

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER
ENDED 31 MARCH 2017

(The figures have not been audited)

Condensed Consolidated Income Statements For The Period Ended 31 March 2017

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Revenue	1,033,263	1,122,614	1,033,263	1,122,614
Operating expenses	(996,067)	(1,100,573)	(996,067)	(1,100,573)
Other operating income	40,587	69,076	40,587	69,076
Share of net profits less losses of associates	317,465	199,111	317,465	199,111
Share of profit of joint venture	939	1,006	939	1,006
Finance costs	(6,617)	(7,818)	(6,617)	(7,818)
Profit before tax	<u>389,570</u>	<u>283,416</u>	<u>389,570</u>	<u>283,416</u>
Tax expense	(21,963)	(24,520)	(21,963)	(24,520)
Profit for the period	<u><u>367,607</u></u>	<u><u>258,896</u></u>	<u><u>367,607</u></u>	<u><u>258,896</u></u>
Attributable to :				
Owners of the parent	358,266	246,240	358,266	246,240
Non-controlling interests	9,341	12,656	9,341	12,656
Profit for the period	<u><u>367,607</u></u>	<u><u>258,896</u></u>	<u><u>367,607</u></u>	<u><u>258,896</u></u>
Basic earnings per share (sen)	<u><u>30.22</u></u>	<u><u>20.77</u></u>	<u><u>30.22</u></u>	<u><u>20.77</u></u>

(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Statements Of Comprehensive Income
For The Period Ended 31 March 2017

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	31 March		31 March	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	367,607	258,896	367,607	258,896
Other comprehensive income/(loss), net of tax				
<u>Items that will be subsequently reclassified to profit or loss</u>				
Exchange differences on translation of foreign operations	(232,997)	(1,449,553)	(232,997)	(1,449,553)
Fair value of available-for-sale financial assets	129,917	3,734	129,917	3,734
Share of associates' other comprehensive income	200,074	63,151	200,074	63,151
Total comprehensive income/(loss)	<u>464,601</u>	<u>(1,123,772)</u>	<u>464,601</u>	<u>(1,123,772)</u>
Attributable to :				
Owners of the parent	456,382	(1,117,183)	456,382	(1,117,183)
Non-controlling interests	8,219	(6,589)	8,219	(6,589)
Total comprehensive income/(loss)	<u>464,601</u>	<u>(1,123,772)</u>	<u>464,601</u>	<u>(1,123,772)</u>

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

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

	As at 31-Mar-17 RM'000	As at 31-Dec-16 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	1,333,252	1,353,204
Investment properties	194,604	194,455
Biological assets	3,340	3,364
Goodwill	73,704	73,704
Other intangible assets	3,157	3,233
Land held for property development	84,975	84,923
Investments in associates	17,939,786	17,662,449
Investment in joint venture	66,443	65,418
Other investments	570,153	440,356
Deferred tax assets	1,739	2,771
	<u>20,271,153</u>	<u>19,883,877</u>
Current Assets		
Inventories	553,024	620,464
Biological assets	19,957	19,417
Other intangible assets	12,984	14,850
Receivables	935,910	958,806
Derivative financial instruments	8,610	3,276
Cash, bank balances, deposits and short-term fund placements	1,210,177	1,178,261
	<u>2,740,662</u>	<u>2,795,074</u>
Assets classified as held for sale	11,560	23,759
	<u>2,752,222</u>	<u>2,818,833</u>
TOTAL ASSETS	<u><u>23,023,375</u></u>	<u><u>22,702,710</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	1,192,215	1,185,500
Reserves	20,236,757	19,787,090
Equity attributable to owners of the parent	<u>21,428,972</u>	<u>20,972,590</u>
Non-controlling interests	687,362	695,143
Total equity	<u><u>22,116,334</u></u>	<u><u>21,667,733</u></u>

