

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER
ENDED 31 DECEMBER 2012

(The figures have not been audited)

Condensed Consolidated Income Statements For The Year Ended 31 December 2012

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 December		31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Revenue	782,623	744,197	3,017,926	2,710,539
Operating expenses	(724,695)	(728,669)	(2,881,010)	(2,566,174)
Other operating income	13,339	27,664	71,697	98,839
Share of net profits less losses of associates	261,782	182,989	712,545	814,620
Share of profit of jointly controlled entity	1,539	1,853	4,211	4,564
Finance costs	(3,267)	(1,981)	(8,555)	(5,808)
Profit before tax	331,321	226,053	916,814	1,056,580
Income tax expense	(17,220)	(13,741)	(48,617)	(44,072)
Profit for the period/year	<u>314,101</u>	<u>212,312</u>	<u>868,197</u>	<u>1,012,508</u>
Attributable to :				
Owners of the parent	305,994	209,303	842,152	980,372
Non-controlling interests	8,107	3,009	26,045	32,136
Profit for the period/year	<u>314,101</u>	<u>212,312</u>	<u>868,197</u>	<u>1,012,508</u>
Basic earnings per share (sen)	<u>25.81</u>	<u>17.66</u>	<u>71.04</u>	<u>82.70</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, 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 2012

	Individual Quarter		Cumulative Quarter	
	3 months ended		12 months ended	
	31 December		31 December	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	314,101	212,312	868,197	1,012,508
<u>Other comprehensive income/(loss), net of tax</u>				
Exchange differences on translation of foreign operations	(19,109)	(42,450)	(396,768)	283,305
Fair value of available-for-sale financial assets :-				
- Gains/(Losses) arising during the period/year	7,005	(61,819)	32,039	(351,625)
- Reclassification adjustments to profit or loss upon disposal	-	(201)	(67)	(857)
Share of associates' other comprehensive income/(loss)	39,780	44,220	(19,215)	104,953
Total comprehensive income	<u>341,777</u>	<u>152,062</u>	<u>484,186</u>	<u>1,048,284</u>
Attributable to :				
Owners of the parent	333,542	149,852	463,560	1,012,315
Non-controlling interests	8,235	2,210	20,626	35,969
Total comprehensive income	<u>341,777</u>	<u>152,062</u>	<u>484,186</u>	<u>1,048,284</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

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

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,095,882	1,017,844
Investment properties	222,224	214,695
Biological assets	2,760	2,600
Goodwill	74,615	74,617
Other intangible assets	2,026	1,398
Land held for property development	13,732	11,870
Investments in associates	11,293,797	11,040,554
Investment in jointly controlled entity	51,728	51,669
Other investments	617,709	598,567
Deferred tax assets	5,918	7,557
	<u>13,380,391</u>	<u>13,021,371</u>
Current Assets		
Inventories	476,227	474,159
Biological assets	14,268	16,860
Other intangible assets	11,636	12,013
Property development costs	29,338	43,736
Receivables	601,201	484,393
Derivative financial instruments	7,195	2,696
Cash, bank balances and deposits	1,050,084	1,134,522
	<u>2,189,949</u>	<u>2,168,379</u>
Non-current assets classified as held for sale	9,009	9,406
	<u>2,198,958</u>	<u>2,177,785</u>
TOTAL ASSETS	<u><u>15,579,349</u></u>	<u><u>15,199,156</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	13,085,875	12,876,111
Equity attributable to owners of the parent	<u>14,271,375</u>	<u>14,061,611</u>
Non-controlling interests	493,996	503,515
Total equity	<u><u>14,765,371</u></u>	<u><u>14,565,126</u></u>

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

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
Non-current Liabilities		
Long term borrowings	85,224	44,753
Deferred tax liabilities	70,923	79,800
	<u>156,147</u>	<u>124,553</u>
Current Liabilities		
Payables	319,566	287,981
Derivative financial instruments	35,475	4,264
Short term borrowings	288,610	213,150
Taxation	14,180	4,082
	<u>657,831</u>	<u>509,477</u>
Total liabilities	<u>813,978</u>	<u>634,030</u>
TOTAL EQUITY AND LIABILITIES	<u><u>15,579,349</u></u>	<u><u>15,199,156</u></u>
Net assets per share attributable to owners of the parent (RM)	<u>12.04</u>	<u>11.86</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2011, 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 2012

