



QUARTERLY REPORT

P4

INVESTOR UPDATE 2018



FROM THE DESK OF THE CHAIRMAN

Dear Shareholders,

We are pleased to announce that PPB Group's revenue rose by 6% to RM4.53 billion for FY2018 mainly attributed to higher revenue from the *Grains and agribusiness*; *Environmental engineering and utilities* and *Film exhibition and distribution* segments.

PPB Group posted an unaudited profit before tax of RM1.17 billion, 8% lower from the year before due to lower contribution from our 18.5% associate, Wilmar International Limited (Wilmar) of RM837 million and lower profits from *Grains and agribusiness*; and *Consumer products* segments.

Profit for the year was RM1.1 billion and earnings per share for the year amounted to 75.57 sen.

The Board of Directors has recommended a final dividend of 20 sen per share for financial year ended 31 December 2018 subject to shareholders' approval at the forthcoming Annual General Meeting. The final dividend is payable on 10 June 2019 and together with the interim dividend of 8 sen per share, the total dividend for financial year 2018 would be 28 sen per share amounting to a total payout of about RM399 million based on our increased share capital after the bonus issue (FY2017 : 30 sen per share, payout of RM356 million).

GOING FORWARD

The Malaysian economy recorded a sustained growth of 4.7% in 2018. The economy is expected to continue to expand on a steady growth pace in 2019. Private sector demand, with the support of continued income and employment growth, will remain the main driver.

The *Grains and agribusiness* segment is expected to remain competitive on the back of a volatile commodity market and it will continue to focus on volume growth and maintaining good quality standard of our products. The performance of the *Consumer products* segment is expected to remain stable, supported by a widening product range and the introduction of new products into new markets. The *Film exhibition and distribution* segment will continue to be driven by strong title releases, opening of new cinemas, introduction of new cinematic technology and facilities in selected locations. The *Environmental engineering and utility* segment will focus on replenishing its order book while maintaining its focus on quality work and execution. Amidst a challenging operating environment, the *Property* division will focus on completing the Megah Rise project in Petaling Jaya while striving to maintain and improve operational excellence in its existing mall and property management business.

While the Group's main business segments are expected to perform satisfactorily in financial year 2019, the overall Group financial results would depend substantially on Wilmar's business performance.



HAPPENINGS

FFM Marketing Sdn Bhd added two new agency lines, Goodman Fielder and Super Food, to its portfolio. The popular brands under Goodman Fielder are Mother's Choice cheese and spread, Meadow Fresh cheese slices; Meadow Lea spread, Praise dressing and mayonnaise, Pampas frozen pastry and White Wings cake and dessert mixes. Super Food is known for its pre-mixed coffee, grains, soymilk, tea and cereal products.

At the Putra Brand Awards 2018, Golden Screen Cinemas (GSC) received the Gold award in the entertainment category for the fifth consecutive year, whilst Massimo received the Bronze award in the foodstuff category. GSC also received Brand of the Year Award – National Tier (Malaysia) at the 2018 World Branding Awards held in London and Gold Award (HR Best Practices Award) at the 2018 Malaysian International HR Awards. FFM Marketing was awarded “Best Employer” by Kumpulan Wang Simpanan Pekerja, Selangor in 2018 for the second consecutive year. I congratulate the managements of GSC, FFM Marketing and The Italian Baker, the manufacturer of Massimo bakery products for their achievements; I am sure they will continue to keep up the good work.

GSC announced that it will be bringing the first ScreenX theatre, a premium, panoramic, 270-degree cinema environment to GSC 1 Utama in 2019, followed by two other halls in 2020. In December 2018, GSC opened its second 4DX theatre at GSC 1 Utama. GSC IOI City Mall Putrajaya and a new site, Mid Valley Southkey, Johor Bahru will open their 4DX theatres in 2019. 4DX is the world's leading 4D cinematic technology, which brings movies to life through motion and environmental effects such as snow, rain, bubbles, wind, and lightning.

PPB turned 50 on 1 November 2018 and held a dinner celebration at the Shangri-La Hotel, Kuala Lumpur which was attended by more than 300 guests and staff (present and past).

Effective 24 December 2018, PPB has been included in the FTSE4Good Bursa Malaysia, FTSE4Good Emerging Markets and the FTSE4Good Asean5 indices. FTSE4Good Index Series identifies companies which demonstrate strong environmental, social and governance practices measured against globally recognised standards. PPB's inclusion in the indices marks the Group's commitment to responsible business practices.

CSR ACTIVITIES

In the last quarter of the year, PPB group organised many corporate social responsibility (CSR) activities in conjunction with the school holidays and Christmas season, summarised as follows :-

- PPB gave away school shoes and uniforms to 1,299 needy school children from ten primary schools in Bukit Mertajam, Penang and one in Pahang under the “Back to School” project.
- Staff of PPB and Kuok Foundation Berhad participated in the “Educare Project” under the PPB-KF Welfare Fund for Perlis where 700 needy schoolchildren from ten primary schools were given RM100 voucher each redeemable for school shoes, uniforms and other school items.
- Every year, PPB celebrates the four main festivals with underprivileged groups. For Deepavali and Christmas, PPB Group staff had lunch and met the urgent needs of Persatuan Kebajikan & Penjagaan Kanak-kanak Istimewa and Pusat Jagaan Orang Tua Kasih Sayang, both centres located in Kuala Lumpur. PPB also brought 48 orang asli from the Temiah tribe from the islands in Temenggor lake, Perak for shopping and movie outing at GSC Paradigm Mall. At Cheras LeisureMall's annual Christmas charity campaign “Toy Bank, A Gift of Love”, shoppers, well-wishers and members of the public contributed about 5,400 gifts to fulfill the wishes of 800 children from 16 charity homes.

Tan Sri Datuk Oh Siew Nam

Chairman
6 March 2019

NEW DISTRIBUTORSHIPS UNDER FFM MARKETING



Super Coffee Regular



Super Charcoal Roasted White Coffee



Super Power 6 In 1
Tongkat Ali & Misai Kuching



Super Power 5 In 1
Kacip Fatimah & Collagen

FFM Marketing Sdn Bhd (FMSB), an 80%-owned subsidiary of PPB Group Berhad, added two new agency lines, Goodman Fielder and Super Food, to its portfolio.

Goodman Fielder is a leading regional food company which manufactures, distributes, markets and sells a wide range of food products across retail, food service and industrial channels. Its portfolio of brands include Meadow Fresh, Meadow Lea, Praise, White Wings, Pampas, Pilot and Goodman Fielder Ingredients. FMSB took over the distributorship of Goodman Fielder products for Malaysia in November 2018, and was also awarded a one-year contract by Starbucks Malaysia to supply Meadow Fresh Whipping Cream to all Starbucks stores & kiosks across Malaysia commencing 1 January 2019.

FMSB was appointed as the exclusive distributor by Super Food Marketing Sdn Bhd for certain areas (eg. East Coast, Penang, Central Region and Sarawak) and through selected channels for its range of products since September 2018. Established in 1987, Super Group Limited (SGL) was a pioneer in producing and marketing of 3-in-1 instant beverages in South East Asia. SGL produces a wide range of pre-mixed coffee, grains, soymilk, tea and cereal. Its portfolio of brands include Super, Super Essenso, Super Power, Super Nutre and Gold Eagle. In 2016, SGL was acquired by Jacobs Douwe Egberts (JDE), one of the largest coffee product MNC's in the world.

