

FILM EXHIBITION & DISTRIBUTION



From the Desk of the Chairman



Dear Shareholders,

We are pleased to report that PPB Group's pre-tax profit for 1H2024 has increased by 8% to RM701 million notwithstanding lower revenue of RM2.61 billion recorded. The improved profits were mainly attributable to higher contribution from Wilmar International Limited ("Wilmar") by 11% to RM510 million. Excluding the one-off gain on disposal of Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co. Ltd ("YKS") in 1H2024 amounting to RM12.6 million (1H2023: Gain of RM24.5 million on divestment of Malayan Adhesives & Chemicals Sdn Bhd), the Group's core business segments recorded a 9% increase in profit before tax to RM178 million in 1H2024 mainly attributable to improved performance from the *Grains and Agribusiness* segment, partially offset by lower contribution from the *Film Exhibition and Distribution* segment.

Group profit for the period was higher at RM660 million, up 10% compared with RM600 million in 1H2023. Earnings per share was at 45.42 sen, 11% higher than 40.80 sen for 1H2023.

DIVIDEND

The Board of Directors has declared an interim dividend of 12 sen per share for financial year ending 31 December 2024. The dividend is payable on 26 September 2024 to shareholders whose names appear in the Record of Depositors on 13 September 2024.

REVIEW OF OPERATIONS

The results of PPB's main business operations for 1H2024 compared with 1H2023 are summarised as follows :-

- **Grains and Agribusiness** segment revenue for 1H2024 decreased by 17% to RM1.88 billion, mainly attributable to the absence of revenue contribution from the divested Indonesia flour operations. Excluding that, segment revenue for 1H2024 was relatively unchanged. The segment recorded a profit of RM170 million in 1H2024. Excluding the gain on disposal of YKS, the segment recorded a 24% profit increase to RM157 million, mainly contributed by the flour and feed sub-segments.
- **Consumer Products** segment revenue for 1H2024 was higher at RM395 million, up 2%. Segment profit was lower for 1H2024 at RM3 million, down 76% attributable mainly to higher trade promotion and operating costs.
- **Film Exhibition and Distribution** segment revenue increased by 1% to RM300 million and turned around to a profit for 1H2024 at RM1.0 million from a RM15 million loss recorded in 1Q2024 (1H2023 : RM14 million). The lower profit was mainly attributable to higher new cinema operating costs as well as cinema closure costs.
- **Property** segment revenue for 1H2024 was lower by 40% at RM27 million due mainly to the absence of revenue recognised on the sold units at the Megah Rise residential project, partially offset by the improved malls performance. Segment profit was up 5% to RM3.5 million.
- Other Operations segment recorded a profit of RM541 million, up 7% mainly attributable to the higher contribution from Wilmar.

From the Desk of the Chairman (continued)

PROSPECTS FOR 2024

Despite higher volatility in grain prices in 2Q2024, the performance of our *Grains and Agribusiness* segment remained resilient as we leveraged our market intelligence and extensive experience in grain procurement. The Group remains cautious about the potential adverse weather conditions in key grains growing regions that could affect global prices. However, our strong technical expertise in product formulation and quality assurance continues to drive sales growth and enhance margins. The Group is well-positioned to navigate the market challenges and seize opportunities to sustain satisfactory performance for the remainder of the year.

Despite the rising business costs, the *Consumer Products* segment remained focused on improving marketing efficiency through our established network and logistical resources, while also expanding our product range and market presence. We expect the segment's performance to remain satisfactory for the rest of the year.

The *Film Exhibition and Distribution* segment posted a profit in the second quarter of 2024, driven by a more robust lineup of movies and significant contributions from both local and regional releases. However, with Hollywood's production and supply still in the early stages of recovery, we maintain a cautious outlook for the segment as we transition into the second half of the year.

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

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

HAPPENINGS

PPB's 55th Annual General Meeting was held on 17 May 2024 at the Shangri-La Kuala Lumpur. At the meeting, shareholders were briefed on the Group's performance and financial results for the year ended 31 December 2023.

Golden Screen Cinemas Sdn Bhd (GSC) opened its 8-screen cinema at KL East Mall, featuring GSC's fourth IMAX location and the third PlayPark in Malaysia. GSC also launched the GSC Play Birthday & Movie Party package at 13 selected cinemas nationwide.

FFM Marketing Sdn Bhd introduced ZP Multivitamin Kids Toothgel, made with food-grade ingredients which provide dual cavity protection and support healthy gums for children.

CSR ACTIVITIES

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

GREETINGS

I take this opportunity to wish every Malaysian, "Happy Malaysia Day"!

Dato' Capt Ahmad Sufian

Chairman

9 September 2024

HAPPENINGS



55TH ANNUAL GENERAL MEETING

The 55th Annual General Meeting (“AGM”) of PPB Group Berhad was held on 17 May 2024 at Shangri-La Kuala Lumpur. Shareholders and proxy holders representing a total of 82% of the issued shares of the Company registered to attend the AGM.

At the AGM, the Group Chief Financial Officer (“CFO”) read out the Company’s replies to questions from the Minority Shareholders Watch Group. The CFO also presented the key Group financial highlights for the year ended 31 December 2023 (“FY2023”), after which the Group Managing Director presented a summary of the Group business updates and prospects.

The Chairman and management then proceeded to deal with questions raised by shareholders relating to the Group’s operations and businesses, and FY2023 results.

After conclusion of the business of the agenda, the resolutions tabled at the AGM were put to vote by poll, and the results verified. All the resolutions tabled at the meeting were passed by the shareholders.

