



# QUARTERLY REPORT

# Q1

INVESTOR UPDATE 2018



# FROM THE DESK OF THE CHAIRMAN



**Dear Shareholders,**

## **FINANCIAL SUMMARY FOR THE 1ST QUARTER OF 2018**

We are pleased to report that PPB Group's revenue of RM1.14 billion was 11% higher compared to 1Q2017. The Group registered a pre-tax profit of RM210 million, 43% lower compared with 1Q2017. This was due to lower contribution from our 18.5% associate, Wilmar International Limited as well as lower profits recorded by the Grains and Agribusiness, Consumer Products and Film Exhibition and Distribution segments.

Profit for the period decreased to RM196 million from RM347 million and accordingly, earnings per share for 1Q2018 stood at 15.99 sen compared with 28.55 sen in the first quarter of last year.

## HAPPENINGS

FFM Marketing Sdn Bhd successfully launched its latest offering, Massimo Ricco Chocolate, a premium chocolate chip loaf bread in January 2018.

On 26 January 2018, Cheras LeisureMall launched the new MRT linkbridge and an extended, revamped mall space leading to the Taman Mutiara MRT station. The linkbridge enhances connectivity and accessibility of the mall, making it more convenient for the public to visit the mall.

PPB held its first Press and Analyst Briefing for the year on 2 March 2018, to review the 2017 results and provide an update on the latest developments in the Group. The briefing was well-attended by analysts, fund managers and the local press.

Golden Screen Cinemas was the host for two film festivals, the Iranian and Czech film festivals, held during the quarter under review. The Iranian Film Festival was held for the first time in the country with free screening of six specially curated Iranian films at GSC International halls.

## CSR ACTIVITIES

In conjunction with the Chinese New Year celebrations, PPB staff held separate lunches with the residents of two old folks homes. On a separate occasion, Cheras LeisureMall treated 100 senior citizens from five other homes to a CNY lunch and a line-up of fun-filled entertainment at the mall.

In line with PPB's investment to empower the indigenous community, the orang asli in Simpai, Pekan who were recipients of PPB-sponsored wells in 2015, constructed sanitation facilities comprising a bathroom and two toilets complete with septic tank. This is a step forward for the orang asli to improve their living and hygiene conditions.

GSC Group held its annual blood donation drive at its headquarters in Damansara Jaya with the assistance of the National Blood Bank, with a total of 50 donors comprising employees and business associates.

GSC launched an autism awareness campaign "Autistic People Are Not Broken" on 28 March 2018, aimed to raise awareness of autism spectrum disorder (ASD) and break the stigma of the condition. A special movie entitled "The Wayang Kids" was screened with RM1 from every ticket sold pledged to the National Autism Society of Malaysia (NASOM).

## AIDILFITRI GREETINGS

Wish to take this opportunity to wish our Muslim shareholders and friends "Selamat Berpuasa" and "Salam Aidilfitri".

**Tan Sri Datuk Oh Siew Nam**

Chairman

8 June 2018

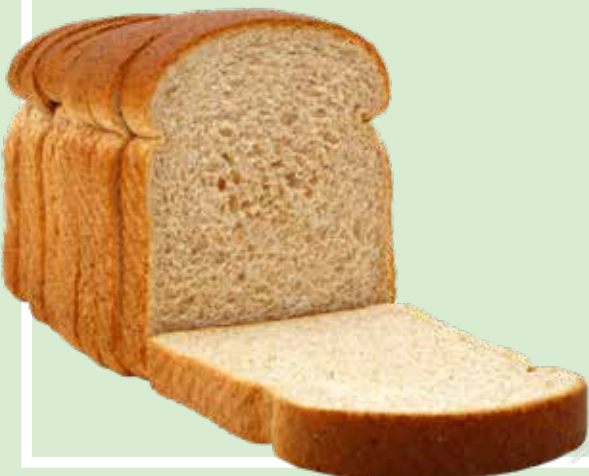




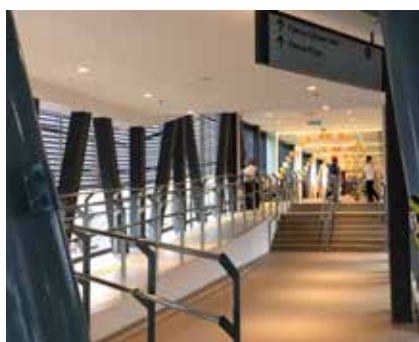
# MASSIMO RICCO CHOCOLATO

In January 2018, FFM Marketing Sdn Bhd successfully launched its latest product, the Massimo Ricco Chocolato, a premium chocolate chip loaf bread.

The loaf bread is soft and full of chocolate flavour. It is perfect to be eaten anywhere, anytime, for breakfast or on its own.



# MRT LINKBRIDGE CONNECTION LAUNCH



On 26 January 2018, Cheras LeisureMall unveiled the new linkbridge and an extended, revamped mall space leading to the Taman Mutiara MRT station. This expansion and upgrading are part of the mall's ongoing initiative to enhance shoppers' experience.

The works commenced in March 2017 and involved the construction of an air-conditioned 60-metre linkbridge connecting the newly-opened Taman Mutiara MRT station to Level 1 of the mall. The linkbridge enhances connectivity and accessibility of the mall. The extension and refurbishment of both Levels 1 and 2 at the LeisurePlex wing of the mall, added 15,000 sq. ft. of net lettable area to offer a greater variety of retail and F&B choices.

The launch was graced by Tuan Haji Muhammad Isom Azis, Acting Chief Executive Officer of Rapid Rail Sdn Bhd, Mr Leong Shen Li, General Manager of Strategic Communications and Stakeholder Relations, MRT Corp, supermodel Amber Chia, radio DJ Liang Jin Long, artiste Nina Kho and YouTuber Akiyo, along with amazing performances by stilt-walkers and clowns, interactive games booths, an exclusive K-pop bazaar as well as great opening discounts and offerings.





On 2 March 2018, PPB held its first Press and Analyst Briefing for the year at the Shangri-La Hotel, Kuala Lumpur which was attended by about 50 analysts and fund managers from various local and foreign research houses, and securities firms. Also present at the briefing were several members from the local press.

