

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2013

(The figures have not been audited)

Condensed Consolidated Income Statements For The Period Ended 31 March 2013

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	763,846	696,955	763,846	696,955
Operating expenses	(738,577)	(673,496)	(738,577)	(673,496)
Other operating income	41,678	36,228	41,678	36,228
Share of net profits less losses of associates	191,223	141,642	191,223	141,642
Share of profit of jointly controlled entity	826	865	826	865
Finance costs	(2,680)	(2,540)	(2,680)	(2,540)
Profit before tax	256,316	199,654	256,316	199,654
Income tax expense	(13,882)	(13,467)	(13,882)	(13,467)
Profit for the period	<u>242,434</u>	<u>186,187</u>	<u>242,434</u>	<u>186,187</u>
Attributable to :				
Owners of the parent	236,343	178,504	236,343	178,504
Non-controlling interests	6,091	7,683	6,091	7,683
Profit for the period	<u>242,434</u>	<u>186,187</u>	<u>242,434</u>	<u>186,187</u>
Basic earnings per share (sen)	<u>19.94</u>	<u>15.06</u>	<u>19.94</u>	<u>15.06</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2012, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statement Of Comprehensive Income
For The Period Ended 31 March 2013

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	242,434	186,187	242,434	186,187
<u>Other comprehensive income/(loss), net of tax</u>				
Exchange differences on translation of foreign operations	105,999	(364,127)	105,999	(364,127)
Fair value of available-for-sale financial assets :-				
- Gains arising during the period	27,895	105,122	27,895	105,122
- Reclassification adjustments to profit or loss upon disposal	(15,648)	(67)	(15,648)	(67)
Share of associates' other comprehensive income/(loss)	17,927	(50,048)	17,927	(50,048)
Total comprehensive income/(loss)	<u>378,607</u>	<u>(122,933)</u>	<u>378,607</u>	<u>(122,933)</u>
Attributable to :				
Owners of the parent	370,693	(126,595)	370,693	(126,595)
Non-controlling interests	7,914	3,662	7,914	3,662
Total comprehensive income/(loss)	<u>378,607</u>	<u>(122,933)</u>	<u>378,607</u>	<u>(122,933)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2012, and the accompanying explanatory notes attached to this report.)

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

	As at 31-Mar-13 RM'000	As at 31-Dec-12 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,117,358	1,095,882
Investment properties	221,436	222,224
Biological assets	2,768	2,760
Goodwill	74,615	74,615
Other intangible assets	2,074	2,026
Land held for property development	14,708	13,732
Investments in associates	11,620,140	11,293,797
Investment in jointly controlled entity	51,531	51,728
Other investments	624,475	617,709
Deferred tax assets	6,171	5,918
	<u>13,735,276</u>	<u>13,380,391</u>
Current Assets		
Inventories	473,778	476,227
Biological assets	15,138	14,268
Other intangible assets	8,167	11,636
Property development costs	30,471	29,338
Receivables	571,094	601,201
Derivative financial instruments	2,260	7,195
Cash, bank balances and deposits	1,031,649	1,050,084
	<u>2,132,557</u>	<u>2,189,949</u>
Non-current assets classified as held for sale	9,009	9,009
	<u>2,141,566</u>	<u>2,198,958</u>
TOTAL ASSETS	<u><u>15,876,842</u></u>	<u><u>15,579,349</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	13,456,568	13,085,875
Equity attributable to owners of the parent	<u>14,642,068</u>	<u>14,271,375</u>
Non-controlling interests	512,842	493,996
Total equity	<u><u>15,154,910</u></u>	<u><u>14,765,371</u></u>

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

	As at 31-Mar-13 RM'000	As at 31-Dec-12 RM'000
Non-current Liabilities		
Long term borrowings	88,400	85,224
Deferred tax liabilities	73,416	70,923
	161,816	156,147
Current Liabilities		
Payables	316,636	319,566
Derivative financial instruments	10,286	35,475
Short term borrowings	217,594	288,610
Taxation	15,600	14,180
	560,116	657,831
Total liabilities	721,932	813,978
TOTAL EQUITY AND LIABILITIES	15,876,842	15,579,349
Net assets per share attributable to owners of the parent (RM)	12.35	12.04

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2012, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statement Of Changes In Equity For The Period Ended 31 March 2013

3 months ended 31 March 2013

At 1 January 2013
 Total comprehensive income
 Transfer of reserves
 Issue of shares to non-controlling interests
 At 31 March 2013

