

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2014

(The figures have not been audited)

Condensed Consolidated Income Statements For The Period Ended 31 March 2014

	Individual Quarter 3 months ended 31 March		Cumulative Quarter 3 months ended 31 March	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	883,185	763,846	883,185	763,846
Operating expenses	(832,268)	(738,577)	(832,268)	(738,577)
Other operating income	27,171	41,678	27,171	41,678
Share of net profits less losses of associates	99,550	191,223	99,550	191,223
Share of profit of joint venture	1,069	826	1,069	826
Finance costs	(4,999)	(2,680)	(4,999)	(2,680)
Profit before tax	173,708	256,316	173,708	256,316
Income tax expense	(18,848)	(13,882)	(18,848)	(13,882)
Profit for the period	<u>154,860</u>	<u>242,434</u>	<u>154,860</u>	<u>242,434</u>
Attributable to :				
Owners of the parent	144,272	236,343	144,272	236,343
Non-controlling interests	10,588	6,091	10,588	6,091
Profit for the period	<u>154,860</u>	<u>242,434</u>	<u>154,860</u>	<u>242,434</u>
Basic earnings per share (sen)	<u>12.17</u>	<u>19.94</u>	<u>12.17</u>	<u>19.94</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2013, 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 2014

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit for the period	154,860	242,434	154,860	242,434
Other comprehensive income, net of tax				
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(91,912)	105,999	(91,912)	105,999
Fair value of available-for-sale financial assets :-				
- (Losses)/Gains arising during the period	(17,047)	27,895	(17,047)	27,895
- Reclassification adjustments to profit or loss upon disposal	-	(15,648)	-	(15,648)
Share of associates' other comprehensive income	16,666	17,927	16,666	17,927
Total comprehensive income	<u><u>62,567</u></u>	<u><u>378,607</u></u>	<u><u>62,567</u></u>	<u><u>378,607</u></u>
Attributable to :				
Owners of the parent	52,658	370,693	52,658	370,693
Non-controlling interests	9,909	7,914	9,909	7,914
Total comprehensive income	<u><u>62,567</u></u>	<u><u>378,607</u></u>	<u><u>62,567</u></u>	<u><u>378,607</u></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2013, and the accompanying explanatory notes attached to this report.)

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

	As at 31-Mar-14 RM'000	As at 31-Dec-13 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,208,895	1,195,996
Investment properties	202,838	204,090
Biological assets	2,897	2,877
Goodwill	74,615	74,615
Other intangible assets	2,711	2,696
Land held for property development	18,462	17,176
Investments in associates	12,646,617	12,628,152
Investment in joint venture	54,708	57,368
Other investments	643,834	660,634
Deferred tax assets	6,556	7,683
	<u>14,862,133</u>	<u>14,851,287</u>
Current Assets		
Inventories	474,475	508,493
Biological assets	18,977	17,370
Other intangible assets	10,417	11,957
Property development costs	8,397	23,165
Receivables	808,272	682,904
Derivative financial instruments	1,312	5,263
Cash, bank balances, deposits and short-term fund placements	963,736	964,991
	<u>2,285,586</u>	<u>2,214,143</u>
TOTAL ASSETS	<u>17,147,719</u>	<u>17,065,430</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,185,500	1,185,500
Reserves	14,520,438	14,467,780
Equity attributable to owners of the parent	<u>15,705,938</u>	<u>15,653,280</u>
Non-controlling interests	548,526	538,617
Total equity	<u>16,254,464</u>	<u>16,191,897</u>

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

	As at 31-Mar-14 RM'000	As at 31-Dec-13 RM'000
Non-current Liabilities		
Long-term borrowings	70,904	89,698
Deferred tax liabilities	75,838	79,984
	146,742	169,682
Current Liabilities		
Payables	340,303	352,739
Derivative financial instruments	15,957	6,348
Short-term borrowings	373,556	329,855
Current tax liabilities	16,697	14,909
	746,513	703,851
Total liabilities	893,255	873,533
TOTAL EQUITY AND LIABILITIES	17,147,719	17,065,430
Net assets per share attributable to owners of the parent (RM)	13.25	13.20

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2013, 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 2014

