PPB GROUP BERHAD

QUARTERLY REPORT 2015

03

INVESTOR UPDATE

Dear Shareholders,

RESULTS FOR THE 9 MONTHS OF 2015

We are pleased to announce that PPB Group revenue increased by 7% to RM2.96 billion for nine months of 2015 primarily attributed to higher revenue generated from the grains and agribusiness, environmental engineering and film exhibition and distribution segments. Consumer products, property, investments and other operations segments delivered lower revenue in the period under review.

The Group recorded a 10% increase in profit before tax of RM802 million compared with RM732 million in the same period last year largely due to foreign exchange translation gain on the share of Wilmar's results which are reported in US Dollars as well as profits from most of the Group's business segments.

Profit for the period under review increased to RM720.7 million compared with RM658.1 million in 2014. Accordingly, earnings per share for the period ended 30 September 2015 improved to 59.91 sen compared with 53.59 sen achieved in the same period last year.

PROSPECTS FOR THE CURRENT YEAR

While domestic demand continues to support growth, consumers remain cautious on their spending after implementation of the Goods and Services Tax and the weakening Ringgit, and this will continue to weigh on business sentiment.

Despite challenging times ahead, management is confident that the Group's consumer products, grains and agribusiness results will remain positive leveraging on their strong distribution channels and market shares. The cinema business will continue to deliver healthy performance from strong movie releases in the last quarter and contribution from newly opened cinemas. The environmental engineering segment will achieve higher revenue in line with the construction progress of contracts in hand. Property sales will be slow in view of the soft property market sentiment.

The Group's operations are expected to perform well in 2015 while the consolidated financial results will continue to be largely supported by Wilmar's business performance for the year.

HAPPENINGS

PPB held its second Press and Analyst Briefing of PPB on 4 September 2015 to review the first half results for 2015 and other developments in the Group.

PT Pundi Kencana, an 80% indirect subsidiary of PPB Group, acquired two units of boutique office building located in Cengkerang Business City in Jakarta. The office building will house PT Pundi Kencana's operations which are currently operating in two separate rented premises.

Golden Screen Cinemas (GSC) once again was host to film festivals and co-organised the Korean Film Festival 2015 held in August 2015 and Japan Film Festival 2015 in September-October 2015.

CSR ACTIVITIES

During the quarter under review, PPB Group organised several corporate social responsibility (CSR) activities for the community summarised as follows:

- Hari Raya celebration with 14 urban poor families in Abdullah Hukum flats in Bangsar, Kuala Lumpur
- Malaysia Day was celebrated by appreciating those who keep our surroundings clean and safe everyday.
- PPB donated two sustainable aquaponics systems to Living Stones Rehabilitation Centre under "Helping the Poor to Help Themselves" project
- FFM Marketing Sdn Bhd and Johor Bahru Flour Mill Sdn Bhd (JBFM), both wholly-owned subsidiaries of FFM Berhad, jointly set up a mini bakery and cafe for Pertubuhan Perkhidmatan Intervensi Awal Batu Pahat (PPIA) located in Batu Pahat, Johor.
- JBFM staff visited San Damiano Convent in Kiulu, Sabah and taught the youth the art of roti canai making besides organising some fun games and lunch with them.
- Blood donation campaigns were organised by PPB with Persatuan Kwangxi Selangor dan Kuala Lumpur on 5 July 2015 and Astro on 5-6 September 2015 at Cheras LeisureMall.
- Mid Autumn celebration at Cheras Leisuremall with a series of events including lantern making competition, chinese knot making workshop and other cultural activities to promote the Chinese heritage.

GREETINGS

As the year is coming to a close, I wish to take this opportunity to wish all our shareholders, business associates and staff of PPB Group, **HAPPY HOLIDAYS AND SEASON'S GREETINGS TO ALL**!

Tan Sri Datuk Oh Siew Nam
CHAIRMAN
1 December 2015

Happenings

PRESS AND ANALYST BRIEFING

On 4 September 2015, PPB held its 2nd and final Press and Analyst Briefing for the year at the Shangri-La Hotel, Kuala Lumpur. A total of 59 analysts and fund managers from various local research houses and securities firms, as well as representatives from the local press attended the briefing.

The briefing was held to provide a review of the half-year financial results for 2015 and the latest developments in the Group.

Senior management of the core operations were at hand to answer questions leading to an active and informative Q&A session. A separate press conference was held later followed by lunch.

ACQUISITION OF 2 UNITS OF BOUTIQUE OFFICE BUILDINGS BY PT PUNDI KENCANA

PT Pundi Kencana has acquired two units of boutique office buildings comprising 6 floors of office space with a gross floor area of 1,658 sqm and 2 floors of basement space with a gross area of 184sqm at a total consideration of IDR25 billion in 2015. The office building is located in Cengkerang Business City about 5km from Soekarno-Hatta International Airport.

The newly acquired buildings will house PT Pundi Kencana's corporate, sales, accounting, bakery and training operations which are currently operating in two separate rented locations.

The acquisition will help reduce administrative costs as all operations would be under one roof in addition to rental savings and potential capital appreciation.

FILM FESTIVALS AT GOLDEN SCREEN CINEMAS

Golden Screen Cinemas hosted two popular film festivals at its International Screens in the third quarter of the year.

The Korean Film Festival 2015 organised by the embassy of the Republic of Korea in Malaysia was held from August 20-23, 2015 at GSC Pavilion KL, GSC 1 Utama, GSC Gurney Plaza, GSC City One Megamall and GSC Suria Sabah. Movie-goers were in for a treat as 10 top Korean films were screened for free.

The annual Japanese Film Festival (JFF) launched its 12th edition at GSC Pavilion KL on 9 September 2015. A total of 13 titles were screened. The event was especially memorable as the director of the acclaimed film "Kakekomi" flew from Japan to celebrate the launch with invited guests. The JFF was held at GSC Pavilion KL, GSC Gurney Plaza, GSC Suria Sabah and GSC City One Megamall in September and early October 2015.

GSC also introduced the new seaweed wasabi popcorn at the festival, and the new flavour was made available in GSC cinemas nationwide in September and October 2015.

GSC International Screens was the first in Malaysia dedicated to the screening of art house and foreign language films. The audience profile of the GSC International Screens range from students to adults comprising the middle to upper income group with a penchant for non-mainstream movies.

