

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER
ENDED 30 JUNE 2013

(The figures have not been audited)

Condensed Consolidated Income Statements For The Period Ended 30 June 2013

	Individual Quarter		Cumulative Quarter	
	3 months ended		6 months ended	
	30 June		30 June	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	818,489	758,475	1,582,335	1,455,430
Operating expenses	(771,628)	(712,239)	(1,510,205)	(1,385,735)
Other operating income	45,499	5,011	87,177	41,239
Share of net profits less losses of associates	124,754	72,758	315,977	214,400
Share of profit of jointly controlled entity	810	963	1,636	1,828
Finance costs	(3,440)	(1,066)	(6,120)	(3,606)
Profit before tax	214,484	123,902	470,800	323,556
Income tax expense	(17,835)	(8,334)	(31,717)	(21,801)
Profit for the period	<u>196,649</u>	<u>115,568</u>	<u>439,083</u>	<u>301,755</u>
Attributable to :				
Owners of the parent	191,126	108,419	427,469	286,923
Non-controlling interests	5,523	7,149	11,614	14,832
Profit for the period	<u>196,649</u>	<u>115,568</u>	<u>439,083</u>	<u>301,755</u>
Basic earnings per share (sen)	<u>16.12</u>	<u>9.15</u>	<u>36.06</u>	<u>24.20</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 30 June 2013

	Individual Quarter 3 months ended 30 June		Cumulative Quarter 6 months ended 30 June	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit for the period	196,649	115,568	439,083	301,755
<u>Other comprehensive income/(loss), net of tax</u>				
Exchange differences on translation of foreign operations	317,582	446,617	423,581	82,490
Fair value of available-for-sale financial assets :-				
- (Losses)/Gains arising during the period	(19,043)	(51,301)	8,852	53,821
- Reclassification adjustments to profit or loss upon disposal	469	-	(15,179)	(67)
Share of associates' other comprehensive loss	(135,275)	(68,525)	(117,348)	(118,573)
Total comprehensive income	<u>360,382</u>	<u>442,359</u>	<u>738,989</u>	<u>319,426</u>
Attributable to :				
Owners of the parent	351,663	431,366	722,356	304,771
Non-controlling interests	8,719	10,993	16,633	14,655
Total comprehensive income	<u>360,382</u>	<u>442,359</u>	<u>738,989</u>	<u>319,426</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 30-Jun-13 RM'000	As at 31-Dec-12 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,162,975	1,095,882
Investment properties	220,177	222,224
Biological assets	2,849	2,760
Goodwill	74,615	74,615
Other intangible assets	2,158	2,026
Land held for property development	18,318	13,732
Investments in associates	11,846,803	11,293,797
Investment in jointly controlled entity	54,415	51,728
Other investments	602,793	617,709
Deferred tax assets	6,552	5,918
	<u>13,991,655</u>	<u>13,380,391</u>
Current Assets		
Inventories	534,819	476,227
Biological assets	15,972	14,268
Other intangible assets	8,380	11,636
Property development costs	24,924	29,338
Receivables	626,794	601,201
Derivative financial instruments	9,351	7,195
Cash, bank balances and deposits	1,031,809	1,050,084
	<u>2,252,049</u>	<u>2,189,949</u>
Non-current assets classified as held for sale	-	9,009
	<u>2,252,049</u>	<u>2,198,958</u>
TOTAL ASSETS	<u><u>16,243,704</u></u>	<u><u>15,579,349</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	13,654,116	13,085,875
Equity attributable to owners of the parent	<u>14,839,616</u>	<u>14,271,375</u>
Non-controlling interests	544,584	493,996
Total equity	<u><u>15,384,200</u></u>	<u><u>14,765,371</u></u>