	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			
<u>3 months ended 31 March 2014</u>											
At 1 January 2014	1,185,500	6,715	45,131	(294,411)	236,187	(23,923)	246,700	14,251,381	15,653,280	538,617	16,191,897
Total comprehensive income	-	-	-	(124,803)	(17,032)	33,922	16,299	144,272	52,658	9,909	62,567
Transfer of reserves	-	-	(123)	-	-	-	2,130	(2,007)	-	-	-
At 31 March 2014	<u>1,185,500</u>	<u>6,715</u>	<u>45,008</u>	<u>(419,214)</u>	<u>219,155</u>	<u>9,999</u>	<u>265,129</u>	<u>14,393,646</u>	<u>15,705,938</u>	<u>548,526</u>	<u>16,254,464</u>
<u>3 months ended 31 March 2013</u>											
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	-	-	-	103,981	12,219	4,463	13,687	236,343	370,693	7,914	378,607
Transfer of reserves	-	-	(1,953)	-	-	-	1,175	778	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	10,932	10,932
At 31 March 2013	<u>1,185,500</u>	<u>6,715</u>	<u>58,579</u>	<u>(848,557)</u>	<u>210,411</u>	<u>40,507</u>	<u>263,826</u>	<u>13,725,087</u>	<u>14,642,068</u>	<u>512,842</u>	<u>15,154,910</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2013, 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 2014

	3 months ended 31 March	
	2014	2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	173,708	256,316
Adjustments :-		
Non-cash items	(73,033)	(195,947)
Non-operating items	(2,408)	(5,068)
Operating profit before working capital changes	<u>98,267</u>	<u>55,301</u>
Working capital changes :-		
Net change in current assets	22,014	30,512
Net change in current liabilities	(11,239)	(5,242)
Cash generated from operations	<u>109,042</u>	<u>80,571</u>
Tax paid	(16,572)	(14,167)
Net cash generated from operating activities	92,470	66,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(34,310)	(41,940)
Proceeds from disposal of property, plant and equipment	558	414
Purchase of investments	-	(31,320)
Proceeds from sale of investments	-	21,273
Dividends received	5,594	17,217
Interest received	4,798	7,637
Loan to associates	(92,086)	(222)
Return of capital from joint venture	1,781	1,672
Other investing activities	3,126	850
Net cash used in investing activities	(110,539)	(24,419)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares by a subsidiary	-	10,932
Bank borrowings	15,129	(68,345)
Interest paid	(5,795)	(3,980)
Advances from non-controlling interest of a subsidiary	4,856	162
Net cash generated from/(used in) financing activities	14,190	(61,231)
Net decrease in cash and cash equivalents	(3,879)	(19,246)
Cash and cash equivalents brought forward	964,252	1,049,694
Effect of exchange rate changes	1,198	466
Cash and cash equivalents carried forward	961,571	1,030,914
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	162,953	145,887
Bank deposits	502,540	885,762
Short-term fund placements	298,243	-
Bank overdrafts	(2,165)	(735)
	<u>961,571</u>	<u>1,030,914</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2013, 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 2013 except for the adoption of the following Amendments to FRSs and Issues Committee Interpretations ("IC Interpretation") that are effective for financial periods beginning on or after 1 January 2014 :-

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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

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

No dividend was 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 2014

Business Segments:*All figures in RM'000***REVENUE**

	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>
External revenue	514,506	111,530	93,294	25,242	32,407	19,454	30,647	23	56,082	-	883,185
Inter-segment sales	26,848	1	-	-	559	8,908	146	-	3,408	(39,870)	-
Total revenue	<u>541,354</u>	<u>111,531</u>	<u>93,294</u>	<u>25,242</u>	<u>32,966</u>	<u>28,362</u>	<u>30,793</u>	<u>23</u>	<u>59,490</u>	<u>(39,870)</u>	<u>883,185</u>

RESULTS

Segment results	37,154	7,513	14,106	422	10,993	(182)	4,548	296	745	5	75,600
Share of associates' profits less losses	(162)	-	1,035	923	1,068	-	-	-	96,686	-	99,550
Share of joint venture's profit	-	-	-	1,069	-	-	-	-	-	-	1,069
Interest income											4,258
Income from short-term fund placements											2,274
Finance costs											(4,999)
Unallocated corporate expenses											(4,044)
Profit before tax											<u>173,708</u>

