



PPB GROUP BERHAD

# INVESTOR UPDATE

QUARTERLY REPORT  
2016

4<sup>TH</sup>



# FROM THE DESK OF THE CHAIRMAN

## GOING FORWARD

The operating environment in 2017 is expected to be challenging for the Group's core businesses. Intense competition will continue in the flour markets in Malaysia, Indonesia and Vietnam, while the feed market in Malaysia will be uncertain with the rapidly evolving industry landscape. However, the Group is confident of maintaining its strong position in the *Grains and Agribusiness* segment with its industry knowledge and experience. While the weaker Ringgit and economic uncertainty are expected to weigh on consumer confidence and affect spending, the Group expects the performance of the *Consumer Products* segment to continue to be satisfactory. The *Film Exhibition and Distribution* segment will be supported by the opening of three new cinemas with a total of 39 screens and strong line-up of movies in 2017. The *Environmental Engineering and Utilities* segment is well-positioned to participate in Government projects to upgrade and renew the water and sewage infrastructure. The *Property* segment is planning to launch a new development project in a strategic location, and will continue to focus on improving the yield of its investment properties.

While the Group's main business segments are expected to perform satisfactorily, Wilmar's performance will continue to contribute substantially to the Group's overall financial results for 2017.

## HAPPENINGS

During the quarter under review, The Italian Baker Sdn Bhd (TIB), a wholly-owned subsidiary of FFM, launched the latest offering of its Massimo Chiffon in a Cup range, the pandan coconut flavour, on 24 November 2016 to good response. The Burger Outpost (TBO), a new burger cafe at GSC 1 Utama was launched by Golden Screen Cinemas Sdn Bhd and movie-goers are now able to enjoy warm, savoury chicken or beef burgers as they watch a movie there.

## Dear Shareholders,

We are pleased to announce that PPB Group's revenue rose by 3% to RM4.19 billion for 2016 mainly attributed to higher revenue generated from *Grains and Agribusiness*; *Consumer Products*; and *Film Exhibition and Distribution* despite lower revenue delivered by the *Environmental Engineering and Utilities*; and *Property* segments.

PPB Group posted an unaudited profit before tax of RM1.21 billion for the year, up 3% from the year before due to higher profit contributed by the *Grains and Agribusiness* segment and better results from the Group's China associates.

Profit for the year was RM1.11 billion which translated to earnings per share of 88.15 sen for 31 December 2016.

The Board of Directors has recommended a final single tier dividend of 17 sen per share for the financial year ended 31 December 2016 subject to shareholders' approval at the forthcoming Annual General Meeting. The final dividend is payable on 25 May 2017 and together with the interim single tier dividend of 8 sen per share, the total dividend for financial year 2016 would be 25 sen per share (FY2015 : 25 sen per share).

## From The Desk Of The Chairman (Cont'd)

### CSR ACTIVITIES

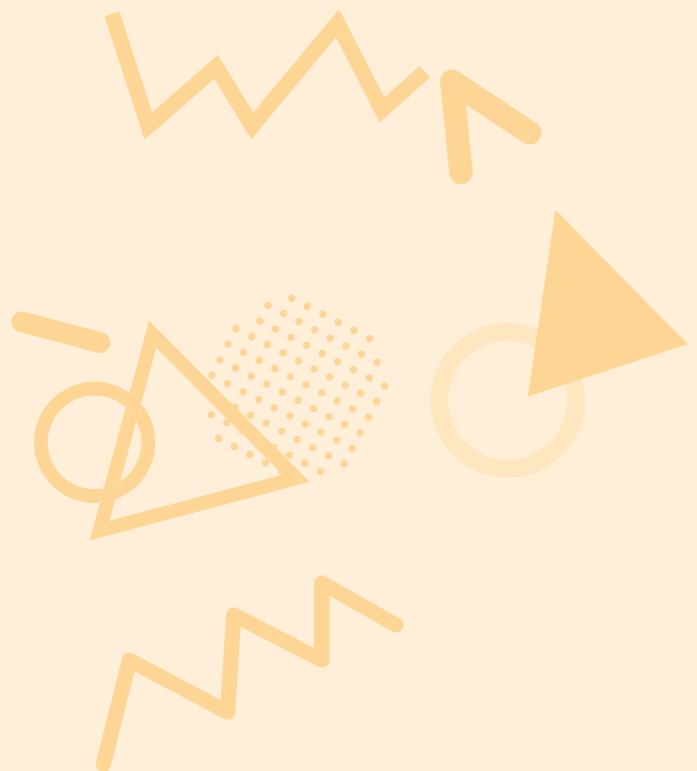
During the quarter under review, PPB group organised several corporate social responsibility (CSR) activities for the community and workplace summarised as follows :-

- In conjunction with the Deepavali celebration, PPB staff visited Pertubuhan Kebajikan Thangam Illam in Pandan Indah, Kuala Lumpur and had lunch followed by games with 26 children in the home.
- As part of the Christmas celebrations, PPB brought 42 orang asli from the Lanau tribe from Kampung Tasik, Grik, Perak for a movie and meal at GSC 1 Utama and gave them Christmas gifts.
- Cheras LeisureMall (CLM) organised their annual Christmas charity campaign “Toy Bank, A Gift of Love” which enabled shoppers, well-wishers and members of the public to fulfill the wishes of underprivileged children. About 4,000 gifts were collected for over 600 children.
- CLM organised the Pink Umbrella Walk with Pantai Hospital Cheras to raise awareness of breast cancer and the importance of early detection.
- In conjunction with the release of *Rogue One: A Star Wars Story*, GSC hosted a fashion show, aptly themed *Rogue Vogue*, at GSC Mid Valley Megamall to unveil its limited edition Star Wars T-shirts. The T-shirts were specially designed to raise funds for the children of Persatuan Kebajikan Kanak-Kanak Cornerstone. A total of RM30,000 was raised to support the home.
- A Movie Day was held for PPB head office staff and family members as well as colleagues from several other related and affiliated companies to watch a screening of “Fantastic Beasts and Where to Find Them” at GSC Mid Valley.
- A “Green Idea Contest” was organised at PPB head office to encourage green living practices. Eleven staff participated in the contest, sharing practical green ideas to be used in the home, office and elsewhere.