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

	As at 30-Jun-13 RM'000	As at 31-Dec-12 RM'000
Non-current Liabilities		
Long term borrowings	93,433	85,224
Deferred tax liabilities	76,405	70,923
	169,838	156,147
Current Liabilities		
Payables	315,773	319,566
Derivative financial instruments	11,555	35,475
Short term borrowings	341,777	288,610
Taxation	20,561	14,180
	689,666	657,831
Total liabilities	859,504	813,978
TOTAL EQUITY AND LIABILITIES	16,243,704	15,579,349
Net assets per share attributable to owners of the parent (RM)	12.52	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 30 June 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			
6 months ended 30 June 2013											
At 1 January 2013	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
Total comprehensive income	-	-	-	300,825	(6,386)	(24,584)	25,032	427,469	722,356	16,633	738,989
Transfer of reserves	-	-	(4,703)	-	-	-	1,180	3,523	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	34,047	34,047
Dividends	-	-	-	-	-	-	-	(154,115)	(154,115)	(92)	(154,207)
At 30 June 2013	1,185,500	6,715	55,829	(651,713)	191,806	11,460	275,176	13,764,843	14,839,616	544,584	15,384,200
6 months ended 30 June 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	-	-	-	61,433	53,749	(2,595)	(94,739)	286,923	304,771	14,655	319,426
Transfer of reserves	-	-	(182)	-	-	-	626	(444)	-	-	-
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	(25,143)	(25,143)	(7,068)	(32,211)
Dividends	-	-	-	-	-	-	-	(154,115)	(154,115)	(70)	(154,185)
At 30 June 2012	1,185,500	6,715	60,760	(568,725)	220,068	29,446	234,765	13,018,595	14,187,124	511,032	14,698,156

(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 30 June 2013

Final

	6 months ended 30 June	
	2013	2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	470,800	323,556
Adjustments :-		
Non-cash items	(314,845)	(160,444)
Non-operating items	(17,058)	(20,755)
Operating profit before working capital changes	138,897	142,357
Working capital changes :-		
Net change in current assets	(92,823)	(90,121)
Net change in current liabilities	(946)	10,558
Cash generated from operations	45,128	62,794
Tax paid	(21,453)	(19,376)
Net cash generated from operating activities	23,675	43,418
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(104,799)	(87,499)
Proceeds from disposal of property, plant and equipment and investment properties	26,582	744
Purchase of investments	(42,405)	(85,841)
Proceeds from sale of investments	24,034	1,772
Dividends received	109,634	100,926
Interest received	14,598	14,930
Other investing activities	3,671	215
Net cash generated from/(used in) investing activities	31,315	(54,753)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares by a subsidiary	34,047	-
Bank borrowings	57,587	60,069
Interest paid	(7,420)	(4,862)
Dividends paid	(154,207)	(154,185)
Other financing activities	(6,866)	1,421
Net cash used in financing activities	(76,859)	(97,557)
Net decrease in cash and cash equivalents	(21,869)	(108,892)
Cash and cash equivalents brought forward	1,049,694	1,132,923
Effect of exchange rate changes	2,356	600
Cash and cash equivalents carried forward	1,030,181	1,024,631
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	149,672	88,928
Bank deposits	882,137	936,037
Bank overdrafts	(1,628)	(334)
	1,030,181	1,024,631

(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 2015.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS framework to 1 January 2015. Accordingly, the Group will be required to prepare its first MFRS financial statements for the year ending 31 December 2015.

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. Dividend paid

	Individual Quarter 3 months ended 30-Jun-13 RM'000	Cumulative Quarter 6 months ended 30-Jun-13 RM'000
<u>Dividend paid on ordinary shares</u>		
FY2012 : Final dividend - 13 sen per share single tier	<u>154,115</u>	<u>154,115</u>