The briefing reviewed the Group's financial results for 2017 and latest developments in the Group.

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

# PRESS AND ANALYST BRIEFING



# SCREENING THE BEST OF IRANIAN CINEMA

Golden Screen Cinemas (GSC) hosted its inaugural Iranian Film Festival from 7 to 17 March 2018 in four selected GSC cinemas in Kuala Lumpur, Penang, and Johor Bahru. The festival saw the screening of six specially curated films, including heart-warming comedies and dramas from Iranian cinema, all of which were available for free on a first-come, first-served basis at GSC Pavilion KL, GSC Mid Valley Megamall, GSC Gurney Plaza Penang and GSC Paradigm JB.





# THE CZECH FILM FESTIVAL RETURNS!





## Happenings

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018



The Czech Film Festival returned this year from 22 to 25 March 2018, showcasing several outstanding Czech movies around the theme, “Fairy Tale Stories from Fairy Tale Country”. With free admission, all the 10 screenings were held at GSC Pavilion KL and GSC Mid Valley. The festival was organised and funded by the Embassy of the Czech Republic as part of its efforts to enhance Czech-Malaysian cultural understanding and increase the appreciation of its movies in the country.



# CHINESE NEW YEAR CELEBRATIONS

PPB staff celebrated the Chinese New Year in 2018 with the residents of En Yuan Old Folks Home (En Yuan) and Yi Xing USJ Old Folks Home (Yi Xing).

PPB staff visited En Yuan on 9 February, had lunch and played several fun games with them. Located in Kampung Tunku, Petaling Jaya, En Yuan currently has 27 residents. En Yuan received a microwave oven, 3 units of stand fans as well as a printer and every resident was given an angpaw from PPB.

On 14 February, PPB staff brought the residents of Yi Xing for a scrumptious CNY lunch at a restaurant near by their home. PPB contributed the lighting and ceiling fans to brighten their home and gave an angpaw to every resident. Yi Xing currently has 22 residents aged between 50-89 years old.





On a separate occasion, Cheras LeisureMall invited 100 senior citizens from five charity homes for a CNY luncheon. The participating senior citizens were from Rumah Charis, Little Sisters of the Poor, Persatuan Kebajikan dan Social Kim Loo Ting KL, Bodhi Home Care, and Persatuan Rumah Caring Kajang. The senior citizens were also treated to a lion dance performance followed by a line-up of entertainment starting with the appearance of veteran artiste Cheng Kam Cheong, affectionately known as 'Cheong Kor'; a special flower dance performance as well as acrobatic and mask-changing performances; singing of golden oldies by renowned artistes, Wilson Tin, Jericash Chan and Lim Ming Hui and lastly, the appearance of the God of Prosperity. The senior citizens received angpows and other gifts in conjunction with the celebration.





# SPONSORSHIP OF SANITATION FACILITIES FOR THE ORANG ASLI IN SIMPAI, PAHANG

Since 2015, PPB has endeavoured to provide orang asli with the basic needs eg. clean water. Without ready access to clean water, they had to travel long distances to carry water for their daily needs and used to bathe in stagnant water which led to body sores and illnesses. PPB's sponsorship of wells have attracted more orang asli to build their homes nearer to the wells. Following this, PPB also sponsored building materials for sanitation facilities; the orang asli in Simpai, Pahang laboured together to construct two toilets and a bathroom for each well recipient complete with septic tank. Todate, a total of eight well recipients have completed construction of their respective sanitation facilities and another two well recipients will complete theirs later this year.

The above facilities provided by PPB is not only convenient, more importantly they promote hygiene and safeguard their privacy for which they are grateful.



## CSR Activities

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018







# GSC'S ANNUAL BLOOD DONATION DRIVE 2018

On 9 March 2018, the GSC Group held its annual Blood Donation Drive at its headquarters in Damansara Jaya. The event was organised with the assistance of the National Blood Bank and saw over 50 people signing up to donate blood for a good cause. Donors included film distributors, business partners, and cinema staff – all of whom enjoyed a hearty breakfast after that.



