PPB GROUP BERHAD

QUARTERLY REPORT 2015

01

INVESTOR UPDATE

From The Desk Of The Chairman

Dear Shareholders,

FINANCIAL SUMMARY

We are pleased to report that PPB Group's revenue rose by 11% to RM977 million for 1Q2015 compared with the corresponding quarter last year. The increase was primarily driven by improved revenue in the grains and agribusiness, environmental engineering and utilities; and film exhibition and distribution segments. However, revenue from the property segment, chemicals and other operations in the combined segment; as well as consumer products segment were lower in 1Q2015.

The Group registered a pre-tax profit of RM267 million in 1Q2015, an increase of 53% from the corresponding quarter last year, due to higher profit contribution from our 18.3% associate, Wilmar International Limited and better performance in the grains and agribusiness segment. These profits cushioned lower results recorded by the consumer products and property segments; and investments and other operations in the combined segment.

Profit for the period increased to RM235 million from RM155 million and accordingly, earnings per share for 1Q2015 stood at 19.65 sen compared with 12.17 sen in the first quarter last year.

HAPPENINGS

PPB held its first Press and Analyst Briefing for the year on 5 March 2015, to review the 2014 results and latest developments in the Group. The briefing was attended by analysts, fund managers and local press.

In 1Q2015, FFM Group's wholly-owned subsidiary, Glowland Limited, entered into an agreement with Siteki Investments Pte Ltd to produce and sell egg noodles, rice macaroni and flour/rice premixes in Vietnam. Glowland and Siteki, will take a 50% stake each in Meizan CLV Corporation, a company incorporated in Vietnam for the new business, which has a project cost of about USD8.06 million.

Golden Screen Cinemas Sdn Bhd opened three (3) new cinemas during the quarter under review. They are GSC NU Sentral (11 screens), GSC Ipoh Parade (11 screens) and GSC IOI City Mall (13 screens). With these openings, GSC currently operates 284 screens at 31 locations in the country.

From The Desk Of The Chairman

CSR ACTIVITIES

In conjunction with the Chinese New Year (CNY) celebration, PPB staff visited Charis Sheep Pen Shelter (CSPS) in Pudu, Kuala Lumpur and brought cheer to 26 elderly male residents there. 120 senior citizens from 5 welfare homes were invited to an annual CNY lunch held on the 7th day of CNY at PPB's Cheras LeisureMall to share the warmth of togetherness during this festive period.

Under the "Back to School" project, PPB gave away 1,460 pairs of school shoes and 1,096 sets of uniforms to school children from 4 schools in Manek Urai, Kuala Krai, Kelantan who were affected by the massive floods that hit the east coast of Peninsular Malaysia in the last week of 2014.

To encourage the community to lead a healthy lifestyle, Cheras LeisureMall, organised free health screenings and consultation booths on health and wellness at the Mall.

FFM Berhad organised a 3-day training programme for the Corporate Affairs Executives/Co-ordinators of FFM Group to provide participants with information on FFM Group's history, its business operations and processes involved as well as the job scope and responsibilities of FFM's Corporate Affairs Department.

MOVING FORWARD

Household spending in Malaysia is expected to be subdued in the second quarter following the implementation of the Goods and Services Tax on 1 April 2015. While the weak sentiment is expected to be temporary, management has implemented appropriate measures to address these challenges. On the whole, the Group's food-based businesses are not expected to be significantly affected.

Datuk Oh Siew Nam • CHAIRMAN
26 May 2015

Happenings

FFM GROUP VENTURES INTO PRODUCTION OF EGG NOODLES AND PREMIXES IN VIETNAM

FFM Berhad's wholly-owned subsidiary, Glowland Limited, has entered into an agreement with Siteki Investment Pte Ltd to produce and sell egg noodles, rice macaroni and flour/rice premixes in Vietnam.

Glowland and Siteki will take a 50% stake each in a new entity incorporated in Vietnam known as Meizan CLV Corporation (Meizan). The total project cost for the new business, which will be located in Ho Chi Minh City, is about USD8.06 million. Glowland's contribution to the charter capital of Meizan is USD1.3 million.

Happenings

PRESS AND ANALYST BRIEFING

On 5 March 2015, PPB held its first Press and Analyst Briefing for the year at the Shangri-La Hotel, Kuala Lumpur which was attended by analysts and fund managers from various local as well as foreign research houses and securities firms. Also present at the briefing were several members from the local press.

The briefing was held to provide the press and analysts with a review of the Group's financial results for 2014 as well as an update of the latest developments in the Group.

During the Q&A session, PPB's Managing Director, Mr Lim Soon Huat and the key management team of PPB Group dealt with questions posed by the attendees. A press conference took place thereafter, followed by lunch.

Happenings

OPENING OF GSC CINEMAS

GSC GOES ROBUST ON EXPANSION PLANS

Leading cinema chain, Golden Screen Cinemas Sdn Bhd (GSC) kicks off 2015 with the launch of 3 new cinemas in the short span of 2 months - GSC NU Sentral (29 Jan 2015), GSC Ipoh Parade (5 Feb 2015) and GSC IOI City Mall (12 Feb 2015).

GSC NU Sentral (11 screens)

With a total of 1,783 seating capacity (includes 22 wheelchair spaces) in GSC NU Sentral, movie fans can now enjoy an immersive cinema-going experience with the clarity of fully digitalized cinema halls and in the THX-certified Hall 3 which is further enhanced with the new Dolby Atmos revolutionary audio technology that transports cinema-goers into an extraordinary entertainment "3D" sound experience.

