



PPB GROUP BERHAD

02

**QUARTERLY
REPORT**



Investor Update
2017

FROM THE DESK OF THE CHAIRMAN



Dear Shareholders,

FINANCIAL SUMMARY

We are pleased to report that the PPB Group Berhad (“PPB”) pre-tax profit increased by 95% to RM496 million in 1H2017. The increase was mainly due to the significantly higher profit contribution by its 18.5% associate, Wilmar International Limited which recorded a net profit of USD422 million compared with USD19 million in 1H2016.

Group revenue declined by 4% to RM2.09 billion in 1H2017. The higher revenue from Consumer Products segment was offset by lower revenue in other segments.

Profit for the period was higher at RM459 million compared with RM200 million in 1H2016. Accordingly, PPB recorded earnings per share of 37.75 sen for 1H2017 compared with 14.13 sen for 1H2016.

INTERIM DIVIDEND

The Board of Directors has declared an interim single tier dividend of 8 sen per share for the financial year ending 31 December 2017, payable on 28 September 2017 to shareholders whose names appear in the Record of Depositors on 11 September 2017.

REVIEW OF OPERATIONS

The results of PPB’s business operations for 1H2017 are summarised as follows :-

- *Grains and Agribusiness* segment’s revenue for 1H2017 remained unchanged at RM1.46 billion as higher feed revenue was offset by lower revenue from flour. Segment profit was lower at RM56 million, down 52% from 1H2016, mainly due to higher raw material cost exacerbated by the lower sales volume and selling prices mainly registered by the Indonesian flour mill.
- *Consumer Products* revenue for 1H2017 was RM348 million, up 11% from 1H2016. Segment profit of RM18 million was largely due to a gain of RM8 million from the sale of land and building, and improved results of the bakery division.

From The Desk Of The Chairman (Cont'd)

- *Film Exhibition and Distribution* segment's revenue was 5% lower at RM248 million as revenue from the Chinese New Year and local movies released in 1H2017 was much lower than 1H2016. Accordingly, segment profit for 1H2017 decreased by 27% to RM36 million.
- The *Environmental Engineering and Utilities* segment registered lower revenue of RM45 million, down 62% from 1H2016 due to the completion of most of the environmental engineering projects in 2016 and projects secured in 2017 have yet to contribute significantly. In line with that, segment profit decreased by 55% to RM2.6 million.
- The *Property* segment recorded revenue of RM21 million, a drop of 35% due mainly to the completion of the Taman Tanah Aman project in 2016; lower occupancy rate for investment properties as extension and refurbishment works are currently in progress; and lower project management fee income. Segment profit decreased by 73% to RM4.2 million.
- Revenue for the combined segments of *Investments and Other Operations* decreased 6% to RM72 million due to lower contribution from the chemicals trading and manufacturing division. The combined segment profit was substantially lower by 85% at RM2.7 million for 1H2017 due mainly to a one-off gain on disposal of factory land and building of RM7.3 million in 2016, as well as lower sales of higher profit margin products, and higher raw material costs at the chemicals trading and manufacturing division.

PROSPECTS FOR 2017

On the back of volatile world prices for wheat, the outlook for the flour business is expected to be challenging. However, we are confident that stronger flour demand in the second half of the year would mitigate the margin erosion pressure. Amidst a competitive and changing industry landscape, the animal feed business is difficult although the division is expected to maintain its performance given a bullish broiler market. In summary, the *Grains and Agribusiness* segment performance will be affected by the aforesaid factors. The *Consumer Products* segment is expected to perform satisfactorily with strategic promotional activities and campaigns. The performance of the *Film Exhibition and Distribution* segment will be supported by the opening of new cinemas in Malaysia and Vietnam; and the line-up of blockbuster movies for the rest of the year. The *Environmental Engineering and Utilities* segment continues to focus on timely completion of ongoing projects and securing new projects to augment its order book. The *Property* segment will focus on launching a mixed development project in Taman Megah, Petaling Jaya in 4Q2017.

The Group's main business segments are expected to perform satisfactorily for the current financial year. However, the overall financial results of the PPB Group would depend substantially on the business performance of Wilmar.

HAPPENINGS

The marketing team of Massimo, the brand of bakery products by The Italian Baker Sdn Bhd, a wholly-owned subsidiary of FFM Berhad, successfully organised the "My Mom, My BFF" roadshows in Penang, Johor Bahru and Kuala Lumpur. The roadshows were held over a period from April-May 2017 and drew thousands of families.

During the quarter under review, FFM Marketing Sdn Bhd, an 80%-subsidiary of PPB, introduced four new products namely, Massimo Chiffon in a Cup – cheese flavour; V-Soy Golden Grain – a combination of soymilk with oats and almonds; Kart's Wholemeal Pau with wheat germ in four variants – red bean, pumpkin, coconut and yam; and Kart's Puffy Pie in two variants – chicken bolognese and chicken mushroom.

PPB held its 48th Annual General Meeting at the Shangri-La Hotel, Kuala Lumpur on 9 May 2017. At the meeting, shareholders were briefed on the Group's performance and financial results for the year ended 31 December 2016.

On 25 May 2017, Golden Screen Cinemas Sdn Bhd (GSC), a 100%-subsidiary of PPB, opened its 34th cinema at MyTown Shopping Centre in Cheras, Kuala Lumpur with 13 screens and 1,835 seats. GSC MyTown also houses the largest GSC Maxx screen in Malaysia.

GSC hosted two film festivals, namely, the Thai Film Festival and Le French Film Festival at its International Screens during the quarter.

CSR ACTIVITIES

Eleven PPB employees participated in the Corporate Challenge category of the Standard Chartered KL Marathon 2017 to help raise funds for charity, and stay healthy.

Cheras LeisureMall jointly organised two blood donation campaigns during the quarter, from which a total of 156 bags of blood were collected.

GREETINGS

I take this opportunity to wish every Malaysian, "Happy Malaysia Day!"

Tan Sri Datuk Oh Siew Nam

Chairman

8 September 2017

MASSIMO MOTHER'S DAY CAMPAIGN - MY MOM, MY BFF

Massimo Guess & Win

In conjunction with the celebration of Mother's Day, Massimo paid tribute to the selfless and nurturing spirit of mothers who reside at the very heart of every family. The theme for this year, 'My Mom, My BFF' reaffirmed our reverence and devotion to the one woman who has done more for us than anyone in the world.

