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PPB GROUP BERHAD

INVESTOR UPDATE

31 DECEMBER 2012

QUARTERLY REPORT



From The Desk Of The Chairman



DEAR SHAREHOLDERS,

We are pleased to announce that PPB Group's revenue improved by 11% to RM3.02 billion for year 2012. The increase was mainly driven by higher revenue generated from the grains trading, flour and feed milling segment. In addition, the property segment also contributed higher profits from the sales of high-end residential properties in Bukit Segar, Kuala Lumpur and Taman Tanah Aman, Seberang Prai Tengah.

PPB Group posted an unaudited profit before tax of RM917 million for year 2012, 13% lower than the year before. The decline was mainly due to lower contribution from Wilmar in the first two quarters of 2012 and losses incurred in the livestock farming segment.

From The Desk Of The Chairman (CONT'D)

In line with the lower profit before tax, profit for the year declined 14% to RM868 million and earnings per share stood at 71.04 sen.

The Board of Directors has recommended a final single tier dividend of 13 sen per share for the financial year ended 31 December 2012 subject to shareholders' approval at the forthcoming Annual General Meeting. The final single tier dividend is payable on 3 June 2013 and together with the interim single tier dividend of 7 sen per share, the total dividend paid and payable for financial year 2012 would be 20 sen per share.

Going Forward

While the overall global economic uncertainty continues to be a concern in the coming year, the economies of the emerging markets including China and India are expected to remain resilient, partly supported by domestic consumption.

As the Group's business divisions are predominantly within the ASEAN region and China, it is anticipated that PPB Group will continue to perform well in financial year 2013. Notwithstanding this, PPB Group's overall financial results for year 2013 will continue to hinge largely on Wilmar's business performance.

Happenings

Golden Screen Cinemas Sdn Bhd (GSC) opened its second GSC Lite cinema of 8 screens at Amanjaya Mall in Sungei Petani on 1 November 2012. The cinema is outfitted with 7 digital halls including two digital 3D projection systems and the latest Dolby surround sound system for a total cinema experience. GSC Amanjaya Mall has a seating capacity of 1,290 seats and 16 designated spaces for wheelchair-bound patrons.

Over the years, GSC has been working with foreign embassies to hold film festivals as a platform to create and promote awareness of the cultures of other countries through movies which is essential in view of globalisation. In November 2012, GSC in partnership with the European Union (EU) organised the EU Festival for the ninth consecutive year which showcased 27 award-winning movies and documentaries from 20 European countries at GSC International Screens in GSC Mid Valley, GSC Pavilion, GSC One Utama, GSC Gurney Plaza and GSC Suria Sabah.

On 11 December 2012, PPB conducted a full day in-house directors' training session which was attended by over 80 participants comprising directors, senior managers and officers

of PPB Group companies and affiliates. The topics covered were "Key Provisions in the Proposed Companies Bill"; "The Malaysian Code on Corporate Governance 2012"; "The Minimum Retirement Age Act 2012, the Minimum Wages Order 2012, the Personal Data Protection Act 2010 and Section 114A of the Evidence Act 1950"; "Social Media - Opportunity or Threat?"; and "How Safe Are You?".

The in-house training session aims to keep directors and management of the Group abreast with market and regulatory developments, as well as other subjects of interest.

CSR Activities

PPB Group organized several CSR activities during the quarter and amongst them was the "Back To School" project where school uniforms, shoes, socks and whiteners were given to poor schoolchildren from 14 schools in the Sungai Buloh and Sentul areas.

In conjunction with the Deepavali celebration, PPB staff had lunch and organized games for children in Tara Bhavan on 19 November 2012. PPB donated new clothing and school bags and gave a goodie bag to every child besides contributing FFM products to the home. For Christmas, PPB staff brought cheer on 19 December 2012 to 50 children from United Learning Centre (ULC), a volunteer-driven centre providing education to Myanmar refugee children with a sumptuous lunch followed by Christmas carols. Each child was given a specially selected gift to celebrate the holiday season. PPB also organized a "Toy Bank - A Gift of Love" at Cheras Leisuremall, to encourage shoppers to purchase gifts for underprivileged children who had placed their wishes on the Christmas tree displayed in the mall.

PPB has set up an exercise club known as "PPB Walking and Running (WaR) Club to encourage its employees in UBN Tower to exercise regularly.

Not forgetting our other social responsibilities, a total of 60 PPB Group staff participated in a 1-day Volunteer Programme at Zoo Negara, Hulu Kelang on 1 December 2012. PPB Group staff assisted zoo keepers in the cleaning, food preparation and feeding of the animals besides planting heliconias sponsored by PPB to beautify the zoo.

Datuk Oh Siew Nam • CHAIRMAN

27 February 2013

Happenings

Directors' Training Pro

Tuesday, 11 December 2012
Shangri-La Hotel Kuala Lumpur



Mr Lee Min Onn,
Executive Director of
KPMG Management & Risk
Consulting Sdn Bhd.

DIRECTORS' TRAINING

2012

Happenings (CONT'D)

PPB conducted its annual directors' training programme on 11 December 2012 which was attended by over 80 participants comprising directors, senior managers and officers of PPB group companies and affiliates.

The session started off with the topic "Key Provisions in the proposed Companies Bill" delivered by Puan Hajjah Nor Azimah Abdul Aziz, Director of the Corporate Development & Policy Division, Companies Commission of Malaysia. Puan Nor Azimah highlighted some of the key provisions in the proposed Companies Bill, including a recently introduced business entity in the form of limited liability partnerships.

The next topic was entitled "The Malaysian Code of Corporate Governance 2012 ("MCCG") - Practical challenges for directors of listed companies". It was presented by Mr Lee Min Onn, the Executive Director of KPMG Management & Risk Consulting Sdn Bhd. Mr Lee gave an overview of the MCCG and some of the more important corporate governance issues, including the obligations of directors of listed issuers and implications thereon.

The morning session continued with a presentation outlining several new legislations namely, the Minimum Retirement Age Act 2012, the Minimum Wages Order 2012, the Personal Data Protection Act 2010 and Section 114A of the Evidence Act 1950. These topics were presented by various partners of Skrine, one of the leading law firms in Malaysia.

The programme continued after lunch with a presentation on "Social Media - Opportunity or Threat?" by Datuk Rishya Joseph, Group Chief Executive Officer, People 'n Rich-H Sdn Bhd, and Mr Ron Chow, Chief Executive Officer of Kraken Interactive Sdn Bhd. The speakers shared with the participants how social media can affect the way companies do their business and communicate with their customers.

The last item for the day was a talk entitled "How Safe Are You?" by Captain K Balasupramaniam. Captain Bala, the Director of Training in Code Red Survival Academy, shared with the participants the crime pattern in Malaysia, criminals' modus operandi and gave many useful tips on staying safe, attack-escape techniques etc.



:: Partners of Skrine delivering a presentation on several new legislations.



:: A lively session with Captain K Balasupramaniam.

:: Datuk Rishya Joseph, Group Chief Executive Officer, People 'n Rich-H Sdn Bhd.

Happenings



Mr Irving Chee (GSC), Ms Koh Mei Lee (GSC), Dato Lim Teong Kiat (Puncak Seloka) and Mr Kim Lin Teng (Puncak Seloka) officiating the launch of GSC Amanjaya Mall.

SECOND GSC LITE

OPENS IN SUNGEI PETANI

Happenings (CONT'D)



∴ (L-R) Mr Kim Lin Teng (GM of Puncak Seloka), Ms Koh Mei Lee (CEO of GSC), Dato Lim Teong Kiat (Chairman of Puncak Seloka) and Mr Irving Chee (GM of GSC).



