



PPB GROUP BERHAD



QUARTERLY REPORT 2015

# Q4



INVESTOR  
UPDATE



# From The Desk Of The Chairman

## Dear Shareholders,

We are pleased to announce that PPB Group's revenue rose by 9% to RM4.05 billion for 2015 mainly due to improved revenue from the *Grains and Agribusiness*; *Film Exhibition and Distribution*; and *Environmental Engineering and Utilities* segments.

PPB Group posted an unaudited profit before tax of RM1.18 billion for the year, up 15% from the year before due mainly to higher profit contribution from the *Grains and Agribusiness* segment in addition to a foreign exchange translation gain on PPB's share of Wilmar's results which are reported in US Dollars, as well as profits from the *Investments and Other Operations* segment.

Profit for the year was RM1.08 billion and earnings per share increased to 88.68 sen.

The Board of Directors has recommended a final single tier dividend of 17 sen per share for the financial year ended 31 December 2015 subject to shareholders' approval at the forthcoming Annual General Meeting. The final dividend is payable on 25 May 2016 and together with the interim single tier dividend of 8 sen per share, the total dividend for financial year 2015 would be 25 sen per share compared with 23 sen paid in respect of year 2014.

## GOING FORWARD

Despite a challenging business environment, management believes that the Group's established market position in the *Grains and Agribusiness* segment as well as the extensive distribution network in the *Consumer Products* segment will help PPB Group to remain resilient in the year ahead. The *Film Exhibition and Distribution* segment should continue to deliver healthy performance from strong movie titles and newly-opened cinemas. The *Environmental Engineering and Utilities* segment is expected to achieve lower revenue in the year, reflecting the current contracts in hand, while property sales are expected to be affected by the weak property market sentiment.

The Group's consolidated financial results will continue to be supported by Wilmar's business performance.

## HAPPENINGS

PPB conducted a full day in-house directors' training session which was attended by close to a hundred directors, senior managers and officers of PPB group companies and affiliates. The content comprised subjects which are topical and relevant to the Group, and aims to keep directors and management abreast with market and regulatory developments, as well as other subjects of interest.

On 17 December 2015, Golden Screen Cinemas (GSC), a wholly-owned subsidiary of PPB, participated in a signing ceremony hosted by the owner of MyTown Shopping Centre with its major tenants. GSC will be setting up a 13-screen cineplex at MyTown Shopping Centre scheduled for opening in 2017.

GSC Movies Sdn Bhd, also a wholly-owned subsidiary of PPB Group, made it to the Malaysia Book of Records for organising an anime event with the highest number of Naruto cos-players of 411 participants at the premiere screening of *Baruto : Naruto The Movie* on 30 October 2015 at GSC Mid Valley.

## 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 helped to paint the Pusat Jagaan Sri Sai (PJSS) home at Jalan Kovil Hilir, Off Jalan Ipoh, Kuala Lumpur to give it a brighter and cleaner look. PPB also sponsored some repair works at the home.
- As part of the Christmas celebrations, PPB treated 47 orang asli from the Jakun tribe from Kampung Kemenceh in Pekan, Pahang to a movie and meal at GSC 1 Utama as well as gave them Christmas gifts.
- Cheras LeisureMall (CLM), the mall owned and managed by PPB, organised an 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 2,700 gifts were collected for over 400 children.
- About 700 poor school children from 10 schools in Perlis were given vouchers worth RM90 each redeemable for school uniforms, shoes, socks, school bags and stationery under the "Educare Project" carried out by the PPB-KF Welfare Fund for Perlis.
- PPB sponsored 10 wells including the piping structure for the orang asli from the Jakun tribe in Simpai, Pekan which enabled 19 families totalling 142 persons to receive clean water outside their homes. They were previously consuming, bathing and washing in stagnant rainwater and nearby streams.
- CLM organised the Pink Umbrella Walk with Pantai Hospital Cheras to raise awareness of breast cancer and the importance of early detection.
- PPB organised a free health screening for its staff under the National Kidney Foundation's Early Detection and Prevention Saves Lives Programme, as well as an awareness talk on cognition function and dementia.

Tan Sri Datuk Oh Siew Nam  
CHAIRMAN  
7 March 2016

# Happenings

## DIRECTORS' TRAINING IN 2015

PPB conducted its annual in-house directors' training programme on 22 September 2015 which was attended by over 90 participants comprising directors, senior managers and officers of PPB group companies and affiliates.

The session started off with an update on the Malaysian and regional economies by Ms Lim Su Sian, ASEAN Economist of The Hong Kong and Shanghai Banking Corporation Limited, Singapore. Ms Lim provided an overview of the economic and financial indicators including the prospects for 2015 and beyond.

This was followed by a presentation entitled "Adapt or Fail" by Mr Stephen Weatherseed, Managing Director of Mazars, Hong Kong. Mr Weatherseed shared with the participants the importance of businesses anticipating, understanding and adapting to the changing environment and circumstances.

The programme continued after lunch with an update on Wilmar International Limited ("Wilmar") presented by Mr Jeremy Goon, Chief Sustainability Officer of Wilmar. Mr Goon provided an overview of the macro-trends on supply and demand for global vegetable oils (including biodiesel), an update on the Wilmar Group, and the implementation of Wilmar's sustainability policy.

The last item for the day was a presentation by Ms Leow Mui Lee, Executive Director of TAXAND Malaysia Sdn Bhd. Ms Leow highlighted the main post-implementation issues following the introduction of the Goods & Services Tax on 1 April 2015. She also provided an overview of the Price Control and Anti-profiteering Act 2011, and the latest transfer pricing developments.



# Happenings

## MYTOWN SIGNING CEREMONY

On 17 December 2015, Golden Screen Cinemas Sdn Bhd participated in a signing ceremony hosted by the owner of MyTOWN Shopping Centre with major tenants at its shopping centre in Jalan Cochrane, Cheras.

GSC will set up a 13-screen cineplex including GSC Maxx and Premiere Class halls at MyTOWN to cater to cinema-goers in the Cheras and surrounding areas.

MyTOWN is a 5-minute drive from Kuala Lumpur's central business district. GSC's cinema is expected to open by the 1st quarter of 2017.