**Tan Sri Datuk Oh Siew Nam**

**Chairman**

7 March 2017





# MASSIMO Chiffon

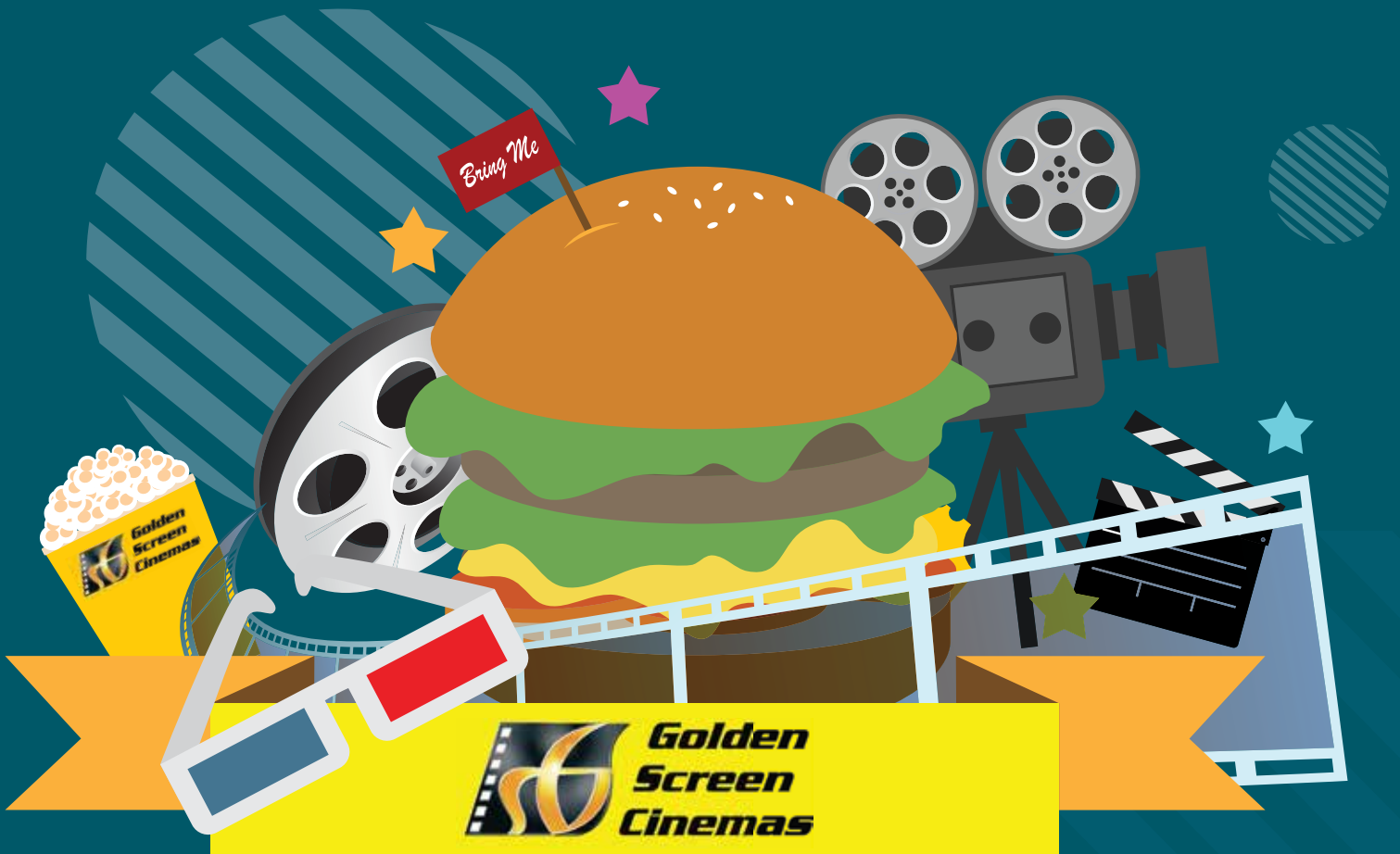
# In A Cup

The Italian Baker Sdn Bhd ("TIB") launched the latest offering in its *Massimo Chiffon in a Cup* range, the pandan coconut flavour, on 24 November 2016. Baked with quality ingredients such as fresh eggs, flour and milk, Massimo Chiffon in a Cup is popular for its soft texture and delicious taste, as well as an affordable price of RM1.05 each.

TIB is a wholly-owned subsidiary of FFM.



# GSC BRINGS **BURGERS** TO CINEMAS



On 22 December 2016, GSC launched its new burger cafe, The Burger Outpost (TBO) at GSC 1 Utama. TBO offers wholesome freshly-prepared burger meals using its own juicy charcoal bun burgers. Movie-goers are now able to enjoy warm, savoury chicken or beef burgers as they snuggle into their comfortable seats for a perfect movie experience. GSC plans to extend TBO to other GSC cinemas.



# **DEEPAVALI CELEBRATION**

**with the Children of  
Pertubuhan Kebajikan  
Thangam Illam**





# CSR Activities

As part of PPB's corporate social responsibility initiative to share the joy of festive celebrations with the underprivileged, 17 PPB staff visited Pertubuhan Kebajikan Thangam Illam (PKTI) in Pandan Indah, Kuala Lumpur on 17 November 2016 to celebrate Deepavali with the children there. PPB organised a buffet lunch followed by some fun games which brought much cheer to the children.

Every child was given a school bag and stationery whilst the home received a microwave oven, kitchen cabinet as well as some groceries.

Established in 1990, PKTI is a home for orphans and children of poor single parents. There are currently 26 children in the home, of whom four are diagnosed with Down's Syndrome. PKTI is managed by Ms Sasi together with three other staff. The monthly expenses of the home of about RM11,000 are funded from public donations. Those who wish to contribute to this home may contact the administrator, Sasi at 011-1636 8509.







# CHRISTMAS CELEBRATIONS

On 17 December 2016, PPB brought 42 orang asli guests from the Lanau tribe living in Kampung Tasik, Grik, Perak for a movie outing at GSC 1 Utama Shopping Centre, Petaling Jaya to celebrate Christmas.

Ranging in age from 4 months to 50 years, our guests arrived excitedly at the cinema at 9 am and were served breakfast. PPB staff were assigned as 'Guardian Angels' for the event, to ensure none were left alone and were all comfortable and felt welcome. It was an opportunity for them to watch "Moana" on large screen format whilst enjoying some snacks.

After the movie, a buffet lunch was served at The Burger Outpost followed by singing of Christmas carols. As they left for home,

everyone was given a bag packed with toiletries and other useful household items, and treats.

The outing provided many first-time experiences for the orang asli including venturing out of their village, watching a movie etc. It also brought PPB staff great satisfaction and joy to see their happy excited faces.

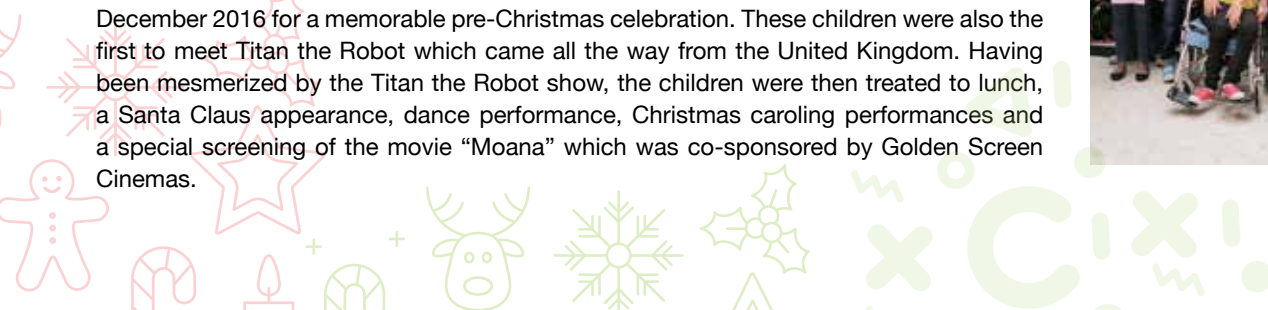
At Cheras LeisureMall, over 600 children from 18 participating children's homes had their Christmas wishes come true with more than 4,000 gifts contributed by well-wishers and shoppers through the Mall's annual charity campaign, 'Toy Bank, A Gift of Love' held in December 2016.