(L-R) Mr S. Letchumanan Shanmugam (Undersecretary of International Division, Ministry of Communications and Multimedia Malaysia), Ms Koh Mei Lee (GSC CEO), H.E Mr Cho Byung-jae's wife, H.E Mr Cho Byung-jae, Dato Kamil Othman (Director General FINAS).

(L-R) Mr William Lim (Aforadio CEO), Ms Koh Mei Lee (GSC CEO), Ms Kugai Kyoko (The Japan Foundation KL) and Ms Mio Yashita (The Japan Foundation KL).

Seaweed Wasabi Combo promotion.

(L-R) Mr. Takuji Harada (President of Japan Club, KL), Mrs. Kodama, Mr. Yoshinori Kodama (Minister, Embassy of Japan), Mr. Masato Harada (Director of KAKEKOMI), Ms. Koh Mei Lee (GSC CEO), Mr. Kenji Ohta (Mitsubishi), Mr. Shoichi Toyoda (Director of Japan Foundation, Kuala Lumpur)

Opening speech by Mr. Yoshinori KODAMA (Minister and Deputy Chief of Mission, Embassy of Japan)

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

HARI RAYA CELEBRATION WITH FAMILIES AT ABDULLAH HUKUM FLATS

In conjunction with the Hari Raya celebration, PPB staff visited 14 families at the Abdullah Hukum flats in Bangsar, Kuala Lumpur on 15 July 2015. PPB donated daily essentials such as rice, oil, flour, cookies, canned tuna, sardines, drinks as well as cleaning products. Each child also received a new set of "Baju Melayu" or "Baju Kurung". In addition, each family was given a RM150 AEON Big gift card and GSC cinema ticket vouchers.

CSR Activities

HAPPY MALAYSIA DAY!

In conjunction with the Malaysia Day celebration on 16 September 2015, PPB showed its appreciation to those who keep the surroundings clean and safe everyday.

As a token of appreciation, PPB gave the security guards and cleaners at Cheras LeisureMall 2 cinema ticket vouchers each redeemable at any GSC cinema in the country.

CSR Activities

AQUAPONICS PROJECT FOR LIVING STONES REHABILITATION CENTRE

As part of PPB's CSR project under "Helping the Poor to Help Themselves", PPB donated two units of a home aquaponic system to Living Stones Rehabilitation Centre (LSRC), a centre in Mantin, Negeri Sembilan for ex-drug dependents afflicted by HIV/Aids.

An aquaponic system is a combination of aquaculture (raising fish) and hydroponics (the soil-less growing of plants) that grows fish and plants together in one integrated system widely used in Australia and Taiwan.

This sustainable aquaponic system will enable all 10 residents of LSRC to consume fresh organic vegetables and fish which will reduce their food expenses. Besides, looking after the aquaponic system encourages the residents to be active and it can be therapeutic too. The residents aged 33 to 77 years who are no longer dependent on drugs but unable to get into the workforce due to HIV or other disabilities; they may be kept occupied tending to and harvesting the results of their efforts.

MINI BAKERY FOR PERTUBUHAN PERKHIDMATAN INTERVENSI AWAL BATU PAHAT

On 14 September 2015, FFM Marketing Sdn Bhd (FFMM) and Johor Bahru Flour Mill Sdn Bhd (JBFM), both wholly-owned subsidiaries of FFM Berhad, jointly set up a mini bakery and a cafe for Pertubuhan Perkhidmatan Intervensi Awal Batu Pahat (PPIA) in Batu Pahat, Johor.

PPIA is a registered non-profit charitable organisation committed to serving children and youths with intellectual challenges in the town of Batu Pahat. Their medical conditions range from Down Syndrome, Autism, Attention Deficit Hyperactivity Disorder, Cerebral Palsy, Epilepsy, Dyslexia and other forms of disabilities. Set up in 1999, PPIA is managed by 35 management committee members and assisted by a total of 106 trainees and 16 teachers running three major programmes. These programmes cater to different categories of special needs people as follows :

- Early Intervention Programme (EIP) - caters to children aged 6 years and below
- Job Training Programme (JTP) - caters to youths aged 17-25 years who have potential to be trained for employment in the open job market
- Production Workshop (PW) - caters to youths and adults aged 17 years and above who need sheltered employment

The staff of FFMM and JBFM utilised their expertise in flour and baking techniques to assist in setting up the basic bakery infrastructure in PPIA, and also conducted baking classes to teach the children and youth. It is hoped that their efforts will help to cultivate culinary interest in the children and youth, provide them with a lifetime skill as well as give them an opportunity to venture into the F&B industry in the future.

CSR Activities

CHILDREN OF SAN DAMIANO CONVENT IN KIULU, SABAH LEARN TO MAKE ROTI CANAI

On 11 July 2015, 15 staff of Johor Bahru Flour Mill Sdn Bhd (JBFM), a wholly-owned subsidiary of FFM Berhad, visited San Damiano Convent (SDC) in Kiulu, Sabah. They were warmly welcomed by 61 students and 3 staff from SDC.

JBFM staff organised games and taught the students the art of making roti canai besides having lunch with them. JBFM contributed a flat frying wok and a mixer to SDC to encourage the students to continue with the roti canai making when JBFM staff are not around to guide them. JBFM staff also shared the many uses of flour other than as a batter for frying fritters, eg. for baking buns, bread as well as noodles. With the short exposure to roti canai making, JBFM hopes that it has instilled in the children the joy of making roti canai which they can do so for fund-raising activities.

SDC is a non-governmental organisation managed by the Franciscan Sisters of the Immaculate Conception. Built in 1992, SDC is a secondary school for underprivileged boys and girls from poor or broken families, and orphans. Currently , there are 80 girls staying in SDC's hostel which is wholly funded by public donations.

CSR Activities (Cont'd)

BLOOD DONATION CAMPAIGNS

To raise awareness on the importance of donating blood to save lives, Cheras LeisureMall, the mall owned and managed by PPB, organised separate blood donation campaigns with Persatuan Kwangxi Selangor dan Kuala Lumpur on 5 July 2015, and Astro on 5 and 6 September 2015.

Both campaigns drew overwhelming response and 143 pints of blood were collected at the campaign with Persatuan Kwangxi Selangor dan Kuala Lumpur, and 734 pints with Astro.

CSR Activities

MID-AUTUMN CELEBRATION

Cheras Leisuremall once again organised a successful Mid-Autumn Celebration at the mall with a series of events.

