

**PPB GROUP BERHAD (8167-W)**  
**INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER**  
**ENDED 30 SEPTEMBER 2013**

*(The figures have not been audited)*

**Condensed Consolidated Income Statements For The Period Ended 30 September 2013**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Revenue	830,395	779,873	2,412,730	2,235,303
Operating expenses	(808,176)	(770,580)	(2,318,381)	(2,156,315)
Other operating income	29,229	17,119	116,406	58,358
Share of net profits less losses of associates	243,631	236,363	559,608	450,763
Share of profit of jointly controlled entity	1,122	844	2,758	2,672
Finance costs	(3,221)	(1,682)	(9,341)	(5,288)
Profit before tax	292,980	261,937	763,780	585,493
Income tax expense	(9,183)	(9,596)	(40,900)	(31,397)
Profit for the period	<u>283,797</u>	<u>252,341</u>	<u>722,880</u>	<u>554,096</u>
Attributable to :				
Owners of the parent	286,058	249,235	713,527	536,158
Non-controlling interests	(2,261)	3,106	9,353	17,938
Profit for the period	<u>283,797</u>	<u>252,341</u>	<u>722,880</u>	<u>554,096</u>
Basic earnings per share (sen)	<u>24.13</u>	<u>21.02</u>	<u>60.19</u>	<u>45.23</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 September 2013**

	Individual Quarter		Cumulative Quarter	
	3 months ended		9 months ended	
	30 September		30 September	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit for the period	283,797	252,341	722,880	554,096
<u>Other comprehensive income/(loss), net of tax</u>				
Exchange differences on translation of foreign operations	302,798	(460,149)	726,379	(377,659)
Fair value of available-for-sale financial assets :-				
- Gains/(Losses) arising during the period	17,234	(28,787)	26,086	25,034
- Reclassification adjustments to profit or loss upon disposal	-	-	(15,179)	(67)
Share of associates' other comprehensive (loss)/income	(68,758)	59,578	(186,106)	(58,995)
Total comprehensive income/(loss)	<u>535,071</u>	<u>(177,017)</u>	<u>1,274,060</u>	<u>142,409</u>
Attributable to :				
Owners of the parent	539,663	(174,753)	1,262,019	130,018
Non-controlling interests	(4,592)	(2,264)	12,041	12,391
Total comprehensive income/(loss)	<u>535,071</u>	<u>(177,017)</u>	<u>1,274,060</u>	<u>142,409</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-Sep-13 RM'000	As at 31-Dec-12 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,156,906	1,095,882
Investment properties	221,470	222,224
Biological assets	2,875	2,760
Goodwill	74,615	74,615
Other intangible assets	2,231	2,026
Land held for property development	17,017	13,732
Investments in associates	12,334,008	11,293,797
Investment in jointly controlled entity	55,120	51,728
Other investments	620,362	617,709
Deferred tax assets	5,317	5,918
	<u>14,489,921</u>	<u>13,380,391</u>
<b>Current Assets</b>		
Inventories	521,910	476,227
Biological assets	16,333	14,268
Other intangible assets	12,630	11,636
Property development costs	25,993	29,338
Receivables	623,753	601,201
Derivative financial instruments	4,733	7,195
Cash, bank balances, deposits and short-term fund placements	899,451	1,050,084
	<u>2,104,803</u>	<u>2,189,949</u>
Non-current assets classified as held for sale	-	9,009
	<u>2,104,803</u>	<u>2,198,958</u>
<b>TOTAL ASSETS</b>	<u><u>16,594,724</u></u>	<u><u>15,579,349</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,185,500	1,185,500
Reserves	14,098,939	13,085,875
Equity attributable to owners of the parent	<u>15,284,439</u>	<u>14,271,375</u>
Non-controlling interests	539,857	493,996
<b>Total equity</b>	<u>15,824,296</u>	<u>14,765,371</u>

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

	<b>As at 30-Sep-13 RM'000</b>	<b>As at 31-Dec-12 RM'000</b>
<b>Non-current Liabilities</b>		
Long-term borrowings	101,137	85,224
Deferred tax liabilities	75,723	70,923
	<u>176,860</u>	<u>156,147</u>
<b>Current Liabilities</b>		
Payables	340,270	319,566
Derivative financial instruments	1,895	35,475
Short-term borrowings	237,572	288,610
Taxation	13,831	14,180
	<u>593,568</u>	<u>657,831</u>
<b>Total liabilities</b>	<u>770,428</u>	<u>813,978</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>16,594,724</u>	<u>15,579,349</u>
Net assets per share attributable to owners of the parent (RM)	<u>12.89</u>	<u>12.04</u>