(L-R) Thomas Malmberg (Shopping Centre Director, Ikano Pte Ltd), Mr Irving Chee (General Manager, GSC), Ms Koh Mei Lee (Chief Executive, GSC) and Datuk Koo Hock Fee (CEO/Managing Director, Boustead Ikano Sdn Bhd)



# Happenings



## GSC MOVIES ENTERS MALAYSIA BOOK OF RECORDS WITH NARUTO COS-PLAYERS

GSC Movies Sdn Bhd, a wholly-owned subsidiary of GSC, made it into the Malaysia Book of Records for organising an event with the most number of Naruto cos-players (411 participants) at the premiere screening for *Boruto: Naruto The Movie* on 30 October 2015 at GSC Mid Valley.

GSC Movies is one of the largest distributors of anime movies in Malaysia offering alternative content to movie-goers in the country.



# CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

## “EDUCARE PROJECT” UNDER THE PPB-KF WELFARE FUND FOR PERLIS

On 7 November 2015, 700 poor school-children from 10 schools in Perlis were given vouchers worth RM90 each redeemable for school uniforms, shoes, socks, school bags and stationery under the PPB-KF Welfare Fund For Perlis “Educare Project”.

The “PPB-KF Welfare Fund for Perlis” which was set up by PPB, is an endowment fund of RM10 million donated by PPB for charitable and welfare activities to benefit underprivileged and poor Malaysians of all races and creed in the State of Perlis. The Fund is managed on behalf of PPB by Kuok Foundation Berhad, which has 40 years experience in philanthropic works .

The Educare Project was launched in 2011 and has been held annually since its inception. It has todate benefitted a total of 3,302 poor school-children in Perlis.



# CSR Activities



## A BRIGHTER HOME FOR PUSAT JAGAAN SRI SAI

In conjunction with the Deepavali celebration, PPB staff helped to give a new coat of paint to Pusat Jagaan Sri Sai (PJSS).

On Sunday, 1 November 2015, 18 PPB staff gathered at PJSS to paint various parts of the home including the doors, grilles, balcony, storeroom etc. The children chipped in to help sand down the doors. A contractor was also hired to paint the major parts of the home, repair the damaged ceilings and staircase, and replace the toilet doors. The home certainly looked brighter and more cheerful since it was last painted 15 years ago.

After the hard work, PPB staff and children enjoyed a scrumptious buffet lunch at a café opposite the home.

Established in 2004, PJSS is a home for boys from single parents located at Jalan Kovil Hilir, Off Jalan Ipoh, Kuala Lumpur. Currently, 13 boys aged 11 to 19 years old live there under the care of two staff. The monthly expenses of the home is about RM5,000 and is funded by friends and the public. Those who wish to assist PJSS may contact Ms Meena at 017-316 3455.





# CSR Activities



## CHRISTMAS CELEBRATIONS



In conjunction with the Christmas celebrations, PPB brought 47 orang asli from the Jakun tribe in Kampung Kemenceh, about 30 km from Simpai, Pekan for a movie and meal at GSC 1 Utama Shopping Centre, Petaling Jaya on 6 December 2015.

The visitors who ranged from toddlers to the elderly were served breakfast when they arrived excitedly at the cinema. PPB staff were assigned as 'Guardian Angels', making sure no one was unaccompanied and all were comfortable and welcomed. Our guests were treated to a screening of 'Snoopy and Charlie Brown : The Peanuts Movie' on large screen whilst enjoying popcorn and soft drinks.



After the movie, a buffet lunch was served at the foyer of the cinema. At the end of the outing, each was given a Christmas gift which included toiletries and packed food.



# CSR Activities



Cheras LeisureMall, a shopping centre owned and managed by PPB, organised an annual charity campaign “Toy Bank, A Gift of Love”, which enabled shoppers, well-wishers and members of the public to bring smiles to underprivileged children by fulfilling their wishes. About 2,700 gifts were collected during the programme period from 4-27 December 2015, making Christmas dreams come true for over 400 children from 13 children’s homes and charity houses.

The children’s homes and charity houses selected for the Toy Bank, A Gift of Love programme were Shepherd’s Centre Foundation, Trinity Community Children’s Home, Persatuan Kebajikan Warga Tua Dan Kanak-Kanak WP, Pusat Jagaan Beribuan Kasih, Kajang, Bodhi Homecare Cheras, San Pedro Orphanage Home, Rumah Sayangan, Rumah Kanak Kanak Angels, Persatuan Kebajikan Kanak-Kanak Cornerstone, Yayasan Sunbeams Home, Rainbow Home, Rumah Bakti Nur Syaheera and Pusat Majudiri Y for the Deaf.

On 29 December 2015, 165 children from the said children’s homes were invited to a memorable Christmas celebration at Cheras LeisureMall and receive the gifts from anonymous donors at a gift presentation ceremony. They had an enjoyable day out with a line-up of interesting activities such as a special movie screening by GSC, ‘Legend of a Rabbit: The Martial of Fire’, a delicious lunch, caroling and dance performances, and a Hoverboard dance workshop.



# CSR Activities



## MEETING THE BASIC NEEDS OF THE ORANG ASLI IN SIMPAI, PEKAN

There are about 180 orang asli families living at the borders of an oil palm plantation in Simpai, Pekan in Pahang who have had no access to basic necessities like clean water, electricity and proper shelter. These families bathe and wash their clothes/ utensils in stagnant rainwater and nearby streams; and their children suffer from skin ailments and health problems. They also lack a proper sewerage system. *Assumption Orang Asli Ministry* has been working with the orang asli to improve their living conditions and with their assistance, PPB was able to reach out to them.

PPB sponsored the construction of a total of 10 wells for the Jakun orang asli community in Simpai, Pekan. They are now able to enjoy a supply of clean water to their homes. For this sponsorship, PPB purchased the materials and the community itself provided the labour to build their own wells. These wells currently serve 19 families with a total of more than 140 persons.



# CSR Activities



## NKF LIFE CHECK HEALTH SCREENING

Chronic illnesses such as diabetes, coronary artery disease, hypertension, kidney disease, etc are the major cause of death and disability in Malaysia. Common behaviours such as poor diet, physical inactivity and lack of health awareness often drive these chronic conditions. To create better awareness for clean living and its benefits to employees, PPB organises full body workout sessions and health screenings to empower its staff to work towards a healthy lifestyle.

On 28 October 2015, PPB organised a free health screening and health talk for its staff under the National Kidney Foundation (NKF) Early Detection and Prevention Saves Lives Programme. A total of 71 staff from PPB Group and its related companies located in UBN Tower were screened.

The health screening comprised blood pressure, body mass index, waist circumference, random blood glucose, urine test as well as counselling session after the screening. In addition, a Random Blood Total Cholesterol Test at a fee of RM5 was also made available to the staff.