∴ Free Screenings to public after the launch til Nov 4.



∴ Lion troupes blessing the cinema.

There is now a second GSC Lite cinema in Sungei Petani as the 8-screen GSC Amanjaya Mall opened its doors to the public on 1 November 2012.

For those who may not be familiar, GSC Lite offers GSC's cinema entertainment magic in a lighter, modest and more accessible format to cater for markets like Sungei Petani, without sacrificing the effects of big screens and digital sound system like those offered in other GSC cinemas nationwide. The GSC Lite cinema concept was first introduced in March 2012 at Mentakab Star Mall. With the new GSC Amanjaya Mall equipped with 7 digital halls (including two digital 3D projection halls), movie-goers in Sungei Petani will be able to enjoy more digital movies in either 2D or 3D formats.

At the launch, GSC's Chief Executive, Ms Koh Mei Lee shared, "With the recent closure of our 3-screen GSC Central Square in late October 2012, we look forward to offer a better selection of movies for the local community in this new cinema."

Also present at the launch were Dato' Lim Teong Kiat (Chairman, Puncak Seloka Sdn Bhd), Mr Kim Lin Teng (General Manager, Puncak Seloka Sdn Bhd) and Mr Irving Chee (General Manager, GSC).

Built at a cost of RM15 million, GSC Amanjaya Mall has a total seating capacity of 1,306 which includes 1,290 seats and 16 designated spaces for wheelchair-bound patrons. GSC Amanjaya Mall also provides online ticketing (GSC e-payment) for both internet and mobile purchases for the convenience of movie-goers. This includes the SelfPrint service and auto-gate features to ensure that GSC's customers enjoy the entire cinema-going experience GSC has to offer.

In conjunction with the cinema opening, there were a range of fun-filled activities in the cinemas including free screenings of **"The Amazing Spiderman"**, **"Brave"** (animation 2D), a Chinese movie **"Motorway in 2D"** and the local movie **"Mael Lambong"**. Besides the free screenings, there were special movie character appearances, sand art, puzzle games and for electronic gamers - movie and tablet games during the opening weekend.

With the opening of GSC Amanjaya Mall, GSC currently has a total of **26** cinemas with **220** screens, out of which **77** are digital screens and a total seating capacity of **40,469** nationwide (including wheelchair spaces).

Happenings (CONT'D)

EUROPEAN FILM FESTIVAL 2012



⋮ (L-R) H.E. Hans Ola Urstad (Ambassador of Norway), H.E. Martine Dorance (Ambassador of France), H.E. Mario Sammartino (Ambassador of Italy), H.E. Nicolai Ruge (Ambassador of Denmark), Ms Koh Mei Lee (CEO, GSC), H.E. Luc Vandebron (Ambassador of EU to Malaysia), H.E. Andrea Wicke (Ambassador of Austria), H.E. Maria Bassols Delgado (Ambassador of Spain), and H.E. Constantin V. Nistor (Ambassador of Romania).

Happenings (CONT'D)

The European Union (EU) Film Festival has been held at GSC International Screens for nine consecutive years and this year, the EU Film Festival 2012 showcased 27 award-winning movies and documentaries from 20 European countries at GSC International Screens in the Klang Valley (GSC Mid Valley, GSC 1 Utama and GSC Pavillion Kuala Lumpur) from 8 to 16 November; GSC Gurney Plaza Penang from 22 to 28 November; and for the first time, in GSC Suria Sabah Kota Kinabalu from 6 to 13 December.



:: (L-R) Madam Agnes Dovert (AFKL), H.E. Luc Vandebon (Ambassador of EU to Malaysia) and Ms Koh Mei Lee (CEO, GSC).



:: (L-R) Ar. Laurent Lim (CEO, Bau8 International), H.E. Luc Vandebon (Ambassador European Union), Puan Sri Datin Seri N. Saraswathy Devi (President, International Federation of Women Lawyers) and Ms Churn Hui Ping

The launch of the EU Film Festival exposes unique European cultures through the cinematic experience. The EU Film Festival featured various genres of films ranging from drama, romance to documentaries to animation. For the first time in a film festival, a digital 3D dance documentary "*Pina*" (Germany) was featured in the list of movies. The line-up included "*In A Better World*" (Denmark) - Winner of the 2011 Academy Award and Golden Globe for Best Foreign Language Film, "*Almanya*" (Germany) - Winner of the 2012 German Film Critics Award for Best Feature Film Debut and Best Screenplay and "*Dear Alice*" (Sweden) - Nominated at the 2010 Moscow International Film Festival for the Golden St. George Award.



:: Dr Volker Wolf (Goethe Institut) and Madam Sandra Wolf



:: Datin Ho Choy Meng and Dato' Dr P.H.S. Lim (President of Malaysian Investor's Association)



:: (L-R) YB Fong Po Kuan, YB Sim Tong Him and YB Dato Chua Soon Bui

CSR Activities



“BACK TO SCHOOL” PROJECT

CSR Activities (CONT'D)



In 2010, PPB embarked on a Corporate Social Responsibility project known as *Project Sole* whereby PPB donated school shoes, socks and shoe whitener to school children from poor families in Klang. The project was extended to 2011, to reach out to poor school children in Jinjang.

In 2012, PPB brought this project to another level by giving away school uniforms besides school shoes and socks and renamed the project "Back to School". Fourteen (14) schools in the Sungai Buloh and Sentul areas were identified, namely SK Sentul 1, SK Sentul 2, SK Bandar Baru Sentul, SK Seri Perak, SJKC Sentul Pasar, SK Sentul Utama, SJKC Sentul, SJKT Ladang Tuan Mee, SK Saujana Utama, SK Merbau Sempak, SK Sg Pelong, SK Sungai Buloh, SJKC Sungai Buloh, and SK Bukit Rahman Putra. More than RM60,000 was spent to help prepare 1,359 poor students for school.



CSR Activities (CONT'D)



DEEPAVALI CELEBRATION AT TARA BHAVAN

CSR Activities (CONT'D)



In conjunction with the 2012 Deepavali celebration, 16 PPB staff visited Tara Bhavan on 9 November 2012 to bring cheer to children in the home.

The visit was part of PPB's Corporate Social Responsibility initiatives to share the joy of festive celebrations with the underprivileged.

Together with the children, PPB staff decorated Tara Bhavan and indulged in Deepavali cookies. A vegetarian lunch was served followed by a series of fun games with the children who had a great time participating in the activities.



PPB donated new clothing, school bags and goodie bags to every child besides contributing some FFM products to the home.

Established in 1999, Tara Bhavan is a home for orphans and underprivileged children who are poor, abandoned, or from single-parent families. Located in Kampung Kasipillay, Kuala Lumpur, there are currently 34 children in the home, aged 3 to 18 years old. Tara Bhavan is managed by Datin Poonam Kukreja together with 7 other staff. The monthly expenses of the home are approximately RM17,000 which are funded by public donations. Those who wish to assist Tara Bhavan, you may contact Datin Poonam at 019-3224111.



CSR Activities (CONT'D)



CHRISTMAS CELEBRATION

At United Learning Centre

On 19 December 2012, 26 PPB staff brought Christmas joy to 50 children from the United Learning Centre (ULC), a volunteer-driven centre providing education to Myanmar refugee children.

CSR Activities (CONT'D)

The event started off with PPB staff and the children dressed in Santa caps and reindeer bands, decorating the ULC with balloons and Christmas trimmings. Ms Koh Mei Lee, Senior Manager (Corporate Affairs) of PPB, gave a warm welcome note which was reciprocated by Pastor Jonathan, the Administrator of ULC. A buffet lunch spread was served followed by Christmas carols sung by all present. PPB staff were rewarded with "Jingle Bell Rock" and two Myanmarese numbers sung beautifully by the children. Candies and chocolates were distributed to the children much to their delight. PPB staff also organised a few fun group games.