(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 September 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			
<b>9 months ended 30 September 2013</b>											
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	-	-	-	576,696	10,847	(46,314)	7,263	713,527	1,262,019	12,041	1,274,060
Transfer of reserves	-	-	(4,816)	-	-	-	1,183	3,633	-	-	-
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	34,279	34,279
Dividends	-	-	-	-	-	-	-	(248,955)	(248,955)	(459)	(249,414)
At 30 September 2013	1,185,500	6,715	55,716	(375,842)	209,039	(10,270)	257,410	13,956,171	15,284,439	539,857	15,824,296
<b>9 months ended 30 September 2012</b>											
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	-	-	-	(314,770)	24,920	(18,244)	(98,046)	536,158	130,018	12,391	142,409
Transfer of reserves	-	-	(296)	-	-	-	804	(508)	-	-	-
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	(25,143)	(25,143)	(7,068)	(32,211)
Issue of shares to non-controlling interests	-	-	-	-	-	-	-	-	-	4,508	4,508
Dividends	-	-	-	-	-	-	-	(237,100)	(237,100)	(408)	(237,508)
At 30 September 2012	1,185,500	6,715	60,646	(944,928)	191,239	13,797	231,636	13,184,781	13,929,386	512,938	14,442,324

(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 September 2013**

**Final**

	<b>9 months ended 30 September</b>	
	<b>2013</b>	<b>2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	763,780	585,493
Adjustments :-		
Non-cash items	(502,450)	(367,615)
Non-operating items	(22,842)	(29,178)
Operating profit before working capital changes	238,488	188,700
Working capital changes :-		
Net change in current assets	(105,433)	(172,282)
Net change in current liabilities	40,434	22,607
Cash generated from operations	173,489	39,025
Tax paid	(43,590)	(30,472)
<b>Net cash generated from operating activities</b>	<b>129,899</b>	<b>8,553</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(157,553)	(138,467)
Proceeds from disposal of property, plant and equipment and investment properties	26,697	823
Purchase of investments	(130,022)	(102,643)
Proceeds from sale of investments	24,034	1,772
Dividends received	191,552	162,643
Interest received	21,067	22,057
Loan to associates	(31,209)	(1,155)
Return of capital from jointly controlled entity	3,673	-
Other investing activities	3,538	2,241
<b>Net cash used in investing activities</b>	<b>(48,223)</b>	<b>(52,729)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares by subsidiaries	34,279	4,508
Bank borrowings	(7,483)	96,092
Interest paid	(10,644)	(5,588)
Dividends paid	(249,415)	(237,508)
Other financing activities	(2,631)	1,782
<b>Net cash used in financing activities</b>	<b>(235,894)</b>	<b>(140,714)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(154,218)</b>	<b>(184,890)</b>
Cash and cash equivalents brought forward	1,049,694	1,132,923
Effect of exchange rate changes	3,585	(2,353)
<b>Cash and cash equivalents carried forward</b>	<b>899,061</b>	<b>945,680</b>
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	131,484	102,666
Bank deposits	600,140	844,814
Short-term fund placements	167,827	-
Bank overdrafts	(390)	(1,800)
	899,061	945,680

(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 ("Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS framework and continue to use the existing FRS framework.

The Group falls within the definition of Transitioning Entities and has opted to defer adoption of the new MFRS framework. Accordingly, the Group will be required to prepare its first MFRS financial statements when the new framework is mandated by the MASB.

**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**

	Individual Quarter 3 months ended 30-Sep-13 RM'000	Cumulative Quarter 9 months ended 30-Sep-13 RM'000
<u>Dividends paid on ordinary shares</u>		
FY2012 : Final dividend - 13 sen per share single tier	-	154,115
FY2013 : Interim dividend - 8 sen per share single tier	94,840	94,840
	<u>94,840</u>	<u>248,955</u>



