

PPB GROUP BERHAD (8167-W)
INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER
ENDED 30 SEPTEMBER 2007

(The figures have not been audited)

Condensed Consolidated Income Statements For The Period Ended 30 September 2007

| | Individual Quarter 3 months ended 30 September | | Cumulative Quarter 9 months ended 30 September | |
|---|--|------------------------------|--|------------------------------|
| | 2007 RM'000 | 2006 RM'000 (Restated) | 2007 RM'000 | 2006 RM'000 (Restated) |
| <u>Continuing operations</u> | | | | |
| Revenue | 760,425 | 706,798 | 2,178,557 | 1,919,313 |
| Operating expenses | (690,927) | (610,037) | (1,989,637) | (1,766,138) |
| Other operating income | 8,455 | 4,514 | 18,171 | 13,340 |
| Profit from operations | 77,953 | 101,275 | 207,091 | 166,515 |
| Net profit from investing activities | 20,653 | 6,176 | 92,799 | 127,445 |
| Share of associated companies' profits less losses | 140,494 | 9,060 | 144,958 | 20,739 |
| Share of joint ventures' profits less losses | 198 | 177 | 526 | 395 |
| Finance costs | (1,168) | (1,213) | (3,436) | (3,591) |
| Profit before taxation | 238,130 | 115,475 | 441,938 | 311,503 |
| Taxation | (17,037) | (29,848) | (60,709) | (47,788) |
| Profit for the period from continuing operations | 221,093 | 85,627 | 381,229 | 263,715 |
| <u>Discontinued operations</u> | | | | |
| Profit for the period from discontinued operations, net of tax | - | 104,332 | 168,137 | 246,087 |
| Gain on sale of discontinued operations | (53) | - | 6,392,841 | - |
| Profit for the period | 221,040 | 189,959 | 6,942,207 | 509,802 |
| Attributable to : | | | | |
| Shareholders of the Company | 218,512 | 164,541 | 6,900,205 | 407,499 |
| Minority interests | 2,528 | 25,418 | 42,002 | 102,303 |
| Profit for the period | 221,040 | 189,959 | 6,942,207 | 509,802 |
| Basic earnings per share (sen) | | | | |
| - continuing operations | 18.43 | 7.04 | 31.86 | 18.47 |
| - discontinued operations | - | 6.84 | 550.19 | 15.90 |
| | 18.43 | 13.88 | 582.05 | 34.37 |

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual
Financial Statements for the year ended 31 December 2006
and the accompanying explanatory notes attached to this report.)**

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Balance Sheets

| | As at 30-Sep-07 RM'000 | As at 31-Dec-06 RM'000 |
|--|---------------------------------------|---------------------------------------|
| ASSETS | | |
| Non-current Assets | | (Restated) |
| Property, plant and equipment | 843,396 | 1,430,328 |
| Investment properties | 180,665 | 206,204 |
| Biological assets | 2,559 | 921,038 |
| Prepaid lease payments | 78,339 | 503,061 |
| Goodwill on consolidation | 73,033 | 33,316 |
| Other intangible assets | 2,780 | 3,254 |
| Land held for property development | 447 | 437 |
| Investment in associated companies | 8,470,868 | 738,480 |
| Interests in joint ventures | 40,403 | 39,050 |
| Other investments | 421,448 | 388,653 |
| Deferred tax assets | - | 7,098 |
| | <u>10,113,938</u> | <u>4,270,919</u> |
| Current Assets | | |
| Inventories | 436,621 | 956,951 |
| Biological assets | 20,687 | 48,562 |
| Other intangible assets | 9,438 | 9,221 |
| Property development costs | 67,567 | 52,614 |
| Receivables | 520,327 | 1,187,748 |
| Cash, bank balances and deposits | 634,434 | 762,712 |
| | <u>1,689,074</u> | <u>3,017,808</u> |
| Assets of disposal group/Non-current assets classified as held for sale | 55,915 | 195 |
| | <u>1,744,989</u> | <u>3,018,003</u> |
| TOTAL ASSETS | <u>11,858,927</u> | <u>7,288,922</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 1,185,500 | 1,185,500 |
| Reserves | 10,109,117 | 3,459,184 |
| Equity attributable to shareholders of the Company | <u>11,294,617</u> | <u>4,644,684</u> |
| Minority interests | 158,781 | 886,641 |
| Total equity | <u>11,453,398</u> | <u>5,531,325</u> |