The event ended with PPB giving Christmas gifts to every child besides contributing some FFM products to the ULC to brighten their Christmas celebration. The Christmas mood definitely lingered in the hearts of everyone at the event.



The ULC is located behind Jalan Imbi and the busy commercial area of Bukit Bintang in Kuala Lumpur. It runs solely on public contributions such as books, food, furniture and volunteer teachers. Currently, over 100 children are attending classes there. Funds for rental and utilities are sought through fund-raising campaigns. Those who wish to assist the ULC, may contact Pastor Jonathan at 012-6054990.

CSR Activities (CONT'D)



∴ The children being entertained by Christmas carols by O...

CHRISTMAS

At Cheras LeisureMall

CSR Activities (CONT'D)

Toy Bank - A Gift of Love is an annual charity event organized by Cheras LeisureMall for underprivileged children. A Toy Bank hobby farm was set up in the Mall in December with the hopeful wishes of 284 children from 12 homes displayed on heart-shaped cards on the wishing tree. Shoppers selected the cards and deposited their gifts to the children into the Toy Bank. Well wishers also donated items such as rice, biscuits, cooking oil and daily necessities to the homes.

Due to very encouraging response more than 2000 gifts and cash of RM4,860 were collected from shoppers and tenants of Cheras LeisureMall. The children were invited to the Mall to receive their gifts and for a day of fun on 27 December 2012 starting with a movie 'Wreck it Ralph' at the Golden Screen Cinemas followed by lunch. Several volunteer groups entertained the 250 children that day with songs, Christmas plays and energetic dances ending with all kids participating in 'Gangnam style'.



:: A little child from Pusat Jagaan Sri Sai receiving a gift from LeisureMall's representative



:: Receiving a toy from Santa Clause.



:: "Here you go..." Two children from Bohdi Home.

Gifts were collected and distributed to the following homes:

- Precious Children Home
- San Pedro Orphanage Home
- Bohdi Home
- Pusat Jagaan Sri Sai
- Pusat Jagaan Baitul Amal
- Angel's Home
- Rumah Sayangan
- Rumah Crestus
- Persatuan Kanak-Kanak Istimewa Terencat Akal Malaysia
- Rumah Kebajikan Sinthanmani Life Ashram
- Persatuan Kebajikan Mata Kehidupan Selangor

CSR Activities (CONT'D)



BEAUTIFYING & CLEANING

ZOO NEGARA

CSR Activities (CONT'D)



As part of PPB's CSR activities to care for the environment, 60 PPB Group staff and their family members participated in a 1-day Volunteer Programme at Zoo Negara, Hulu Kelang, Ampang which was held on Saturday, 1 December 2012.

The day at the Zoo started off at 8.30 am with a warm welcome note by the Education Officer of Zoo Negara followed by a safety briefing and assignment of tasks.

PPB sponsored the Heliconia Walk to beautify the landscape of the Zoo and some PPB Group volunteers were assigned to plant heliconias at designated areas. The other volunteers assisted

the Zoo Keepers in the cleaning, food preparation and even feeding the animals at different sections namely, Savannah Walk, Reptile House, Mammal Kingdom, Cat Walk, Deer Park etc.

After hours of hard labour under the scorching sun, the volunteers stopped for lunch followed by a short tour around the Zoo and thereafter continued with their tasks.

It was indeed a tiring day but a wonderful experience for all as they got close to the animals, some could touch them as well as witness the back areas of the Zoo.

CSR Activities (CONT'D)



PPB WaR CLUB

CSR Activities (CONT'D)


The PPB Walking and Running (WaR) Club, open to staff of PPB Group and related/affiliated companies in UBN Tower, had its kick off session on 17 October 2012 with a warm-up session led by Mr Ian Cheang, Partner and Head Coach of Xcelerate Fit Boot Camp. The members of the Club meet every Wednesday for a walk or run at KLCC Park after office hours.



Due to the rainy season in the last quarter, Ian was engaged to conduct full body workout sessions which were initially strenuous but after a few sessions, many got the hang of the exercises and were asking for more. The full body workout helps strengthen all muscle groups, boost weight loss, tone the body as well as prevent repetitive stress injuries that can occur when only certain areas of the body are exercised.

Incentives such as T-shirts and water tumblers were given to members when they regularly attended the sessions. PPB WaR Club aims to motivate employees to keep fit and healthy as well as encourage employees to exercise together. This would help employees to de-stress and manage their weight.

Share Analysis FOR THE 4TH QUARTER OF 2012



4th Quarter

FBM KLCI Closes At A Record High in The Final Quarter of 2012

After registering a gain of 2.3% in 3Q2012, the FTSE Bursa Malaysia KLCI (FBM KLCI) continued to strengthen in 4Q2012 to register a gain of 3.2% and close at 1,689.0 points. Commencing the quarter at 1,636.7 points as at end September 2012, the FBM KLCI rose to a high of 1,679.4 points in late October 2012 supported by gains on selected stocks. However, the FBM KLCI retraced below 1,600 points in late November 2012 amid profit-taking and the absence of fresh domestic leads. Firmer regional markets helped the index to rebound and close the year at a record high of 1,689.0 points and register a gain of 3.2% for the final quarter.

[Source : Public Mutual website]

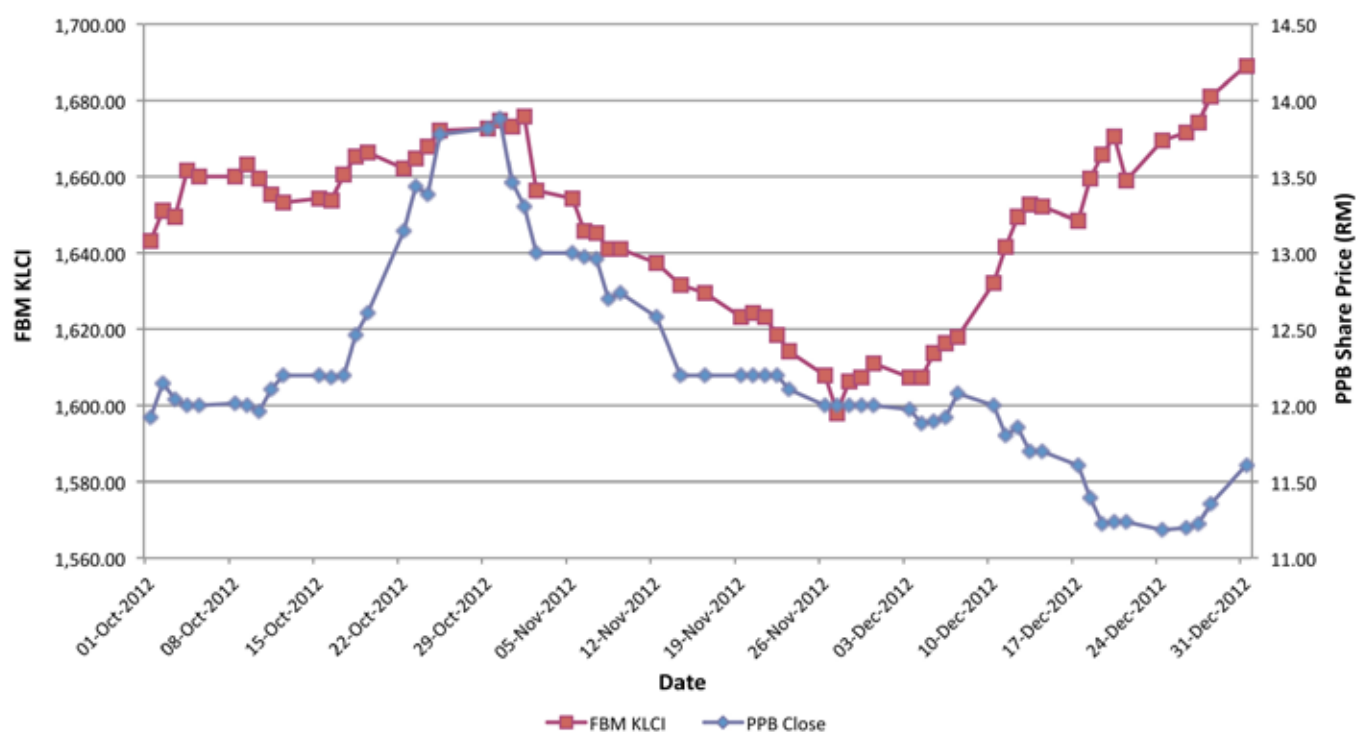
PPB's share price closed lower at RM11.60 compared with RM12.06 in the preceding quarter and market capitalisation reduced to 13,751.80 million. The average daily volume of PPB shares traded increased by 131.57% to 759,995 shares.