The roadshows started in Penang (27 April – 1 May), progressed to Johor Bahru (3 – 7 May) and ended in Kuala Lumpur (10 – 14 May). Thousands of families took the opportunity to shower their moms with respect, love and care. The entire campaign together with all its activities offered prizes valued at up to RM80,000.



Light Up Your Love



Scoop, Guess 'n Win Game

For Athirah binti Ismon, Hamizah binti Ahmad, Choy Seow Hui and their mothers who participated in Massimo's nationwide contest, it was a memorable day as the three winning pairs each took home the grand prize of RM10,000, a hamper and a trophy. They completed a series of tasks such as the Massimo Loaf Express, Massimo Chiffon Art Deco and Massimo Bread Bento games where they were required to display their creative prowess.



Happenings (cont'd)



Apart from the contest, shoppers joined Massimo's roadshow with a wide array of exciting activities. Part of the attractions included crowd-pullers 'Hug and Pose', 'Scoop, Guess and Win' and 'Light Up Your Love'. Other attractions included photo opportunities at attractive photo-boards around the concourse, instant photo print and Guess & Win booths.

Massimo has been promoting this for years and is establishing itself on the Mother's Day platform in Malaysia. Within the past three years, the Massimo Mother's Day event has expanded to three states, culminating in Kuala Lumpur for the grand finale.



Grand prize winner, Hamizah Binti Ahmad and her mother.



Grand prize winner, Choy Seow Hui and her mother.



Grand prize winner, Athirah Binti Ismon and her mother.

NEW PRODUCTS DISTRIBUTED BY FFM MARKETING



MASSIMO Chiffon in a Cup - Cheese

FFM Marketing Sdn Bhd (FMSB) had on 3 April 2017 introduced a cheese-flavour Massimo Chiffon in a Cup, an addition to the existing Classic, Mocha and Pandan Coconut flavours. Baked with quality ingredients - fresh eggs, flour and milk, Massimo Chiffon in a Cup texture is soft and delicious. The cake is presently available at RM1.05 per piece.

V-Soy Golden-Grain

V-Soy, the agency line distributed by FMSB, has on 15 May 2017 launched a new product, V-Soy Golden-Grain - a combination of soymilk with oats and almonds. This drink is ideal for a healthy and convenient breakfast. V-Soy Golden-Grain is presently available at RM6.00+GST per pack in Peninsular Malaysia, and RM6.35+GST per pack in East Malaysia.



Wholemeal Pau with Wheat Germ

Kart's Wholemeal Pau with Wheat Germ was launched by FMSB on 15 April 2017. The wholemeal pau made of premium quality dough and filling comes in a variety of flavours namely, yam, Japanese red bean, pumpkin and coconut. Kart's wholemeal pau with wheat germ is available at RM7.63 per pack for the red bean, pumpkin and coconut pau; and RM9.75 per pack for yam pau.

Launched simultaneously, is Kart's Puffy Pie in two variants, chicken bolognese and chicken mushroom. Kart's Puffy Pie can be baked straight away from freezer to oven in 10-15 minutes and is available at RM 10.49 per pack including GST.



48TH ANNUAL GENERAL MEETING

The 48th Annual General Meeting (“AGM”) of PPB Group Berhad was held on 9 May 2017 at the Shangri-La Hotel, Kuala Lumpur. At the AGM, the Chairman and management team dealt with questions raised by shareholders relating to the Company, as well as the Group’s performance and results for the financial year ended 31 December 2016. PPB’s replies to questions from the Minority Shareholders’ Watchdog Group were also read out at the meeting for the benefit of shareholders present.

All the resolutions tabled at the AGM were voted by poll, and passed by the shareholders present.



Left to right- Mr Leong Yew Weng (Managing Director of Chemquest Group), Ms Koh Mei Lee (Chief Executive of GSC Group), Datuk Ong Hung Hock (Director of PPB & Managing Director of FFM Group), Tan Sri Datuk Oh Siew Nam (Chairman of PPB), Mr Lim Soon Huat (Managing Director of PPB), Ms Leong Choy Ying (Chief Financial Officer of PPB), Mr Chew Hwei Yeow (Chief Operating Officer (Properties) of PPB), Mr Mah Teck Keong (Company Secretary of PPB).

Happenings (cont'd)



GSC OPENS ITS 34TH CINEMA AT MYTOWN SHOPPING CENTRE



On 25 May 2017, Golden Screen Cinemas Sdn Bhd (GSC) opened its 34th cinema at MyTown Shopping Centre in Kuala Lumpur with the largest GSC Maxx screen in Malaysia measuring a gargantuan 21.6m (w) x 11.9m (h). To complement the giant screen, this hall is equipped with D-Box motion seats, Dolby Atmos surround sound and THX-certified sound quality. A Premier Class hall is also available.

GSC MyTown has 13 screens with a total seating capacity of 1,835 including wheelchair spaces. The cinema also features GSC's E-Kiosks, allowing faster ticket purchase and quicker access to the halls via the auto-gate system.

Movie-goers can enjoy being totally immersed in their favourite movie in GSC MyTown with the paired-up, GSC Maxx screen and Dolby Atmos, the best-in-class entertainment experience one can get – the way filmmakers intended their movies to be seen.



Thai Film Festival

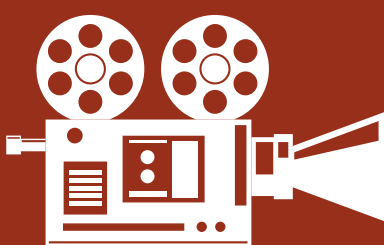
Left to right - Mr Choakchai Chayawatto, Ms Nipa Nirannoot (Minister Counsellor, Royal Thai Embassy), Mr Ittisak Euahsunthornwattanna (Mr Hurt director), Ms Note Panayanngool (A Gift actress), Ms Koh Mei Lee (Chief Executive of GSC), Ambassador HE Damrong Kraikruan (Royal Thai Embassy), Ms Mashannoad Suvalmas (Mr Hurt actress), Ms Sirintra Chantapan (Minister - Royal Thai Embassy), Mr Rutch Soratana (Director of Cultural Diplomacy, MFA), Mr. Marcel Lariche



FILM FESTIVALS AT GOLDEN SCREEN CINEMAS

Golden Screen Cinemas (GSC) hosted two film festivals at its International Screens in the second quarter of the year.