The minutes of the AGM have been uploaded to PPB’s website and can be accessed here: https://www.ppbgroup.com/images/pages/investor-relations/annual_general_meeting/55th_agm/Minutes-of-55th-AGM.pdf



ZP MULTIVITAMIN KIDS TOOTHGEL

In May 2024, FFM Marketing Sdn Bhd introduced ZP Multivitamin Kids Toothgel, specially designed for children aged 2 to 12. This gentle, low-foaming gel cleans teeth, removes plaque, and provides ‘Dual Cavity Protection’ to strengthen and protect growing teeth. It supports healthy gums and enamel, and contains Xylitol and a recommended fluoride level (1,000 PPM) to prevent cavities. Available in peach and melon flavours, the toothgel is made with food-grade ingredients, free from parabens, sugar, alcohol, and sodium lauryl sulfate. It comes in a recyclable tube with a flip cap for eco-friendly packaging.



Happenings (continued)



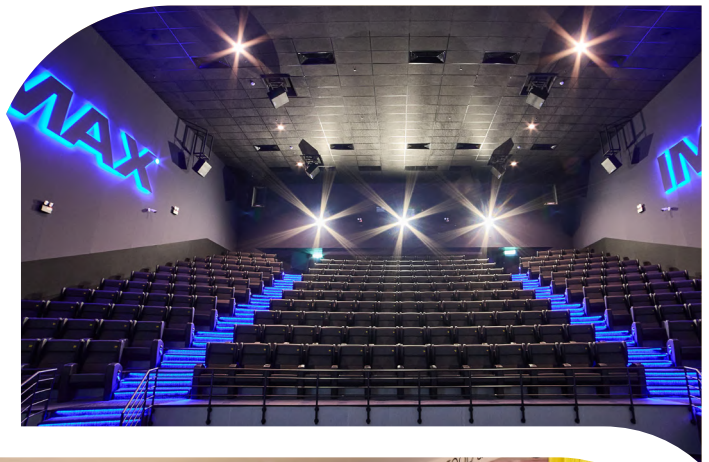
GSC PLAY BIRTHDAY & MOVIE PARTY PACKAGE FOR THE LITTLE ONES!

GSC launched the GSC Play Birthday & Movie Party package, available at 13 selected GSC cinemas nationwide. Suited for children as young as 3, the GSC Play Birthday and Movie Party package offers a hassle-free birthday celebration complete with a 3-hour movie and play experience. Highlights include unlimited play, Play Meals comprising snacks and a drink, a mystery toy, Jesse and Friends-themed anti-slip socks, and a Take Home Play Pack filled with additional goodies.



A CINEMATIC ADVENTURE FOR THE WHOLE FAMILY AT THE NEWLY LAUNCHED GSC KL EAST MALL!

GSC launched its newest location at KL East Mall on 2 July 2024, bringing the total to 53 cinema locations, as part of the organisation's strategic blueprint. GSC KL East Mall has a total of 8 halls, including GSC's fourth IMAX location and the third PlayPark in Malaysia.



CSR ACTIVITIES



BAKING FOR A BETTER FUTURE

Six Supermums from the sixth batch completed their 10 training modules. They subsequently attended a business training workshop on 25 May 2024 organised by PPB at its UBN Tower office. The workshop covered topics on basic accounting, branding and information on wheat flour, and was facilitated by staff from GSC and FFM. Since 2020, a total of 52 single mums have been trained under this Supermum initiative.



STREAM RESTORATION PROJECT 2024

On 26 April 2024, staff from PPB and its subsidiaries joined forces with Global Environment Centre (GEC) to restore part of the stream in Taman Tugu, Kuala Lumpur. 37 staff and family members were split into 3 groups and designated different areas of the stream. The stream restoration consisted of removing dead branches impeding water flow, relocating boulders and planting trees. This is the third stream restoration project since 2022, which encourages staff bonding and working to improve the environment. With teamwork, the staff planted more than 50 trees and wrapped up their cleaning before having lunch together.



CSR (continued)



PPB SUPPORTS SENSORY TRAINING ENHANCEMENT AT SJK (C) SAM YOKE

PPB supported SJK (C) Sam Yoke in enhancing their Sensory Integration Room with additional facilities and equipment. Established in 1948 and situated in Sg Besi, Kuala Lumpur, SJK (C) Sam Yoke currently has nine special needs classes and is equipped with facilities such as a Sensory Integration Room, Sand Therapy Room, and Water Therapy Room, which are crucial for sensory and developmental support.



COMMUNITY OPEX SUPPORT - NICOL DAVID ORGANISATION

Under the Community OPEX Support initiatives, PPB assists deserving non-profit organisations with their operating expenses such as rental, maintenance and/or food bills. A key beneficiary of this support is the Nicol David Organisation (NDO). NDO runs the "Little Legends" programme, which combines squash training and English Language classes for primary school children over five years of age. To inspire and educate mothers of students from "Little Legends", NDO launched "Ibu Legends" in June 2024.

PPB's contributions include providing refreshments for the Little Legends students, which are catered by mothers from Ibupreneur Academy, an initiative supported by PPB under the Baking for a Better Future project. Additionally, PPB sponsored both the venue and catering for two workshops conducted by NDO for the Ibu Legends, encouraging them to lead healthier lives.

For more information about the Nicol David Organisation, please visit <https://nicoldavidorganisation.org/>.



CSR (continued)



BAKERY VISIT WITH BAKE X DIGNITY

On 29 May 2024, PPB and FFM Berhad jointly organised a visit to The Italian Baker (TIB)'s baking plant in Pulau Indah for a group of students and teachers from Bake X Dignity. The visit began with a presentation on TIB's operations and career opportunities within the organisation.