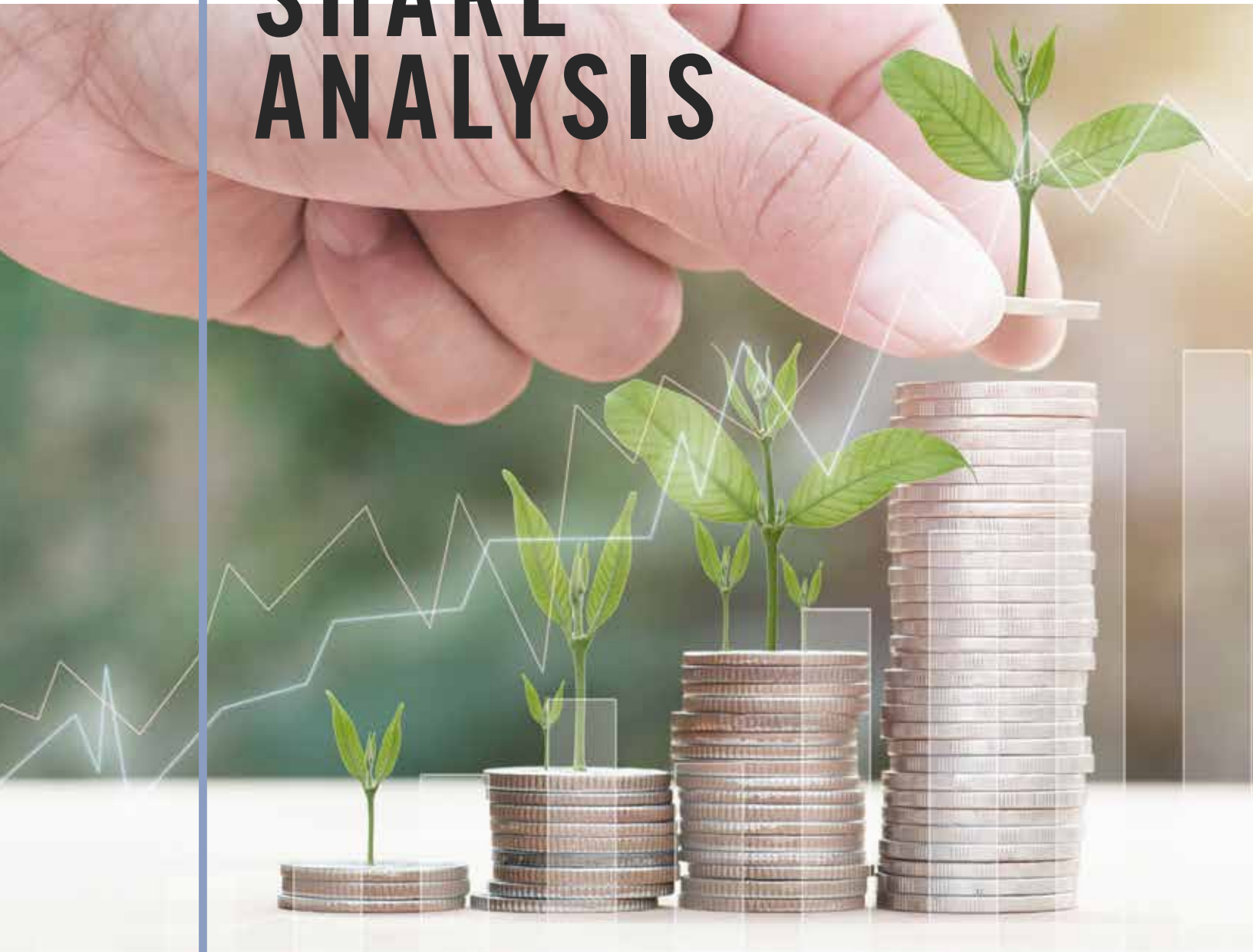




# GSC LAUNCHES AUTISM AWARENESS CAMPAIGN TO #BREAKTHESTIGMA

In support of World Autism Month in April, Golden Screen Cinemas launched a “Autistic People Are Not Broken” campaign on 28 March 2018. The campaign aims to raise awareness of autism spectrum disorder (ASD) and #BreakTheStigma of the condition. As part of this initiative, GSC turned blue and collaborated with GSC Movies to screen a special movie entitled “The Wayang Kids”, with RM1 from every ticket sold pledged to the National Autism Society of Malaysia (NASOM).

# SHARE ANALYSIS





### **Despite heightened uncertainties in global financial markets, the FBM KLCI increased during the quarter**

During the first quarter, the FBM KLCI increased by 3.7% to close at 1,863.5 points as at end-March 2018 (end-December 2017: 1,796.8 points). The domestic equity market experienced strong buying activities from non-resident investors driven mainly by positive sentiments in the domestic market following higher global crude oil prices and stronger ringgit performance. Sentiments in the domestic market were further supported by the release of better-than-expected Malaysian 4Q 2017 GDP growth. The gains, however, were partially offset following heightened volatility in the US equity market amid uncertainties surrounding the pace of US policy normalisation and concerns over trade disputes.

[Source : Bank Negara Malaysia website]

PPB shares closed higher at RM19.14 compared with RM17.24 in the preceding quarter and market capitalisation increased to RM22,700 million. The average daily volume of PPB shares traded during the quarter increased by 126.07% to 1,047,372 shares.



## Share Analysis

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

	1Q2018	4Q2017	% change
<b>PPB share price (RM)</b>			
Closing price (high)	19.18	17.58	9.10%
Closing price (low)	17.08	16.54	3.26%
Month end closing price	19.14	17.24	11.02%
Weighted share price	17.92	16.80	6.67%
Market capitalization (RM <sup>1</sup> million)	22,700	20,447	11.02%
<b>PPB share trading volume (no. of shares)</b>			
Daily volume (high)	3,212,200	2,188,400	46.78%
Daily volume (low)	92,500	54,300	70.35%
Average daily volume	1,047,372	463,298	126.07%
<b>FBM KLCI</b>			
FBM KLCI closing (high)	1,876.87	1,796.81	4.46%
FBM KLCI closing (low)	1,782.70	1,713.13	4.06%
FBM KLCI quarter end closing	1,863.46	1,796.81	3.71%
<b>FBM KLCI volume (no. of shares)</b>			
Daily volume (high)	334,625,600	467,429,200	-28.41%
Daily volume (low)	60,280,400	77,573,100	-22.29%
Average daily volume	142,441,485	128,712,839	10.67%

### FBM KLCI & PPB SHARE PRICE MOVEMENTS IN 1Q2018



# Group Financial Highlights

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

Financial period/year ended  
(All figures in RM million)

Financial period/year ended (All figures in RM million)	3 months		Change %	12 months
	31.03.18	31.03.17 (restated)		31.12.17 (restated)
INCOME STATEMENT				
Revenue	1,145	1,031	11.1	4,292
Profit before tax	210	367	(42.8)	1,273
Profit attributable to owners of the parent	190	338	(43.8)	1,186
STATEMENT OF FINANCIAL POSITION				
Non-current assets	19,016	20,019	(5.0)	19,558
Current assets				
Cash, bank balances, deposits and short-term fund placements	1,347	1,210	11.3	1,339
Others	1,684	1,537	9.6	1,809
Total current assets	3,031	2,747	10.3	3,148
Total assets	22,047	22,766	(3.2)	22,706
Equity				
Share capital	1,192	1,192	0.0	1,192
Reserves	19,037	19,981	(4.7)	19,524
Equity attributable to owners of the parent	20,229	21,173	(4.5)	20,716
Non-controlling interests	671	686	(2.2)	676
Total equity	20,900	21,859	(4.4)	21,392
Non-current liabilities				
Long-term bank borrowings	30	65	(53.8)	36
Others	94	103	(8.7)	92
Total non-current liabilities	124	168	(26.2)	128
Current liabilities				
Short-term bank borrowings	576	386	49.2	745
Others	447	353	26.6	441
Total current liabilities	1,023	739	38.4	1,186
Total liabilities	1,147	907	26.5	1,314
Total equity and liabilities	22,047	22,766	(3.2)	22,706