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

	As at 31-Mar-17 RM'000	As at 31-Dec-16 RM'000
Non-current Liabilities		
Long-term borrowings	64,899	72,918
Deferred tax liabilities	103,439	99,266
	<u>168,338</u>	<u>172,184</u>
Current Liabilities		
Payables	333,577	377,726
Derivative financial instruments	1,181	5,221
Short-term borrowings	386,289	455,086
Current tax liabilities	16,365	24,760
	<u>737,412</u>	<u>862,793</u>
Liabilities associated with assets classified as held for sale	1,291	-
	<u>738,703</u>	<u>862,793</u>
Total liabilities	<u>907,041</u>	<u>1,034,977</u>
TOTAL EQUITY AND LIABILITIES	<u><u>23,023,375</u></u>	<u><u>22,702,710</u></u>
Net assets per share attributable to owners of the parent (RM)	<u>18.08</u>	<u>17.69</u>

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2016, 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 2017

	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			
3 months ended 31 March 2017											
At 1 January 2017	1,185,500	6,715	39,511	3,099,410	9,442	(51,000)	128,920	16,554,092	20,972,590	695,143	21,667,733
Total comprehensive income/(loss)	-	-	-	(153,817)	129,917	107,787	14,229	358,266	456,382	8,219	464,601
Transfer of reserves	-	-	(232)	-	-	-	3,221	(2,989)	-	-	-
Transfer pursuant to Companies Act 2016 (Note)	6,715	(6,715)	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	(16,000)	(16,000)
At 31 March 2017	1,192,215	-	39,279	2,945,593	139,359	56,787	146,370	16,909,369	21,428,972	687,362	22,116,334
3 months ended 31 March 2016											
At 1 January 2016	1,185,500	6,715	40,477	2,729,110	-	3,729	(11,516)	165,798	15,804,622	19,916,977	20,552,571
Total comprehensive income/(loss)	-	-	-	(1,323,927)	3,734	(64,036)	20,806	246,240	(1,117,183)	(6,589)	(1,123,772)
Transfer of reserves	-	-	(174)	-	-	-	5,568	(5,394)	-	-	-
Issue of shares to a non-controlling interest	-	-	-	-	-	-	-	-	-	7,872	7,872
At 31 March 2016	1,185,500	6,715	40,303	1,405,183	5	(75,552)	192,172	16,045,468	18,799,794	636,877	19,436,671

Note :

Pursuant to Section 74 of the Companies Act 2016 ("Act"), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provisions set out in Section 618 (2) of the Act, any amount standing to the credit of the share premium account becomes part of the Company's share capital. Companies have 24 months from the commencement of the Act to utilise the credit for purposes as set out in Section 618 (3) of the Act. During the current financial period, the Company has not utilised any of the credit in the share premium account which has now become part of the share capital. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2016, and the accompanying explanatory notes attached to this report.)

**Condensed Consolidated Statement Of Cash Flows
For The Period Ended 31 March 2017**

	3 months ended 31 March	
	2017	2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	389,570	283,416
Adjustments :		
Non-cash items	(290,420)	(124,516)
Non-operating items	(3,849)	(2,217)
Operating profit before working capital changes	<u>95,301</u>	<u>156,683</u>
Working capital changes :-		
Net change in current assets	63,849	76,675
Net change in current liabilities	(29,692)	(135,134)
Cash generated from operations	<u>129,458</u>	<u>98,224</u>
Tax paid	(26,196)	(19,267)
Net cash generated from operating activities	<u>103,262</u>	<u>78,957</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(33,351)	(30,929)
Proceeds from disposal of property, plant and equipment, and assets held for sale	35,934	3,055
Dividends received	8,381	6,825
Income from short-term fund placements	2,652	4,155
Interest received	3,476	4,343
Repayment from associates	2,706	20,353
Other investing activities	1,287	1,332
Net cash generated from investing activities	<u>21,085</u>	<u>9,134</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank borrowings	(66,649)	(15,947)
Interest paid	(6,804)	(7,898)
Dividend paid	(16,000)	-
Shares issued to non-controlling interests of a subsidiary	-	7,872
Net cash used in financing activities	<u>(89,453)</u>	<u>(15,973)</u>
Net increase in cash and cash equivalents	<u>34,894</u>	<u>72,118</u>
Cash and cash equivalents brought forward	1,177,203	1,196,309
Effect of exchange rate changes	(2,482)	(14,882)
Cash and cash equivalents carried forward	<u><u>1,209,615</u></u>	<u><u>1,253,545</u></u>
<u>Cash and cash equivalents represented by :</u>		
Cash and bank balances	195,558	306,385
Bank deposits	295,667	457,236
Short-term fund placements	718,952	490,933
Bank overdrafts	(562)	(1,009)
	<u>1,209,615</u>	<u>1,253,545</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2016, 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 Standard ("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 2016 except for the adoption of the following Amendments to FRSs that are effective for financial periods beginning on or after 1 January 2017 :