(L-R) Ms. Koh Mei Lee (CEO - GSC), Ms. Zetty Juyanti (General Manager - MRCB Group Retail Asset Development), & Mr. Irving Chee (General Manager - GSC)

Happenings

(L-R) Mr. Irving Chee, Ms. June Lim & Ms. Koh Mei Lee during the first ticket purchase at GSC Ipoh Parade

GSC Ipoh Parade (11 screens)
With a total seating capacity of 1,938 (includes 22 wheelchair spaces), GSC Ipoh Parade is the largest multiplex in Ipoh and Perak, in terms of number of screens and seats.

The largest multiplex in Perak is also equipped with the first ever GSC Maxx in the northern region, built with the first multi-dimensional cinema audio technology - Dolby Atmos. To complement the giant screen and the 3D audio, GSC Ipoh Parade is the first cinema in the entire GSC chain to be equipped with a 4k projector for higher image resolution and brightness. All these features are packed into a THX-certified hall which is also the first in Perak.

GSC IOI City Mall (13 Screens)
GSC IOI City Mall, Putrajaya showcases 13 fully digital halls complete with two GSC Maxx halls offering a total capacity of 2,145 seats (including 26 wheelchair spaces).

Complementing the sheer size of the integrated 'resort city' development, GSC IOI City Mall, Putrajaya is equipped with two GSC Maxx in THX-certified halls featuring larger than normal screen size and a steeper floor gradient for uninterrupted viewing pleasure. Fitted with the latest multi-dimensional cinema "3D" Dolby Atmos audio technology and 4k projectors for higher image resolution & optimum brightness, movie-fans can certainly look forward to a "larger than life", totally immersive cinematic experience here.

With the latest addition, GSC currently has a total of 309 digital screens in 36 locations across Malaysia and Vietnam.

CSR Activities

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

CHINESE NEW YEAR (CNY) CELEBRATION

In conjunction with the CNY celebration, 21 PPB staff visited Charis Sheep Pen Shelter (CSPS) in Pudu, Kuala Lumpur on 17 February 2015 to bring cheer to 26 elderly male residents there.

The event began with PPB staff and the residents of CSPS tossing the CNY dish "Yee Sang" to auspicious well wishes and blessings. Thereafter, everyone was treated to a sumptuous buffet lunch whilst being entertained with a medley of CNY songs and some golden oldies by Mrs Malaysia Chinatown 2014, Ms Jerica Chan. The event ended with the giving away of goodie bags and angpows, which brought much delight.

Established in 2004, CSPS is a shelter for homeless, poor and abandoned elderly men. CSPS is currently home to 26 elderly men who have the freedom to leave the premises during the day. The elderly men receive RM300 each from the Jabatan Kebajikan Masyarakat of which they contribute RM100 to CSPS to meet the operating cost. There is 1 caretaker and 2 volunteers running the shelter. For those who wish to assist CSPS, kindly contact Pastor Leong at 03-9222 1749 or 012-266 0670.

CSR Activities

On a separate occasion, Cheras LeisureMall, owned and managed by PPB, brought 120 senior citizens from 5 welfare organisations together for its annual charity programme, sharing the warmth of togetherness in a CNY luncheon on 25 February 2015, the seventh day of CNY.

The annual Chinese New Year luncheon with senior citizens is part of Cheras LeisureMall's commitment in fostering a tight knitted relationship with the community. The 120 senior citizens who participated in the event are from Persatuan Kebajikan Warga Emas Chan, Rumah Victory Elderly Home, Rumah Orang-Orang Tua Seri Setia, Rumah Charis and Rumah Bakti Ci Hang. During the luncheon, they were also treated to a rousing lion dance performance, Chinese acrobatic performances, appearance of the God of Prosperity, angpows, mandarin oranges and gift presentations.

"BACK TO SCHOOL" PROJECT

It was reported in The Star on 12 January 2015 that school children in Manek Urai, Kuala Krai, Kelantan were unable to start school as their uniforms, shoes and school books were swept away by the massive floods that hit the east coast of Peninsular Malaysia in the last week of 2014.

After checking and confirming with the principals of the 3 schools in Manek Urai, PPB under its annual "Back to School" project donated school shoes and uniforms to the children of those schools there.

On 13 January 2015, 4 PPB staff flew to Kota Bahru and together with the shoes and uniform suppliers, managed to distribute 1,460 pairs of school shoes and 1,096 sets of uniforms to the children within 2 days. As the schools were highlighted in the news, there were other sponsors for shoes and uniforms but these were not enough and some did not fit. The schools were especially grateful to PPB for ensuring the uniforms and shoes fitted the children and none were left without a new set of uniform and shoes.

Whilst PPB staff were in Manek Urai, another school, SK Sungai Sam in Wakil Pos Lakloh which is about 20 minutes drive from Manek Urai, appealed for school shoes which PPB managed to provide.

About 70% of the population in Manek Urai were left homeless after the floods. Manek Urai is one of the worst hit areas in Kelantan. The flood victims stayed at temporary shelter at mosques, schools and make-shift tents. They had no direct water supply for days and electricity was provided through generators. Many of the teachers we met said the floods were like a "tsunami" as their homes were swept away but they remained strong and carried on with their lives, hoping the Government's promise of a new home will soon come to pass.

PPB staff felt deep gratification from being able to do their small part for the victims instead of watching and reading helplessly about their plight.

CSR Activities

MARCH FOR A PERFECT YOU

Free health screening and consultation booths were set up at Level 2 Cravings Lane, Cheras LeisureMall on 21 and 22 March 2015 for the patrons of Cheras LeisureMall to encourage them to live a healthy lifestyle. The booths offered services such as free body mass index test, sugar level test, blood pressure measurement, Quantum Magnetic screening, cholesterol test, spine & joint check, sampling of beauty drinks and fitness consultation. Celebrating International Women's Day in the month of March, female patrons who visited the booths were given free healthcare and mammogram vouchers.