Children's all-time favourite cartoon characters, animals, fruits and subjects were transformed into lanterns, swinging up high in the concourses, scattering childlike happiness to the mall's Yesteryear Once More themed Mid-Autumn celebration which ran from 4 September to 4 October 2015.

The delightful lanterns were made by more than 500 children with boundless creativity and free-roaming imagination at the Children's Lantern Making Contest organised by the Mall in collaboration with two primary schools – SJK (C) Jalan Davidson and SJK (C) Kuen Cheng 1. The contest received overwhelming response with the participation of more than 500 students aged 10-12.

Judged based on the neatness, creativity, colour combination and overall presentation, the participants and their family members were invited to the Prize Presentation Ceremony on 3 October 2015 for a fun-filled day with exciting game booth activities and goodies.

In another event to celebrate the Mid-Autumn Festival on 16 September 2015, 30 parent-child pairs participated in a lantern-making competition held at the Cravings Lane, Level 2, Cheras LeisureMall. The duos enjoyed a free hand to artistically express their memories of Mid-Autumn Festival by shaping, decorating and colouring their own Mid-Autumn lanterns. The Top 5 and 10 consolation prize winners each walked away with RM150 and RM100 Cheras LeisureMall cash vouchers respectively.

Pesta Tanglung Universiti Malaya (PTUM) organised by the Student Affairs & Alumni Division of the University of Malaya was held on 19 September 2015 at Cheras Leisuremall to promote the Chinese heritage and celebrate the Mid-Autumn festival together. A series of Chinese cultural activities such as a Chinese knot-making workshop, paper-cutting craft workshop, children's colouring contest as well as cultural performances were held throughout the day to enrich the public with interesting Chinese culture. Children from Bodhi Homecare Cheras were also invited to enjoy the game sessions and learn to make mini lanterns.

FBM KLCI

Eased in Tandem with Lower Offshore Markets in 3Q 2015

After retracting 6.8% in 2Q 2015, the FBM KLCI declined further by 5.0% in 3Q 2015 amid volatile trading conditions in global financial markets. The FBM KLCI moved in a trading range in July and early-August before retracting sharply to touch a 3 1/2-year intraday low of 1.503.7 points on 25 August 2015 in tandem with the sell-down in global and regional markets. The FBM KLCI subsequently rebounded to 1,681.5 points on 17 September 2015 on the back of measures announced by the government to boost the Malaysian economy and amid improved sentiment following the US Federal Reserve's decision to leave interest rates unchanged. However, the Index subsequently retracted in tandem with lower offshore markets to close at 1,621.0 points and register a 5.0% loss for 3Q 2015.

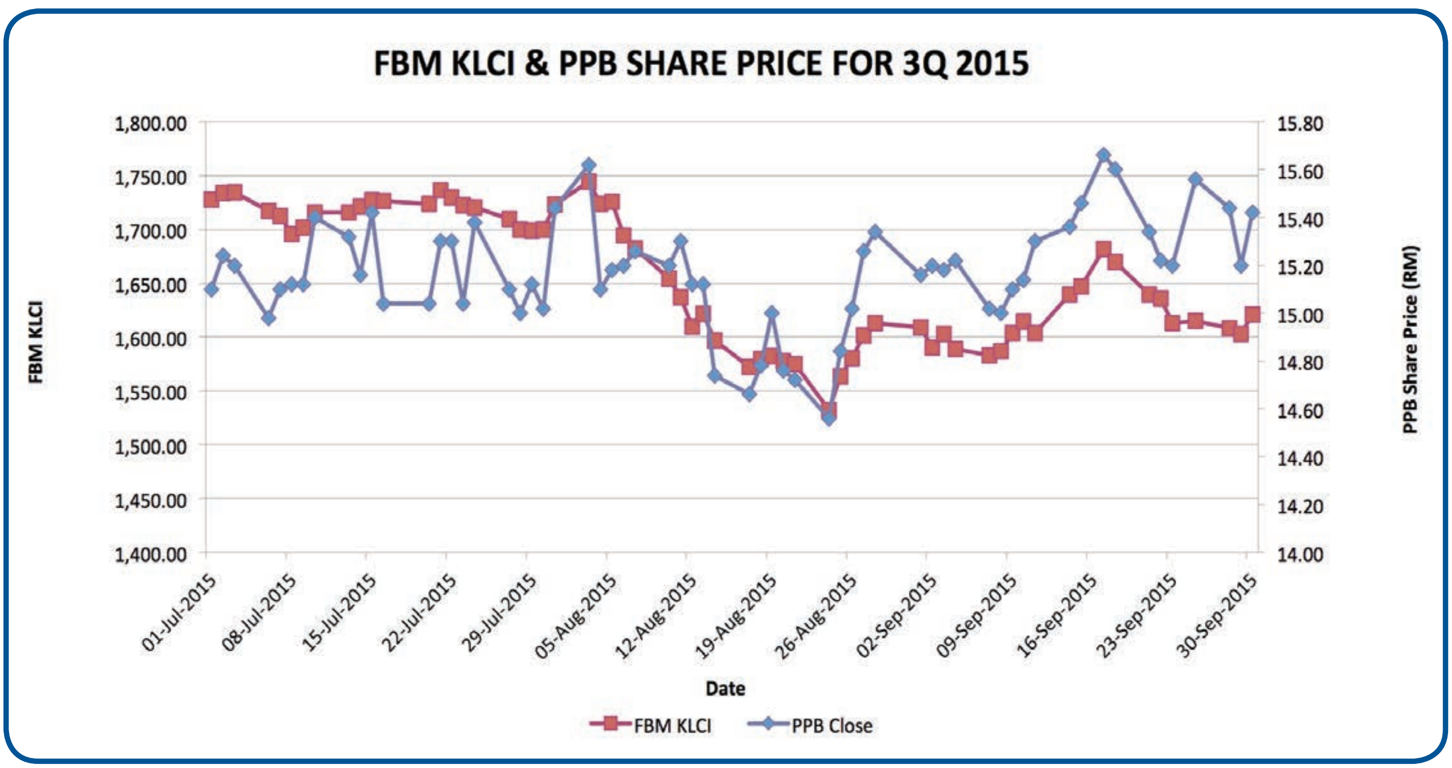
[Source : Public Mutual website]

PPB's share price closed higher at RM15.42 compared with RM15.12 in the preceding quarter and market capitalisation increased to RM18.280 billion. The average daily volume of PPB shares traded during the quarter increased by 57.4% to 493,924 shares.

