

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2011

(The figures have not been audited)

Condensed Consolidated Income Statements For The Year Ended 31 December 2011

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 December		31 December	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
		(Restated)		(Restated)
<u>Continuing operations</u>				
Revenue	744,197	614,780	2,710,539	2,274,036
Operating expenses	(728,669)	(541,713)	(2,566,174)	(2,031,244)
Other operating income	27,664	20,251	98,839	111,755
Share of net profits less losses of associates	182,989	85,048	814,620	772,053
Share of profit of jointly controlled entity	1,853	8,646	4,564	9,645
Finance costs	(1,981)	(1,103)	(5,808)	(4,759)
Profit before tax	226,053	185,909	1,056,580	1,131,486
Income tax expense	(13,741)	(16,988)	(44,072)	(61,001)
Profit for the period/year from continuing operations	212,312	168,921	1,012,508	1,070,485
<u>Discontinued operations</u>				
Profit for the period/year from discontinued operations, net of tax	-	(2,514)	-	(2,253)
Gain on sale of discontinued operations	-	2,546	-	840,994
Profit for the period/year	212,312	168,953	1,012,508	1,909,226
Attributable to :				
Owners of the parent	209,303	153,858	980,372	1,884,949
Non-controlling interests	3,009	15,095	32,136	24,277
Profit for the period/year	212,312	168,953	1,012,508	1,909,226
Basic earnings per share (sen)				
- continuing operations	17.66	12.98	82.70	88.25
- discontinued operations	-	-	-	70.75
	17.66	12.98	82.70	159.00

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statement Of Comprehensive Income
For The Year Ended 31 December 2011

	Individual Quarter 3 months ended 31 December		Cumulative Quarter 12 months ended 31 December	
	2011 RM'000	2010 RM'000 (Restated)	2011 RM'000	2010 RM'000 (Restated)
Profit for the period/year	212,312	168,953	1,012,508	1,909,226
<u>Other comprehensive income/(loss), net of tax</u>				
Exchange differences on translation of foreign operations				
- (Losses)/Gains arising during the period/year	(42,450)	(13,855)	283,305	(1,077,910)
- Reclassification adjustment for gains included in profit or loss	-	1,396	-	1,396
Fair value of available-for-sale financial assets :-				
- (Loss)/Gains arising during the period/year	(61,819)	50,481	(351,625)	34,574
- Reclassification adjustments to profit or loss upon disposal	(201)	(37)	(857)	(94)
Fair value adjustments arising from acquisition of additional shares in an existing subsidiary	-	1,630	-	1,630
Share of associates' other comprehensive income/(loss)	44,220	4,610	104,953	(25,048)
Total comprehensive income	<u>152,062</u>	<u>213,178</u>	<u>1,048,284</u>	<u>843,774</u>
Attributable to :				
Owners of the parent	149,852	198,004	1,012,315	821,861
Non-controlling interests	2,210	15,174	35,969	21,913
Total comprehensive income	<u>152,062</u>	<u>213,178</u>	<u>1,048,284</u>	<u>843,774</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

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

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
ASSETS		
Non-current Assets		(Restated)
Property, plant and equipment	1,017,844	957,177
Investment properties	214,695	212,649
Biological assets	2,600	2,743
Goodwill	74,617	74,617
Other intangible assets	1,398	1,503
Land held for property development	11,870	11,484
Investments in associates	11,040,554	10,000,272
Investment in jointly controlled entity	51,669	47,287
Other investments	598,567	936,126
Deferred tax assets	7,557	4,366
	<u>13,021,371</u>	<u>12,248,224</u>
Current Assets		
Inventories	474,159	316,738
Biological assets	16,860	14,525
Other intangible assets	12,013	6,723
Property development costs	43,736	35,385
Receivables	484,393	380,194
Derivative financial instruments	2,696	271
Cash, bank balances and deposits	1,134,522	923,682
	<u>2,168,379</u>	<u>1,677,518</u>
Non-current assets classified as held for sale	9,406	9,721
	<u>2,177,785</u>	<u>1,687,239</u>
TOTAL ASSETS	<u>15,199,156</u>	<u>13,935,463</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	12,876,111	12,091,723
Equity attributable to owners of the parent	<u>14,061,611</u>	<u>13,277,223</u>
Non-controlling interests	503,515	203,660
Total equity	<u>14,565,126</u>	<u>13,480,883</u>