A 45-minute awareness talk on “Kidney Disease: Common, Harmful but Treatable” followed by Q&A session was held for the staff. The 21 staff who attended left the talk with a greater understanding on detection of kidney diseases and its prevention through balanced meals and lifestyle.



# CSR Activities

## AWARENESS TALK ON COGNITIVE FUNCTION AND DEMENTIA



PPB organised a lunch-hour awareness talk on 3 December 2015 entitled "Cognitive Function and Dementia" for its staff. Dr Khor Hui Min, a geriatrician and specialist in geriatric medicine and general internal medicine at the University Malaya Medical Centre, Malaysia (UMMC) facilitated the talk. Her clear and informative presentation covered the symptoms, stages and preventive measures to lower the risk of dementia.



# CSR Activities



## Breast Cancer Awareness Campaign

Cheras LeisureMall (CLM) jointly organised the Pink Umbrella Walk with Pantai Hospital Cheras (PHC), with the aim to raise public awareness about breast cancer and the importance of early detection. Themed “Love Life, Fight Cancer”, 500 high-spirited participants joined the campaign to show that women can overcome breast cancer with early detection. Participants took about an hour to walk from PHC to CLM.

After a cool-down session, participants were treated to a dance performance by PHC nurses in pink. There was also breast examination counselling, and a Q&A session with prizes thrown in for correct answers.



# Share Analysis



## FBM KLCI Rose in Tandem with Higher Global and Regional Markets in 4Q 2015

After retracing 5.0% in 3Q 2015, the FBM KLCI rose by 4.4% in 4Q 2015 in tandem with higher global and regional markets. The FBM KLCI rallied in October to touch an 11-week intraday high of 1,727.4 points before moving below the 1,700 point level amid lower regional markets and softer energy prices. The FBM KLCI retraced in November and mid-December to touch a 10-week intraday low of 1,622.8 points ahead of the anticipated Federal funds rate hike on 16 December 2015 and as crude oil prices fell below the \$40/barrel level. However, the Index subsequently rebounded in tandem with higher offshore markets and a moderate uptick in oil prices to close at 1,692.5 points for 4.4% gain in 4Q2015.

[Source : Public Mutual website]

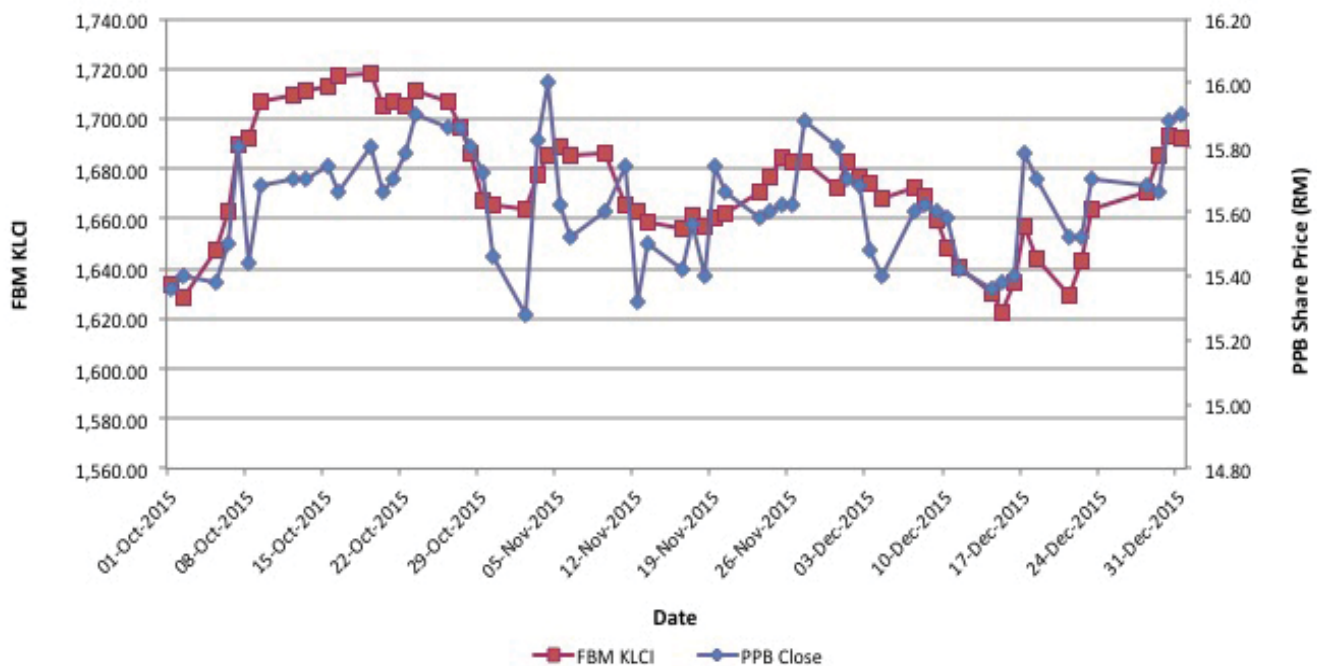
PPB's share price closed higher at RM15.90 compared with RM15.42 in the preceding quarter and market capitalisation increased to RM18,849.45 million. The average daily volume of PPB shares traded during the quarter decreased by 14.67% to 421,477 shares.

# Share Analysis

## PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) Performance For 4th Q 2015

	4th Q 2015	3rd Q 2015	% change
<b>PPB share price (RM)</b>			
Closing price (high)	16.00	15.66	2.17%
Closing price (low)	15.28	14.56	4.95%
Month end closing price	15.90	15.42	3.11%
Weighted share price	15.67	15.18	3.20%
Market capitalization (RM' million)	18,849.45	18,280.41	3.11%
<b>PPB share trading volume (no. of shares)</b>			
Daily volume (high)	1,301,200	1,360,400	-4.35%
Daily volume (low)	38,700	55,500	-30.27%
Average daily volume	421,477	493,924	-14.67%
<b>FBM KLCI</b>			
FBM KLCI closing (high)	1,718.20	1,744.19	-1.49%
FBM KLCI closing (low)	1,622.84	1,532.14	5.92%
FBM KLCI quarter end closing	1,692.51	1,621.04	4.41%
<b>FBM KLCI volume (no. of shares)</b>			
Daily volume (high)	294,314,400	274,287,100	7.30%
Daily volume (low)	82,044,700	69,800,700	17.54%
Average daily volume	138,323,339	141,344,468	-2.14%

### FBM KLCI & PPB SHARE PRICE FOR 4TH Q 2015





# Group Financial Highlights

For The 4th Quarter Of 2015  
(The figures have not been audited)