The first Thai Film Festival (TFF) to be held in Malaysia was organised by the Royal Thai Embassy in co-operation with the Ministry of Foreign Affairs of Thailand, National Federation of Motion Pictures and Contents Associations of Thailand as part of the 60th anniversary celebration of the establishment of diplomatic relations between Malaysia and Thailand. TFF aimed to promote cultural understanding between the peoples of both countries. Five Thai films namely, "A Gift", "One Day", "Take Me Home", "Mr Hurt" and "The Crown" were featured during the festivals at three cinemas, GSC Pavilion Kuala Lumpur, GSC 1-Utama Shopping Centre and GSC Mid Valley Megamall in April 2017.



The annual Le French Film Festival (LFFF) entered its 16th edition and as always provided entertainment for the duration of the festival with a selection of the latest French films. The LFFF was held from 4 May to 11 June 2017 in the Klang Valley at GSC Pavilion Kuala Lumpur, GSC Mid Valley and GSC 1-Utama; in Penang at GSC Gurney Plaza; and for the first time in Kota Kinabalu at GSC Suria Sabah. Proving that movies make an effective medium for human emotion to transcend language, this year's LFFF presented a number of heart-warming comedies and dramas amongst which were "The Fabulous Patars", "One Man and His Cow", "Rosalie Blum", "Our Futures", "Chocolat" and "The Odyssey".

GSC International Screens are the only screens in Malaysia dedicated to the screening of art house and foreign language films. The audience profile of the GSC International Screens range from students to adults comprising the middle to upper income group with a penchant for non-mainstream movies.

French Film Festival



Mr Gustave Kervern, lead actor of *The Fabulous Patars*



L-R: Mr Jean-Pierre Dumont (Director of AFKL), Ms Koh Mei Lee, Y.A.M Tengku Zatsah bt Sultan Idris Shah (President of AFKL), Dato Aubry Rahim Menesson (Tengku's spouse)



STANDARD CHARTERED RUN 2017

As part of PPB's Corporate Social Responsibility initiative to promote a healthy lifestyle for employees, the Company has been sponsoring the registration fees for its employees to encourage participation in the Standard Chartered KL Marathon (SCKLM) since 2014.

On 21 May 2017, 11 employees participated in the SCKLM's Corporate Challenge category to raise funds for charity as well as to promote team spirit. PPB runners successfully completed their event within the allocated time and finished in 5th place.

As one of the premier running events in Malaysia, the 9th edition of the SCKLM attracted almost 36,000 runners. The route covered several landmarks in the city centre such as the Petronas Twin Towers, National Monument, National Mosque, Parliament building, National Palace, Little India and other places of interest. PPB staff are encouraged to participate in organised runs and exercise regularly for better health and fitness.



Spread The Love Blood Donation Campaign held on 30 April 2017



BLOOD DONATION CAMPAIGNS

Cheras LeisureMall jointly organised blood donation campaigns with the Young Malaysian Movement (YMM) Taman Midah and Bukit Jalil branches, and NSQ Youth Club KL-Selangor on 30 April 2017 and 10 June 2017 respectively. Members of the public were encouraged to donate blood and register as organ donors. A total of 91 bags and 65 bags of blood were collected on 30 April 2017 and 10 June 2017 respectively.



Blood Donation Campaign with NSQ Youth Club KL-Selangor held on 10 June 2017





CONTINUED UPWARD MOMENTUM IN THE DOMESTIC EQUITY MARKET

During the second quarter, the FBM KLCI increased by 1.4% to close at 1,763.7 points at end-June 2017 (end-March 2017: 1,740.1 points). The domestic equity market continued to be supported by non-resident inflows, albeit at a slower pace compared to the previous quarter. Sentiments in the domestic market were supported by the stronger-than-expected GDP growth in the first quarter of 2017 and an improved Ringgit outlook. Towards the end of the quarter, however, sentiments turned cautious amid concerns over stock market overvaluation in the US and a decline in global oil prices.

[Source : Bank Negara Malaysia website]

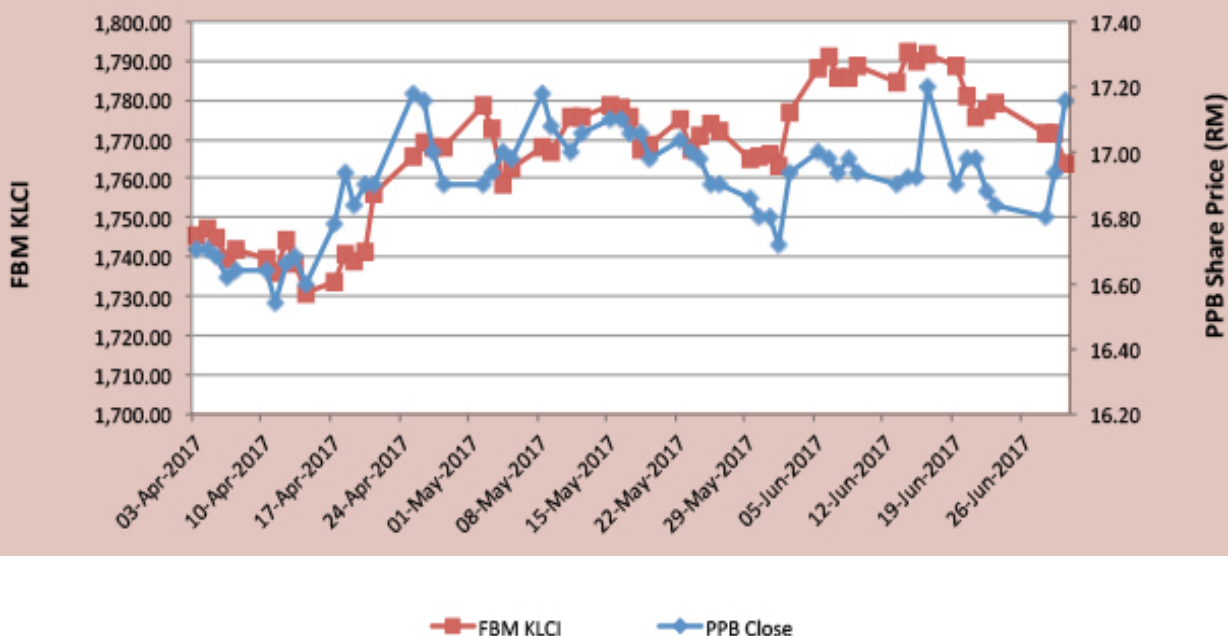
PPB's share price closed higher at RM17.16 compared with RM16.74 in the preceding quarter and market capitalisation increased to RM20,352 million. The average daily volume of PPB shares traded during the quarter increased by 27.30% to 853,651 shares.