Amendments to FRS 107	Disclosure Initiative
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to FRS 12	Annual Improvements to FRS Standards 2014 - 2016 Cycle

The adoption of the above Amendments to FRSs 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 previous 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

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 2017 is as follows :

Business segments: <i>All figures in RM'000</i>	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments in equities	Other operations	Elimination	Total
REVENUE									
External revenue	684,884	170,714	124,622	18,711	9,968	111	24,253	-	1,033,263
Inter-segment sales	38,996	497	-	2	670	-	8,693	(48,858)	-
Total revenue	<u>723,880</u>	<u>171,211</u>	<u>124,622</u>	<u>18,713</u>	<u>10,638</u>	<u>111</u>	<u>32,946</u>	<u>(48,858)</u>	<u>1,033,263</u>
RESULTS									
Segment results	36,613	12,870	20,023	1,035	2,564	111	(127)	-	73,089
Share of associates' profits less losses	17,838	(573)	3,015	1,413	93	-	295,679	-	317,465
Share of joint venture's profit	-	-	-	939	-	-	-	-	939
Interest income									3,541
Income from short-term fund placements									5,527
Finance costs									(6,617)
Unallocated corporate expenses									(4,374)
Profit before tax									<u>389,570</u>
ASSETS									
Segment assets	2,110,760	436,873	318,183	62,917	364,491	570,153	116,010	(271)	3,979,116
Investments in associates	372,601	30,388	177,987	51,842	186,727	-	17,120,241	-	17,939,786
Investment in joint venture	-	-	-	66,443	-	-	-	-	66,443
Bank deposits and short-term fund placements									1,014,619
Tax assets									9,158
Other unallocated corporate assets									14,253
Total assets									<u>23,023,375</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 under review.

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 commitments not provided for in the interim financial report as at 31 March 2017 were as follows :

	RM'000
Property, plant and equipment and investment properties	
- contracted	71,615
- not contracted	280,602
	<u>352,217</u>
Other capital commitments	
- contracted	71,885
	<u>424,102</u>

A12. Significant related party transactions

Significant related party transactions during the period ended 31 March 2017 were as follows :

	RM'000
Transactions with associates	
- Management fees income	162
- Film rental income	2,042
- Interest income income	1,082
- Purchase of goods	8,120
	<u>11,406</u>
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	5,132
	<u>5,132</u>
Transactions with subsidiaries of associates	
- Purchase of goods	59,967
- Sales of goods	17,319
- Rental income	902
- Security and other service fees expense	515
- Marketing fees income	314
- Supervision fees income	429
- Charter hire of vessels	18,798
	<u>96,344</u>

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

Group revenue of RM1.03 billion recorded in 1Q2017 was 8% lower compared with RM1.12 billion in 1Q2016. Most of the Group's segments delivered lower revenue except for the *Consumer products* segment.

Group pre-tax profit of RM390 million in 1Q2017 was 37% higher than the corresponding quarter's profit of RM283 million. This was mainly contributed by an associate, Wilmar International Limited ("Wilmar") and the improved performance by the *Consumer products* segment, whilst most of the Group's other segments posted lower profits in 1Q2017 compared with the same period last year.