	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 2012												
At 1 January 2012	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	
Total comprehensive income	-	-	-	(322,380)	31,873	4,003	(92,088)	842,152	463,560	20,626	484,186	
Transfer of reserves	-	-	(410)	-	-	-	12,174	(11,764)	-	-	-	
Changes in equity interest in an associate	-	-	-	-	-	-	-	8,447	8,447	-	8,447	
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	(25,143)	(25,143)	(7,068)	(32,211)	
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	4,508	4,508	
Dividends	-	-	-	-	-	-	-	(237,100)	(237,100)	(27,585)	(264,685)	
At 31 December 2012	1,185,500	6,715	60,532	(952,538)	198,192	36,044	248,964	13,487,966	14,271,375	493,996	14,765,371	
12 months ended 31 December 2011												
At 1 January 2011	1,185,500	6,715	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)	-	-	-	
Changes in equity interest in a subsidiary	-	-	-	-	-	-	-	101,701	101,701	276,418	378,119	
Changes in equity interest in an associate	-	-	-	(157)	-	17	1,657	2,473	3,990	-	3,990	
Acquisition of additional shares in 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	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2011, 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 2012

Final

	12 months ended 31 December	
	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	916,814	1,056,580
Adjustments :-		
Non-cash items	(581,975)	(698,031)
Non-operating items	(36,481)	(52,981)
Operating profit before working capital changes	298,358	305,568
Working capital changes :-		
Net change in current assets	(150,506)	(262,222)
Net change in current liabilities	43,369	(1,825)
Cash generated from operations	191,221	41,521
Tax paid	(48,469)	(61,426)
Net cash generated from/(used in) operating activities	142,752	(19,905)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(181,210)	(151,580)
Proceeds from disposal of property, plant and equipment and investment properties	2,101	1,713
Purchase of investments	(120,791)	(39,469)
Proceeds from sale of investments	13,784	3,695
Dividends received	166,758	193,724
Interest received	28,213	31,610
Other investing activities	4,269	4,933
Net cash (used in)/generated from investing activities	(86,876)	44,626
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares by a subsidiary	4,508	378,715
Bank borrowings	131,534	140,256
Interest paid	(10,104)	(5,372)
Dividends paid	(264,685)	(344,597)
Other financing activities	2,038	15,987
Net cash (used in)/generated from financing activities	(136,709)	184,989
Net (decrease)/increase in cash and cash equivalents	(80,833)	209,710
Cash and cash equivalents brought forward	1,132,923	923,471
Effect of exchange rate changes	(2,396)	(258)
Cash and cash equivalents carried forward	1,049,694	1,132,923
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	93,433	85,877
Bank deposits	956,651	1,048,645
Bank overdrafts	(390)	(1,599)
	1,049,694	1,132,923

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2011, and the accompanying explanatory notes attached to this report.)

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 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 2011 except for the adoption of the following revised FRS, Amendments to FRS and IC Interpretation that are effective for financial periods beginning on or after 1 July 2011 or 1 January 2012 :-

FRS 124	Related Party Disclosures (revised)
Amendments to FRS 7	Disclosures - Transfer of Financial Assets
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above revised FRS, Amendments to FRS and IC Interpretation does not have any significant financial impact on the Group.

Malaysian Financial Reporting Standards ("MFRS")

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB-approved accounting framework, the MFRS.

The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 - Agriculture and IC Interpretation 15 - Agreements for Construction of Real Estate, including the entities' parent, significant investor and venturer (herein referred to as "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS framework and continue to use the existing FRS framework. The adoption of the MFRS framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS framework to 1 January 2014. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 December 2014.

A2. Seasonality 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 financial 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.