Share Analysis (cont'd)

PPB Share Price & FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) Performance For 2Q 2017

	2Q2017	1Q2017	% change
PPB share price (RM)			
Closing price (high)	17.20	17.18	0.12%
Closing price (low)	16.54	15.92	3.89%
Month end closing price	17.16	16.74	2.51%
Weighted share price	16.92	16.55	2.22%
Market capitalisation (RM'million)	20,352	19,854	2.51%
PPB share trading volume (Number of shares)			
Daily volume (high)	2,619,900	1,844,500	42.04%
Daily volume (low)	70,400	62,400	12.82%
Average daily volume	853,651	670,579	27.30%
FBM KLCI			
FBM KLCI closing (high)	1,792.35	1,754.67	2.15%
FBM KLCI closing (low)	1,730.99	1,635.53	5.84%
FBM KLCI quarter end closing	1,763.67	1,740.09	1.36%
FBM KLCI volume (Number of shares)			
Daily volume (high)	412,517,200	352,587,300	17.00%
Daily volume (low)	74,189,900	61,044,400	21.53%
Average daily volume	136,305,200	142,797,484	-4.55%

FBM KLCI & PPB SHARE PRICE MOVEMENTS IN 2Q2017



Group Financial Highlights

For The 2nd Quarter Of 2017
(The figures have not been audited)

Financial period/year ended (All figures in RM million)	6 months		Change %	12 months
	30.06.17	30.06.16		31.12.16
INCOME STATEMENT				
Revenue	2,089	2,179	(4.1)	4,186
Profit before tax	496	255	94.5	1,211
Profit for the period/year	459	200	>100%	1,107
Profit attributable to owners of the parent	448	168	>100%	1,045
STATEMENT OF FINANCIAL POSITION				
Non-current assets	19,814	17,650	12.3	19,884
Current assets				
Cash, bank balances, deposits and short-term fund placements	1,239	1,259	(1.6)	1,178
Others	1,635	1,438	13.7	1,641
Total current assets	2,874	2,697	6.6	2,819
Total assets	22,688	20,347	11.5	22,703
Equity				
Share capital	1,192	1,186	0.5	1,186
Reserves	19,743	17,522	12.7	19,787
Equity attributable to owners of the parent	20,935	18,708	11.9	20,973
Non-controlling interests	680	659	3.2	695
Total equity	21,615	19,367	11.6	21,668
Non-current liabilities				
Long-term bank borrowings	57	83	(31.3)	73
Deferred tax liabilities	98	93	5.4	99
Total non-current liabilities	155	176	(11.9)	172
Current liabilities				
Short-term bank borrowings	528	384	37.5	455
Others	390	420	(7.1)	408
Total current liabilities	918	804	14.2	863
Total liabilities	1,073	980	9.5	1,035
Total equity and liabilities	22,688	20,347	11.5	22,703

*Note :

Pursuant to Section 74 of the Companies Act 2016 ("Act"), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provisions set out in Section 618 (2) of the Act, any amount standing to the credit of the share premium account becomes part of the Company's share capital. Companies have 24 months from the commencement of the Act to utilise the credit for purposes as set out in Section 618 (3) of the Act. During the current financial period, the Company has not utilised any of the credit in the share premium account which has now become part of the share capital. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

Group Financial Highlights

For The 2nd Quarter Of 2017
(The figures have not been audited)

Financial period/year ended (All figures in RM million)	6 months		12 months	
	30.06.17	30.06.16	31.12.16	
RATIOS				
Return on equity attributable to owners of the parent	(%)	2.1	0.9	5.0
Earnings per share	(sen)	37.8	14.1	88.2
Interest coverage	(times)	42.3	19.2	49.4
Current ratio	(times)	3.1	3.4	3.3
Total borrowings/Equity	(%)	2.7	2.4	2.4
Long-term borrowings/Equity	(%)	0.3	0.4	0.3
Net assets per share attributable to owners of the parent	(RM)	17.7	15.8	17.7
Net dividend per share	(sen)	8.0	8.0	25.0
STOCK MARKET INFORMATION				
Share price	(RM)	17.16	16.50	15.86
Market capitalisation	(RM million)	20,352	19,569	18,810
PE ratio	(times)	22.7	58.5	18.0

2nd Quarter 2017 ANNOUNCEMENTS

APRIL 2017

17 PPB announced the issue of the Notice of 48th Annual General Meeting (“AGM”) dated 18 April 2017.

18

- Issue of PPB’s 2016 Annual Report.
- Issue of the Circular to Shareholders dated 18 April 2017 in relation to the proposed shareholders’ mandate for recurrent related party transactions, and proposed renewal of authority for PPB to purchase its own ordinary shares of up to ten percent (10%) of the issued shares.

MAY 2017

08 PPB announced that the quarterly report for the 1st quarter ended 31 March 2017 would be released on 25 May 2017.

09 PPB announced that all the resolutions tabled at the 48th AGM of the Company held on 9 May 2017 were passed by shareholders of the Company.

25 Release of PPB’s quarterly report for the 1st quarter ended 31 March 2017.

Quarterly Report

Condensed Consolidated Income Statements For The Period Ended 30 June 2017

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Revenue	1,055,504	1,056,591	2,088,767	2,179,205
Operating expenses	(1,038,157)	(969,626)	(2,034,224)	(2,070,199)
Other operating income	35,534	44,736	76,121	113,812
Share of net profits less losses of associates	58,269	(155,508)	375,734	43,603
Share of profit of joint venture	946	1,014	1,885	2,020
Finance costs	(5,788)	(6,063)	(12,405)	(13,881)
Profit/(Loss) before tax	106,308	(28,856)	495,878	254,560
Tax expense	(14,712)	(30,030)	(36,675)	(54,550)
Profit/(Loss) for the period	91,596	(58,886)	459,203	200,010
Attributable to :				
Owners of the parent	89,290	(78,720)	447,556	167,520
Non-controlling interests	2,306	19,834	11,647	32,490
Profit/(Loss) for the period	91,596	(58,886)	459,203	200,010
Basic earnings/(loss) per share (sen)	7.53	(6.64)	37.75	14.13

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

Quarterly Report

Condensed Consolidated Statements Of Comprehensive Income For The Period Ended 30 June 2017