ASSETS

Segment assets	1,554,257	231,118	259,093	68,114	293,667	58,111	116,179	643,835	391,849	(40)	3,616,183
Investments in associates	219,597	-	66,812	38,560	151,924	-	-	-	12,169,724	-	12,646,617
Investment in joint venture	-	-	-	54,708	-	-	-	-	-	-	54,708
Bank deposits and short-term fund placements											800,783
Tax assets											19,686
Other unallocated corporate assets											9,742
Total assets											<u>17,147,719</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 19 March 2014, Federal Flour Mills Holdings Sdn Bhd, a wholly-owned subsidiary of PPB, was struck off from the Register of Companies pursuant to Section 308 of the Companies Act 1965, and has accordingly ceased to be a subsidiary of PPB.

A10. Changes in contingent liabilities or contingent assets

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

A11. Capital commitments

Authorised capital expenditure not provided for in the interim financial report as at 31 March 2014 is as follows:-

	RM'000
Property, plant and equipment	
- contracted	64,095
- not contracted	255,717
	<u>319,812</u>
Other capital expenditure	
- contracted	41,744
	<u>361,556</u>

A12. Significant related party transactions

Significant related party transactions during the financial period ended 31 March 2014 are as follows:-

	RM'000
Transactions with an associate	
- Management fee received/receivable	220
- Film rental received/receivable	432
	<u>5,447</u>
Transactions with a subsidiary of ultimate holding company	
- Sales of goods	5,447
	<u>5,447</u>
Transactions with subsidiaries of associates	
- Purchase of goods	39,861
- Sales of goods	640
- Rental received	848
- Security and other services paid and payable	470
- Charter hire of vessels	13,224
	<u>13,224</u>

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

Group revenue in 1Q2014 rose 16% to RM883 million from RM764 million in the same quarter last year. The increase was primarily from the flour and feed milling, and grains trading segment; other segments also contributed to revenue growth in the quarter under review.

The Group registered a profit before tax of RM174 million in 1Q2014, representing a 32% drop from RM256 million in 1Q2013. Despite better results delivered by most of the Group's segments in 1Q2014, the Group's profit was moderated by lower profit contribution from an associate, Wilmar International Limited ("Wilmar").

Group financial performance by business segment

	1Q2014	1Q2013	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Flour and feed milling, and grains trading	541,354	486,933	54,421	11%
- Marketing, distribution and manufacturing of consumer products	111,531	95,140	16,391	17%
- Film exhibition and distribution	93,294	80,150	13,144	16%
- Environmental engineering, waste management and utilities	25,242	23,419	1,823	8%
- Property investment and development	32,966	10,795	22,171	>100%
- Chemicals, Livestock, Investments and Other operations	118,668	102,529	16,139	16%
- Elimination	(39,870)	(35,120)	(4,750)	
Total revenue	883,185	763,846	119,339	16%

	1Q2014	1Q2013	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Flour and feed milling, and grains trading	37,154	31,229	5,925	19%
- Marketing, distribution and manufacturing of consumer products	7,513	4,714	2,799	59%
- Film exhibition and distribution	14,106	11,282	2,824	25%
- Environmental engineering, waste management and utilities	422	623	(201)	(32%)
- Property investment and development	10,993	4,881	6,112	>100%
- Chemicals, Livestock, Investments and Other operations	5,407	13,471	(8,064)	(60%)
- Elimination	5	(130)	135	
Total segment results	75,600	66,070	9,530	14%
- Share of associates and joint venture's profits less losses	100,619	192,049	(91,430)	(48%)
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(2,511)	(1,803)	(708)	(39%)
Total profit before tax	173,708	256,316	(82,608)	(32%)

Flour and feed milling, and grains trading

Revenue grew by 11% to RM541 million in 1Q2014 compared with RM487 million in the corresponding period last year driven by higher sales volume of flour in all regions including Indonesia, Vietnam and Malaysia as well as increased feed sales in Malaysia.

The segment posted increased first quarter profits of RM37 million in 2014 compared with RM31 million a year before, arising from higher sales volume and foreign currency translation gains, which was offset in part by less favourable grains trading conditions.

Marketing, distribution and manufacturing of consumer products

The segment delivered revenue growth of 17% to RM112 million in 1Q2014 compared with RM95 million in 1Q2013, mainly attributable to the enlarged distributorship of an agency product which was extended to Peninsular Malaysia since August 2013. Improved sales from the other existing agency products also contributed to the increase in revenue.