Financial year ended (All figures in RM million)	12 months		Change %
	31.12.15	31.12.14	
<b>INCOME STATEMENT</b>			
Revenue	4,048	3,701	9.4
Profit before tax	1,181	1,028	14.9
Profit for the year	1,076	939	14.6
Profit attributable to owners of the parent	1,051	917	14.6
<b>STATEMENT OF FINANCIAL POSITION</b>			
Non-current assets	18,988	15,938	19.1
<u>Current assets</u>			
Cash, bank balances, deposits and short-term fund placements	1,196	1,079	10.8
Non-current asset classified as held for sale	9	5	80.0
Others	1,733	1,583	9.5
Total current assets	2,938	2,667	10.2
<b>Total assets</b>	<b>21,926</b>	<b>18,605</b>	<b>17.9</b>
<u>Equity</u>			
Share capital	1,186	1,186	-
Reserves	18,731	15,634	19.8
Equity attributable to owners of the parent	19,917	16,821	18.4
Non-controlling interests	636	561	13.4
Total equity	20,553	17,381	18.2
<u>Non-current liabilities</u>			
Long-term bank borrowings	111	62	79.0
Deferred tax liabilities	97	85	14.1
Total non-current liabilities	208	147	41.5
<u>Current liabilities</u>			
Short-term bank borrowings	616	491	25.5
Others	549	586	(6.2)
Total current liabilities	1,165	1,076	8.3
Total liabilities	1,373	1,224	12.3
<b>Total equity and liabilities</b>	<b>21,926</b>	<b>18,605</b>	<b>17.9</b>

# Group Financial Highlights

For The 4th Quarter Of 2015 (Cont'd)  
(The figures have not been audited)

Financial period/year ended (All figures in RM million)	12months		
	31.12.15	31.12.14	
<b>RATIOS</b>			
Return on equity attributable to owners of the parent	(%)	5.3	5.5
Earnings per share	(sen)	88.7	77.3
Interest coverage	(times)	40.4	50.0
Current ratio	(times)	2.5	2.5
Total borrowings/Equity	(%)	3.5	3.2
Long-term borrowings/Equity	(%)	0.5	0.4
Net assets per share attributable to owners of the parent	(RM)	16.8	14.2
Net dividend per share	(sen)	25.0	23.0
<b>STOCK MARKET INFORMATION</b>			
Share price	(RM)	15.90	14.30
Market capitalisation	(RM million)	18,857	16,960
PE ratio	(times)	17.9	18.5

# Announcements

## NOVEMBER 2015

**06**

FFM Grains & Mills Sdn Bhd (formerly known as FFM Flour Mills (Sarawak) Sdn Bhd), a 100%-owned subsidiary of FFM Berhad, which in turn is an 80%-owned subsidiary of PPB awarded a contract for the construction of a 500-mt per day flour mill together with associated works at its premises in Pasir Gudang, Johor to Minsec Engineering Services Sdn Bhd for a contract sum of RM26.68 million.

**12**

PPB announced that the quarterly report for the 3rd quarter ended 30 September 2015 would be released on 26 November 2015.

**17**

PPB announced the commencement of a members' voluntary winding up of Cathay Theatres (Sarawak) Sdn Bhd, an indirect 100%-owned subsidiary of PPB.

**26**

Release of PPB's quarterly report for the 3rd quarter ended 30 September 2015.

**26**

PPB announced the amount of financial assistance provided by a subsidiary of PPB for the 3rd quarter ended 30 September 2015.

# Quarterly Report

## Condensed Consolidated Income Statements For The Year Ended 31 December 2015

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	1,090,600	933,214	4,048,314	3,701,008
Operating expenses	(1,027,380)	(898,450)	(3,843,192)	(3,477,368)
Other operating income	43,169	4,920	210,256	101,641
Share of net profits less losses of associates	279,623	260,578	789,888	719,496
Share of profit of joint venture	851	1,531	5,599	4,646
Finance costs	(8,115)	(5,866)	(29,743)	(21,279)
Profit before tax	378,748	295,927	1,181,122	1,028,144
Tax expense	(23,309)	(15,085)	(105,003)	(89,227)
Profit for the period/ year	355,439	280,842	1,076,119	938,917
Attributable to :				
Owners of the parent	341,021	281,434	1,051,311	916,779
Non-controlling interests	14,418	(592)	24,808	22,138
Profit for the period/ year	355,439	280,842	1,076,119	938,917
Basic earnings per share (sen)	28.77	23.74	88.68	77.33

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

# Quarterly Report

## Condensed Consolidated Statements Of Comprehensive Income For The Year Ended 31 December 2015

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit for the period/year	355,439	280,842	1,076,119	938,917
Other comprehensive income/ (loss), net of tax				
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations				
- (Losses)/ gains arising during the period/ year	(550,445)	902,467	3,107,985	829,626
- Reclassification adjustments to profit or loss upon liquidation of a subsidiary	-	-	(5,285)	-
- Reclassification adjustments to profit or loss upon disposal of an asset	-	13,722	-	13,722
Adjustment to deferred tax attributable to changes in tax rate	(1,320)	-	(1,320)	-
Fair value of available-for-sale financial assets :				
- Gain/ (losses) arising during the period/ year	5,474	(52,549)	(92,959)	(146,608)
- Reclassification adjustments to profit or loss upon disposal of quoted investments	(35)	-	(829)	-
Share of associates' other comprehensive loss	(51,233)	(149,050)	(766,259)	(164,157)
Total comprehensive (loss)/ income	(242,120)	995,432	3,317,452	1,471,500
Attributable to :				
Owners of the parent	(249,591)	986,101	3,252,346	1,441,212
Non-controlling interests	7,471	9,331	65,106	30,288
Total comprehensive (loss)/ income	(242,120)	995,432	3,317,452	1,471,500

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

# Quarterly Report

## Condensed Consolidated Statements Of Financial Position

	As at 31-Dec-15 RM'000	As at 31-Dec-14 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,356,671	1,264,298
Investment properties	195,831	195,623
Biological assets	3,364	3,152
Goodwill	73,746	73,876
Other intangible assets	2,962	2,971
Land held for property development	41,645	19,270
Investments in associates	16,813,778	13,801,218
Investment in joint venture	66,934	58,477
Other investments	427,198	513,672
Deferred tax assets	5,644	5,781
	18,987,773	15,938,338
<b>Current Assets</b>		
Inventories	682,210	718,607
Biological assets	20,769	19,312
Other intangible assets	12,175	10,755
Property development costs	4,964	21,313
Receivables	998,277	800,958
Derivative financial instruments	14,229	12,040
Cash, bank balances, deposits and short-term fund placements	1,196,343	1,079,311
	2,928,967	2,662,296
Non-current assets classified as held for sale	8,734	4,545
	2,937,701	2,666,841
<b>TOTAL ASSETS</b>	21,925,474	18,605,179
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,185,500	1,185,500
Reserves	18,731,477	15,635,013
Equity attributable to owners of the parent	19,916,977	16,820,513
Non-controlling interests	635,594	560,803
<b>Total equity</b>	20,552,571	17,381,316