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

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
Non-current Liabilities		(Restated)
Long term borrowings	44,753	39,167
Deferred tax liabilities	79,800	69,637
	<u>124,553</u>	<u>108,804</u>
Current Liabilities		
Payables	287,981	255,670
Derivative financial instruments	4,264	467
Short term borrowings	213,150	75,093
Taxation	4,082	14,546
	<u>509,477</u>	<u>345,776</u>
Total liabilities	<u>634,030</u>	<u>454,580</u>
TOTAL EQUITY AND LIABILITIES	<u><u>15,199,156</u></u>	<u><u>13,935,463</u></u>
Net assets per share attributable to owners of the parent (RM)	<u>11.86</u>	<u>11.20</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statement Of Changes In Equity For The Year Ended 31 December 2011

	Non-distributable						Distributable			Attributable to owners of the parent RM'000	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				
12 months ended 31 December 2011												
At 1 January 2011	1,185,500	-	61,398	(950,954)	518,837	(31,191)	305,313	12,178,608	13,274,226	185,284	13,459,510	
As previously reported				(319)				3,316	2,997	18,376	21,373	
Effects of adopting IC Interpretation 12												
Restated	1,185,500	6,715	61,398	(951,273)	518,837	(31,191)	305,313	12,181,924	13,277,223	203,660	13,480,883	
Total comprehensive income	-	-	-	321,272	(352,518)	63,215	(26)	980,372	1,012,315	35,969	1,048,284	
Transfer of reserves	-	-	(456)	-	-	-	21,934	(21,478)	-	-	-	
Dilution of interest in a subsidiary	-	-	-	-	-	-	-	101,701	101,701	276,418	378,119	
Dilution of interest in an associate	-	-	-	(157)	-	17	1,657	2,473	3,990	-	3,990	
Acquisition of an existing subsidiary	-	-	-	-	-	-	-	(1,678)	(1,678)	(471)	(2,149)	
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	596	596	
Dividends	-	-	-	-	-	-	-	(331,940)	(331,940)	(12,657)	(344,597)	
At 31 December 2011	1,185,500	6,715	60,942	(630,158)	166,319	32,041	328,878	12,911,374	14,061,611	503,515	14,565,126	
12 months ended 31 December 2010												
At 1 January 2010	1,185,500	-	60,230	20,818	484,454	96,648	294,561	11,937,616	14,086,542	172,817	14,259,359	
As previously reported				(59)				2,130	2,071	12,697	14,768	
Effects of adopting IC Interpretation 12												
Restated	1,185,500	6,715	60,230	20,759	484,454	96,648	294,561	11,939,746	14,088,613	185,514	14,274,127	
Total comprehensive income	-	-	1,613	(971,611)	34,383	(127,839)	366	1,884,949	821,861	21,913	843,774	
Transfer of reserves	-	-	(445)	-	-	-	10,386	(9,941)	-	-	-	
Dilution of interest in an associate	-	-	-	(421)	-	-	-	3,160	2,739	-	2,739	
Acquisition of an existing subsidiary	-	-	-	-	-	-	-	-	-	(1,541)	(1,541)	
Dividends	-	-	-	-	-	-	-	(1,635,990)	(1,635,990)	(2,226)	(1,638,216)	
At 31 December 2010	1,185,500	6,715	61,398	(951,273)	518,837	(31,191)	305,313	12,181,924	13,277,223	203,660	13,480,883	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statement Of Cash Flows
For The Year Ended 31 December 2011

Final

	2011	2010
	RM'000	RM'000
		(Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		
- continuing operations	1,056,580	1,131,486
- discontinued operations	-	838,741
	1,056,580	1,970,227
Adjustments :-		
Non-cash items	(698,027)	(1,590,755)
Non-operating items	(52,981)	(74,910)
	305,572	304,562
Operating profit before working capital changes		
Working capital changes :-		
Net change in current assets	(242,098)	(28,536)
Net change in current liabilities	14,162	9,799
	77,636	285,825
Cash generated from operations		
Tax paid	(61,426)	(46,191)
Net cash generated from operating activities	16,210	239,634
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(171,708)	(132,172)
Proceeds from disposal of property, plant and equipment and investment properties	1,713	39,669
Purchase of investments	(39,465)	(7,133)
Proceeds from sale of investments	3,695	1,108,878
Repayment from associates	-	9,129
Dividends received	193,724	539,467
Interest received	31,610	34,375
Other investing activities	4,929	11,649
Net cash generated from investing activities	24,498	1,603,862
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital by subsidiaries	378,715	-
Bank borrowings	140,256	(636)
Interest paid	(5,372)	(5,126)
Dividends paid	(344,597)	(1,638,216)
Other financing activities	-	(6)
Net cash generated from/(used in) financing activities	169,002	(1,643,984)
Net increase in cash and cash equivalents	209,710	199,512
Cash and cash equivalents brought forward	923,471	731,010
Effect of exchange rate changes	(258)	(7,051)
Cash and cash equivalents carried forward	1,132,923	923,471
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	85,877	59,820
Bank deposits	1,048,645	863,862
Bank overdrafts	(1,599)	(211)
	1,132,923	923,471