The patrons visited Level 2 Cravings Lane for health screenings and consultation.

TRAINING PROGRAMME FOR FFM CORPORATE AFFAIRS TEAM

On 24 to 26 March 2015, the Corporate Affairs Department of FFM Berhad organised a 3-day training programme for all the Corporate Affairs Executives/ Coordinators of the FFM group of companies throughout Malaysia.

The training was aimed to provide participants with more information on the history and nature of business of FFM Group, its business operations and processes involved as well as the job scope and responsibilities of the Corporate Affairs Department. The Corporate Affairs Team were introduced to the various health, safety and environment legislations, and staff were also trained to perform the internal audit function in those areas.

AMIOSH Resources Sdn Bhd (AMIOSH) was engaged to conduct the training on "Skills for Successful Audit" and a mock audit was carried out at FFM's Sungai Buloh warehouse to expose participants to the methods of audit and what to look for in an audit exercise.

Share Analysis

FBM KLCI
Closed Lower in 4Q 2014 on Concerns over Easing Oil Prices

After registering a loss of 4.6% in 4Q 2014, the FBM KLCI recovered to register a gain of 3.9% in 1Q2015. The FBM KLCI commenced the quarter on a lacklustre note as it eased to a 3-week low of 1,709.2 points in tandem with weaker offshore markets. Led by institutional buying support and recovery in oil prices, the FBM KLCI touched an intraday high of 1,831.4 points in early February 2015 before easing to a 7-week low of 1,778.2 points in mid-March. The FBM KLCI subsequently rebounded on easing concerns over an early hike in the U.S. Federal funds rate following the Federal Open Market Committee (FOMC) meeting on 18 March 2015. The FBM KLCI closed at 1,830.8 points to register a quarterly gain of 3.9%.

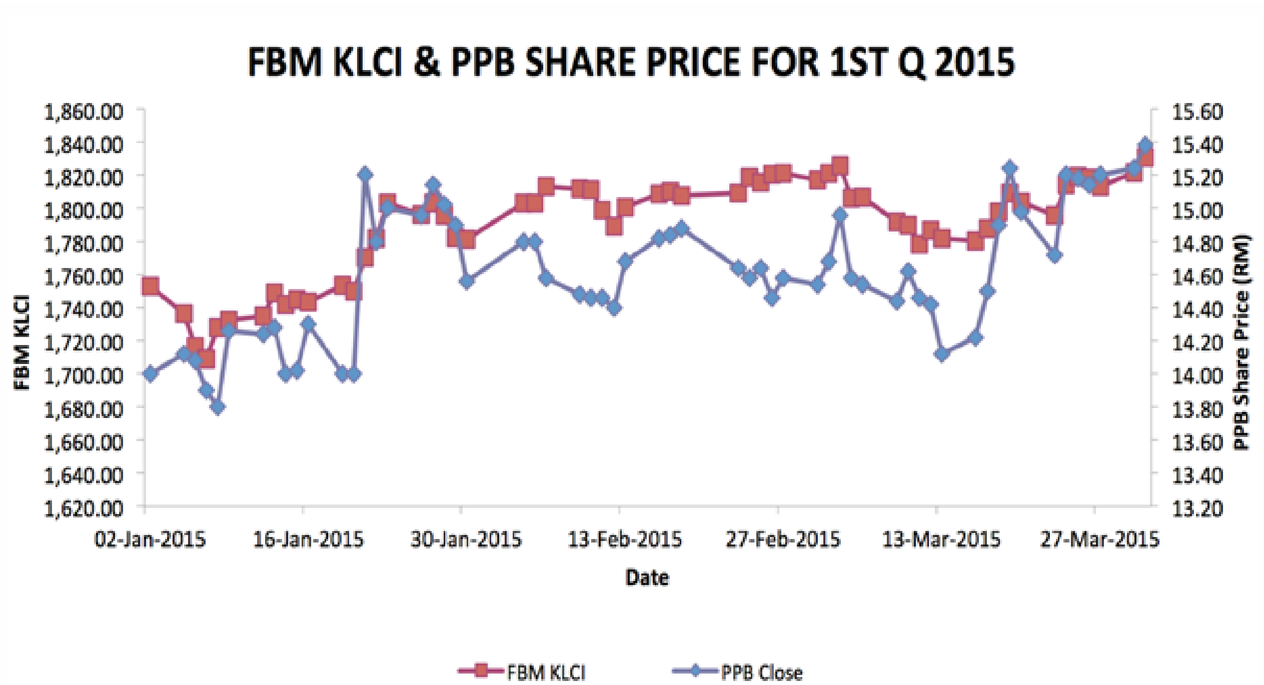
[Source : Public Mutual website]

PPB's share price closed higher at RM15.38 compared with RM14.30 in the preceding quarter and market capitalisation increased to RM18,232.99 million. The average daily volume of PPB shares traded during the quarter increased by 28.22% to 389,881 shares.