# Quarterly Report

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

	As at 31-Dec-15 RM'000	As at 31-Dec-14 RM'000
<b>Non-current Liabilities</b>		
Long-term borrowings	111,170	61,990
Deferred tax liabilities	97,225	85,313
	208,395	147,303
<b>Current Liabilities</b>		
Payables	528,992	552,204
Derivative financial instruments	4,709	17,269
Short-term borrowings	615,707	491,595
Current tax liabilities	15,100	14,638
	1,164,508	1,075,706
Liability associated with non-current assets classified as held for sale	-	854
	1,164,508	1,076,560
<b>Total liabilities</b>	1,372,903	1,223,863
<b>TOTAL EQUITY AND LIABILITIES</b>	21,925,474	18,605,179
Net assets per share attributable to owners of the parent (RM)	16.80	14.19

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

# Quarterly Report

## Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2015

	Non-distributable						Distributable				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	Non-controlling interests RM'000	
<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	-	-	(1,301)	2,470,291	(93,355)	(88,413)	(86,187)	1,051,311	3,252,346	65,106	3,317,452
Changes in equity interest in an associate	-	-	-	-	-	-	-	128,478	128,478	-	128,478
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)
Dividends	-	-	-	-	-	-	-	(284,520)	(284,520)	(9,711)	(294,231)
At 31 December 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
<b>12 months ended 31 December 2014</b>											
At 1 January 2014	1,185,500	6,715	45,131	(294,411)	236,187	(23,923)	246,700	14,251,381	15,653,280	538,617	16,191,897
Total comprehensive income	-	-	-	553,230	(146,561)	100,820	16,944	916,779	1,441,212	30,288	1,471,500
Changes in equity interest in an associate	-	-	-	-	-	-	-	10,541	10,541	-	10,541
Transfer of reserves	-	-	(463)	-	-	-	5,334	(4,871)	-	-	-
Dividends	-	-	-	-	-	-	-	(284,520)	(284,520)	(8,102)	(292,622)
At 31 December 2014	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

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



# Quarterly Report

## Condensed Consolidated Statement Of Cash Flows For The Year Ended 31 December 2015

	12 months ended 31 December	
	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,181,122	1,028,144
Adjustments :-		
Non-cash items	(677,440)	(587,417)
Non-operating items	(15,954)	(20,879)
Operating profit before working capital changes	487,728	419,848
Working capital changes :-		
Net change in current assets	(61,473)	(293,498)
Net change in current liabilities	33,495	168,984
Cash generated from operations	459,750	295,334
Tax paid	(90,502)	(76,725)
<b>Net cash generated from operating activities</b>	<b>369,248</b>	<b>218,609</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(197,744)	(182,467)
Proceeds from disposal of property, plant and equipment and investment properties	6,912	42,620
Purchase of investments	(111,337)	(32,116)
Proceeds from disposal of an associate	-	1,569
Proceeds from disposal of other investments	1,343	-
Dividends received	286,643	244,343
Income from short-term fund placements	15,871	10,800
Interest received	18,062	17,757
Advances to associates	(61,893)	(45,543)
Return of capital from joint venture	-	5,533
Distribution of profits from joint venture	6,296	-
Other investing activities	5,623	4,360
<b>Net cash (used in)/ generated from investing activities</b>	<b>(30,224)</b>	<b>66,856</b>

# Quarterly Report

## Condensed Consolidated Statement Of Cash Flows For The Year Ended 31 December 2015 (Cont'd)

	12 months ended 31 December	
	2015 RM'000	2014 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	121,544	118,656
Interest paid	(30,999)	(21,484)
Dividends paid	(294,231)	(292,622)
Return of capital to non-controlling interest of a subsidiary	(2,495)	-
(Repayment to)/Advances from non-controlling interest of a subsidiary	(32,881)	18,440
<b>Net cash used in financing activities</b>	<b>(239,062)</b>	<b>(177,010)</b>
<b>Net increase in cash and cash equivalents</b>	<b>99,962</b>	<b>108,455</b>
Cash and cash equivalents brought forward	1,079,040	964,252
Effect of exchange rate changes	17,307	6,333
<b>Cash and cash equivalents carried forward</b>	<b>1,196,309</b>	<b>1,079,040</b>
<u>Cash and cash equivalents represented by :</u>		
Cash and bank balances	278,240	254,549
Bank deposits	471,085	423,066
Short-term fund placements	447,018	401,696
Bank overdrafts	(34)	(271)
	1,196,309	1,079,040

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

# Quarterly Report

## Notes

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

#### A1. **Accounting policies**

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

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2014 except for the adoption of the following Amendments to FRSs that are effective for financial periods beginning on or after 1 January 2015 :

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

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

#### A2. **Seasonality or 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 December 2015 RM'000	Cumulative Quarter 12 months ended 31 December 2015 RM'000
<b><u>Dividends paid on ordinary shares</u></b>		
FY2014 : Final dividend - 16 sen per share single tier	-	189,680
FY2015 : Interim dividend - 8 sen per share single tier	-	94,840
	-	284,520

# Quarterly Report

## Notes (Cont'd)

### A7. Segmental reporting Changes in Group segmental reporting

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

These changes were introduced based on the seven reportable segments described below beginning from financial year 2015. Hence, the interim financial reports are presented with the new segment reporting structure beginning from the first quarter of 2015 with prior periods adjusted accordingly.

#### Grains and agribusiness

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

#### Consumer products

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

#### Film exhibition and distribution

This segment includes exhibition and distribution of cinematograph films.

#### Environmental engineering and utilities

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

#### Property

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

#### Investments in equities

This segment includes investments in quoted and unquoted shares.

