

**PPB GROUP BERHAD (8167-W)**  
**INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER**  
**ENDED 31 MARCH 2015**

*(The figures have not been audited)*

**Condensed Consolidated Income Statements For The Period Ended 31 March 2015**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	976,986	883,185	976,986	883,185
Operating expenses	(939,798)	(832,268)	(939,798)	(832,268)
Other operating income	73,672	27,171	73,672	27,171
Share of net profits less losses of associates	162,337	99,550	162,337	99,550
Share of profit of joint venture	1,420	1,069	1,420	1,069
Finance costs	(8,076)	(4,999)	(8,076)	(4,999)
Profit before tax	<u>266,541</u>	<u>173,708</u>	<u>266,541</u>	<u>173,708</u>
Income tax expense	(31,866)	(18,848)	(31,866)	(18,848)
Profit for the period	<u><u>234,675</u></u>	<u><u>154,860</u></u>	<u><u>234,675</u></u>	<u><u>154,860</u></u>
Attributable to :				
Owners of the parent	232,915	144,272	232,915	144,272
Non-controlling interests	1,760	10,588	1,760	10,588
Profit for the period	<u><u>234,675</u></u>	<u><u>154,860</u></u>	<u><u>234,675</u></u>	<u><u>154,860</u></u>
Basic earnings per share (sen)	<u><u>19.65</u></u>	<u><u>12.17</u></u>	<u><u>19.65</u></u>	<u><u>12.17</u></u>

**(The Condensed Consolidated Income Statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014, 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 2015**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>3 months ended</b>	
	<b>31 March</b>		<b>31 March</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	RM'000	RM'000	RM'000	RM'000
Profit for the period	234,675	154,860	234,675	154,860
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	779,711	(91,912)	779,711	(91,912)
Fair value of available-for-sale financial assets	14,040	(17,047)	14,040	(17,047)
Share of associates' other comprehensive (loss)/profit	(179,221)	16,666	(179,221)	16,666
Total comprehensive income	<u>849,205</u>	<u>62,567</u>	<u>849,205</u>	<u>62,567</u>
Attributable to :				
Owners of the parent	834,263	52,658	834,263	52,658
Non-controlling interests	14,942	9,909	14,942	9,909
Total comprehensive income	<u>849,205</u>	<u>62,567</u>	<u>849,205</u>	<u>62,567</u>

**(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the annual financial statements for the year ended 31 December 2014, and the accompanying explanatory notes attached to this report.)**

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

	As at 31-Mar-15 RM'000	As at 31-Dec-14 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	1,302,135	1,264,298
Investment properties	194,924	195,623
Biological assets	3,171	3,152
Goodwill	73,876	73,876
Other intangible assets	3,135	2,971
Land held for property development	20,671	19,270
Investments in associates	14,543,909	13,801,218
Investment in joint venture	61,325	58,477
Other investments	532,327	513,672
Deferred tax assets	5,783	5,781
	<u>16,741,256</u>	<u>15,938,338</u>
<b>Current Assets</b>		
Inventories	582,990	718,607
Biological assets	18,826	19,312
Other intangible assets	12,907	10,755
Property development costs	22,221	21,313
Receivables	846,653	800,958
Derivative financial instruments	519	12,040
Cash, bank balances, deposits and short-term fund placements	1,110,408	1,079,311
	<u>2,594,524</u>	<u>2,662,296</u>
Non-current assets classified as held for sale	336	4,545
	<u>2,594,860</u>	<u>2,666,841</u>
<b>TOTAL ASSETS</b>	<u><u>19,336,116</u></u>	<u><u>18,605,179</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	1,185,500	1,185,500
Reserves	16,469,436	15,635,013
Equity attributable to owners of the parent	<u>17,654,936</u>	<u>16,820,513</u>
Non-controlling interests	569,060	560,803
<b>Total equity</b>	<u><u>18,223,996</u></u>	<u><u>17,381,316</u></u>

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

	<b>As at 31-Mar-15 RM'000</b>	<b>As at 31-Dec-14 RM'000</b>
<b>Non-current Liabilities</b>		
Long-term borrowings	59,830	61,990
Deferred tax liabilities	88,211	85,313
	<u>148,041</u>	<u>147,303</u>
<b>Current Liabilities</b>		
Payables	427,929	552,204
Derivative financial instruments	8,485	17,269
Short-term borrowings	508,567	491,595
Current tax liabilities	19,098	14,638
	<u>964,079</u>	<u>1,075,706</u>
Liability associated with non-current assets classified as held for sale	-	854
	<u>964,079</u>	<u>1,076,560</u>
<b>Total liabilities</b>	<u>1,112,120</u>	<u>1,223,863</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>19,336,116</u>	<u>18,605,179</u>
Net assets per share attributable to owners of the parent (RM)	<u>14.89</u>	<u>14.19</u>