Share Analysis

PPB SHARE PRICE & FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX (FBM KLCI)
PERFORMANCE FOR 4TH Q 2012

	4th Q 2012	3rd Q 2012	% change
PPB share price (RM)			
Closing price (high)	13.88	16.08	-13.68%
Closing price (low)	11.18	12.00	-6.83%
Month end closing price	11.60	12.06	-3.81%
Weighted share price	11.80	13.99	-15.63%
Market capitalization (RM' million)	13,751.80	14,297.13	-3.81%
PPB share volume			
Daily volume (high)	5,594,500	1,239,600	> 100%
Daily volume (low)	138,200	33,900	> 100%
Average daily volume	759,995	328,195	> 100%
FBM KLCI			
FBM KLCI closing (high)	1,688.95	1,654.11	2.11%
FBM KLCI closing (low)	1,598.17	1,600.85	-0.17%
FBM KLCI quarter end closing	1,688.95	1,636.66	3.19%
FBM KLCI volume			
Daily Volume (high)	237,455,400	279,393,900	-15.01%
Daily Volume (low)	58,336,500	77,450,000	-24.68%
Average Daily Volume	135,251,679	139,882,675	-3.31%

FBM KLCI & PPB Share Price for 4th Q 2012



Group Financial Highlights

FOR THE 4TH QUARTER OF 2012
(The figures have not been audited)

Financial year ended (All figures in RM million)	12 months		% change
	31.12.12	31.12.11	
INCOME STATEMENT			
Revenue	3,018	2,711	11.3
Profit before tax	917	1,057	(13.2)
Profit for the year	868	1,013	(14.3)
Profit attributable to owners of the parent	842	980	(14.1)
STATEMENT OF FINANCIAL POSITION			
Non-current assets	13,380	13,021	2.8
Current assets			
Cash, bank balances and deposits	1,050	1,135	(7.5)
Others	1,149	1,043	10.2
Total current assets	2,199	2,178	1.0
Total assets	15,579	15,199	2.5
Equity			
Share capital	1,186	1,186	-
Reserves	13,085	12,876	1.6
Equity attributable to owners of the parent	14,271	14,062	1.5
Non-controlling interests	494	503	(1.8)
Total equity	14,765	14,565	1.4
Non-current liabilities			
Bank borrowings	85	45	88.9
Deferred tax liabilities	71	80	(11.3)
Total non-current liabilities	156	125	24.8
Current liabilities			
Bank borrowings	289	213	35.7
Others	369	296	24.7
Total current liabilities	658	509	29.3
Total liabilities	814	634	28.4
Total equity and liabilities	15,579	15,199	2.5

Group Financial Highlights

FOR THE 4TH QUARTER OF 2012 (CONT'D)
(The figures have not been audited)

Financial year ended		12 months		
		31.12.12	31.12.11	% change
RATIOS				
Return on equity attributable to owners of the parent	(%)	5.9	7.0	
Earnings per share	(sen)	71.0	82.7	
Interest coverage	(times)	108.2	182.9	
Current ratio	(times)	3.3	4.3	
Total borrowings/Equity	(%)	2.5	1.8	
Long term borrowings/Equity	(%)	0.6	0.3	
Net assets per share attributable to owners of the parent	(RM)	12.0	11.9	
Net dividend per share	(sen)	20.0	23.0	
STOCK MARKET INFORMATION				
Share price	(RM)	11.60	17.16	
Market capitalisation	(RM million)	13,752	20,352	
PE ratio	(times)	16.3	20.7	

ANNOUNCEMENTS

Commencement of members' voluntary winding up of Cipta Quantum Sdn Bhd, an indirect wholly-owned subsidiary of PPB, pursuant to Section 254(1)(b) of the Companies Act 1965 (the "Act"); and the appointment of Mr Ong Kien Hoe and Ms Chin Mee Shang as the liquidators for the purpose of the winding up.



Release of PPB's quarterly report for the 3rd quarter ended 30 September 2012.



Waikari Sdn Bhd received notification that the Certificate of Approval for Establishment of Enterprises with Foreign Investment in the PRC, and the Business Licence in respect of Yihai Kerry (Kunshan) Foodstuffs Industries Co. Ltd had been issued by the relevant PRC regulatory authorities on 9 August 2012 and 3 December 2012 respectively.

Resolute Services Sdn Bhd and Katella Sdn Bhd, both indirect 80%-subsidiaries of PPB, applied separately to the Companies Commission of Malaysia ("CCM") to strike off their respective names from the Register pursuant to Section 308(1) of the Act.

ANNOUNCEMENTS

6 FEBRUARY 2013

Central Kedah Rubber Estates Sdn Bhd was dissolved on 18 December 2012 and ceased to be a subsidiary of PPB.

Federal Flour Mills Holdings Sdn Bhd, a wholly-owned subsidiary of PPB applied to the CCM to strike off its name from the Register pursuant to Section 308(1) of the Act.

Cloverdale Trading Pte Ltd, an indirect 80%-subsidiary of PPB applied to the Accounting and Corporate Regulatory Authority, Singapore to strike off its name from the Register pursuant to Section 344 of the Companies Act, Cap. 50.



QUARTERLY REPORT

Condensed Consolidated Income Statements

For The Year Ended 31 December 2012 *(The figures have not been audited)*

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	782,623	744,197	3,017,926	2,710,539
Operating expenses	(724,695)	(728,669)	(2,881,010)	(2,566,174)
Other operating income	13,339	27,664	71,697	98,839
Share of net profits less losses of associates	261,782	182,989	712,545	814,620
Share of profit of jointly controlled entity	1,539	1,853	4,211	4,564
Finance costs	(3,267)	(1,981)	(8,555)	(5,808)
Profit before tax	331,321	226,053	916,814	1,056,580
Income tax expense	(17,220)	(13,741)	(48,617)	(44,072)
Profit for the period/year	314,101	212,312	868,197	1,012,508
Attributable to :				
Owners of the parent	305,994	209,303	842,152	980,372
Non-controlling interests	8,107	3,009	26,045	32,136
Profit for the period/year	314,101	212,312	868,197	1,012,508
Basic earnings per share (sen)	25.81	17.66	71.04	82.70

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

Condensed Consolidated Statement Of Comprehensive Income
For The Year Ended 31 December 2012