Share Analysis

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) Performance For 3rd Q 2015

	3Q 2015	2Q 2015	% change
PPB share price (RM)			
Closing price (high)	15.66	16.20	-3.33%
Closing price (low)	14.56	14.66	-0.68%
Quater end closing price	15.42	15.12	1.98%
Weighted share price	15.18	15.38	-1.29%
Market capitalisation (RM' million)	18,280	17,925	1.98%
PPB share trading volume (no. of shares)			
Daily volume (high)	1,360,400	862,000	57.82%
Daily volume (low)	55,500	29,100	90.72%
Average daily volume	493,924	313,810	57.40%
FBM KLCI			
FBM KLCI closing (high)	1,744.19	1,862.80	-6.37%
FBM KLCI closing (low)	1,532.14	1,691.92	-9.44%
FBM KLCI quarter end closing	1,621.04	1,706.64	-5.02%
FBM KLCI volume (no. of shares)			
Daily volume (high)	274,287,100	262,308,900	4.57%
Daily volume (low)	69,800,700	58,751,800	18.81%
Average daily volume	141,344,468	120,555,146	17.24%



Group Financial Highlights

For The 3rd Quarter Of 2015
(The figures have not been audited)

Financial period/year ended (All figures in RM million)	9 months			12 months
	30.9.15	30.9.14	% change	31.12.14
INCOME STATEMENT				
Revenue	2,958	2,768	6.9	3,701
Profit before tax	802	732	9.6	1,028
Profit for the period/year	721	658	9.6	939
Profit attributable to owners of the parent	710	635	11.8	917
STATEMENT OF FINANCIAL POSITION				
Non-current assets	19,079	14,930	27.8	15,938
Current assets				
Cash, bank balances, deposits and short-term fund placements	1,111	986	12.7	1,079
Non-current asset classified as held for sale	9	36	(75.0)	5
Others	1,661	1,453	14.3	1,583
Total current assets	2,781	2,475	12.4	2,667
Total assets	**21,860**	**17,405**	**25.6**	**18,605**
Equity				
Share capital	1,186	1,186	-	1,186
Reserves	18,864	14,638	28.9	15,634
Equity attributable to owners of the parent	20,050	15,824	26.7	16,820
Non-controlling interests	636	558	14.0	561
Total equity	20,686	16,382	26.3	17,381
Non-current liabilities				
Long-term bank borrowings	130	57	>100	62
Deferred tax liabilities	93	87	6.9	85
Total non-current liabilities	223	144	54.9	147
Current liabilities				
Short-term bank borrowings	490	432	13.4	491
Others	461	447	3.1	586
Total current liabilities	951	879	8.2	1,077
Total liabilities	1,174	1,023	14.8	1,224
Total equity and liabilities	**21,860**	**17,405**	**25.6**	**18,605**

Group Financial Highlights

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

Financial period/year ended (All figures in RM million)		9 months 30.9.15	9 months 30.9.14	12 months 31.12.14
RATIOS				
Return on equity attributable to owners of the parent	(%)	3.5	4.0	5.5
Earnings per share	(sen)	59.9	53.6	77.3
Interest coverage	(times)	37.5	49.8	50.0
Current ratio	(times)	2.9	2.8	2.5
Total borrowings/Equity	(%)	3.0	3.0	3.2
Long-term borrowings/Equity	(%)	0.6	0.3	0.4
Net assets per share attributable to owners of the parent	(RM)	16.9	13.4	14.2
Net dividend per share	(sen)	8.0	7.0	23.0
STOCK MARKET INFORMATION				
Share price	(RM)	15.42	14.20	14.30
Market capitalisation	(RM million)	18,288	16,841	16,960
PE ratio	(times)	19.3	19.9	18.5

Announcements

3 December 2015

JULY

30 PPB announced the commencement of a members' voluntary winding up of Affluence Trading Sdn Bhd, a wholly-owned subsidiary of PPB.

AUGUST

12 PPB announced that the quarterly report for the 2nd quarter ended 30 June 2015 would be released on 26 August 2015.

26 Release of PPB's quarterly report for the 2nd quarter ended 30 June 2015.

26 PPB Board declared the payment of an interim single tier dividend of 8 sen per share for financial year ending 31 December 2015.

The interim dividend was paid on 28 September 2015 to shareholders appearing in the Record of Depositors at the close of business on 10 September 2015.

27 PPB announced that GSC Cambodia Limited, an indirect wholly-owned subsidiary of PPB, had established a new wholly-owned subsidiary, Golden Screen Cinemas (Cambodia) Co., Ltd.

Quarterly Report

Condensed Consolidated Income Statements
For The Period Ended 30 September 2015

	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	994,709	927,965	2,957,714	2,767,794
Operating expenses	(937,269)	(866,980)	(2,815,812)	(2,578,918)
Other operating income	72,697	52,132	167,087	96,721
Share of net profits less losses of associates	211,691	256,336	510,265	458,918
Share of profit of joint venture	1,683	1,017	4,748	3,115
Finance costs	(6,617)	(4,204)	(21,628)	(15,413)
Profit before tax	336,894	366,266	802,374	732,217
Tax expense	(33,895)	(33,702)	(81,694)	(74,142)
Profit for the period	302,999	332,564	720,680	658,075
Attributable to :				
Owners of the parent	294,739	324,698	710,290	635,345
Non-controlling interests	8,260	7,866	10,390	22,730
Profit for the period	302,999	332,564	720,680	658,075
Basic earnings per share (sen)	24.86	27.39	59.91	53.59

(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.)

Quarterly Report

Condensed Consolidated Statements Of Comprehensive Income
For The Period Ended 30 September 2015

	Individual Quarter 3 months ended 30 September		Cumulative Quarter 9 months ended 30 September	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period	302,999	332,564	720,680	658,075
Other comprehensive income/(loss), net of tax				
Items that will be subsequently reclassified to profit or loss				
Foreign exchange differences arising during the year:				
- Exchange differences on translation of foreign operations	2,563,096	231,768	3,658,430	(72,841)
- Reclassification adjustments to profit or loss upon liquidation of a subsidiary	(5,285)	-	(5,285)	-
Fair value of available-for-sale financial assets :				
- Losses arising during the period	(108,950)	(25,521)	(98,433)	(94,059)
- Reclassification adjustments to profit or loss upon disposal of quoted investments	-	-	(794)	-
Share of associates' other comprehensive loss	(519,339)	(80,645)	(715,026)	(15,107)
Total comprehensive income	2,232,521	458,166	3,559,572	476,068
Attributable to :				
Owners of the parent	2,193,076	446,539	3,501,937	455,111
Non-controlling interests	39,445	11,627	57,635	20,957
Total comprehensive income	2,232,521	458,166	3,559,572	476,068

(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.)