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-12 RM'000	Cumulative Quarter 12 months ended 31-Dec-12 RM'000
<u>Dividends paid on ordinary shares</u>		
FY2011 : Final dividend - 13 sen per share single tier	-	154,115
FY2012 : Interim dividend - 7 sen per share single tier	-	82,985
	<u>-</u>	<u>237,100</u>

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2012

	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	1,751,745	388,579	289,681	155,129	79,081	89,287	58,796	11,934	193,694	-	3,017,926
Inter-segment sales	95,822	4	-	59	1,683	26,943	18,826	-	14,700	(158,037)	-
Total revenue	1,847,567	388,583	289,681	155,188	80,764	116,230	77,622	11,934	208,394	(158,037)	3,017,926
RESULTS											
Segment results	122,386	19,521	39,788	9,476	22,291	1,757	(29,296)	13,498	(1,723)	334	198,032
Share of associates' profits less losses	13,426	-	607	2,877	1,677	-	-	-	693,958	-	712,545
Share of joint venture's profit	-	-	-	4,211	-	-	-	-	-	-	4,211
Interest income											30,005
Finance costs											(8,555)
Unallocated corporate expenses											(19,424)
Profit before tax											916,814
ASSETS											
Segment assets	1,282,686	193,099	242,835	71,224	302,641	54,100	110,104	617,710	363,930	(31)	3,238,298
Investments in associates	180,683	-	3,828	34,766	115,015	-	-	-	10,959,505	-	11,293,797
Investment in jointly controlled entity	-	-	-	51,728	-	-	-	-	-	-	51,728
Bank deposits											956,651
Taxation											27,141
Other unallocated corporate assets											11,734
Total assets											15,579,349

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 14 February 2012, PPB Leisure Holdings Sdn Bhd ("PPBL"), a wholly-owned subsidiary of PPB completed the acquisition of the remaining 3,643,828 ordinary shares of RM1 each in Cathay Screen Cinemas Sdn Bhd ("CSC"), then an existing 68.3% subsidiary of PPBL, for a cash consideration of RM32.2 million. Pursuant to this acquisition, CSC has become a wholly-owned subsidiary of PPBL.
- b) On 22 February 2012, the investment certificate in respect of VFM-Wilmar Flour Mills Company Limited ("VFM-Wilmar") was issued by the relevant authority in the Socialist Republic of Vietnam. Glowland Limited, a wholly-owned subsidiary of FFM Berhad (an 80%-subsidiary of PPB) has 51% interest in the charter capital of VFM-Wilmar. Arising therefrom, VFM-Wilmar has become an indirect 51%-owned subsidiary of PPB.
- c) On 27 September 2012, Kerry Utilities Limited ("KUL"), a dormant indirect 50%-subsidiary of PPB, received approval from the Registrar of Companies in Hong Kong for the deregistration of the company.
- d) On 23 November 2012, Cipta Quantum Sdn Bhd, an indirect wholly-owned subsidiary of PPB which had ceased business operations, commenced a members' voluntary winding up pursuant to Section 254(1)(b) of the Companies Act 1965 ("Act"). The winding up is in progress.
- e) On 18 December 2012, Resolute Services Sdn Bhd and Katella Sdn Bhd, both indirect 80%-owned subsidiaries of PPB which had ceased business operations, applied separately to the Companies Commission of Malaysia ("CCM") to strike off their names from the Register pursuant to Section 308(1) of the Act. The applications are in progress.
- f) On 28 December 2012, Federal Flour Mills Holdings Sdn Bhd, a direct wholly-owned subsidiary of PPB which had been dormant since incorporation, applied to the CCM to strike off its name from the Register pursuant to Section 308(1) of the Act. The application is in progress.
- g) On 28 December 2012, Cloverdale Trading Pte Ltd, an indirect 80%-owned subsidiary of PPB which had ceased business operations, applied to the Accounting and Corporate Regulatory Authority in Singapore to strike off its name from the Register pursuant to Section 344 of the Companies Act, Cap.50. The application is in progress.

A10. Changes in contingent liabilities or contingent assets

There were no contingent assets at the end of the current financial year. There is a contingent liability of RM16.6 million arising from a warranty given to a purchaser of one of the Group's investments.