A7. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 June 2013

Business Segments:	Flour and feed milling, and grains <u>trading</u>	Marketing, distribution & manufacturing of consumer <u>products</u>	Film exhibition and <u>distribution</u>	Environmental engineering, waste management <u>and utilities</u>	Property investment and <u>development</u>	Chemicals trading and <u>manufacturing</u>	Livestock <u>farming</u>	Investments <u>in equities</u>	Other <u>operations</u>	<u>Elimination</u>	<u>Total</u>
<i>All figures in RM'000</i>											
REVENUE											
External revenue	941,705	193,462	172,398	45,695	31,226	41,897	42,044	7,534	106,374	-	1,582,335
Inter-segment sales	50,883	-	-	-	950	13,809	-	-	7,389	(73,031)	-
Total revenue	<u>992,588</u>	<u>193,462</u>	<u>172,398</u>	<u>45,695</u>	<u>32,176</u>	<u>55,706</u>	<u>42,044</u>	<u>7,534</u>	<u>113,763</u>	<u>(73,031)</u>	<u>1,582,335</u>
RESULTS											
Segment results	68,998	10,837	27,341	2,909	30,000	583	(9,526)	22,901	2,486	(363)	156,166
Share of associates' profits less losses	4,248	-	428	1,920	2,549	-	-	-	306,832	-	315,977
Share of joint venture's profit	-	-	-	1,636	-	-	-	-	-	-	1,636
Interest income											13,937
Finance costs											(6,120)
Unallocated corporate expenses											(10,796)
Profit before tax											<u>470,800</u>
ASSETS											
Segment assets	1,457,879	211,403	256,904	51,689	307,195	52,718	111,452	602,793	364,435	(78)	3,416,390
Investments in associates	222,126	-	4,545	36,254	127,354	-	-	-	11,456,524	-	11,846,803
Investment in jointly controlled entity	-	-	-	54,415	-	-	-	-	-	-	54,415
Bank deposits											882,137
Taxation											28,874
Other unallocated corporate assets											15,085
Total assets											<u>16,243,704</u>

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 dissolution was completed on 28 June 2013.

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 8% to RM818 million in 2Q2013 and 9% to RM1.58 billion for 1H2013 compared with RM758 million in 2Q2012 and RM1.46 billion for 1H2012. This was primarily driven by the higher revenue generated from most of the Group's segments with the exception of the environmental engineering segment. The property segment delivered improved revenue in the quarter under review but for the period to-date, it recorded lower revenue with no new property launches in 1H2013.

The Group profit before tax of RM214 million recorded in 2Q2013 was 73% higher compared with RM124 million in 2Q2012. For 1H2013, the Group achieved a 46% increase in profit before tax to RM471 million compared with RM324 million for 1H2012, largely attributed to higher profit contribution from an associate, Wilmar International Limited ("Wilmar"). Most of the Group's segments contributed better results in 1H2013 with the exception of the environmental engineering segment.

Group financial performance by business segment

	2Q2013	2Q2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Flour and feed milling, and grains trading	505,655	468,555	37,100	8%
- Marketing, distribution and manufacturing of consumer products	98,322	94,584	3,738	4%
- Film exhibition and distribution	92,248	73,366	18,882	26%
- Environmental engineering, waste management and utilities	22,276	29,932	(7,656)	(26%)
- Property investment and development	21,381	20,640	741	4%
- Chemicals, Livestock, Investments and Other operations	116,518	111,702	4,816	4%
- Elimination	(37,911)	(40,304)	2,393	
Total revenue	818,489	758,475	60,014	8%

	1H2013	1H2012	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Flour and feed milling, and grains trading	992,588	904,641	87,947	10%
- Marketing, distribution and manufacturing of consumer products	193,462	191,507	1,955	1%
- Film exhibition and distribution	172,398	142,253	30,145	21%
- Environmental engineering, waste management and utilities	45,695	59,731	(14,036)	(23%)
- Property investment and development	32,176	40,305	(8,129)	(20%)
- Chemicals, Livestock, Investments and Other operations	219,047	196,237	22,810	12%
- Elimination	(73,031)	(79,244)	6,213	
Total revenue	1,582,335	1,455,430	126,905	9%