## A7. Segmental reporting

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

<b>Business Segments:</b>	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 and utilities	Property investment and <u>development</u>	Chemicals trading and <u>manufacturing</u>	Livestock <u>farming</u>	Investments in equities	Other operations	<u>Elimination</u>	<u>Total</u>
<i>All figures in RM'000</i>											
<b>REVENUE</b>											
External revenue	1,436,990	299,236	254,422	65,059	51,615	64,656	69,158	8,547	163,047	-	2,412,730
Inter-segment sales	75,461	-	-	-	1,544	21,326	-	-	11,715	(110,046)	-
Total revenue	<u>1,512,451</u>	<u>299,236</u>	<u>254,422</u>	<u>65,059</u>	<u>53,159</u>	<u>85,982</u>	<u>69,158</u>	<u>8,547</u>	<u>174,762</u>	<u>(110,046)</u>	<u>2,412,730</u>
<b>RESULTS</b>											
Segment results	85,784	17,185	38,489	5,601	37,864	1,326	(8,820)	24,119	4,083	(721)	204,910
Share of associates' profits less losses	1,600	-	733	2,993	4,217	-	-	-	550,065	-	559,608
Share of joint venture's profit	-	-	-	2,758	-	-	-	-	-	-	2,758
Interest income											19,913
Income from short-term fund placements											1,157
Finance costs											(9,341)
Unallocated corporate expenses											(15,225)
Profit before tax											<u>763,780</u>
<b>ASSETS</b>											
Segment assets	1,388,123	219,690	256,747	51,158	315,806	57,779	113,481	620,362	370,391	(66)	3,393,471
Investments in associates	223,378	-	67,394	37,703	148,954	-	-	-	11,856,579	-	12,334,008
Investment in jointly controlled entity	-	-	-	55,120	-	-	-	-	-	-	55,120
Bank deposits and short-term fund placements											767,967
Taxation											32,421
Other unallocated corporate assets											11,737
Total assets											<u>16,594,724</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.
- b) On 12 July 2013, PPB subscribed for 998 ordinary shares of RM1.00 each in Deltamont Development Sdn Bhd ("DDSB") for cash at par. Arising therefrom, DDSB became a 99.8% subsidiary of PPB. On 15 July 2013, PPB acquired the remaining 2 ordinary shares of RM1.00 each for cash at par in DDSB. Pursuant to the acquisition, DDSB has become a wholly-owned subsidiary of PPB.
- c) On 28 August 2013, PPB Leisure Holdings Sdn Bhd, a wholly-owned subsidiary of PPB acquired the entire issued and paid-up capital of USD2.00 in GSC Vietnam Limited ("GSCV") for cash at par. Arising therefrom, GSCV has become an indirect 100%-owned subsidiary of PPB.

**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 settled at RM1.9 million.

**A11. Capital commitments**

Authorised capital expenditure not provided for in the interim financial report as at 30 September 2013 is as follow:-

	RM'000
Property, plant and equipment	
- contracted	72,268
- not contracted	231,082
	<u>303,350</u>
Other capital expenditure	
- contracted	169,483
	<u><u>472,833</u></u>

**A12. Significant related party transactions**

Significant related party transactions during the financial period ended 30 September 2013 are as follows:-

RM'000

Transactions with associates	
- Management fee received	728
Transactions with subsidiaries of ultimate holding company	
- Sales of goods	9,297
Transactions with subsidiaries of associates	
- Purchase of goods	129,001
- Sales of goods	2,706
- Rental received	2,537
- Security and other services paid and payable	1,126
- Charter hire of vessels	50,966

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

Group revenue grew by 6% to RM830 million in 3Q2013 and by 8% to RM2.41 billion for 9M2013, compared with RM780 million in 3Q2012 and RM2.24 billion for 9M2012. This was primarily driven by higher revenue generated from the flour and feed milling, and grains trading; film exhibition and distribution; livestock segments as well as bakery operation. Environmental engineering and property segments delivered lower revenue in the quarter and period to-date under review.

The Group profit before tax of RM293 million recorded in 3Q2013 was 12% higher compared with RM262 million in 3Q2012. This was mainly due to better performance from the flour and feed milling, and grains trading and livestock segments. For 9M2013, the Group achieved a 30% increase in profit before tax to RM764 million compared with RM585 million for 9M2012, largely attributed to higher profit contribution from an associate, Wilmar International Limited ("Wilmar") and most of the Group's segments with the exception of the environmental engineering segment.