Group financial performance by business segment

	1Q2017	1Q2016	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
Grains and agribusiness	723,880	755,512	(31,632)	(4%)
Consumer products	171,211	150,955	20,256	13%
Film exhibition and distribution	124,622	144,837	(20,215)	(14%)
Environmental engineering and utilities	18,713	59,493	(40,780)	(69%)
Property	10,638	12,081	(1,443)	(12%)
Investments and Other operations	33,057	39,033	(5,976)	(15%)
Elimination	(48,858)	(39,297)	(9,561)	
Total revenue	1,033,263	1,122,614	(89,351)	(8%)

	1Q2017	1Q2016	Variance	
	RM'000	RM'000	RM'000	%
Segment results				
Grains and agribusiness	36,613	37,847	(1,234)	(3%)
Consumer products	12,870	2,625	10,245	>100%
Film exhibition and distribution	20,023	33,987	(13,964)	(41%)
Environmental engineering and utilities	1,035	3,979	(2,944)	(74%)
Property	2,564	5,258	(2,694)	(51%)
Investments and Other operations	(16)	3,103	(3,119)	>(100%)
Total segment results	73,089	86,799	(13,710)	(16%)
Share of associates and joint venture's profits less losses	318,404	200,117	118,287	59%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(1,923)	(3,500)	1,577	45%
Total profit before tax	389,570	283,416	106,154	37%

Grains and agribusiness

The *Grains and agribusiness* segment registered a 4% decrease in revenue to RM724 million in 1Q2017 (1Q2016 : RM756 million) mainly due to lower flour sales volume in Indonesia and Malaysia. However, this was mitigated by the higher revenue recorded by the flour mills in Vietnam and feed mills in Malaysia, from increased sales volume and selling prices respectively.

The segment reported a 3% decline in profit to RM37 million in 1Q2017 (1Q2016 : RM38 million). While the Malaysian flour mills performance improved slightly due to lower raw material costs, the Indonesian and Vietnam flour mills delivered lower profit, as a result of lower flour sales volume and lower selling prices in Indonesia; whilst for the Vietnam flour mills, lower selling price had affected profitability. The feed mills performance also dropped due to higher raw material costs.

Consumer products

The *Consumer products* segment revenue rose by 13% to RM171 million in 1Q2017 mainly driven by increased sales volume and improved selling prices of edible oils and bakery products.

In 1Q2017, segment profit of RM13 million was significantly higher compared to the corresponding period last year mainly due to a gain of RM8.0 million from the sale of a land and building. Excluding the gain, 1Q2017 segment profit was RM4.9 million compared with RM2.6 million a year ago mainly attributable to the improved results of the bakery operation.

Film exhibition and distribution

The *Film exhibition and distribution* segment revenue was lower at RM125 million in 1Q2017 (1Q2016 : RM145 million). This was mainly due to local and Chinese New Year movies which were significantly weaker compared with the same quarter last year. The rescheduling of a blockbuster title for screening to the second quarter also resulted in lower revenue.

Segment profit in 1Q2017 was RM20 million (1Q2016 : RM34 million) in line with the reduced revenue from film exhibition and lower net foreign exchange translation gain on USD-denominated loans.

Environmental engineering and utilities

Environmental engineering projects that had contributed significantly in 1Q2016 were at their completion stage in 1Q2017, which resulted in lower revenue of RM19 million in the quarter under review (1Q2016 : RM59 million).

In tandem with the lower revenue, the segment profit decreased to RM1 million in 1Q2017 (1Q2016 : RM4 million).

Property

In 1Q2017, the *Property* segment posted marginally lower revenue of RM11 million (1Q2016 : RM12 million). This was due mainly to the completion of Taman Tanah Aman project and recognition of all progress billings in year 2016, and the reduced rental income from lower occupancy rates in investment properties.