Other popular SKUs include Super Coffee Regular (3 in 1), Super Charcoal Roasted White Coffee, Super Power (6 in 1) Tongkat Ali & Misai Kuching coffee, and Super Power (5 in 1) Kacip Fatimah & Collagen Coffee.

Goodman Fielder

Whipping Cream (Chill)



Cheese (Chill)



Spreads (Chill)



Frozen Pastry



Dressing (Dry)



GSC FILM FESTIVALS BRING EUROPE AND LATIN AMERICA TO MALAYSIA!

Organised by:  Delegation of the European Union to Malaysia

Official venue:  Golden Screen Cinemas

Sponsored by:  Brandt

Online media partner:  Cinema Online www.cinema.com.my



Launch of the European Union Film Festival 2019

Fans of GSC's film festivals were in for a treat at the end of 2018, which saw the European Union Film Festival (EUFF) and Latin America Film Festival (LAFF) return to selected GSC cinemas from 18 October to 12 December, and 8 to 11 November 2018 respectively. These much-anticipated film festivals treated Malaysian audiences to a wide selection of films, aimed at highlighting the cultural and social diversity of the different countries, as well as the dynamism and innovation of their contemporary cinema.



Launch of the Latin American of Golden Screen Cinemas Film Festival 2019

Over 21 critically-acclaimed films from 17 European countries were shown during EUFF, while LAFF saw 10 movies from all over Latin America and the Caribbean. The EUFF in 2018 was more special, as art workshops were organised for refugee children in Malaysia, who were given a chance to paint Vincent van Gogh-inspired pieces as a tribute to a film shown at EUFF, "Loving Vincent", a beautifully-rendered animation on the life of van Gogh. These paintings were then displayed at the launch of EUFF in Kuala Lumpur on 17 October 2018, with a silent auction held for their sale. Proceeds from the sale were donated to aid the children.

AWARDS GALORE



GSC nab its fifth consecutive Gold Award in the Entertainment category at the 2018 Putra Brand Awards, and it also achieved a hat-trick when it was honoured the Brand of the Year Award – National Tier (Malaysia) at the 2018 World Branding Awards and Gold Award (HR Best Practices Award) at the 2018 Malaysian International HR Awards.



Massimo received the Bronze Award, Foodstuff Category at the 2018 Putra Brand Awards whilst FFM Marketing was awarded “Best Employer” by the Employees Provident Fund , Selangor in 2018 for the second consecutive year.

Kudos to the managements of GSC, Massimo and FFM Marketing.

GSC PARTNERS WITH ASTRO SHAW TO COMBAT PIRACY AND ILLEGAL RECORDING

On 21 November 2018, GSC launched the GSC Helpline – an initiative that aims to improve enforcement of the Copyright Act 1987 by providing customers an easier point-of-contact with cinema staff. Representatives from GSC and Astro Shaw, and cast members of Polis Evo 2 – Shaheizy Sam, Zizan Razak, and Hasnul Rahmat – officiated at the launch ceremony held at the Gold Class cinema in GSC Pavilion Kuala Lumpur. This helpline is part of GSC’s efforts to raise awareness about the importance of safeguarding intellectual property and how recording films, even for just a few seconds, is an infringement of a filmmaker’s copyright.



Ms. Koh Mei Lee, CEO of Golden Screen Cinemas and Ms. Raja Jastina Raja Arshad, Head of Nusantara, Astro Shaw officiated at the launch ceremony with the casts of Polis Evo 2.

GSC INTRODUCES SCREENX, ADDS 4DX THEATRES TO MALAYSIA

Capable of producing over 20 signature effects including environmental and motion effects, 4DX is even able to recreate a snowy storm from a movie.

GSC announced that it will bring the first ScreenX theatre to Malaysia, with plans to roll out the new technology in three theatres by 2020. The premium, panoramic, 270-degree cinema environment which projects films on three walls of the auditorium, will launch at GSC's flagship theatre, 1 Utama Shopping Centre, Petaling Jaya in 2019, followed by two other locations in 2020.

GSC will also be opening three additional 4DX theatres. On 27 December 2018, GSC opened its second 4DX location at GSC 1 Utama, while two additional locations – IOI City Mall, Putrajaya and Southkey, Johor Bahru – will see their 4DX theatres opened in 2019.



(from left) Ms. Koh Mei Lee, Mr. Irving Chee, General Manager, GSC; and Mr. Heng Beng Fatt, Deputy General Manager, GSC at the launch of the first 4DX theatre in the Klang Valley at GSC 1 Utama.



Mr. Jongryul Kim, CEO of CJ 4DPLEX with Ms. Koh Mei Lee at the ScreenX signing ceremony at CineAsia 2018.

PPB 50TH ANNIVERSARY DINNER

In conjunction with PPB's 50th anniversary celebration, a grand dinner was held at the Shangri-La Hotel, Kuala Lumpur on 29 October 2018. The event was attended by 330 guests and staff of PPB. The evening's programme included performances by staff in the group as well as the popular songstress, Adibah Noor who was also the emcee for the night. The dinner was also an opportunity for PPB's former and present employees to catch up and reminisce.





FTSE4GOOD

Effective from 24 December 2018, PPB Group Berhad has been included in the FTSE4Good Bursa Malaysia, FTSE4Good Emerging Markets and the FTSE4Good Asean5 indices. The FTSE4Good Index Series, which is reviewed twice annually, identifies companies which demonstrate strong environmental, social and governance practices measured against globally recognised standards.

The FTSE4Good Bursa Malaysia Index currently comprises 56 constituents which are drawn from companies in the FTSE Bursa Malaysia EMAS Index. PPB's inclusion in the indices demonstrates a leading approach within the Malaysian market to address relevant corporate responsibility risks and our commitment to responsible business practices. Find out more about FTSE4Good at <https://www.ftse.com/products/indices/FTSE4Good>



FTSE4Good

DIRECTORS' TRAINING IN 2018

PPB conducted its annual in-house directors' training programme on 8 November 2018 which was attended by about 100 participants comprising directors, senior managers and officers of PPB group companies and affiliates.

The first session entitled "Malaysia in Transition : Policy Challenges and Opportunities" was delivered by Mr Lee Heng Guie, an independent economist. Mr Lee provided an overview of the global economic and financial indicators including Malaysia's economic prospects and highlights of the 2019 Budget.

This was followed by a presentation entitled "Digital Transformation and Navigating Through its Disruptive Nature" by En Hazmi Yusof, the Managing Director for Malaysia and Asia-Pacific Senior Vice-President, of Frost & Sullivan (GIC) Malaysia Sdn Bhd. En Hazmi shared with the participants the present key drivers and trends which are driving the Digital Transformation, the impact of technologies and how to navigate businesses moving forward.

The last item for the day was an item by Mr Lee Min Onn, a former director of the Coalition for Business Integrity Berhad. Mr Lee's topic was the inclusion of the concept of corporate liability in the Malaysian Anti-Corruption Amendment Act 2018. His presentation included the key features and requirements, implications on commercial organisations, directors and management, and the defences available to them.