Quarterly Report

Condensed Consolidated Statements Of Financial Position

	As at 30-Sep-15 RM'000	As at 31-Dec-14 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,350,483	1,264,298
Investment properties	194,497	195,623
Biological assets	3,236	3,152
Goodwill	73,876	73,876
Other intangible assets	2,947	2,971
Land held for property development	21,722	19,270
Investments in associates	16,933,924	13,801,218
Investment in joint venture	73,011	58,477
Other investments	420,826	513,672
Deferred tax assets	4,468	5,781
	19,078,990	15,938,338
Current Assets		
Inventories	633,888	718,607
Biological assets	20,073	19,312
Other intangible assets	13,602	10,755
Property development costs	24,724	21,313
Receivables	968,082	800,958
Derivative financial instruments	152	12,040
Cash, bank balances, deposits and short-term fund placements	1,111,368	1,079,311
	2,771,889	2,662,296
Non-current assets classified as held for sale	9,108	4,545
	2,780,997	2,666,841
TOTAL ASSETS	21,859,987	18,605,179
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	18,864,538	15,635,013
Equity attributable to owners of the parent	20,050,038	16,820,513
Non-controlling interests	636,124	560,803
Total equity	20,686,162	17,381,316

Quarterly Report

Condensed Consolidated Statements Of Financial Position (Cont'd)

	As at 30-Sep-15 RM'000	As at 31-Dec-14 RM'000
Non-current Liabilities		
Long-term borrowings	129,850	61,990
Deferred tax liabilities	93,411	85,313
	223,261	147,303
Current Liabilities		
Payables	438,310	552,204
Derivative financial instruments	2,653	17,269
Short-term borrowings	490,282	491,595
Current tax liabilities	19,319	14,638
	950,564	1,075,706
Liability associated with non-current assets classified as held for sale	-	854
	950,564	1,076,560
Total liabilities	1,173,825	1,223,863
TOTAL EQUITY AND LIABILITIES	21,859,987	18,605,179
Net assets per share attributable to owners of the parent (RM)	16.91	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.)

Quarterly Report

Condensed Consolidated Statement Of Changes In Equity
For The Period Ended 30 September 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
9 months ended 30 September 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	-	-	-	3,073,081	(98,827)	(106,793)	(75,814)	710,290	3,501,937	57,635	3,559,572
Transfer of reserves	-	-	(321)	-	-	-	(31,848)	32,169	-	-	-
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	160	160	(6,685)	(6,525)
Issue of shares to non-controlling interest	-	-	-	-	-	-	-	-	-	28,577	28,577
Return of capital by a subsidiary	-	-	-	-	-	-	-	-	-	(2,495)	(2,495)
Changes in equity interest in an associate	-	-	-	-	-	-	-	11,948	11,948	-	11,948
Dividends	-	-	-	-	-	-	-	(284,520)	(284,520)	(1,711)	(286,231)
At 30 September 2015	1,185,500	6,715	44,347	3,331,900	(9,201)	(29,896)	161,316	15,359,357	20,050,038	636,124	20,686,162
9 months ended 30 September 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	-	-	-	(158,082)	(94,048)	49,470	22,426	635,345	455,111	20,957	476,068
Transfer of reserves	-	-	(356)	-	-	-	2,561	(2,205)	-	-	-
Dividends	-	-	-	-	-	-	-	(284,520)	(284,520)	(1,609)	(286,129)
At 30 September 2014	1,185,500	6,715	44,775	(452,493)	142,139	25,547	271,687	14,600,001	15,823,871	557,965	16,381,836

(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.)

Quarterly Report

Condensed Consolidated Statement Of Cash Flows
For The Period Ended 30 September 2015

	9 months ended 30 September	
	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	802,374	732,217
Adjustments :-		
Non-cash items	(443,187)	(398,442)
Non-operating items	(13,270)	(16,289)
Operating profit before working capital changes	345,917	317,486
Working capital changes :-		
Net change in current assets	5,052	(129,315)
Net change in current liabilities	(49,014)	59,353
Cash generated from operations	301,955	247,524
Tax paid	(65,615)	(45,192)
Net cash generated from operating activities	**236,340**	**202,332**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(150,772)	(128,292)
Proceeds from disposal of property, plant and equipment and investment properties	5,802	1,440
Purchase of investments	(19,003)	(31,880)
Proceeds from disposal of other investments	1,106	-
Dividends received	271,692	241,130
Interest received	12,839	13,732
Advances to associates	(39,312)	(64,499)
Distribution of profits from joint venture	4,360	-
Other investing activities	14,937	13,279
Net cash generated from investing activities	**101,649**	**44,910**

Quarterly Report

Condensed Consolidated Statement Of Cash Flows
For The Period Ended 30 September 2015 (Cont'd)

	9 months ended 30 September 2015 RM'000	9 months ended 30 September 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	15,572	61,376
Interest paid	(22,670)	(15,185)
Dividends paid	(286,231)	(286,129)
Return of capital to non-controlling interest of a subsidiary	(2,495)	-
(Repayment to)/Advances from non-controlling interest of a subsidiary	(31,997)	11,206
Net cash used in financing activities	**(327,821)**	**(228,732)**
Net increase in cash and cash equivalents	**10,168**	**18,510**
Cash and cash equivalents brought forward	1,079,040	964,252
Effect of exchange rate changes	20,162	(198)
Cash and cash equivalents carried forward	**1,109,370**	**982,564**
Cash and cash equivalents represented by :		
Cash and bank balances	214,534	218,574
Bank deposits	465,546	448,128
Short-term fund placements	431,288	318,815
Bank overdrafts	(1,998)	(2,953)
	1,109,370	982,564

(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.)