## Group Financial Highlights

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

Financial period/year ended  
(All figures in RM million)

		3 months		12 months
		31.03.18	31.03.17 (restated)	31.12.17 (restated)
<b>RATIOS</b>				
Return on equity attributable to owners of the parent	(%)	3.8	6.4	5.7
Earnings per share	(sen)	16.0	28.6	100.0
Interest coverage	(times)	36.0	53.4	51.9
Total borrowings/Equity	(%)	2.9	2.1	3.7
Long-term borrowings/Equity	(%)	0.1	0.3	0.2
Net assets per share attributable to owners of the parent	(RM)	17.1	17.9	17.5
Net dividend per share	(sen)	0.0	0.0	30.0
<b>STOCK MARKET INFORMATION</b>				
Share price	(RM)	19.14	16.74	17.24
Market capitalisation	(RM million)	22,700	19,854	20,447
PE ratio	(times)	29.9	14.6	17.2



### FEBRUARY 2018

13

PPB announced that the quarterly report for the 4th quarter ended 31 December 2017 would be released on 28 February 2018.

28

- Release of PPB's quarterly report for the 4th quarter ended 31 December 2017.
- PPB announced the amount of financial assistance provided by subsidiaries of PPB during the quarter ended 31 December 2017.
- A final single tier dividend of 22 sen per share in respect of the year ended 31 December 2017 was proposed for shareholders' approval at the 49th Annual General Meeting ("AGM") to be held on 15 May 2018, payable on 31 May 2018 to members whose names appear in the Record of Depositors on 18 May 2018.

The final dividend has been paid on 31 May 2018.

- PPB announced that shareholders' approval would be sought at the 49th AGM for the following :
  - a) proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature; and
  - b) proposed renewal of authority for PPB to purchase its own ordinary shares of up to 10% of the issued shares.

The ordinary resolutions to approve the above were passed by PPB shareholders at the AGM.

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Condensed Consolidated Income Statements For The Period Ended 31 March 2018

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2018 RM'000	2017 RM'000 (restated)	2018 RM'000	2017 RM'000 (restated)
Revenue	1,145,122	1,030,586	1,145,122	1,030,586
Operating expenses	(1,127,011)	(999,662)	(1,127,011)	(999,662)
Other operating income	31,578	40,587	31,578	40,587
Share of net profits less losses of associates	164,724	301,465	164,724	301,465
Share of profit of joint venture	1,028	939	1,028	939
Finance costs	(5,927)	(6,617)	(5,927)	(6,617)
Profit before tax	209,514	367,298	209,514	367,298
Tax expense	(13,907)	(20,470)	(13,907)	(20,470)
Profit for the period	195,607	346,828	195,607	346,828
Attributable to :				
Owners of the parent	189,512	338,432	189,512	338,432
Non-controlling interests	6,095	8,396	6,095	8,396
Profit for the period	195,607	346,828	195,607	346,828
Basic earnings per share (sen)	15.99	28.55	15.99	28.55

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2017, and the accompanying explanatory notes attached to this report.)

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Condensed Consolidated Statements Of Comprehensive Income For The Period Ended 31 March 2018

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2018 RM'000	2017 RM'000 (restated)	2018 RM'000	2017 RM'000 (restated)
Profit for the period	195,607	346,828	195,607	346,828
Other comprehensive income/(loss), net of tax				
Items that will be subsequently reclassified to profit or loss				
Exchange differences on translation of foreign operations	(771,057)	(232,997)	(771,057)	(232,997)
Fair value of available-for-sale financial assets	(95,274)	129,917	(95,274)	129,917
Share of associates' other comprehensive income	178,590	216,170	178,590	216,170
Total comprehensive income/(loss)	(492,134)	459,918	(492,134)	459,918
Attributable to :				
Owners of the parent	(487,257)	452,644	(487,257)	452,644
Non-controlling interests	(4,877)	7,274	(4,877)	7,274
Total comprehensive income/(loss)	(492,134)	459,918	(492,134)	459,918

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2017, and the accompanying explanatory notes attached to this report.)



# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Condensed Consolidated Statements Of Financial Position

	As at 31-Mar-18 RM'000	As at 31-Dec-17 RM'000 (restated)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,309,231	1,344,173
Investment properties	216,942	217,711
Biological assets	3,674	3,616
Goodwill	73,704	73,704
Other intangible assets	10,449	9,232
Land held for property development	86,260	86,209
Investments in associates	16,627,810	17,036,921
Investment in joint venture	60,533	61,595
Other investments	626,192	722,221
Deferred tax assets	1,164	2,225
	19,015,959	19,557,607
<b>Current Assets</b>		
Inventories	668,090	815,569
Biological assets	15,441	18,716
Other intangible assets	2,366	8,337
Property development costs	8,150	6,294
Receivables	950,795	932,291
Derivative financial instruments	8,917	17
Current tax assets	19,715	18,086
Cash, bank balances, deposits and short-term fund placements	1,347,192	1,339,143
	3,020,666	3,138,453
Assets classified as held for sale	9,880	10,163
	3,030,546	3,148,616
<b>TOTAL ASSETS</b>	22,046,505	22,706,223
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,192,215	1,192,215
Reserves	19,036,536	19,523,793
Equity attributable to owners of the parent	20,228,751	20,716,008
Non-controlling interests	671,128	676,005
<b>Total equity</b>	20,899,879	21,392,013

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

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

	As at 31-Mar-18 RM'000	As at 31-Dec-17 RM'000 (restated)
<b>Non-current Liabilities</b>		
Long-term borrowings	30,290	35,974
Deferred tax liabilities	93,916	91,871
	124,206	127,845
<b>Current Liabilities</b>		
Payables	428,838	433,687
Derivative financial instruments	9,808	337
Short-term borrowings	576,152	744,749
Current tax liabilities	6,956	6,107
	1,021,754	1,184,880
Liabilities associated with assets classified as held for sale	666	1,485
	1,022,420	1,186,365
<b>Total liabilities</b>	1,146,626	1,314,210
<b>TOTAL EQUITY AND LIABILITIES</b>	22,046,505	22,706,223
Net assets per share attributable to owners of the parent (RM)	17.06	17.47

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2017, and the accompanying explanatory notes attached to this report.)