# CSR Activities



With the aim of connecting the public to areas of need in society, this community initiative has since its inception in 1999 brightened the faces of over 4,000 underprivileged children. 170 children from the participating homes were invited to visit Cheras LeisureMall on 3 December 2016 for a memorable pre-Christmas celebration. These children were also the first to meet Titan the Robot which came all the way from the United Kingdom. Having been mesmerized by the Titan the Robot show, the children were then treated to lunch, a Santa Claus appearance, dance performance, Christmas caroling performances and a special screening of the movie "Moana" which was co-sponsored by Golden Screen Cinemas.





# MOVIE DAY!



PPB head office staff and family members enjoyed a Movie Day on 26 November 2016, together with colleagues from several other related and affiliated companies. A 135-seater hall at GSC Mid Valley, Kuala Lumpur was booked for the event for a morning screening of "FANTASTIC BEASTS AND WHERE TO FIND THEM". A buffet lunch was served after the movie.







PPB organised for the first time a “GREEN IDEA CONTEST” for head office staff on 2 December 2016 during the lunch hour to encourage the practice of “green living”. There were 11 participants and each was given five minutes to share a practical green idea which can be used in the home, office or anywhere.

The first prize winner, Ms Tan Li Khim from the Enterprise Risk Management Department showed a slide presentation on how to make an eco-enzyme cleaner. Ms Lee Sook Ping from the Corporate Secretarial Department who expounded the use of handkerchiefs instead of tissue paper, received the second prize. The third prize went to Ms Kam Chin Hun from the Internal Audit Department. She shared with her colleagues on how to make eco-friendly toothpaste and recycling of soap bars collected from hotel stays as multi-purpose household cleaners.

The winners were judged on the creativity of their presentation, delivery of their ideas, and their practicality. All the winners and participants were given Tesco gift vouchers.

# GREEN IDEA CONTEST



# BREAST CANCER AWARENESS CAMPAIGN



In conjunction with the Breast Cancer Awareness month, PPB's Cheras LeisureMall jointly organised with Pantai Hospital Cheras the annual Pink Umbrella Walk on 15 October 2016. This event was held to raise awareness about breast cancer and encourage early detection. More than 500 participants registered for the 1.3 km walk from Pantai Hospital Cheras to Cheras LeisureMall, holding the signature pink umbrellas.

At Cheras LeisureMall, health booths were set up to provide complimentary checks for blood pressure, blood glucose and body mass index to the participants as well as teaching them how to perform a breast self-examination.





# “SPREAD THE LOVE”

## FOOD DONATION DRIVE

Cheras LeisureMall partnered with the Domiti Club from the Dasein Academy of Art to collect food items for underprivileged groups, and raise public awareness about the issues faced by the poor through a “Spread the Love” Food Donation Campaign held from 12-13 November 2016. A total of 267 donors participated in the campaign by donating dry foods and necessities to those in need.

..... Models in the Star Wars graffiti t-shirts



# GSC HOSTS FASHION SHOW TO LAUNCH LIMITED EDITION STAR WARS T-SHIRTS



In conjunction with the release of *Rogue One: A Star Wars Story*, Golden Screen Cinemas Sdn Bhd (GSC) hosted a fashion show, aptly themed *Rogue Vogue*, at GSC Mid Valley Megamall on 25 November 2016 to unveil its limited edition Star Wars T-shirts. The T-shirts were specially designed for a charitable cause to support the children of Persatuan Kebajikan Kanak-Kanak Cornerstone.

The T-shirts were conceptualised from the Star Wars graffiti art at GSC Mid Valley Megamall, painted by local street artist Mahathir Masri, better known as 'They'. He has recently coloured the walls in the cinema with characters from his favourite movies, such as *Star Wars*, *Fast and Furious* and the Marvel superhero movies, infusing his own graffiti style in the process. This has resulted in a visual display which represents a distinctive part of the pop culture art movement in Malaysia.



To add on to the excitement of the *Rogue Vogue* fashion show, GSC engaged four local fashion designers – Calvin Thoo, Jimmy Lim, Nerd Unit and Stoned & Co. – to create 28 unique ways of wearing the Star Wars t-shirts, which showcases the individual talents of the designers.

Star Wars fans joined GSC to be part of the Force for a charitable cause when they purchased the special RM38.90 e-combo via the GSC Mobile App. Each e-combo came with a regular popcorn-and-soft drink set and a special edition T-shirt, available in either black or white. Proceeds from the T-shirt sales went to Persatuan Kebajikan Kanak-Kanak Cornerstone, a children's home in Semenyih, to help cover their monthly operating expenses.

GSC is working closely with more talented home-grown street and graffiti artists to decorate the walls at other GSC locations with more movie-related art. Movie-goers are able to spot exciting graffiti works in GSC IOI City Mall and GSC Ipoh Parade, as GSC plans to bring graffiti art into their cinemas nationwide.

# FBM KLCI DECLINED DURING THE QUARTER

During the fourth quarter of 2016, the FBM KLCI declined by 0.7% to close at 1,641.7 points at end-December (end-September 2016: 1,652.6 points). During the quarter, the equity market was affected by market expectations of a tighter path for US interest rate normalisation. In addition, the uncertainties arising from the outcome of the US Presidential Election led to portfolio rebalancing by global investors, resulting in reduced holdings of Malaysian equity. The decline, however, was mitigated by improved market sentiments towards the end of the year amid gains in global oil prices following OPEC's agreement to cut output. Domestically, the index was also supported by positive sentiments created by the 2017 budget announcements and active buying of selected blue-chip stocks as investors consolidated their investment positions towards the end of the year. Overall, market capitalisation decreased to RM1.67 trillion as at end-December 2016 (end-September 2016: RM1.69 trillion) while the daily average turnover decreased to 1.54 billion units (3Q 2016: 1.87 billion units) during the quarter. On 14 February 2017, the KLCI ended higher at 1708.9 points (since end-December 2016: +4.1%), with a market capitalisation of RM1.75 trillion (since end-December 2016: +4.9%).

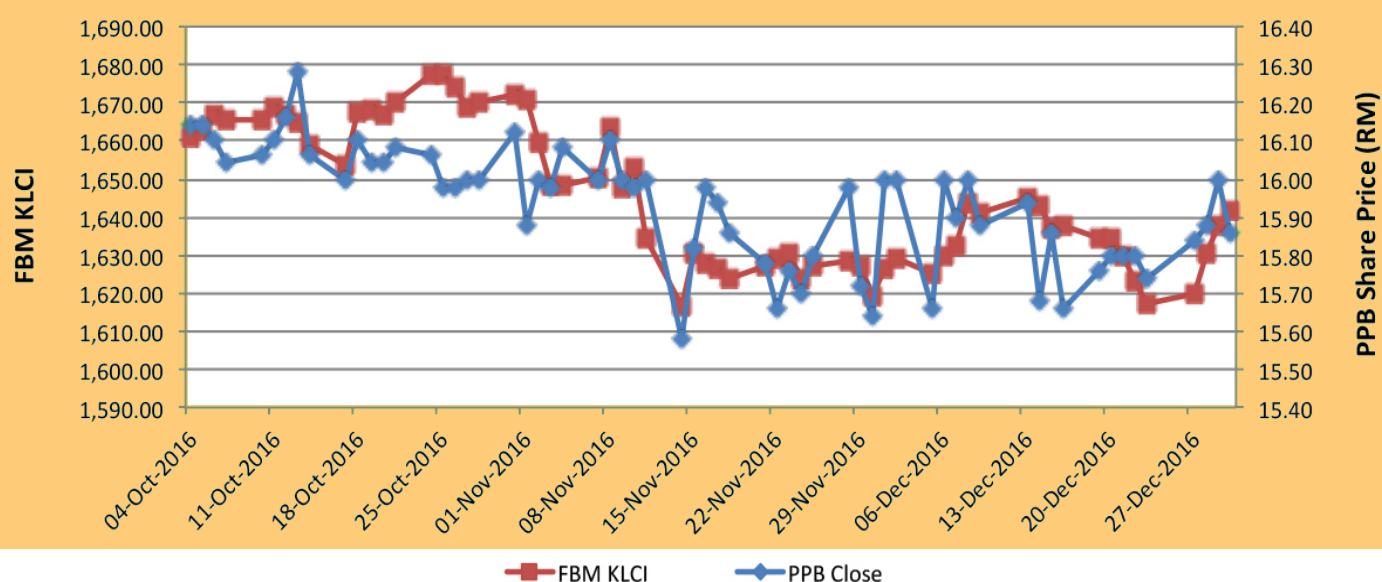
[Source : Bank Negara Malaysia website]

