

# FROM THE DESK OF THE CHAIRMAN

## DEAR SHAREHOLDERS

### FINANCIAL SUMMARY FOR THE 1<sup>ST</sup> QUARTER OF 2019

**W**e are pleased to report that PPB Group's revenue of RM1.16 billion was 1% higher compared to 1Q2018. The Group registered a pre-tax profit of RM280 million, up 34% compared with 1Q2018. This was due to the increased contribution from our 18.5% associate, Wilmar International Limited as well as better performance from *Grains and Agribusiness* and *Film Exhibition and Distribution* segments.

Profit for the period increased to RM262 million from RM196 million and accordingly, earnings per share for 1Q2019 stood at 17.46 sen compared with 13.32 sen in the first quarter of last year.

### HAPPENINGS

PPB held its first Press and Analyst Briefing for the year on 7 March 2019, to review the 2018 results and provide an update on the latest developments in the Group. The briefing was well-attended by analysts, fund managers and the local press.

On 9 March 2019, Golden Screen Cinemas (GSC) launched "PlayPlus" at GSC IOI Mall, Puchong, a hall for kids with activity/play areas and facilities for children to learn and play. The family-friendly auditorium features customized seats, family couches and beanbags.



GSC also launched its third 4DX theatre at GSC IOI City Mall on 27 March 2019. 4DX is the world's leading 4D cinematic technology, delivering an immersive experience through motion and environmental effects such as snow, fog, rain, bubbles, wind, lightning, vibration and scents.

GSC hosted two film festivals, viz the Thai and French film festivals, held during the quarter under review. Films produced from the respective countries were screened at participating GSC International Screens.

### CSR ACTIVITIES

In conjunction with the Chinese New Year celebrations, PPB staff spent time with the senior citizens of Tong Sim Senior Citizens Care Centre at their two locations, and also donated various items to the centre. On a separate occasion, Cheras LeisureMall treated 80 senior citizens from several homes to a CNY lunch and organised fun-filled entertainment at the mall.

Cheras LeisureMall collaborated with World Vision to hold a photo exhibition showcasing stories of children, aimed at raising awareness on issues affecting children experiencing extreme poverty and injustice.