B. BMSB Listing Requirements (Part A of Appendix 9B)**B1. Analysis of performance for the financial period to-date**

Group revenue grew by 5% to RM783 million in 4Q2012, culminating in a full year revenue of RM3.02 billion which represents an 11% growth in FY2012. This was primarily driven by the higher revenue generated from the grains trading, flour and feed milling segment. The property segment's revenue also rose significantly from sales of high-end residential properties in Bukit Segar, Kuala Lumpur and Taman Tanah Aman, Seberang Prai Tengah. With the exception of chemical, livestock and investments segments, most of the other segments recorded higher revenue for FY2012.

The Group registered an increase in profit before tax from RM226 million in 4Q2011 to RM331 million in 4Q2012, largely attributed to higher profit contribution from an associate, Wilmar International Limited ("Wilmar") and the improved performance by the grains trading, flour and feed milling segment. For FY2012, Group profit before tax declined by 13% to RM917 million as compared with RM1.06 billion recorded in FY2011 due mainly to lower profit contribution from Wilmar in the first two quarters of 2012 and losses incurred in the livestock farming segment.

Group financial performance by business segment

	4Q2012	4Q2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Grains trading, flour and feed milling	477,411	463,440	13,971	3%
- Marketing, distribution and manufacturing of consumer products	94,227	91,262	2,965	3%
- Film exhibition and distribution	77,456	76,212	1,244	2%
- Environmental engineering, waste management and utilities	48,987	47,177	1,810	4%
- Property investment and development	14,411	9,056	5,355	59%
- Chemicals, Livestock, Investments and Other operations	107,672	96,060	11,612	12%
- Elimination	(37,541)	(39,010)	1,469	4%
Total revenue	782,623	744,197	38,426	5%

	FY2012	FY2011	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Grains trading, flour and feed milling	1,847,567	1,636,247	211,320	13%
- Marketing, distribution and manufacturing of consumer products	388,583	375,260	13,323	4%
- Film exhibition and distribution	289,681	283,274	6,407	2%
- Environmental engineering, waste management and utilities	155,188	154,372	816	1%
- Property investment and development	80,764	37,061	43,703	>100%
- Chemicals, Livestock, Investments and Other operations	414,180	383,684	30,496	8%
- Elimination	(158,037)	(159,359)	1,322	1%
Total revenue	3,017,926	2,710,539	307,387	11%

	4Q2012	4Q2011	Variance	
	RM'000	RM'000	RM'000	%
Profit before tax				
- Grains trading, flour and feed milling	52,636	28,987	23,649	82%
- Marketing, distribution and manufacturing of consumer products	5,846	3,621	2,225	61%
- Film exhibition and distribution	11,372	6,855	4,517	66%
- Environmental engineering, waste management and utilities	(457)	2,597	(3,054)	>-100%
- Property investment and development	525	2,791	(2,266)	-81%
- Chemicals, Livestock, Investments and Other operations	(2,401)	(4,682)	2,281	49%
- Elimination	683	(404)	1,087	>100%
Segment results	68,204	39,765	28,439	72%
- Share of associates and joint venture's profits less losses	263,321	184,842	78,479	42%
- Interest income, finance costs and unallocated expenses	(204)	1,446	(1,650)	>-100%
Total profit before tax	331,321	226,053	105,268	47%

	FY2012	FY2011	Variance	
	RM'000	RM'000	RM'000	%
Profit before tax				
- Grains trading, flour and feed milling	122,386	134,999	(12,613)	-9%
- Marketing, distribution and manufacturing of consumer products	19,521	19,403	118	1%
- Film exhibition and distribution	39,788	37,427	2,361	6%
- Environmental engineering, waste management and utilities	9,476	9,785	(309)	-3%
- Property investment and development	22,291	15,569	6,722	43%
- Chemicals, Livestock, Investments and Other operations	(15,764)	12,316	(28,080)	>-100%
- Elimination	334	(1,112)	1,446	>100%
Segment results	198,032	228,387	(30,355)	-13%
- Share of associates and joint venture's profits less losses	716,756	819,184	(102,428)	-13%
- Interest income, finance costs and unallocated expenses	2,026	9,009	(6,983)	-78%
Total profit before tax	916,814	1,056,580	(139,766)	-13%

Grains trading, flour and feed milling

Revenue increased by 3% to RM477 million in 4Q2012 and 13% to RM1.85 billion for FY2012, primarily driven by higher feed sales volume in Malaysia as well as increased flour sales volume in Vietnam and Indonesia.