Share Analysis

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) Performance For 1st Q 2015

	1st Q 2015	4th Q 2014	% change
PPB share price (RM)			
Closing price (high)	15.38	15.86	-3.03%
Closing price (low)	13.80	13.46	2.53%
Month end closing price	15.38	14.30	7.55%
Weighted share price	14.62	14.47	1.03%
Market capitalisation (RM' million)	18,232.99	16,952.65	7.55%
PPB share trading volume (no. of shares)			
Daily volume (high)	896,700	1,027,100	-12.70%
Daily volume (low)	59,200	47,200	25.42%
Average daily volume	389,881	304,067	28.22%
FBM KLCI			
FBM KLCI closing (high)	1,830.78	1,855.15	-1.31%
FBM KLCI closing (low)	1,709.18	1,673.94	2.11%
FBM KLCI quarter end closing	1,830.78	1,761.25	3.95%
FBM KLCI volume (no. of shares)			
Daily volume (high)	220,325,800	229,820,300	-4.13%
Daily volume (low)	63,584,500	56,935,200	11.68%
Average daily volume	143,006,636	128,483,808	11.30%



Group Financial Highlight

For The 1st Quarter Of 2015
(The figures have not been audited)

Financial period/year ended (All figures in RM million)	3 months 31.3.15	31.3.14	% change	12 months 31.12.14
INCOME STATEMENT				
Revenue	977	883	10.6	3,701
Profit before tax	267	174	53.4	1,028
Profit for the period/year	235	155	51.6	939
Profit attributable to owners of the parent	233	144	61.8	917
STATEMENT OF FINANCIAL POSITION				
Non-current assets	16,741	14,862	12.6	15,938
Current assets				
Cash, bank balances, deposits and short-term fund placements	1,110	964	15.1	1,079
Others	1,485	1,322	12.3	1,588
Total current assets	2,595	2,286	13.5	2,667
Total assets	**19,336**	**17,148**	**12.8**	**18,605**
Equity				
Share capital	1,186	1,186	—	1,186
Reserves	16,469	14,520	13.4	15,634
Equity attributable to owners of the parent	17,655	15,706	12.4	16,820
Non-controlling interests	569	548	3.8	561
Total equity	18,224	16,254	12.1	17,381
Non-current liabilities				
Long-term bank borrowings	60	71	(15.5)	62
Deferred tax liabilities	88	76	15.8	85
Total non-current liabilities	148	147	0.7	147
Current liabilities				
Short-term bank borrowings	508	374	35.8	491
Others	456	373	22.3	586
Total current liabilities	964	747	29.0	1,077
Total liabilities	1,112	894	24.4	1,224
Total equity and liabilities	**19,336**	**17,148**	**12.8**	**18,605**

Group Financial Highlight

For The 1st Quarter Of 2015 (Cont'd)
(The figures have not been audited)3

Financial period/year ended (All figures in RM million)	% change	3 months 31.3.15	3 months 31.3.14	12 months 31.12.14
RATIOS				
Return on equity attributable to owners of the parent	(%)	1.3	0.9	5.5
Earnings per share	(sen)	19.7	12.2	77.3
Interest coverage	(times)	34.4	35.8	50.0
Current ratio	(times)	2.7	3.1	2.5
Total borrowings/Equity	(%)	3.1	2.7	3.2
Long-term borrowings/Equity	(%)	0.3	0.4	0.4
Net assets per share attributable to owners of the parent	(RM)	14.9	13.2	14.2
Net dividend per share	(sen)	—	—	23.0
STOCK MARKET INFORMATION				
Share price	(RM)	15.38	16.62	14.30
Market capitalisation	(RM million)	18,241	19,711	16,960
PE ratio	(times)	19.5	34.1	18.5

Announcements

1 June 2015

FEBRUARY

13 PPB announced that the quarterly report for the 4th quarter ended 31 December 2014 would be released on 27 February 2015.

27 Release of PPB's quarterly report for the 4th quarter and year ended 31 December 2014.

27 A final single tier dividend of 16 sen per share in respect of the year ended 31 December 2014 was proposed for shareholders' approval, payable on 29 May 2015 to members whose names appear in the Record of Depositors on 18 May 2015.

The final dividend has been paid on 29 May 2015.

27 PPB announced that shareholders' approval will be sought at the 46th Annual General Meeting ("AGM") of the Company for the following :

a) proposed renewal of and additional shareholders' mandate for recurrent related party transactions; and
b) proposed renewal of authority for PPB to purchase its own shares.

The respective ordinary resolutions to approve the above were passed by PPB shareholders at the AGM held on 13 May 2015.

ANNOUNCEMENTS

Quartery Report

Condensed Consolidated Income Statements
For The Period Ended 31 March 2015

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	976,986	883,185	976,986	883,185
Operating expenses	(939,798)	(832,268)	(939,798)	(832,268)
Other operating income	73,672	27,171	73,672	27,171
Share of net profits less losses of associates	162,337	99,550	162,337	99,550
Share of profit of joint venture	1,420	1,069	1,420	1,069
Finance costs	(8,076)	(4,999)	(8,076)	(4,999)
Profit before tax	266,541	173,708	266,541	173,708
Income tax expense	(31,866)	(18,848)	(31,866)	(18,848)
Profit for the period	234,675	154,860	234,675	154,860
Attributable to :				
Owners of the parent	232,915	144,272	232,915	144,272
Non-controlling interests	1,760	10,588	1,760	10,588
Profit for the period	234,675	154,860	234,675	154,860
Basic earnings per share (sen)	19.65	12.17	19.65	12.17

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report.)

Quartery Report

Condensed Consolidated Statements Of Comprehensive Income
For The Period Ended 31 March 2015

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period	234,675	154,860	234,675	154,860
Other comprehensive income/(loss), net of tax				
Items that will be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign operations	779,711	(91,912)	779,711	(91,912)
Fair value of available-for-sale financial assets	14,040	(17,047)	14,040	(17,047)
Share of associates' other comprehensive (loss)/profit	(179,221)	16,666	(179,221)	16,666
Total comprehensive income	849,205	62,567	849,205	62,567
Attributable to :				
Owners of the parent	834,263	52,658	834,263	52,658
Non-controlling interests	14,942	9,909	14,942	9,909
Total comprehensive income	849,205	62,567	849,205	62,567

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report.)