	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				
	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	
	-	-	-	103,981	12,219	4,463	13,687	236,343	370,693	7,914	378,607	
	-	-	(1,953)	-	-	-	1,175	778	-	-	-	
	-	-	-	-	-	-	-	-	-	10,932	10,932	
	1,185,500	6,715	58,579	(848,557)	210,411	40,507	263,826	13,725,087	14,642,068	512,842	15,154,910	
	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	
	-	-	-	(306,243)	105,043	(34,104)	(69,795)	178,504	(126,595)	3,662	(122,933)	
	-	-	(68)	-	-	-	(2,304)	2,372	-	-	-	
	-	-	-	-	-	-	-	(25,143)	(25,143)	(7,068)	(32,211)	
	1,185,500	6,715	60,874	(936,401)	271,362	(2,063)	256,779	13,067,107	13,909,873	500,109	14,409,982	

3 months ended 31 March 2012

At 1 January 2012
 Total comprehensive income
 Transfer of reserves
 Acquisition of additional shares in an existing subsidiary
 At 31 March 2012

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2012, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statement Of Cash Flows
For The Period Ended 31 March 2013

Final

	3 months ended 31 March	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	256,316	199,654
Adjustments :-		
Non-cash items	(195,947)	(128,723)
Non-operating items	(5,068)	(6,201)
Operating profit before working capital changes	55,301	64,730
Working capital changes :-		
Net change in current assets	30,512	34,618
Net change in current liabilities	(5,242)	(14,133)
Cash generated from operations	80,571	85,215
Tax paid	(14,167)	(7,749)
Net cash generated from operating activities	66,404	77,466
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(41,940)	(30,568)
Proceeds from disposal of property, plant and equipment and investment properties	414	622
Purchase of investments	(31,320)	(54,390)
Proceeds from sale of investments	21,273	1,747
Dividends received	17,217	596
Interest received	7,637	7,544
Other investing activities	2,300	(528)
Net cash used in investing activities	(24,419)	(74,977)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares by a subsidiary	10,932	-
Bank borrowings	(68,345)	(94,807)
Interest paid	(3,980)	(3,855)
Other financing activities	162	387
Net cash used in financing activities	(61,231)	(98,275)
Net decrease in cash and cash equivalents	(19,246)	(95,786)
Cash and cash equivalents brought forward	1,049,694	1,132,923
Effect of exchange rate changes	466	(2,038)
Cash and cash equivalents carried forward	1,030,914	1,035,099
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	145,887	110,930
Bank deposits	885,762	925,348
Bank overdrafts	(735)	(1,179)
	1,030,914	1,035,099

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2012, 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 2012 except for the adoption of the following new/revised FRSs, Amendments to FRSs and Improvements to FRSs that are effective for financial periods beginning on or after 1 March 2012, 1 July 2012 or 1 January 2013 :-

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosures of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119	Employee Benefits (revised)
FRS 127	Separate Financial Statements
FRS 128	Investment in Associates and Joint Ventures
Amendments to FRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 7	Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to FRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosures
Amendments to FRS 10, FRS 11 and FRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRS 101 Improvements to FRSs (2012)	Presentation of Items of Other Comprehensive Income

The adoption of the above new/revised FRSs, Amendments to FRSs and Improvements to FRSs 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 period 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 period to-date.

A6. Dividends paid

There was no dividend paid during the financial period under review.

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 31 March 2013

	Flour and feed milling, and grains trading	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	462,142	95,140	80,150	23,419	10,582	20,856	20,062	19	51,476	-	763,846
Inter-segment sales	24,791	-	-	-	213	6,413	-	-	3,703	(35,120)	-
Total revenue	486,933	95,140	80,150	23,419	10,795	27,269	20,062	19	55,179	(35,120)	763,846
RESULTS											
Segment results	31,229	4,714	11,282	623	4,881	807	(4,703)	15,818	1,549	(130)	66,070
Share of associates' profits less losses	4,842	-	166	813	1,411	-	-	-	183,991	-	191,223
Share of joint venture's profit	-	-	-	826	-	-	-	-	-	-	826
Interest income											6,879
Finance costs											(2,680)
Unallocated corporate expenses											(6,002)
Profit before tax											256,316
ASSETS											
Segment assets	1,317,416	198,871	249,063	53,262	306,914	52,268	111,224	623,340	363,160	(60)	3,275,458
Investments in associates	217,186	-	3,994	34,551	117,326	-	-	-	11,247,083	-	11,620,140
Investment in jointly controlled entity	-	-	-	51,531	-	-	-	-	-	-	51,531
Bank deposits											885,762
Taxation											31,318
Other unallocated corporate assets											12,633
Total assets											15,876,842

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 31 January 2013, Kerry Golden Screens Limited, an indirect 60%-owned subsidiary of PPB, applied to the Registrar of Companies in Hong Kong for dissolution pursuant to Section 291AA of the Hong Kong Companies Ordinance. The application is in progress.