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Condensed Consolidated Statement Of Changes In Equity For The Period Ended 31 March 2018

	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
<b>3 months ended 31 March 2018</b>											
At 1 January 2018											
As previously stated	1,192,215	-	38,966	1,753,866	292,119	13,528	180,305	17,427,041	20,898,040	676,176	21,574,216
Effects of MFRS convergence and adoption of MFRS 9, MFRS 15 and MFRS 141	-	-	(38,966)	1,227,523	-	4,118	22,672	(1,397,379)	(182,032)	(171)	(182,203)
Restated	1,192,215	-	-	2,981,389	292,119	17,646	202,977	16,029,662	20,716,008	676,005	21,392,013
Total comprehensive income/(loss)	-	-	-	(543,390)	(95,274)	(16,044)	(22,061)	189,512	(487,257)	(4,877)	(492,134)
Transfer of reserves	-	-	-	-	-	-	2,771	(2,771)	-	-	-
At 31 March 2018	1,192,215	-	-	2,437,999	196,845	1,602	183,687	16,216,403	20,228,751	671,128	20,899,879
<b>3 months ended 31 March 2017</b>											
At 1 January 2017											
As previously stated	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
Effects of MFRS convergence and adoption of MFRS 9, MFRS 15 and MFRS 141	-	-	(39,511)	1,202,792	-	(13,634)	(23,651)	(1,379,439)	(253,443)	127	(253,316)
Restated	1,185,500	6,715	-	4,302,202	9,442	(64,634)	105,269	15,174,653	20,719,147	695,270	21,414,417
Total comprehensive income/(loss)	-	-	-	(153,791)	129,917	123,857	14,229	338,432	452,644	7,274	459,918
Transfer of reserves	-	-	-	-	-	-	3,221	(3,221)	-	-	-
Transfer pursuant to Companies Act 2016	6,715	(6,715)	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(16,000)	(16,000)
At 31 March 2017	1,192,215	-	-	4,148,411	139,359	59,223	122,719	15,509,864	21,171,791	686,544	21,858,335

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2017, and the accompanying explanatory notes attached to this report.)



# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Condensed Consolidated Statement Of Cash Flows For The Period Ended 31 March 2018

	3 months ended 31 March	
	2018 RM'000	2017 RM'000 (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	209,514	367,298
Adjustments :		
Non-cash items	(127,560)	(268,213)
Non-operating items	(5,955)	(3,849)
Operating profit before working capital changes	75,999	95,236
Working capital changes :-		
Net change in current assets	109,995	63,914
Net change in current liabilities	24,060	(29,692)
Cash generated from operations	210,054	129,458
Tax paid	(11,777)	(26,196)
<b>Net cash generated from operating activities</b>	<b>198,277</b>	<b>103,262</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(33,588)	(33,351)
Proceeds from disposal of property, plant and equipment and assets held for sale	797	35,934
Purchase of investments	(908)	-
Dividends received	59	8,381
Income from short-term fund placements	7,209	2,652
Interest received	3,381	3,476
Repayment from associates	1,395	2,706
Distribution of profits from joint venture	1,568	-
Other investing activities	1,072	1,287
<b>Net cash (used in)/generated from investing activities</b>	<b>(19,015)</b>	<b>21,085</b>

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Condensed Consolidated Statement Of Cash Flows For The Period Ended 31 March 2018

	3 months ended 31 March	
	2018 RM'000	2017 RM'000 (restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(160,753)	(66,649)
Interest paid	(5,464)	(6,804)
Dividends paid	-	(16,000)
<b>Net cash used in financing activities</b>	<b>(166,217)</b>	<b>(89,453)</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,045</b>	<b>34,894</b>
Cash and cash equivalents brought forward	1,338,663	1,177,203
Effect of exchange rate changes	(5,469)	(2,482)
<b>Cash and cash equivalents carried forward</b>	<b>1,346,239</b>	<b>1,209,615</b>
<u>Cash and cash equivalents represented by :</u>		
Cash and bank balances	310,416	195,558
Bank deposits	196,521	295,667
Short-term fund placements	840,255	718,952
Bank overdrafts	(953)	(562)
	1,346,239	1,209,615

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2017, and the accompanying explanatory notes attached to this report.)

**Notes****A1. Accounting policies**

The interim financial statements of the Group have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") MFRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Group adopted the MFRS on 1 January 2018 and will prepare the first set of financial statements in accordance with MFRS for the financial year ending 31 December 2018. The interim financial statements of the Group have been prepared in accordance with the accounting policies to be applied in preparing the annual financial statements of the Group for the financial year ending 31 December 2018.

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 2017 except for the adoption of the following MFRS, Amendments to MFRS and Issues Committee Interpretation ("IC Interpretation") that are effective for the financial periods beginning on or after 1 January 2018 :

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 1	Annual Improvements to MFRS Standards 2014 - 2016 Cycle
Amendments to MFRS 15	Clarifications to MFRS 15
Amendments to MFRS 140	Transfers of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration

**A2. Adoption of MFRS****a) MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards**

In general, on the date of transition, the Group recognised, measured and reclassified its assets, liabilities and components of equity in accordance with MFRS. The Group adopted MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards on 1 January 2018 and has elected to apply the following transitional exemptions:

Business combinations

The Group has elected not to apply MFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition.

Deemed cost of assets

The Group has elected to use the previous revaluation of property, plant and equipment and investment properties as their deemed cost under the MFRS on the date of transition.

**b) MFRS 141 Agriculture**

Upon adoption of MFRS 141 and the amendments to MFRS 141 Agriculture: Bearer Plants, the Group measures bearer plants at cost less accumulated depreciation and impairment losses, whereas agricultural produce is measured at fair value less costs at the point of harvest. Other biological assets are measured at fair value less costs to sell.