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2010, and the accompanying explanatory notes attached to this report.)

NOTES

A. Financial Reporting Standard (FRS) 134 - Paragraph 16**A1. a) Accounting policies**

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

The accounting policies and methods of computation used in the preparation of the interim financial statements are consistent with those used in the preparation of the audited financial statements for the financial year ended 31 December 2010 except for the adoption of the following revised FRSs, IC Interpretations, Amendments to FRSs and Amendments to IC Interpretations that are effective for financial periods beginning on or after 1 July 2010 or 1 January 2011 :-

FRS 3	Business Combinations (<i>revised</i>)
FRS 127	Consolidated and Separate Financial Statements (<i>revised</i>)
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 4	Determining whether an Arrangement contains a Lease
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation - Classification of Rights Issues
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"	

The adoption of the above revised FRSs, IC Interpretations, Amendments to FRSs and Amendments to IC Interpretations does not have any significant financial impact on the Group except for the following :-

FRS 3: Business Combinations (*revised*)

The revised FRS 3 introduces the option to measure the non-controlling interests in a business combination either at fair value or at the non-controlling interest's proportionate share of identifiable assets acquired. Goodwill on acquisition will be measured as the difference between the aggregate of fair value of consideration transferred, any non-controlling interest in the acquiree and the fair value at the acquisition date of any previously held equity interest in the acquiree (if acquired via "piecemeal acquisition"), and the net identifiable assets acquired. Any bargain purchase (ie. "negative goodwill") will be recognised directly in the income statement. Any consideration transferred is to be measured at fair value as of the acquisition date. All acquisition-related costs are expensed off in the income statement.

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FRS 127: Consolidated and Separate Financial Statements (revised)

The revised FRS 127 requires that total comprehensive income must be proportionately allocated to the non-controlling interests, even if the non-controlling interests are in deficit position. Change in ownership interest which does not result in a loss of control is accounted for within equity instead of the income statement. Where the change in ownership interest results in loss of control, any remaining interest in the former subsidiary is remeasured at fair value and a gain or loss is recognised in the income statement.

The changes in the revised FRS 3 and FRS 127 will be applied prospectively and only affect future acquisitions or loss of control of subsidiaries and transactions with non-controlling interests.

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 12 applies to service concession operators and prescribes how to account for the obligations undertaken and rights received in concession arrangements. The operator shall recognise a financial asset to the extent that it has an unconditional contractual right to receive cash or an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

The Group has an indirect investment in a jointly controlled entity that is engaged in service concession arrangements. Upon adoption of IC Interpretation 12, the jointly controlled entity has applied the interpretation retrospectively and the comparative figures as at 31 December 2010 have been restated as follow :-

	As previously reported RM'000	Effects RM'000	Restated RM'000
Condensed Consolidated			
<u>Statement of Financial Position</u>			
Investment in jointly controlled entity	25,914	21,373	47,287
Non-controlling interests	185,284	18,376	203,660
Condensed Consolidated			
<u>Statement of Changes in Equity</u>			
Exchange translation reserve	(950,954)	(319)	(951,273)
Retained earnings	12,178,608	3,316	12,181,924

A2. Seasonal or Cyclicity of Interim Operations

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

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

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

A4. Nature and amount of changes in estimates

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

PPB GROUP BERHAD (8167-W)**A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

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

A6. Dividends paid

	Individual Quarter 3 months ended 31-Dec-11 RM'000	Cumulative Quarter 12 months ended 31-Dec-11 RM'000
<u>Dividends paid on ordinary shares</u>		
FY2010 : Final dividend - 18 sen per share single tier	-	213,390
FY2011 : Interim dividend - 10 sen per share single tier	-	118,550
	<u>-</u>	<u>331,940</u>

