollywood actors and writers' strikes, which ended in the last quarter of 2023, has affected the production and supply of movie content in the medium term. We expect a challenging FY2024 as it is substantially dependent on the supply of movie content. However, the impact may be partially cushioned by local and regional releases, as well as contribution from events and F&B business.

We have made sufficient impairment at this juncture, nevertheless, we are monitoring the position closely.

4. The Animal Feed Manufacturing division will also explore new opportunities to increase volumes with existing clientele as well as develop new customer relationships, thus expanding our[sic] customer base (Page 21 of the Annual Report 2023).

What is the progress of the abovementioned initiatives? What has been achieved, to-date? What are the targets to achieve in the next two financial years?

Answer

Revenue from animal feed sub-segment increased by 7% in FY2023. This was mainly driven by an increase in sales volume through our improved formulation and quality of the feed products. We aim to continue with this growth momentum into the future.

5. What is the current average utilisation rate, and targeted utilisation rate for PPB's mills in FY2024?

Answer

In FY2023, our mills in Vietnam have an average utilisation rate of 66%, whilst the five flour mills in Malaysia have an average utilisation rate of 68%. The average utilisation rate for our feed mills was at 43%.

For FY2024, we target to have an average utilisation rate for all our flour mills at 70%. For feed mills, we target at 45%.

Sustainability Matters

6. There was a significant increase in the overall Green House Gas ("GHG") emission from 2021 to 2023 (Page 46 of the Sustainability Report 2023).

What caused the increase? Does the Company think steps taken are adequate to reduce GHG emissions, particularly to achieve the net zero target?

Answer

The increase in overall GHG emissions is due to the transition to the endemic phase with the resumption of full operations in the cinema division, the opening of new cinemas and an increase in production volume.

Answer (continued)

Scope 2 emissions from purchased electricity, steam, and chilled water account for more than 80% of the Group's emissions. Therefore, we are committed to accelerating the adoption of renewable energy and improving energy efficiency.

We acknowledge the importance of Scope 3 emissions data in meeting the Net Zero target. The Group is expanding our Scope 3 emissions reporting for a more comprehensive understanding of our overall emissions.

7. The Company received four (4) human rights violation complaints in 2023 (Page 47 of the Sustainability Report 2023).

What were the complaints? Which business segment did the complaints originate from? What mitigation action was taken by the company to address this?

Answer

The Group's human rights commitment is guided by a policy published on the website. In FY2023, there were a total of four reported cases related to sexual harassment in the workplace. These cases were recorded by the *Grains and Agribusiness* and *Film Exhibition & Distribution* segments. All cases were investigated and disciplinary actions have been taken, including dismissal.

We have stepped up Group-wide education to increase our employees' awareness on this matter.

8. Based on the materiality assessment, the Company identified climate change and human rights as being of medium importance to the Group (Page 11 of the Sustainability Report 2023).

Why was this, especially given the increase in overall GHG emissions and human rights complaints? We suggest the Company immediately review the materiality matrix to address urgent issues related to sustainability management.

Answer

We rank our material matters based on stakeholders' priorities. Hence, product quality & safety, health & safety, and corporate governance & ethical business practices were ranked higher based on our responsibilities towards our main stakeholders.

We recognise the increasing importance of climate change and human rights, and plan to review and update the materiality matrix for the next reporting period in FY2025.

Corporate Governance Matters

9. Under Practice 5.3 of the Malaysian Code on Corporate Governance ("MCCG"), it is stated that if the board intends to retain an independent director beyond 9 years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Resolution 6 is to approve the continuation of Mr Soh Chin Teck as an independent director until 8 October 2024 and Resolution 7 is to approve the continuation of En Ahmad Riza bin Basir as an independent Director until the conclusion of the next annual general meeting ("AGM") of the Company. The notice of the 55th AGM states that shareholders' approval for Resolutions 6 and 7 will be sought through a single-tier voting process.

Mr Soh Chin Teck and En Ahmad Riza bin Basir have each served as independent directors for cumulative terms of more than 9 years. While the Board asserts its confidence in the independent directors' ability to exercise independent judgement and act in the best interest of the Company, adopting a two-tier voting process would provide greater transparency and allow for a more comprehensive assessment of the directors' continued independence by the shareholders, particularly non-large shareholders.