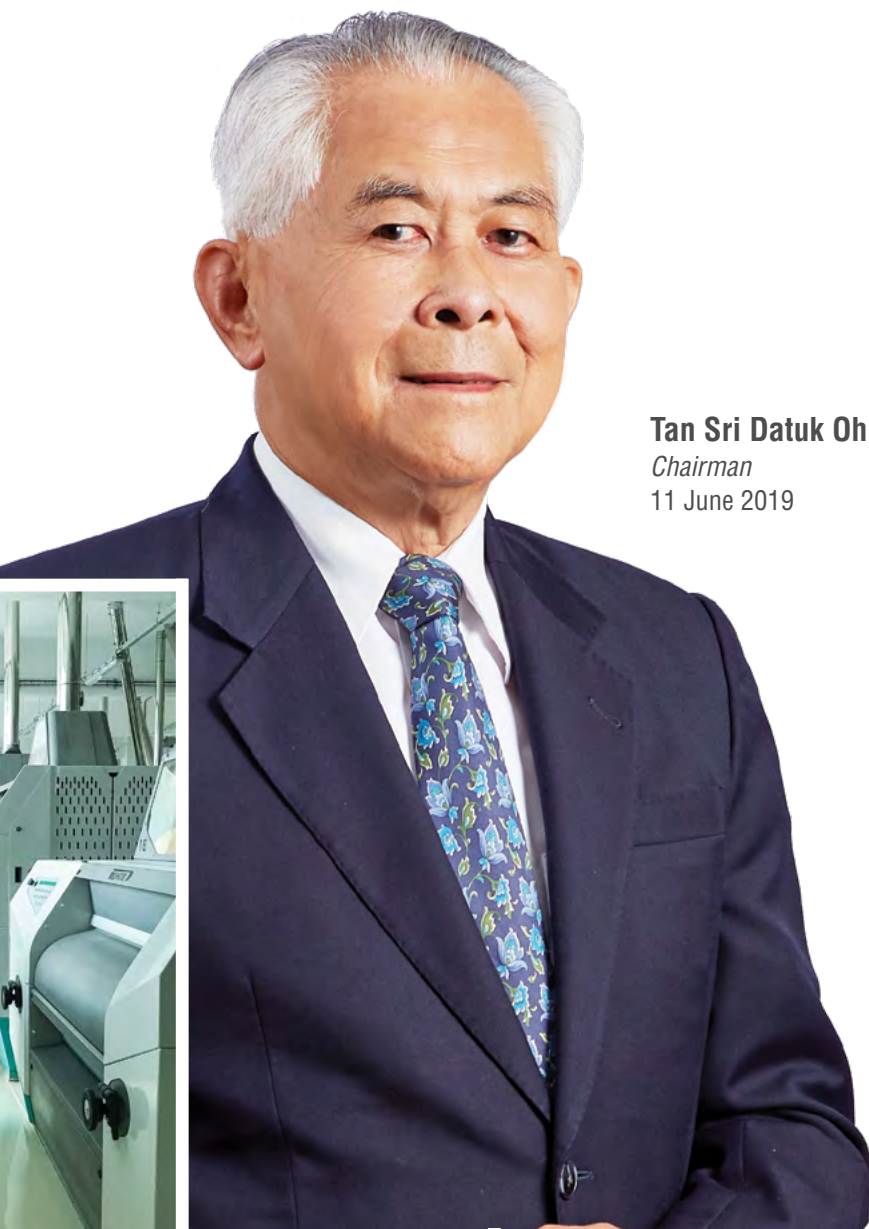
### AIDILFITRI GREETINGS

I wish to take this opportunity to wish our Muslim shareholders and friends "Salam Aidilfitri".

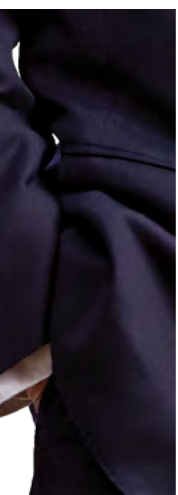




## FROM THE DESK OF THE CHAIRMAN



**Tan Sri Datuk Oh Siew Nam**  
Chairman  
11 June 2019



### 1Q2019

#### Revenue



**RM1.16** Billion

1% higher compared with 1Q2018.

#### Pre-tax Profit



**RM280** Million

up 34% compared with 1Q2018.

#### Earnings per share



**17.46** Sen

compared with 13.32 sen in 1Q2018.

# HAPPENINGS



## Press and Analyst Briefing



➤ On 7 March 2019, PPB held its first Press and Analyst Briefing for the year which was well attended by 60 analysts and fund managers from various local as well as foreign research houses and securities firms. Present at the Briefing were also 16 members of the local and foreign press.

The Briefing was held to provide a review of the Group's financial results for year 2018 as well as an update of the latest developments.

PPB's Managing Director and the respective CEOs from the Group's business divisions dealt with the questions posed by the attendees at the Q&A session. A press conference took place thereafter, followed by lunch.



## HAPPENINGS

### 4DX arrives in GSC IOI City Mall, Putrajaya!



GSC opened its third 4DX theatre at GSC IOI City Mall, Putrajaya on 27 March 2019, bringing the next-generation cinematic technology to Malaysia's federal administrative centre.

CJ 4DPLEX's Chief Executive Officer, Mr JongRyul Kim officiated at the launch of the new hall, which can seat up to 112 thrill-seekers and deliver an even more immersive experience powered by motion-synchronized seats, wind, fog, rain, lightning, snow, bubbles, vibration, and scents. An additional 4DX theatre is targeted to open later this year at GSC Mid Valley Southkey in Johor Bahru.



## HAPPENINGS



**New enriching cinemas  
come to GSC IOI Mall,  
Puchong!**



On 9 March 2019, GSC launched its first kid's hall, PlayPlus at GSC IOI Mall, Puchong, giving families a new theatre and venue to bring their children to watch their favourite movies.

The family-friendly auditorium features a variety of colourful, comfortable, and specially-customised seating including spacious Cuddle Couches that can seat a family of four and plush individual beanbags. There is also an indoor slide and play area, as well as an accompanying lounge, which packs an assortment of visual aids, tools, and games for children to learn and play.

Complementing the opening of PlayPlus is a revamped lobby area and unveiling of a Starbucks kiosk, a collaboration with Starbucks Malaysia. The Starbucks kiosk extends food and drink offerings, so customers can now enjoy their favourite handcrafted hot or cold Starbucks beverage at the movies.





## HAPPENINGS

### GSC kicks off the Thai and French Film Festivals



 The Thai Film Festival in Malaysia returned to GSC this year with seven recent Thai titles, showcased in 49 public shows at GSC Pavilion, Mid Valley, and 1 Utama in the Klang Valley, and Gurney Plaza in Penang from 21 to 27 March 2019.

The cast of “Bikeman” – one of the films in the festival – specially flew in for a Meet & Greet session and screening with fans at GSC Pavilion KL, hosted by the Ambassador of Thailand to Malaysia, H. E. Mr. Narong Sasitorn.

2019 marks the 18th anniversary of the French Film Festival in the GSC circuit. Over 15 recent films across a wide variety of genres including drama, thriller, adventure, sci-fi, and comedy made the line-up in the festival, giving Malaysian audiences an insightful glimpse into French culture and society. From 4 April to 12 May 2019, these films were screened in GSC's cinemas in the Klang Valley, Penang, Johor and Kota Kinabalu. This year's event saw the attendance of Malaysian sweetheart, Ms. Sharifah Amani as a special guest, as well as a gastronomic food presentation with partners and sponsors, G. H. Mumm, Martell, and PAUL.