PPB GROUP BERHAD (8167-W)

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2011

	Grains trading, flour and feed milling	Marketing, distribution & manufacturing of consumer products	Film exhibition and distribution	Environmental engineering, waste management and utilities	Property investment and development	Chemicals trading and manufacturing	Livestock farming	Investments in equities	Other operations	Elimination	Total
Business Segments: <i>All figures in RM'000</i>											
REVENUE											
External revenue	1,545,329	375,260	283,274	154,316	35,516	96,087	85,295	23,137	112,325	-	2,710,539
Inter-segment sales	90,918	-	-	56	1,545	29,221	23,776	-	13,843	(159,359)	-
Total revenue	1,636,247	375,260	283,274	154,372	37,061	125,308	109,071	23,137	126,168	(159,359)	2,710,539
RESULTS											
Segment results	134,999	19,403	37,427	9,785	15,569	1,168	12,671	10,454	(11,977)	(1,112)	228,387
Share of associates' profits less losses	16,149	-	905	2,456	4,621	-	-	-	790,489	-	814,620
Share of joint venture's profit	-	-	-	4,564	-	-	-	-	-	-	4,564
Interest income											31,855
Finance costs											(5,808)
Unallocated corporate expenses											(17,038)
Profit before tax											1,056,580
ASSETS											
Segment assets	1,114,056	359,648	252,787	68,807	275,855	51,663	117,448	598,568	180,764	(201)	3,019,395
Investments in associates	76,210	-	4,142	32,143	119,751	-	-	-	10,808,308	-	11,040,554
Investment in jointly controlled entity	-	-	-	51,669	-	-	-	-	-	-	51,669
Bank deposits											1,048,645
Taxation											31,948
Other unallocated corporate assets											6,945
Total assets											15,199,156

PPB GROUP BERHAD (8167-W)**A8. Material events subsequent to the end of the interim period**

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

A9. Changes in the composition of the Group

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

- a) On 25 January 2011, Golden Screen Cinemas Sdn Bhd, an indirect wholly-owned subsidiary of PPB, acquired the entire issued and paid-up share capital of RM2/- in Emerging Channel Sdn Bhd ("ECSB") (now known as Golden Screen International Sdn Bhd) for a cash consideration of RM1,600/-. Arising therefrom, ECSB has become an indirect subsidiary of PPB.
- b) On 4 March 2011, Central Kedah Rubber Estates Sdn Bhd, an indirect wholly-owned subsidiary of PPB which had ceased business operations, commenced members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965. The liquidation is in progress.
- c) With the completion of the issuance of 55,781,250 new ordinary shares of RM1 each in FFM Berhad ("FFM") to PGEO Group Sdn Bhd on 8 March 2011, FFM is now an 80%-owned subsidiary of PPB.
- d) On 25 March 2011, Golden Screen International Sdn Bhd subscribed for 60% equity interest in Kerry Golden Screen Limited ("KGSL") comprising 1,200,000 ordinary shares of HKD1 each for cash at par. Arising therefrom, KGSL has become an indirect 60%-owned subsidiary of PPB.
- e) On 12 August 2011, Cathay Enterprises Sdn Bhd, an indirect 66.2%-owned subsidiary of PPB which had ceased business operations, commenced members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965. The liquidation is in progress.
- f) On 23 September 2011, Quintrine Company Limited, an indirect wholly-owned subsidiary of PPB which had ceased business operations, commenced members' voluntary winding up pursuant to the Hong Kong Companies Ordinance. The liquidation is in progress.
- g) On 1 November 2011, Banqua Limited ("Banqua"), an indirect wholly-owned subsidiary of PPB which had ceased business operations, was struck off pursuant to Section 213 of the BVI Business Companies Act 2004. Arising therefrom, Banqua has ceased to be an indirect subsidiary of PPB.
- h) On 1 November 2011, PPB disposed of its entire equity interest in Penzance Properties Sdn Bhd (now known as GSC Movies Sdn Bhd) comprising 200,000 ordinary shares of RM1 each, for a cash consideration of RM200,000/- to Golden Screen Cinemas Sdn Bhd ("GSC"), a 100%-owned subsidiary of PPB. Pursuant to the disposal, GSC Movies Sdn Bhd is now a direct wholly-owned subsidiary of GSC and indirect subsidiary of PPB.
- i) On 14 December 2011, PPB Leisure Holdings Sdn Bhd ("PPBL"), a wholly-owned subsidiary of PPB completed the acquisition of an additional 242,922 ordinary shares of RM1 each in Cathay Screen Cinemas Sdn Bhd ("CSC"), an existing 66.2%-subsidiary of PPBL, for a total cash consideration of RM2.147 million. Pursuant to this acquisition, PPBL's interest in CSC has increased to 68.3%.