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Balance Sheets

| | As at 30-Sep-07 RM'000 | As at 31-Dec-06 RM'000 |
|--|---------------------------------------|---------------------------------------|
| Non-current Liabilities | | (Restated) |
| Long term borrowings | 20,906 | 334,176 |
| Deferred tax liabilities | 65,442 | 302,535 |
| | <u>86,348</u> | <u>636,711</u> |
| Current Liabilities | | |
| Payables | 242,637 | 720,558 |
| Short term borrowings | 51,909 | 356,665 |
| Taxation | 24,635 | 43,643 |
| | <u>319,181</u> | <u>1,120,866</u> |
| Liabilities directly associated with assets classified as held for sale | - | 20 |
| | <u>319,181</u> | <u>1,120,886</u> |
| Total liabilities | <u>405,529</u> | <u>1,757,597</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>11,858,927</u></u> | <u><u>7,288,922</u></u> |
| Net assets per share attributable to shareholders of the Company (RM) | <u>9.53</u> | <u>3.92</u> |
| Net assets per share (RM) | <u>9.66</u> | <u>4.67</u> |

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual
Financial Statements for the year ended 31 December 2006
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 September 2007

| | | | Non-distributable | | Distributable | | Minority interests RM'000 | Total equity RM'000 | |
|--|-------------------------|-------------------------|-------------------------------|--|---------------------------|----------------------------|------------------------------|------------------------|---|
| | Share capital RM'000 | Share premium RM'000 | Revaluation reserve RM'000 | Exchange translation reserve RM'000 | Capital reserve RM'000 | Retained profits RM'000 | | | Attributable to shareholders of the Company RM'000 |
| <u>9 months ended 30 September 2007</u> | | | | | | | | | |
| At 1 January 2007 | 1,185,500 | 6,715 | 160,540 | (33,901) | 175,855 | 3,149,975 | 4,644,684 | 886,641 | 5,531,325 |
| Net gains/(losses) recognised directly to equity | - | - | 5,697 | (36,754) | (46,132) | - | (77,189) | (7,922) | (85,111) |
| Profit for the period | - | - | - | - | - | 6,900,205 | 6,900,205 | 42,002 | 6,942,207 |
| Total recognised income and expenses for the period | - | - | 5,697 | (36,754) | (46,132) | 6,900,205 | 6,823,016 | 34,080 | 6,857,096 |
| Disposal of shares in subsidiaries | - | - | - | - | - | - | - | (673,304) | (673,304) |
| Transfer of reserves | - | - | (106,895) | - | (45,600) | 152,495 | - | - | - |
| Acquisition of additional shares in an existing subsidiary | - | - | - | - | - | - | - | (29,241) | (29,241) |
| Shares issued to minority shareholders of subsidiaries | - | - | - | - | - | - | - | 9,886 | 9,886 |
| Capital reduction by subsidiaries | - | - | - | - | - | - | - | (53,700) | (53,700) |
| Dividends | - | - | - | - | - | (173,083) | (173,083) | (15,581) | (188,664) |
| At 30 September 2007 | 1,185,500 | 6,715 | 59,342 | (70,655) | 84,123 | 10,029,592 | 11,294,617 | 158,781 | 11,453,398 |
| <u>9 months ended 30 September 2006</u> | | | | | | | | | |
| As previously stated | 1,185,500 | 6,715 | 162,180 | (15,590) | 162,910 | 2,713,438 | 4,215,153 | 803,656 | 5,018,809 |
| Effects of adopting FRS 3 | - | - | - | - | - | 45,849 | 45,849 | 397 | 46,246 |
| At 1 January 2006 (restated) | 1,185,500 | 6,715 | 162,180 | (15,590) | 162,910 | 2,759,287 | 4,261,002 | 804,053 | 5,065,055 |
| Net gains/(losses) recognised directly to equity | - | - | - | 4,942 | 3,396 | (84) | 8,254 | 2,703 | 10,957 |
| Profit for the period | - | - | - | - | - | 407,499 | 407,499 | 102,303 | 509,802 |
| Total recognised income and expenses for the period | - | - | - | 4,942 | 3,396 | 407,415 | 415,753 | 105,006 | 520,759 |
| Transfer of reserves | - | - | (3,181) | (60) | 1,106 | 2,135 | - | - | - |
| Acquisition of subsidiaries | - | - | - | - | - | - | - | (2,379) | (2,379) |
| Capital reduction by subsidiaries | - | - | - | - | - | - | - | (4,802) | (4,802) |
| Dividends | - | - | - | - | - | (170,712) | (170,712) | (47,141) | (217,853) |
| At 30 September 2006 | 1,185,500 | 6,715 | 158,999 | (10,708) | 167,412 | 2,998,125 | 4,506,043 | 854,737 | 5,360,780 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)
Condensed Consolidated Cash Flow Statements
For The Period Ended 30 September 2007