BACK TO SCHOOL PROJECT 2018



Since its inception in 2010, PPB's "Back to School" project has been carried out annually to provide school uniforms and shoes to needy schoolchildren with the aim to meet their basic school needs and help ease the financial burden of low-income families. It is PPB's hope that the contribution would encourage children from poor families to stay in school and continue with their education.

For 2018, the Back to School project reached out to 1,299 students from ten primary schools in Bukit Mertajam, Penang; and a school in Pahang of which the majority are from the indigenous group or Orang Asli. To date, more than 14,000 primary schoolchildren from various parts of Malaysia have benefited from this project.



PPB-KF WELFARE FUND FOR PERLIS, EDUCARE PROJECT

In November 2018, staff of PPB and Kuok Foundation Berhad participated in the “Educare Project” under the “PPB-KF Welfare Fund For Perlis”. 700 needy schoolchildren from ten primary schools in Perlis were given vouchers worth RM100 each redeemable for school uniforms, shoes, socks, school bags and stationery. The Educare Project has been held annually since its inception in 2011. It has todate provided aid to more than 7,000 schoolchildren in Perlis.

The PPB-KF Welfare Fund for Perlis was set up by PPB with a RM10 million endowment and managed by Kuok Foundation Berhad, for charitable and welfare activities to benefit underprivileged and poor Malaysians in the state of Perlis.



UNITED VOICE CHARITY BAZAAR

Aimed at supporting employment for persons with learning disabilities, Cheras LeisureMall jointly organized a charity bazaar with United Voice on 10 November 2018. The bazaar featured activities such as art exhibition, handwoven Saori crafts, handmade crafts, awareness talks and performances.



Shoppers supported the cause by actively participating in the charity bazaar.

BLOOD DONATION CAMPAIGN

With the objective of raising public awareness about health and well-being, Cheras LeisureMall collaborated with Persatuan Kwangsi Selangor & Kuala Lumpur to organize a health awareness campaign on 18 November 2018. The health awareness campaign features activities such as blood donation, traditional Chinese medical consultation, health test, eye test, basic dental check, physical fitness programme, and organ donation. Held at level 2 Concourse, Cheras LeisureMall, the campaign drew positive response with 100 pints of blood collected.



Shoppers actively participated in the campaign.

PPB CELEBRATES DEEPAVALI WITH CHILDREN FROM PERSATUAN KEBAJIKAN DAN PENJAGAAN KANAK-KANAK ISTIMEWA



In conjunction with the Deepavali celebration, PPB staff visited the children of Persatuan Kebajikan & Penjagaan Kanak-kanak Istimewa (PKPKI) at Wangsa Melawati, Kuala Lumpur on 22 November 2018, and treated them to a fast-food lunch and played some party games with them.

Every child was given a goodie bag whilst the home received their request of a desktop computer and a washing machine.



Ms. Koh Mei Lee, CEO of Golden Screen Cinemas addressing the crowd at the start of the 2018 GSC Popcorn Walk.



MOVIE-GOERS LACE UP FOR GSC'S 2ND POPCORN WALK

25 November 2018 saw hundreds of movie-goers and families gathering for the second GSC Popcorn Walk event at Central Park Bandar Utama in celebration of popcorn and Disney's 'Ralph Breaks the Internet: Wreck-It Ralph 2'. The fun-filled event provided attendees carnival games, photo opportunities with cosplayers, a lucky draw, as well as lots of popcorn. More than 1,000 participants took part in the event, a 60%-increase compared with the previous year's event.

Participants getting ready for Disney's Ralph Breaks the Internet - Wreck-It Ralph 2 after the walk.



CHRISTMAS CELEBRATIONS

In conjunction with the Christmas celebration, staff from Sitamas Environmental Systems Sdn Bhd, a 55% subsidiary of PPB, brought cheer to the senior citizens of Pusat Jagaan Orang Tua Kasih Sayang in Taman Klang Jaya on 10 December 2018. The centre houses about 20 senior citizens, some of whom are disabled. Sitamas treated the residents to KFC fast food and contributed foodstuff and toiletries to the centre.



CSR Activities

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018



In another Christmas celebration on 15 December 2018, PPB brought 45 Orang Asli guests from the Temiah tribe from their island homes in Temenggong lake, Perak for an outing to Paradigm Mall, Petaling Jaya. Since 2017, PPB has sponsored the installation of solar panels, mini water dam and saplings in their villages on three islands, as part of PPB's CSR project to improve the well-being and empower indigenous people.

The outing included breakfast followed by a screening of "Spiderman: Into the Spider-Verse". After the movie, lunch was served followed by the singing of Christmas carols enjoyed by all.

PPB staff were assigned as 'Guardian Angels' for the event, to ensure their guests were comfortable and felt welcome in unfamiliar surroundings. The guests also went shopping with their Guardian Angels, each given a budget to spend.



CSR Activities

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018



Cheras LeisureMall's (CLM) annual community initiative – “Toy Bank, A Gift of Love” once again fulfilled the wishes of over 800 children from 16 children's homes, as over 5,400 gifts were collected from 24 November to 26 December 2018 for them. Besides great support from the public, CLM's tenants – ChickKing and UniqTee also contributed 10% and 5% respectively of their gross sales during the campaign period towards the Toy Bank initiative.

About 180 children from the participating homes were invited to the “Toy Bank, A Gift of Love 2018” Presentation Ceremony on 27 December 2018, and were treated to a special screening of the movie, “Mary Poppins Returns” by Golden Screen Cinemas, followed by lunch at ChickKing. There were appearances by Santa Claus, a magic show and balloon modelling by a clown magician, face painting and other activities.



SHARE ANALYSIS

The FBM KLCI reversed its gain in the third quarter, declining by 5.7% in the fourth quarter to close at 1,690.6 points at end-December 2018 (end-September 2018: 1793.2 points). During the period, heightened risk-off sentiments in global financial markets were driven by concerns on the pace of monetary policy normalisation in the US, expectations of moderating global growth and lower corporate earnings. This led to the unwinding of non-resident holdings from global equity markets, including Malaysia.

[Source : Bank Negara Malaysia website]

PPB shares closed at RM17.58 compared with RM16.78 in the preceding quarter and market capitalisation increased to RM25,016 million. The average daily volume of PPB shares traded during the quarter increased by 37.97% to 943,730 shares.