	2Q2013	2Q2012	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Flour and feed milling, and grains trading	37,769	22,377	15,392	69%
- Marketing, distribution and manufacturing of consumer products	6,123	4,371	1,752	40%
- Film exhibition and distribution	16,059	11,316	4,743	42%
- Environmental engineering, waste management and utilities	2,286	4,144	(1,858)	(45%)
- Property investment and development	25,119	7,121	17,998	>100%
- Chemicals, Livestock, Investments and Other operations	2,973	(991)	3,964	>100%
- Elimination	(233)	(643)	410	
Total segment results	90,096	47,695	42,401	89%
- Share of associates and joint venture's profits less losses	125,564	73,721	51,843	70%
- Interest income, finance costs and unallocated expenses	(1,176)	2,486	(3,662)	>(100%)
Total profit before tax	214,484	123,902	90,582	73%

	1H2013	1H2012	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Flour and feed milling, and grains trading	68,998	65,960	3,038	5%
- Marketing, distribution and manufacturing of consumer products	10,837	8,697	2,140	25%
- Film exhibition and distribution	27,341	19,559	7,782	40%
- Environmental engineering, waste management and utilities	2,909	5,069	(2,160)	(43%)
- Property investment and development	30,000	13,026	16,974	>100%
- Chemicals, Livestock, Investments and Other operations	16,444	(8,388)	24,832	>100%
- Elimination	(363)	(257)	(106)	
Total segment results	156,166	103,666	52,500	51%
- Share of associates and joint venture's profits less losses	317,613	216,228	101,385	47%
- Interest income, finance costs and unallocated expenses	(2,979)	3,662	(6,641)	>(100%)
Total profit before tax	470,800	323,556	147,244	46%

Flour and feed milling, and grains trading

Revenue increased by 8% to RM506 million in 2Q2013 and 10% to RM993 million for 1H2013 compared with RM469 million and RM905 million respectively in the corresponding quarter and period last year. This was mainly attributed to higher sales volume and improved selling prices of flour in Malaysia, Indonesia and Vietnam. The Group's feed business also contributed higher revenue as a result of increased sales volume and selling prices.

The segment delivered higher profits of RM38 million in 2Q2013 and RM69 million in 1H2013 compared with RM22 million in 2Q2012 and RM66 million in 1H2012, mainly due to better performance in grains trading. While the flour and feed revenues were higher in the period, increased raw material costs had reduced the profit margins.

Marketing, distribution and manufacturing of consumer products

Segment revenue of RM98 million registered in 2Q2013 and RM193 million in 1H2013 were slightly higher than that of the corresponding quarter and period in 2012 mainly from improved sales of agency products.

Segment profit was up by 40% to RM6 million in 2Q2013 and 25% to RM11 million for 1H2013 due to the increase in revenue as well as improved sales of agency products with better profit margin.

Film exhibition and distribution

Segment revenue grew by 26% to RM92 million in 2Q2013 and 21% to RM172 million in 1H2013. The growth in revenue was mainly contributed by the new cinemas opened in 2012 and 1H2013 as well as higher revenue generated from screen advertising. Film distribution revenue increased in 1H2013 driven by the stronger movies released.

Segment profit surged by 42% to RM16 million in 2Q2013 and 40% to RM27 million in 1H2013 in line with the higher revenue contributions from cinema operations.

Environmental engineering, waste management and utilities

The segment posted lower revenue of RM22 million in 2Q2013 and RM46 million in 1H2013. This was mainly due to some environmental engineering projects being at completion stage in the quarter and period to-date where revenue had been progressively recognised in the previous quarters.

The segment saw a lower profit in 2Q2013 of RM2.3 million and RM2.9 million for 1H2013. Higher profit in 2Q2012 and 1H2012 were mainly due to the contribution from a variation order of RM4.2 million for an environmental engineering project in 2Q2012. The newly secured projects in 2013 have yet to contribute significantly in 1H2013.