PPB's share price closed lower at RM15.86 compared with RM16.18 in the preceding quarter and market capitalisation decreased to RM18.8 billion. The average daily volume of PPB shares traded during the quarter decreased by 37.52% to 397,897 shares.



**PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) Performance For 4th Q 2016**

	4th Q 2016	3rd Q 2016	% change
<b>PPB share price (RM)</b>			
Closing price (high)	16.28	16.68	-2.40%
Closing price (low)	15.58	15.82	-1.52%
Month end closing price	15.86	16.18	-1.98%
Weighted share price	15.91	16.13	-1.35%
Market capitalisation (RM' million)	18,810	19,181	-1.98%
<b>PPB share trading volume (Number of shares)</b>			
Daily volume (high)	1,567,700	1,769,300	-11.39%
Daily volume (low)	97,900	136,700	-28.38%
Average daily volume	397,897	636,843	-37.52%
<b>FBM KLCI</b>			
FBM KLCI closing (high)	1,677.76	1,699.89	-1.30%
FBM KLCI closing (low)	1,616.64	1,644.54	-1.70%
FBM KLCI quarter end closing	1,641.73	1,652.55	-0.65%
<b>FBM KLCI volume (Number of shares)</b>			
Daily volume (high)	326,996,800	205,489,900	59.13%
Daily volume (low)	64,591,200	51,776,500	24.75%
Average daily volume	126,902,939	119,644,033	6.07%

**FBM KLCI & PPB SHARE PRICE FOR 4TH Q 2016**


# Group Financial Highlights

**For The 4th Quarter Of 2016**  
**(The figures have not been audited)**

**Financial year ended**  
**(All figures in RM million)**

	31.12.16	31.12.15	Change %
<b>INCOME STATEMENT</b>			
Revenue	4,186	4,048	3.4
Profit before tax	1,211	1,181	2.5
Profit for the year	1,107	1,076	2.9
Profit attributable to owners of the parent	1,045	1,051	(0.6)
<b>STATEMENT OF FINANCIAL POSITION</b>			
Non-current assets	19,884	18,988	4.7
<u>Current assets</u>			
Cash, bank balances, deposits and short-term fund placements	1,178	1,196	(1.5)
Others	1,641	1,742	(5.8)
Total current assets	2,819	2,938	(4.1)
<b>Total assets</b>	<b>22,703</b>	<b>21,926</b>	<b>3.5</b>
<u>Equity</u>			
Share capital	1,186	1,186	0.0
Reserves	19,787	18,731	5.6
Equity attributable to owners of the parent	20,973	19,917	5.3
Non-controlling interests	695	636	9.3
Total equity	21,668	20,553	5.4
<u>Non-current liabilities</u>			
Long-term bank borrowings	73	111	(34.2)
Deferred tax liabilities	99	97	2.1
Total non-current liabilities	172	208	(17.3)
<u>Current liabilities</u>			
Short-term bank borrowings	455	616	(26.1)
Others	408	549	(25.7)
Total current liabilities	863	1,165	(25.9)
Total liabilities	1,035	1,373	(24.6)
<b>Total equity and liabilities</b>	<b>22,703</b>	<b>21,926</b>	<b>3.5</b>



# Group Financial Highlights

**For The 4th Quarter Of 2016**  
**(The figures have not been audited)**

**Financial year ended**  
**(All figures in RM million)**

		31.12.16	31.12.15
<b>RATIOS</b>			
Return on equity attributable to owners of the parent	(%)	5.0	5.3
Earnings per share	(sen)	88.2	88.7
Interest coverage	(times)	49.4	40.4
Current ratio	(times)	3.3	2.5
Total borrowings/Equity	(%)	2.4	3.5
Long-term borrowings/Equity	(%)	0.3	0.5
Net assets per share attributable to owners of the parent	(RM)	17.7	16.8
Net dividend per share	(sen)	25.0	25.0
<b>STOCK MARKET INFORMATION</b>			
Share price	(RM)	15.86	15.90
Market capitalisation	(RM million)	18,810	18,857
PE ratio	(times)	18.0	17.9

# Announcements

## November 2016

- 09** PPB announced that the quarterly report for the 3rd quarter ended 30 September 2016 would be released on 23 November 2016.
- 16** PPB announced the commencement of members' voluntary winding up of the following subsidiaries :
- (i) SES Environmental Services Sdn Bhd, a 50.1%-owned indirect subsidiary of PPB; and
  - (ii) Solar Status Sdn Bhd, a 100%-owned indirect subsidiary of PPB.
- 23**
- Release of PPB's quarterly report for the 3rd quarter ended 30 September 2016.
  - PPB announced the amount of financial assistance provided by a subsidiary of PPB for the quarter ended 30 September 2016.

## December 2016

- 20** PPB announced the commencement of a members' voluntary winding up of Zegwaard Bumianda Sdn Bhd, a 100%-owned indirect subsidiary of PPB.





# Quarterly Report

## Condensed Consolidated Income Statements For The Year Ended 31 December 2016

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	1,023,445	1,090,600	4,186,376	4,048,314
Operating expenses	(983,472)	(1,027,380)	(3,956,481)	(3,843,192)
Other operating income	24,507	43,169	171,282	210,256
Share of net profits less losses of associates	467,257	279,623	830,462	789,888
Share of profit of joint venture	1,427	851	4,841	5,599
Finance costs	(6,339)	(8,115)	(25,370)	(29,743)
Profit before tax	526,825	378,748	1,211,110	1,181,122
Tax expense	(21,415)	(23,309)	(104,239)	(105,003)
Profit for the period/year	505,410	355,439	1,106,871	1,076,119
Attributable to :				
Owners of the parent	496,028	341,021	1,044,993	1,051,311
Non-controlling interests	9,382	14,418	61,878	24,808
Profit for the period/year	505,410	355,439	1,106,871	1,076,119
Basic earnings per share (sen)	41.84	28.77	88.15	88.68

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2015, and the accompanying explanatory notes attached to this report.)