A10. Changes in contingent liabilities or contingent assets

There were no contingent assets and contingent liabilities at the end of the current financial period.

The previously reported contingent liability of RM16.6 million arising from a warranty given to a purchaser of one of the Group's investments has been finalised at RM1.9 million and recognised as a liability in the current financial period.

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

Group revenue grew by 10% to RM764 million in 1Q2013 compared with RM697 million in 1Q2012. This was primarily driven by the higher revenue generated from the flour and feed milling, and grains trading segment. Most of the other segments recorded higher revenue with the exception of the consumer products, environmental engineering and property segments.

The Group profit before tax achieved in 1Q2013 of RM256 million was 28% higher compared with RM200 million in 1Q2012, mainly attributed to higher profit contribution from an associate, Wilmar International Limited ("Wilmar") and the gain on acceptance of the take-over offer for the Group's remaining Tradewinds (M) Berhad ("Tradewinds") shares.

Group financial performance by business segment

	1Q2013	1Q2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Flour and feed milling, and grains trading	486,933	436,086	50,847	12%
- Marketing, distribution and manufacturing of consumer products	95,140	96,923	(1,783)	(2%)
- Film exhibition and distribution	80,150	68,887	11,263	16%
- Environmental engineering, waste management and utilities	23,419	29,799	(6,380)	(21%)
- Property investment and development	10,795	19,665	(8,870)	(45%)
- Chemicals, Livestock, Investments and Other operations	102,529	84,535	17,994	21%
- Elimination	(35,120)	(38,940)	3,820	10%
Total revenue	763,846	696,955	66,891	10%

	1Q2013	1Q2012	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Flour and feed milling, and grains trading	31,229	43,583	(12,354)	(28%)
- Marketing, distribution and manufacturing of consumer products	4,714	4,326	388	9%
- Film exhibition and distribution	11,282	8,243	3,039	37%
- Environmental engineering, waste management and utilities	623	925	(302)	(33%)
- Property investment and development	4,881	5,905	(1,024)	(17%)
- Chemicals, Livestock, Investments and Other operations	13,471	(7,397)	20,868	>100%
- Elimination	(130)	386	(516)	>(100%)
Total segment results	66,070	55,971	10,099	18%
- Share of associates and joint venture's profits less losses	192,049	142,507	49,542	35%
- Interest income, finance costs and unallocated expenses	(1,803)	1,176	(2,979)	>(100%)
Total profit before tax	256,316	199,654	56,662	28%

Flour and feed milling, and grains trading

Revenue increased by 12% to RM487 million in 1Q2013 compared with RM436 million in the corresponding period last year. This was mainly attributed to higher sales volume and feed prices in Malaysia, increased flour sales volume in Vietnam and higher selling prices of flour in Indonesia.

The segment reported lower profits of RM31 million in 1Q2013 compared with RM44 million in 1Q2012 mainly due to higher raw material cost and less favourable grains trading condition.

Marketing, distribution and manufacturing of consumer products

Segment revenue achieved in 1Q2013 of RM95 million was slightly lower than that of the corresponding quarter in 2012. Despite the sales increase in some major lines of consumer products, revenue has reduced as all eggs are now sold directly under the livestock farming division.

However, segment profit was up by 9% to RM4.7 million in 1Q2013 compared with RM4.3 million in 1Q2012 mainly attributed to improved sales in agency products with better profit margins.

Film exhibition and distribution

Segment revenue grew by 16% in 1Q2013 to RM80 million compared to RM69 million a year ago. The growth in revenue was mainly contributed by the four new cinemas opened in 2012 and a new cinema opened during the quarter. Film distribution income was significantly higher due to the box office success of a major movie and the Chinese New Year festive period in 2013.

Segment profit surged 37% to RM11 million in 1Q2013 compared with RM8 million in the same quarter last year in line with the higher contributions from film distribution and cinema operations.