PPB has the option to retain the long-serving directors as non-independent directors. This would still allow the Company to benefit from their experience and knowledge to discharge their duties and responsibilities while addressing concerns about its independence.



MSWG

17 May 2024

Please provide details on its succession planning process for long-serving independent directors. Specifically, how does the Board plan to identify and appoint suitable independent directors to ensure continuity and effectiveness in its board composition as the two abovementioned independent directors approach the end of their tenure?

How many candidates for the position of independent directors have been interviewed to date?

Answer

The Nomination Committee and the Board have assessed and satisfied that Mr Soh and En Riza are able to exercise independent judgment and act in the best interests of the Company, and recommended the continuation of Mr Soh and En Riza's tenures as independent directors beyond nine years.

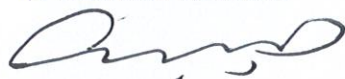
The Board's succession planning process for long-serving independent directors as well as other board positions takes into consideration various factors. These include the regulatory environment; the oversight role, duties and responsibilities of directors; and the prospective candidates' qualifications, experience and other attributes.

Potential candidates to fill board positions are identified from both internal and external sources, and the Board is of the opinion that this has been effective and offers a sufficient range of candidates to meet the Group's governance and operational requirements. This is a continuing process based on the Group's immediate and longer-term needs.

The identification of prospective candidates to fill the eventual vacancies an on-going process.

We trust the above has addressed the points raised by MSWG and as requested, will present them at the AGM. Please contact the undersigned or our Group Chief Financial Officer, Ms Yap Choi Foong via email (mahtk@ppb.com.my and cfyap@ppb.com.my respectively) if you require any additional clarification.

Yours sincerely
PPB GROUP BERHAD



Mah Teck Keong
Company Secretary

RESPONSES TO MEMBERS' QUESTIONS

Performance/Financials

- On the PPB Group's future business direction, and whether it is too dependent on Wilmar International Limited ("Wilmar"), the Managing Director ("MD") replied that Wilmar is a long-term investment, and the Group benefits indirectly from Wilmar's continuing expansion. On whether there is any intention to increase PPB's 18.8%-stake in Wilmar, the MD replied that its present shareholding is a strategic stake, and the Group has no immediate intention to do so.
- It was noted that the market value of Wilmar shares held by PPB was below its carrying amount as at 31 December 2023. The CFO clarified that PPB carries out an annual impairment test based on 'value-in-use' using a five-year cashflow projection with an applied discount rate. As the recoverable amount was above the carrying amount and there was sufficient 'head room', no impairment was required. Any impairment required to be made will be disclosed in the financial statements. The higher goodwill recorded in FY2023 was due to the USD/RM translation gain at year-end arising from the depreciation of the Ringgit against the USD (Note : Wilmar's functional currency is the USD).
- For the Group's other core business segments, the focus would be on basic consumer and food necessities, and growing the flour, feed and consumer products segments. Of the total of RM837 million in capital and other commitments over the next five years, about RM400 million is allocated for the above.
- On whether there is any tax impact on the Company's foreign-source dividend income, the CFO informed the Meeting that the Company has obtained tax exemption on this.
- On the Malaysia Competition Commission's ("MyCC") allegations against FFM Berhad ("FFM"), FFM has submitted the respective appeals; it is awaiting the case management date in June 2024, and subsequent appeal hearing date to be fixed. FFM has made full provision for the penalty amounting to RM43 million as a contingent liability in its FY2023 financial statements.
- On a question whether the Group's finance costs would decrease in view that the USD loans were lower, the CFO replied that there continues to be USD exposure for the wheat and grain imports. As such, aside from interest rates, finance costs will also depend on exchange differences on foreign currency borrowings.
- In relation to the lower dividend yield in FY2023 on the Group's investment in quoted and unquoted shares compared to FY2022, the CFO clarified that the Group received a one-off special dividend of RM14 million from one of its investments in FY2022. Excluding this, the dividend yield for FY2023 was higher than FY2022.
- On a comment that the Group's pre-tax profit from its core businesses (excluding Wilmar) was on a declining trend, the MD explained that this was exacerbated by several factors such as the COVID-19 pandemic and lockdown which had adversely affected business activities, and geopolitical events (eg the invasion of Ukraine) which had drastically increased raw material costs. Nonetheless the core businesses had shown a healthy 25% increase in profit in FY2023 compared to FY2022. The Group continually seeks new areas of opportunities and businesses.
- In relation to the net fair value gain on derivative financial instruments in FY2023 (gain of RM108 million) compared to 2022 (loss of RM110 million), the CFO explained that this was mainly due to the severe disruption of wheat prices in 2022 arising from the Russia-Ukraine conflict, which had subsequently stabilised in 2023.