**Group financial performance by business segment**

	3Q2013	3Q2012	Variance	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
- Flour and feed milling, and grains trading	519,863	465,515	54,348	12%
- Marketing, distribution and manufacturing of consumer products	105,774	102,849	2,925	3%
- Film exhibition and distribution	82,024	69,972	12,052	17%
- Environmental engineering, waste management and utilities	19,364	46,470	(27,106)	(58%)
- Property investment and development	20,983	26,048	(5,065)	(19%)
- Chemicals, Livestock, Investments and Other operations	119,402	110,271	9,131	8%
- Elimination	(37,015)	(41,252)	4,237	
<b>Total revenue</b>	<b>830,395</b>	<b>779,873</b>	<b>50,522</b>	<b>6%</b>

	9M2013	9M2012	Variance	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
- Flour and feed milling, and grains trading	1,512,451	1,370,156	142,295	10%
- Marketing, distribution and manufacturing of consumer products	299,236	294,356	4,880	2%
- Film exhibition and distribution	254,422	212,225	42,197	20%
- Environmental engineering, waste management and utilities	65,059	106,201	(41,142)	(39%)
- Property investment and development	53,159	66,353	(13,194)	(20%)
- Chemicals, Livestock, Investments and Other operations	338,449	306,508	31,941	10%
- Elimination	(110,046)	(120,496)	10,450	
<b>Total revenue</b>	<b>2,412,730</b>	<b>2,235,303</b>	<b>177,427</b>	<b>8%</b>

	3Q2013	3Q2012	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
- Flour and feed milling, and grains trading	16,786	3,790	12,996	>100%
- Marketing, distribution and manufacturing of consumer products	6,348	4,978	1,370	28%
- Film exhibition and distribution	11,148	8,857	2,291	26%
- Environmental engineering, waste management and utilities	2,692	4,864	(2,172)	(45%)
- Property investment and development	7,864	8,740	(876)	(10%)
- Chemicals, Livestock, Investments and Other operations	4,264	(4,975)	9,239	>100%
- Elimination	(358)	(92)	(266)	
<b>Total segment results</b>	<b>48,744</b>	<b>26,162</b>	<b>22,582</b>	<b>86%</b>
- Share of associates and joint venture's profits less losses	244,753	237,207	7,546	3%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(517)	(1,432)	915	64%
<b>Total profit before tax</b>	<b>292,980</b>	<b>261,937</b>	<b>31,043</b>	<b>12%</b>

	9M2013	9M2012	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
- Flour and feed milling, and grains trading	85,784	69,750	16,034	23%
- Marketing, distribution and manufacturing of consumer products	17,185	13,675	3,510	26%
- Film exhibition and distribution	38,489	28,416	10,073	35%
- Environmental engineering, waste management and utilities	5,601	9,933	(4,332)	(44%)
- Property investment and development	37,864	21,766	16,098	74%
- Chemicals, Livestock, Investments and Other operations	20,708	(13,363)	34,071	>100%
- Elimination	(721)	(349)	(372)	
<b>Total segment results</b>	<b>204,910</b>	<b>129,828</b>	<b>75,082</b>	<b>58%</b>
- Share of associates and joint venture's profits less losses	562,366	453,435	108,931	24%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(3,496)	2,230	(5,726)	>(100%)
<b>Total profit before tax</b>	<b>763,780</b>	<b>585,493</b>	<b>178,287</b>	<b>30%</b>

### Flour and feed milling, and grains trading

Revenue rose 12% to RM520 million in 3Q2013 and 10% to RM1.51 billion for 9M2013, compared with RM466 million and RM1.37 billion respectively in the corresponding quarter and period last year. This was mainly attributed to higher sales volume and improved selling prices of flour and feed.

This segment delivered higher profits of RM17 million in 3Q2013 and RM86 million for 9M2013 compared with RM3.8 million in 3Q2012 and RM70 million for 9M2012 mainly due to better performance in grains trading. While the flour and feed revenues increased during the period, segment profit was partially offset by higher raw material costs which reduced margins, and unfavourable foreign exchange results.

### Marketing, distribution and manufacturing of consumer products

Driven by additional sales of an agency product in Peninsular Malaysia and improved sales from the existing agency products, segment revenue grew by 3% to RM106 million and 2% to RM299 million in 3Q2013 and 9M2013 respectively.

Segment profit was also up 28% to RM6.3 million in 3Q2013 and 26% to RM17.2 million in 9M2013 in line with the higher revenue recorded and improved sales of agency products with better margins.