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A10. Changes in contingent liabilities or contingent assets

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000
<u>Contingent liabilities</u>		
Unsecured guarantees issued in consideration of credit facilities given to an associate	-	2,550

Contingent assets

There were no contingent assets as at the end of the current interim period.

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

B1. Analysis of performance for the financial period to date

	4Q2011	4Q2010	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
- Grains trading, flour and feed milling	463,440	337,934	125,506	37%
- Marketing, distribution and manufacturing of consumer products	91,262	93,692	(2,430)	-3%
- Film exhibition and distribution	76,212	65,038	11,174	17%
- Environmental engineering, waste management and utilities	47,177	55,923	(8,746)	-16%
- Property investment and development	9,056	10,341	(1,285)	-12%
- Chemicals, Livestock, Investment and Other operations	96,060	92,944	3,116	3%
- Elimination	(39,010)	(41,092)	2,082	-5%
Total revenue	744,197	614,780	129,417	21%

	FY2011	FY2010	Variance	
	RM'000	RM'000	RM'000	%
<u>Revenue</u>				
- Grains trading, flour and feed milling	1,636,247	1,260,719	375,528	30%
- Marketing, distribution and manufacturing of consumer products	375,260	369,484	5,776	2%
- Film exhibition and distribution	283,274	252,554	30,720	12%
- Environmental engineering, waste management and utilities	154,372	108,739	45,633	42%
- Property investment and development	37,061	41,934	(4,873)	-12%
- Chemicals, Livestock, Investment and Other operations	383,684	390,639	(6,955)	-2%
- Elimination	(159,359)	(150,033)	(9,326)	6%
Total revenue	2,710,539	2,274,036	436,503	19%

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	4Q2011	4Q2010	Variance	
	RM'000	RM'000	RM'000	%
<u>Profit before tax</u>				
- Grains trading, flour and feed milling	28,987	52,717	(23,730)	-45%
- Marketing, distribution and manufacturing of consumer products	3,621	3,235	386	12%
- Film exhibition and distribution	6,855	10,616	(3,761)	-35%
- Environmental engineering, waste management and utilities	2,597	3,590	(993)	-28%
- Property investment and development	2,791	1,955	836	43%
- Chemicals, Livestock, Investment and Other operations	(4,682)	28,505	(33,187)	>-100%
- Elimination	(404)	(7,801)	7,397	-95%
Segment results	39,765	92,817	(53,052)	-57%
- Share of associates and joint venture's profits less losses	184,842	93,694	91,148	97%
- Interest income, finance costs and unallocated expenses	1,446	(602)	2,048	>100%
Total profit before tax	226,053	185,909	40,144	22%

	FY2011	FY2010	Variance	
	RM'000	RM'000	RM'000	%
<u>Profit before tax</u>				
- Grains trading, flour and feed milling	134,999	154,910	(19,911)	-13%
- Marketing, distribution and manufacturing of consumer products	19,403	16,044	3,359	21%
- Film exhibition and distribution	37,427	43,967	(6,540)	-15%
- Environmental engineering, waste management and utilities	9,785	5,480	4,305	79%
- Property investment and development	15,569	38,053	(22,484)	-59%
- Chemicals, Livestock, Investment and Other operations	12,316	103,205	(90,889)	-88%
- Elimination	(1,112)	(6,725)	5,613	-83%
Segment results	228,387	354,934	(126,547)	-36%
- Share of associates and joint venture's profits less losses	819,184	781,698	37,486	5%
- Interest income, finance costs and unallocated expenses	9,009	(5,146)	14,155	>100%
Total profit before tax	1,056,580	1,131,486	(74,906)	-7%

PPB GROUP BERHAD (8167-W)**Grains trading, flour and feed milling**

Revenue climbed 37% to RM463 million in 4Q2011 compared with 4Q2010 mainly due to the larger scale in grains trading which started in FY2011. The full year revenue for FY2011 was up 30% from RM1.3 billion to RM1.6 billion due to higher grains trading volume and higher flour sales.