In 1Q2017, segment profit was lower at RM2.6 million (1Q2016 : RM5.3 million) in line with the decreased revenue and higher staff costs.

Investments and Other operations

The combined segment revenue decreased by 15% in 1Q2017 to RM33 million (1Q2016 : RM39 million) primarily due to lower revenue in the packaging division, and lower sales volume in the chemical trading and manufacturing division.

The combined segments collectively recorded a small loss of RM16,000 in 1Q2017 (1Q2016 : RM3.1 million profit) mainly due to lower revenue generated and higher raw material costs in the packaging division, and lower sales of higher-margin products in the chemical trading and manufacturing division.

Share of associates and joint venture's profits less losses

The Group's share of associates and joint venture profits was RM318 million in 1Q2017 (1Q2016 : RM200 million). Wilmar contributed higher profits of RM296 million in 1Q2017 (1Q2016 : RM181 million), mainly attributed to good performance from its Oilseeds and grains, Tropical oils and higher contribution from associates as well as gains from investment securities.

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

Segment results	1Q2017	4Q2016	Variance	
	RM'000	RM'000	RM'000	%
Grains and agribusiness	36,613	62,277	(25,664)	(41%)
Consumer products	12,870	6,648	6,222	94%
Film exhibition and distribution	20,023	1,371	18,652	>100%
Environmental engineering and utilities	1,035	(366)	1,401	>100%
Property	2,564	1,198	1,366	>100%
Investments and Other operations	(16)	(13,528)	13,512	99%
Total segment results	73,089	57,600	15,489	27%
Share of associates and joint venture's profits less losses	318,404	468,684	(150,280)	(32%)
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(1,923)	541	(2,464)	>(100%)
Total profit before tax	389,570	526,825	(137,255)	(26%)

Group pre-tax profit was lower at RM390 million in 1Q2017 (4Q2016 : RM527 million) mainly due to the following :

- lower profit contribution from Wilmar of RM296 million in the current quarter (4Q2016 : RM444 million); and
- lower *Grains and agribusiness* segment profit mainly due to higher raw material costs for the Malaysian flour and feed mills, lower selling prices of flour in Vietnam, and net foreign exchange translation loss on Renminbi-denominated shareholders loans as opposed to the net foreign exchange translation gain posted in 4Q2016.

However, the above was mitigated by improved profits from most of the Group's other segments.

B3. Prospects for the current financial year

Bank Negara Malaysia has reported that the Malaysian economy recorded a higher GDP growth of 5.6% in the first quarter of 2017 (4Q2016 : 4.5%). Domestic demand continued to be the key driver of growth, supported by continued expansion in private sector expenditure and the turnaround in public sector expenditure. Household spending remained supported by continued wage and employment growth, with additional impetus from the implementation of selected Government measures. Investment activity is projected to expand by the implementation of new and ongoing projects in the manufacturing and services sectors. Overall, the economy remains on track to register higher growth in 2017. (Extracted from Bank Negara Malaysia's *Quarterly Bulletin for 1Q2017*)

Despite intense competition in both the domestic and overseas flour markets, the Group is confident of maintaining its established market position in the *Grains and agribusiness* segment with the new capacities at the existing flour mills in Pasir Gudang, Johor and Ba Ria - Vung Tau, southern Vietnam scheduled to come on-stream this year. The *Consumer products* segment is expected to perform satisfactorily leveraging on its strong distribution channels and the range of products offered. The performance of the *Film exhibition and distribution* segment will be supported by opening of new cinemas in Malaysia and Vietnam coupled with the stronger line-up of movies this year. The *Environmental engineering and utilities* segment will continue to focus on timely completion on its ongoing projects and pursuing prospective projects. The *Property* segment will continue to improve the yield of its existing investment properties. The Group expects to launch a mixed development project in Taman Megah, Petaling Jaya later in the year.