| | 9 months ended 30 September | |
|---|-----------------------------|------------------|
| | 2007 | 2006 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | | |
| Continuing operations | 441,938 | 311,503 |
| Discontinued operations | 6,592,382 | 309,228 |
| | 7,034,320 | 620,731 |
| Adjustments :- | | |
| Non-cash items | (160,696) | (64,026) |
| Non-operating items | (6,454,055) | (22,146) |
| Operating profit before working capital changes | 419,569 | 534,559 |
| Working capital changes | | |
| Net change in current assets | (274,673) | (559,997) |
| Net change in current liabilities | 9,960 | 129,096 |
| Cash generated from operations | 154,856 | 103,658 |
| Tax paid | (79,175) | (88,308) |
| Net cash generated from operating activities | 75,681 | 15,350 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets | (212,224) | (312,065) |
| Proceeds from disposal of property, plant and equipment | 6,871 | 8,292 |
| Purchase of investments | (196,356) | (7,544) |
| Proceeds from sale of investments | 25,638 | 147,506 |
| Redemption of preference shares in an associated company | 33,912 | - |
| Dividends received | 87,900 | 38,874 |
| Interest received | 18,663 | 17,932 |
| Subsidiary companies - net cash disposed | (77,633) | - |
| Other investing activities | 2,340 | 5,121 |
| Net cash used in investing activities | (310,889) | (101,884) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Shares issued to minority shareholders of subsidiary companies | 9,886 | - |
| Bank borrowings | 371,226 | 511,518 |
| Interest paid | (17,513) | (25,378) |
| Dividends paid | (188,664) | (217,853) |
| Other financing activities | (59,329) | (5,320) |
| Net cash generated from financing activities | 115,606 | 262,967 |
| Net (decrease)/ increase in cash and cash equivalents | (119,602) | 176,433 |
| Cash and cash equivalents at 1 January | 750,981 | 735,827 |
| Effect of exchange rate changes | (3,122) | (467) |
| Cash and cash equivalents at 30 September | 628,257 | 911,793 |
| <u>Cash and cash equivalent represented by :-</u> | | |
| Cash & bank | 72,044 | 249,526 |
| Bank deposits | 562,365 | 675,089 |
| Bank overdrafts | (6,152) | (12,822) |
| | 628,257 | 911,793 |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2006 and the accompanying explanatory notes attached to this report.)