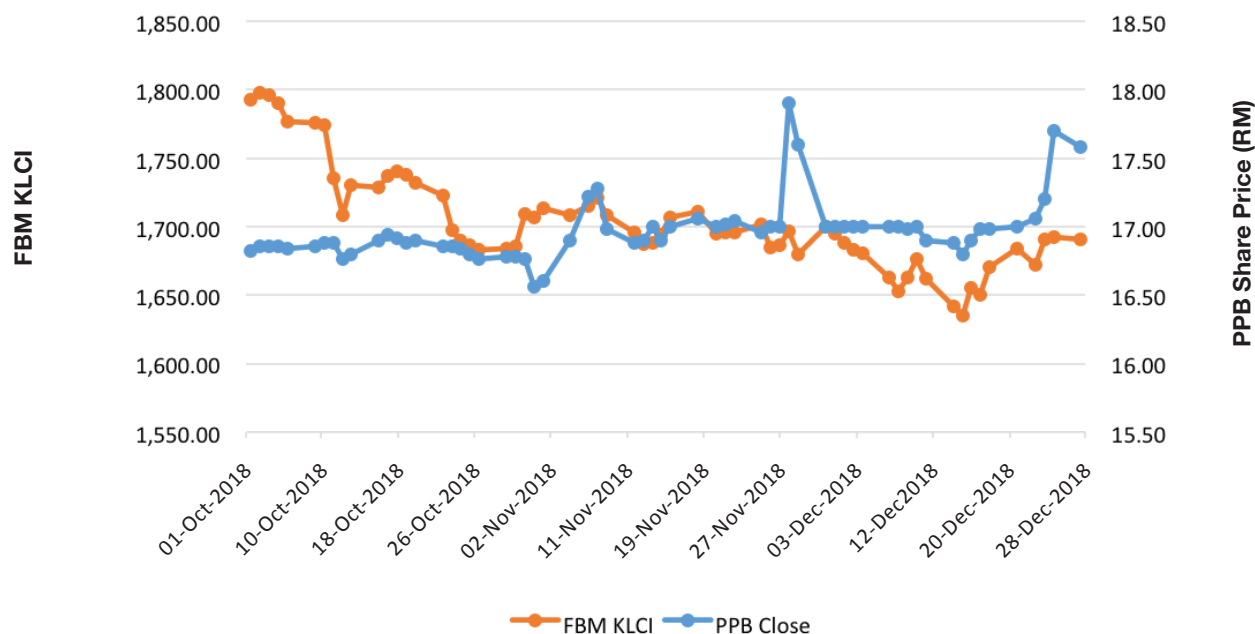
Share Analysis

INVESTOR UPDATE

QUARTERLY REPORT • 31 DECEMBER 2018

	4Q2018	3Q2018	% change
PPB share price (RM)			
Closing price (high)	17.90	16.96	5.54%
Closing price (low)	16.56	16.35	1.28%
Month end closing price	17.58	16.78	4.77%
Weighted share price	17.09	16.69	2.35%
Market capitalisation (RM' million)	25,016	23,878	4.77%
PPB share trading volume (Number of shares)			
Daily volume (high)	7,932,000	2,341,300	238.79%
Daily volume (low)	128,700	74,400	72.98%
Average daily volume	943,730	683,994	37.97%
FBM KLCI			
FBM KLCI closing (high)	1,798.15	1,826.90	-1.57%
FBM KLCI closing (low)	1,635.31	1,663.86	-1.72%
FBM KLCI quarter end closing	1,690.58	1,793.15	-5.72%
FBM KLCI volume (Number of shares)			
Daily volume (high)	532,387,400	319,986,100	66.38%
Daily volume (low)	50,930,200	82,240,300	-38.07%
Average daily volume	137,671,268	126,166,783	9.12%

FBM KLCI & PPB SHARE PRICE MOVEMENTS IN 4Q2018



Group Financial Highlights

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Financial year ended
(All figures in RM million)

	12 months		Change %
	31.12.18	31.12.17 (restated)	
INCOME STATEMENT			
Revenue	4,528	4,284	5.7
Profit before tax	1,168	1,271	(8.1)
Profit attributable to owners of the parent	1,075	1,184	(9.2)
STATEMENT OF FINANCIAL POSITION			
Non-current assets	20,106	19,798	1.6
<u>Current assets</u>			
Cash, bank balances, deposits and short-term fund placements	1,391	1,339	3.9
Others	1,748	1,802	(3.0)
Total current assets	3,139	3,141	(0.1)
Total assets	23,245	22,939	1.3
<u>Equity</u>			
Share capital	1,429	1,192	19.9
Reserves	19,611	19,488	0.6
Equity attributable to owners of the parent	21,040	20,680	1.7
Non-controlling interests	697	676	3.1
Total equity	21,737	21,356	1.8
<u>Non-current liabilities</u>			
Long-term bank borrowings	21	36	(41.7)
Others	319	322	(0.9)
Total non-current liabilities	340	358	(5.0)
<u>Current liabilities</u>			
Short-term bank borrowings	468	745	(37.2)
Others	700	480	45.8
Total current liabilities	1,168	1,225	(4.7)
Total liabilities	1,508	1,583	(4.7)
Total equity and liabilities	23,245	22,939	1.3

Group Financial Highlights

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Financial year ended
(All figures in RM million)

		12 months	
		31.12.18	31.12.17 (restated)
RATIOS			
Return on equity attributable to owners of the parent	(%)	5.1	5.7
Earnings per share	(sen)	75.6	83.2
Interest coverage	(times)	35.4	36.3
Total borrowings/Equity	(%)	2.2	3.7
Long-term borrowings/Equity	(%)	0.1	0.2
Net assets per share attributable to owners of the parent *	(RM)	14.8	14.5
Net dividend per share	(sen)	28.0	30.0
STOCK MARKET INFORMATION			
Share price #	(RM)	17.58	14.37
Market capitalisation	(RM million)	25,016	20,449
PE ratio	(times)	23.3	17.3

* Number of shares reflect total ordinary shares after bonus issue.

Adjusted share price for 1 : 5 bonus issue

Announcements

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

OCTOBER 2018

1

PPB announced the commencement of a members' voluntary winding up of CQ Properties Sdn Bhd, an indirect 100%-owned subsidiary of PPB.

NOVEMBER 2018

13

PPB announced that the quarterly report for the 3rd quarter ended 30 September 2018 would be released on 27 November 2018.

27

Release of PPB's quarterly report for the 3rd quarter ended 30 September 2018.

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Unaudited Condensed Consolidated Income Statements For The Financial Year Ended 31 December 2018

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2018 RM'000	2017 RM'000 (restated)	2018 RM'000	2017 RM'000 (restated)
Revenue	1,164,213	1,124,770	4,528,260	4,284,294
Operating expenses	(1,113,286)	(1,093,357)	(4,347,061)	(4,123,607)
Other operating income, other gains and losses	31,781	14,596	96,751	110,055
Share of profits less losses of associates	180,457	354,116	919,922	1,032,028
Share of profit of joint venture	337	561	3,704	3,689
Finance costs	(16,784)	(16,749)	(33,893)	(35,860)
Profit before tax	246,718	383,937	1,167,683	1,270,599
Tax expense	(11,242)	(8,975)	(64,732)	(54,093)
Profit for the period/year	235,476	374,962	1,102,951	1,216,506
Attributable to :				
Owners of the parent	221,340	370,794	1,075,096	1,183,589
Non-controlling interests	14,136	4,167	27,855	32,917
Profit for the period/year	235,476	374,961	1,102,951	1,216,506
Basic earnings per share (sen)	15.56	26.06	75.57	83.20

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Unaudited Condensed Consolidated Statements Of Comprehensive Income For The Financial Year Ended 31 December 2018