## Quarterly Report

**Condensed Consolidated Statements Of Comprehensive Income  
For The Year Ended 31 December 2016**

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit for the period/year	505,410	355,439	1,106,871	1,076,119
Other comprehensive income/(loss), net of tax				
<u>Items that will be subsequently reclassified to profit or loss</u>				
Foreign exchange differences arising during the period/year:				
- Exchange differences on translation of foreign operations	1,334,939	(550,445)	729,340	3,107,985
- Reclassification adjustments to profit or loss upon liquidation of a subsidiary	-	-	-	(5,285)
- Adjustment to deferred tax attributable to changes in tax rate	-	(1,320)	-	(1,320)
Fair value of available-for-sale financial assets :-				
- Gains/(Losses) arising during the period/year	(9,650)	5,474	13,171	(92,959)
- Reclassification adjustments to profit or loss upon disposal of quoted investments	-	(35)	-	(829)
Share of associates' other comprehensive loss	(327,025)	(51,233)	(441,751)	(766,259)
Total comprehensive income/(loss)	1,503,674	(242,120)	1,407,631	3,317,452
Attributable to :				
Owners of the parent	1,481,858	(249,591)	1,339,922	3,252,346
Non-controlling interests	21,816	7,471	67,709	65,106
Total comprehensive income/(loss)	1,503,674	(242,120)	1,407,631	3,317,452

**(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2015, and the accompanying explanatory notes attached to this report.)**



# Quarterly Report

## Condensed Consolidated Statements Of Financial Position

	As at 31-Dec-16 RM'000	As at 31-Dec-15 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,353,204	1,356,671
Investment properties	194,455	195,831
Biological assets	3,364	3,364
Goodwill	73,704	73,746
Other intangible assets	3,233	2,962
Land held for property development	84,923	41,645
Investments in associates	17,662,449	16,813,778
Investment in joint venture	65,418	66,934
Other investments	440,356	427,198
Deferred tax assets	2,771	5,644
	19,883,877	18,987,773
<b>Current Assets</b>		
Inventories	620,464	682,210
Biological assets	19,417	20,769
Other intangible assets	14,850	12,175
Property development costs	-	4,964
Receivables	958,806	998,277
Derivative financial instruments	3,276	14,229
Cash, bank balances, deposits and short-term fund placements	1,178,261	1,196,343
	2,795,074	2,928,967
Non-current assets classified as held for sale	23,759	8,734
	2,818,833	2,937,701
<b>TOTAL ASSETS</b>	22,702,710	21,925,474
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,185,500	1,185,500
Reserves	19,787,090	18,731,477
Equity attributable to owners of the parent	20,972,590	19,916,977
Non-controlling interests	695,143	635,594
<b>Total equity</b>	21,667,733	20,552,571

## Quarterly Report

## Condensed Consolidated Statements Of Financial Position (Cont'd)

	As at 31-Dec-16 RM'000	As at 31-Dec-15 RM'000
<b>Non-current Liabilities</b>		
Long-term borrowings	72,918	111,170
Deferred tax liabilities	99,266	97,225
	172,184	208,395
<b>Current Liabilities</b>		
Payables	377,726	528,992
Derivative financial instruments	5,221	4,709
Short-term borrowings	455,086	615,707
Current tax liabilities	24,760	15,100
	862,793	1,164,508
<b>Total liabilities</b>	1,034,977	1,372,903
<b>TOTAL EQUITY AND LIABILITIES</b>	22,702,710	21,925,474
Net assets per share attributable to owners of the parent (RM)	17.69	16.80

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2015, and the accompanying explanatory notes attached to this report.)



Quarterly Report

Condensed Consolidated Statement Of Changes In Equity  
For The Year Ended 31 December 2016

	Non-distributable							Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000		
<b>12 months ended 31 December 2016</b>											
At 1 January 2016	1,185,500	6,715	40,477	2,729,110	(3,729)	(11,516)	165,798	15,804,622	19,916,977	635,594	20,552,571
Total comprehensive (loss)/income	-	-	-	370,300	13,171	(39,484)	(49,058)	1,044,993	1,339,922	67,709	1,407,631
Transfer of reserves	-	-	(966)	-	-	-	12,180	(10,929)	285	(285)	-
Issue of shares to non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	-	9,664	9,664
Acquisition of shares in a subsidiary	-	-	-	-	-	-	-	5,569	5,569	(7,118)	(1,549)
Disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	-	(463)	(463)
Realisation upon liquidation of subsidiaries	-	-	-	-	-	-	-	-	-	(3,165)	(3,165)
Changes in equity interest in an associate	-	-	-	-	-	-	-	6,212	6,212	-	6,212
Dividends	-	-	-	-	-	-	-	(296,375)	(296,375)	(6,793)	(303,168)
At 31 Decmber 2016	1,185,500	6,715	39,511	3,099,410	9,442	(51,000)	128,920	16,554,092	20,972,590	695,143	21,667,733
<b>12 months ended 31 December 2015</b>											
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/(loss)	-	-	(1,301)	2,470,291	(93,355)	(88,413)	(86,187)	1,051,311	3,252,346	65,106	3,317,452
Transfer of reserves	-	-	(2,890)	-	-	-	(16,993)	19,883	-	-	-
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	160	160	(6,686)	(6,526)
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	-	-	-	-	-	-	-	128,478	128,478	-	128,478
Dividends	-	-	-	-	-	-	-	(284,520)	(284,520)	(9,711)	(294,231)
At 31 Decmber 2015	1,185,500	6,715	40,477	2,729,110	(3,729)	(11,516)	165,798	15,804,622	19,916,977	635,594	20,552,571

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2015, and the accompanying explanatory notes attached to this report.)

# Quarterly Report

## Condensed Consolidated Statement Of Cash Flows For The Year Ended 31 December 2016

	12 months ended 31 December	
	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,211,110	1,181,122
Adjustments :		
Non-cash items	(667,480)	(677,440)
Non-operating items	(26,804)	(15,954)
Operating profit before working capital changes	516,826	487,728
Working capital changes :-		
Net change in current assets	65,830	(61,473)
Net change in current liabilities	(155,382)	33,495
Cash generated from operations	427,274	459,750
Tax paid	(91,123)	(90,502)
<b>Net cash generated from operating activities</b>	<b>336,151</b>	<b>369,248</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(153,272)	(197,744)
Proceeds from disposal of property, plant and equipment and investment properties	25,417	6,912
Purchase of investments	(4,399)	(111,337)
Proceeds from disposal of investments	12,184	1,343
Dividends received	300,823	286,643
Income from short-term fund placements	20,348	15,871
Interest received	20,117	18,062
Advances to associates	(49,470)	(61,893)
Distribution of profits from joint venture	4,988	6,296
Other investing activities	2,729	5,623
<b>Net cash generated from/(used in) investing activities</b>	<b>179,465</b>	<b>(30,224)</b>

## Quarterly Report

**Condensed Consolidated Statement Of Cash Flows**  
**For The Year Ended 31 December 2016 (Cont'd)**

	12 months ended 31 December	
	2016 RM'000	2015 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(219,772)	121,544
Interest paid	(24,997)	(30,999)
Dividends paid	(303,168)	(294,231)
Shares issued to non-controlling interests of subsidiaries	9,664	-
Return of capital to non-controlling interest of a subsidiary	-	(2,495)
Repayment to non-controlling interest of a subsidiary	-	(32,881)
<b>Net cash used in financing activities</b>	<b>(538,273)</b>	<b>(239,062)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(22,657)</b>	<b>99,962</b>
Cash and cash equivalents brought forward	1,196,309	1,079,040
Effect of exchange rate changes	3,551	17,307
<b>Cash and cash equivalents carried forward</b>	<b>1,177,203</b>	<b>1,196,309</b>
<u>Cash and cash equivalents represented by :</u>		
Cash and bank balances	205,471	278,240
Bank deposits	305,831	471,085
Short-term fund placements	666,959	447,018
Bank overdrafts	(1,058)	(34)
	1,177,203	1,196,309

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2015, 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 2015 except for the adoption of the following Amendments to FRSs that are effective for financial periods beginning on or after 1 January 2016 :

Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 127	Equity Method in Separate Financial Statements
Amendments to FRS 5, FRS 7, FRS 119 and FRS 134	Annual Improvements to FRSs 2012 - 2014 Cycle
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 101	Disclosure Initiative

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

#### A2. Seasonality or Cyclicity of Interim Operations

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

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

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

#### A4. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in the prior financial year which have a material effect in the current interim period.