PPB GROUP BERHAD (8167-W)

NOTES

A. FRS (Financial Reporting Standards) 134 - Paragraph 16**A1. a) 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 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 2006, except for the adoption of the revised FRS 117 : Leases and FRS 124 : Related Party Disclosures from 1 January 2007. The adoption of FRS 117 and FRS 124 does not have any financial impact on the financial statements for the current interim period.

Prior to 1 January 2007, the Group's leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land as prepaid lease payments. Leasehold land held for own use is now classified as operating lease. The up-front payments for leasehold land represent prepaid lease payments and are amortised on a straight-line basis over the lease term.

Effective 1 January 2007, the Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 January 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively. Certain comparatives in the financial statements have been restated to conform with the current period presentation. There were no effects on the consolidated income statement for the financial year ended 31 December 2006.

| | As previously reported RM'000 | Effects RM'000 | As restated RM'000 |
|-------------------------------|--|---------------------------|-----------------------------------|
| <u>Balance Sheets</u> | | | |
| Property, plant and equipment | 1,933,389 | (503,061) | 1,430,328 |
| Prepaid lease payments | - | 503,061 | 503,061 |

b) Discontinued operations

The discontinued operations in this report have been presented in accordance with FRS 5 : Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the results of PPB Oil Palms Berhad ("PPBOP"), PGEO Group Sdn Bhd ("PGEO") and Kuok Oils & Grains Pte Ltd ("KOG") are disclosed separately in the consolidated income statements as discontinued operations up to the respective dates of completion.

PPB GROUP BERHAD (8167-W)

The financial results of the discontinued operations for the 9 months ended 30 September are as follows :-

| | Individual Quarter 3 months ended 30 September | | Cumulative Quarter 9 months ended 30 September | |
|--|--|------------------------------|--|------------------------------|
| | 2007 RM'000 | 2006 RM'000 (Restated) | 2007 RM'000 | 2006 RM'000 (Restated) |
| Revenue | - | 2,346,433 | 3,164,988 | 6,357,272 |
| Operating expenses | - | (2,229,450) | (3,055,699) | (6,109,172) |
| Other operating income | - | (2,038) | 20,673 | 10,939 |
| Profit from operations | - | 114,945 | 129,962 | 259,039 |
| Net profit from investing activities | (53) | 1,629 | 6,393,445 | 2,385 |
| Share of associated companies' profits less losses | - | 25,318 | 78,525 | 66,998 |
| Finance costs | - | (10,254) | (9,550) | (19,194) |
| Profit before taxation | (53) | 131,638 | 6,592,382 | 309,228 |
| Taxation | - | (27,306) | (31,404) | (63,141) |
| Profit for the period | (53) | 104,332 | 6,560,978 | 246,087 |

A2. Disclosure of audit report qualification and status of matters raised

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

A3. Seasonal or Cyclicity of Interim Operations

The Group's operations are not materially affected by any seasonal or cyclical factors.

A4. Unusual items affecting assets, liabilities, equity, net income, or cash flow

There were no items of an unusual nature, size or incidence that affect the assets, liabilities, equity, net income and cash flows of the Group during the current period under review.

A5. Nature and amount of changes in estimates

There were no changes in estimates of amounts reported in prior financial years which have a material effect in the current interim period.

A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities

There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year-to-date.