**c) MFRS 9 Financial Instruments**

MFRS 9 introduced expected credit losses model on impairment of financial assets, that replaces the incurred loss model applied previously. Upon adoption of MFRS 9, the Group applied the simplified approach where the loss allowance shall be measured at an amount equal to lifetime expected credit losses for trade receivable and contract assets.

**d) MFRS 15 Revenue from Contracts with Customers**

MFRS 15 Revenue from Contracts with Customers introduced a new model for revenue recognition arising from contracts with customers. In general, the Group recognises revenue to depict the transfer of a promised good or service to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for that good or service. Depending on the terms of the contract, the Group recognises revenue when the performance obligation is satisfied, which may be at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.



# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

The effects on adoption of the MFRS are as follows:

Condensed Consolidated Income Statement for the period ended 31 March 2017

	As reported previously RM'000	Effects of MFRS adoption RM'000	Restated RM'000
Revenue	1,033,263	(2,677)	1,030,586
Operating expenses	(996,067)	(3,595)	(999,662)
Other operating income	40,587	-	40,587
Share of net profits less losses of associates	317,465	(16,000)	301,465
Share of profit of joint venture	939	-	939
Finance costs	(6,617)	-	(6,617)
Profit before tax	389,570	(22,272)	367,298
Tax expense	(21,963)	1,493	(20,470)
Profit for the period	367,607	(20,779)	346,828
Attributable to :			
Owners of the parent	358,266	(19,834)	338,432
Non-controlling interests	9,341	(945)	8,396
Profit for the period	367,607	(20,779)	346,828
Basic earnings per share (sen)	30.22	(1.67)	28.55

Condensed Consolidated Statement of Comprehensive Income for the period ended 31 March 2017

	As reported previously RM'000	Effects of MFRS adoption RM'000	Restated RM'000
Profit for the period	367,607	(20,779)	346,828
Other comprehensive income/(loss), net of tax Items that will be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations	(232,997)	-	(232,997)
Fair value of available-for-sale financial assets	129,917	-	129,917
Share of associates' other comprehensive income	200,074	16,096	216,170
Total comprehensive income	464,601	(4,683)	459,918

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

Condensed Consolidated Statement of Financial Position as at 31 December 2017

	As reported previously RM'000	Effects of MFRS adoption RM'000	Restated RM'000
<b>Non-current Assets</b>			
Investment properties	216,811	900	217,711
Biological assets	2,844	772	3,616
Land held for property development	85,272	937	86,209
Investment in associates	17,221,581	(184,660)	17,036,921
Deferred tax assets	2,164	61	2,225
Other non-current assets	2,210,925	-	2,210,925
	19,739,597	(181,990)	19,557,607
<b>Current Assets</b>			
Biological assets	18,969	(253)	18,716
Property development costs	5,360	934	6,294
Receivables	932,885	(594)	932,291
Other current assets	2,191,315	-	2,191,315
	3,148,529	87	3,148,616
Total assets	22,888,126	(181,903)	22,706,223
<b>Equity</b>			
Equity attributable to owners of the parent	20,898,040	(182,032)	20,716,008
Non-controlling interests	676,176	(171)	676,005
Total equity	21,574,216	(182,203)	21,392,013
<b>Non-current liabilities</b>			
Deferred tax liabilities	91,857	14	91,871
Other non-current liabilities	35,974	-	35,974
	127,831	14	127,845
<b>Current liabilities</b>			
Payables	433,401	286	433,687
Other current liabilities	752,678	-	752,678
	1,186,079	286	1,186,365
Total liabilities	1,313,910	300	1,314,210
<b>TOTAL EQUITY AND LIABILITIES</b>	22,888,126	(181,903)	22,706,223

**A3. Seasonality or cyclicity of interim operations**

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

**A4. 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 end under review.

**A5. Nature and amount of changes in estimates**

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

**A6. 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.

**A7. Dividends paid**

No dividend was paid during the financial period under review.



**Notes (Cont'd)****A8. Segmental reporting**

Segmental information in respect of the Group's business segments for the period ended 31 March 2018 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	Inter-segment elimination	Total
<b>REVENUE</b>									
External revenue	779,570	164,023	124,071	41,606	10,532	59	25,261	-	1,145,122
Inter-segment sales	31,578	581	-	-	663	-	6,255	(39,077)	-
Total revenue	811,148	164,604	124,071	41,606	11,195	59	31,516	(39,077)	1,145,122
<b>RESULTS</b>									
Segment results	21,621	4,742	13,432	1,919	1,764	59	247	-	43,784
Share of associates' profits less losses	15,867	(1,082)	1,014	1,225	1,859	-	145,841	-	164,724
Share of joint venture's profit	-	-	-	1,028	-	-	-	-	1,028
Interest income									3,301
Income from short-term fund placements									7,471
Finance costs									(5,927)
Unallocated corporate expenses									(4,867)
Profit before tax									209,514
<b>ASSETS</b>									
Segment assets	2,300,867	460,702	333,223	104,471	349,946	626,192	93,714	(271)	4,268,844
Investments in associates	447,099	26,827	163,237	51,307	195,182	-	15,744,158	-	16,627,810
Investment in joint venture	-	-	-	60,533	-	-	-	-	60,533
Bank deposits and short-term fund placements									1,036,776
Tax assets									20,879
Other unallocated corporate assets									31,663
Total assets									22,046,505

**A9. 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 under review.

**A10. 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 interim period under review.

Subsequent to the end of the interim period under review, Tego Sdn Bhd ("Tego"), a 79.9%-owned indirect subsidiary of PPB, has received approval from the Myanmar Investment Commission vide its letter dated 16 May 2018 for the proposed disposal by Tego of its entire equity interest in Tefel Packaging Industries Co Ltd ("Tefel") comprising 60 ordinary shares of Kyat 10,000/- each.