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Profit/(Loss) for the period	91,596	(58,886)	459,203	200,010
Other comprehensive income/(loss), net of tax				
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(514,368)	359,321	(747,365)	(1,090,232)
Fair value of available-for-sale financial assets	25,116	(20,225)	155,033	(16,491)
Share of associates' other comprehensive income	111,255	(147,127)	311,329	(83,976)
Total comprehensive income/(loss)	(286,401)	133,083	178,200	(990,689)
Attributable to :				
Owners of the parent	(280,885)	109,490	175,497	(1,007,693)
Non-controlling interests	(5,516)	23,593	2,703	17,004
Total comprehensive income/(loss)	(286,401)	133,083	178,200	(990,689)

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

Quarterly Report

Condensed Consolidated Statements Of Financial Position

	As at 30-Jun-17 RM'000	As at 31-Dec-16 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,347,813	1,353,204
Investment properties	195,499	194,455
Biological assets	3,303	3,364
Goodwill	73,704	73,704
Other intangible assets	3,188	3,233
Land held for property development	85,232	84,923
Investments in associates	17,444,777	17,662,449
Investment in joint venture	64,751	65,418
Other investments	595,013	440,356
Deferred tax assets	1,024	2,771
	19,814,304	19,883,877
Current Assets		
Inventories	665,677	620,464
Biological assets	20,360	19,417
Other intangible assets	12,530	14,850
Receivables	925,412	958,806
Derivative financial instruments	-	3,276
Cash, bank balances, deposits and short-term fund placements	1,239,045	1,178,261
	2,863,024	2,795,074
Assets classified as held for sale	10,384	23,759
	2,873,408	2,818,833
TOTAL ASSETS	22,687,712	22,702,710
EQUITY AND LIABILITIES		
Equity		
Share capital	1,192,215	1,185,500
Reserves	19,743,304	19,787,090
Equity attributable to owners of the parent	20,935,519	20,972,590
Non-controlling interests	679,527	695,143
Total equity	21,615,046	21,667,733

Quarterly Report

Condensed Consolidated Statements Of Financial Position (Cont'd)

	As at 30-Jun-17 RM'000	As at 31-Dec-16 RM'000
Non-current Liabilities		
Long-term borrowings	56,569	72,918
Deferred tax liabilities	98,441	99,266
	155,010	172,184
Current Liabilities		
Payables	354,130	377,726
Derivative financial instruments	20,619	5,221
Short-term borrowings	527,938	455,086
Current tax liabilities	12,092	24,760
	914,779	862,793
Liabilities associated with assets classified as held for sale	2,877	-
	917,656	862,793
Total liabilities	1,072,666	1,034,977
TOTAL EQUITY AND LIABILITIES	22,687,712	22,702,710
Net assets per share attributable to owners of the parent (RM)	17.66	17.69

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

Quarterly Report

Condensed Consolidated Statement Of Changes In Equity For The Period Ended 30 June 2017

	Non-distributable						Distributable			Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Fair value reserve RM'000	Hedge reserve RM'000	Capital reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000		
6 months ended 30 June 2017											
At 1 January 2017	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
Total comprehensive income/(loss)	-	-	-	(551,327)	155,033	84,932	39,302	447,556	175,496	2,704	178,200
Transfer of reserves	-	-	(336)	-	-	-	4,909	(4,573)	-	-	-
Transfer pursuant to Companies Act 2016 (Note)	6,715	(6,715)	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	(201,535)	(201,535)	(16,101)	(217,636)
Acquisition of shares in a subsidiary	-	-	-	-	-	-	-	-	-	(2,219)	(2,219)
Changes in equity interest in an associate	-	-	-	-	-	-	-	(11,032)	(11,032)	-	(11,032)
At 30 June 2017	1,192,215	-	39,175	2,548,083	164,475	33,932	173,131	16,784,508	20,935,519	679,527	21,615,046
6 months ended 30 June 2016											
At 1 January 2016	1,185,500	6,715	40,477	2,729,110	(3,729)	(11,516)	165,798	15,804,622	19,916,977	635,594	20,552,571
Total comprehensive income/(loss)	-	-	-	(1,141,671)	(16,491)	(25,660)	8,609	167,520	(1,007,693)	17,004	(990,689)
Transfer of reserves	-	-	(600)	-	-	-	5,571	(4,687)	284	(284)	-
Issue of shares to a non-controlling interest	-	-	-	-	-	-	-	-	-	9,487	9,487
Disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	-	(463)	(463)
Dividends	-	-	-	-	-	-	-	(201,535)	(201,535)	(1,920)	(203,455)
At 30 June 2016	1,185,500	6,715	39,877	1,587,439	(20,220)	(37,176)	179,978	15,765,920	18,708,033	659,418	19,367,451

Note :

Pursuant to Section 74 of the Companies Act 2016 ("Act"), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provisions set out in Section 618 (2) of the Act, any amount standing to the credit of the share premium account becomes part of the Company's share capital. Companies have 24 months from the commencement of the Act to utilise the credit for purposes as set out in Section 618 (3) of the Act. During the current financial period, the Company has not utilised any of the credit in the share premium account which has now become part of the share capital. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

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Condensed Consolidated Statement Of Cash Flows For The Period Ended 30 June 2017

	6 months ended 30 June	
	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	495,878	254,560
Adjustments :		
Non-cash items	(286,536)	41,489
Non-operating items	(14,467)	(11,084)
Operating profit before working capital changes	194,875	284,965
Working capital changes :-		
Net change in current assets	(91,001)	248,209
Net change in current liabilities	(12,210)	(164,590)
Cash generated from operations	91,664	368,584
Tax paid	(51,749)	(31,687)
Net cash generated from operating activities	39,915	336,897
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(81,449)	(60,119)
Proceeds from disposal of property, plant and equipment and assets held for sale	36,204	20,615
Dividends received	161,463	199,879
Income from short-term fund placements	5,088	9,194
Interest received	7,076	9,919
Repayment from/(Advances to) associates	50,862	(5,587)
Other investing activities	2,265	2,772
Net cash generated from investing activities	181,509	176,673

Quarterly Report

Condensed Consolidated Statement Of Cash Flows For The Period Ended 30 June 2017 (Cont'd)