Quartery Report

Condensed Consolidated Statements Of Financial Position

	As at 31-Mar-15 RM'000	As at 31-Dec-14 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,302,135	1,264,298
Investment properties	194,924	195,623
Biological assets	3,171	3,152
Goodwill	73,876	73,876
Other intangible assets	3,135	2,971
Land held for property development	20,671	19,270
Investments in associates	14,543,909	13,801,218
Investment in joint venture	61,325	58,477
Other investments	532,327	513,672
Deferred tax assets	5,783	5,781
	16,741,256	15,938,338
Current Assets		
Inventories	582,990	718,607
Biological assets	18,826	19,312
Other intangible assets	12,907	10,755
Property development costs	22,221	21,313
Receivables	846,653	800,958
Derivative financial instruments	519	12,040
Cash, bank balances, deposits and short-term fund placements	1,110,408	1,079,311
	2,594,524	2,662,296
Non-current assets classified as held for sale	336	4,545
	2,594,860	2,666,841
TOTAL ASSETS	19,336,116	18,605,179
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	16,469,436	15,635,013
Equity attributable to owners of the parent	17,654,936	16,820,513
Non-controlling interests	569,060	560,803
Total equity	18,223,996	17,381,316

Quartery Report

Condensed Consolidated Statements Of Financial Position (Cont'd)

	As at 31-Mar-15 RM'000	As at 31-Dec-14 RM'000
Non-current Liabilities		
Long-term borrowings	59,830	61,990
Deferred tax liabilities	88,211	85,313
	148,041	147,303
Current Liabilities		
Payables	427,929	552,204
Derivative financial instruments	8,485	17,269
Short-term borrowings	508,567	491,595
Current tax liabilities	19,098	14,638
	964,079	1,075,706
Liability associated with non-current assets classified as held for sale	-	854
	964,079	1,076,560
Total liabilities	1,112,120	1,223,863
TOTAL EQUITY AND LIABILITIES	19,336,116	18,605,179
Net assets per share attributable to owners of the parent (RM)	14.89	14.19

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report.)

Quartery Report

Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 31 March 2015

	Non-distributable							Distributable			
	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	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
3 months ended 31 March 2015											
At 1 January 2015	1,185,500	6,715	44,668	258,819	89,626	76,897	268,978	14,889,310	16,820,513	560,803	17,381,316
Total comprehensive income	—	—	—	612,599	13,998	(45,708)	20,459	232,915	834,263	14,942	849,205
Transfer of reserves	—	—	(107)	—	—	—	(29,436)	29,543	—	—	—
Acquisition of additional shares in an existing subsidiary	—	—	—	—	—	—	—	160	160	(6,685)	(6,525)
At 31 March 2015	1,185,500	6,715	44,561	871,418	103,624	31,189	260,001	15,151,928	17,654,936	569,060	18,223,996
3 months ended 31 March 2014											
At 1 January 2014	1,185,500	6,715	45,131	(294,411)	236,187	(23,923)	246,700	14,251,381	15,653,280	538,617	16,191,897
Total comprehensive income	—	—	—	(124,803)	(17,032)	33,922	16,299	144,272	52,658	9,909	62,567
Transfer of reserves	—	—	(123)	—	—	—	2,130	(2,007)	—	—	—
At 31 March 2014	1,185,500	6,715	45,008	(419,214)	219,155	9,999	265,129	14,393,646	15,705,938	548,526	16,254,464

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report.)

Quartery Report

Condensed Consolidated Statement Of Cash Flows
For The Period Ended 31 March 2015

	3 months ended 31 March	
	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	266,541	173,708
Adjustments :-		
Non-cash items	(138,631)	(73,033)
Non-operating items	(570)	(2,408)
Operating profit before working capital changes	127,340	98,267
Working capital changes :-		
Net change in current assets	63,913	22,014
Net change in current liabilities	(126,304)	(11,239)
Cash generated from operations	64,949	109,042
Tax paid	(24,754)	(16,572)
Net cash generated from operating activities	**40,195**	**92,470**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(60,553)	(34,310)
Proceeds from disposal of property, plant and equipment and investment properties	4,471	558
Purchase of investments	(11,139)	—
Dividends received	4,904	5,594
Interest received	4,019	4,798
Repayment from/(Advances to) associates	42,201	(92,086)
Distribution of profits from joint venture	1,973	—
Other investing activities	4,725	4,907
Net cash used in investing activities	**(9,399)**	**(110,539)**

Quartery Report

Condensed Consolidated Statement Of Cash Flows
For The Period Ended 31 March 2015 (Cont'd)

	3 months ended 31 March	
	2015 RM'000	2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	7,811	15,129
Interest paid	(9,458)	(5,795)
(Repayment to)/Advances from non-controlling interest of subsidiaries	(2,594)	4,856
Net cash (used in)/generated from financing activities	**(4,241)**	**14,190**
Net increase/(decrease) in cash and cash equivalents	**26,555**	**(3,879)**
Cash and cash equivalents brought forward	1,079,040	964,252
Effect of exchange rate changes	4,044	1,198
Cash and cash equivalents carried forward	**1,109,639**	**961,571**
Cash and cash equivalents represented by :-		
Cash and bank balances	273,785	162,953
Bank deposits	408,221	502,540
Short-term fund placements	428,402	298,243
Bank overdrafts	(769)	(2,165)
	1,109,639	961,571

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2014 and the accompanying explanatory notes attached to this report.)