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2018 RM'000	2017 RM'000 (restated)	2018 RM'000	2017 RM'000 (restated)
Profit for the period/year	235,476	374,962	1,102,951	1,216,506
Other comprehensive income/(loss), net of tax				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Fair value gain/(loss) of financial assets available-for-sale	(2,726)	73,718	(223,607)	282,677
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(4,117)	(746,092)	336,574	(1,771,933)
Share of associates' other comprehensive income/(loss)	(10,920)	185,552	(459,219)	587,857
Total comprehensive income	217,713	(111,860)	756,699	315,107
Attributable to :				
Owners of the parent	205,340	(108,974)	740,353	301,281
Non-controlling interests	12,373	(2,886)	16,346	13,826
Total comprehensive income	217,713	(111,860)	756,699	315,107

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Condensed Consolidated Statements Of Financial Position

	As at 31-Dec-18 RM'000	As at 31-Dec-17 RM'000 (restated)
ASSETS		
Non-current Assets		
Property, plant and equipment	1,292,431	1,344,173
Investment properties	259,206	217,711
Right-of-use assets	223,142	229,478
Biological assets	3,804	3,616
Goodwill	73,704	73,704
Other intangible assets	12,241	17,476
Land held for property development	85,699	86,209
Investment in associates	17,551,604	17,032,033
Investment in joint venture	57,017	61,595
Amount due from an associate	8,604	7,083
Financial assets available-for-sale	534,069	722,221
Deferred tax assets	4,052	2,269
	20,105,573	19,797,568
Current Assets		
Inventories	892,023	815,569
Biological assets	21,980	18,716
Other intangible assets	50	93
Property development costs	13,790	6,294
Receivables	793,336	933,441
Derivative financial instruments	498	17
Current tax assets	20,899	18,086
Cash, bank balances, deposits and short-term fund placements	1,391,164	1,339,143
	3,133,740	3,131,359
Assets classified as held for sale	5,350	10,163
	3,139,090	3,141,522
TOTAL ASSETS	23,244,663	22,939,090
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,192,215
Reserves	19,610,761	19,487,877
Equity attributable to owners of the parent	21,040,075	20,680,092
Non-controlling interests	696,797	675,863
Total equity	21,736,872	21,355,955

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Condensed Consolidated Statements Of Financial Position (Cont'd)

	As at 31-Dec-18 RM'000	As at 31-Dec-17 RM'000 (restated)
Non-current Liabilities		
Long-term borrowings	20,857	35,975
Long-term lease liabilities	232,604	240,379
Deferred tax liabilities	86,460	81,916
	339,921	358,270
Current Liabilities		
Payables	654,167	441,946
Derivative financial instruments	470	337
Short-term borrowings	468,068	744,749
Short-term lease obligations	32,469	30,240
Current tax liabilities	12,150	6,107
	1,167,324	1,223,380
Liabilities associated with assets classified as held for sale	547	1,485
	1,167,871	1,224,865
Total liabilities	1,507,792	1,583,135
TOTAL EQUITY AND LIABILITIES	23,244,664	22,939,090

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Unaudited Condensed Consolidated Statements Of Changes In Equity For The Financial Year Ended 31 December 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
12 months ended 31 December 2018											
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, MFRS 16 and MFRS 141	-	-	(38,966)	1,228,297	-	5,486	22,672	(1,435,437)	(217,948)	(313)	(218,261)
Restated	1,192,215	-	-	2,982,163	292,119	19,014	202,977	15,991,604	20,680,092	675,863	21,355,955
Total comprehensive income/(loss)	-	-	-	(98,655)	(223,607)	(28,963)	16,481	1,075,096	740,353	16,346	756,699
Transfer of reserves	-	-	-	-	-	-	4,984	(4,984)	-	-	-
Issuance of bonus shares	237,099	-	-	-	-	-	-	(237,099)	-	-	-
Expenses for issuance of bonus shares	-	-	-	-	-	-	-	(228)	(228)	-	(228)
Dividends	-	-	-	-	-	-	-	(374,618)	(374,618)	(19,395)	(394,013)
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	29,857	29,857
Acquisition of shares in an existing subsidiary	-	-	-	-	-	-	-	874	874	(5,874)	(5,000)
Changes in equity interest in an associate	-	-	-	-	-	-	-	(6,399)	(6,399)	-	(6,399)
At 31 December 2018	1,429,314	-	-	2,883,508	68,512	(9,949)	224,442	16,444,247	21,040,074	696,797	21,736,871
12 months ended 31 December 2017											
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, MFRS 16 and MFRS 141	-	-	(39,511)	1,202,748	-	(13,634)	(23,651)	(1,413,311)	(287,358)	(14)	(287,373)
Restated	1,185,500	6,715	-	4,302,158	9,442	(64,634)	105,269	15,140,781	20,685,232	695,129	21,380,360
Total comprehensive income/(loss)	-	-	-	(1,319,995)	282,677	83,648	71,360	1,183,591	301,281	13,826	315,107
Transfer of reserves	-	-	-	-	-	-	26,348	(26,348)	-	-	-
Transfer pursuant to Companies Act 2016	6,715	(6,715)	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(296,375)	(296,375)	(30,873)	(327,248)
Acquisition of shares in a subsidiary	-	-	-	-	-	-	-	2,119	2,119	(2,219)	(100)
Changes in equity interest in an associate	-	-	-	-	-	-	-	(12,164)	(12,164)	-	(12,164)
At 31 December 2017	1,192,215	-	-	2,982,163	292,119	19,014	202,977	15,991,604	20,680,092	675,863	21,355,955

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Unaudited Condensed Consolidated Statements Of Cash Flows For The Financial Year Ended 31 December 2018

	12 months ended 31 December	
	2018 RM'000	2017 RM'000 (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	1,167,683	1,270,599
Adjustments :		
Non-cash items	(756,822)	(833,302)
Non-operating items	(26,790)	(20,562)
Operating profit before working capital changes	384,071	416,735
Working capital changes :-		
Net change in current assets	(95,325)	(352,687)
Net change in current liabilities	245,269	62,644
Cash generated from operations	534,015	126,692
Tax paid	(58,289)	(91,485)
Net cash generated from operating activities	475,726	35,207
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(150,622)	(168,683)
Proceeds from disposal of property, plant and equipment and assets held for sale	11,680	37,082
Purchase of investments	(140,201)	(29,177)
Dividends received	390,183	282,619
Income from short-term fund placements	30,372	15,036
Interest received	14,614	16,871
Repayment from associates	130,677	68,034
Distribution of profits from joint venture	6,403	5,532
Other investing activities	4,618	5,907
Net cash generated from investing activities	297,724	233,221

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Unaudited Condensed Consolidated Statements Of Cash Flows For The Financial Year Ended 31 December 2018

	12 months ended 31 December	
	2018 RM'000	2017 RM'000 (restated)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(292,050)	300,293
Interest paid	(23,488)	(25,122)
Dividends paid	(394,013)	(327,248)
Payment of lease obligations	(43,618)	(40,803)
Other financing activities	(227)	-
Shares issued to non-controlling interests of a subsidiary	29,857	-
Net cash used in financing activities	(723,539)	(92,880)
Net increase in cash and cash equivalents	49,911	175,548
Cash and cash equivalents brought forward	1,338,663	1,177,203
Effect of exchange rate changes	2,137	(14,088)
Cash and cash equivalents carried forward	1,390,711	1,338,663
<u>Cash and cash equivalents represented by :</u>		
Cash and bank balances	193,760	281,135
Bank deposits	281,455	240,511
Short-term fund placements	915,949	817,497
Bank overdrafts	(453)	(480)
	1,390,711	1,338,663

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2017)

Notes**A1. Accounting policies**

The unaudited 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 ended 31 December 2018. The 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 ended 31 December 2018.