Environmental engineering, waste management and utilities

The segment posted lower revenue of RM23 million in 1Q2013 compared with RM30 million in 1Q2012. This was mainly due to some of the environmental engineering projects being at completion stage in the quarter where revenue had been progressively recognised in the previous quarters.

The segment reported a lower profit in 1Q2013 of RM623,000 compared with RM925,000 in the previous corresponding quarter. In 1Q2012, there was a bad debt recovery of RM0.5 million. Excluding this debt recovery, the segment registered an increased profit in 1Q2013 from the completion of environmental engineering projects with higher margins.

Property investment and development

In the current quarter, segment revenue was mainly derived from rental income of Group properties. The higher rental rates from renewal of tenancies at these properties contributed to the improved segment revenue in the quarter. The property development operations registered lower revenue as compared with the significant revenue recognised in 1Q2012 when the sales of Masera bungalows were launched; hence, the lower revenue of RM11 million in 1Q2013 compared with RM20 million in 1Q2012.

Despite higher profits from rental of properties, segment profit for 1Q2013 was lower at RM4.9 million compared with RM5.9 million in 1Q2012 mainly due to lesser profits from property sales.

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

The combined revenue from these segments achieved an increase of 21% in 1Q2013 to RM103 million compared with RM85 million in 1Q2012. This was mainly attributed to the higher revenue from the bakery segment as the business has progressively made inroads into new locations and new distribution outlets. Most of the other segments also contributed higher revenue in the quarter under review.

The combined segments posted profits of RM13 million in 1Q2013 compared with losses of RM7 million in 1Q2012. The improvement in profits was mainly due to the gain on acceptance of the take-over offer for Tradewinds shares and profit contributions from the bakery segment. Most of the other segments were also profitable. In the livestock segment, farm product prices have improved in the quarter which contributed to higher revenue and reduced the segment loss to RM4.7 million in 1Q2013 compared with a RM6.3 million loss in 1Q2012.

Share of associates and joint venture's profits less losses

Wilmar contributed higher profits of RM178 million to the Group in 1Q2013 compared with RM141 million in 1Q2012, largely due to strong performance in oilseeds and grains division which saw a sharp recovery in margins during the quarter. Most of Wilmar's key business segments and associates also recorded better performance.

The Group's flour milling associated companies have also contributed improved results in this quarter.

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

	1Q2013	4Q2012	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
- Flour and feed milling, and grains trading	31,229	52,636	(21,407)	(41%)
- Marketing, distribution and manufacturing of consumer products	4,714	5,846	(1,132)	(19%)
- Film exhibition and distribution	11,282	11,372	(90)	(1%)
- Environmental engineering, waste management and utilities	623	(457)	1,080	>100%
- Property investment and development	4,881	525	4,356	>100%
- Chemicals, Livestock, Investments and Other operations	13,471	(2,401)	15,872	>100%
- Elimination	(130)	683	(813)	>(100%)
Total segment results	66,070	68,204	(2,134)	(3%)
- Share of associates and joint venture's profits less losses	192,049	263,321	(71,272)	(27%)
- Interest income, finance costs and unallocated expenses	(1,803)	(204)	(1,599)	>(100%)
Total profit before tax	256,316	331,321	(75,005)	(23%)

Compared with the preceding quarter, the Group's profit before tax for 1Q2013 was lower at RM256 million, mainly due to lower profit contribution from Wilmar and the reduced margins in the flour and feed milling, and grains trading segment. The investment segment recorded a RM15.6 million gain from the acceptance of the take-over offer for Tradewinds shares in the current quarter.

B3. Prospects for current financial year

In view of the prolonged economic sluggishness in advanced economies like the United States, Eurozone and Japan, the Asian economies are progressively shifting their focus towards domestic demand and trading with other emerging markets.

The Group is optimistic that the Malaysian economy will continue to grow in 2013, which augurs well for the expansion of its domestic core business segments in flour and feed, film exhibition, bakery products and environmental engineering. Regionally, the robust domestic markets in Indonesia, Vietnam and Thailand where the Group is currently expanding its flour milling capacity, are expected to increase their contribution to the Group's performance.