Quartery Report

Notes

A. <u>Financial Reporting Standard (FRS) 134 - Paragraph 16</u>

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 2014 except for the adoption of the following Amendments to FRSs that are effective for financial periods beginning on or after 1 January 2015 :-

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRS 3, FRS 8, FRS 116, FRS 124 and FRS 138	Annual Improvements to FRSs 2010 - 2012 Cycle
Amendments to FRS 3, FRS 13 and FRS 140	Annual Improvements to FRSs 2011 - 2013 Cycle

The adoption of the above Amendments to FRSs does not have any significant financial impact on the Group.

A2. Seasonality or Cyclicality 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 period 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 period to-date.

A6. Dividends paid

No dividend was paid during the financial period under review.

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Notes (Cont'd)

A7. Segmental reporting
Changes in Group segmental reporting

The Group has decided to realign the segment reporting structure in the financial reports with the Group's internal operating structure. The realignment corresponds to PPB Group's objective to enhance synergy within its core operations and related businesses.

The Group will introduce these changes based on the seven reportable segments described below beginning from the financial year 2015. Hence, the Group will present the interim financial reports with the new segment reporting structure beginning from the first quarter of 2015 with prior periods adjusted accordingly.

Grains and agribusiness
This segment includes flour milling and manufacturing of animal feed, wheat and maize trading, production of day-old-chicks, eggs and other related downstream activities, and oil palm plantations.

Consumer products
This segment includes marketing and distribution of edible oils and consumer products, production and distribution of frozen food and bakery products, and manufacturing of toilet requisites and household products.

Film exhibition and distribution
This segment includes exhibition and distribution of cinematograph films.

Environmental engineering and utilities
This segment includes construction works specialising in the water and environmental industries and provision of waste management services.

Property
This segment includes letting of commercial properties and development of residential and commercial properties.

Investments in equities
This segment includes investments in quoted and unquoted shares.

Other operations
This segment includes chemical trading and manufacturing, investment holding, packaging and others.

As part of this realignment, livestock farming and oil palm plantations have been combined into the **grains and agribusiness**. The production and distribution of frozen food and bakery products which were both previously components of other operations are now grouped together with **consumer products**. Chemical trading and manufacturing has been aggregated into **other operations**. The other reportable segments remain the same as per the former grouping. This segmental realignment has no impact on the consolidated segment revenue, profits, assets or liabilities.

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Notes (Cont'd)

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 31 March 2015

Business Segments: All figures in RM'000	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments in equities	Other operations	Elimination	Total
REVENUE									
External revenue	611,816	143,950	105,895	75,196	13,497	55	26,577	—	976,986
Inter-segment sales	26,639	—	—	—	491	—	8,936	(36,066)	—
Total revenue	638,455	143,950	105,895	75,196	13,988	55	35,513	(36,066)	976,986
RESULTS									
Segment results	79,577	4,187	16,204	2,802	6,778	40	(2,216)	—	107,372
Share of associates' profits less losses	(979)	220	1,786	1,122	1,190	—	158,998	—	162,337
Share of joint venture's profit	—	—	—	1,420	—	—	—	—	1,420
Interest income									3,866
Income from short-term fund placements									3,812
Finance costs									(8,076)
Unallocated corporate expenses									(4,190)
Profit before tax									266,541
ASSETS									
Segment assets	1,957,812	471,366	312,029	133,100	308,545	532,327	150,428	(331)	3,865,276
Investments in associates	261,653	1,782	78,997	47,136	179,004	—	13,975,337	—	14,543,909
Investment in joint venture	—	—	—	61,325	—	—	—	—	61,325
Bank deposits and short-term fund placements									836,623
Tax assets									16,847
Other unallocated corporate assets									12,136
Total assets									19,336,116

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 under review.

A10. Changes in contingent liabilities or contingent assets

There were no changes in contingent assets and contingent liabilities since the end of the last annual reporting period.

Notes (Cont'd)

A11. Capital commitments

Authorised capital commitments not provided for in the interim financial report as at 31 March 2015 were as follows:-

	RM'000
Property, plant and equipment and investment properties	
- contracted	59,443
- not contracted	260,904
	320,347
Other capital commitments	
- contracted	147,895
- not contracted	91,066
	238,961
	559,308

A12. Significant related party transactions

Significant related party transactions during the financial period ended 31 March 2015 were as follows:-

	RM'000
Transactions with an associate	
- Management fee received/receivable	2,353
- Film rental received/receivable	140
- Purchase of goods	1,474
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	3,588
Transactions with subsidiaries of an associate	
- Purchase of goods	42,048
- Sales of goods	713
- Rental received	848
- Security and other services fees paid and payable	2,608
- Charter hire of vessels	10,574

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Notes (Cont'd)

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

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

The Group posted an 11% higher revenue of RM977 million in 1Q2015 compared with RM883 million in 1Q2014, primarily driven by improved revenue in the grains and agribusiness, environmental engineering and utilities, and film exhibition and distribution segments. However, the property segment, chemicals and other operations in the combined segment as well as consumer products segment revenues were lower in 1Q2015.

Group profit before tax of RM267 million in 1Q2015 represents a 53% increase from RM174 million in 1Q2014. This was mainly due to higher profit contribution from an associate, Wilmar International Limited ("Wilmar") and better performance in the grains and agribusiness segment. These profits cushioned lower results recorded by the consumer products segment, property segment, and investments and other operations in the combined segment.