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the period/year	314,101	212,312	868,197	1,012,508
<u>Other comprehensive income/(loss), net of tax</u>				
Exchange differences on translation of foreign operations	(19,109)	(42,450)	(396,768)	283,305
Fair value of available-for-sale financial assets:-				
- Gains/(Losses) arising during the period/year	7,005	(61,819)	32,039	(351,625)
- Reclassification adjustments to profit or loss upon disposal	-	(201)	(67)	(857)
Share of associates' other comprehensive income/(loss)	39,780	44,220	(19,215)	104,953
Total comprehensive income	341,777	152,062	484,186	1,048,284
Attributable to :				
Owners of the parent	333,542	149,852	463,560	1,012,315
Non-controlling interests	8,235	2,210	20,626	35,969
Total comprehensive income	341,777	152,062	484,186	1,048,284

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

Condensed Consolidated Statement Of Financial Position

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,095,882	1,017,844
Investment properties	222,224	214,695
Biological assets	2,760	2,600
Goodwill	74,615	74,617
Other intangible assets	2,026	1,398
Land held for property development	13,732	11,870
Investments in associates	11,293,797	11,040,554
Investment in jointly controlled entity	51,728	51,669
Other investments	617,709	598,567
Deferred tax assets	5,918	7,557
	<u>13,380,391</u>	<u>13,021,371</u>
Current Assets		
Inventories	476,227	474,159
Biological assets	14,268	16,860
Other intangible assets	11,636	12,013
Property development costs	29,338	43,736
Receivables	601,201	484,393
Derivative financial instruments	7,195	2,696
Cash, bank balances and deposits	1,050,084	1,134,522
	<u>2,189,949</u>	<u>2,168,379</u>
Non-current assets classified as held for sale	9,009	9,406
	<u>2,198,958</u>	<u>2,177,785</u>
TOTAL ASSETS	<u>15,579,349</u>	<u>15,199,156</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	13,085,875	12,876,111
Equity attributable to owners of the parent	14,271,375	14,061,611
Non-controlling interests	493,996	503,515
Total equity	<u>14,765,371</u>	<u>14,565,126</u>

QUARTERLY REPORT

Condensed Consolidated Statement Of Financial Position (CONT'D)

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
Non-current Liabilities		
Long term borrowings	85,224	44,753
Deferred tax liabilities	70,923	79,800
	<u>156,147</u>	<u>124,553</u>
Current Liabilities		
Payables	319,566	287,981
Derivative financial instruments	35,475	4,264
Short term borrowings	288,610	213,150
Taxation	14,180	4,082
	<u>657,831</u>	<u>509,477</u>
Total liabilities	<u>813,978</u>	<u>634,030</u>
TOTAL EQUITY AND LIABILITIES	<u>15,579,349</u>	<u>15,199,156</u>
Net assets per share attributable to owners of the parent (RM)	<u>12.04</u>	<u>11.86</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

Condensed Consolidated Statement Of Changes In Equity
For The Year Ended 31 December 2012

QUARTERLY REPORT

Condensed Consolidated Statement Of Changes In Equity
For The Year Ended 31 December 2012 (CONT'D)

	Non-distributable							Distributable		Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000				
<u>12 months ended 31 December 2012</u>												
At 1 January 2012	1,185,500	6,715	60,942	(630,158)	166,319	32,041	328,878	12,911,374	14,061,611	503,515	14,565,126	
Total comprehensive income	-	-	-	(322,380)	31,873	4,003	(92,088)	842,152	463,560	20,626	484,186	
Transfer of reserves	-	-	(410)	-	-	-	12,174	(11,764)	-	-	-	
Changes in equity interest in an associate	-	-	-	-	-	-	-	8,447	8,447	-	8,447	
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	(25,143)	(25,143)	(7,068)	(32,211)	
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	4,508	4,508	
Dividends	-	-	-	-	-	-	-	(237,100)	(237,100)	(27,585)	(264,685)	
At 31 December 2012	1,185,500	6,715	60,532	(952,538)	198,192	36,044	248,964	13,487,966	14,271,375	493,996	14,765,371	
<u>12 months ended 31 December 2011</u>												
At 1 January 2011												
As previously reported	1,185,500	6,715	61,398	(950,954)	518,837	(31,191)	305,313	12,178,608	13,274,226	185,284	13,459,510	
Effects of adopting IC Interpretation 12	-	-	-	(319)	-	-	-	3,316	2,997	18,376	21,373	
Restated	1,185,500	6,715	61,398	(951,273)	518,837	(31,191)	305,313	12,181,924	13,277,223	203,660	13,480,883	
Total comprehensive income	-	-	-	321,272	(352,518)	63,215	(26)	980,372	1,012,315	35,969	1,048,284	
Transfer of reserves	-	-	(456)	-	-	-	21,934	(21,478)	-	-	-	
Changes in equity interest in a subsidiary	-	-	-	-	-	-	-	101,701	101,701	276,418	378,119	
Changes in equity interest in an associate	-	-	-	(157)	-	17	1,657	2,473	3,990	-	3,990	
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	(1,678)	(1,678)	(471)	(2,149)	
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	596	596	
Dividends	-	-	-	-	-	-	-	(331,940)	(331,940)	(12,657)	(344,597)	
At 31 December 2011	1,185,500	6,715	60,942	(630,158)	166,319	32,041	328,878	12,911,374	14,061,611	503,515	14,565,126	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT

Condensed Consolidated Statement Of Cash Flows
For The Year Ended 31 December 2012

	12 months ended 31 December	
	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	916,814	1,056,580
Adjustments :-		
Non-cash items	(581,975)	(698,031)
Non-operating items	(36,481)	(52,981)
Operating profit before working capital changes	298,358	305,568
Working capital changes :-		
Net change in current assets	(150,506)	(262,222)
Net change in current liabilities	43,369	(1,825)
Cash generated from operations	191,221	41,521
Tax paid	(48,469)	(61,426)
Net cash generated from/(used in) operating activities	142,752	(19,905)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(181,210)	(151,580)
Proceeds from disposal of property, plant and equipment and investment properties	2,101	1,713
Purchase of investments	(120,791)	(39,469)
Proceeds from sale of investments	13,784	3,695
Dividends received	166,758	193,724
Interest received	28,213	31,610
Other investing activities	4,269	4,933
Net cash (used in)/generated from investing activities	(86,876)	44,626
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares by a subsidiary	4,508	378,715
Bank borrowings	131,534	140,256
Interest paid	(10,104)	(5,372)
Dividends paid	(264,685)	(344,597)
Other financing activities	2,038	15,987
Net cash (used in)/generated from financing activities	(136,709)	184,989
Net (decrease)/increase in cash and cash equivalents	(80,833)	209,710
Cash and cash equivalents brought forward	1,132,923	923,471
Effect of exchange rate changes	(2,396)	(258)
Cash and cash equivalents carried forward	1,049,694	1,132,923
Cash and cash equivalents represented by :-		
Cash and bank balances	93,433	85,877
Bank deposits	956,651	1,048,645
Bank overdrafts	(390)	(1,599)
	1,049,694	1,132,923

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

QUARTERLY REPORT Notes

A. Financial Reporting Standard (FRS) 134 - Paragraph 16

A1. Accounting policies

The interim financial statements of the Group have been prepared in accordance with the requirements of Financial Reporting Standards ("FRS") FRS 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 2011 except for the adoption of the following revised FRS, Amendments to FRS and IC Interpretation that are effective for financial periods beginning on or after 1 July 2011 or 1 January 2012 :-

FRS 124	Related Party Disclosures (revised)
Amendments to FRS 7	Disclosures - Transfer of Financial Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above revised FRS, Amendments to FRS and IC Interpretation does not have any significant financial impact on the Group.