The segment reported higher profits of RM53 million in 4Q2012 compared with RM29 million in 4Q2011 due to favourable grains trading performance in the quarter. Compared with FY2011, profit before tax decreased by 9% to RM122 million in FY2012. Despite higher profits generated by increased feed sales volume, the profits were partly offset by the unfavourable grains trading results in the third quarter of 2012.

Marketing, distribution and manufacturing of consumer products

Segment revenue rose by a marginal 3% to RM94 million in 4Q2012, and 4% to RM389 million for FY2012 mainly due to increased sales from new agency products.

Profit before tax was up by 61% to RM5.8 million in 4Q2012 compared with RM3.6 million in 4Q2011 mainly due to lower advertising and promotional expenses in the quarter. The segment achieved a profit before tax for FY2012 of RM19.5 million, an increase of 1% over the RM19.4 million earned in FY2011.

Film exhibition and distribution

Segment revenue grew by 2% for the quarter under review to RM77 million and by 2% to RM290 million for FY2012. The growth in revenue was largely attributed to four new cinemas which opened during the year as well as the higher income generated from screen advertising.

Profit before tax surged 66% to RM11 million in 4Q2012 and 6% to RM40 million for FY2012 driven by higher profits from the cinemas operations and increase in screen advertising income.

Environmental engineering, waste management and utilities

The segment registered a small increase in revenue to RM49 million in 4Q2012 and RM155 million in FY2012 as compared to the corresponding periods in 2011. This was mainly from the recognition of progressive revenue generated by a new project.

The segment reported a loss before tax in 4Q2012 of RM457,000 and a lower profit before tax in FY2012 of RM9.5 million. The weaker performance was mainly due to completion of environmental engineering projects with higher margins whereby the revenue and profits were progressively recognised in the previous quarters. In 4Q2012, there was an additional cost accrued for rectification works on a completed project.

Property investment and development

Segment revenue rose to RM14 million in 4Q2012 from RM9 million in 4Q2011 and increased to RM81 million in FY2012 from RM37 million the previous year, bolstered by the sales of high-end bungalows in Bukit Segar, Kuala Lumpur and semi-detached houses in Taman Tanah Aman, Seberang Prai Tengah.

Profit before tax for 4Q2012 was RM0.5 million compared with RM2.8 million in 4Q2011. The decrease in profits was mainly due to higher property development expenditure incurred in the quarter. For FY2012, profit before tax was up 43% to RM22 million compared with RM16 million last year as a result of the sales of high-end properties in FY2012.

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

The combined revenue from these segments saw an increase of 12% in 4Q2012 to RM108 million compared with RM96 million in 4Q2011. Revenue for FY2012 increased by 8% to RM414 million compared with RM384 million for FY2011. This was mainly attributable to a full year revenue contribution from the bakery segment compared to 6 months in 2011 coupled with the expansion of distribution coverage for bakery products within Peninsular Malaysia. The increase was however partially offset by reduced revenue from the livestock and investments segments as a result of depressed selling prices of day-old chicks and eggs, and lower income from investments in equities, respectively.

The depressed farm product prices resulted in the livestock farming segment incurring a loss of RM10 million in the current quarter and RM29 million for FY2012 as compared with a profit of RM2.6 million in 4Q2011 and RM12.7 million for FY2011.

Whilst some of the segments delivered profitable results, the combined segment profit before tax were mainly offset by the losses from livestock, which led to the loss before tax of RM2.4 million in 4Q2012 and RM15.8 million for FY2012.