Profit before tax was lower by 45% and 13% for 4Q2011 and FY2011 respectively due to lower margins as a result of higher raw material costs as compared with the previous corresponding quarter and financial year. Higher wheat costs coupled with intense local competition had affected the financial performance of the Group's flourmills. The Indonesian flourmill registered lower results despite an increase in flour sales because of a foreign exchange translation loss as opposed to a gain in the previous year.

Marketing, distribution and manufacturing of consumer products

The RM91 million revenue achieved in 4Q2011 was marginally lower but comparable with the RM94 million in 4Q2010. For the full year in FY2011, revenue increased by 2% to RM375 million from FY2010 due to increased sales.

The higher profit before tax recorded of RM3.6 million in 4Q2011 as compared with RM3.2 million in 4Q2010 was due to better profit margins while the improved profits in FY2011 of RM19 million from RM16 million in FY2010 was in line with the growth in revenue and better profit margins.

Film exhibition and distribution

Revenue increased by 17% to RM76 million in 4Q2011 compared with RM65 million in 4Q2010 due to higher cinema collections. For FY2011, revenue rose 12% to RM283 million from RM253 million in FY2010 as a result of improved cinema collections which was attributed to opening of new cinemas, stronger performance of existing cinemas and higher revenue from film distribution.

Profit before tax for 4Q2011 and FY2011 were down by 35% and 15% respectively due to higher film rental rates and staff costs for the cinema operations, film acquisition costs and one-off corporate expenditures incurred in the financial year.

Environmental engineering, waste management and utilities

Revenue reduced by 16% to RM47 million in 4Q2011 as compared with RM56 million in 4Q2010 mainly due to accelerated progress in the stages of completion in several environmental engineering projects during the previous period, where revenue had been progressively recognised. In 4Q2011, such projects have mostly been completed or were near completion. In FY2011, revenue was up by 42% to RM154 million from RM109 million due to the recognition of revenue from major projects secured during the financial year.

Profit before tax decreased to RM2.6 million in 4Q2011 from RM3.6 million in 4Q2010 due to higher profits recognised from several environmental engineering projects in the previous period. For FY2011, the higher profit before tax of RM9.8 million was in line with the higher revenue achieved.

PPB GROUP BERHAD (8167-W)**Property investment and development**

Revenue in 4Q2011 was 12% lower at RM9.1 million as compared with RM10.3 million in 4Q2010 as there were more property sales recognised in the previous corresponding quarter. The revenue for FY2011 was also lower at RM37 million as compared with RM42 million in FY2010 with lower property sales as there were no new projects launched in the financial year.

Profit before tax in 4Q2011 increased marginally to RM2.8 million mainly due to the upwards rental revision for the properties under management. For FY2011, the profit before tax was lower by 59% from RM38 million to RM16 million mainly due to a gain on disposal of investment properties of RM22 million in FY2010.

Chemicals trading and manufacturing, Livestock farming, Investments in equities and Other operations

Revenue was up by 3% in 4Q2011 mainly due to improved sales from the livestock farming division supported by better day-old chicks prices during the period. For FY2011, revenue was marginally down by 2% to RM384 million mainly due to the loss in revenue from an engineering services subsidiary that was disposed in FY2010 despite a higher revenue contribution from livestock farming division.

The loss before tax of RM4.7 million in 4Q2011 and the lower profit before tax of RM12.3 million in FY2011 were mainly due to a fair value adjustments in investments in equities, lower profits from the shipping division as a result of lower charter hire rates and loss of profit contribution from the disposed engineering services subsidiary.

Share of associates and joint venture's profits less losses

Wilmar International Limited ("Wilmar"), an associate of the Group contributed higher profits of RM178 million in 4Q2011 and RM790 million for FY2011 to the Group as compared with RM79 million in 4Q2010 and RM678 million for FY2010.

PPB GROUP BERHAD (8167-W)

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

	4Q2011	3Q2011	Variance	
	RM'000	RM'000	RM'000	%
<u>Profit before tax</u>				
- Grains trading, flour and feed milling	28,987	45,030	(16,043)	-36%
- Marketing, distribution and manufacturing of consumer products	3,621	6,861	(3,240)	-47%
- Film exhibition and distribution	6,855	9,186	(2,331)	-25%
- Environmental engineering, waste management and utilities	2,597	1,231	1,366	>100%
- Property investment and development	2,791	4,668	(1,877)	-40%
- Chemicals, Livestock, Investment and Other operations	(4,682)	(3,444)	(1,238)	36%
- Elimination	(404)	(890)	486	-55%
Segment results	39,765	62,642	(22,877)	-37%
- Share of associates and joint venture's profits less losses	184,842	186,328	(1,486)	-1%
- Interest income, finance costs and unallocated expenses	1,446	3,412	(1,966)	-58%
Total profit before tax	226,053	252,382	(26,329)	-10%