Group financial performance by business segment

	1Q2015	1Q2014	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Grains and agribusiness	638,455	573,045	65,410	11%
- Consumer products	143,950	148,781	(4,831)	(3%)
- Film exhibition and distribution	105,895	93,294	12,601	14%
- Environmental engineering and utilities	75,196	25,242	49,954	>100%
- Property	13,988	32,966	(18,978)	(58%)
- Chemicals, Investments and Other operations	35,568	49,727	(14,159)	(28%)
- Elimination	(36,066)	(39,870)	3,804	
Total revenue	976,986	883,185	93,801	11%

	1Q2015	1Q2014	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Grains and agribusiness	79,577	41,841	37,736	90%
- Consumer products	4,187	8,708	(4,521)	(52%)
- Film exhibition and distribution	16,204	14,106	2,098	15%
- Environmental engineering and utilities	2,802	422	2,380	>100%
- Property	6,778	10,998	(4,220)	(38%)
- Chemicals, Investments and Other operations	(2,176)	(475)	(1,701)	>(100%)
Total segment results	107,372	75,600	31,772	42%
- Share of associates and joint venture's profits less losses	163,757	100,619	63,138	63%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(4,588)	(2,511)	(2,077)	(83%)
Total profit before tax	266,541	173,708	92,833	53%

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Notes (Cont'd)

Grains and agribusiness

Revenue increased by 11% to RM638 million in 1Q2015 compared with RM573 million in the corresponding period last year, riding on higher animal feed and maize sales volumes. Flour sales volume had also increased with contribution from the newly commissioned flour mill in northern Vietnam and improved sales volume in Indonesia and Malaysia.

The segment profit was up by 90% to RM80 million in 1Q2015 compared with RM42 million in 1Q2014. The flour and feed mills in Malaysia registered improved profits while in Indonesia, lower average selling prices of flour coupled with a weaker Rupiah against the USD resulting in foreign exchange translation losses in the quarter. The 1Q2015 results were also supported by a positive net grains hedging position.

Consumer products

The segment registered a marginal 3% decrease in revenue to RM144 million in 1Q2015 compared with the same quarter last year. The bakery business recorded revenue growth primarily contributed by "Chiffon in a Cup" which was launched in May 2014, along with higher bread sales volume and increase in bun selling prices from November 2014. This revenue growth was moderated by the discontinuance of an agency product in 4Q2014.

Compared with 1Q2014, the 1Q2015 segment profit of RM4.2 million was lower due to increase in advertising and promotion expenses and lower revenue due to the discontinued agency product.

Film exhibition and distribution

The performance of this segment continued to strengthen with revenue increasing by 14% to RM106 million in 1Q2015 compared with RM93 million in the corresponding period last year. Improved cinema collections and distribution revenue from blockbuster movies released during the Chinese New Year as well as contribution from newly opened cinemas added to the revenue growth.

In tandem with the revenue growth, the segment profit of RM16 million in 1Q2015 represented an increase of 15% compared with RM14 million in 1Q2014.

Environmental engineering and utilities

The segment achieved a first quarter revenue of RM75 million, significantly higher than the RM25 million in 1Q2014, mainly attributed to the increase in the number of on-going enginering projects.

The segment profit grew from RM0.4 million in 1Q2014 to RM2.8 million in 1Q2015 arising from the higher engineering revenue.

Property

This segment's revenue decreased from RM33 million in 1Q2014 to RM14 million in 1Q2015 due mainly to lower progress billings of bungalows in Seberang Perai Tengah compared with the higher progress billings recognised in 1Q2014 on delivery of vacant possession of the Masera bungalows in Kuala Lumpur. The reduced revenue was partly mitigated by higher project management fees and higher rental income from increased rental rates on renewal of tenancies.

In 1Q2015, the segment profits of RM6.8 million were mainly derived from rental of investment properties and project management fees. The property development division recorded reduced profits after completion of the Masera bungalows.

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Notes (Cont'd)

Chemicals trading and manufacturing, Investments in equities and Other operations

The combined revenue from this segment decreased by 28% in 1Q2015 to RM36 million from RM50 million in the same quarter last year due mainly to the tightening of the credit control policy and streamlining of sales by the chemical trading and manufacturing segment. The packaging operations in Malaysia were shut down in mid-March this year and all production was relocated to our Myanmar factory resulting in lower sales from focusing on completing orders in hand instead of marketing of the products. The shipping business was discontinued in 4Q2014 with the disposal of the sole vessel.

The combined segments collectively reported a loss of RM2.2 million in 1Q2015 compared with RM0.5 million loss in 1Q2014 largely due to one-time costs incurred in transferring the packaging operation from Malaysia to Myanmar including redundancy payments. Most of other operations recorded marginally lower results in the quarter.

Share of associates and joint venture's profits less losses

The Group's associates and joint venture contributed higher profits of RM164 million in 1Q2015 compared with RM101 million in 1Q2014. Wilmar contributed RM159 million in 1Q2015 against RM97 million in 1Q2014 due to strong performance from its oilseeds and grains segment as well as higher contributions from its associates.

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

	1Q2015	4Q2014	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Grains and agribusiness	79,577	18,122	61,455	>100%
- Consumer products	4,187	8,243	(4,056)	(49%)
- Film exhibition and distribution	16,204	13,954	2,250	16%
- Environmental engineering and utilities	2,802	4,478	(1,676)	(37%)
- Property	6,778	14,062	(7,284)	(52%)
- Chemicals, Investments and Other operations	(2,176)	(22,428)	20,252	90%
Total segment results	107,372	36,431	70,941	>100%
- Share of associates and joint venture's profits less losses	163,757	262,109	(98,352)	(38%)
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(4,588)	(2,613)	(1,975)	(76%)
Total profit before tax	266,541	295,927	(29,386)	(10%)

The Group's profit before tax of RM267 million in 1Q2015 was 10% lower than the RM296 million recorded in 4Q2014 .