Following the presentation, the attendees were given a gallery tour of TIB's production plant. Witnessing the process and advanced technologies in bread production firsthand, they were able to get a better understanding of industrial bread-making. The highlight of the visit was the interactive session between students and the TIB team providing invaluable advice for their future careers.

Bake X Dignity has been one of the initiatives under PPB's Baking for A Better Future Project since 2019.



PENANG HERITAGE PHOTOGRAPHY FIESTA 3.0

The third edition of the Penang Heritage Photography Fiesta was held from 9 May to 28 July 2024 with the theme "Taste of Penang Tradition: Capturing Penang's Traditional Flavours". This three-pronged event featured a series of photography and videography workshops, a competition, and a photography exhibition.

During the fiesta, six photography and videography workshops and photowalks were conducted at various locations, including Hotel JEN Penang, Han Chiang University, The One Academy Penang, and New World Park, attracting a total of 305 participants.



Grand Prize Winner - Open Category



Grand Prize Winner - Youth Category

CSR (continued)

STOP FOOD WASTE WEEKEND

PPB Properties partnered with Saving Graze, a social enterprise with a mission to bridge the gap between food waste and hunger, to organise a “Stop Food Waste Weekend” initiative at Megah Rise Mall from 26 to 28 April 2024. The initiative included an educational mini-exhibition, workshops, cooking demonstrations, and children’s activities. Over 350 individuals participated in the event and garnered more than 100 pledges to reduce food waste.



7TH WOMEN STREET CRIME AWARENESS CAMPAIGN 2024

Organised by Kelab Marshal Keselamatan Jalan Raya (RSMC), the 7th Women’s Street Crime Awareness Campaign 2024 was held at Cheras LeisureMall on 12 May 2024. The Campaign aimed to empower and prepare women to protect themselves from street crime, with over 824 women participating.

The campaign featured a range of empowering activities and insightful demonstrations, equipping participants with essential skills and knowledge. Practical training sessions included Handbag Snatch Safety, Pepper Spray Handling, and expert insights on vehicle safety and maintenance, fostering preparedness in navigating emergency encounters related to street crime.



CSR (continued)



BLOOD DONATION DRIVES AND HEALTH CARNIVAL

Cheras LeisureMall collaborated with Life Line Association Malaysia and hosted a blood donation drive at Cheras LeisureMall on 28 April 2024 for the National Blood Centre. The event successfully collected 119 bags of blood.

Over at Megah Rise Mall, the Kwangsi Care Health Carnival was held on 30 June 2024 with free health screenings, including blood pressure, BMI, and glucose checks, as well as a blood donation campaign. A total of 25 bags of blood were collected. The Carnival also featured expert talks and interactive sessions on mental health awareness and preventive care.



Announcements

Date	Subject
18 April 2024	PPB announced the issue of the Notice of the 55th Annual General Meeting ("AGM") of the Company dated 19 April 2024.
19 April 2024	PPB issued the following: <ol style="list-style-type: none"> 1. 2023 Annual Report, Corporate Governance Report and Sustainability Report. 2. Circular to Shareholders dated 19 April 2024 in relation to the following: <ul style="list-style-type: none"> • Proposed shareholders' mandate for recurrent related party transactions; and • Proposed renewal of authority for PPB to purchase its own ordinary shares.
16 May 2024	PPB announced that the quarterly report for the 1st quarter ended 31 March 2024 would be released on 30 May 2024.
17 May 2024	PPB announced the following: <ol style="list-style-type: none"> 1. All the resolutions tabled at the 55th AGM held on 17 May 2024 were passed by shareholders of the Company. 2. The retirement of Datuk Ong Hung Hock as a Director with effect from 17 May 2024.
30 May 2024	Release of PPB's quarterly report for the 1st quarter ended 31 March 2024.
31 May 2024	PPB announced Mr Lim Soon Huat's re-designation as 'Group Managing Director' with effect from 1 June 2024.
14 June 2024	PPB announced its acquisition of 15% interest in Techbond Group Berhad ("TGB") comprising a total of 82,391,165 ordinary shares and 34,046,325 issued and unexercised warrants in TGB; for a total cash consideration of RM37.668 million.

Share Analysis

PPB shares closed lower at RM14.30 at the closing of the second quarter of 2024 compared with RM15.38 in the preceding quarter and market capitalisation decreased to RM20,349 million. The average daily volume of PPB shares traded during the quarter increased by 65.2% to 1,023,132 shares.

Date	2Q2024	1Q2024	% change
PPB share price (RM)			
Closing price (high)	15.98	15.88	0.63%
Closing price (low)	14.30	14.28	0.14%
Month end closing price	14.30	15.38	-7.02%
Weighted share price	15.25	15.05	1.32%
Market capitalisation (RM' million)	20,343	21,880	-7.02%
PPB share trading volume (Number of shares)			
Daily volume (high)	5,565,900	1,826,800	>100%
Daily volume (low)	242,400	74,100	>100%
Average daily volume	1,024,532	599,407	70.92%
FBM KLCI			
FBM KLCI closing (high)	1,629.18	1,558.80	4.52%
FBM KLCI closing (low)	1,535.00	1,453.10	5.64%
FBM KLCI quarter end closing	1,590.09	1,536.07	3.52%
FBM KLCI volume (Number of shares)			
Daily volume (high)	546,896,900	973,066,200	-43.80%
Daily volume (low)	92,591,400	60,755,000	52.40%
Average daily volume	221,549,781	241,884,760	-8.41%

FBM KLCI & PPB SHARE PRICE MOVEMENT



Group Financial Highlights

(The figures have not been audited)