	6 months ended 30 June	
	2017 RM'000	2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	75,998	(234,471)
Interest paid	(12,719)	(13,977)
Dividend paid	(217,636)	(203,455)
Shares issued to non-controlling interests of a subsidiary	-	9,487
Net cash used in financing activities	(154,357)	(442,416)
Net increase in cash and cash equivalents	67,067	71,154
Cash and cash equivalents brought forward	1,177,203	1,196,309
Effect of exchange rate changes	(5,816)	(8,545)
Cash and cash equivalents carried forward	1,238,454	1,258,918
<u>Cash and cash equivalents represented by :</u>		
Cash and bank balances	235,599	305,138
Bank deposits	353,919	378,038
Short-term fund placements	649,527	576,124
Bank overdrafts	(591)	(382)
	1,238,454	1,258,918

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

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Notes

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

A1. Accounting policies

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

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2016 except for the adoption of the following Amendments to FRSs that are effective for financial periods beginning on or after 1 January 2017 :

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 12	Annual Improvements to FRS Standards 2014 - 2016 Cycle

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

A2. Seasonality or cyclical nature of interim operations

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

A3. Unusual items affecting assets, liabilities, equity, net income or cash flow

There were no items of an unusual nature, size or incidence that affected the assets, liabilities, equity, net income and cash flows of the Group during the current financial period to-date under review.

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

	Individual Quarter 3 months ended 30-Jun-17 RM'000	Cumulative Quarter 6 months ended 30-Jun-17 RM'000
<u>Dividend paid on ordinary shares</u>		
FY2016 : Final single tier dividend - 17 sen per share	201,535	201,535

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Notes (Cont'd)

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 June 2017 is as follows :

Business segments: All figures in RM'000	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments in equities	Other operations	Elimination	Total
REVENUE									
External revenue	1,375,078	346,670	247,634	44,938	19,681	5,278	49,488	-	2,088,767
Inter-segment sales	79,993	989	-	3	1,331	-	17,401	(99,717)	-
Total revenue	1,455,071	347,659	247,634	44,941	21,012	5,278	66,889	(99,717)	2,088,767
RESULTS									
Segment results	56,393	18,484	36,148	2,561	4,224	5,278	(2,601)	-	120,487
Share of associates' profits less losses	30,281	(1,788)	5,003	779	1,870	-	339,589	-	375,734
Share of joint venture's profit	-	-	-	1,885	-	-	-	-	1,885
Interest income									7,078
Income from short-term fund placements									12,149
Finance costs									(12,405)
Unallocated corporate expenses									(9,050)
Profit before tax									495,878
ASSETS									
Segment assets	2,278,269	449,157	327,785	67,116	324,177	595,014	111,213	(304)	4,152,427
Investments in associates	379,060	28,863	175,033	47,938	188,820	-	16,625,063	-	17,444,777
Investment in joint venture	-	-	-	64,751	-	-	-	-	64,751
Bank deposits and short-term fund placements									1,003,446
Tax assets									10,814
Other unallocated corporate assets									11,497
Total assets									22,687,712

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

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

A9. Changes in the composition of the Group

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

- a) Cathay Theatres (Sarawak) Sdn Bhd, a dormant 100%-owned indirect subsidiary of PPB which commenced a members' voluntary winding up on 17 November 2015 has been dissolved on 6 June 2017, and has accordingly ceased to be a subsidiary of PPB.

A10. Changes in contingent liabilities or contingent assets

There were no changes in contingent assets and contingent liabilities since the end of the last annual reporting period.

Quarterly Report

Notes (Cont'd)

A11. Capital commitments

Authorised capital commitments not provided for in the interim financial report as at 30 June 2017 were as follows :

	RM'000
Property, plant and equipment and investment properties	
- contracted	56,490
- not contracted	253,038
	309,528
Other capital commitments	
- contracted	166,460
	475,988

A12. Significant related party transactions

Significant related party transactions during the period ended 30 June 2017 were as follows :

	RM'000
Transactions with associates	
- Management fees income	313
- Film rental income	2,085
- Interest income income	1,812
- Purchase of goods	16,352
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	6,188
Transactions with subsidiaries of associates	
- Purchase of goods	115,584
- Sales of goods	34,923
- Rental income	1,804
- Security and other service fees expense	999
- Marketing fees income	999
- Supervision fees income	850
- Charter hire of vessels	50,456

Notes (Cont'd)

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

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

The Group reported total revenue of RM1.06 billion in 2Q2017, unchanged from 2Q2016. Lower revenue in *Environmental engineering and utilities* and *Property* segments offset the higher revenue achieved in other segments. For 2Q2017, the Group registered a pre-tax profit of RM106 million (2Q2016 : RM29 million loss). The significant improved financial performance was attributable to positive contribution from a key associate, Wilmar International Limited (“Wilmar”), which recorded a net profit of USD60 million (2Q2016 : USD220 million net loss).

For 1H2017, Group revenue was 4% lower at RM2.09 billion (1H2016 : RM2.18 billion). Higher revenue from *Consumer products* segment was offset by lower revenue in other segments. Pre-tax profit for 1H2017 was at RM496 million, 95% higher than that achieved in 1H2016 of RM255 million, this was mainly attributable to a significant increase in contribution from Wilmar, which recorded a net profit of USD422 million (1H2016 : USD19 million).

Group financial performance by business segment

	2Q2017	2Q2016	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Grains and agribusiness	731,191	700,984	30,207	4%
Consumer products	176,448	163,248	13,200	8%
Film exhibition and distribution	123,012	116,986	6,026	5%
Environmental engineering and utilities	26,228	57,262	(31,034)	(54%)
Property	10,374	20,207	(9,833)	(49%)
Investments and Other operations	39,110	37,463	1,647	4%
Elimination	(50,859)	(39,559)	(11,300)	
Total revenue	1,055,504	1,056,591	(1,087)	(0%)

	1H2017	1H2016	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
Grains and agribusiness	1,455,071	1,456,496	(1,425)	(0%)
Consumer products	347,659	314,203	33,456	11%
Film exhibition and distribution	247,634	261,823	(14,189)	(5%)
Environmental engineering and utilities	44,941	116,755	(71,814)	(62%)
Property	21,012	32,288	(11,276)	(35%)
Investments and Other operations	72,167	76,496	(4,329)	(6%)
Elimination	(99,717)	(78,856)	(20,861)	
Total revenue	2,088,767	2,179,205	(90,438)	(4%)

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Notes (Cont'd)