Malaysian Financial Reporting Standards ("MFRS")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB-approved accounting framework, the MFRS.

The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 - Agriculture and IC Interpretation 15 - Agreements for Construction of Real Estate, including the entities' parent, significant investor and venturer (herein referred to as "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS framework and continue to use the existing FRS framework. The adoption of the MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS framework to 1 January 2014. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 December 2014.

A2. Seasonality or Cyclicity of Interim Operations

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

A3. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items of an unusual nature, size or incidence that affected the assets, liabilities, equity, net income and cash flows of the Group during the current financial year to-date under review.

A4. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in the prior 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 issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

QUARTERLY REPORT

Notes (CONT'D)

A6. Dividends paid

	Individual Quarter 3 months ended 31-Dec-12 RM'000	Cumulative Quarter 12 months ended 31-Dec-12 RM'000
Dividends paid on ordinary shares		
FY2011 : Final dividend - 13 sen per share single tier	-	154,115
FY2012 : Interim dividend - 7 sen per share single tier	-	82,985
	-	237,100

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2012

Business Segments: All figures in RM'000	Grains trading, flour and feed milling	Marketing, distribution and manufacturing of consumer products	Film exhibition and distribution	Environmental engineering, waste management and utilities	Property investment and development	Chemicals trading and manufacturing	Livestock farming	Investments in equities	Other operations	Elimination	Total
REVENUE											
External revenue	1,751,745	388,579	289,681	155,129	79,081	89,287	58,796	11,934	193,694	-	3,017,926
Inter-segment sales	95,822	4	-	59	1,683	26,943	18,826	-	14,700	(158,037)	-
Total revenue	1,847,567	388,583	289,681	155,188	80,764	116,230	77,622	11,934	208,394	(158,037)	3,017,926
RESULTS											
Segment results	122,386	19,521	39,788	9,476	22,291	1,757	(29,296)	13,498	(1,723)	334	198,032
Share of associates' profits less losses	13,426	-	607	2,877	1,677	-	-	-	693,958	-	712,545
Share of joint venture's profit	-	-	-	4,211	-	-	-	-	-	-	4,211
Interest income											30,005
Finance costs											(8,555)
Unallocated corporate expenses											(19,424)
Profit before tax											916,814
ASSETS											
Segment assets	1,282,686	193,099	242,835	71,224	302,641	54,100	110,104	617,710	363,930	(31)	3,238,298
Investments in associates	180,683	-	3,828	34,766	115,015	-	-	-	10,959,505	-	11,293,797
Investment in jointly controlled entity	-	-	-	51,728	-	-	-	-	-	-	51,728
Bank deposits											956,651
Taxation											27,141
Other unallocated corporate assets											11,734
Total assets											15,579,349

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

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A9. Changes in the composition of the Group

There were no 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 current interim period and year to-date under review, except for the following :-

- On 14 February 2012, PPB Leisure Holdings Sdn Bhd ("PPBL"), a wholly-owned subsidiary of PPB completed the acquisition of the remaining 3,643,828 ordinary shares of RM1 each in Cathay Screen Cinemas Sdn Bhd ("CSC"), then an existing 68.3% subsidiary of PPBL, for a cash consideration of RM32.2 million. Pursuant to this acquisition, CSC has become a wholly-owned subsidiary of PPBL.
- On 22 February 2012, the investment certificate in respect of VFM-Wilmar Flour Mills Company Limited ("VFM-Wilmar") was issued by the relevant authority in the Socialist Republic of Vietnam. Glowland Limited, a wholly-owned subsidiary of FFM Berhad (an 80%-subsidiary of PPB) has 51% interest in the charter capital of VFM-Wilmar. Arising therefrom, VFM-Wilmar has become an indirect 51%-owned subsidiary of PPB.

QUARTERLY REPORT

Notes (CONT'D)

- c) On 27 September 2012, Kerry Utilities Limited ("KUL"), a dormant indirect 50%-subsidiary of PPB, received approval from the Registrar of Companies in Hong Kong for the deregistration of the company.
- d) On 23 November 2012, Cipta Quantum Sdn Bhd, an indirect wholly-owned subsidiary of PPB which had ceased business operations, commenced a members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965 ("Act"). The winding up is in progress.
- e) On 18 December 2012, Resolute Services Sdn Bhd and Katella Sdn Bhd, both indirect 80%-owned subsidiaries of PPB which had ceased business operations, applied separately to the Companies Commission of Malaysia ("CCM") to strike off their names from the Register pursuant to Section 308(1) of the Act. The applications are in progress.
- f) On 28 December 2012, Federal Flour Mills Holdings Sdn Bhd, a direct wholly-owned subsidiary of PPB which had been dormant since incorporation, applied to the CCM to strike off its name from the Register pursuant to Section 308(1) of the Act. The application is in progress.
- g) On 28 December 2012, Cloverdale Trading Pte Ltd, an indirect 80%-owned subsidiary of PPB which had ceased business operations, applied to the Accounting and Corporate Regulatory Authority in Singapore to strike off its name from the Register pursuant to Section 344 of the Companies Act, Cap.50. The application is in progress.

A10. Changes in contingent liabilities or contingent assets

There were no contingent assets at the end of the current financial year. There is a contingent liability of RM16.6 million arising from a warranty given to a purchaser of one of the Group's investments.

B. BMSB Listing Requirements (Part A of Appendix 9B)

B1. Analysis of performance for the financial period to-date

Group revenue grew by 5% to RM783 million in 4Q2012, culminating in a full year revenue of RM3.02 billion which represents an 11% growth in FY2012. This was primarily driven by the higher revenue generated from the grains trading, flour and feed milling segment. The property segment's revenue also rose significantly from sales of high-end residential properties in Bukit Segar, Kuala Lumpur and Taman Tanah Aman, Seberang Prai Tengah. With the exception of chemical, livestock and investments segments, most of the other segments recorded higher revenue for FY2012.

The Group registered an increase in profit before tax from RM226 million in 4Q2011 to RM331 million in 4Q2012, largely attributed to higher profit contribution from an associate, Wilmar International Limited ("Wilmar") and the improved performance by the grains trading, flour and feed milling segment. For FY2012, Group profit before tax declined by 13% to RM917 million as compared with RM1.06 billion recorded in FY2011 due mainly to lower profit contribution from Wilmar in the first two quarters of 2012 and losses incurred in the livestock farming segment.

Group financial performance by business segment

	4Q2012	4Q2011	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
- Grains trading, flour and feed milling	477,411	463,440	13,971	3%
- Marketing, distribution and manufacturing of consumer products	94,227	91,262	2,965	3%
- Film exhibition and distribution	77,456	76,212	1,244	2%
- Environmental engineering, waste management and utilities	48,987	47,177	1,810	4%
- Property investment and development	14,411	9,056	5,355	59%
- Chemicals, Livestock, Investments and Other operations	107,672	96,060	11,612	12%
- Elimination	(37,541)	(39,010)	1,469	4%
Total revenue	782,623	744,197	38,426	5%

QUARTERLY REPORT

Notes (CONT'D)

	FY2012	FY2011	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
- Grains trading, flour and feed milling	1,847,567	1,636,247	211,320	13%
- Marketing, distribution and manufacturing of consumer products	388,583	375,260	13,323	4%
- Film exhibition and distribution	289,681	283,274	6,407	2%
- Environmental engineering, waste management and utilities	155,188	154,372	816	1%
- Property investment and development	80,764	37,061	43,703	>100%
- Chemicals, Livestock, Investments and Other operations	414,180	383,684	30,496	8%
- Elimination	(158,037)	(159,359)	1,322	1%
Total revenue	3,017,926	2,710,539	307,387	11%