Financial period/year ended (All figures in RM million)	6 months		Change %	12 months
	30.06.24	30.06.23		31.12.23
INCOME STATEMENT				
Revenue	2,607	3,001	(13)	5,721
Profit before tax	701	648	8	1,488
Profit attributable to owners of the parent	646	580	11	1,394
STATEMENT OF FINANCIAL POSITION				
Non-current assets	26,341	25,734	2	26,077
<u>Current assets</u>				
Cash and cash equivalents	1,775	1,531	16	1,629
Others	1,954	1,988	(2)	1,702
Assets classified as held for sale	-	513	(100)	-
Total current assets	3,729	4,032	(8)	3,331
Total assets	30,070	29,766	1	29,408
<u>Equity</u>				
Share capital	1,429	1,429	-	1,429
Reserves	26,125	25,417	3	25,707
Equity attributable to owners of the parent	27,554	26,846	3	27,136
Non-controlling interests	686	748	(8)	675
Total equity	28,240	27,594	2	27,811

Group Financial Highlights *(continued)*

Financial period/year ended <i>(All figures in RM million)</i>	6 months		Change %	12 months
	30.06.24	30.06.23		31.12.23
Non-current liabilities				
Borrowings	40	66	(39)	55
Others	591	505	17	625
Total non-current liabilities	631	571	11	680
Current liabilities				
Borrowings	525	774	(32)	378
Others	674	478	41	539
Liabilities directly associated with the assets held for sale	-	349	(100)	-
Total current liabilities	1,199	1,601	(25)	917
Total liabilities	1,830	2,172	(16)	1,597
Total equity and liabilities	30,070	29,766	1	29,408
RATIOS				
Return on equity attributable to owners of the parent	(%)	4.7	4.3	5.1
Earnings per share	(sen)	45.42	40.80	98.01
Debt to equity ratio	(times)	0.02	0.03	0.02
Net assets per share	(RM)	19.37	18.87	19.07
Dividend per share for financial period/year ended	(sen)	12.0	12.0	42.0
STOCK MARKET INFORMATION				
Share price	(RM)	14.30	15.74	14.48
Market capitalisation	(RM million)	20,343	22,392	20,599

Unaudited Condensed Consolidated Income Statements

For The Financial Period Ended 30 June 2024

	2 nd Quarter ended 30 June		6 Months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	1,319,002	1,480,934	2,606,557	3,000,609
Cost of sales	(1,154,047)	(1,326,891)	(2,302,087)	(2,692,931)
Gross profit	164,955	154,043	304,470	307,678
Other operating income	41,458	77,215	105,330	149,973
Distribution costs	(48,343)	(53,292)	(95,788)	(106,903)
Administrative expenses	(66,945)	(56,455)	(121,766)	(113,211)
Other expenses	(1,586)	(2,024)	(2,742)	(3,183)
Share of results of associates	253,022	132,283	529,360	453,061
Share of results of joint venture	1,313	1,473	2,438	2,473
Finance costs	(10,356)	(20,419)	(20,187)	(42,050)
Profit before taxation	333,518	232,824	701,115	647,838
Tax expense	(22,552)	(24,953)	(40,822)	(47,449)
Profit for the period	310,966	207,871	660,293	600,389
Attributable to :				
Owners of the parent	308,919	202,814	646,090	580,351
Non-controlling interests	2,047	5,057	14,203	20,038
Profit for the period	310,966	207,871	660,293	600,389
Basic earnings per share (sen)	21.72	14.26	45.42	40.80

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023)

Unaudited Condensed Consolidated Statements Of Comprehensive Income

For The Financial Period Ended 30 June 2024

	2 nd Quarter ended 30 June		6 Months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the period	310,966	207,871	660,293	600,389
Other comprehensive (loss)/income, net of tax				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Fair value gain/(loss) on investment in equity instruments designated as fair value through other comprehensive income	16,777	(43,437)	7,034	(8,899)
Share of associates' other comprehensive (loss)/income	(2,946)	12,035	2,805	17,578
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(20,739)	1,210,960	610,007	1,361,584
Share of associates' other comprehensive loss	(85,122)	(610,834)	(434,427)	(486,931)
Total comprehensive income	218,936	776,595	845,712	1,483,721
Attributable to :				
Owners of the parent	218,659	760,701	832,820	1,444,535
Non-controlling interests	277	15,894	12,892	39,186
Total comprehensive income	218,936	776,595	845,712	1,483,721

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023)

Unaudited Condensed Consolidated Statements Of Financial Position

	As at 30-Jun-24 RM'000	As at 31-Dec-23 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,219,178	1,206,554
Investment properties	346,539	359,761
Right-of-use assets	435,887	484,173
Bearer plants	4,102	4,204
Land held for property development	98,170	98,170
Goodwill	70,232	70,232
Other intangible assets	17,031	18,008
Investment in associates	23,728,403	23,435,075
Investment in joint venture	39,248	36,614
Other investments	337,047	321,429
Deferred tax assets	45,646	43,526
Total non-current assets	26,341,483	26,077,746
Current assets		
Inventories	899,034	764,541
Biological assets	20,338	25,200
Property development costs	3,062	3,009
Trade receivables	647,402	618,147
Other receivables	340,144	266,766
Derivative financial assets	29,104	7,855
Current tax assets	14,472	15,776
Cash and cash equivalents	1,775,056	1,629,324
Total current assets	3,728,612	3,330,618
TOTAL ASSETS	30,070,095	29,408,364
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,429,314
Reserves	26,124,797	25,707,316
Equity attributable to owners of the parent	27,554,111	27,136,630
Non-controlling interests	685,632	674,548
Total equity	28,239,743	27,811,178

Unaudited Condensed Consolidated Statements Of Financial Position (continued)