The grains and agribusiness segment achieved better results from the turnaround of the grains hedging position. The film exhibition and distribution segment delivered higher profits from increased distribution revenue from the Chinese New Year titles. In the combined segment, the packaging business recorded lower losses as most of the costs in transferring of operations from Malaysia to Myanmar had been provided in 4Q2014; and the discontinuance of the shipping operations eliminated further losses from this activity.

Despite the improved results in the grains and the combined segments, profit before tax in 1Q2015 was however lower than 4Q2014 due to lower contribution from Wilmar. Wilmar contributed RM252 million in the preceding quarter compared with RM159 million in 1Q2015. The consumer products segment recorded lower profits mainly due to higher advertising and promotion expenses. In the environmental engineering and utilities segment, the finalisation of a water treatment project had contributed to a higher profit in the preceding quarter compared with 1Q2015. The property segment had lower progress billings in 1Q2015 compared with 4Q2014.

Notes (Cont'd)

B3. Prospects for the current financial year

Household spending in Malaysia is expected to be subdued in the second quarter following the implementation of the Goods and Services Tax on 1 April 2015. While the weak sentiment is expected to be temporary, management has implemented appropriate measures to address these challenges. On the whole, the Group's food-based businesses are not expected to be significantly affected by the reduction in consumption.

With a stable labour market condition and steady income growth, consumers will gradually adjust to the new tax structure and spending will normalise towards the later part of the year.

Domestic demand in Malaysia and in the ASEAN economies remains as the main driving factor for the Group's local and regional core businesses. Nevertheless, the overall consolidated financial results in 2015 will continue to be substantially supported by Wilmar's business performance.

B4. Variance of actual profit from forecast profit

Not applicable

B5. Profit before tax

	Individual Quarter 3 months ended 31-Mar-15 RM'000	Cumulative Quarter 3 months ended 31-Mar-15 RM'000
Profit before tax is stated after crediting :-		
Dividend income	55	55
Fair value gain on derivatives	40,425	40,425
Foreign exchange gain	19,160	19,160
Gain on disposal of investment property	499	499
Interest income	3,866	3,866
Income from short-term fund placements	3,812	3,812
Rental income	913	913
Profit before tax is stated after charging :-		
Allowance for doubtful debts and receivables written-off	(125)	(125)
Depreciation and amortisation	(27,886)	(27,886)
Fair value loss on derivatives	(603)	(603)
Foreign exchange loss	(12,827)	(12,827)
Interest expense	(8,076)	(8,076)
Loss on disposal of investment property	(194)	(194)
Loss on financial assets at fair value through profit or loss	(84)	(84)

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Notes (Cont'd)

B6. Taxation

	Individual Quarter 3 months ended 31-Mar-15 RM'000	Cumulative Quarter 3 months ended 31-Mar-15 RM'000
Taxation comprises :-		
Malaysian taxation	28,887	28,887
Current	957	957
Deferred	29,844	29,844
Foreign taxation		
Current	686	686
Deferred	958	958
	31,488	31,488
Underprovision in prior year		
Current	378	378
	31,866	31,866

The effective tax rate is higher than the average statutory rate for the period mainly due to deferred tax credit not recognised by a foreign subsidiary. Deferred tax benefit will be recognised when the subsidiary is able to estimate accurately the timing of its future profits.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 14 May 2015.

B8. Group borrowings

Total Group borrowings as at 31 March 2015 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings	82,042	82,042	—
Long-term bank loans (USD)	31	31	—
Hire purchase liabilities	(22,243)	(22,243)	—
Repayments due within the next 12 months	59,830	59,830	—
Short-term bank borrowings			
Bills payable	213,086	—	213,086
Short-term loans	2,050	—	2,050
Short-term loans (USD)	31,656	—	31,656
Short-term loans (IDR)	210,579	—	210,579
Short-term loans (VND)	28,184	—	28,184
Current portion of long-term loans	22,217	22,217	—
Hire purchase liabilities	26	26	—
	507,798	22,243	485,555
Bank overdrafts	769	—	769
	508,567	22,243	486,324

B9. Material litigation

There was no material litigation as at 14 May 2015.

Notes (Cont'd)

B10. Dividends

The final single tier dividend for the financial year ended 31 December 2014 of 16 sen per share was approved by shareholders at the 46th Annual General Meeting held on 13 May 2015, and is payable on 29 May 2015.

The Directors do not recommend any interim dividend for the current financial period under review.

Dividends paid/payable

Dividends paid/payable for the financial year 2014 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share	Date paid/payable
2014	Interim dividend	7 sen	26 September 2014
2014	Final dividend	16 sen	29 May 2015

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 on the preceding annual financial statements.

B13. Realised and unrealised profits/losses

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

	As at 31-Mar-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :-		
- Realised	12,516,194	12,380,925
- Unrealised	(88,197)	(92,733)
	12,427,997	12,288,192
Total share of retained profits/(accumulated losses) from associates :-		
- Realised	147,993	149,566
- Unrealised	(1,547)	(1,587)
- Wilmar International Limited ("Wilmar") *	4,811,240	4,620,617
Total share of retained profits from joint venture :-		
- Realised	8,396	8,034
	17,394,079	17,064,822
Less : consolidation adjustments	(2,242,151)	(2,175,512)
Total Group retained profits as per consolidated accounts	15,151,928	14,889,310

* 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 may be considered price-sensitive information, it would not be appropriate for Wilmar to selectively disclose such information to any particular shareholder.

Kuala Lumpur
21 May 2015

By Order of the Board
Mah Teck Keong
Company Secretary

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