For the current financial year, the performance of the Group's main business segments is expected to be satisfactory, and Wilmar's performance will continue to contribute substantially to the Group's overall financial results.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Profit before tax

	Individual Quarter 3 months ended 31-Mar-17 RM'000	Cumulative Quarter 3 months ended 31-Mar-17 RM'000
Profit before tax is stated after crediting :		
Dividend income	111	111
Fair value gain on derivatives	8,657	8,657
Foreign exchange gain	5,450	5,450
Interest income	3,541	3,541
Income from short-term fund placements	5,527	5,527
Rental income	1,287	1,287
Gain on disposal of land and building	7,974	7,974
Profit before tax is stated after charging :		
Allowance for doubtful debts and receivables written off	(156)	(156)
Depreciation and amortisation	(41,263)	(41,263)
Fair value loss on derivatives	(201)	(201)
Foreign exchange loss	(6,013)	(6,013)
Interest expense	(6,617)	(6,617)

B6. Tax expense

	Individual Quarter 3 months ended 31-Mar-17 RM'000	Cumulative Quarter 3 months ended 31-Mar-17 RM'000
Taxation comprises :		
Malaysian taxation		
Current	16,089	16,089
Deferred	3,311	3,311
	19,400	19,400
Foreign taxation		
Current	1,310	1,310
Deferred	1,217	1,217
	21,927	21,927
Under/(Over) provision in prior year		
Current	52	52
Deferred	(16)	(16)
	21,963	21,963

The effective tax rate is higher than the average statutory rate for the period mainly due to withholding tax on undistributable profits of foreign associates and deferred tax credit not recognised by a subsidiary. Deferred tax benefit will be recognised when the subsidiary is able to estimate accurately the timing of its future profits.

B7. Status of corporate proposals

There were no corporate proposals announced but not completed as at 18 May 2017.

B8. Group borrowings

Total Group borrowings as at 31 March 2017 were as follows :

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	101,765	101,765	-
Long-term bank loans (VND)	5,911	5,911	-
Repayments due within the next 12 months	(42,777)	(42,777)	-
	64,899	64,899	-
Short-term bank borrowings			
Bills payable (IDR)	48,082	-	48,082
Short-term loans	400	-	400
Short-term loans (USD)	136,151	-	136,151
Short-term loans (IDR)	117,662	-	117,662
Short-term loans (VND)	40,655	-	40,655
Current portion of long-term loans	42,777	42,777	-
	385,727	42,777	342,950
Bank overdrafts	562	-	562
	386,289	42,777	343,512

B9. Material litigation

There was no material litigation as at 18 May 2017.

B10. Dividends

The final single tier dividend for financial year ended 31 December 2016 of 17 sen per share was approved by shareholders at the 48th Annual General Meeting held on 9 May 2017, and was paid on 25 May 2017.

Dividends paid

Dividends paid for financial year 2016 and up to the date of this report are as follows :

Financial Year	Type	Amount per share	Date paid
2016	Interim dividend	8 sen	28 September 2016
2016	Final dividend	17 sen	25 May 2017

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-17 RM'000	As at 31-Dec-16 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :		
- Realised	13,057,609	13,022,777
- Unrealised	(90,196)	(98,796)
	<u>12,967,413</u>	<u>12,923,981</u>
Total share of retained profits/(accumulated losses) from associates :		
- Realised	224,617	210,443
- Unrealised	(1,443)	(1,292)
- Wilmar International Limited ("Wilmar") *	6,028,453	5,734,364
Total share of retained profits from joint venture :		
- Realised	10,267	10,028
	<u>19,229,307</u>	<u>18,877,524</u>
Less : Consolidation adjustments	(2,319,938)	(2,323,432)
Total Group retained profits as per consolidated accounts	<u><u>16,909,369</u></u>	<u><u>16,554,092</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 may be considered price-sensitive information, it would not be appropriate for Wilmar to selectively disclose such information to any particular shareholder.*

Kuala Lumpur
25 May 2017

By Order of the Board
Mah Teck Keong
Company Secretary