The accounting policies and methods of computation used in the preparation of the unaudited 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 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

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

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 previously revalued property, plant and equipment and investment properties as their deemed cost under the MFRS on the date of transition.

b) MFRS 141 Agriculture

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

The Group applied the simplified approach where the credit loss allowance on impairment of financial assets is measured at an amount equal to lifetime expected credit losses for trade receivables and contract assets.

d) MFRS 15 Revenue from Contracts with Customers

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.

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

e) MFRS 16 Leases

The Group has elected to early adopt MFRS 16 Leases with effect from 1 January 2018. Upon adoption of MFRS 16, the Group, as lessee, has brought onto the statements of financial position all leases by recognising the corresponding right-of-use assets and lease liabilities, except for some limited exemptions provided under the standard. Generally, lease liabilities are measured at the present value of the future lease payments. Upon initial recognition, right-of-use assets are measured at cost less accumulated depreciation and impairment losses. The corresponding finance costs and depreciation are recognised in profit or loss over the lease period. The Group applied the standard retrospectively on 1 January 2017 according to the transitional provisions.

For the year ended 31 December 2017, there was a negative effect on the adoption of the above MFRS to the consolidated profit before tax and net profit after tax, amounting to RM22.5 million and RM22.2 million respectively.

The effects on adoption of the above MFRS on the consolidated statement of financial position as at 31 December 2017 are as follows:

	As reported previously RM'000	Effects of MFRS adoption RM'000	Restated RM'000
Non-current Assets			
Investment properties	216,811	900	217,711
Biological assets	2,844	772	3,616
Right-of-use assets	-	229,478	229,478
Land held for property development	85,272	937	86,209
Investment in associates	17,221,581	(189,548)	17,032,033
Deferred tax assets	2,164	105	2,269
Other non-current assets	2,226,252	-	2,226,252
	19,754,924	42,644	19,797,568
Current Assets			
Biological assets	18,969	(253)	18,716
Property development costs	5,360	934	6,294
Receivables	925,802	7,638	933,441
Other current assets	2,183,071	-	2,183,071
	3,133,202	8,319	3,141,522
Total assets	22,888,126	50,963	22,939,090
Equity			
Equity attributable to owners of the parent	20,898,040	(217,948)	20,680,092
Non-controlling interests	676,176	(313)	675,863
Total equity	21,574,216	(218,261)	21,355,955

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Condensed Consolidated Statement of Financial Position as at 31 December 2017

(continued from previous page)

	As reported previously RM'000	Effects of MFRS adoption RM'000	Restated RM'000
Non-current liabilities			
Deferred tax liabilities	91,857	(9,941)	81,916
Long-term lease obligations	-	240,379	240,379
Other non-current liabilities	35,974	-	35,975
	127,831	230,438	358,270
Current liabilities			
Payables	433,401	8,545	441,946
Short-term lease obligations	-	30,240	30,240
Other current liabilities	752,678	-	752,678
	1,186,079	38,785	1,224,865
Total liabilities	1,313,910	269,224	1,583,135
TOTAL EQUITY AND LIABILITIES	22,888,126	50,963	22,939,090

A3. Seasonality or cyclicity of interim operations

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

A4. Exceptional or unusual items

There were no exceptional or unusual items for the financial year ended 31 December 2018.

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 financial year.

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 year.

A7. Dividends paid

During the financial year ended 31 December 2018, a final dividend of 22 sen per share in respect of financial year ended 31 December 2017 was paid on 31 May 2018 and an interim dividend of 8 sen per share in respect of financial year ended 31 December 2018 was paid on 4 October 2018.

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

A8. Segmental reporting

Segmental information in respect of the Group's business segments for the financial year ended 31 December 2018 are 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
REVENUE									
External revenue	2,992,121	637,721	538,352	204,589	51,395	10,330	93,752	-	4,528,260
Inter-segment sales	156,340	2,846	-	11	1,823	-	16,342	(177,362)	-
Total revenue	3,148,461	640,567	538,352	204,600	53,218	10,330	110,094	(177,362)	4,528,260
RESULTS									
Segment results	125,952	15,177	63,394	14,861	12,251	10,330	4,494	-	246,459
Share of associates' profits less losses	72,088	(7,267)	1,340	(116)	16,181	-	837,697	-	919,922
Share of joint venture's profit	-	-	-	3,704	-	-	-	-	3,704
Interest income									14,689
Income from short-term fund placements									31,181
Finance costs									(23,824)
Unallocated corporate expenses									(24,448)
Profit before tax									1,167,683
ASSETS									
Segment assets	2,288,227	444,312	553,248	124,153	402,192	534,070	54,398	(449)	4,400,150
Investment in associates	509,269	27,041	187,978	47,821	269,838	-	16,509,657	-	17,551,604
Investment in joint venture	-	-	-	57,017	-	-	-	-	57,017
Bank deposits and short-term fund placements									1,197,404
Tax assets									24,951
Other unallocated corporate assets									13,536
Total assets									23,244,663

A9. Material events subsequent to the end of the interim period

There were no material events subsequent to the end of the financial year 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 financial year under review, except for the following:

- a) Tego Sdn Bhd, a 79.9%-owned indirect subsidiary of PPB, entered into an Agreement for Transfer of Shares dated 20 September 2017 to dispose of its entire equity interest in Tefel Packaging Industries Co Ltd ("Tefel") comprising 60 ordinary shares of Kyat 10,000/-each ("Proposed Disposal"). The Proposed Disposal was completed on 21 June 2018.
- b) Lamlewa Feedmill Sdn Bhd, a 80%-owned indirect subsidiary of PPB which commenced a members' voluntary winding up on 4 August 2014 pursuant to Section 254(1)(b) of the Companies Act ("CA") 1965, was dissolved on 28 June 2018, and has accordingly ceased to be an indirect subsidiary of PPB.
- c) Zegwaard Bumianda Sdn Bhd, a 100%-owned indirect subsidiary of PPB which commenced a members' voluntary winding up on 20 December 2016 pursuant to Section 254(1)(b) of the CA 1965, was dissolved on 18 August 2018, and has accordingly ceased to be a subsidiary of PPB.
- d) Minsec Properties Berhad, a wholly-owned subsidiary of PPB which commenced a members' voluntary winding up on 11 September 2017 pursuant to Section 439(1)(b) of the CA 2016, was dissolved on 7 September 2018, and has accordingly ceased to be a subsidiary of PPB.
- e) SES Environmental Services Sdn Bhd, a 50.1%-owned indirect subsidiary of PPB which commenced a members' voluntary winding up on 16 November 2016 pursuant to Section 254(1)(b) of the CA 1965, was dissolved on 21 September 2018, and has accordingly ceased to be a subsidiary of PPB.
- f) Affluence Trading Sdn Bhd, a wholly-owned subsidiary of PPB which commenced a members' voluntary winding up on 30 July 2015 pursuant to Section 254(1)(b) of the CA 1965, was dissolved on 26 September 2018, and has accordingly ceased to be a subsidiary of PPB.
- g) CQ Properties Sdn Bhd, a dormant 100%-owned indirect subsidiary of PPB, commenced a members' voluntary winding up on 1 October 2018 pursuant to Section 439(1)(b) of the CA 2016. The winding up is in progress.