	As at 30-Jun-24 RM'000	As at 31-Dec-23 RM'000
Non-current liabilities		
Borrowings	39,619	55,444
Lease obligations	405,352	455,548
Deferred tax liabilities	134,516	117,754
Provision for restoration cost	51,495	51,850
Total non-current liabilities	630,982	680,596
Current liabilities		
Trade payables	275,327	193,355
Other payables	307,033	282,813
Derivative financial liabilities	24,494	7,075
Borrowings	525,393	377,654
Lease obligations	49,801	46,018
Current tax liabilities	17,322	9,675
Total current liabilities	1,199,370	916,590
Total liabilities	1,830,352	1,597,186
TOTAL EQUITY AND LIABILITIES	30,070,095	29,408,364

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023)

Unaudited Condensed Consolidated Statements Of Changes In Equity

For The Financial Period Ended 30 June 2024

	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
6 Months ended						
30 June 2024						
At 1 January 2024	1,429,314	4,649,720	21,057,596	27,136,630	674,548	27,811,178
Profit for the period	-	-	646,090	646,090	14,203	660,293
Other comprehensive income/(loss)	-	184,860	1,870	186,730	(1,311)	185,419
Total comprehensive income	-	184,860	647,960	832,820	12,892	845,712
Transfer of reserves	-	55,878	(55,878)	-	-	-
Share of other changes in equity of associates	-	9,891	1,550	11,441	359	11,800
Dividends paid to shareholders of the Company	-	-	(426,780)	(426,780)	-	(426,780)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	(2,167)	(2,167)
At 30 June 2024	1,429,314	4,900,349	21,224,448	27,554,111	685,632	28,239,743

6 Months ended						
30 June 2023						
At 1 January 2023	1,429,314	4,115,216	20,286,311	25,830,841	737,667	26,568,508
Profit for the period	-	-	580,351	580,351	20,038	600,389
Other comprehensive income	-	864,184	-	864,184	19,148	883,332
Total comprehensive income	-	864,184	580,351	1,444,535	39,186	1,483,721
Transfer of reserves	-	34,717	(34,717)	-	-	-
Dividends paid to shareholders of the Company	-	-	(398,328)	(398,328)	-	(398,328)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	(31,531)	(31,531)
Issue of shares to non-controlling interests	-	-	-	-	2,643	2,643
Share of other changes in equity of associates	-	(30,700)	-	(30,700)	-	(30,700)
Disposal of a subsidiary	-	-	-	-	(150)	(150)
At 30 June 2023	1,429,314	4,983,417	20,433,617	26,846,348	747,815	27,594,163

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023)

Unaudited Condensed Consolidated Statements Of Cash Flows

For The Financial Period Ended 30 June 2024

	6 Months ended 30 June	
	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	701,115	647,838
Adjustments:		
Non-cash items	(445,575)	(419,861)
Non-operating items	(18,430)	10,795
Operating profit before working capital changes	237,110	238,772
Working capital changes:-		
Net change in current assets	(268,331)	58,142
Net change in current liabilities	115,262	24,569
Cash generated from operations	84,041	321,483
Tax paid	(17,027)	(5,582)
Net cash generated from operating activities	67,014	315,901
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment, investment properties, biological assets and other intangible assets	(103,658)	(67,719)
Proceeds from disposal of property, plant and equipment	577	186
Investments in associates	(46,795)	(169)
Proceeds from disposal of a subsidiary	-	50,322
Proceeds from disposal of an associate	35,601	-
Dividends received	462,065	433,714
Income received from short-term fund placements	14,595	18,833
Interest received	7,680	8,098
Repayment from/(advances to) associates	40,339	(209)
Distribution of profit from joint venture	1,926	1,920
Proceeds from liquidation of a subsidiary	-	3,722
Net cash generated from investing activities	412,330	448,698

Unaudited Condensed Consolidated Statements Of Cash Flows For The Financial Period Ended 30 June 2024 (continued)

	6 Months ended 30 June	
	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown/(Repayment) of bank borrowings	136,889	(295,433)
Interest paid	(10,653)	(33,961)
Dividends paid to shareholders of the Company	(426,780)	(398,328)
Dividends paid to non-controlling interests of subsidiaries	(2,167)	(31,531)
Payment of lease obligations	(32,635)	(27,957)
Shares issued to non-controlling interest of a subsidiary	-	4,434
Net cash used in financing activities	(335,346)	(782,776)
Net increase/(decrease) in cash and cash equivalents	143,998	(18,177)
Cash and cash equivalents brought forward	1,629,324	1,596,559
Effect of exchange rate changes	1,734	14,810
Cash and cash equivalents carried forward (including cash in assets classified as held for sale)	1,775,056	1,593,192
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	323,741	417,362
Bank deposits	224,141	155,474
Short-term fund placements	1,227,174	1,020,356
	1,775,056	1,593,192

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023)

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 2023 except for the adoption of the following Amendments to MFRS that are effective for financial periods beginning on or after 1 January 2024 :

- Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

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 June 2024.

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

A final dividend of 30 sen per share in respect of financial year ended 31 December 2023 was paid on 7 June 2024.