**A11. 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.

## Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

### A12. Capital commitments

Authorised capital commitments not provided for in the interim financial report as at 31 March 2018 were as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	33,924
- not contracted	407,333
	441,257
Other capital commitments	
- contracted	141,331
	582,588

### A13. Significant related party transactions

Significant related party transactions during the period ended 31 March 2018 were as follows:

	RM'000
Transactions with associates	
- Interest income	1,031
- Purchase of goods	9,008
Transactions with a subsidiary of the ultimate holding company	
- Sale of goods	5,967
Transactions with subsidiaries of associates	
- Purchase of goods	55,882
- Sale of goods	15,895
- Charter hire of vessels	6,708

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

The Group reported total revenue of RM1.14 billion in 1Q2018 (1Q2017: RM1.03 billion), up 11% from a year ago. Pre-tax profit of the Group for the quarter was at RM210 million, 43% lower than the RM367 million recorded a year ago. The decrease was mainly due to lower contribution from Wilmar International Limited ("Wilmar") of RM146 million (1Q2017: RM279 million) as well as lower profits recorded by the *Grains and agribusiness*, *Consumer products* and *Film exhibition and distribution* segments.

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## Group financial performance by business segment

	1Q2018 RM'000	1Q2017 RM'000 (restated)	Variance RM'000	%
<b>Revenue</b>				
Grains and agribusiness	811,148	723,727	87,421	12%
Consumer products	164,604	168,687	(4,083)	(2%)
Film exhibition and distribution	124,071	124,622	(551)	(0%)
Environmental engineering and utilities	41,606	18,713	22,893	>100%
Property	11,195	10,638	557	5%
Investments and Other operations	31,575	33,057	(1,482)	(4%)
Inter-segment elimination	(39,077)	(48,858)	9,781	
<b>Total revenue</b>	<b>1,145,122</b>	<b>1,030,586</b>	<b>114,536</b>	<b>11%</b>

	1Q2018 RM'000	1Q2017 RM'000 (restated)	Variance RM'000	%
<b>Segment results</b>				
Grains and agribusiness	21,621	30,414	(8,793)	(29%)
Consumer products	4,742	12,805	(8,063)	(63%)
Film exhibition and distribution	13,432	20,023	(6,591)	(33%)
Environmental engineering and utilities	1,919	1,035	884	85%
Property	1,764	2,556	(792)	(31%)
Investments and Other operations	306	(16)	322	>100%
<b>Total segment results</b>	<b>43,784</b>	<b>66,817</b>	<b>(23,033)</b>	<b>(34%)</b>
Share of profits less losses from associates and joint venture	165,752	302,404	(136,652)	(45%)
Unallocated expenses, finance costs net of interest income and income from short-term fund placements	(22)	(1,923)	1,901	99%
<b>Profit before tax</b>	<b>209,514</b>	<b>367,298</b>	<b>(157,784)</b>	<b>(43%)</b>

### Grains and agribusiness

*Grains and agribusiness* segment revenue increased by 12% to RM811 million in 1Q2018 (1Q2017: RM724 million), mainly attributed to higher sales volume from all flour mills and additional capacity at the southern Vietnam mill which commenced production in July 2017. Segment profit was lower by 29% to RM22 million (1Q2017: RM30 million) mainly attributable to lower profit margin as a result of higher raw material costs and foreign exchange translation loss.

### Consumer products

*Consumer products* segment revenue decreased by 2% to RM165 million in 1Q2018 (1Q2017: RM169 million), mainly attributed to lower sales of agency products. Segment profit was lower by 63% to RM4.7 million (1Q2017: RM12.8 million) mainly due to a one-time gain recognised on sale of land and building of RM8.0 million in 1Q2017.

### Film exhibition and distribution

*Film exhibition and distribution* segment revenue for 1Q2018 was unchanged at RM124 million as compared to the corresponding period. Segment profit decreased by 33% to RM13 million in 1Q2018 (1Q2017: RM20 million), primarily due to losses incurred from film distribution as Chinese New Year titles did not perform up to expectations. Overall, the movies released in 1Q2018 were weaker than that in 1Q2017.

## Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

### Environmental engineering and utilities

Revenue was significantly higher at RM42 million for 1Q2018 (1Q2017: RM19 million) mainly contributed by revenue from new projects that commenced in the second half of 2017. In line with the increase in revenue, segment profit was higher at RM1.9 million (1Q2017: RM1.0 million).

### Property

*Property* segment revenue was higher at RM11.2 million in 1Q2018 (1Q2017: RM10.6 million) due mainly to higher project management income in 1Q2018. For 1Q2018, the segment reported lower profit of RM1.8 million (1Q2017: RM2.6 million) attributable to higher marketing fees and personnel cost.

### Investments and Other operations

The combined segment revenue decreased by 4% in 1Q2018 to RM32 million (1Q2017: RM33 million). The combined segment reported a profit of RM0.3 million in 1Q2018 (1Q2017: RM16,000 loss).

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

The Group's share of associates and joint venture profits was at RM166 million in 1Q2018 (1Q2017: RM302 million). Profit contribution from Wilmar was at RM146 million in 1Q2018 (1Q2017: RM279 million).

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

	1Q2018 RM'000	4Q2017 RM'000 (restated)	Variance RM'000	%
<u>Segment results</u>				
Grains and agribusiness	21,621	10,782	10,839	>100%
Consumer products	4,742	4,071	671	16%
Film exhibition and distribution	13,432	11,745	1,687	14%
Environmental engineering and utilities	1,919	3,550	(1,631)	(46%)
Property	1,764	766	998	>100%
Investments and Other operations	306	1,934	(1,628)	(84%)
Total segment results	43,784	32,848	10,936	33%
Share of profits less losses from associates and joint venture	165,752	356,463	(190,711)	(54%)
Unallocated expenses, finance costs net of interest income and income from short-term fund placements	(22)	(2,947)	2,925	99%
Profit before tax	209,514	386,364	(176,850)	(46%)

Group pre-tax profit was lower at RM210 million in 1Q2018 (4Q2017: RM386 million) due mainly to:

- lower profit contribution from Wilmar at RM146 million in the current quarter (4Q2017: RM332 million); partially mitigated by
- higher *Grains and agribusiness* segment profit mainly due to improved profit margins for the flour and feed milling businesses.



# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## B3. Prospects for the current financial year

The Malaysian economy grew by 5.4% in the first quarter of 2018, driven by continued growth in private sector spending and strong growth in net export. The growth in Malaysian economy is projected to remain favorable for the rest of the year with domestic demand as the key driver of growth. The reduction in the goods and services tax to zero-rate effective from 1 June 2018 will provide further impetus for growth in domestic consumption.

The Group's *Grains and agribusiness* segment will focus on export-oriented customers as well as the local consumer market for growth. The *Consumer products* segment is expected to perform satisfactorily with more promotional activities, whilst the reduction in the goods and services tax to zero-rate effective from 1 June 2018 is expected to have a positive impact to the domestic consumer market. The *Film exhibition and distribution* segment is expected to be supported by a stronger movie line-up in Malaysia and Vietnam for the rest of the year. The *Environmental engineering and utilities* segment will continue to be cost-efficient and ensure timely delivery of on-going projects. The Property segment will be focusing on completing the Taman Megah project as well sourcing for new project management opportunities.

Against the backdrop of a positive growth momentum in the domestic and global economies, the Group's main business segments are expected to perform satisfactorily in FY2018. The overall Group financial results will continue to be supported by the business performance of Wilmar.

## B4. Variance of actual profit from forecast profit

Not applicable.

## B5. Profit before tax

	Individual Quarter 3 months ended 31-Mar-18 RM'000	Cumulative Quarter 3 months ended 31-Mar-18 RM'000
Profit before tax is stated after crediting :		
Dividend income	59	59
Fair value gain on derivatives	6,202	6,202
Foreign exchange gain	8,461	8,461
Interest income and income from short-term fund placements	10,772	10,772
Rental income	1,051	1,051
Profit before tax is stated after charging :		
Allowance for doubtful debts and receivables written off	(604)	(604)
Depreciation and amortisation	(37,060)	(37,060)
Fair value loss on derivatives	(7,816)	(7,816)
Foreign exchange loss	(16,664)	(16,664)
Interest expense	(5,927)	(5,927)

## Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

### B6. Tax expense

	Individual Quarter 3 months ended 31-Mar-18 RM'000	Cumulative Quarter 3 months ended 31-Mar-18 RM'000
Taxation comprises:		
Malaysian operation		
Current income tax	11,326	11,326
Deferred tax	278	278
	11,604	11,604
Foreign operation		
Current income tax	860	860
Deferred tax	1,411	1,411
	13,875	13,875
Underprovision of deferred tax in prior year	32	32
	13,907	13,907

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 their future profits.

### B7. Status of corporate proposals

- a) On 8 May 2018, PPB announced a proposed bonus issue of 237,099,976 ordinary shares in PPB ("Bonus Shares") on the basis of one (1) bonus share for every five (5) existing PPB shares held ("Proposed Bonus Issue") on an entitlement date to be determined later.

The application to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing and quotation for the Bonus Shares on the Main Market of Bursa Securities is in progress; and PPB shareholders' approval for the Proposed Bonus Issue will be obtained in due course at an extraordinary general meeting to be convened.

# Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

## B8. Group borrowings

Total Group borrowings as at 31 March 2018 were as follows:

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	51,526	51,526	-
Long-term bank loans (VND)	11,310	11,310	-
Hire purchase financing	386	386	-
Repayments due within the next 12 months	(32,932)	(32,932)	-
	30,290	30,290	-
Short-term bank borrowings			
Bills payable	74,100	-	74,100
Bills payable (IDR)	104,386	-	104,386
Bills payable (USD)	19,377	-	19,377
Short-term loans	800	-	800
Short-term loans (USD)	136,372	-	136,372
Short-term loans (IDR)	62,399	-	62,399
Short-term loans (VND)	144,833	-	144,833
Hire purchase financing	71	71	-
Current portion of long-term bank borrowings	32,861	32,861	-
	575,199	32,932	542,267
Bank overdrafts	953	-	953
	576,152	32,932	543,220

## B9. Derivative financial instruments

(a) Derivative financial assets and financial liabilities

	1Q2018	
	Contract / Notional value RM'000	Fair Value- (Liabilities) / Assets RM'000
<u>Derivative financial assets</u>		
i) Futures contracts	171,095	8,909
ii) Forward foreign currency contracts	598	8
Total derivative assets		8,917
<u>Derivative financial liabilities</u>		
i) Futures contracts	99,853	(2,601)
ii) Options contracts	6,478	(7,207)
Total derivative liabilities		(9,808)

All contracts will mature within one year.

## Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 MARCH 2018

### Futures and options contracts

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

### Forward foreign currency contracts

The Group enters into foreign currency forwards contracts to minimise its exposure to foreign currency risks as a result of transactions denominated in currencies other than its functional currency. Under the Group's policy, foreign currency hedging is only considered for committed transactions and shall not exceed 100% of the committed amount.

There have been no significant changes since the end of the previous financial year ended 31 December 2017 in respect of the following:

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

(b) Fair value changes of financial liabilities

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

For 1Q2018, fair value loss on options and futures contracts amounted to RM0.7 million and RM2.6 million respectively.

### **B10. Material litigation**

There was no material litigation as at 24 May 2018.

### **B11. Dividends**

The final dividend for financial year ended 31 December 2017 of 22 sen per share was approved by shareholders at the 49th Annual General Meeting held on 15 May 2018, and paid on 31 May 2018.

#### **Dividends paid**

Dividends paid from financial year 2017 and up to the date of this report are as follows:

Financial Year	Type (all single tier)	Amount per share	Payment date
2017	Interim dividend	8 sen	28 September 2017
2017	Final dividend	22 sen	31 May 2018

### **B12. Earnings per share**

The basic earnings per share has been calculated by dividing the Group's profit attributable to owners of the parent for the current financial period by 1,185,499,882 ordinary shares in issue as at 31 March 2018.

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



## Quarterly Report

**INVESTOR UPDATE** QUARTERLY REPORT • 31 MARCH 2018

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

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

**Kuala Lumpur**  
**31 May 2018**

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

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