Property investment and development

For the current quarter and period to-date, segment revenues were mainly derived from rental income of the Group's investment properties. The higher rental rates from renewal of tenancies on these properties contributed to the improved segment revenue of RM21 million in the quarter. In comparison, the higher revenue of RM40 million for 1H2012 was mainly due to sales of completed semi-detached houses in Taman Tanah Aman, Seberang Prai Tengah and higher sales during the launch of Maseru bungalows in Bukit Segar, Kuala Lumpur. Revenue and profits from the properties sold were recognised progressively through progress billings in 1H2013.

Segment profits for 2Q2013 of RM25 million and 1H2013 of RM30 million were significantly higher compared to the corresponding quarter and period last year due to a gain of RM16.8 million from the sale of an investment property. The segment profits had also improved as a result of higher rental income.

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

The combined revenue from these segments achieved an increase of 4% in 2Q2013 to RM117 million and 12% for 1H2013 to RM219 million. This was mainly attributed to increased sales from the bakery segment, and higher revenue contribution from the livestock segment with improved sales quantities of day-old-chicks and higher selling prices of day-old-chicks and eggs.

The combined segments posted profits of RM3 million in 2Q2013 mainly attributed to the higher revenue and lower unit cost of production in the bakery segment. For 1H2013, the improvement in profits was mainly due to the gain on the disposal of the Group's investment in Tradewinds (M) Berhad ("Tradewinds"), pursuant to a take-over offer. The livestock segment incurred lower losses due to improved farm product prices.

Share of associates and joint venture's profits less losses

Wilmar contributed higher profits of RM123 million in 2Q2013 and RM300 million for 1H2013 compared with RM68 million in 2Q2012 and RM209 million for 1H2012 respectively. This was due to the improved performance from the palm and laurics and consumer products segments as well as the turnaround of the oilseeds and grains segment and improved results recorded in the sugar segment.

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

	2Q2013	1Q2013	Variance	
	RM'000	RM'000	RM'000	%
<u>Segment results</u>				
- Flour and feed milling, and grains trading	37,769	31,229	6,540	21%
- Marketing, distribution and manufacturing of consumer products	6,123	4,714	1,409	30%
- Film exhibition and distribution	16,059	11,282	4,777	42%
- Environmental engineering, waste management and utilities	2,286	623	1,663	>100%
- Property investment and development	25,119	4,881	20,238	>100%
- Chemicals, Livestock, Investments and Other operations	2,973	13,471	(10,498)	(78%)
- Elimination	(233)	(130)	(103)	
Total segment results	90,096	66,070	24,026	36%
- Share of associates and joint venture's profits less losses	125,564	192,049	(66,485)	(35%)
- Interest income, finance costs and unallocated expenses	(1,176)	(1,803)	627	35%
Total profit before tax	214,484	256,316	(41,832)	(16%)

Compared with the preceding quarter, the Group's profit before tax for 2Q2013 was lower at RM214 million. This was mainly due to lower profit contribution from Wilmar in the current quarter and the gain from the acceptance of the take-over offer for Tradewinds shares in 1Q2013. However, this was partially compensated by a gain of RM16.8 million from the sale of an investment property and better results delivered by most of the Group's segments in 2Q2013.

B3. Prospects for current financial year

The domestic demand in Malaysia is expected to be well supported by resilient consumer and business spending. This will continue to drive the performance of the Group's core business segments in the remaining quarters. Regionally, expansion of the Group's flour milling capacity in Indonesia and Vietnam is progressively coming on-stream to supply additional volume in those markets. Sustained by continuing robust domestic consumption, the Group's overseas operations are expected to maintain growth for the rest of the year.