# CSR ACTIVITIES

## CHINESE NEW YEAR CELEBRATIONS

➤ As part of the Chinese New Year celebration, PPB staff had lunch with 84 senior citizens of Tong Sim Senior Citizens Care Centre (Tong Sim) at their centres in Kg Baru Salak South and Kwong Tong cemetery.



Games were also organised for them. PPB donated fans, cabinets, pillows and groceries which were items requested by Tong Sim.

On a separate occasion, Cheras LeisureMall hosted a sumptuous “poon choi” lunch for 80 senior citizens from five welfare homes on 15 February 2019. The senior citizens from Bodhi Homecare Cheras, Charis Sheep Pen Shelter, Rumah Charis, Rumah Orang-Orang Tua Seri Setia, and Rumah Orang Tua Ampang, were serenaded by local singers, Jericash Chan, Lim Meng Hui and Whitney Ong with some golden classics. The God of Prosperity also made an appearance. At the end of the event, angpows, mandarin oranges and chicken essence were given out.



## CSR ACTIVITIES

### WORLD VISION MALAYSIA AWARENESS CAMPAIGN



> *Cheras LeisureMall collaborated with World Vision to raise awareness on issues affecting children from communities experiencing extreme poverty and injustice.*



The event which was held at the Concourse Area of the Mall from 15 to 17 February 2019 included a photo exhibition of children's stories, captured by celebrity photographer, Chuan Looi, who has travelled to World Vision's projects in different countries. There were commemorative coffee table books and postcards for sale. Shoppers were encouraged to pen down Chinese New Year wishes on angpows and have them hung on the Tree of Hope.

# SHARE ANALYSIS

*The FBM KLCI declined by 2.8% in the first quarter to close at 1,643.6 points as at end-March (end-December 2018: 1,690.6 points). The domestic equity market was affected by a combination of external and domestic factors. In particular, investor sentiments were weighed down by moderating global growth prospects. Domestically, volatile commodity prices and concerns on the outlook for corporate earnings also contributed to the cautious sentiments.*

*[Source: Bank Negara Malaysia website]*

PPB shares closed at RM18.32 compared with RM17.58 in the preceding quarter and market capitalisation increased to RM26,069 million. The average daily volume of PPB shares traded during the quarter decreased by 16.66% to 786,466 shares.