#### Other operations

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

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

# Quarterly Report

## Notes (Cont'd)

### A7. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2015

Business Segments: All figures in RM'000	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments in equities	Other operations	Elimination	Total
<b>REVENUE</b>									
External revenue	2,596,678	590,709	435,571	255,313	63,022	7,388	99,633	-	4,048,314
Inter-segment sales	114,192	8	-	8	2,344	-	33,636	(150,188)	-
Total revenue	2,710,870	590,717	435,571	255,321	65,366	7,388	133,269	(150,188)	4,048,314
<b>RESULTS</b>									
Segment results	260,376	25,351	65,613	10,572	25,166	8,140	3,604	-	398,822
Share of associates' profits less losses	6,801	434	8,009	5,622	3,253	-	765,769	-	789,888
Share of joint venture's profit	-	-	-	5,599	-	-	-	-	5,599
Interest income									17,941
Income from short-term fund placements									16,310
Finance costs									(29,743)
Unallocated corporate expenses									(17,695)
Profit before tax									1,181,122
<b>ASSETS</b>									
Segment assets	2,236,349	498,179	313,522	170,840	311,631	427,198	145,197	(584)	4,102,332
Investments in associates	311,180	1,951	165,715	48,588	178,934	-	16,107,410	-	16,813,778
Investment in joint venture	-	-	-	66,934	-	-	-	-	66,934
Bank deposits and short-term fund placements									918,103
Tax assets									13,523
Other unallocated corporate assets									10,804
Total assets									21,925,474

# Quarterly Report

## Notes (Cont'd)

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

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

### A9. Changes in the composition of the Group

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinued operations for the current interim period and year to-date under review, except for the following :

- a) On 22 June 2015, PPB Leisure Holdings Sdn Bhd, a wholly-owned subsidiary of PPB, subscribed for the entire issued and paid up capital of USD2.00 in GSC Cambodia Limited ("GSCC") for cash. Arising therefrom, GSCC has become an indirect 100%-owned subsidiary of PPB.
- b) On 30 July 2015, Affluence Trading Sdn Bhd, a dormant wholly-owned subsidiary of PPB commenced a members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965. The winding up is in progress.
- c) On 19 August 2015, GSC Cambodia Limited, an indirect wholly-owned subsidiary of PPB established a new wholly-owned subsidiary, Golden Screen Cinemas (Cambodia) Co., Ltd ("GSC Cambodia") in the Kingdom of Cambodia with a paid-up share capital of 4,000,000 Cambodian Riel ("KHR"), for a total cash subscription of 4,000,000 KHR. Arising therefrom, GSC Cambodia has become an indirect 100%-owned subsidiary of PPB.
- d) On 29 October 2015, Resolute Services Sdn Bhd ("RCSB"), a dormant 80%-owned indirect subsidiary of PPB, received a notice dated 15 October 2015 from the Companies Commission of Malaysia informing that RCSB has been struck off from the Register of Companies on 11 June 2015 pursuant to Section 308 of the Companies Act 1965. Accordingly , RCSB has ceased to be a subsidiary of PPB.
- e) On 17 November 2015, Cathay Theatres (Sarawak) 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.

### 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.

# Quarterly Report

## Notes (Cont'd)

### A11. Capital commitments

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

	RM'000
Property, plant and equipment and investment properties	
- contracted	65,880
- not contracted	232,671
	298,551
Other capital commitments	
- contracted	70,548
- not contracted	13,861
	84,409
	382,960

### A12. Significant related party transactions

Significant related party transactions during the financial year ended 31 December 2015 were as follows:

	RM'000
Transactions with associates	
- Management fee received/receivable	5,960
- Film rental received/receivable	750
- Marketing fees received/receivable	2,894
- Supervision fees received/receivable	1,163
- Purchase of goods	5,215
	13,479
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	13,479
	13,479
Transactions with subsidiaries of an associate	
- Purchase of goods	164,131
- Sales of goods	61,092
- Rental received	3,391
- Security and other service fees paid and payable	6,457
- Charter hire of vessels	37,205
	282,276

# Quarterly Report

## Notes (Cont'd)

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

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

Group revenue increased by 17% in 4Q2015 to RM1.09 billion as compared to RM993 million in 4Q2014. This was primarily attributed to higher revenue from the Grains and agribusiness, Film exhibition, Environmental engineering and Property segments. Consumer products, Investments and Other operations segments delivered lower revenue in the quarter under review. For FY2015, Group revenue increased by 9% to RM4.05 billion compared with RM3.70 billion for FY2014, primarily due to contribution from improved revenue in the Grains and agribusiness, Film exhibition, Environmental engineering and utilities segments. The Property, Consumer Products and Investments and Other operations segments however generated lower revenue in FY2015.

The Group profit before tax of RM379 million recorded in 4Q2015 was 28% higher compared with RM296 million in 4Q2014. Higher Group profit was mainly due to contribution from the Grains and agribusiness, Investment and Other operations segments, and better results from our associate, Wilmar International Limited ("Wilmar"). For FY2015, the Group registered a 15% increase in profit before tax to RM1.18 billion compared with RM1.03 billion for FY2014, largely due to higher profit contribution from the Grains and agribusiness segment plus a foreign exchange translation gain on PPB's share of Wilmar's results which are reported in US Dollars ("USD"), as well as profits from the Investments and Other operations segments.

#### Group financial performance by business segment

	4Q2015	4Q2014	Variance	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
- Grains and agribusiness	747,000	618,556	128,444	21%
- Consumer products	145,670	146,098	(428)	0%
- Film exhibition and distribution	107,331	96,118	11,213	12%
- Environmental engineering and utilities	78,062	59,071	18,991	32%
- Property	20,486	12,845	7,641	59%
- Investments and Other operations	30,768	36,339	(5,571)	(15%)
- Elimination	(38,717)	(35,813)	(2,904)	
Total revenue	1,090,600	933,214	157,386	17%

	FY2015	FY2014	Variance	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
- Grains and agribusiness	2,710,870	2,468,641	242,229	10%
- Consumer products	590,717	600,457	(9,740)	(2%)
- Film exhibition and distribution	435,571	370,771	64,800	17%
- Environmental engineering and utilities	255,321	139,227	116,094	83%
- Property	65,366	83,878	(18,512)	(22%)
- Investments and Other operations	140,657	190,433	(49,776)	(26%)
- Elimination	(150,188)	(152,399)	2,211	
Total revenue	4,048,314	3,701,008	347,306	9%



# Quarterly Report

## Notes (Cont'd)

	4Q2015	4Q2014	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
- Grains and agribusiness	72,745	18,122	54,623	>100%
- Consumer products	10,072	8,243	1,829	22%
- Film exhibition and distribution	15,433	13,954	1,479	11%
- Environmental engineering and utilities	2,449	4,478	(2,029)	(45%)
- Property	4,842	14,062	(9,220)	(66%)
- Investments and Other operations	(3,181)	(22,428)	19,247	86%
Total segment results	102,360	36,431	65,929	>100%
- Share of associates and joint venture's profits less losses	280,474	262,109	18,365	7%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(4,086)	(2,613)	(1,473)	(56%)
Total profit before tax	378,748	295,927	82,821	28%