	4Q2012	4Q2011	Variance	
	RM'000	RM'000	RM'000	%
<u>Profit before tax</u>				
- Grains trading, flour and feed milling	52,636	28,987	23,649	82%
- Marketing, distribution and manufacturing of consumer products	5,846	3,621	2,225	61%
- Film exhibition and distribution	11,372	6,855	4,517	66%
- Environmental engineering, waste management and utilities	(457)	2,597	(3,054)	>-100%
- Property investment and development	525	2,791	(2,266)	-81%
- Chemicals, Livestock, Investments and Other operations	(2,401)	(4,682)	2,281	49%
- Elimination	683	(404)	1,087	>100%
Segment results	68,204	39,765	28,439	72%
- Share of associates and joint venture's profits less losses	263,321	184,842	78,479	42%
- Interest income, finance costs and unallocated expenses	(204)	1,446	(1,650)	>-100%
Total profit before tax	331,321	226,053	105,268	47%

QUARTERLY REPORT

Notes (CONT'D)

	FY2012	FY2011	Variance	
	RM'000	RM'000	RM'000	%
Profit before tax				
- Grains trading, flour and feed milling	122,386	134,999	(12,613)	-9%
- Marketing, distribution and manufacturing of consumer products	19,521	19,403	118	1%
- Film exhibition and distribution	39,788	37,427	2,361	6%
- Environmental engineering, waste management and utilities	9,476	9,785	(309)	-3%
- Property investment and development	22,291	15,569	6,722	43%
- Chemicals, Livestock, Investments and Other operations	(15,764)	12,316	(28,080)	>-100%
- Elimination	334	(1,112)	1,446	>100%
Segment results	198,032	228,387	(30,355)	-13%
- Share of associates and joint venture's profits less losses	716,756	819,184	(102,428)	-13%
- Interest income, finance costs and unallocated expenses	2,026	9,009	(6,983)	-78%
Total profit before tax	916,814	1,056,580	(139,766)	-13%

Grains trading, flour and feed milling

Revenue increased by 3% to RM477 million in 4Q2012 and 13% to RM1.85 billion for FY2012, primarily driven by higher feed sales volume in Malaysia as well as increased flour sales volume in Vietnam and Indonesia.

The segment reported higher profits of RM53 million in 4Q2012 compared with RM29 million in 4Q2011 due to favourable grains trading performance in the quarter. Compared with FY2011, profit before tax decreased by 9% to RM122 million in FY2012. Despite higher profits generated by increased feed sales volume, the profits were partly offset by the unfavourable grains trading results in the third quarter of 2012.

Marketing, distribution and manufacturing of consumer products

Segment revenue rose by a marginal 3% to RM94 million in 4Q2012, and 4% to RM389 million for FY2012 mainly due to increased sales from new agency products.

Profit before tax was up by 61% to RM5.8 million in 4Q2012 compared with RM3.6 million in 4Q2011 mainly due to lower advertising and promotional expenses in the quarter. The segment achieved a profit before tax for FY2012 of RM19.5 million, an increase of 1% over the RM19.4 million earned in FY2011.

Film exhibition and distribution

Segment revenue grew by 2% for the quarter under review to RM77 million and by 2% to RM290 million for FY2012. The growth in revenue was largely attributed to four new cinemas which opened during the year as well as the higher income generated from screen advertising.

Profit before tax surged 66% to RM11 million in 4Q2012 and 6% to RM40 million for FY2012 driven by higher profits from the cinemas operations and increase in screen advertising income.

QUARTERLY REPORT

Notes (CONT'D)

Environmental engineering, waste management and utilities

The segment registered a small increase in revenue to RM49 million in 4Q2012 and RM155 million in FY2012 as compared to the corresponding periods in 2011. This was mainly from the recognition of progressive revenue generated by a new project.

The segment reported a loss before tax in 4Q2012 of RM457,000 and a lower profit before tax in FY2012 of RM9.5 million. The weaker performance was mainly due to completion of environmental engineering projects with higher margins whereby the revenue and profits were progressively recognised in the previous quarters. In 4Q2012, there was an additional cost accrued for rectification works on a completed project.

Property investment and development

Segment revenue rose to RM14 million in 4Q2012 from RM9 million in 4Q2011 and increased to RM81 million in FY2012 from RM37 million the previous year, bolstered by the sales of high-end bungalows in Bukit Segar, Kuala Lumpur and semi-detached houses in Taman Tanah Aman, Seberang Prai Tengah.

Profit before tax for 4Q2012 was RM0.5 million compared with RM2.8 million in 4Q2011. The decrease in profits was mainly due to higher property development expenditure incurred in the quarter. For FY2012, profit before tax was up 43% to RM22 million compared with RM16 million last year as a result of the sales of high-end properties in FY2012.

Chemicals trading and manufacturing, Livestock farming, Investments in equities and Other operations

The combined revenue from these segments saw an increase of 12% in 4Q2012 to RM108 million compared with RM96 million in 4Q2011. Revenue for FY2012 increased by 8% to RM414 million compared with RM384 million for FY2011. This was mainly attributable to a full year revenue contribution from the bakery segment compared to 6 months in 2011 coupled with the expansion of distribution coverage for bakery products within Peninsular Malaysia. The increase was however partially offset by reduced revenue from the livestock and investments segments as a result of depressed selling prices of day-old chicks and eggs, and lower income from investments in equities, respectively.

The depressed farm product prices resulted in the livestock farming segment incurring a loss of RM10 million in the current quarter and RM29 million for FY2012 as compared with a profit of RM2.6 million in 4Q2011 and RM12.7 million for FY2011.

Whilst some of the segments delivered profitable results, the combined segment profit before tax were mainly offset by the losses from livestock, which led to the loss before tax of RM2.4 million in 4Q2012 and RM15.8 million for FY2012.

Share of associates and joint venture's profits less losses

Wilmar contributed a higher profit to the Group of RM254 million in 4Q2012 compared with RM178 million in 4Q2011. The higher profit was driven by better performance in most of Wilmar's key business segments with the exception of plantations and palm oil mills, which recorded lower profits.

For FY2012, Wilmar contributed a lower profit of RM694 million compared with RM790 million for FY2011. Despite the stronger performance from its palm and laurics, consumer products and sugar segments, lower profits were reported in oilseeds and grains and plantations and palm oil mills segments.

QUARTERLY REPORT

Notes (CONT'D)

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

	4Q2012	3Q2012	Variance	
	RM'000	RM'000	RM'000	%
Profit before tax				
- Grains trading, flour and feed milling	52,636	3,790	48,846	>100%
- Marketing, distribution and manufacturing of consumer products	5,846	4,978	868	17%
- Film exhibition and distribution	11,372	8,857	2,515	28%
- Environmental engineering, waste management and utilities	(457)	4,864	(5,321)	>-100%
- Property investment and development	525	8,740	(8,215)	-94%
- Chemicals, Livestock, Investments and Other operations	(2,401)	(4,975)	2,574	52%
- Elimination	683	(92)	775	>100%
Segment results	68,204	26,162	42,042	>100%
- Share of associates and joint venture's profits less losses	263,321	237,207	26,114	11%
- Interest income, finance costs and unallocated expenses	(204)	(1,432)	1,228	86%
Total profit before tax	331,321	261,937	69,384	26%

Compared with the preceding quarter, the Group's profit before tax for 4Q2012 was higher at RM331 million mainly attributed to the favourable grains trading performance and higher profit contribution from Wilmar. Whilst higher profits were recorded in some of the Group's business segments, the Group's overall results in this quarter was trimmed by lower profits from the environmental engineering and property development segments as well as the losses incurred by the livestock farming business.