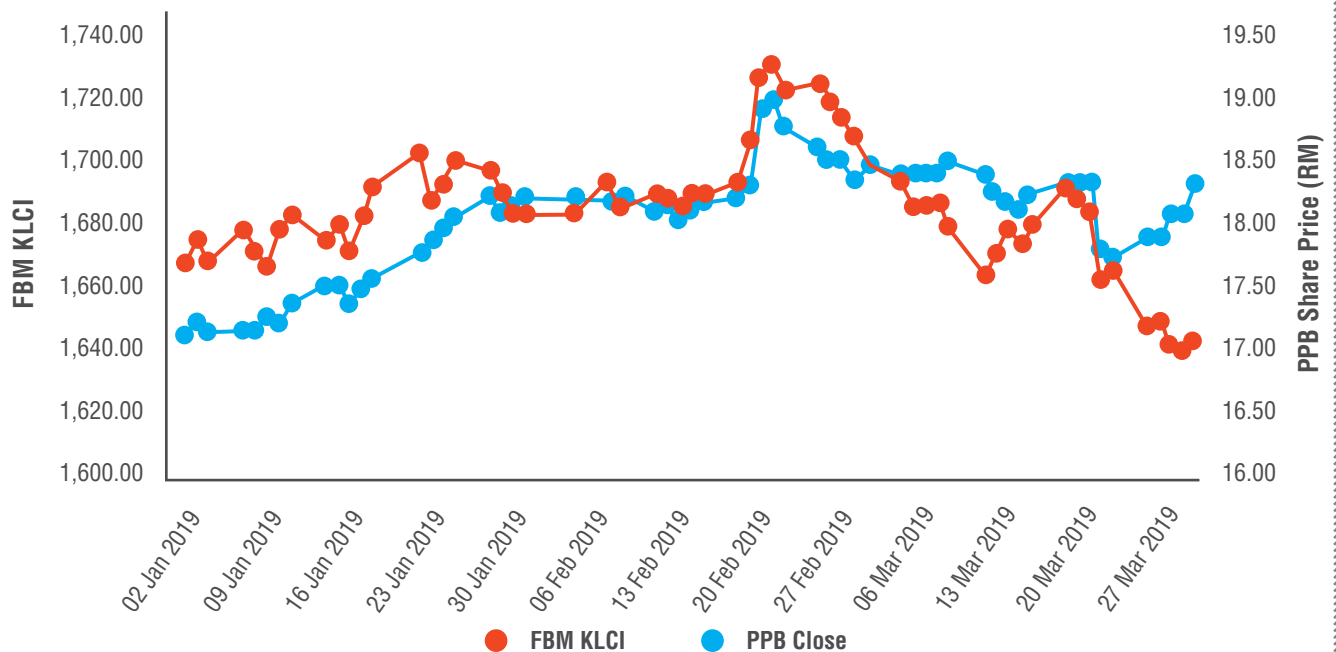


	1Q2019	4Q2018	% change
<b>PPB share price (RM)</b>			
Closing price (high)	18.98	17.90	6.03%
Closing price (low)	17.18	16.56	3.74%
Month end closing price	18.32	17.58	4.21%
Weighted share price	18.03	17.09	5.55%
Market capitalisation (RM' million)	26,069	25,016	4.21%
<b>PPB share trading volume (Number of shares)</b>			
Daily volume (high)	3,100,700	7,932,000	-60.91%
Daily volume (low)	146,800	128,700	14.06%
Average daily volume	786,466	943,730	-16.66%
<b>FBM KLCI</b>			
FBM KLCI closing (high)	1,730.68	1,798.15	-3.75%
FBM KLCI closing (low)	1,641.33	1,635.31	0.37%
FBM KLCI quarter end closing	1,643.63	1,690.58	-2.78%
<b>FBM KLCI volume (Number of shares)</b>			
Daily volume (high)	242,811,600	532,387,400	-54.39%
Daily volume (low)	49,247,200	50,930,200	-3.30%
Average daily volume	123,092,298	137,671,268	-10.59%





## FBM KLCI & PPB Share Price Movements in 1Q2019



# GROUP FINANCIAL HIGHLIGHTS

Financial period/year ended (All figures in RM million)	3 months			12 months
	31-Mar-19	31-Mar-18	Change %	31-Dec-18
<b>INCOME STATEMENT</b>				
Revenue	1,156	1,145	1.0	4,528
Profit before tax	280	210	33.6	1,168
Profit attributable to owners of the parent	248	190	30.5	1,075
<b>STATEMENT OF FINANCIAL POSITION</b>				
Non-current assets	20,282	19,016	6.7	20,106
<u>Current assets</u>				
Cash and cash equivalents	1,336	1,347	(0.8)	1,391
Others	1,648	1,684	(2.1)	1,748
Total current assets	2,984	3,031	(1.6)	3,139
<b>Total assets</b>	<b>23,266</b>	<b>22,047</b>	<b>5.5</b>	<b>23,245</b>
<u>Equity</u>				
Share capital	1,429	1,192	19.9	1,429
Reserves	19,835	19,037	4.2	19,611
Equity attributable to owners of the parent	21,264	20,229	5.1	21,040
Non-controlling interests	714	671	6.4	697
Total equity	21,978	20,900	5.2	21,737
<u>Non-current liabilities</u>				
Borrowings	16	30	(46.7)	21
Others	316	94	>100	319
Total non-current liabilities	332	124	>100	340
<u>Current liabilities</u>				
Borrowings	468	576	(18.8)	468
Others	488	447	9.2	700
Total current liabilities	956	1,023	(6.5)	1,168
Total liabilities	1,288	1,147	12.3	1,508
<b>Total equity and liabilities</b>	<b>23,266</b>	<b>22,047</b>	<b>5.5</b>	<b>23,245</b>



## Group Financial Highlights

Financial period/year ended (All figures in RM million)		3 months		12 months
		31-Mar-19	31-Mar-18	31-Dec-18
<b>RATIOS</b>				
Return on equity attributable to owners of the parent (annualised)	(%)	<b>4.7</b>	3.8	5.1
Earnings per share	(sen)	<b>17.5</b>	13.3	75.6
Interest coverage	(times)	<b>32.1</b>	36.0	35.4
Total borrowings/Equity	(%)	<b>2.2</b>	2.9	2.3
Long-term borrowings/Equity	(%)	<b>0.1</b>	0.1	0.1
Net assets per share attributable to owners of the parent*	(RM)	<b>15.0</b>	14.2	14.8
Net dividend per share	(sen)	-	-	28.0
<b>STOCK MARKET INFORMATION</b>				
Share price <sup>#</sup>	(RM)	<b>18.32</b>	15.95	17.58
Market capitalisation	(RM million)	<b>26,069</b>	22,697	25,016

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

<sup>#</sup> Adjusted share price for 1: 5 bonus issue.

# ANNOUNCEMENTS

## February 2019

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- PPB announced that the quarterly report for the 4th quarter ended 31 December 2018 would be released on 28 February 2019.
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- Release of PPB's quarterly report for the 4th quarter ended 31 December 2018.
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- A final dividend of 20 sen per share in respect of the year ended 31 December 2018 was proposed for shareholders' approval at the 50th Annual General Meeting ("AGM") to be held on 17 May 2019, payable on 10 June 2019 to members whose names appear in the Record of Depositors on 24 May 2019.

The final dividend was approved by PPB shareholders at the AGM and paid on 10 June 2019.