Notes (continued)

A7. Segmental reporting

Performance of the Group's business segments for the financial period ended 30 June 2024 is as follows :

	Grain and agribusiness	Consumer products	Film exhibition and distribution	Property	Other operations	Inter- segment elimination	Total
Business segments:							
All figures in RM'000							
REVENUE							
External revenue	1,876,151	395,178	299,972	27,068	8,188	-	2,606,557
Intersegment sales	58,557	3,100	-	600	-	(62,257)	-
Total revenue	1,934,708	398,278	299,972	27,668	8,188	(62,257)	2,606,557
RESULTS							
Segment results	162,088	1,864	(4,420)	2,520	24,466	-	186,518
Share of results of associates	7,716	967	5,644	999	514,034	-	529,360
Share of results of joint venture	-	-	-	-	2,438	-	2,438
Unallocated corporate expenses	-	-	-	-	-	-	(17,201)
Profit before taxation	169,804	2,831	1,224	3,519	540,938	-	701,115

Notes (continued)

A8. Material events subsequent to the end of the interim period

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

A9. Changes in the composition of the Group

On 26 March 2024, the Company's 80%-owned subsidiary, FFM Berhad ("FFM"), completed the disposal of its entire 20% interest in Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co., Ltd ("YKS"), to Yihai Kerry Arawana Holdings Co., Ltd for a cash consideration of RMB54.5 million (equivalent to RM35.6 million). Arising therefrom, YKS has ceased to be an associate of the Company. A gain on disposal of RM12.6 million has been recorded in the financial statements for the interim period.

On 14 June 2024, the Company acquired 82,391,165 ordinary shares and 34,046,325 issued and unexercised warrants in Techbond Group Berhad ("Techbond"), for a total cash consideration of RM37.7 million. The acquired ordinary shares represent 15% of the fully paid-up ordinary shares in Techbond. Arising therefrom, Techbond has become an associate of the Company. Subject to the full exercise of the acquired warrants by the Company, and on the assumption that all the other outstanding warrants are exercised on or before expiry, the Company's effective interest in Techbond would remain unchanged at 15%. The Company's eventual investment in Techbond would increase to RM48.9 million in the event that the warrants are exercised.

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

There were no material changes in contingent assets and liabilities since the end of the previous financial year.

A11. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 30 June 2024 are as follows:

	RM'000
Property, plant and equipment, investment properties and other intangible assets	
- contracted	85,049
- not contracted	348,189
	433,238
Other commitments	
- contracted	353,800
Total	787,038

Notes (continued)

A12. Significant related party transactions

Significant related party transactions during the financial period ended 30 June 2024 are as follows:

	RM'000
Transactions with associates	
- Sales of goods	5,516
- Purchase of goods	4,209
<hr/>	
Transactions with subsidiaries of the ultimate holding company	
- Sales of goods	18,073
- Supervision fee income	1,412
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Transactions with subsidiaries of associates	
- Purchase of goods	289,207
- Sales of goods	31,689
- Rental income	1,935
- Security and other service expenses	6,492
- Freight cost	44,072
- Disposal of an associate	35,619
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Notes (continued)

B1. Performance analysis

Group financial performance by business segment

	Grain and agribusiness	Consumer products	Film exhibition and distribution	Property	Other operations	Inter- segment elimination	Total
Business segments:							
All figures in RM'000							
<u>2Q2024</u>							
REVENUE							
External revenue	927,961	188,690	181,134	13,242	7,975	-	1,319,002
Inter-segment sales	26,884	1,851	-	-	-	(28,735)	-
Total revenue	954,845	190,541	181,134	13,242	7,975	(28,735)	1,319,002
RESULTS							
Segment results	63,284	(809)	13,654	915	11,547	-	88,591
Share of results of associates	5,160	767	2,081	965	244,049	-	253,022
Share of results of joint venture	-	-	-	-	1,313	-	1,313
Unallocated corporate expenses	-	-	-	-	-	-	(9,408)
Profit/(loss) before taxation	68,444	(42)	15,735	1,880	256,909	-	333,518
<u>2Q2023</u>							
REVENUE							
External revenue	1,098,153	189,083	167,999	22,075	3,624	-	1,480,934
Inter-segment sales	26,625	1,710	-	201	-	(28,536)	-
Total revenue	1,124,778	190,793	167,999	22,276	3,624	(28,536)	1,480,934
RESULTS							
Segment results	75,857	4,658	11,627	820	14,711	-	107,673
Share of results of associates	(7,630)	(83)	2,417	1,816	135,763	-	132,283
Share of results of joint venture	-	-	-	-	1,473	-	1,473
Unallocated corporate expenses	-	-	-	-	-	-	(8,605)
Profit before taxation	68,227	4,575	14,044	2,636	151,947	-	232,824
Variance							
Revenue (%)	-15%	0%	8%	-40%	>100%	-1%	-11%
Profit before taxation (%)	0%	n.m	12%	-29%	69%	-	43%

Notes (continued)

B1. Performance analysis (CONTINUED)

Group financial performance by business segment (CONTINUED)

	Grain and agribusiness	Consumer products	Film exhibition and distribution	Property	Other operations	Inter- segment elimination	Total
Business segments:							
All figures in RM'000							
<u>1H2024</u>							
REVENUE							
External revenue	1,876,151	395,178	299,972	27,068	8,188	-	2,606,557
Inter-segment sales	58,557	3,100	-	600	-	(62,257)	-
Total revenue	1,934,708	398,278	299,972	27,668	8,188	(62,257)	2,606,557
RESULTS							
Segment results	162,088	1,864	(4,420)	2,520	24,466	-	186,518
Share of results of associates	7,716	967	5,644	999	514,034	-	529,360
Share of results of joint venture	-	-	-	-	2,438	-	2,438
Unallocated corporate expenses	-	-	-	-	-	-	(17,201)
Profit before taxation	169,804	2,831	1,224	3,519	540,938	-	701,115
<u>1H2023</u>							
REVENUE							
External revenue	2,258,940	388,406	296,351	44,972	11,940	-	3,000,609
Inter-segment sales	58,319	2,967	-	401	-	(61,687)	-
Total revenue	2,317,259	391,373	296,351	45,373	11,940	(61,687)	3,000,609
RESULTS							
Segment results	136,794	12,755	7,230	2,453	48,955	-	208,187
Share of results of associates	(10,108)	(839)	6,789	909	456,310	-	453,061
Share of results of joint venture	-	-	-	-	2,473	-	2,473
Unallocated corporate expenses	-	-	-	-	-	-	(15,883)
Profit before taxation	126,686	11,916	14,019	3,362	507,738	-	647,838
Variance							
Revenue (%)	-17%	2%	1%	-40%	-31%	-1%	-13%
Profit before taxation (%)	34%	-76%	-91%	5%	7%	-	8%