A7. Dividends paid

| | Individual Quarter 3 months ended 30-Sep-2007 RM'000 | Cumulative Quarter 9 months ended 30-Sep-2007 RM'000 |
|--|---|---|
| <u>Dividends paid on ordinary shares</u> | | |
| 2006 : Final dividend - 15 sen less tax | - | 129,812 |
| 2007 : Interim dividend - 5 sen less tax | 43,271 | 43,271 |
| | <u>43,271</u> | <u>173,083</u> |

PPB GROUP BERHAD (8167-W)

A8. Segmental reporting

Segmental information in respect of the Group's business segments for the period ended 30 September 2007

| | Continuing operations | | | | | | | | | | | Discontinued operations | | | | | Total Operations |
|--|------------------------------------|--|-------------------|-----------|---|----------------------------------|-------------------------------------|-------------------------------------|------------------|-------------|-----------|----------------------------------|----------------------|-----------|-------------|-----------|------------------|
| | Sugar refining and cane plantation | Grains trading, flour and feed milling | Livestock farming | Packaging | Environmental engineering, waste management and utilities | Film exhibition and distribution | Property investment and development | Chemicals trading and manufacturing | Other operations | Elimination | Total | Edible oils refining and trading | Oil palm plantations | Packaging | Elimination | Total | |
| <i>All figures in RM'000</i> | | | | | | | | | | | | | | | | | |
| Information About Business Segments: | | | | | | | | | | | | | | | | | |
| REVENUE | | | | | | | | | | | | | | | | | |
| External sales | 842,161 | 688,565 | 47,123 | 36,265 | 44,540 | 113,224 | 48,194 | 93,362 | 265,123 | - | 2,178,557 | 3,080,979 | 62,738 | 21,271 | - | 3,164,988 | 5,343,545 |
| Inter-segment sales | - | 57,233 | 10,204 | 11,174 | - | - | 946 | 1,086 | 13,377 | (94,020) | - | 43,570 | 188,423 | - | (231,993) | - | - |
| Total revenue | 842,161 | 745,798 | 57,327 | 47,439 | 44,540 | 113,224 | 49,140 | 94,448 | 278,500 | (94,020) | 2,178,557 | 3,124,549 | 251,161 | 21,271 | (231,993) | 3,164,988 | 5,343,545 |
| RESULT | | | | | | | | | | | | | | | | | |
| Segment operating results | 99,375 | 69,181 | 3,320 | (7,825) | 678 | 18,774 | 13,407 | 5,858 | 19,546 | 630 | 222,944 | 22,037 | 105,266 | 2,659 | - | 129,962 | 352,906 |
| Unallocated corporate expenses | | | | | | | | | | | (15,853) | | | | | - | (15,853) |
| Profit from operations | | | | | | | | | | | 207,091 | | | | | 129,962 | 337,053 |
| Investing activities | | | | | | | | | | | 92,799 | | | | | 6,393,445 | 6,486,244 |
| Share of associated companies' profits less losses | 2,989 | 7,126 | - | - | 3,076 | 1,007 | 5,156 | - | 125,604 | - | 144,958 | 78,285 | 240 | - | - | 78,525 | 223,483 |
| Share of joint ventures' profits less losses | - | - | - | - | 526 | - | - | - | - | - | 526 | - | - | - | - | - | 526 |
| Finance costs | | | | | | | | | | | (3,436) | | | | | (9,550) | (12,986) |
| Profit before taxation | | | | | | | | | | | 441,938 | | | | | 6,592,382 | 7,034,320 |

PPB GROUP BERHAD (8167-W)

A9. Valuation of Property, Plant and Equipment

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

A10. 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.

A11. 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 subsidiary companies and long-term investments, restructurings, and discontinued operations for the current interim period, except for the following:-

- (a) On 5 March 2007, Sitaclean Technologies (M) Sdn Bhd (“Sitaclean”), an indirect wholly-owned subsidiary of PPB, was placed under member’s voluntary winding-up. The winding-up is still in progress.

A12. Changes in contingent liabilities or contingent assets

| | As at 23-Nov-07 RM'000 | As at 31-Dec-06 RM'000 |
|---|------------------------------|------------------------------|
| <u>Contingent liabilities</u> | | |
| Unsecured guarantees issued in consideration of credit facilities given to associated companies | 2,550 | 4,550 |

Chemquest Sdn Bhd, a 55% owned subsidiary of PPB, has granted unsecured corporate guarantees to a third party in respect of works being carried out by its 70% indirect subsidiary, Cipta Wawasan Maju Engineering Sdn Bhd.