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- PPB announced that shareholders' approval would be sought at the 50th AGM for the following:
  - a) proposed renewal of and additional shareholders' mandate for recurrent related party transactions of a revenue or trading nature;
  - b) proposed renewal of authority for PPB to purchase its own ordinary shares of up to 10% of the issued shares; and
  - c) proposed adoption of a new Company Constitution in place of the existing Memorandum and Articles of Association of the Company.

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

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# CONDENSED CONSOLIDATED INCOME STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2019

	Three months ended 31 March		First Quarter ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Revenue	1,156,386	1,145,122	1,156,386	1,145,122
Operating expenses	(1,105,554)	(1,100,204)	(1,105,554)	(1,100,204)
Other operating income, other gains and losses	24,194	4,771	24,194	4,771
Share of profits less losses of associates	213,400	164,724	213,400	164,724
Share of profits of joint venture	204	1,028	204	1,028
Finance costs	(8,768)	(5,927)	(8,768)	(5,927)
Profit before tax	279,862	209,514	279,862	209,514
Tax expense	(17,919)	(13,907)	(17,919)	(13,907)
Profit for the period	261,943	195,607	261,943	195,607
Attributable to:				
Owners of the parent	248,448	189,512	248,448	189,512
Non-controlling interests	13,495	6,095	13,495	6,095
Profit for the period	261,943	195,607	261,943	195,607
Basic earnings per share (sen)	17.46	13.32	17.46	13.32

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 MARCH 2019

	Three months ended 31 March		First Quarter ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Profit for the period	261,943	195,607	261,943	195,607
Other comprehensive income/(loss), net of tax				
<u>Items that will not be subsequently reclassified to profit or loss</u>				
Fair value gains/(losses) on investments in equity instruments designated as fair value through other comprehensive income	8,973	(95,274)	8,973	(95,274)
Share of associates' other comprehensive loss	(9,414)	-	(9,414)	-
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(200,751)	(771,057)	(200,751)	(771,057)
Share of associates' other comprehensive income	180,291	178,590	180,291	178,590
Total comprehensive income/(loss)	241,042	(492,134)	241,042	(492,134)
Attributable to:				
Owners of the parent	224,361	(487,257)	224,361	(487,257)
Non-controlling interests	16,681	(4,877)	16,681	(4,877)
Total comprehensive income/(loss)	241,042	(492,134)	241,042	(492,134)

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31-Mar-19 RM'000	As at 31-Dec-18 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,277,437	1,292,431
Investment properties	247,183	243,380
Right-of-use assets	216,003	223,142
Biological assets	3,889	3,804
Goodwill	73,704	73,704
Other intangible assets	13,145	12,241
Land held for property development	101,577	101,525
Investment in associates	17,737,665	17,551,604
Investment in joint venture	56,216	57,017
Amount due from an associate	8,708	8,604
Other investments	542,894	534,069
Deferred tax assets	3,664	4,052
	<b>20,282,085</b>	<b>20,105,573</b>
<b>Current Assets</b>		
Inventories	781,774	892,023
Biological assets	23,218	21,980
Other intangible assets	50	50
Property development costs	13,452	13,790
Receivables	793,391	793,336
Derivative financial assets	10,650	498
Current tax assets	19,985	20,899
Cash and cash equivalents	1,336,082	1,391,164
	<b>2,978,602</b>	<b>3,133,740</b>
Assets classified as held for sale	5,350	5,350
	<b>2,983,952</b>	<b>3,139,090</b>
<b>TOTAL ASSETS</b>	<b>23,266,037</b>	<b>23,244,663</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,429,314	1,429,314
Reserves	19,835,121	19,610,760
Equity attributable to owners of the parent	<b>21,264,435</b>	<b>21,040,074</b>
Non-controlling interests	713,478	696,797
<b>Total equity</b>	<b>21,977,913</b>	<b>21,736,871</b>



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

	As at 31-Mar-19 RM'000	As at 31-Dec-18 RM'000
<b>Non-current Liabilities</b>		
Borrowings	15,549	20,857
Lease obligations	226,999	232,604
Deferred tax liabilities	89,183	86,460
	<b>331,731</b>	<b>339,921</b>
<b>Current Liabilities</b>		
Payables	430,988	654,167
Derivative financial liabilities	13,307	470
Borrowings	467,662	468,068
Lease obligations	31,530	32,469
Current tax liabilities	12,359	12,150
	<b>955,846</b>	<b>1,167,324</b>
Liabilities associated with assets classified as held for sale	547	547
	<b>956,393</b>	<b>1,167,871</b>
<b>Total Liabilities</b>	<b>1,288,124</b>	<b>1,507,792</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,266,037</b>	<b>23,244,663</b>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2019