	FY2015	FY2014	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
- Grains and agribusiness	260,376	195,351	65,025	33%
- Consumer products	25,351	31,799	(6,448)	(20%)
- Film exhibition and distribution	65,613	60,793	4,820	8%
- Environmental engineering and utilities	10,572	5,272	5,300	>100%
- Property	25,166	38,004	(12,838)	(34%)
- Investments and Other operations	11,744	(18,252)	29,996	>100%
Total segment results	398,822	312,967	85,855	27%
- Share of associates and joint venture's profits less losses	795,487	724,142	71,345	10%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(13,187)	(8,965)	(4,222)	(47%)
Total profit before tax	1,181,122	1,028,144	152,978	15%

### Grains and agribusiness

Revenue grew by 21% to RM747 million in 4Q2015 compared with RM619 million in the corresponding period last year. For FY2015, segment revenue was up 10% to RM2.71 billion from RM2.47 billion a year ago, mainly driven by higher flour sales volume in Vietnam and Indonesia and increased feed sales volume in Malaysia.

Segment profits improved significantly to RM73 million in 4Q2015 and 33% to RM260 million for FY2015, primarily attributable to net foreign exchange translation gain and improved margins. The feed division also recorded higher profit from sales volume increase and better profit margin as a result of lower raw material costs.

### Consumer products

The segment posted marginally decreased revenue of RM146 million in 4Q2015 compared with the corresponding quarter last year. Revenue for FY2015 dropped marginally from RM600 million last year to RM591 million this year. The lower revenue was due to discontinuance of an agency product and lower revenue from certain agency products.

Lower revenue amid higher staff costs and higher depreciation charge resulted in lower segment profits of RM25 million for FY2015.

# Quarterly Report

## Notes (Cont'd)

### Film exhibition and distribution

The segment continued to strengthen with revenue increasing 12% to RM107 million in 4Q2015, and 17% to RM436 million for FY2015 mainly due to contribution from new cinemas and improved cinema collections from blockbuster movie titles released.

In 4Q2015, segment profit was RM15 million compared with RM14 million in 4Q2014 due to higher virtual print fee income offset by lower profit contribution from film distribution. For FY2015, profit grew by 8% from RM61 million to RM66 million mainly from higher cinema exhibition and distribution revenue.

### Environmental engineering and utilities

Revenue from this segment grew from RM59 million in 4Q2014 to RM78 million in 4Q2015, and from RM139 million for FY2014 to RM255 million for FY2015. The main drivers for the significant improvement in revenue came from the increased number of engineering projects secured and the progressive recognition of the revenue of these projects especially the ones which have been completed or at their final stages of construction.

Segment profit for 4Q2015 of RM2.5 million was lower as compared to the same period last year due to additional profits recognised from a sewage project in 4Q2014. Nevertheless, for FY2015, total profits more than doubled from RM5 million to RM11 million in tandem with the higher revenue delivered in the financial year under review.

### Property

Rental of investment properties was the major contributor to the segment revenue of RM20 million in 4Q2015 and RM65 million for FY2015, both of which decreased marginally due to lower occupancy rates compared to the same periods last year. Property development posted lower revenue from progress billings of bungalow sales in Seberang Perai Tengah compared with FY2014 progress billings on delivery of vacant possession for the Masera bungalows in Kuala Lumpur. Higher fee income generated by project management and marketing activities have helped to cushion the lower segment revenue.

Segment profit was substantially lower at RM5 million in 4Q2015 compared with RM14 million in 4Q2014, partially mitigated by the higher profit from project management and marketing income. For FY2015, lower segment profit of RM25 million was mainly due to lesser progress billings after completion of the Masera bungalow project last year.

### Investments and Other operations

The combined segment revenue decreased by 15% in 4Q2015 to RM31 million and 26% to RM141 million for FY2015 compared with RM36 million in 4Q2014 and RM190 million for FY2014. Revenue from the chemicals trading and manufacturing business for the year was lower compared to FY2014 as management tightened credit control policies. Revenue from the packaging business was lower as expected, after an operational restructuring and production streamlining exercise whereby the packaging operation was relocated from Malaysia to Myanmar. Lesser dividend income received from quoted investments and discontinuance of the shipping business also contributed to the revenue decrease.

The combined segments collectively registered losses of RM3 million and RM22 million in both 4Q2015 and 4Q2014 respectively. For FY2015, the combined segment profit was RM12 million compared with a loss of RM18 million for FY2014. In addition to a gain of RM5.3 million on liquidation of a subsidiary in FY2015, favourable foreign exchange gain from export sales had contributed to higher profits for the chemical trading and manufacturing business, coupled with lower losses incurred by the packaging business.

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

The Group's associates and joint venture contributed higher profits of RM280 million in 4Q2015 compared with RM262 million in 4Q2014. Wilmar contributed a higher profit of RM266 million in 4Q2015 against RM252 million in 4Q2014. This was the result of favourable foreign exchange translation of Wilmar's USD-denominated results into Ringgit.

For FY2015, contribution from the associates and joint venture was higher at RM795 million compared with RM724 million for FY2014, of which Wilmar's contribution was RM765 million for FY2015 against RM695 million for FY2014. The foreign exchange translation gain on the Group's share of Wilmar's results has increased profits despite the decrease in Wilmar's FY2015 results on the back of weaker regional currencies against the USD.

# Quarterly Report

## Notes (Cont'd)

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

	4Q2015	3Q2015	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
- Grains and agribusiness	72,745	88,062	(15,317)	(17%)
- Consumer products	10,072	3,526	6,546	>100%
- Film exhibition and distribution	15,433	13,495	1,938	14%
- Environmental engineering and utilities	2,449	3,505	(1,056)	(30%)
- Property	4,842	7,408	(2,566)	(35%)
- Investments and Other operations	(3,181)	9,006	(12,187)	>(100%)
Total segment results	102,360	125,002	(22,642)	(18%)
- Share of associates and joint venture's profits less losses	280,474	213,374	67,100	31%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(4,086)	(1,482)	(2,604)	>(100%)
Total profit before tax	378,748	336,894	41,854	12%

The Group reported a profit before tax of RM379 million in 4Q2015, representing an increase of 12% from RM337 million in 3Q2015.