#### A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

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

#### A6. Dividends paid

	Individual Quarter 3 months ended 31-Dec-16 RM'000	Cumulative Quarter 12 months ended 31-Dec-16 RM'000
<b><u>Dividends paid on ordinary shares</u></b>		
FY2015 : Final single tier dividend - 17 sen per share	-	201,535
FY2016 : Interim single tier dividend - 8 sen per share	-	94,840
	-	296,375

Quarterly Report

Notes (Cont'd)

A7. Segmental reporting

Segmental information in respect of the Group’s business segments for the year ended 31 December 2016 is as follows :

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
<b>REVENUE</b>									
External revenue	2,748,016	624,000	468,493	186,350	52,919	6,097	100,501	-	4,186,376
Inter-segment sales	116,361	1,769	-	11	2,674	-	34,542	(155,357)	-
Total revenue	2,864,377	625,769	468,493	186,361	55,593	6,097	135,043	(155,357)	4,186,376
<b>RESULTS</b>									
Segment results	267,209	22,009	59,055	6,151	18,013	6,105	803	-	379,345
Share of associates' profits less losses	52,215	(871)	10,507	7,806	11,919	-	748,886	-	830,462
Share of joint venture's profit	-	-	-	4,841	-	-	-	-	4,841
Interest income									19,260
Income from short-term fund placements									21,011
Finance costs									(25,370)
Unallocated corporate expenses									(18,439)
Profit before tax									1,211,110
<b>ASSETS</b>									
Segment assets	2,180,412	460,043	328,861	85,829	365,755	440,357	120,195	(251)	3,981,201
Investments in associates	360,330	34,677	177,283	50,746	185,501	-	16,853,912	-	17,662,449
Investment in joint venture	-	-	-	65,418	-	-	-	-	65,418
Bank deposits and short-term fund placements									972,790
Tax assets									
Other unallocated corporate assets									8,756
Total assets									12,096
									22,702,710

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.

# Quarterly Report

## Notes (Cont'd)

### 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 9 May 2016, SES Environmental Services Sdn Bhd and Solar Status Sdn Bhd, both indirect subsidiaries of PPB, entered into a sale and purchase agreement to dispose of their respective 65% and 15% equity interests in AWS Sales and Services Sdn Bhd ("AWS"). Accordingly, AWS has ceased to be a subsidiary of PPB.
- b) On 1 September 2016, PPB acquired the entire issued and paid-up share capital comprising two ordinary shares of RM1 each in Peakland Property Management Sdn Bhd ("Peakland") for cash at par. Arising therefrom, Peakland has become a wholly-owned subsidiary of PPB.
- c) On 1 September 2016, Kembang Developments Sdn Bhd, a dormant 100%-owned indirect 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.
- d) On 20 September 2016, CWM Group Sdn Bhd ("CWM"), a 100%-owned indirect subsidiary of PPB held via Chemquest Sdn Bhd, acquired the entire issued and paid-up share capital comprising 10,000 ordinary shares of RM1 each in Dinamik Cemerlang Sdn Bhd ("DCSB") for a total cash consideration of RM1.9 million. DCSB holds 30% equity interest in Cipta Wawasan Maju Engineering Sdn Bhd ("CWME"), an existing 70%-owned indirect subsidiary of PPB held through CWM.

Arising from the above, DCSB and CWME have become 100%-owned indirect subsidiaries of PPB.

- e) On 30 September 2016, PPB Leisure Holdings Sdn Bhd, a wholly-owned subsidiary of PPB acquired the entire issued and paid-up share capital comprising two ordinary shares of RM1 each in Mediamore Sdn Bhd ("MSB") for cash at par. Arising therefrom, MSB has become an indirect 100%-owned subsidiary of PPB.
- f) On 16 November 2016, SES Environmental Services Sdn Bhd and Solar Status Sdn Bhd, both indirect subsidiaries of PPB, commenced their respective members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965. The winding up of both companies is in progress.
- g) On 20 December 2016, Zegwaard Bumianda Sdn Bhd, a 100%-owned indirect 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.

### 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 31 December 2016 were as follows :

	RM'000
Property, plant and equipment and investment properties	
- contracted	49,883
- not contracted	278,037
	327,920
Other capital commitments	
- contracted	72,870
	400,790



**Notes (Cont'd)****A12. Significant related party transactions**

Significant related party transactions during the year ended 31 December 2016 were as follows :

	RM'000
Transactions with associates	
- Management fee received/receivable	728
- Film rental received/receivable	669
- Interest income received/receivable	2,548
- Purchase of goods	5,272
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	6,136
Transactions with subsidiaries of an associate	
- Purchase of goods	174,625
- Sales of goods	62,424
- Rental received	3,500
- Project management fees received/receivable	3,949
- Security and other service fees paid/payable	3,463
- Marketing fees received/receivable	2,248
- Supervision fees received/receivable	2,535
- Charter hire of vessels	56,403

**B. BMSB Listing Requirements (Part A of Appendix 9B)****B1. Analysis of performance for the financial period to-date**

Group revenue of RM1.02 billion in 4Q2016 was 6% lower than the RM1.09 billion in 4Q2015. Both the *Consumer products* as well as *Investments and Other operations* segments reported higher revenue. However, this was negated by reduced revenues from the other segments. For FY2016, Group revenue increased by 3% to RM4.19 billion from RM4.05 billion for FY2015. This was mainly attributed to higher revenue generated from the *Grains and agribusiness*, *Consumer products*, *Film exhibition and distribution* despite lower revenue delivered by *Environmental engineering and utilities*, and *Property* segments.

Group pre-tax profit increased by 39% to RM527 million in 4Q2016 and 3% to RM1.21 billion for FY2016 compared with RM379 million and RM1.18 billion respectively in the previous quarter and year. This was mainly due to higher profit contribution from an associate, Wilmar International Limited ("Wilmar"), which cushioned lower results recorded by most of the Group's segments in 4Q2016. Better results generated from the Group's China associates as well as the *Grains and agribusiness* segment contributed to higher profit for FY2016.