### Film exhibition and distribution

Film exhibition continued its strong performance with revenue increase of 17% to RM82 million in 3Q2013 and 20% to RM254 million for 9M2013, driven by the new cinemas opened in 2012 and 1H2013 coupled with more blockbuster movies released. Higher revenues were also recorded by the film distribution and screen advertising operations.

This segment also delivered strong earnings growth with profit of RM11 million in 3Q2013 and RM38 million for 9M2013 boosted by higher revenue contributions from the cinema operations.

**Environmental engineering, waste management and utilities**

The segment reported revenue of RM19 million in 3Q2013 and RM65 million for 9M2013. This was mainly derived from revenue recognition on environmental engineering projects at completion stage in the quarter and period to-date where some of the revenue from these projects had been progressively recognised in the previous quarters.

This segment saw lower profits of RM2.7 million in 3Q2013 and RM5.6 million for 9M2013 compared with RM4.9 million in 3Q2012 and RM9.9 million for 9M2012. These resulted from the lower revenue posted in the current quarter and period to-date under review. The newly-secured projects in 2013 have yet to contribute significantly in 9M2013.

**Property investment and development**

For the current quarter and period to-date, rental income from the Group's investment properties was the main contributor to segment earnings. Segment revenue was lower at RM21 million in 3Q2013 and RM53 million for 9M2013 compared to the previous corresponding periods. This was mainly due to the higher revenue recognised in 3Q2012 and 9M2012 on the sales of completed semi-detached houses in Taman Tanah Aman, Seberang Prai and also good take up rate in connection with the launch of the bungalows in Bukit Segar, Kuala Lumpur. Revenue and profits from the sale of properties were recognised progressively in the accounts.

Segment profit in 3Q2013 of RM7.9 million was mainly derived from rental income. For 9M2013, profit was significantly higher compared to the corresponding period last year mainly due to a gain of RM16.8 million from the sale of an investment property. Excluding the gain, the segment profit was reduced marginally to RM21 million for 9M2013 compared with RM22 million a year ago mainly due to lower profit contribution from property development.

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

The combined revenue from these segments achieved an increase of 8% in 3Q2013 to RM119 million and 10% for 9M2013 to RM338 million, mainly attributed to the bakery and livestock segments. Revenue growth in the bakery operation was driven by sales increase in all locations. The improved revenue in the livestock segment was largely due to increase in selling prices and quantities of day-old-chicks.

The combined segments posted profits of RM4.3 million in 3Q2013 mainly attributed to the turnaround of the livestock segment from improved selling prices of day-old-chicks. For 9M2013, profits increased to RM21 million from a loss of RM13 million a year ago, mainly due to the gain on the disposal of the Group's investment in Tradewinds (M) Berhad, pursuant to a take-over offer. The livestock segment incurred lower losses mainly due to improved farm product prices.

**Share of associates and joint venture's profits less losses**

Wilmar contributed higher profits of RM245 million in 3Q2013 and RM546 million for 9M2013 compared with RM231 million in 3Q2012 and RM440 million for 9M2012 respectively. This was due to the improved performance from palm and laurics, consumer products and sugar coupled with a turnaround in oilseeds and grains.

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

	3Q2013	2Q2013	Variance	
	RM'000	RM'000	RM'000	%
<b>Segment results</b>				
- Flour and feed milling, and grains trading	16,786	37,769	(20,983)	(56%)
- Marketing, distribution and manufacturing of consumer products	6,348	6,123	225	4%
- Film exhibition and distribution	11,148	16,059	(4,911)	(31%)
- Environmental engineering, waste management and utilities	2,692	2,286	406	18%
- Property investment and development	7,864	25,119	(17,255)	(69%)
- Chemicals, Livestock, Investments and Other operations	4,264	2,973	1,291	43%
- Elimination	(358)	(233)	(125)	
<b>Total segment results</b>	<b>48,744</b>	<b>90,096</b>	<b>(41,352)</b>	<b>(46%)</b>
- Share of associates and joint venture's profits less losses	244,753	125,564	119,189	95%
- Interest income, finance costs, income from short-term fund placements and unallocated expenses	(517)	(1,176)	659	56%
<b>Total profit before tax</b>	<b>292,980</b>	<b>214,484</b>	<b>78,496</b>	<b>37%</b>

Compared with the preceding quarter, the Group's profit before tax for 3Q2013 was 37% higher at RM293 million mainly due to higher profit contribution from Wilmar. The performance of the flour and feed milling segment was eroded by a foreign exchange translation loss in its Indonesian subsidiary as well as lower grains trading profit. The film exhibition segment recorded lower profit after the end of the summer blockbuster season in 2Q2013. There was also a gain of RM16.8 million from the sale of an investment property in the preceding quarter.