		← Non-distributable →			← Distributable →				
	Share capital RM'000	Exchange translation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>3 months ended 31 March 2019</b>									
At 1 January 2019	1,429,314	2,883,511	68,512	(9,949)	224,442	16,444,244	21,040,074	696,797	21,736,871
Total comprehensive (loss)/income	-	(46,145)	8,973	19,145	(6,060)	248,448	224,361	16,681	241,042
Transfer of reserves	-	-	-	-	6,586	(6,586)	-	-	-
At 31 March 2019	1,429,314	2,837,366	77,485	9,196	224,968	16,686,106	21,264,435	713,478	21,977,913
<b>3 months ended 31 March 2018</b>									
At 1 January 2018	1,192,215	2,981,389	292,119	17,646	202,977	16,029,662	20,716,008	676,005	21,392,013
Total comprehensive (loss)/income	-	(543,390)	(95,274)	(16,044)	(22,061)	189,512	(487,257)	(4,877)	(492,134)
Transfer of reserves	-	-	-	-	2,771	(2,771)	-	-	-
At 31 March 2018	1,192,215	2,437,999	196,845	1,602	183,687	16,216,403	20,228,751	671,128	20,899,879

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)

# CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2019

	31-Mar-19 RM'000	31-Mar-18 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	279,862	209,514
Adjustments:		
Non-cash items	(170,178)	(127,560)
Non-operating items	(4,070)	(5,955)
Operating profit before working capital changes	105,614	75,999
Working capital changes:		
Net change in current assets	116,367	109,995
Net change in current liabilities	(228,005)	34,907
Cash (used in)/generated from operations	(6,024)	220,901
Tax paid	(13,764)	(11,777)
<b>Net cash (used in)/generated from operating activities</b>	<b>(19,788)</b>	<b>209,124</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(22,876)	(33,588)
Proceeds from disposal of property, plant and equipment	248	797
Purchase of investments	(20)	(908)
Dividends received	210	59
Income received from short-term fund placements	7,056	7,209
Interest received	3,339	3,381
(Advance to)/repayment from associates	(217)	1,395
Distribution of profit from joint venture	1,532	1,568
Other investing activities	1,213	1,072
<b>Net cash used in investing activities</b>	<b>(9,515)</b>	<b>(19,015)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	(7,423)	(160,753)
Interest paid	(6,652)	(5,464)
Payment of lease obligations	(10,673)	(10,847)
Other financing activities	(18)	-
<b>Net cash used in financing activities</b>	<b>(24,766)</b>	<b>(177,064)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(54,069)</b>	<b>13,045</b>
Cash and cash equivalents brought forward	1,390,711	1,338,663
Effect of exchange rate changes	(898)	(5,469)
<b>Cash and cash equivalents carried forward</b>	<b>1,335,744</b>	<b>1,346,239</b>
<u>Cash and cash equivalents represented by:</u>		
Cash and bank balances	199,998	310,416
Bank deposits	124,408	196,521
Short-term fund placements	1,011,676	840,255
Bank overdrafts	(338)	(953)
	<b>1,335,744</b>	<b>1,346,239</b>

(The Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2018)



# NOTES

## A1. Accounting policies

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

The Group early adopted MFRS 16 Leases in the financial year ended 31 December 2018. Following the adoption of MFRS 16, the Group recognised depreciation of the right-of-use assets and interest on lease liability, instead of lease rental, in the profit or loss. The higher finance cost is attributable to the interest on lease liability.

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 2018 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 2019:

IC Interpretation 23	Uncertainty over Income Tax Treatments
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015 – 2017 Cycle
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement

## A2. Seasonality or cyclicity of interim operations

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

## A3. Exceptional or unusual items

There were no exceptional or unusual items for the financial period ended 31 March 2019.

## A4. Nature and amount of changes in estimates

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

## A5. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

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

## A6. Dividends paid

No dividend was paid during the financial period under review.

Notes

A7. Segmental reporting

Segmental information in respect of the Group’s business segments for the financial period ended 31 March 2019 is as follows:

Business segments: <i>All figures in RM'000</i>	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments in equities	Other operations	Inter-segment elimination	Total
<b>REVENUE</b>									
External revenue	793,493	164,079	127,446	34,734	12,653	43	23,938	-	1,156,386
Inter-segment sales	32,808	416	-	64	280	-	112	(33,680)	-
Total revenue	826,301	164,495	127,446	34,798	12,933	43	24,050	(33,680)	1,156,386
<b>RESULTS</b>									
Segment results	43,480	2,970	15,313	2,081	2,410	505	9,557	-	76,316
Share of profits less losses of associates	16,501	(1,313)	2,461	1,804	405	-	193,542	-	213,400
Share of profits of joint venture	-	-	-	204	-	-	-	-	204
Unallocated corporate expenses	-	-	-	-	-	-	-	-	(10,058)
Profit before tax	59,981	1,657	17,774	4,089	2,815	505	203,099	-	279,862

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

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

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 financial period under review.

A10. 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.