Overall, the Group's operations are expected to perform well in 2013; notwithstanding that its overall financial results will depend substantially on Wilmar's business performance for the year.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before tax

	Individual Quarter 3 months ended 31-Mar-13 RM'000	Cumulative Quarter 3 months ended 31-Mar-13 RM'000
Profit before tax is stated after crediting :-		
Dividend income	19	19
Fair value gain on derivatives	11,962	11,962
Foreign exchange gain	1,943	1,943
Gain on disposal of a quoted investment	15,649	15,649
Interest income	6,879	6,879
Rental income	850	850
Gain on financial assets at fair value through profit or loss	<u>128</u>	<u>128</u>
Profit before tax is stated after charging :-		
Allowance for impairment and write off of receivables	(179)	(179)
Depreciation and amortisation	(22,366)	(22,366)
Fair value loss on derivatives	(11,380)	(11,380)
Foreign exchange loss	(2,851)	(2,851)
Impairment of property, plant and equipment	(270)	(270)
Interest expense	<u>(2,680)</u>	<u>(2,680)</u>

Other than the items highlighted in note A10 and above, there were no exceptional items for the current quarter and financial period ended 31 March 2013.

B6. Taxation

	Individual Quarter 3 months ended 31-Mar-13 RM'000	Cumulative Quarter 3 months ended 31-Mar-13 RM'000
Taxation comprises :-		
Malaysian taxation based on profit for the period		
Current	11,248	11,248
Deferred	<u>1,794</u>	<u>1,794</u>
	13,042	13,042
Foreign taxation		
Current	950	950
Deferred	<u>(77)</u>	<u>(77)</u>
	13,915	13,915
Overprovision		
Current	(18)	(18)
Deferred	<u>(15)</u>	<u>(15)</u>
	<u>13,882</u>	<u>13,882</u>

The effective tax rate is lower than the average statutory rate for the period mainly due to the gain on disposal of a quoted investment.

B7. Status of corporate proposals

On 22 April 2013, PPB Group Berhad ("PPB") entered into a shareholders' agreement with Kuok Brothers Sdn Bhd, for the proposed subscription of 40% equity interest in Huge Quest Realty Sdn Bhd ("HQR"); comprising 200,000 ordinary shares of RM1.00 ("OS") each and up to 52,600,000 redeemable preference shares of RM0.01 ("RPS") each in HQR. PPB has to-date subscribed for 200,000 OS at RM1.00 per share and the first tranche of 6,846,040 RPS at RM1.00 per share, both for cash, in the equity of HQR.

B8. Group borrowings

Total Group borrowings as at 31 March 2013 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	96,716	96,716	-
Long term bank loans (RMB)	4,275	-	4,275
Hire purchase liabilities	98	98	-
Hire purchase liabilities (SGD)	22	22	-
Repayments due within the next 12 months	(12,711)	(9,929)	(2,782)
	<u>88,400</u>	<u>86,907</u>	<u>1,493</u>
Short term bank borrowings			
Bills payable	48,421	-	48,421
Short term loans	2,750	-	2,750
Short term loans (USD)	152,977	-	152,977
Current portion of long term loans	12,672	9,890	2,782
Hire purchase liabilities	24	24	-
Hire purchase liabilities (SGD)	15	15	-
	<u>216,859</u>	<u>9,929</u>	<u>206,930</u>
Bank overdrafts	735	-	735
	<u>217,594</u>	<u>9,929</u>	<u>207,665</u>

B9. Material litigation

There was no material litigation as at 10 May 2013.

B10. Dividend

The final single tier dividend for the financial year ended 31 December 2012 of 13 sen per share was approved by shareholders at the 44th Annual General Meeting held on 14 May 2013, and will be paid on 3 June 2013.

The Directors do not recommend any interim dividend for the current financial period under review.

Dividends paid/payable

Dividends paid/payable for the financial year 2012 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share (all single tier)	Date paid/payable
2012	Interim dividend	7 sen	28 September 2012
2012	Final dividend	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-Mar-13 RM'000	As at 31-Dec-12 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :-		
- Realised	12,068,577	12,021,168
- Unrealised	(60,270)	(76,843)
	<u>12,008,307</u>	<u>11,944,325</u>
Total share of retained profits/(accumulated losses) from associates :-		
- Realised	90,929	96,022
- Unrealised	(1,008)	2,289
- Wilmar International Limited ("Wilmar") *	3,734,030	3,555,328
Total share of retained profits from jointly controlled entity :-		
- Realised	<u>6,073</u>	<u>5,862</u>
	15,838,331	15,603,826
Less : consolidation adjustments	<u>(2,113,244)</u>	<u>(2,115,860)</u>
Total Group retained profits as per consolidated accounts	<u><u>13,725,087</u></u>	<u><u>13,487,966</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
17 May 2013

By Order of the Board
Mah Teck Keong
Company Secretary