Share of associates and joint venture's profits less losses

Wilmar contributed a higher profit to the Group of RM254 million in 4Q2012 compared with RM178 million in 4Q2011. The higher profit was driven by better performance in most of Wilmar's key business segments with the exception of plantations and palm oil mills, which recorded lower profits.

For FY2012, Wilmar contributed a lower profit of RM694 million compared with RM790 million for FY2011. Despite the stronger performance from its palm and laurics, consumer products and sugar segments, lower profits were reported in oilseeds and grains and plantations and palm oil mills segments.

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

	4Q2012	3Q2012	Variance	
	RM'000	RM'000	RM'000	%
<u>Profit before tax</u>				
- Grains trading, flour and feed milling	52,636	3,790	48,846	>100%
- Marketing, distribution and manufacturing of consumer products	5,846	4,978	868	17%
- Film exhibition and distribution	11,372	8,857	2,515	28%
- Environmental engineering, waste management and utilities	(457)	4,864	(5,321)	>-100%
- Property investment and development	525	8,740	(8,215)	-94%
- Chemicals, Livestock, Investments and Other operations	(2,401)	(4,975)	2,574	52%
- Elimination	683	(92)	775	>100%
Segment results	68,204	26,162	42,042	>100%
- Share of associates and joint venture's profits less losses	263,321	237,207	26,114	11%
- Interest income, finance costs and unallocated expenses	(204)	(1,432)	1,228	86%
Total profit before tax	331,321	261,937	69,384	26%

Compared with the preceding quarter, the Group's profit before tax for 4Q2012 was higher at RM331 million mainly attributed to the favourable grains trading performance and higher profit contribution from Wilmar. Whilst higher profits were recorded in some of the Group's business segments, the Group's overall results in this quarter was trimmed by lower profits from the environmental engineering and property development segments as well as the losses incurred by the livestock farming business.

B3. Prospects for the next financial year

While the overall global economic uncertainty continues to be a concern in the coming year, the economies of the emerging markets including China and India are expected to remain resilient, partly supported by domestic consumption.

As the Group's business divisions are predominantly within the ASEAN region and China, it is anticipated that they will perform well in financial year 2013. Notwithstanding this, the Group's overall financial results for 2013 will continue to hinge largely on Wilmar's business performance for the coming year.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before tax

	Individual Quarter 3 months ended 31-Dec-12 RM'000	Cumulative Quarter 12 months ended 31-Dec-12 RM'000
Profit before tax is stated after crediting :-		
Dividend income	2,318	11,934
Fair value gain on derivatives	(11)	87
Foreign exchange gain	(2,505)	9,710
Gain on disposal of properties	558	792
Gain on disposal of quoted investments	849	1,040
Interest income	7,391	30,005
Rental income	860	3,097
Impairment of investment property written back	44	44
Gain on financial assets at fair value through profit or loss	227	227
Profit before tax is stated after charging :-		
Allowance for impairment and write off of receivables	(548)	(1,817)
Depreciation and amortisation	(38,110)	(102,795)
Fair value loss on derivatives	27,552	(13,560)
Foreign exchange loss	(818)	(20,850)
Inventories written down	(1,756)	(1,756)
Biological assets written down	(3,440)	(3,440)
Impairment of property, plant and equipment	(1,060)	(1,060)
Interest expense	(3,267)	(8,555)
Loss on financial assets at fair value through profit or loss	1,552	-

Other than the items highlighted above, there were no exceptional items for the current quarter and financial year ended 31 December 2012.