A11. Changes in contingent liabilities or contingent assets

There were no changes in contingent assets and contingent liabilities since the end of the previous financial year.

A12. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 31 December 2018 are as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	38,535
- not contracted	474,676
	513,211
Other commitments	
- contracted	317,312
	830,523

A13. Significant related party transactions

Significant related party transactions during the financial year ended 31 December 2018 are as follows:

	RM'000
Transactions with associates	
- Film rental income	2,422
- Interest income	3,237
- Sales of goods	1,542
- Purchase of goods	32,265
Transactions with a subsidiary of the ultimate holding company	
- Sale of goods	10,423
Transactions with subsidiaries of associates	
- Purchase of goods	191,553
- Sale of goods	61,760
- Rental income	3,102
- Security and other service fee expenses	6,868
- Marketing fee income	2,470
- Supervision fee income	4,520
- Project management fee income	1,156
- Charter hire of vessels	51,902

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

B1. Performance analysis

The Group reported total revenue of RM1.16 billion in 4Q2018 (4Q2017: RM1.12 billion), up 4% from a year ago. Pre-tax profit of the Group for the quarter was at RM247 million, 36% lower as compared to RM384 million recorded in 4Q2017.

For 2018, Group revenue increased by 6% to RM4.53 billion (2017: RM4.28 billion), the increase was attributable to the higher revenue from the *Grains and agribusiness*, *Environmental engineering and utilities* and *Film exhibition and distribution* segments.

Group pre-tax profit was lower by 8% to RM1.17 billion in 2018 (2017: RM1.27 billion) due mainly to lower contribution from Wilmar International Limited (“Wilmar”) of RM837 million (2017: RM947 million), and lower profits from the *Grains and agribusiness* and *Consumer products* segments.

Group financial performance by business segment

	4Q2018	4Q2017	Variance		FY2018	FY2017	Variance	
	RM'000	RM'000 (restated)	RM'000	%	RM'000	RM'000 (restated)	RM'000	%
<u>Revenue</u>								
Grains and agribusiness	828,403	771,234	57,169	7%	3,148,461	3,005,723	142,738	5%
Consumer products	153,201	162,914	(9,713)	(6%)	640,567	672,741	(32,174)	(5%)
Film exhibition and distribution	141,611	125,888	15,723	12%	538,352	481,301	57,051	12%
Environmental engineering and utilities	55,682	62,301	(6,619)	(11%)	204,600	130,087	74,513	57%
Property	19,131	16,770	2,361	14%	53,218	48,055	5,163	11%
Investments and Other operations	33,247	33,463	(216)	(1%)	120,424	139,294	(18,870)	(14%)
Inter-segment elimination	(67,062)	(47,800)	(19,262)		(177,362)	(192,907)	15,545	
Total revenue	1,164,213	1,124,770	39,443	4%	4,528,260	4,284,294	243,966	6%
<u>Segment results</u>								
Grains and agribusiness	37,126	10,960	26,166	>100%	125,952	134,265	(8,313)	(6%)
Consumer products	3,896	4,137	(241)	(6%)	15,177	30,154	(14,977)	(50%)
Film exhibition and distribution	13,706	11,082	2,624	24%	63,394	54,035	9,359	17%
Environmental engineering and utilities	4,106	3,568	538	15%	14,861	6,387	8,474	>100%
Property	2,909	891	2,018	>100%	12,251	5,696	6,555	>100%
Investments and Other operations	5,048	1,934	3,114	>100%	14,824	9,433	5,391	57%
Total segment results	66,791	32,573	34,218	>100%	246,459	239,971	6,488	3%
Share of profits less losses from associates and joint venture	180,794	354,679	(173,884)	(49%)	923,626	1,035,717	(112,091)	(11%)
Unallocated expenses, finance costs net of interest income and income from short-term fund placements	(867)	(3,315)	2,448	74%	(2,402)	(5,089)	2,687	53%
Profit before tax	246,718	383,937	(137,218)	(36%)	1,167,683	1,270,599	(102,915)	(8%)

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

Grains and agribusiness

Segment revenue increased by 7% to RM828 million in 4Q2018 (4Q2017: RM771 million) mainly due to higher revenue from the flour business. Segment profit was higher at RM37 million (4Q2017: RM11 million), mainly attributable to increased contribution from the flour business.

Segment revenue for financial year 2018 increased by 5% to RM3.15 billion (2017: RM3.01 billion) on the back of higher sales from all flour mills. However, segment profit was lower by 6% at RM126 million (2017: RM134 million), attributable mainly to higher raw material costs.

Consumer products

Segment revenue was lower by 6% to RM153 million in 4Q2018 (4Q2017: RM163 million), due mainly to lower sales of in-house products. Segment profit was at RM3.9 million (4Q2017: RM4.1 million).

For financial year 2018, segment revenue was lower by 5% at RM641 million (2017: RM673 million), mainly due to lower sales of in-house products. Segment profit was lower at RM15 million for 2018 (2017: RM31 million) mainly due to absence of a one-time gain on sale of land and building of RM8.0 million recorded in 2017; higher raw material costs and plant maintenance cost at the bakery division.

Film exhibition and distribution

Segment revenue for 4Q2018 and financial year 2018 were higher by 12% to RM142 million (4Q2017: RM126 million) and RM538 million (2017: RM481 million) respectively. Segment profit for 4Q2018 and financial year 2018 increased by 24% to RM14 million (4Q2017: RM11 million) and 17% to RM63 million (2017: RM54 million) respectively, this was attributable mainly to the strong performance of local Malay titles and contribution from cinemas opened in 2017.

Environmental engineering and utilities

Segment revenue for 4Q2018 and financial year 2018 was at RM56 million (4Q2017: RM62 million) and RM205 million (2017: RM130 million) respectively. Segment profit increased by 15% to RM4.1 million in 4Q2018 (2017: RM3.6 million) and more than doubled to RM15 million for financial year 2018 (2017: RM6 million). This was mainly attributable to progressive profits recognised from on-going water treatment plant projects.

Property

Segment revenue for 4Q2018 and financial year 2018 was higher by 14% to RM19 million (4Q2017: RM17 million) and 11% to RM53 million (2017: RM48 million) respectively. Segment profit increased to RM3 million in 4Q2018 (4Q2017: RM0.9 million) and RM12 million for financial year 2018 (2017: RM6 million). The higher profit was mainly attributable to higher project management fee income and higher rental income upon completion of the Cheras LeisureMall extension.

Investments and Other operations

The combined segment revenue for 4Q2018 and financial year 2018 was at RM33 million (4Q2017: RM33 million) and RM120 million (2017: RM139 million) respectively. The de-consolidation of Tefel on its disposal in June 2018 contributed to the lower revenue achieved by this segment.

In 4Q2018, the combined segment reported a profit of RM5 million (4Q2017: RM2 million) due mainly to higher investment income. For financial year 2018, the combined segment profit increased to RM15 million (2017: RM9 million) mainly attributable to higher investment income and de-consolidation of the loss-making Tefel.