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 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

	Individual Quarter 3 months ended 30-Sep-15 RM'000	Cumulative Quarter 9 months ended 30-Sep-15 RM'000
Dividends paid on ordinary shares		
FY2014 : Final dividend - 16 sen per share single tier	-	189,680
FY2015 : Interim dividend - 8 sen per share single tier	94,840	94,840
	94,840	284,520

Quarterly Report

Notes (Cont'd)

A7. Segmental reporting
Changes in Group segmental reporting

The segment reporting structure in the financial reports has been realigned 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 has introduced these changes based on the seven reportable segments described below beginning from financial year 2015. Hence, the Group has presented the interim financial reports with the new segment reporting structure beginning from the first quarter of 2015 with prior periods adjusted accordingly.

<u>Grains and agribusiness</u>
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.

<u>Consumer products</u>
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.

<u>Film exhibition and distribution</u>
This segment includes exhibition and distribution of cinematograph films.

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

<u>Property</u>
This segment includes letting of commercial properties, and development of residential and commercial properties.

<u>Investments in equities</u>
This segment includes investments in quoted and unquoted shares.

<u>Other operations</u>
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 **grains and agribusiness**. The production and distribution of frozen food and bakery products both of which were previously components of other operations are now grouped together under **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.

Notes (Cont'd)

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 September 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	1,881,554	445,044	328,240	177,259	43,392	7,242	74,983	-	2,957,714
Inter-segment sales	82,316	3	-	-	1,488	-	27,664	(111,471)	-
Total revenue	1,963,870	445,047	328,240	177,259	44,880	7,242	102,647	(111,471)	2,957,714
RESULTS									
Segment results	187,631	15,279	50,180	8,123	20,324	7,800	7,125	-	296,462
Share of associates' profits less losses	(2,948)	415	5,500	4,588	3,082	-	499,628	-	510,265
Share of joint venture's profit	-	-	-	4,748	-	-	-	-	4,748
Interest income									12,767
Income from short-term fund placements									11,958
Finance costs									(21,628)
Unallocated corporate expenses									(12,198)
Profit before tax									802,374
ASSETS									
Segment assets	2,141,431	493,562	302,131	110,713	304,112	420,998	155,881	(53)	3,928,775
Investments in associates	299,793	1,933	95,580	49,134	179,641	-	16,307,843	-	16,933,924
Investment in joint venture	-	-	-	73,011	-	-	-	-	73,011
Bank deposits and short-term fund placements									896,834
Tax assets									13,277
Other unallocated corporate assets									14,166
Total assets									21,859,987

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 :

a) On 22 June 2015, PPB Leisure Holdings Sdn Bhd, a wholly-owned subsidiary of PPB, subscribed for the entire issued and paid-up capital of USD2.00 in GSC Cambodia Limited ("GSCC") for cash. Arising therefrom, GSCC has become an indirect 100%-owned subsidiary of PPB.

b) On 30 July 2015, Affluence Trading Sdn Bhd, a dormant wholly-owned subsidiary of PPB commenced a members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965. The winding up is in progress.

c) On 19 August 2015, GSC Cambodia Limited, an indirect wholly-owned subsidiary of PPB established a new wholly-owned subsidiary, Golden Screen Cinemas (Cambodia) Co., Ltd ("GSC Cambodia") in the Kingdom of Cambodia with a paid-up share capital of 4,000,000 Cambodian Riel ("KHR"), for a total cash subscription of 4,000,000 KHR. Arising therefrom, GSC Cambodia has become an indirect 100%-owned subsidiary of PPB.

d) On 29 October 2015, Resolute Services Sdn Bhd ("RCSB"), a dormant 80%-owned indirect subsidiary of PPB, received a notice dated 15 October 2015 from the Companies Commission of Malaysia informing that RCSB has been struck off from the Register of Companies on 11 June 2015 pursuant to Section 308 of the Companies Act 1965. Accordingly , RCSB has ceased to be a subsidiary of PPB.

Notes (Cont'd)

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.

A11. Capital commitments

Authorised capital commitments not provided for in the interim financial report as at 30 September 2015 were as follows:

	RM'000
Property, plant and equipment and investment properties	
- contracted	60,979
- not contracted	258,751
	319,730
Other capital commitments	
- contracted	80,782
- not contracted	100,490
	181,272
	501,002

A12. Significant related party transactions

Significant related party transactions during the financial period ended 30 September 2015 were as follows:

	RM'000
Transactions with an associate	
- Management fee received/receivable	6,397
- Film rental received/receivable	571
- Purchase of goods	4,158
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	10,248
Transactions with subsidiaries of an associate	
- Purchase of goods	122,848
- Sales of goods	2,119
- Rental received	2,543
- Security and other service fees paid and payable	5,964
- Charter hire of vessels	29,469

Quarterly Report

Notes (Cont'd)

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

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

Group revenue increased by 7% both in 3Q2015 and 9M2015 to RM995 million and RM2.96 billion respectively. This was primarily attributed to higher revenue from the grains and agribusiness, environmental engineering, and film exhibition segments. Consumer products, property, investments and other operations segments delivered lower revenue in the quarter and period to-date under review.

The Group profit before tax of RM337 million recorded in 3Q2015 was 8% lower compared with RM366 million in 3Q2014. Despite better results posted by most of the Group's segments in 3Q2015, Group profit was offset by lower contribution from an associate, Wilmar International Limited ("Wilmar"). For 9M2015, the Group achieved a 10% increase in profit before tax to RM802 million compared with RM732 million for 9M2014, largely due to a foreign exchange translation gain on the share of Wilmar's results which are reported in US Dollars ("USD"), as well as profits from most of the Group's business segments.

Group financial performance by business segment

	3Q2015 RM'000	3Q2014 RM'000	Variance RM'000	 %
Revenue				
- Grains and agribusiness	676,327	623,743	52,584	8%
- Consumer products	144,076	153,350	(9,274)	(6%)
- Film exhibition and distribution	103,998	89,226	14,772	17%
- Environmental engineering and utilities	55,772	26,883	28,889	>100%
- Property	14,461	22,578	(8,117)	(36%)
- Investments and Other operations	32,406	49,035	(16,629)	(34%)
- Elimination	(32,331)	(36,850)	4,519	
Total revenue	994,709	927,965	66,744	7%

	9M2015 RM'000	9M2014 RM'000	Variance RM'000	 %
Revenue				
- Grains and agribusiness	1,963,870	1,850,085	113,785	6%
- Consumer products	445,047	454,359	(9,312)	(2%)
- Film exhibition and distribution	328,240	274,653	53,587	20%
- Environmental engineering and utilities	177,259	80,156	97,103	>100%
- Property	44,880	71,033	(26,153)	(37%)
- Investments and Other operations	109,889	154,094	(44,205)	(29%)
- Elimination	(111,471)	(116,586)	5,115	
Total revenue	2,957,714	2,767,794	189,920	7%