Wilmar contributed higher profits of RM266 million in 4Q2015 compared with RM205 million in 3Q2015. The lower profits in the Investments and Other operations segment were mainly due to gain on liquidation of a subsidiary in 3Q2015 and comparatively lower dividend income received in 4Q2015.

Profit from the Grains and agribusiness segment decreased to RM73 million in 4Q2015 mainly due to less favourable net foreign exchange translation positions quarter-to-quarter. The Environmental engineering segment had lower profits compared to 3Q2015 due to impairment of goodwill and additional costs accrued for a project, whilst the Property segment earned higher profit from project management and marketing fee income. The Film exhibition and distribution segment recorded higher profit in 4Q2015 due to stronger movies released.

### B3. Prospects for the next financial year

Bank Negara Malaysia reported that GDP growth in Malaysia for fourth quarter 2015 had moderated to 4.5% from 4.7% in the third quarter, and that the Malaysian economy is expected to expand between 4.0% to 5.0% in 2016. While domestic demand will continue to be the key driver of growth, it is projected that private consumption will moderate as households adjust to the rising cost of living and the impact of a weaker Ringgit.

Despite a challenging environment, management believes that the Group's established market position in the Grains and agribusiness segment as well as the extensive distribution network in the Consumer products segment will help the Group to remain resilient in the year ahead. The cinema business should continue to deliver healthy performance from strong movie title line-ups and newly-opened cinemas. The Environmental engineering segment will achieve lower revenue in the year, reflecting the current contracts in hand, while property sales are expected to be affected by the weak property market sentiment.

The Group's consolidated financial results will continue to be supported by Wilmar's business performance.

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

Not applicable.

# Quarterly Report

## Notes (Cont'd)

### B5. Profit before tax

	Individual Quarter 3 months ended 31-Dec-15 RM'000	Cumulative Quarter 12 months ended 31-Dec-15 RM'000
<b><u>Profit before tax is stated after crediting :</u></b>		
Dividend income	145	7,388
Fair value gain on derivatives	26,923	79,682
Foreign exchange gain	(1,047)	60,486
Interest income	5,174	17,941
Income from short-term fund placements	4,352	16,310
Rental income	1,127	4,058
Gain on disposal of investment property	(126)	373
Gain on liquidation of quoted shares	144	930
Gain on liquidation of a subsidiary	-	5,314
Gain on liquidation of an associate	-	44
<b><u>Profit before tax is stated after charging :</u></b>		
Allowance for doubtful debts and receivables written-off	(648)	(1,650)
Depreciation and amortisation	(47,329)	(131,421)
Fair value loss on derivatives	163	(1)
Foreign exchange loss	6,212	(20,826)
Inventories written down	(4,297)	(4,297)
Impairment of goodwill	(131)	(131)
Impairment of non-current assets held for sale	(540)	(540)
Impairment of investment in an associate	(1,709)	(1,709)
Interest expense	(8,115)	(29,743)
Loss on disposal of property, plant and equipment	(1,203)	(1,203)
Loss on disposal of investment property	-	(194)
Loss on liquidation of an associate	-	(6)
Loss on financial assets at fair value through profit or loss	23	(178)

### B6. Tax expense

	Individual Quarter 3 months ended 31-Dec-15 RM'000	Cumulative Quarter 12 months ended 31-Dec-15 RM'000
<b><u>Taxation comprises :</u></b>		
Malaysian taxation		
Current	18,979	90,211
Deferred	6,850	8,199
	25,829	98,410
Foreign taxation		
Current	932	2,801
Deferred	(1,840)	1,896
	24,921	103,107
Under/(Over) provision in prior year		
Current	481	2,226
Deferred	(2,093)	(330)
	23,309	105,003

# Quarterly Report

## Notes (Cont'd)

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

### B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 19 February 2016.

### B8. Group borrowings

Total Group borrowings as at 31 December 2015 were as follows :

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings	145,127	145,127	-
Long-term bank loans (USD)	6	6	-
Hire purchase liabilities	(33,963)	(33,963)	-
Repayments due within the next 12 months	111,170	111,170	-
Short-term bank borrowings			
Bills payable	91,000	-	91,000
Bills payable (IDR)	25,897	-	25,897
Short-term loans	800	-	800
Short-term loans (USD)	234,149	-	234,149
Short-term loans (IDR)	167,076	-	167,076
Short-term loans (VND)	62,788	-	62,788
Current portion of long-term loans	33,957	33,957	-
Hire purchase liabilities	6	6	-
	615,673	33,963	581,710
Bank overdrafts	34	-	34
	615,707	33,963	581,744

### B9. Material litigation

There was no material litigation as at 19 February 2016.

### B10. Dividends

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2015 of 17 sen per share (2014 : 16 sen per share single tier) payable on Wednesday, 25 May 2016 subject to the approval of shareholders at the 47th Annual General Meeting to be held on Tuesday, 10 May 2016.

Together with the interim single tier dividend of 8 sen per share paid on 28 September 2015, the total dividend paid and payable for the financial year ended 31 December 2015 would be 25 sen per share single tier (2014 - Interim : 7 sen per share single tier; Final : 16 sen per share single tier).

#### Dividend entitlement/payment date

Notice is hereby given that subject to shareholders' approval, the final dividend is payable on Wednesday, 25 May 2016 to shareholders whose names appear in the Record of Depositors at the close of business on Friday, 13 May 2016.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Friday, 13 May 2016 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 the financial year 2014 and up to the date of this report are as follows :

Financial Year	Type	Amount per share	Date paid/ payable
2014	Interim dividend	7 sen	26 September 2014
2014	Final dividend	16 sen	29 May 2015
2015	Interim dividend	8 sen	28 September 2015
2015	Final dividend (proposed)	17 sen	25 May 2016

### B11. Earnings per share

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

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-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :		
- Realised	12,742,306	12,380,925
- Unrealised	(84,591)	(92,733)
	12,657,715	12,288,192
Total share of retained profits/(accumulated losses) from associates :		
- Realised	151,631	149,566
- Unrealised	(1,543)	(1,587)
- Wilmar International Limited ("Wilmar") *	5,265,268	4,620,617
Total share of retained profits from joint venture :		
- Realised	9,462	8,034
	18,082,533	17,064,822
Less : Consolidation adjustments	(2,277,911)	(2,175,512)
Total Group retained profits as per consolidated accounts	15,804,622	14,889,310

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

Kuala Lumpur  
26 February 2016

By Order of the Board  
Mah Teck Keong  
Company Secretary

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