# Quarterly Report

## Notes (Cont'd)

### Group financial performance by business segment

	4Q2016	4Q2015	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Grains and agribusiness	720,413	747,000	(26,587)	(4%)
Consumer products	158,977	145,670	13,307	9%
Film exhibition and distribution	101,637	107,331	(5,694)	(5%)
Environmental engineering and utilities	37,108	78,062	(40,954)	(52%)
Property	11,868	20,486	(8,618)	(42%)
Investments and Other operations	33,652	30,768	2,884	9%
Elimination	(40,210)	(38,717)	(1,493)	
Total revenue	1,023,445	1,090,600	(67,155)	(6%)

	FY2016	FY2015	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Grains and agribusiness	2,864,377	2,710,870	153,507	6%
Consumer products	625,769	590,717	35,052	6%
Film exhibition and distribution	468,493	435,571	32,922	8%
Environmental engineering and utilities	186,361	255,321	(68,960)	(27%)
Property	55,593	65,366	(9,773)	(15%)
Investments and Other operations	141,140	140,657	483	0%
Elimination	(155,357)	(150,188)	(5,169)	
Total revenue	4,186,376	4,048,314	138,062	3%

	4Q2016	4Q2015	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
Grains and agribusiness	62,277	72,745	(10,468)	(14%)
Consumer products	6,648	10,072	(3,424)	(34%)
Film exhibition and distribution	1,371	15,433	(14,062)	(91%)
Environmental engineering and utilities	(366)	2,449	(2,815)	>(100%)
Property	1,198	4,842	(3,644)	(75%)
Investments and Other operations	(13,528)	(3,181)	(10,347)	>(100%)
Total segment results	57,600	102,360	(44,760)	(44%)
Share of associates and joint venture's profits less losses	468,684	280,474	188,210	67%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	541	(4,086)	4,627	>100%
Total profit before tax	526,825	378,748	148,077	39%

## Quarterly Report

## Notes (Cont'd)

	FY2016	FY2015	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
Grains and agribusiness	267,209	260,376	6,833	3%
Consumer products	22,009	25,351	(3,342)	(13%)
Film exhibition and distribution	59,055	65,613	(6,558)	(10%)
Environmental engineering and utilities	6,151	10,572	(4,421)	(42%)
Property	18,013	25,166	(7,153)	(28%)
Investments and Other operations	6,908	11,744	(4,836)	(41%)
Total segment results	379,345	398,822	(19,477)	(5%)
Share of associates and joint venture's profits less losses	835,303	795,487	39,816	5%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(3,538)	(13,187)	9,649	73%
Total profit before tax	1,211,110	1,181,122	29,988	3%

**Grains and agribusiness**

Segment revenue was RM720 million in 4Q2016 compared with RM747 million in 4Q2015 mainly due to lower flour sales volume in Indonesia. The Malaysian flour mills also recorded lower revenue from decreased selling prices and sales volume. For FY2016, the segment revenue rose 6% to RM2.86 billion compared with RM2.71 billion for FY2015. This was primarily due to flour sales volume increase in Vietnam with full year contribution from the flour mill in northern Vietnam, coupled with increase in both selling prices and sales volume in Indonesia despite lower revenue from flour mills in Malaysia.

*Grains and agribusiness* posted profits of RM62 million in 4Q2016 compared with RM73 million in the same period last year as a result of lower margins in flour sales. For FY2016, segment profit was marginally higher at RM267 million against RM260 million a year ago. The better performance from flour mills in Indonesia and Vietnam was offset in part by lower profits from the flour mills in Malaysia and lower net foreign exchange translation gain.

**Consumer products**

The segment revenue growth of 9% to RM159 million in 4Q2016, and 6% to RM626 million for FY2016 was contributed by distribution of new agency products and improved sales of existing in-house products. Higher sales volume and selling prices of bakery products also contributed to revenue growth in the quarter and year to-date under review.

Notwithstanding the revenue growth and better results from the bakery division, segment profits were lower at RM6.6 million in 4Q2016 and RM22 million for FY2016 compared with RM10 million and RM25 million respectively in the corresponding periods last year, mainly due to increase in staff costs and higher sales of lower margin products.

**Film exhibition and distribution**

*The Film exhibition and distribution* segment generated lower revenue of RM102 million in 4Q2016 compared with RM107 million in 4Q2015 due to comparatively weaker movie titles released in the fourth quarter. However, segment revenue grew by 8% to RM468 million in FY2016 from RM436 million in FY2015 due mainly to contribution from new cinemas which opened in 2015, improved cinema collections from strong local, blockbuster and Chinese New Year movie releases and higher concession sales.

Segment profit in 4Q2016 was lower at RM1.4 million which was in line with the revenue reported in the quarter under review. Despite higher revenue recorded for FY2016, lower contribution from film distribution and a foreign exchange translation loss on USD-denominated loans resulted in lower segment profit of RM59 million for FY2016.



# Quarterly Report

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## Notes (Cont'd)

### Environmental engineering and utilities

Segment revenue for 4Q2016 and FY2016 was lower at RM37 million and RM186 million respectively compared with the same periods last year. This was due to progressive completion of engineering projects and relatively lower number of projects secured in 2016. The newly-secured projects are at their initial stages and have yet to contribute in the periods under review.

In tandem with the lower revenue, the segment reported an overall loss of RM0.4 million in 4Q2016 and lower profits of RM6.1 million for FY2016.

### Property

For the current quarter and year under review, rental income from the Group's investment properties was the main contributor to segment revenue. The *Property* segment posted lower revenue of RM12 million in 4Q2016 and RM56 million for FY2016 compared with RM20 million in 4Q2015 and RM65 million for FY2015. This was mainly due to revenue from progress billings being recognised in 1H2016 on delivery of vacant possession of properties sold in Taman Tanah Aman, Seberang Perai and the reduced rental income from lower occupancy rates.

Segment profits reduced to RM1.2 million in 4Q2016 and RM18 million for FY2016 from RM4.8 million and RM25 million respectively in 4Q2015 and FY2015 in line with the lower revenue.

### Investments and Other operations

The combined segment revenue increased by 9% in 4Q2016 to RM34 million mainly derived from dividend income received. For FY2016, the combined segment revenue was broadly similar at RM141 million. The Chemical trading and manufacturing business contributed higher revenue to the combined segment riding on higher sales and this was partly offset by lower dividend income received and lesser sales in the packaging division.

The combined segments collectively registered a higher loss of RM14 million in 4Q2016, due to inventories written down and losses in packaging division. For FY2016, the combined segment profit was lower at RM7 million compared with RM12 million for FY2015. While the chemical trading and manufacturing business recorded higher profits for FY2016 from increased revenue and better margins, the combined segment profit was lower due to lower dividend income received, losses in the packaging division as well as a one-off gain on liquidation of a subsidiary in FY2015.

### Share of associates and joint venture's profits less losses

The Group's share of associates and joint venture profits was RM469 million in 4Q2016 compared with RM280 million in 4Q2015. Wilmar contributed higher profits of RM444 million in 4Q2016 against RM266 million in 4Q2015, mainly attributed to strong performance across all its business segments. For FY2016, profit contribution from associates and joint venture was higher at RM835 million compared with RM795 million in FY2015. Wilmar's contribution for FY2016 was marginally lower at RM748 million compared with RM765 million for FY2015, largely attributed to the loss incurred in the second quarter of this year; this was mitigated by foreign exchange translation gain on the share of Wilmar's results reported in USD. Higher profit for FY2016 was also due to positive contribution from the Group's investments in China associates.