Property

- The Group will continue to seek suitable land banks, and focus on improving its retail malls to increase patronage and footfall.
- It was noted that there are two subsidiaries engaged in oil palm cultivation. The MD explained that these pieces of land are in Kedah, and held for land-banking; with potential for solar farming, and conversion into commercial and residential developments,

Film exhibition and distribution

- The film exhibition segment is presently facing challenges in terms of foreign movie supply, but several local releases had performed well; and it is also expanding its food and beverage, and events businesses.
- On the business viability of this segment, the MD replied that the Group is optimistic about the cinema sector's recovery, and it is still a social/communal experience. GSC plans to open new cinemas, invest in technology to enhance movie-goers' experience, diversify into F&B and events, and continue to invest in co-production of local movies to support the country's movie industry. The Group is planning to invest about RM300 million over the next five years in its Film Exhibition and Distribution segment, mainly on 14 new cinemas sites and upgrading of existing cinema facilities.
- On the rationalisation of cinema locations in the Bukit Bintang vicinity, the Group is of the view that LaLaport Bukit Bintang City Centre is a good location/catchment to attract younger customers and tourists, and believes that the performance of the mall and cinema will improve.

General/Other matters

- Directors' fees
It was noted that under directors' remuneration in the Directors' Report, the directors' fees were stated at RM1.304 million compared to the proposed RM1.274 million in directors' fees in the AGM notice. The disclosure in the Directors' Report shows the fees payable at both Group (ie including the subsidiaries) and Company level.
- Dividend policy
On whether the Company has a dividend policy, the Chairman replied that PPB does not have a fixed dividend policy, and that dividend payouts would depend on various factors including its capital and operating expenditure requirements, and cash position.
- On whether existing or potential shareholders should [continue to] invest in PPB, the MD responded that the PPB Group has a strong balance sheet and cash position, and it practises a fair dividend payout.
- On the Group's strategy to utilise its cash and assets (eg for acquisitions), the MD replied that the Group will maintain a strong cash position, expand existing businesses with good growth prospects, and continue to explore opportunities.
- Management noted a request for PPB to conduct future AGMs in hybrid format, and this will be considered going forward.
- Share buy-back
On when PPB is expected to exercise its Share Buy-back mandate, the Chairman explained that this would be considered if there is a significant fall in share prices to very low levels.

RESULTS OF POLL VOTING

Resolution	Subject	Votes for		Votes against		Total votes
		No. of shares	%	No. of shares	%	No. of shares
1 – Ordinary Resolution	To approve the payment of the final dividend.	1,145,996,870	100.0000	–	0.0000	1,145,996,870
2 – Ordinary Resolution	To approve the increase in Directors' fees.	1,144,248,489	99.9993	7,512	0.0007	1,144,256,001
3 – Ordinary Resolution	To approve the payment of Directors' benefits.	1,144,229,375	99.9994	7,028	0.0006	1,144,236,403
4 – Ordinary Resolution	To re-elect Mr Soh Chin Teck as a Director.	935,974,596	81.7081	209,535,649	18.2919	1,145,510,245
5 – Ordinary Resolution	To re-appoint Ernst & Young PLT as auditors of the Company.	1,145,994,830	99.9998	2,040	0.0002	1,145,996,870
6 – Ordinary Resolution	To approve the continuation of Mr Soh Chin Teck's tenure as an Independent Director.	930,286,166	81.2115	215,224,079	18.7885	1,145,510,245
7 – Ordinary Resolution	To approve the continuation of En Ahmad Riza Basir's tenure as an Independent Director.	930,090,569	81.3306	213,502,428	18.6694	1,143,592,997
8 – Ordinary Resolution	To approve payment of gratuity to the former Chairman of the Board of Directors of the Company.	805,674,619	70.5506	336,306,251	29.4494	1,141,980,870
9 – Ordinary Resolution	To authorise the Directors to allot and issue shares.	960,809,165	83.8405	185,187,705	16.1595	1,145,996,870
10 – Ordinary Resolution	To approve a shareholders' mandate for recurrent related party transactions of a revenue or trading nature with PGEO Group Sdn Bhd and/or its connected persons.	1,145,992,640	99.9996	4,110	0.0004	1,145,996,750
11 – Ordinary Resolution	To approve the Proposed Share Buy-back.	985,836,850	86.0291	160,097,480	13.9709	1,145,934,330

17 May 2024

RESOLUTIONS PASSED AT THE 55TH AGM

No.1 – Ordinary Resolution

That the payment of a final dividend of 30 sen per share in respect of the financial year ended 31 December 2023 be hereby approved.