The total Group profit before tax for 4Q2011 of RM226 million was 10% lower than the RM252 million in 3Q2011. The reduction was mainly due to lower profit margins achieved in grains trading, flour and feed milling division; lower consumer products sales after the Hari-Raya festive season; lower distribution profits as a result of higher film acquisition costs and one-off corporate expenditures incurred in the film exhibition and distribution division; lower profits in the property division. Other operations registered a loss mainly due to the advertising and promotional expenses incurred in the frozen food and bakery operations.

The environmental engineering division however registered better results due to higher profits recognised from newly launched engineering projects in the quarter.

Wilmar contributed RM178 million in 4Q2011 which was marginally lower than RM179 million in 3Q2011.

B3. Prospects for the next financial year

The global economy in 2012 started off on an uncertain footing, carrying over the slowing consumer demand and the unresolved Eurozone problems of 2011. The weakened global market coupled with rising fuel costs, volatile commodity markets and foreign exchange rates will present challenges to the Group.

The Group's management are actively monitoring such challenges in order to implement appropriate measures to facilitate growth and continuation of the Group's businesses.

The Group's operations are mainly located in the ASEAN countries and in China, and it is anticipated that the domestic consumption in these countries would remain robust in 2012. The Group is optimistic that PPB Group would be able to generate a satisfactory set of results in 2012.

B4. Variance of actual profit from forecast profit

Not applicable.

PPB GROUP BERHAD (8167-W)

B5. Profit before tax

	Individual Quarter 3 months ended 31-Dec-11 RM'000	Cumulative Quarter 12 months ended 31-Dec-11 RM'000
Profit before tax is stated after crediting :-		
Dividend income	2,629	23,137
Fair value gain on derivatives	13,402	37,402
Foreign exchange gain	791	7,438
Gain on disposal of properties	-	291
Gain on disposal of quoted investments	202	857
Interest income	7,925	31,855
Rental income	1,606	3,797
Profit before tax is stated after charging :-		
Allowance for impairment and write off of receivables	(1,665)	(5,381)
Depreciation and amortisation	(37,971)	(94,428)
Fair value loss on derivatives	3,856	(1,513)
Foreign exchange loss	(6,783)	(12,161)
Inventories written down	(6,649)	(6,649)
Interest expense	(1,981)	(5,808)
Loss on disposal of quoted investments	(1,617)	(1,617)
Loss on financial assets at fair value through profit or loss	(896)	(10,520)

Other than the items highlighted above, there were no exceptional items for the current quarter and financial year ended 31 December 2011.

B6. Taxation

	Individual Quarter 3 months ended 31-Dec-11 RM'000	Cumulative Quarter 12 months ended 31-Dec-11 RM'000
Taxation comprises :-		
Malaysian taxation based on profit for the period		
Current	10,718	39,541
Deferred	2,888	9,257
	13,606	48,798
Foreign taxation		
Current	(786)	2,190
Deferred	199	199
	13,019	51,187
Under/(Over)provision		
Current	(159)	(4,609)
Deferred	881	(2,506)
	13,741	44,072

The effective tax rate is lower than the average statutory rate for the period mainly due to tax exempt income and utilisation of reinvestment allowances by certain subsidiaries.

PPB GROUP BERHAD (8167-W)

B7. Status of corporate proposals

On 2 December 2010, FFM Berhad (“FFM”), then a wholly-owned subsidiary of PPB entered into a subscription agreement with PGEO Group Sdn Bhd (“PGEO”), a 100% subsidiary of Wilmar International Limited (“Wilmar”) for the proposed issuance of 55,781,250 new ordinary shares of RM1 each in FFM to PGEO (“FFM Share Issuance”). The FFM Share Issuance was completed on 8 March 2011.