Quarterly Report

Notes (Cont'd)

	3Q2015 RM'000	3Q2014 RM'000	Variance RM'000	%
Segment results				
- Grains and agribusiness	88,062	81,390	6,672	8%
- Consumer products	3,526	7,163	(3,637)	(51%)
- Film exhibition and distribution	13,495	14,758	(1,263)	(9%)
- Environmental engineering and utilities	3,505	(203)	3,708	>100%
- Property	7,408	7,134	274	4%
- Investments and Other operations	9,006	(856)	9,862	>100%
Total segment results	125,002	109,386	15,616	14%
- Share of associates and joint venture's profits less losses	213,374	257,353	(43,979)	(17%)
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(1,482)	(473)	(1,009)	>(100%)
Total profit before tax	336,894	366,266	(29,372)	(8%)

	9M2015 RM'000	9M2014 RM'000	Variance RM'000	%
Segment results				
- Grains and agribusiness	187,631	177,229	10,402	6%
- Consumer products	15,279	23,556	(8,277)	(35%)
- Film exhibition and distribution	50,180	46,839	3,341	7%
- Environmental engineering and utilities	8,123	794	7,329	>100%
- Property	20,324	23,942	(3,618)	(15%)
- Investments and Other operations	14,925	4,176	10,749	>100%
Total segment results	296,462	276,536	19,926	7%
- Share of associates and joint venture's profits less losses	515,013	462,033	52,980	11%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(9,101)	(6,352)	(2,749)	(43%)
Total profit before tax	802,374	732,217	70,157	10%

Grains and agribusiness

Revenue grew by 8% to RM676 million in 3Q2015 compared with RM624 million in the corresponding period last year. For 9M2015, segment revenue was up 6% to RM1.96 billion from RM1.85 billion a year ago, mainly driven by higher flour sales volume in Vietnam and increased feed sales volume in Malaysia.

Segment profits were up by 8% to RM88 million in 3Q2015 and 6% to RM188 million for 9M2015, primarily attributable to improved foreign exchange translation positions, higher profit from increased feed sales volume coupled with better results from the Malaysian flour mills.

Consumer products

The segment posted revenue of RM144 million in 3Q2015 and RM445 million for 9M2015 compared with RM153 million and RM454 million respectively in the same quarter and period to-date last year. The lower revenue was due to lower sales from agency products, which was partially mitigated by revenue growth generated by bakery products and in-house products.

The lower sales of agency products resulted in lower segment profits of RM3.5 million in 3Q2015 and RM15 million for 9M2015.

Quarterly Report

Notes (Cont'd)

Film exhibition and distribution

The segment continued to strengthen with revenue increasing by 17% to RM104 million in 3Q2015, and by 20% to RM328 million for 9M2015 mainly due to contribution from new cinemas and improved cinema collections from blockbuster movie titles released.

In 3Q2015, segment profit was RM13 million compared with RM15 million in 3Q2014 due to lower contribution from film distribution. For 9M2015, profit grew by 7% from RM47 million to RM50 million mainly from higher cinema operations revenue.

Environmental engineering and utilities

Revenue from this segment more than doubled from RM27 million in 3Q2014 to RM56 million in 3Q2015, and from RM80 million for 9M2014 to RM177 million for 9M2015. This was primarily driven by progressive revenue recognition from the raw water supply projects and most of the sewage projects being at the construction stages, as well as the increase in the number of on-going engineering projects.

The improvement in segment profits to RM3.5 million in 3Q2015 and RM8.1 million for 9M2015 were in line with higher revenue delivered in the quarter and period to-date under review.

Property

Rental of investment properties which was the major contributor to the segment revenue of RM14 million in 3Q2015 and RM45 million for 9M2015, was broadly similar to the comparative periods. Property development posted lower revenue from progress billings of bungalow sales in Seberang Perai Tengah compared with the bulk of higher progress billings in 9M2014 on delivery of vacant possession of the Masera bungalows in Kuala Lumpur. However, higher fee income generated by project management activities helped to cushion the lower segment revenue.

Segment profit was marginally higher at RM7.4 million in 3Q2015 compared with RM7.1 million in 3Q2014, riding on the higher profit from project management income. For 9M2015, lower segment profit of RM20 million was mainly due to lesser progress billings after completion of the Masera bungalow project last year.

Investments and Other operations

The combined segment revenue decreased by 34% in 3Q2015 to RM32 million and 29% to RM110 million for 9M2015 compared with RM49 million in 3Q2014 and RM154 million for 9M2014. Revenue from chemicals trading and manufacturing business was lower as management tightened credit control policies. Revenue from the packaging business was lower after an operational restructuring and production streamlining exercise whereby the packaging production operations were relocated from Malaysia to Myanmar. Lesser dividend income received from quoted investments and the discontinuance of the shipping business after the disposal of the ship also contributed to the revenue decrease.

The combined segments collectively registered profit of RM9.0 million in 3Q2015 compared with a loss of RM0.9 million in 3Q2014. For 9M2015, the combined segment profit was higher at RM15 million compared with RM4.0 million for 9M2014. This was mainly attributed to a gain of RM5.3 million on liquidation of a subsidiary. The favourable foreign exchange transactions from export sales had also contributed to a higher profit in chemical trading and manufacturing as well as lower losses incurred by the packaging business.

Share of associates and joint venture's profits less losses

The Group's associates and joint venture contributed lower profits of RM213 million in 3Q2015 compared with RM257 million in 3Q2014. Wilmar contributed a lower profit of RM205 million in 3Q2015 against RM247 million in 3Q2014 mainly from mark-to-market losses in investment securities as a result of the weaker equity market.

For 9M2015, contribution from the associates and joint venture was higher at RM515 million compared with RM462 million for 9M2014, of which Wilmar's contribution was RM499 million for 9M2015 against RM443 million for 9M2014. This was mainly due to foreign exchange translation gain on the share of Wilmar's results which are reported in USD despite lower profit delivered by Wilmar.