## Notes (Cont'd)

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

	4Q2016	3Q2016	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
Grains and agribusiness	62,277	88,175	(25,898)	(29%)
Consumer products	6,648	7,805	(1,157)	(15%)
Film exhibition and distribution	1,371	7,843	(6,472)	(83%)
Environmental engineering and utilities	(366)	779	(1,145)	>(100%)
Property	1,198	1,371	(173)	(13%)
Investments and Other operations	(13,528)	2,836	(16,364)	>(100%)
Total segment results	57,600	108,809	(51,209)	(47%)
Share of associates and joint venture's profits less losses	468,684	320,996	147,688	46%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	541	(80)	621	>100%
Total profit/(loss) before tax	526,825	429,725	97,100	23%

The Group recorded a pre-tax profit of RM527 million in 4Q2016 compared with RM430 million in 3Q2016. Wilmar contributed higher profit of RM444 million to the Group in 4Q2016 compared with RM293 million in 3Q2016.

The *Grains and agribusiness* segment profits decreased to RM62 million mainly due to lower selling prices and higher raw material costs incurred by the animal feed division and lower net foreign exchange translation gain on USD-denominated loans. The *Property* segment profit fell slightly to RM1.2 million mainly due to lower rental income. The combined segment reported a loss of RM14 million as a result of losses in the packaging division; while the *Film exhibition and distribution* delivered lower profits of RM1.4 million due to weaker movies released. *Consumer products* recorded a lower segment profit of RM6.6 million mainly caused by higher staff and distribution costs. *Environmental engineering and utilities* saw a loss of RM0.4 million as most of the profits had been recognised on completed engineering projects in previous quarters.

### B3. Prospects for the next financial year

Bank Negara Malaysia has reported that while the external environment may continue to remain challenging, the Malaysian economy will experience sustained growth in 2017 with the primary driver being domestic demand. Private consumption is anticipated to remain supported by wage and employment growth, with additional impetus from announced Government measures to support household disposable income. Investment activity will continue to be anchored by the on-going implementation of infrastructure projects and capital spending in the manufacturing and services sectors. (Extracted from Bank Negara Malaysia Quarterly Bulletin 4th Quarter 2016)

The operating environment in 2017 is expected to be challenging for the Group's core businesses. Intense competition will continue in the flour markets in Malaysia, Indonesia and Vietnam, while the feed market in Malaysia will be uncertain with the rapidly evolving industry landscape. However, the Group is confident of maintaining its strong position in the *Grains & agribusiness* segment with its industry knowledge and experience. While the weaker Ringgit and economic uncertainty are expected to weigh on consumer confidence and affect spending, the Group expects the performance of the *Consumer products* segment to continue to be satisfactory. The *Film exhibition and distribution* segment will be supported by the opening of three new cinemas and strong line-up of movies in 2017. The *Environmental engineering and utilities* segment is well-positioned to participate in Government projects to upgrade and renew the water and sewage infrastructure. The *Property* segment is planning to launch a new development project in a strategic location, and will continue to focus on improving the yield of its investment properties.

While the Group's main business segments are expected to perform satisfactorily, Wilmar's performance will continue to contribute substantially to the Group's overall financial results for 2017.

# Quarterly Report

## Notes (Cont'd)

### B4. Variance of actual profit from forecast profit

Not applicable.

### B5. Profit before tax

	Individual Quarter 3 months ended 31-Dec-16 RM'000	Cumulative Quarter 12 months ended 31-Dec-16 RM'000
Profit before tax is stated after crediting :		
Dividend income	1,392	6,098
Fair value gain on derivatives	4,300	55,423
Foreign exchange gain	4,104	31,134
Interest income	5,847	19,260
Income from short-term fund placements	5,720	21,011
Rental income	2,007	5,806
Gain on disposal of a subsidiary	-	175
Gain on disposal of land and building	-	3,891
Profit before tax is stated after charging :		
Allowance for doubtful debts and receivables written off	(671)	(3,530)
Depreciation and amortisation	(56,261)	(145,784)
Fair value gain/(loss) on derivatives	1,704	(11,932)
Foreign exchange gain/(loss)	2,090	(24,322)
Interest expense	(6,339)	(25,370)

### B6. Tax expense

	Individual Quarter 3 months ended 31-Dec-16 RM'000	Cumulative Quarter 12 months ended 31-Dec-16 RM'000
Taxation comprises :		
Malaysian taxation		
Current	19,770	94,914
Deferred	(731)	(2,463)
	19,039	92,451
Foreign taxation		
Current	(1,144)	9,374
Deferred	3,576	5,426
	21,471	107,251
(Over)/Under provision in prior year		
Current	1,749	(1,926)
Deferred	(1,805)	(1,086)
	21,415	104,239

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



**Notes (Cont'd)****B7. Status of corporate proposals**

There were no corporate proposals announced but not completed as at 21 February 2017.

**B8. Group borrowings**

Total Group borrowings as at 31 December 2016 were as follows :

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings	114,178	114,178	-
Long-term bank loans (USD)	2,164	2,164	-
Long-term bank loans (VND)	(43,424)	(43,424)	-
Repayments due within the next 12 months	72,918	72,918	-
Short-term bank borrowings			
Bills payable	20,000	-	20,000
Bills payable (IDR)	31,062	-	31,062
Short-term loans	650	-	650
Short-term loans (USD)	158,160	-	158,160
Short-term loans (IDR)	160,320	-	160,320
Short-term loans (VND)	40,412	-	40,412
Current portion of long-term loans	43,424	43,424	-
	454,028	43,424	410,604
Bank overdrafts	1,058	-	1,058
	455,086	43,424	411,662

**B9. Material litigation**

There was no material litigation as at 21 February 2017.

**B10. Dividends**

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2016 of 17 sen per share (2015 : 17 sen per share single tier) payable on Thursday, 25 May 2017 subject to the approval of shareholders at the 48th Annual General Meeting to be held on Tuesday, 9 May 2017.

Together with the interim single tier dividend of 8 sen per share paid on 28 September 2016, the total dividend paid and payable for the financial year ended 31 December 2016 would be 25 sen per share single tier (2015 - Interim : 8 sen per share single tier; Final : 17 sen per share single tier).

**Dividend entitlement/payment date**

Notice is hereby given that subject to shareholders' approval, the final dividend is payable on Thursday, 25 May 2017 to shareholders whose names appear in the Record of Depositors at the close of business on Monday, 15 May 2017.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Monday, 15 May 2017 in respect of ordinary transfers, and
- (ii) Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of BMSB.

# Quarterly Report

## Notes (Cont'd)

### Dividends paid/payable

Dividends paid/payable for financial year 2015 and up to the date of this report are as follows :

Financial Year	Type	Amount per share	Date paid/payable
2015	Interim dividend	8 sen	28 September 2015
2015	Final dividend	17sen	25 May 2016
2016	Interim dividend	8 sen	28 September 2016
2016	Final dividend	17sen	25 May 2017

### 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 year 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-Dec-16 RM'000	As at 31-Dec-15 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :		
- Realised	13,022,777	12,743,455
- Unrealised	(98,796)	(84,591)
	12,923,981	12,658,864
Total share of retained profits/(accumulated losses) from associates :		
- Realised	210,443	151,631
- Unrealised	(1,292)	(1,543)
- Wilmar International Limited ("Wilmar") *	5,739,841	5,265,268
Total share of retained profits from joint venture :		
- Realised	10,028	8,313
	18,883,001	18,082,533
Less : consolidation adjustments	(2,328,909)	(2,277,911)
Total Group retained profits as per consolidated accounts	16,554,092	15,804,622

\* 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  
28 February 2017

**By Order of the Board**  
Mah Teck Keong  
Company Secretary



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