	2Q2017	2Q2016	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
Grains and agribusiness	19,780	78,910	(59,130)	(75%)
Consumer products	5,614	4,931	683	14%
Film exhibition and distribution	16,125	15,854	271	2%
Environmental engineering and utilities	1,526	1,759	(233)	(13%)
Property	1,660	10,186	(8,526)	(84%)
Investments and Other operations	2,693	14,497	(11,804)	(81%)
Total segment results	47,398	126,137	(78,739)	(62%)
Share of associates and joint venture's profits less losses	59,215	(154,494)	213,709	>100%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(305)	(499)	194	39%
Total profit before tax	106,308	(28,856)	135,164	>100%

	1H2017	1H2016	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
Grains and agribusiness	56,393	116,757	(60,364)	(52%)
Consumer products	18,484	7,556	10,928	>100%
Film exhibition and distribution	36,148	49,841	(13,693)	(27%)
Environmental engineering and utilities	2,561	5,738	(3,177)	(55%)
Property	4,224	15,444	(11,220)	(73%)
Investments and Other operations	2,677	17,600	(14,923)	(85%)
Total segment results	120,487	212,936	(92,449)	(43%)
Share of associates and joint venture's profits less losses	377,619	45,623	331,996	>100%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(2,228)	(3,999)	1,771	44%
Total profit before tax	495,878	254,560	241,318	95%

Grains and agribusiness

The *Grains and agribusiness* segment registered a 4% increase in revenue to RM731 million in 2Q2017 (2Q2016 : RM701 million) on the back of an increase in sales volume and higher selling price of animal feed. Segment profit fell 75% to RM20 million (2Q2016 : RM79 million) mainly due to lower profit margin as a result of higher wheat cost, exacerbated by the drop in sales volume and selling prices of the Indonesian flour mill.

Segment revenue for the first half of 2017 remained unchanged at RM1.46 billion as higher feed revenue was offset by lower revenue from flour. Segment profit was lower at RM56 million (1H2016 : RM117 million), down 52% from a year ago, mainly due to higher raw material cost, lower sales volume and selling prices mainly registered by the Indonesian flour mill.

Notes (Cont'd)**Consumer products**

The *Consumer products* segment revenue rose by 8% to RM176 million in 2Q2017 (2Q2016 : RM163 million) mainly driven by increase in sales volume and improved selling prices of edible oils as well as higher revenue from the bakery division. Segment profit was up by 14% to RM5.6 million (2Q2016 : RM4.9 million), mainly attributable to higher revenue and lower advertising and promotional expenses of the bakery division. However, higher sales mix of lower margin products partly impacted the segment profit for the quarter.

For 1H2017, segment revenue increased by 11% to RM348 million (1H2016 : RM314 million). Segment profit was at RM18 million for 1H2017 (1H2016 : RM7.6 million), largely due to a gain of RM8 million from the sale of land and building and improved results of the bakery division.

Film exhibition and distribution

The *Film exhibition and distribution* segment revenue increased by 5% to RM123 million in 2Q2017 (2Q2016 : RM117 million). This was supported by higher number of blockbuster movies released in 2Q2017. Segment profit was marginally higher by 2% at RM16.1 million in 2Q2017 (2Q2016 : RM15.9 million), mainly due to a foreign exchange translation gain recorded in the current quarter against a translation loss on USD-denominated loans in 2Q2016.

For 1H2017, segment revenue was lower by 5% to RM248 million (1H2016 : RM262 million) as revenue from the Chinese New Year and local movies released in 1H2017 was lower than the previous corresponding period. Profit for 1H2017 was accordingly lower at RM36 million (1H2016 : RM50 million).

Environmental engineering and utilities

Revenue was lower by 54% to RM26 million for 2Q2017 (2Q2016 : RM57 million), as a result of the completion of most of the environmental engineering works in 2016. Segment profit was lower by 13% to RM1.5 million in 2Q2017 (2Q2016 : RM1.8 million), mitigated by cost control and improved profit margin.

For 1H2017, revenue was lower by 62% to RM45 million (1H2016 : RM117 million), due to the completion of most of the environmental engineering projects in 2016, and the projects secured in 2017 have yet to contribute significantly. In line with that, segment profit decreased by 55% to RM2.6 million (1H2016 : RM5.7 million).

Property

The *Property* segment revenue decreased by 49% to RM10 million in 2Q2017 (2Q2016 : RM20 million) due mainly to the completion of the Taman Tanah Aman project in 2Q2016 and lower project management fee income during the quarter under review. In tandem with the lower revenue base, segment profit decreased by 84% to RM1.7 million in 2Q2017 (2Q2016 : RM10.2 million).

For 1H2017, revenue was lower by 35% at RM21 million (1H2016 : RM32 million), due mainly to the completion of the Taman Tanah Aman project in 2016, lower occupancy rate for investment properties as extension and refurbishment works are currently in progress, as well as lower project management fee income. Consequently, segment profit decreased by 73% to RM4.2 million (1H2016 : RM15 million).

Investments and Other operations

The combined segment revenue increased by 4% in 2Q2017 to RM39 million (2Q2016 : RM37 million) and decreased by 6% in 1H2017 to RM72 million (1H2016 : RM76 million).

Segment profit was at RM2.7 million for both 2Q2017 and 1H2017 respectively, significantly lower than that achieved in 2Q2016 and 1H2016 of RM14.5 million and RM17.6 million respectively. The lower profit was mainly due to a one-off gain on disposal of factory land and building of RM7.3 million recorded in 2016 as well as lower sales of higher profit margin products and higher raw material costs at the chemical trading and manufacturing division.

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Notes (Cont'd)

Share of associates and joint venture's profits less losses

The Group's share of associates and joint venture profits was at RM59 million in 2Q2017 (2Q2016 : RM154 million loss). Profit contribution from Wilmar, our main associate, amounted to RM44 million in 2Q2017 (2Q2016 : RM170 million loss). The significant improvement was attributable to the turnaround of its Oilseeds and grains business segment from a one-off loss in 2Q2016 and gains from investment securities as a result of stronger equity markets.

On the back of the strong performance in the first quarter of 2017, profit contribution from Wilmar increased to RM339 million for 1H2017 (1H2016 : RM11 million).