Notes (continued)

Group performance review

For 2Q2024 and 1H2024, the Group recorded lower total revenue of RM1.32 billion and RM2.61 billion (2Q2023: RM1.48 billion; 1H2023: RM3.00 billion) respectively, mainly due to the absence of contribution from the divested Indonesian flour operations in 2Q2023 and 1H2023. Excluding that, revenue for 2Q2024 and 1H2024 was relatively unchanged from 2Q2023 and 1H2023. Pre-tax profit for 2Q2024 and 1H2024 was higher at RM334 million (2Q2023: RM233 million) and RM701 million (1H2023: RM648 million) respectively, attributable to the higher contribution from Wilmar International Limited (“Wilmar”) at RM244 million (2Q2023: RM139 million) and RM510 million (1H2023: RM460 million). Excluding the one-off gain on disposal of YKS in 1H2024 (Refer to Note A9) amounting to RM12.6 million (1H2023: Gain on divestment of a subsidiary, Malayan Adhesives and Chemicals Sdn Bhd of RM24.5 million), the Group’s core business segments recorded an increase in profit before tax by 9% to RM178 million in 1H2024 (1H2023: RM163 million), mainly attributable to improved performance from the *Grains and Agribusiness* segment, partially offset by lower contribution from the *Film Exhibition and Distribution* segments.

Grains and agribusiness

Segment revenue for 2Q2024 and 1H2024 decreased by 15% to RM928 million (2Q2023: RM1.10 billion) and 17% to RM1.88 billion (1H2023: RM2.26 billion) respectively, mainly attributable to the absence of revenue contribution from the divested Indonesia flour operations. Excluding that, segment revenue for 2Q2024 and 1H2024 was relatively unchanged. The segment recorded a profit at RM68 million in 2Q2024 (2Q2023: RM68 million) and RM170 million in 1H2024 (1H2023: RM127 million). Excluding the gain on disposal of YKS, the segment recorded a profit amounting to RM157 million, which is 24% higher than 1H2023, mainly contributed by the flour and feed sub-segments.

Consumer products

Segment revenue for 2Q2024 and 1H2024 was at RM189 million (2Q2023: RM189 million) and RM395 million (1H2023: RM388 million) respectively. The segment recorded a marginal loss of RM42,000 in 2Q2024 (2Q2023: RM5 million profit) and a profit of RM3 million in 1H2024 (1H2023: RM12 million) respectively, mainly attributable to higher trade promotion and operational costs.

Film exhibition and distribution

Segment revenue for 2Q2024 and 1H2024 was higher by 8% to RM181 million (2Q2023: RM168 million) and 1% to RM300 million (1H2023: RM296 million) respectively. The segment recorded higher profit by 12% to RM16 million in 2Q2024 (2Q2023: RM14 million) and turned around into a profit for 1H2024 at RM1 million from a loss of RM15 million recorded in the first quarter of the year (1H2023: RM14 million). The lower profit was mainly attributable to higher new cinema operating costs as well as cinema closure costs.

Property

Segment revenue for 2Q2024 and 1H2024 was lower at RM13 million (2Q2023: RM22 million) and RM27 million (1H2023: RM45 million) respectively, mainly attributable to the absence of the revenue recognised for the sold units at the Megah Rise residential project, partially offset by the improved malls performance. Segment profit for 2Q2024 and 1H2024 was at RM1.9 million (2Q2023: RM2.6 million) and RM3.5 million (1H2023: RM3.4 million) respectively.

Other operations

Segment profit for 2Q2024 and 1H2024 was higher by 69% to RM257 million (2Q2023: RM152 million) and 7% to RM541 million (1H2023: RM508 million). Contribution from Wilmar for 2Q2024 and 1H2024 was higher at RM244 million (2Q2023: RM139 million) and RM510 million (1H2023: RM460 million) respectively.

Notes (continued)

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

For 2Q2024, profit before taxation was lower by 9% to RM334 million, as compared to RM368 million recorded in 1Q2024. This was mainly attributable to lower contribution from Wilmar at RM244 million (1Q2024: RM266 million) as well as the *Grain and Agribusiness* segment by 32% to RM68 million (1Q2024: RM101 million) with lower hedging gain recorded, partially offset by the *Film Exhibition and Distribution* segment with a turned around profit of RM16 million (1Q2024: RM15 million loss).

B3. Prospects

The Malaysian economy advanced by 5.9% in the second quarter of 2024 (1Q2024: 4.2%). The growth was driven by stronger domestic demand and further expansion in exports. Household spending increased amid sustained positive labour market conditions and larger policy support. Investment activity was underpinned by continued progress in multi-year projects and capacity expansion by firms. Looking ahead, the Malaysian economy is expected to continue its growth in the second half of the year, primarily driven by stronger investment activity and resilient household spending, with larger support from export recovery.

Despite higher volatility in grains prices in 2Q2024, performance of our *Grains and Agribusiness* segment remained resilient as we leveraged our market intelligence and extensive experience in grain procurement.

We remain cautious about the potential adverse weather conditions in key grains growing regions that could affect global prices. However, our strong technical expertise in product formulation and quality assurance continues to drive sales growth and enhance margins.

