

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2019

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	<u>279,862</u>	<u>209,514</u>	<u>279,862</u>	<u>209,514</u>
Tax expense	(17,919)	(13,907)	(17,919)	(13,907)
Profit for the period	<u><u>261,943</u></u>	<u><u>195,607</u></u>	<u><u>261,943</u></u>	<u><u>195,607</u></u>
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	<u><u>261,943</u></u>	<u><u>195,607</u></u>	<u><u>261,943</u></u>	<u><u>195,607</u></u>
Basic earnings per share (sen)	<u><u>17.46</u></u>	<u><u>13.32</u></u>	<u><u>17.46</u></u>	<u><u>13.32</u></u>

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

PPB GROUP BERHAD (8167-W)
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)	<u>241,042</u>	<u>(492,134)</u>	<u>241,042</u>	<u>(492,134)</u>
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)	<u>241,042</u>	<u>(492,134)</u>	<u>241,042</u>	<u>(492,134)</u>

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

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statements Of Financial Position

	As at 31-Mar-19 RM'000	As at 31-Dec-18 RM'000
ASSETS		
Non-current Assets		
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
	<u>20,282,085</u>	<u>20,105,573</u>
Current Assets		
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
	<u>2,978,602</u>	<u>3,133,740</u>
Assets classified as held for sale	5,350	5,350
	<u>2,983,952</u>	<u>3,139,090</u>
TOTAL ASSETS	<u><u>23,266,037</u></u>	<u><u>23,244,663</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,429,314	1,429,314
Reserves	19,835,121	19,610,760
Equity attributable to owners of the parent	<u>21,264,435</u>	<u>21,040,074</u>
Non-controlling interests	713,478	696,797
Total equity	<u><u>21,977,913</u></u>	<u><u>21,736,871</u></u>

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statements Of Financial Position
(continued)

	As at 31-Mar-19 RM'000	As at 31-Dec-18 RM'000
Non-current Liabilities		
Borrowings	15,549	20,857
Lease obligations	226,999	232,604
Deferred tax liabilities	89,183	86,460
	<u>331,731</u>	<u>339,921</u>
Current Liabilities		
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
	<u>955,846</u>	<u>1,167,324</u>
Liabilities associated with assets classified as held for sale	547	547
	<u>956,393</u>	<u>1,167,871</u>
Total liabilities	<u>1,288,124</u>	<u>1,507,792</u>
TOTAL EQUITY AND LIABILITIES	<u>23,266,037</u>	<u>23,244,663</u>

(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	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000	
	Exchange translation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000				
<u>3 months ended 31 March 2019</u>									
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
<u>3 months ended 31 March 2018</u>									
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)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statements Of Cash Flows
For The Period Ended 31 March 2019

	31-Mar-19	31-Mar-18
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
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	<u>105,614</u>	<u>75,999</u>
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	<u>(6,024)</u>	<u>220,901</u>
Tax paid	<u>(13,764)</u>	<u>(11,777)</u>
Net cash (used in)/generated from operating activities	(19,788)	209,124
CASH FLOWS FROM INVESTING ACTIVITIES		
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
Net cash used in investing activities	(9,515)	(19,015)
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(7,423)	(160,753)
Interest paid	(6,652)	(5,464)
Payment of lease obligations	(10,673)	(10,847)
Other financing activities	(18)	-
Net cash used in financing activities	(24,766)	(177,064)
Net (decrease)/increase in cash and cash equivalents	(54,069)	13,045
Cash and cash equivalents brought forward	1,390,711	1,338,663
Effect of exchange rate changes	(898)	(5,469)
Cash and cash equivalents carried forward	<u>1,335,744</u>	<u>1,346,239</u>
<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)
	<u>1,335,744</u>	<u>1,346,239</u>

(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.

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
REVENUE									
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	<u>826,301</u>	<u>164,495</u>	<u>127,446</u>	<u>34,798</u>	<u>12,933</u>	<u>43</u>	<u>24,050</u>	<u>(33,680)</u>	<u>1,156,386</u>
RESULTS									
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	<u>59,981</u>	<u>1,657</u>	<u>17,774</u>	<u>4,089</u>	<u>2,815</u>	<u>505</u>	<u>203,099</u>	<u>-</u>	<u>279,862</u>

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.

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
	<u>495,263</u>
Other commitments	
- contracted	293,646
	<u>788,909</u>

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
	<u>8,797</u>
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	1,691
	<u>1,691</u>
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
	<u>94,716</u>

B1. Performance analysis

Group financial performance by business segment

Business segments: All figures in RM'000	<u>Grains and agribusiness</u>	<u>Consumer products</u>	<u>Film exhibition & distribution</u>	<u>Environmental engineering & utilities</u>	<u>Property</u>	<u>Investments & Other operations</u>	<u>Inter- segment elimination</u>	<u>Total</u>
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	<u>826,301</u>	<u>164,495</u>	<u>127,446</u>	<u>34,798</u>	<u>12,933</u>	<u>24,093</u>	<u>(33,680)</u>	<u>1,156,386</u>
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	<u>59,981</u>	<u>1,657</u>	<u>17,774</u>	<u>4,089</u>	<u>2,815</u>	<u>203,604</u>	<u>-</u>	<u>279,862</u>
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	<u>810,413</u>	<u>164,604</u>	<u>125,845</u>	<u>41,630</u>	<u>12,142</u>	<u>23,504</u>	<u>(33,016)</u>	<u>1,145,122</u>
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	<u>33,476</u>	<u>3,457</u>	<u>14,573</u>	<u>4,625</u>	<u>4,629</u>	<u>153,963</u>	<u>-</u>	<u>209,514</u>
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)

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).

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	First Quarter ended 31-Mar-19
	RM'000	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
	<hr/>	<hr/>
Profit before tax was stated after charging:		
Allowance for doubtful debts and receivables written off	(286)	(286)
Depreciation and amortisation	(51,552)	(51,552)
	<hr/>	<hr/>

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
	<u>12,641</u>	<u>12,641</u>
Foreign operation		
Current income tax	2,816	2,816
Deferred tax	2,382	2,382
	<u>17,839</u>	<u>17,839</u>
Underprovision in prior year:		
Deferred Tax	80	80
	<u>17,919</u>	<u>17,919</u>

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.

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)	-
	<u>15,549</u>	<u>15,549</u>	<u>-</u>
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	-
	<u>467,324</u>	<u>20,314</u>	<u>447,010</u>
Bank overdrafts	338	-	338
	<u>467,662</u>	<u>20,314</u>	<u>447,348</u>

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.

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.

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