B3. Prospects for current financial year

While the overall global economic uncertainty continues to be a concern in the coming year, the economies of the emerging markets including China and India are expected to remain resilient, partly supported by domestic consumption.

As the Group's business divisions are predominantly within the ASEAN region and China, it is anticipated that they will perform well in financial year 2013. Notwithstanding this, the Group's overall financial results for 2013 will continue to hinge largely on Wilmar's business performance for the coming year.

B4. Variance of actual profit from forecast profit

Not applicable.

QUARTERLY REPORT

Notes (CONT'D)

B5. Profit before tax

	Individual Quarter 3 months ended 31-Dec-12 RM'000	Cumulative Quarter 12 months ended 31-Dec-12 RM'000
Profit before tax is stated after crediting :-		
Dividend income	2,318	11,934
Fair value gain on derivatives	(11)	87
Foreign exchange gain	(2,505)	9,710
Gain on disposal of properties	558	792
Gain on disposal of quoted investments	849	1,040
Interest income	7,391	30,005
Rental income	860	3,097
Impairment of investment property written back	44	44
Gain on financial assets at fair value through profit or loss	227	227
Profit before tax is stated after charging :-		
Allowance for impairment and write off of receivables	(548)	(1,817)
Depreciation and amortisation	(38,110)	(102,795)
Fair value loss on derivatives	27,552	(13,560)
Foreign exchange loss	(818)	(20,850)
Inventories written down	(1,756)	(1,756)
Biological assets written down	(3,440)	(3,440)
Impairment of property, plant and equipment	(1,060)	(1,060)
Interest expense	(3,267)	(8,555)
Loss on financial assets at fair value through profit or loss	1,552	-

Other than the items highlighted above, there were no exceptional items for the current quarter and financial year ended 31 December 2012.

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B6. Taxation

Taxation comprises :-	Individual Quarter 3 months ended 31-Dec-12 RM'000	Cumulative Quarter 12 months ended 31-Dec-12 RM'000
Malaysian taxation based on profit for the period/year		
Current	17,133	50,231
Deferred	933	(4,018)
	18,066	46,213
Foreign taxation		
Current	254	1,967
Deferred	(355)	(270)
	17,965	47,910
Under/(Over)provision		
Current	217	3,780
Deferred	(962)	(3,073)
	17,220	48,617

The effective tax rate is lower than the average statutory rate for the period mainly due to utilisation of reinvestment allowances by certain subsidiaries.

B7. Status of corporate proposals

- a) FFM Berhad ("FFM"), an 80%-subsidiary of PPB, had on 2 December 2010 entered into a memorandum of understanding with Wilmar for the proposed acquisition by Waikari Sdn Bhd, a wholly-owned subsidiary of FFM, of 20% equity interests in selected subsidiaries of Wilmar in the People's Republic of China. Waikari has entered into the respective agreements for the proposed acquisition of/subsorption for 20% equity interest in nine entities which have all been completed as follows :-

Name of entity	Date of agreements	Status
1 Yihai Kerry (Quanzhou) Oils, Grains & Foodstuffs Industries Co., Ltd	30 November 2011	Completed on 20 January 2012
2 Yihai Kerry (Anyang) Foodstuffs Industries Co., Ltd	30 November 2011	Completed on 3 February 2012
3 Yihai (Chongqing) Foodstuffs Co., Ltd	5 December 2011	Completed on 29 December 2011
4 Yihai Kerry (Beijing) Oils, Grains & Foodstuffs Industries Co., Ltd	23 December 2011	Completed on 20 July 2012
5 Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co., Ltd	23 December 2011	Completed on 26 June 2012
6 Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co., Ltd	30 December 2011	Completed on 24 May 2012
7 Yihai (Zhoukou) Wheat Industries Co., Ltd	30 December 2011	Completed on 2 February 2012
8 Yihai Kerry (Kunshan) Foodstuffs Industries Co., Ltd	22 June 2012	Completed on 8 January 2013
9 Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd	13 August 2012	Completed on 20 November 2012

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Notes (CONT'D)

B8. Group borrowings

Total Group borrowings as at 31 December 2012 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	92,304	92,304	-
Long term bank loans (RMB)	5,515	-	5,515
Hire purchase liabilities (SGD)	26	26	-
Repayments due within the next 12 months	(12,621)	(9,854)	(2,767)
	85,224	82,476	2,748
Short term bank borrowings			
Bills payable	139,878	-	139,878
Short term loans	2,300	-	2,300
Short term loans (USD)	133,421	-	133,421
Current portion of long term loans	12,607	9,840	2,767
Hire purchase liabilities (SGD)	14	14	-
	288,220	9,854	278,366
Bank overdrafts	390	-	390
	288,610	9,854	278,756

B9. Material litigation

There was no material litigation as at 20 February 2013.

B10. Dividends

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2012 of 13 sen per share (2011 : 13 sen per share single tier) payable on Monday, 3 June 2013 subject to the approval of shareholders at the 44th Annual General Meeting to be held on Tuesday, 14 May 2013.

Together with the interim single tier dividend of 7 sen per share paid on 28 September 2012, the total dividend paid and payable for the financial year ended 31 December 2012 would be 20 sen per share single tier (2011 - Interim : 10 sen per share single tier; Final : 13 sen per share single tier).

Dividend entitlement/payment date

Notice is hereby given that, subject to shareholders' approval, the final dividend is payable on Monday, 3 June 2013 to shareholders whose names appear in the Record of Depositors at the close of business on Friday, 17 May 2013.

A Depositor shall qualify for entitlement only in respect of :-

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Friday, 17 May 2013 in respect of ordinary transfers, and
- (ii) Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of BMSB.

QUARTERLY REPORT

Notes (CONT'D)

Dividends paid/payable

Dividends paid for the financial year 2011 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share (all single tier)	Date paid/payable
2011	Interim dividend	10 sen	28 September 2011
2011	Final dividend	13 sen	15 June 2012
2012	Interim dividend	7 sen	28 September 2012
2012	Final dividend (proposed)	13 sen	3 June 2013

B11. Earnings per share

The basic earnings per share has been calculated by dividing the Group's profit for the current financial period attributable to owners of the parent by 1,185,499,882 ordinary shares in issue during the period.

There is no diluted earnings per share for the current quarter or financial period to-date as there were no dilutive potential ordinary shares.

B12. Disclosure of audit report qualification and status of matters raised

There was no qualification in the audit report of the preceding annual financial statements.

B13. Realised and unrealised profits/losses

The retained profits of the Group are analysed as follows :-

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
Total retained profits of the Company and its subsidiaries :-		
- Realised	12,021,168	11,953,392
- Unrealised	(76,843)	(44,950)
	11,944,325	11,908,442
Total share of retained profits from associates :-		
- Realised	96,022	81,735
- Unrealised	2,289	1,367
- Wilmar International Limited ("Wilmar") *	3,555,328	3,011,693
Total share of retained profits from jointly controlled entity :-		
- Realised	5,862	4,788
	15,603,826	15,008,025
Less : consolidation adjustments	(2,115,860)	(2,096,651)
Total Group retained profits as per consolidated accounts	13,487,966	12,911,374

* Wilmar is not required to disclose the breakdown of realised and unrealised profits under the Singapore Financial Reporting Standards and the Singapore Companies Act, Cap 50. As the breakdown is considered sensitive information, it would not be appropriate for Wilmar to selectively disclose such information to any particular shareholder.

Kuala Lumpur
27 February 2013

By Order of the Board
Mah Teck Keong
Company Secretary

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