No.2 – Ordinary Resolution

That an increase in Directors' fees amounting to a total payment of RM1,274,151/- for the financial year ended 31 December 2023 be hereby approved for payment to the non-salaried Directors.

No.3 – Ordinary Resolution

That approval be hereby given for the payment of benefits to the non-salaried Directors amounting to RM1,070,000/- for the period from 1 July 2024 to 30 June 2025.

No.4 – Ordinary Resolution

That Mr Soh Chin Teck, retiring in accordance with Clause 105 of the Company's Constitution be hereby re-elected a Director of the Company.

No.5 – Ordinary Resolution

That Ernst & Young PLT be hereby re-appointed as auditors of the Company until the conclusion of the next Annual General Meeting at a fee to be fixed by the Directors.

No.6 – Ordinary Resolution

That approval be hereby given for Mr Soh Chin Teck to continue in office as an Independent Director until 8 October 2024.

No.7 – Ordinary Resolution

That approval be hereby given for Encik Ahmad Riza bin Basir to continue in office as an Independent Director until the conclusion of the next Annual General Meeting of the Company.

No.8 – Ordinary Resolution

That approval be hereby given for the payment by the Company of a gratuity amounting to RM3,000,000 to Tan Sri Datuk Oh Siew Nam in recognition of his years of services and contributions to the PPB Group; and that the Directors of the Company be hereby authorised to take all such actions as they may consider necessary to give full effect to this resolution.

No.9 – Ordinary Resolution

That subject to the Companies Act 2016 ("the Act"), the Constitution of the Company ("Constitution") and the approvals of the relevant authorities (if required) :

- (a) the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued shares of the Company ("New Shares") for the time being, and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and
- (b) that approval be hereby given for the waiver of the application of the provisions of the following :
 - (i) Section 85 of the Act on the statutory pre-emptive rights conferred upon shareholders of the Company ("Shareholders") to be offered first with the New Shares which rank equally to existing issued shares of the Company; and
 - (ii) Clause 49 of the Constitution on the pre-emptive rights conferred upon the Shareholders to be offered with the New Shares in proportion as nearly as the circumstances admit to the amount of the existing issued shares to which the Shareholders are entitled.

No.10 – Ordinary Resolution

That pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“PPB Group”) to enter into recurrent related party transactions of a revenue or trading nature as specified in Part A, section(s) 2.2.2(a) and 2.2.2(b) of the Circular to Shareholders of the Company dated 19 April 2024 with PGEO Group Sdn Bhd and/or persons connected with it as described in section 2.2.1 thereof which are necessary for PPB Group’s day-to-day operations subject further to the following :

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are on terms not to the detriment of the minority shareholders; and
- (a) disclosure is made in the annual report of the aggregate value of transactions conducted during the financial year pursuant to the approval hereby given.

AND THAT the Directors of PPB be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution.

No.11 – Ordinary Resolution

That subject to the Companies Act 2016, the Company’s Constitution, the Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”) and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Board of Directors of the Company (“Board”) from time to time through BMSB upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per cent (10%) of the total number of issued ordinary shares of the Company (“Proposed Share Buy-back”);

AND THAT the maximum amount of funds to be utilised for the purpose of the Proposed Share Buy-back shall not exceed the Company’s retained profits;

AND THAT at the discretion of the Board, the shares of the Company to be purchased may be dealt with in accordance with the provisions of the Companies Act 2016 and the Listing Requirements of BMSB;

AND THAT such authority shall commence immediately upon passing of this ordinary resolution until :

- (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is the earlier;

AND THAT the Board be and is hereby authorised to take such steps to give full effect to the Proposed Share Buy-back with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Board may deem fit and expedient in the best interest of the Company.

17 May 2024