## Notes

### A11. Capital and other commitments

Authorised capital and other commitments not provided for in the financial statements as at 31 March 2019 are as follows:

	RM'000
Property, plant and equipment, investment properties and biological assets	
- contracted	43,105
- not contracted	452,158
	495,263
Other commitments	
- contracted	293,646
	788,909

### A12. Significant related party transactions

Significant related party transactions during the financial period ended 31 March 2019 are as follows:

	RM'000
Transactions with associates	
- Purchase of goods	8,797
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	1,691
Transactions with subsidiaries of associates	
- Purchase of goods	44,779
- Sales of goods	17,912
- Security and other service expenses	1,699
- Charter hire of vessels	30,326



Notes

B1. Performance analysis

Group financial performance by business segment

Business segments: All figures in RM'000	Grains and agribusiness	Consumer products	Film exhibition & distribution	Environmental engineering & utilities	Property	Investments & Other operations	Inter-segment elimination	Total
1Q2019								
REVENUE								
External revenue	793,493	164,079	127,446	34,734	12,653	23,981	-	1,156,386
Inter-segment sales	32,808	416	-	64	280	112	(33,680)	-
Total revenue	826,301	164,495	127,446	34,798	12,933	24,093	(33,680)	1,156,386
RESULTS								
Segment results	43,480	2,970	15,313	2,081	2,410	10,062	-	76,316
Share of profits less losses of associates	16,501	(1,313)	2,461	1,804	405	193,542	-	213,400
Share of profits of joint venture	-	-	-	204	-	-	-	204
Unallocated corporate expenses	-	-	-	-	-	-	-	(10,058)
Profit before tax	59,981	1,657	17,774	4,089	2,815	203,604	-	279,862
1Q2018								
REVENUE								
External revenue	778,835	164,023	125,845	41,582	11,479	23,358	-	1,145,122
Inter-segment sales	31,578	581	-	48	663	146	(33,016)	-
Total revenue	810,413	164,604	125,845	41,630	12,142	23,504	(33,016)	1,145,122
RESULTS								
Segment results	17,609	4,539	13,559	2,372	2,770	8,122	-	48,971
Share of profits less losses of associates	15,867	(1,082)	1,014	1,225	1,859	145,841	-	164,724
Share of profits of joint venture	-	-	-	1,028	-	-	-	1,028
Unallocated corporate expenses	-	-	-	-	-	-	-	(5,209)
Profit before tax	33,476	3,457	14,573	4,625	4,629	153,963	-	209,514
Variance								
Revenue (%)	2%	0%	1%	(16%)	7%	3%	2%	1%
Profit before tax (%)	79%	(52%)	22%	(12%)	(39%)	32%	0%	34%

(Certain comparative figures have been reclassified to conform with current year presentation)

## Notes

### B1. Performance analysis (Cont'd)

#### Current quarter's performance against the quarter ended 31 March 2018

The Group recorded total revenue of RM1.16 billion in 1Q2019 (1Q2018: RM1.15 billion), up 1% from a year ago. Pre-tax profit of the Group was at RM280 million, up 34%, as compared to RM210 million recorded in 1Q2018. The higher profit was mainly attributed to the increased contribution from Wilmar International Limited ("Wilmar") and better performance from *Grain and agribusiness* and *Film exhibition and distribution* segments.

#### Grains and agribusiness

The *Grain and agribusiness* segment registered a 2% increase in revenue to RM826 million in 1Q2019 (1Q2018: RM810 million).

Segment profit for 1Q2019 increased to RM60 million (1Q2018: RM33 million), mainly attributed to improved profit margin from flour.

#### Consumer products

Segment revenue was at RM164 million in 1Q2019 (1Q2018: RM165 million).

Segment profit was lower by 52% to RM1.7 million in 1Q2019 (1Q2018: RM 3.5 million), mainly attributable to lower sales volume of bakery products and higher operating costs at the bakery division.

#### Film exhibition and distribution

Segment revenue was at RM127 million in 1Q2019 (1Q2018: RM126 million). Segment profit was higher by 22% at RM18 million (1Q2018: RM15 million), mainly due to stronger titles released, better performance from film distribution and increased contribution from its Vietnam operations.

#### Environmental engineering and utilities

Segment revenue in 1Q2019 was lower at RM35 million compared with RM42 million in 1Q2018 due to timing differences of project revenue recognised. Segment profit was lower at RM4.1 million in 1Q2019 (1Q2018: RM4.6 million).

#### Property

*Property* segment revenue was higher at RM13 million in 1Q2019 (1Q2018: RM12 million), due mainly to the recognition of progress billings from the Megah Rise project and higher supervision fees income.

Segment profit was lower at RM2.8 million (1Q2018: RM4.6 million), mainly attributable to lower sales of property units and higher building operating cost as well as marketing fees.

#### Investments and Other operations

Segment revenue was at RM24 million in 1Q2019 (1Q2018: RM24 million).

Segment profit increased by 32% to RM204 million (1Q2018: RM154 million) mainly attributable to the higher contribution from Wilmar at RM193 million in 1Q2019 (1Q2018: RM146 million).