Growing in tandem with revenue as well as improved sales of agency products with better margins, the segment profit was up 59% to RM7.5 million in 1Q2014.

Film exhibition and distribution

Film exhibition's revenue increased 16% to RM93 million in 1Q2014 from RM80 million in the same period last year. This was mainly due to contribution from new cinemas opened in 2013, improved cinema collections from blockbuster movies released for Chinese New Year and higher average ticket prices.

Higher revenue in the first quarter of 2014 helped to boost the segment's profitability from RM11 million in 1Q2013 to RM14 million in 1Q2014.

Environmental engineering, waste management and utilities

The segment saw improved revenue of RM25 million in 1Q2014, 8% higher than the RM23 million reported in 1Q2013. This was mainly contributed by new projects, and an operation and maintenance contract for a sewage treatment plant. Notwithstanding the revenue growth, the segment profits were lower at RM0.4 million compared with RM0.6 million in 1Q2013 due to lower average margins from on-going projects.

Property investment and development

The segment trebled its first quarter revenue to RM33 million from RM11 million in 1Q2013, largely attributable to higher progress billings recognised from bungalows sold in Masera Bukit Segar, Kuala Lumpur on delivery of vacant possession. Higher rental rates from renewal of tenancies also contributed to the improved segment revenue in 1Q2014.

Higher progress billings coupled with increase in rental income resulted in the growth in segment profit from RM4.9 million in 1Q2013 to RM11 million in 1Q2014.

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

Combined revenue from these segments was up by 16% in 1Q2014 to RM119 million, mainly attributed to higher revenue generated by the livestock segment. This growth was driven by increased eggs sales volume as well as higher selling prices of day-old-chicks and eggs. Most of the other segments also reported better performance in the quarter under review.

In 1Q2014, the combined segments profit was mainly derived from the turnaround in the livestock segment as a result of improved selling prices, improved production efficiency and effective cost control. Most of the other segments were also profitable. As compared with the corresponding quarter last year, the combined segments profits were lower in 1Q2014, as there was a one-time gain of RM16 million on disposal of the Group's Tradewinds (M) Berhad shares in 1Q2013.

Share of associates and joint venture's profits less losses

The Group's associates and joint venture contributed lower profits of RM101 million in 1Q2014 compared with RM192 million in 1Q2013. Wilmar contributed lower profits of RM97 million in 1Q2014 against RM178 million a year ago mainly due to seasonal sugar losses, negative soybean crushing margins as well as tougher operating conditions for palm and laurics.

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

	1Q2014	4Q2013	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
- Flour and feed milling, and grains trading	37,154	38,702	(1,548)	(4%)
- Marketing, distribution and manufacturing of consumer products	7,513	6,652	861	13%
- Film exhibition and distribution	14,106	10,915	3,191	29%
- Environmental engineering, waste management and utilities	422	1,047	(625)	(60%)
- Property investment and development	10,993	12,071	(1,078)	(9%)
- Chemicals, Livestock, Investments and Other operations	5,407	19,447	(14,040)	(72%)
- Elimination	5	(77)	82	
Total segment results	75,600	88,757	(13,157)	(15%)
- Share of associates and joint venture's profits less losses	100,619	227,166	(126,547)	(56%)
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(2,511)	(654)	(1,857)	>(100%)
Total profit before tax	173,708	315,269	(141,561)	(45%)

The Group's profit before tax of RM174 million in 1Q2014 declined 45% from RM315 million in 4Q2013. This was mainly due to lower profit contribution from Wilmar which was 56% lower. The film exhibition and distribution segment achieved better performance from the blockbuster movies released in 1Q2014 whilst the investments in equities segment recorded a reduction against 4Q2013 where the Group received dividend income of RM15 million from its quoted investments.

B3. Prospects for current financial year

Domestic consumption is expected to remain robust in Malaysia and the ASEAN region in 2014, sustained by strong employment markets and continued income growth. This provides a conducive operating environment for the Group's core businesses in the region.

The Group's flour and feed, film exhibition, consumer products, property and bakery segments are anticipated to maintain their strong performance while progressively benefiting from recent capital expansions.