B6. Taxation

	Individual Quarter 3 months ended 31-Dec-12 RM'000	Cumulative Quarter 12 months ended 31-Dec-12 RM'000
Taxation comprises :-		
Malaysian taxation based on profit for the period/year		
Current	17,133	50,231
Deferred	933	(4,018)
	18,066	46,213
Foreign taxation		
Current	254	1,967
Deferred	(355)	(270)
	17,965	47,910
Under/(Over)provision		
Current	217	3,780
Deferred	(962)	(3,073)
	17,220	48,617

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

B7. Status of corporate proposals

- a) FFM Berhad ("FFM"), an 80%-subsidiary of PPB, had on 2 December 2010 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 nine entities which have all been completed as follows :-

Name of entity	Date of agreements	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	Completed on 20 July 2012
5. Yihai Kerry (Shenyang) Oils, Grains & Foodstuffs Industries Co., Ltd	23 December 2011	Completed on 26 June 2012
6. Dongguan Yihai Kerry Oils, Grains & Foodstuffs Industries Co., Ltd	30 December 2011	Completed on 24 May 2012
7. Yihai (Zhoukou) Wheat Industries Co., Ltd	30 December 2011	Completed on 2 February 2012
8. Yihai Kerry (Kunshan) Foodstuffs Industries Co., Ltd	22 June 2012	Completed on 8 January 2013
9. Yihai Kerry (Zhengzhou) Foodstuffs Industries Co., Ltd	13 August 2012	Completed on 20 November 2012

B8. Group borrowings

Total Group borrowings as at 31 December 2012 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	92,304	92,304	-
Long term bank loans (RMB)	5,515	-	5,515
Hire purchase liabilities (SGD)	26	26	-
Repayments due within the next 12 months	(12,621)	(9,854)	(2,767)
	<u>85,224</u>	<u>82,476</u>	<u>2,748</u>
Short term bank borrowings			
Bills payable	139,878	-	139,878
Short term loans	2,300	-	2,300
Short term loans (USD)	133,421	-	133,421
Current portion of long term loans	12,607	9,840	2,767
Hire purchase liabilities (SGD)	14	14	-
	<u>288,220</u>	<u>9,854</u>	<u>278,366</u>
Bank overdrafts	390	-	390
	<u>288,610</u>	<u>9,854</u>	<u>278,756</u>

B9. Material litigation

There was no material litigation as at 20 February 2013.

B10. Dividends

The Board of Directors is pleased to recommend a final single tier dividend for the financial year ended 31 December 2012 of 13 sen per share (2011 : 13 sen per share single tier) payable on Monday, 3 June 2013 subject to the approval of shareholders at the 44th Annual General Meeting to be held on Tuesday, 14 May 2013.

Together with the interim single tier dividend of 7 sen per share paid on 28 September 2012, the total dividend paid and payable for the financial year ended 31 December 2012 would be 20 sen per share single tier (2011 - Interim : 10 sen per share single tier; Final : 13 sen per share single tier).

Dividend entitlement/payment date

Notice is hereby given that, subject to shareholders' approval, the final dividend is payable on Monday, 3 June 2013 to shareholders whose names appear in the Record of Depositors at the close of business on Friday, 17 May 2013.

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

- (i) Shares transferred into the Depositor's securities account before 4.00 pm on Friday, 17 May 2013 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 for the financial year 2011 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share (all single tier)	Date paid/payable
2011	Interim dividend	10 sen	28 September 2011
2011	Final dividend	13 sen	15 June 2012
2012	Interim dividend	7 sen	28 September 2012
2012	Final dividend (proposed)	13 sen	3 June 2013

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.

B13. Realised and unrealised profits/losses

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

	As at 31-Dec-12 RM'000	As at 31-Dec-11 RM'000
Total retained profits of the Company and its subsidiaries :-		
- Realised	12,021,168	11,953,392
- Unrealised	<u>(76,843)</u>	<u>(44,950)</u>
	11,944,325	11,908,442
Total share of retained profits from associates :-		
- Realised	96,022	81,735
- Unrealised	2,289	1,367
- Wilmar International Limited ("Wilmar") *	3,555,328	3,011,693
Total share of retained profits from jointly controlled entity :-		
- Realised	<u>5,862</u>	<u>4,788</u>
	15,603,826	15,008,025
Less : consolidation adjustments	<u>(2,115,860)</u>	<u>(2,096,651)</u>
Total Group retained profits as per consolidated accounts	<u><u>13,487,966</u></u>	<u><u>12,911,374</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
27 February 2013

By Order of the Board
Mah Teck Keong
Company Secretary