Share of associates and joint venture's profits less losses

The Group's share of associates and joint venture profits decreased by 49% to RM181 million in 4Q2018 (4Q2017: RM355 million), mainly attributable to the lower contribution from Wilmar at RM155 million in 4Q2018 (4Q2017: RM332 million).

For financial year 2018, contribution from Wilmar amounted to RM837 million (2017: RM947 million), 12% lower from a year ago.

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

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

	4Q2018 RM'000	3Q2018 RM'000	Variance RM'000	%
<u>Segment results</u>				
Grains and agribusiness	37,126	15,376	21,750	>100%
Consumer products	3,896	1,284	2,612	>100%
Film exhibition and distribution	13,706	23,549	(9,843)	(42%)
Environmental engineering and utilities	4,106	3,577	529	15%
Property	2,909	4,914	(2,005)	(41%)
Investments and Other operations	5,048	1,006	4,042	>100%
Total segment results	66,791	49,706	17,085	34%
Share of profits less losses from associates and joint venture	180,794	325,425	(144,631)	(44%)
Unallocated expenses, finance costs net of interest income and income from short-term fund placements	(867)	292	(1,159)	>(100%)
Profit before tax	246,718	375,423	(128,705)	(34%)

Group pre-tax profit was lower at RM247 million in 4Q2018 (3Q2018: RM375 million) due mainly to lower profit contribution from Wilmar at RM155 million for the current quarter (3Q2018: RM306 million) partly offset by higher profit contribution from the *Grains and agribusiness* segment.

B3. Prospects for the next financial year

The Malaysian economy recorded a sustained growth of 4.7% in 2018. The economy is expected to continue to expand on a steady growth pace in 2019. Private sector demand, with the support of continued income and employment growth, will remain the main driver.

The *Grains and agribusiness* segment is expected to remain competitive on the back of a volatile commodity market and it will continue to focus on volume growth and maintaining good quality standard of our products. The performance of the *Consumer products* segment is expected to remain stable, supported by a widening product range and the introduction of new products into new markets. The *Film exhibition and distribution* segment will continue to be driven by strong title releases, opening of new cinemas, introduction of new cinematic technology and facilities in selected locations. The *Environmental engineering and utility* segment will focus on replenishing its order book while maintaining its focus on quality work and execution. Amidst a challenging operating environment, the *Property* division will focus on completing the Megah Rise project in Petaling Jaya, while striving to maintain and improve operational excellence in its existing mall and property management businesses.

While the Group's main business segments are expected to perform satisfactorily in financial year 2019, the overall Group financial results would depend substantially on Wilmar's business performance.

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before tax

	Individual Quarter 3 months ended 31-Dec-18 RM'000	Cumulative Quarter 12 months ended 31-Dec-18 RM'000
Profit before tax was stated after crediting :		
Dividend income	3,797	10,330
Net fair value (loss) / gain on derivatives	(2,191)	23,793
Interest income and income from short-term fund placements	12,275	45,870
Rental income	1,153	4,483
Profit before tax was stated after charging :		
Allowance for doubtful debts and receivables written off	(1,547)	(2,300)
Depreciation and amortisation	(71,319)	(179,944)
Net foreign exchange gain / (loss)	9,718	(8,969)
Interest expense	(16,784)	(33,893)

B6. Tax expense

	Individual Quarter 3 months ended 31-Dec-18 RM'000	Cumulative Quarter 12 months ended 31-Dec-18 RM'000
Taxation comprises:		
Malaysian operation		
Current income tax	10,106	57,784
Deferred tax	5,772	5,841
	15,878	63,625
Foreign operation		
Current income tax	814	3,098
Deferred tax	(3,759)	1,482
	12,933	68,205
Overprovision in prior year:		
Current	798	594
Deferred tax	(2,489)	(4,067)
	11,242	64,732

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

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 21 February 2019.

B8. Group borrowings

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

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	26,629	26,629	-
Long-term bank loans (VND)	14,435	14,435	-
Hire purchase financing	333	333	-
Repayments due within the next 12 months	(20,540)	(20,540)	-
	20,857	20,857	-
Short-term bank borrowings			
Bills payable (RM)	49,000	-	49,000
Bills payable (IDR)	143,464	-	143,464
Short-term loans	500	-	500
Short-term loans (USD)	142,915	-	142,915
Short-term loans (IDR)	70,733	-	70,733
Short-term loans (VND)	40,463	-	40,463
Hire purchase financing	74	74	-
Current portion of long-term bank borrowings	20,466	20,466	-
	467,615	20,540	447,075
Bank overdrafts	453	-	453
	468,068	20,540	447,528

B9. Derivative financial instruments

(a) Derivative financial assets and financial liabilities

As at 31 December 2018

	Contract /Notional value RM'000	Fair Value - Assets / Liabilities RM'000
<u>Derivative financial assets</u>		
i) Futures contracts	41,516	492
ii) Forward foreign currency contracts	1,221	6
Total derivative assets		498
<u>Derivative financial liabilities</u>		
i) Futures contracts	7,759	57
iii) Forward foreign currency contracts	79,281	413
Total derivative liabilities		470

All contracts will mature within one year.

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 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 the income statement. Fair value changes are dependent on the market prices of derivatives as at liquidation date and end of reporting period.

Fair value gain on option and futures contracts in the fourth quarter of 2018 amounted to RM2.8 million (4Q2017: RM15.9 million). For financial year 2018, fair value loss on option and futures contracts amounted to RM57,000 (2017: RM0.3 million).

For both 4Q2018 and financial year 2018, a fair value loss on forward contracts of RM0.4 million was recorded (4Q2017: RM74,000; 2017: RM0.1 million).

B10. Material litigation

There were no material litigations as at 21 February 2019.

B11. Dividends

The Board of Directors is pleased to recommend a proposed final dividend for the financial year ended 31 December 2018 of 20 sen per share (2017 : Final dividend of 22 sen per share) payable on Monday, 10 June 2019 subject to the approval of shareholders at the 50th Annual General Meeting to be held on Friday, 17 May 2019.

Together with the interim dividend of 8 sen per share paid on 4 October 2018, the total dividend paid and payable for the financial year ended 31 December 2018 would amount to 28 sen per share (2017 - Interim : 8 sen per share; Final : 22 sen per share).

Notice is hereby given that the proposed final dividend will be payable on Monday, 10 June 2019 to shareholders whose names appear in the Record of Depositors at the close of business on Friday, 24 May 2019.

Quarterly Report

INVESTOR UPDATE QUARTERLY REPORT • 31 DECEMBER 2018

B12. Earnings per share

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Net profit for the period/year	221,340	370,794	1,075,096	1,183,589
Number of ordinary shares in issue ('000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	15.56	26.06	75.57	83.20

There were no dilutive potential ordinary shares outstanding as at 31 December 2018 and that of the previous financial year. As a result, there were no diluted earnings per share for the financial year ended 31 December 2018 and the previous financial year.

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

There was no qualification in the auditors' report of the preceding annual financial statements.

Kuala Lumpur
28 February 2019

By Order of the Board
Mah Teck Keong
Company Secretary

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