Building on the steady momentum of their 1Q2014 performance, the Group's core businesses are expected to achieve good results in the remaining quarters. Nevertheless, the Group's overall consolidated financial results will continue to be contingent on Wilmar's business performance.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before tax

	Individual Quarter 3 months ended 31-Mar-14 RM'000	Cumulative Quarter 3 months ended 31-Mar-14 RM'000
Profit before tax is stated after crediting :-		
Dividend income	23	23
Fair value gain on derivatives	1,109	1,109
Foreign exchange gain	13,014	13,014
Interest income	4,258	4,258
Income from short-term fund placements	2,274	2,274
Rental income	852	852
Gain on financial assets at fair value through profit or loss	272	272
Profit before tax is stated after charging :-		
Allowance for doubtful debts and write off of receivables	(371)	(371)
Depreciation and amortisation	(26,383)	(26,383)
Fair value loss on derivatives	(15,063)	(15,063)
Foreign exchange loss	(4,473)	(4,473)
Interest expense	(4,999)	(4,999)

There were no exceptional items for the current quarter and financial period ended 31 March 2014.

B6. Taxation

	Individual Quarter 3 months ended 31-Mar-14 RM'000	Cumulative Quarter 3 months ended 31-Mar-14 RM'000
Taxation comprises :-		
Malaysian taxation based on profit for the period		
Current	18,200	18,200
Deferred	(2,995)	(2,995)
	15,205	15,205
Foreign taxation		
Current	3,849	3,849
Deferred	(190)	(190)
	18,864	18,864
Under/(Over)provision		
Current	(17)	(17)
Deferred	1	1
	18,848	18,848

The effective tax rate is higher than the average statutory rate for the period mainly due to the non-allowable expenses incurred.

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. To date PPB has subscribed for 200,000 OS at RM1.00 per share for cash; and two tranches totaling 27,181,160 RPS at RM1.00 per share for cash, in the equity of HQR.

B8. Group borrowings

Total Group borrowings as at 31 March 2014 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	100,974	100,974	-
Hire purchase liabilities	66	66	-
Hire purchase liabilities (SGD)	9	9	-
Repayments due within the next 12 months	(30,145)	(30,145)	-
	<u>70,904</u>	<u>70,904</u>	<u>-</u>
Short-term bank borrowings			
Bills payable	145,691	-	145,691
Short-term loans	2,700	-	2,700
Short-term loans (USD)	63,164	-	63,164
Short-term loans (IDR)	128,117	-	128,117
Short-term loans (RMB)	1,574	-	1,574
Current portion of long-term loans	30,111	30,111	-
Hire purchase liabilities	25	25	-
Hire purchase liabilities (SGD)	9	9	-
	<u>371,391</u>	<u>30,145</u>	<u>341,246</u>
Bank overdrafts	2,165	-	2,165
	<u>373,556</u>	<u>30,145</u>	<u>343,411</u>

B9. Material litigation

There was no material litigation as at 14 May 2014.

B10. Dividends

The final single tier dividend for the financial year ended 31 December 2013 of 17 sen per share was approved by shareholders at the 45th Annual General Meeting held on 15 May 2014, and is payable on 6 June 2014.

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 2013 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share (all single tier)	Date paid/payable
2013	Interim dividend	8 sen	27 September 2013
2013	Final dividend	17 sen	6 June 2014

B11. Earnings per share

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

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

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

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

B13. Realised and unrealised profits/losses

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

	As at 31-Mar-14 RM'000	As at 31-Dec-13 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :-		
- Realised	12,272,030	12,208,286
- Unrealised	<u>(87,477)</u>	<u>(77,622)</u>
	12,184,553	12,130,664
Total share of retained profits/(accumulated losses) from associates :-		
- Realised	119,991	121,849
- Unrealised	(1,632)	(1,675)
- Wilmar International Limited ("Wilmar") *	4,238,429	4,142,851
Total share of retained profits from joint venture :-		
- Realised	<u>7,122</u>	<u>6,849</u>
	16,548,463	16,400,538
Less : consolidation adjustments	<u>(2,154,817)</u>	<u>(2,149,157)</u>
Total Group retained profits as per consolidated accounts	<u><u>14,393,646</u></u>	<u><u>14,251,381</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 May 2014

By Order of the Board
Mah Teck Keong
Company Secretary