Contingent assets

There were no contingent assets as at the end of the current interim period.

PPB GROUP BERHAD (8167-W)

B. BMSB Listing Requirements (Part A of Appendix 9B)**B1. Review of Performance for the current quarter and financial year-to-date**

The Group revenue for continuing operations of RM2.2 billion for the period ended 30 September 2007 was 16% higher compared with RM1.9 billion in the corresponding period last year mainly due to higher revenue generated by the sugar refining and the grains trading, flour and feed milling divisions.

Group profit before tax for continuing operations of RM442 million was 42% higher than that of the same period last year of RM312 million. Lower raw sugar prices and increased sales by the grains trading, flour and feed milling division contributed to the better results. Wilmar International Limited ("Wilmar") an associate company of the Group since May 2007, was a major contributor to the Group profits.

Net profit after tax from the discontinued operations namely PPBOP, PGEO and KOG was capped at RM168 million following their disposal to Wilmar which was completed by end June 2007.

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

The Group profit before tax for continuing operations for the quarter under review of RM238 million was substantially higher compared with RM115 million for the preceding quarter. This was mainly due to higher profits contributed by Wilmar for the quarter under review.

B3. Prospects for current financial year

The Group's sugar refining and other divisions including our associate company Wilmar are expected to perform satisfactorily for the financial year. However, grains trading, flour and feed milling division will be affected by the rising raw material prices.

B4. Variance of actual profit from forecast profit

Not applicable.

B5. Taxation

| | Individual Quarter 3 months ended 30-Sep-2007 RM'000 | Cumulative Quarter 9 months ended 30-Sep-2007 RM'000 |
|---|---|---|
| Taxation comprises:- | | |
| <u>Continuing operations</u> | | |
| Malaysian taxation based on profit for the period:- | | |
| Current | 19,415 | 57,933 |
| Deferred | (166) | 2,642 |
| | 19,249 | 60,575 |
| (Over)/underprovision | | |
| Current | (1,077) | (1,077) |
| Deferred | (1,135) | 1,211 |
| | 17,037 | 60,709 |

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B5. Taxation (continued)

| | Individual Quarter 3 months ended 30-Sep-2007 RM'000 | Cumulative Quarter 9 months ended 30-Sep-2007 RM'000 |
|---|---|---|
| <u>Discontinued operations</u> | | |
| Malaysian taxation based on profit for the period:- | | |
| Current | - | 21,725 |
| Deferred | - | 7,206 |
| | - | 28,931 |
| Foreign taxation | | |
| Current | - | 2,562 |
| Deferred | - | (94) |
| | - | 31,399 |
| Underprovision | | |
| Current | - | 5 |
| Deferred | - | - |
| | - | 31,404 |

The effective tax rate is lower than the average statutory rate for the period mainly due to gain on sale of investments, tax exempt income and utilisation of reinvestment allowance by certain subsidiaries.

B6. Profit/Loss on sale of unquoted investments and/or properties

There was a gain on sale of unquoted investment amounting to RM19.4 million and there was a loss incurred on the sale of properties amounting to RM226,000 for the current financial period to-date under review.

B7. Quoted securities

- (a) Total purchases and disposals of quoted securities for the current quarter and financial period to-date under review were as follows :-

| | Individual Quarter 3 months ended 30-Sep-2007 RM'000 | Cumulative Quarter 9 months ended 30-Sep-2007 RM'000 |
|-------------------------------|---|---|
| Total purchases | 37,184 | 39,179 |
| Total proceeds from disposals | 4,316 | 6,083 |
| Profit on disposals | 899 | 1,296 |

- (b) Total investments in quoted securities as at 30 September 2007 were as follows:-

| | RM'000 |
|-----------------|-----------|
| At cost | 421,835 |
| At book value | 421,018 |
| At market value | 1,345,538 |

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B8. Status of corporate proposals

- (a) On 1 November 2006, Mantap Aman Sdn Bhd, an indirect subsidiary of PPB had entered into a joint-venture agreement with Millerstar Pte Ltd, Singapore to construct and operate a wheat flour mill facility at Cilegon, Republic of Indonesia to be undertaken by a joint-venture company called P.T. Pundi Kencana.