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

Group pre-tax profit was higher at RM280 million in 1Q2019 (4Q2018: RM247 million) due mainly to higher profit contribution from Wilmar at RM193 million in the current quarter (4Q2018: RM155 million).

## Notes

### B3. Prospects for the current financial year

The Malaysian economy grew by 4.5% in the first quarter of 2019, driven mainly by expansion in domestic demand. Growth in the Malaysian economy is expected to remain broadly sustained for the year, supported by continued expansion in domestic demand amidst a moderate support from the external sector.

The outlook for the *Grains and agribusiness* segment remains challenging amidst volatility in commodity prices and foreign exchange market. The Group will continue to focus on maintaining its market position and driving cost efficiency to remain resilient. The segment is expected to perform satisfactorily. Performance of the *Consumer products* segment is expected to remain stable, supported by expanded product lines from new agencies added in the last quarter of 2018. The *Film exhibition and distribution* segment is expected 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 be focusing on replenishing its order book and exploring new opportunities. The *Property* division will continue to execute its existing projects, improve yield of its existing mall and enhance its property management services.

For the current financial year, the Group's main business segments are expected to perform satisfactorily. Wilmar's performance will continue to contribute substantially to the overall profitability of the Group.

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

Not applicable.

### B5. Profit before tax

	Three months ended 31-Mar-19 RM'000	First Quarter ended 31-Mar-19 RM'000
Profit before tax was stated after crediting:		
Dividend income	60	60
Net fair value gain on derivatives	3,170	3,170
Net foreign exchange gain	1,948	1,948
Interest income and income from short-term fund placements	11,565	11,565
Profit before tax was stated after charging:		
Allowance for doubtful debts and receivables written off	(286)	(286)
Depreciation and amortisation	(51,552)	(51,552)



## Notes

### B6. Tax expense

	Three months ended 31-Mar-19 RM'000	First Quarter ended 31-Mar-19 RM'000
Taxation comprises:		
Malaysian operation		
Current income tax	12,150	12,150
Deferred tax	491	491
	12,641	12,641
Foreign operation		
Current income tax	2,816	2,816
Deferred tax	2,382	2,382
	17,839	17,839
Underprovision in prior year:		
Deferred tax	80	80
	17,919	17,919

The effective tax rate is higher than the statutory tax rate due mainly 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.

### B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 22 May 2019.

## Notes

### B8. Group borrowings

Total Group borrowings as at 31 March 2019 were as follows:

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	22,573	22,573	-
Long-term bank loans (VND)	12,975	12,975	-
Hire purchase financing	315	315	-
Repayments due within the next 12 months	(20,314)	(20,314)	-
	15,549	15,549	-
Short-term bank borrowings			
Bills payable (IDR)	59,910	-	59,910
Short-term loans	400	-	400
Short-term loans (USD)	238,011	-	238,011
Short-term loans (IDR)	87,978	-	87,978
Short-term loans (VND)	60,711	-	60,711
Hire purchase financing	75	75	-
Current portion of long-term bank borrowings	20,239	20,239	-
	467,324	20,314	447,010
Bank overdrafts	338	-	338
	467,662	20,314	447,348

### B9. Derivative financial instruments

#### (a) Derivative financial assets and financial liabilities

	As at 31 March 2019	
	Contract/ Notional value RM'000	Fair value - Assets/Liabilities RM'000
<u>Derivative financial assets</u>		
i) Futures contracts	141,980	10,335
ii) Forward foreign currency contracts	73,672	315
Total derivative assets		10,650
<u>Derivative financial liabilities</u>		
i) Options contracts	5,057	13,307
Total derivative liabilities		13,307

All contracts will mature within one year.

## Notes

### B9. Derivative financial instruments (Cont'd)

#### (a) Derivative financial assets and financial liabilities (Cont'd)

##### 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 forward 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 2018 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 instruments

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.

For first quarter of 2019, net fair value gain on derivative financial instruments amounted to RM2.4 million (1Q2018: RM5.9 million).

### B10. Material litigation

There was no material litigation as at 22 May 2019.

### B11. Dividends

The final dividend for financial year ended 31 December 2018 of 20 sen per share was approved by shareholders at the 50th Annual General Meeting held on 17 May 2019, and payable on 10 June 2019.

The Directors do not recommend the payment of any dividend for the first quarter of 2019.

## Notes

### B12. Earnings per share

	Three months ended 31 March		First Quarter ended 31 March	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net profit for the period	248,448	189,512	248,448	189,512
Number of ordinary shares in issue ('000)	1,422,599	1,422,599	1,422,599	1,422,599
Basic earnings per share (sen)	17.46	13.32	17.46	13.32

There were no dilutive potential ordinary shares outstanding as at 31 March 2019 and that of the previous financial period. As a result, there were no diluted earnings per share for the financial period ended 31 March 2019 and the previous financial period.

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

The auditors' report for the financial year ended 31 December 2018 was not subject to any qualification.

Kuala Lumpur  
29 May 2019

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





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