Notes (Cont'd)

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

	3Q2015 RM'000	2Q2015 RM'000	Variance RM'000	%
Segment results				
- Grains and agribusiness	88,062	19,992	68,070	>100%
- Consumer products	3,526	7,566	(4,040)	(53%)
- Film exhibition and distribution	13,495	20,481	(6,986)	(34%)
- Environmental engineering and utilities	3,505	1,816	1,689	93%
- Property	7,408	6,138	1,270	21%
- Investments and Other operations	9,006	8,095	911	11%
Total segment results	125,002	64,088	60,914	95%
- Share of associates and joint venture's profits less losses	213,374	137,882	75,492	55%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(1,482)	(3,031)	1,549	51%
Total profit before tax	336,894	198,939	137,955	69%

The Group reported a profit before tax of RM337 million in 3Q2015, representing an increase of 69% from RM199 million in 2Q2015.

Wilmar contributed higher profits of RM205 million in 3Q2015 compared with RM135 million in 2Q2015. Profit from the grains and agribusiness segment increased significantly to RM88 million in 3Q2015 due to favourable foreign exchange translation positions, favourable raw material price movements and improved profit margins in flour and feed divisions. The environmental engineering segment had higher progress billings in 3Q2015 whilst the property segment earned higher profit from project management fees income. Better results in the combined segment mainly from a gain on liquidation of a subsidiary was partially offset by lower dividend income received in 3Q2015.

The consumer products segment saw a lower profit in 3Q2015 whilst profit in 2Q2015 was higher due to pre-festival seasonal purchases by customers. The film exhibition segment recorded lower profit after the end of the summer blockbuster season in 2Q2015.

B3. Prospects for the current financial year

Bank Negara Malaysia reported that GDP growth in Malaysia for the third quarter had moderated to 4.7% from the 4.9% registered in the second quarter of 2015, and Malaysian economy is expected to expand between 4.5% to 5.5% in 2015. While domestic demand continues to support the growth, consumers remain cautious on their spending after implementation of the Goods and Services Tax and the effect of the weakening Ringgit, and this will continue to weigh on business sentiment.

Despite challenging times ahead, management is confident that the Group's consumer products, grains and agribusiness results will remain positive leveraging on their strong distribution channels and market shares. The cinema business will continue to deliver healthy performance from strong movie title releases and newly opened cinemas. The environmental engineering segment will achieve higher revenue in line with the construction progress of contracts in hand. Property sales will be slow in view of the soft property market sentiment.

The Group's operations are expected to perform well in 2015 while the consolidated financial results will also largely be supported by Wilmar's business performance for the 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 30-Sep-15 RM'000	Cumulative Quarter 9 months ended 30-Sep-15 RM'000
Profit before tax is stated after crediting :		
Dividend income	2,445	7,243
Fair value gain on derivatives	12,707	52,759
Foreign exchange gain	36,931	61,533
Interest income	4,665	12,767
Income from short-term fund placements	4,180	11,958
Rental income	1,092	2,931
Gain on disposal of investment property	-	499
Gain on liquidation of quoted shares	-	786
Gain on liquidation of a subsidiary	5,314	5,314
Gain on liquidation of an associate	44	44
Profit before tax is stated after charging :		
Allowance for doubtful debts and receivables written-off	(660)	(1,002)
Depreciation and amortisation	(28,840)	(84,092)
Fair value loss on derivatives	12,503	(164)
Foreign exchange loss	(13,891)	(27,038)
Interest expense	(6,617)	(21,628)
Loss on disposal of investment property	-	(194)
Loss on liquidation of an associate	(6)	(6)
Loss on financial assets at fair value through profit or loss	(136)	(201)

B6. Tax expense

	Individual Quarter 3 months ended 30-Sep-15 RM'000	Cumulative Quarter 9 months ended 30-Sep-15 RM'000
Taxation comprises :		
Malaysian taxation		
Current	22,890	71,232
Deferred	4,838	1,349
	27,728	72,581
Foreign taxation		
Current	768	1,869
Deferred	2,255	3,736
	30,751	78,186
Underprovision in prior year		
Current	1,381	1,745
Deferred	1,763	1,763
	33,895	81,694

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.

Quarterly Report

Notes (Cont'd)

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 19 November 2015.

B8. Group borrowings

Total Group borrowings as at 30 September 2015 were as follows :

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings	156,490	156,490	-
Long-term bank loans (USD)	15	15	-
Hire purchase liabilities	(26,655)	(26,655)	-
Repayments due within the next 12 months	129,850	129,850	-
Short-term bank borrowings			
Bills payable	55,000	-	55,000
Bills payable (IDR)	25,149	-	25,149
Short-term loans	750	-	750
Short-term loans (USD)	166,751	-	166,751
Short-term loans (IDR)	165,741	-	165,741
Short-term loans (VND)	48,238	-	48,238
Current portion of long-term loans	26,646	26,646	-
Hire purchase liabilities	9	9	-
	488,284	26,655	461,629
Bank overdrafts	1,998	-	1,998
	490,282	26,655	463,627

B9. Material litigation

There was no material litigation as at 19 November 2015.

B10. Dividends

The Directors do not recommend the payment of any dividend for the third quarter under review.

Dividends paid

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

Financial Year	Type	Amount per share	Date paid
2014	Interim dividend	7 sen	26 September 2014
2014	Final dividend	16 sen	29 May 2015
2015	Interim dividend	8 sen	28 September 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.

Quarterly Report

Notes (Cont'd)

B13. Realised and unrealised profits/losses

The retained profits of the Group are analysed as follows :

	As at 30-Sep-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :		
- Realised	12,672,512	12,380,925
- Unrealised	(87,367)	(92,733)
	12,585,145	12,288,192
Total share of retained profits/(accumulated losses) from associates :		
- Realised	142,725	149,566
- Unrealised	(1,461)	(1,587)
- Wilmar International Limited ("Wilmar") *	4,902,600	4,620,617
Total share of retained profits from joint venture :		
- Realised	9,701	8,034
	17,638,710	17,064,822
Less : consolidation adjustments	(2,279,353)	(2,175,512)
Total Group retained profits as per consolidated accounts	15,359,357	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
26 November 2015

By Order of the Board
Mah Teck Keong
Company Secretary

REGISTERED OFFICE:

PPB GROUP BERHAD 8167-W

12th Floor, UBN Tower, 10, Jalan P. Ramlee, 50250 Kuala Lumpur, Malaysia

T 603 2726 0088 **F** 603 2726 0099 *(General)* / 603 2726 0198 *(Corporate Affairs)*

E corporateaffairs@ppb.com.my