FFM had on 2 December 2010 also entered into a memorandum of understanding with Wilmar for the proposed acquisition by Waikari Sdn Bhd, a wholly-owned subsidiary of FFM, of 20% equity interests in selected subsidiaries of Wilmar in the People’s Republic of China. Waikari has entered into the respective agreements for the proposed acquisition of/subscription for 20% equity interest in the following entities :

Name of entity	Date of agreement	Status
1. Yihai Kerry (Quanzhou) Oils, Grains & Foodstuffs Industries Co, Ltd	30 November 2011	Completed on 20 January 2012
2. Yihai Kerry (Anyang) Foodstuffs Industries Co, Ltd	30 November 2011	Completed on 3 February 2012
3. Yihai (Chongqing) Foodstuffs Co, Ltd	5 December 2011	Completed on 29 December 2011
4. Yihai Kerry (Beijing) Oils, Grains & Foodstuffs Industries Co, Ltd	23 December 2011	Pending authority approval
5. Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co, Ltd	23 December 2011	Pending authority approval
6. Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co, Ltd	30 December 2011	Pending authority approval
7. Yihai (Zhoukou) Wheat Industries Co, Ltd	30 December 2011	Completed on 2 February 2012

B8. Group borrowings

Total Group borrowings as at 31 December 2011 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	49,234	49,234	-
Long term bank loans (RMB)	8,484	-	8,484
Hire purchase liabilities (SGD)	40	40	-
Repayments due within the next 12 months	(13,005)	(10,171)	(2,834)
	<u>44,753</u>	<u>39,103</u>	<u>5,650</u>
Short term bank borrowings			
Bills payable	35,063	-	35,063
Short term loans	1,150	-	1,150
Short term loans (USD)	162,333	-	162,333
Current portion of long term loans	12,990	10,156	2,834
Hire purchase liabilities (SGD)	15	15	-
	<u>211,551</u>	<u>10,171</u>	<u>201,380</u>
Bank overdrafts	1,599	-	1,599
	<u>213,150</u>	<u>10,171</u>	<u>202,979</u>

B9. Material litigation

There was no material litigation as at 22 February 2012.

PPB GROUP BERHAD (8167-W)

B10. Dividend

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2011 of 13 sen per share (2010 : 18 sen per share single tier) payable on Friday, 15 June 2012 subject to the approval of shareholders at the 43rd Annual General Meeting to be held on Thursday, 24 May 2012.

Together with the interim single tier dividend of 10 sen per share paid on 28 September 2011, the total dividend paid and payable for the financial year ended 31 December 2011 would be 23 sen per share single tier (2010 - Interim : 5 sen per share single tier; Final : 18 sen per share single tier; Special : 65 sen per share single tier).

Dividend entitlement/payment date

Notice is hereby given that, subject to shareholders' approval, the final dividend is payable on Friday, 15 June 2012 to shareholders whose names appear in the Record of Depositors at the close of business on Tuesday, 29 May 2012.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Tuesday, 29 May 2012 in respect of ordinary transfers, and
- (ii) Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of BMSB.

Dividends paid / payable

Dividends paid / payable for the financial years 2010/2011 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share (all single tier)	Date paid / payable
2010	Special dividend	65 sen	} 28 September 2010
2010	Interim dividend	5 sen	
2010	Final dividend	18 sen	10 June 2011
2011	Interim dividend	10 sen	28 September 2011
2011	Final dividend (proposed)	13 sen	15 June 2012

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 of the preceding annual financial statements.

PPB GROUP BERHAD (8167-W)**B13. Realised and unrealised profits/losses**

The retained profits of the Group are analysed as follows :-

	As at 31-Dec-11 RM'000	As at 31-Dec-10 RM'000 (Restated)
Total retained profits of the Company and its subsidiaries :-		
- Realised	11,950,131	11,596,784
- Unrealised	<u>(44,950)</u>	<u>(21,107)</u>
	11,905,181	11,575,677
Total share of retained profits from associates :-		
- Realised	81,735	71,892
- Unrealised	1,367	(1,992)
- Wilmar International Limited ("Wilmar") *	3,011,693	2,394,898
Total share of retained profits from jointly controlled entity :-		
- Realised	6,255	5,086
- Unrealised	<u>1,794</u>	<u>1,404</u>
	15,008,025	14,046,965
Less : consolidation adjustments	<u>(2,096,651)</u>	<u>(1,865,041)</u>
Total Group retained profits as per consolidated accounts	<u><u>12,911,374</u></u>	<u><u>12,181,924</u></u>

* *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 is considered sensitive information, it would not be appropriate for Wilmar to selectively disclose such information to any particular shareholder.*

Kuala Lumpur
29 February 2012

By Order of the Board
Mah Teck Keong
Company Secretary