We are well-positioned to navigate the market challenges and seize opportunities to sustain satisfactory performance for the remainder of the year.

Despite the rising business costs, the *Consumer Products* segment remained focused on improving marketing efficiency through our established network and logistical resources, while also expanding our product range and market presence. We expect the segment's performance to remain satisfactory for the rest of the year.

The *Film Exhibition and Distribution* segment posted a profit in the second quarter of 2024, driven by a robust lineup of movies and significant contributions from both local and regional releases. However, with Hollywood's production and supply still in the early stages of recovery, we maintain a cautious outlook for the segment as we transition into the second half of the year.

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

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

B4. Variance of actual profit from forecast profit

Not applicable.

Notes (continued)

B5. Profit before taxation

	2 nd Quarter ended 30-Jun-24 RM'000	6 Months ended 30-Jun-24 RM'000
Profit before taxation was stated after crediting/(charging):		
Interest income and income from short-term fund placements	16,160	30,625
Dividend income	7,904	7,992
Net foreign exchange loss	(4,471)	(2,764)
Gain on disposal of an associate	-	12,566
Net fair value gain on derivatives	20,377	51,490
Net impairment on receivables	(9,849)	(9,388)
Depreciation and amortisation	(48,344)	(95,294)
Interest expense on lease obligations	(4,857)	(9,533)

B6. Tax expense

	2 nd Quarter ended 30-Jun-24 RM'000	6 Months ended 30-Jun-24 RM'000
Taxation based on the profit for the financial period:		
Malaysian taxation:		
Current tax expense	(12,818)	(25,424)
Deferred tax expense	(9,779)	(15,132)
	(22,597)	(40,556)
Foreign taxation:		
Current tax credit/(expense)	38	(758)
Deferred tax credit	7	492
	(22,552)	(40,822)

The Group's effective tax rate was in line with the statutory tax rate.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed.

Notes (continued)

B8. Group borrowings

Total Group borrowings as at 30 June 2024 were as follows:

	Total RM'000	Secured RM'000		Unsecured RM'000
Long-term bank borrowings				
Long-term bank loan (RM)	27,400	27,400	(a)	-
Long-term bank loan (VND)	12,219	12,219	(b)	-
	39,619	39,619		-
Short-term bank borrowings				
Revolving credit (RM)	225,872	100,000	(a)	125,872
Short-term loan (RM)	67,100	17,100	(a)	50,000
Short-term loan (VND)	232,421	8,145	(b)	224,276
	525,393	125,245		400,148

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 June 2024

	Contract / Notional value RM'000	Fair value - Assets / Liabilities RM'000
<u>Derivative financial assets</u>		
i) Futures contracts	410,546	28,281
ii) Forward foreign currency contracts	226,242	823
Total derivative assets		29,104
<u>Derivative financial liabilities</u>		
i) Options contracts	227,531	24,479
ii) Forward foreign currency contracts	20,629	15
Total derivative liabilities		24,494

All contracts will be maturing within one year.

Futures and options contracts

The Group is exposed to market risk mainly from fluctuation in the prices of agricultural commodities, namely wheat and corn which are the key raw materials used in the Group's *Grains and agribusiness* segment. Commodity futures and options contracts are entered into with the objective to manage volatility of commodity prices. It is the policy of the Group to manage the commodity prices with reference to underlying contracts of corresponding commodities that are used in its grains and agribusiness operations.

Notes (continued)

Forward foreign currency contracts

The Group enters into foreign currency forward contracts to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency. Under the Group's policy, foreign currency hedging is only considered for committed transactions and shall not exceed 100% of the committed amount. The Group will continue to monitor closely the market volatilities and take appropriate measures to mitigate such risks.

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

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

(b) Fair value changes of financial instruments

The derivative financial instruments are recognised at fair value on contract dates and subsequently re-measured at fair value through profit or loss. The resulting gain or loss from the re-measurement is recognised in the income statement. Fair value changes are dependent on the market prices of derivatives as at liquidation date and end of reporting period.

For 2Q2024, unrealised fair value gain on derivative financial instruments amounted to RM9.8 million (2Q2023: RM32.4 million).

For 1H2024, unrealised fair value gain on derivative financial instruments amounted to RM15.5 million (1H2023: RM30.9 million).

B10. Material litigation

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

B11. Dividend

The Board of Directors is pleased to declare an interim dividend of 12 sen per share for the financial year ending 31 December 2024 (2023:12 sen per share) payable on 26 September 2024 to shareholders whose names appear in the Record of Depositors at the close of business on 13 September 2024.

B12. Earnings per share

	2nd Quarter ended 30 June		6 Months ended 30 June	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net profit for the period	308,919	202,814	646,090	580,351
Number of ordinary shares in issue (000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	21.72	14.26	45.42	40.80

There were no potential dilutive ordinary shares outstanding as at 30 June 2024 and 30 June 2023. As such, there were no diluted earnings per share for the financial period ended 30 June 2024 and 30 June 2023.

Notes (continued)

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

The auditors' report for the financial year ended 31 December 2023 was not subject to any qualification.

Kuala Lumpur
29 August 2024

By Order of the Board
Mah Teck Keong
Company Secretary



PPB GROUP BERHAD

196801000571 (8167-W)

Letter Box No. 115, 12th Floor,
UBN Tower, No. 10 Jalan P Ramlee,
50250 Kuala Lumpur, Malaysia

T: 603-2726 0088

F: 603-2726 0198 *(Corporate Affairs)*

F: 603-2726 0099 *(General Line)*

E: corporateaffairs@ppb.com.my

www.ppbgroup.com