The construction of the flour mill is in progress and is expected to be operational by end-2008 based on current schedule.

- (b) On 28 June 2007, PPB entered into a Sale and Purchase Agreement for the disposal of its entire 55% equity interest comprising 33,000,000 ordinary shares of RM1.00 each in Ampang Leisuremall Sdn Bhd (“ALSB”) to Huatland Development Sdn Bhd for a total consideration of RM21.12 million (“the Disposal”).

The Disposal was completed on 23 October 2007 and ALSB had ceased to be a subsidiary of PPB.

B9. Group borrowings

Total Group borrowings as at 30 September 2007 were as follows:-

| | Total RM'000 | Secured RM'000 | Unsecured RM'000 |
|--|-----------------|-------------------|---------------------|
| Long term bank borrowings | | | |
| Long term bank loans (USD) | 5,016 | - | 5,016 |
| Long term bank loans (CNY) | 18,210 | - | 18,210 |
| Hire purchase liabilities | 497 | 497 | - |
| Repayments due within the next 12 months | (2,817) | (213) | (2,604) |
| | <u>20,906</u> | <u>284</u> | <u>20,622</u> |
| Short term bank borrowings | | | |
| Short term loans | 11,500 | - | 11,500 |
| Short term loans (USD) | 31,440 | - | 31,440 |
| Current portion of long term loans | 2,604 | - | 2,604 |
| Hire purchase liabilities | 213 | 213 | - |
| | <u>45,757</u> | <u>213</u> | <u>45,544</u> |
| Bank overdrafts | 6,152 | - | 6,152 |
| | <u>51,909</u> | <u>213</u> | <u>51,696</u> |

PPB GROUP BERHAD (8167-W)

B10. Off Balance Sheet Financial Instruments

Foreign Currency Contracts

The Group enters into forward foreign exchange contracts as a hedge for its confirmed sales and purchases in foreign currencies. The purpose of hedging is to protect the Group against unfavourable movement in exchange rate. Gains or losses from changes in the fair value of foreign currency contracts offset the corresponding losses or gains on the receivables and payables covered by the instrument and where the foreign exchange contracts are used to hedge against anticipated future transactions, gains and losses are not recognised until the transaction occurs.

As at 23 November 2007, the Group has hedged outstanding foreign currency contracts of USD85.6 million equivalent to RM287.2 million. These contracts are short term and majority are due to mature within the next two months.

There is minimal credit risk because these contracts are entered into with licensed financial institutions.

Besides a small fee, there is no cash requirement for these instruments.

B11. Material litigation

There was no material litigation pending as at 23 November 2007.

B12. Dividend

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

Dividends Paid

Dividends paid and payable for the financial year 2006 and up to the date of this report are as follows :-

| Financial Year | Type | Rate | Payment Date |
|----------------|------------------|----------------------------|-------------------|
| 2006 | Interim dividend | 5 sen less 28% income tax | 28 September 2006 |
| 2006 | Final dividend | 15 sen less 27% income tax | 7 June 2007 |
| 2007 | Interim dividend | 5 sen less 27% income tax | 28 September 2007 |

B13. Earnings per Share

The basic earnings per share has been calculated by dividing the Group's profit from continuing and discontinued operations for the current financial period attributable to the shareholders of the Company by 1,185,499,882 ordinary shares in issue during the period.

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

Kuala Lumpur
29 November 2007

By Order of the Board
Tan Teong Boon
Company Secretary