**B3. Prospects for current financial year**

The Malaysian economy is expected to perform well in the final quarter of 2013, supported by domestic consumption growth and a gradual recovery in the global economy. This will continue to drive the performance of the Group's core business segments in Malaysia for the remaining quarter of this financial year.

Solid domestic demand in the other Asean countries are expected to be the key drivers of their economic growth. While Indonesia is facing tighter financial conditions and weaker commodity demand from other emerging markets, its domestic consumption remained robust. This augurs well for the Group's operations in the region, including its increased flour milling capacity in Vietnam and Indonesia.

On the whole, the Group's operations are expected to perform well in 2013, while its overall consolidated 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-Sep-13 RM'000	Cumulative Quarter 9 months ended 30-Sep-13 RM'000
Profit before tax is stated after crediting :-		
Dividend income	1,013	8,547
Fair value gain on derivatives	11,451	31,104
Foreign exchange gain	3,854	13,731
Gain on disposal of investment property	-	16,806
Gain on disposal of a quoted investment	-	15,649
Interest income	5,976	19,913
Income from short-term fund placements	1,157	1,157
Rental income	859	2,566
Gain on financial assets at fair value through profit or loss	270	458
Profit before tax is stated after charging :-		
Allowance for impairment and write off of receivables	(729)	(1,037)
Depreciation and amortisation	(23,443)	(69,981)
Fair value loss on derivatives	4,722	(6,904)
Foreign exchange loss	(37,714)	(49,280)
Impairment of property, plant and equipment	(840)	(1,380)
Interest expense	(3,221)	(9,341)
Loss on disposal of a quoted investment	-	(469)

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

**B6. Taxation**

	Individual Quarter 3 months ended 30-Sep-13 RM'000	Cumulative Quarter 9 months ended 30-Sep-13 RM'000
Taxation comprises :-		
Malaysian taxation based on profit for the period		
Current	16,180	43,789
Deferred	(651)	2,859
	15,529	46,648
Foreign taxation		
Current	(4,966)	(4,226)
Deferred	(26)	(135)
	10,537	42,287
(Over)/Underprovision		
Current	(1,363)	(1,381)
Deferred	9	(6)
	9,183	40,900

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. 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 30 September 2013 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	111,580	111,580	-
Hire purchase liabilities	81	81	-
Hire purchase liabilities (SGD)	16	16	-
Repayments due within the next 12 months	(10,540)	(10,540)	-
	<u>101,137</u>	<u>101,137</u>	<u>-</u>
Short-term bank borrowings			
Bills payable	67,429	-	67,429
Short-term loans	2,900	-	2,900
Short-term loans (USD)	153,336	-	153,336
Short-term loans (RMB)	2,977	-	2,977
Current portion of long-term loans	10,517	10,517	-
Hire purchase liabilities	8	8	-
Hire purchase liabilities (SGD)	15	15	-
	<u>237,182</u>	<u>10,540</u>	<u>226,642</u>
Bank overdrafts	390	-	390
	<u>237,572</u>	<u>10,540</u>	<u>227,032</u>

**B9. Material litigation**

There was no material litigation as at 18 November 2013.

**B10. Dividends**

The Directors do not recommend the payment of any interim dividend for the third quarter under review.

**Dividends paid**

Dividends paid 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
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-Sep-13 RM'000	As at 31-Dec-12 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :-		
- Realised	12,106,687	12,021,168
- Unrealised	(63,945)	(76,843)
	<u>12,042,742</u>	<u>11,944,325</u>
Total share of retained profits/(accumulated losses) from associates :-		
- Realised	85,500	96,022
- Unrealised	(206)	2,289
- Wilmar International Limited ("Wilmar") *	3,941,745	3,555,328
Total share of retained profits from jointly controlled entity :-		
- Realised	6,565	5,862
	<u>16,076,346</u>	<u>15,603,826</u>
Less : consolidation adjustments	(2,120,175)	(2,115,860)
Total Group retained profits as per consolidated accounts	<u><u>13,956,171</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**  
**25 November 2013**

**By Order of the Board**  
Mah Teck Keong  
Company Secretary