On the whole, the Group's operations are expected to perform well in 2013; nonetheless the overall financial results would 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 30-Jun-13 RM'000	Cumulative Quarter 6 months ended 30-Jun-13 RM'000
Profit before tax is stated after crediting :-		
Dividend income	7,515	7,534
Fair value gain on derivatives	7,691	19,653
Foreign exchange gain	7,934	9,877
Gain on disposal of investment property	16,806	16,806
Gain on disposal of a quoted investment	-	15,649
Interest income	7,058	13,937
Rental income	857	1,707
Gain on financial assets at fair value through profit or loss	60	188
Profit before tax is stated after charging :-		
Allowance for impairment and write off of receivables	(129)	(308)
Depreciation and amortisation	(24,172)	(46,538)
Fair value loss on derivatives	(246)	(11,626)
Foreign exchange loss	(8,715)	(11,566)
Impairment of property, plant and equipment	(270)	(540)
Interest expense	(3,440)	(6,120)
Loss on disposal of a quoted investment	(469)	(469)

Other than the items highlighted in note A10 and above, there were no exceptional items for the current quarter and financial period ended 30 June 2013.

B6. Taxation

	Individual Quarter 3 months ended 30-Jun-13 RM'000	Cumulative Quarter 6 months ended 30-Jun-13 RM'000
Taxation comprises :-		
Malaysian taxation based on profit for the period		
Current	16,361	27,609
Deferred	1,716	3,510
	18,077	31,119
Foreign taxation		
Current	(210)	740
Deferred	(32)	(109)
	17,835	31,750
Overprovision		
Current	-	(18)
Deferred	-	(15)
	17,835	31,717

The effective tax rate is lower than the average statutory rate for the period mainly due to the non-taxable gains on disposal of a quoted investment and investment property.

B7. Status of corporate proposals

On 22 April 2013, PPB entered into a shareholders' agreement with Kuok Brothers Sdn Berhad, 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 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 30 June 2013 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long term bank borrowings			
Long term bank loans (USD)	101,969	101,969	-
Long term bank loans (RMB)	4,446	-	4,446
Hire purchase liabilities	90	90	-
Hire purchase liabilities (SGD)	19	19	-
Repayments due within the next 12 months	(13,091)	(10,198)	(2,893)
	<u>93,433</u>	<u>91,880</u>	<u>1,553</u>
Short term bank borrowings			
Bills payable	144,300	-	144,300
Short term loans	6,801	-	6,801
Short term loans (USD)	175,957	-	175,957
Current portion of long term loans	13,060	10,167	2,893
Hire purchase liabilities	16	16	-
Hire purchase liabilities (SGD)	15	15	-
	<u>340,149</u>	<u>10,198</u>	<u>329,951</u>
Bank overdrafts	1,628	-	1,628
	<u>341,777</u>	<u>10,198</u>	<u>331,579</u>

B9. Material litigation

There was no material litigation as at 14 August 2013.

B10. Dividend

The Board of Directors is pleased to declare an interim single tier dividend for the financial year ending 31 December 2013 of 8 sen per share (2012 : Interim single tier dividend of 7 sen per share).

Notice is hereby given that the interim single tier dividend is payable on Friday, 27 September 2013 to shareholders whose names appear in the Record of Depositors at the close of business on Tuesday, 10 September 2013.

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

- Shares transferred into the Depositor's securities account before 4.00 pm on Tuesday, 10 September 2013 in respect of ordinary transfers, and
- Shares bought on the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of the BMSB.

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

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
2013	Interim dividend	8 sen	27 September 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 30-Jun-13 RM'000	As at 31-Dec-12 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :-		
- Realised	12,061,256	12,021,168
- Unrealised	(51,852)	(76,843)
	<u>12,009,404</u>	<u>11,944,325</u>
Total share of retained profits/(accumulated losses) from associates :-		
- Realised	92,298	96,022
- Unrealised	(246)	2,289
- Wilmar International Limited ("Wilmar") *	3,769,904	3,555,328
Total share of retained profits from jointly controlled entity :-		
- Realised	<u>6,279</u>	<u>5,862</u>
	15,877,639	15,603,826
Less : consolidation adjustments	<u>(2,112,796)</u>	<u>(2,115,860)</u>
Total Group retained profits as per consolidated accounts	<u><u>13,764,843</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
21 August 2013

By Order of the Board
Mah Teck Keong
Company Secretary