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

	2Q2017	1Q2017	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
Grains and agribusiness	19,780	36,613	(16,833)	(46%)
Consumer products	5,614	12,870	(7,256)	(56%)
Film exhibition and distribution	16,125	20,023	(3,898)	(19%)
Environmental engineering and utilities	1,526	1,035	491	47%
Property	1,660	2,564	(904)	(35%)
Investments and Other operations	2,693	(16)	2,709	>100%
Total segment results	47,398	73,089	(25,691)	(35%)
Share of associates and joint venture's profits less losses	59,215	318,404	(259,189)	(81%)
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(305)	(1,923)	1,618	84%
Total profit before tax	106,308	389,570	(283,262)	(73%)

Group pre-tax profit was lower at RM106 million in 2Q2017 (1Q2017 : RM390 million) due mainly to :

- lower profit contribution from Wilmar of RM44 million in the current quarter (1Q2017 : RM296 million); and
- lower *Grains and agribusiness* segment profit mainly due to higher raw material costs for the flour mills operation.

B3. Prospects for the current financial year

The Malaysian economy is expected to grow by more than 4.8% for 2017, underpinned by domestic demand, in particular, private sector spending. Regionally, sustained export growth is also seen in Asian economies, supported by the recovery in global demand amidst sustained strength in the respective Asian domestic economies.

On the back of rising world prices for wheat, the outlook for the flour business is expected to be challenging. However, we are confident that stronger flour demand in the second half of the year would mitigate the margin erosion pressure. Amidst a competitive and changing industry landscape, the animal feed business is difficult although the division is expected to maintain its performance given a bullish broiler market. In summary, the *Grains and agribusiness* segment performance will be affected by the aforesaid factors. The *Consumer products* segment is expected to perform satisfactorily with strategic promotional activities and campaigns. The performance of the *Film exhibition and distribution* segment will be supported by the opening of new cinemas in Malaysia and Vietnam; and the line-up of blockbuster movies for the rest of the year. The *Environment engineering and utilities* segment continues to focus on timely completion of on-going projects and securing new projects to augment its order book. The *Property* segment will focus on launching a mixed development project in Taman Megah, Petaling Jaya in the fourth quarter of the year.

The Group's main business segments are expected to perform satisfactorily for the current financial year. However, the overall financial results of the Group would depend substantially on the business performance of Wilmar.

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Notes (Cont'd)

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before tax

	Individual Quarter 3 months ended 30-Jun-17 RM'000	Cumulative Quarter 6 months ended 30-Jun-17 RM'000
Profit before tax is stated after crediting :		
Dividend income	5,167	5,278
Fair value gain on derivatives	12,194	20,851
Foreign exchange gain	4,606	10,056
Interest income	3,537	7,078
Income from short-term fund placements	6,622	12,149
Rental income	1,079	2,366
Gain on disposal of land and building	-	7,974
Profit before tax is stated after charging :		
Allowance for doubtful debts and receivables written off	(443)	(599)
Depreciation and amortisation	(30,923)	(72,186)
Fair value loss on derivatives	(17,663)	(17,864)
Foreign exchange loss	(10,296)	(16,309)
Inventories written down	(1,523)	(1,523)
Interest expense	(5,788)	(12,405)

B6. Tax expense

	Individual Quarter 3 months ended 30-Jun-17 RM'000	Cumulative Quarter 6 months ended 30-Jun-17 RM'000
Taxation comprises :		
Malaysian taxation		
Current	18,279	34,368
Deferred	(5,919)	(2,608)
	12,360	31,760
Foreign taxation		
Current	1,177	2,487
Deferred	1,195	2,412
	14,732	36,659
Under/(Over) provision in prior year		
Current	(20)	32
Deferred	-	(16)
	14,712	36,675

The effective tax rate is higher than the average statutory rate for the period mainly due to deferred tax asset not recognised by subsidiaries and withholding tax on undistributable profits of foreign associates. Deferred tax benefit will be recognised when the subsidiaries are able to estimate accurately the timing of its future profits.

Quarterly Report

Notes (Cont'd)

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 17 August 2017.

B8. Group borrowings

Total Group borrowings as at 30 June 2017 are as follows :

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings	88,663	88,663	-
Long-term bank loans (USD)	9,540	9,540	-
Long-term bank loans (VND)	(41,634)	(41,634)	-
Repayments due within the next 12 months	56,569	56,569	-
Short-term bank borrowings			
Bills payable	74,000	-	74,000
Bills payable (IDR)	44,028	-	44,028
Short-term loans	250	-	250
Short-term loans (USD)	181,438	-	181,438
Short-term loans (IDR)	112,727	-	112,727
Short-term loans (VND)	73,270	-	73,270
Current portion of long-term loans	41,634	41,634	-
	527,347	41,634	485,713
Bank overdrafts	591	-	591
	527,938	41,634	486,304

B9. Material litigation

There was no material litigation as at 17 August 2017.

B10. Dividends

The Board of Directors is pleased to declare an interim single tier dividend for the financial year ending 31 December 2017 of 8 sen per share (2016 : Interim single tier dividend of 8 sen per share).

Notice is hereby given that the interim single tier dividend is payable on Thursday, 28 September 2017 to shareholders whose names appear in the Record of Depositors at the close of business on Monday, 11 September 2017.

- Shares transferred into the depositor's securities account before 4.00 pm on Monday, 11 September 2017 in respect of ordinary transfers, and
- Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of the BMSB.

Dividends paid/payable for financial year 2016 and up to the date of this report are as follows :

Dividends paid/payable for financial year 2016 and up to the date of this report are as follows :

Financial Year	Type (all single tier)	Amount per share	Date paid/payable
2016	Interim dividend	8 sen	28 September 2016
2016	Final dividend	17sen	25 May 2017
2017	Interim dividend	8 sen	28 September 2017

B11. Earnings per share

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

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

B12. Disclosure of audit report qualification and status of matters raised

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

B13. Realised and unrealised profits/losses

The retained profits of the Group are analysed as follows :

	As at 30-Jun-17 RM'000	As at 31-Dec-16 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :		
- Realised	13,072,418	13,022,777
- Unrealised	(117,623)	(98,796)
	12,954,795	12,923,981
Total share of retained profits/(accumulated losses) from associates :		
- Realised	236,207	210,443
- Unrealised	(1,311)	(1,292)
- Wilmar International Limited ("Wilmar") *	5,912,184	5,734,364
Total share of retained profits from joint venture :		
- Realised	10,509	10,028
	19,112,384	18,877,524
Less : consolidation adjustments	(2,327,876)	(2,323,432)
Total Group retained profits as per consolidated accounts financial statements	16,784,508	16,554,092

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

Kuala Lumpur
24 August 2017

By Order of the Board
Mah Teck Keong
Company Secretary

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