**(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the annual financial statements for the year ended 31 December 2014, 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 2015**

	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>3 months ended 31 March 2015</b>											
At 1 January 2015	1,185,500	6,715	44,668	258,819	89,626	76,897	268,978	14,889,310	16,820,513	560,803	17,381,316
Total comprehensive income	-	-	-	612,599	13,998	(45,708)	20,459	232,915	834,263	14,942	849,205
Transfer of reserves	-	-	(107)	-	-	-	(29,436)	29,543	-	-	-
Acquisition of additional shares in an existing subsidiary	-	-	-	-	-	-	-	160	160	(6,685)	(6,525)
At 31 March 2015	1,185,500	6,715	44,561	871,418	103,624	31,189	260,001	15,151,928	17,654,936	569,060	18,223,996
<b>3 months ended 31 March 2014</b>											
At 1 January 2014	1,185,500	6,715	45,131	(294,411)	236,187	(23,923)	246,700	14,251,381	15,653,280	538,617	16,191,897
Total comprehensive income	-	-	-	(124,803)	(17,032)	33,922	16,299	144,272	52,658	9,909	62,567
Transfer of reserves	-	-	(123)	-	-	-	2,130	(2,007)	-	-	-
At 31 March 2014	1,185,500	6,715	45,008	(419,214)	219,155	9,999	265,129	14,393,646	15,705,938	548,526	16,254,464

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the annual financial statements for the year ended 31 December 2014, and the accompanying explanatory notes attached to this report.)

**PPB GROUP BERHAD (8167-W)**  
**Condensed Consolidated Statement Of Cash Flows**  
**For The Period Ended 31 March 2015**

	<b>3 months ended 31 March</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	266,541	173,708
Adjustments :-		
Non-cash items	(138,631)	(73,033)
Non-operating items	(570)	(2,408)
Operating profit before working capital changes	<u>127,340</u>	<u>98,267</u>
Working capital changes :-		
Net change in current assets	63,913	22,014
Net change in current liabilities	(126,304)	(11,239)
Cash generated from operations	<u>64,949</u>	<u>109,042</u>
Tax paid	<u>(24,754)</u>	<u>(16,572)</u>
<b>Net cash generated from operating activities</b>	<b>40,195</b>	<b>92,470</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, investment properties, biological assets and other intangible assets	(60,553)	(34,310)
Proceeds from disposal of property, plant and equipment and investment properties	4,471	558
Purchase of investments	(11,139)	-
Dividends received	4,904	5,594
Interest received	4,019	4,798
Repayment from/(Advances to) associates	42,201	(92,086)
Distribution of profits from joint venture	1,973	-
Other investing activities	4,725	4,907
<b>Net cash used in investing activities</b>	<b>(9,399)</b>	<b>(110,539)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Bank borrowings	7,811	15,129
Interest paid	(9,458)	(5,795)
(Repayment to)/Advances from non-controlling interest of subsidiaries	(2,594)	4,856
<b>Net cash (used in)/generated from financing activities</b>	<b>(4,241)</b>	<b>14,190</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>26,555</b>	<b>(3,879)</b>
Cash and cash equivalents brought forward	1,079,040	964,252
Effect of exchange rate changes	4,044	1,198
<b>Cash and cash equivalents carried forward</b>	<b><u>1,109,639</u></b>	<b><u>961,571</u></b>
<u>Cash and cash equivalents represented by :-</u>		
Cash and bank balances	273,785	162,953
Bank deposits	408,221	502,540
Short-term fund placements	428,402	298,243
Bank overdrafts	(769)	(2,165)
	<u>1,109,639</u>	<u>961,571</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the annual financial statements for the year ended 31 December 2014, 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 2014 except for the adoption of the following Amendments to FRSs that are effective for financial periods beginning on or after 1 January 2015 :-

Amendments to FRS 119	Defined Benefit Plans: Employee Contributions
Amendments to FRS 3, FRS 8, FRS 116, FRS 124 and FRS 138	Annual Improvements to FRSs 2010 - 2012 Cycle
Amendments to FRS 3, FRS 13 and FRS 140	Annual Improvements to FRSs 2011 - 2013 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 prior financial year which have a material effect in the current interim period.

**A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

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

**A6. Dividends paid**

No dividend was paid during the financial period under review.

**A7. Segmental reporting****Changes in Group segmental reporting**

The Group has decided to realign the segment reporting structure in the financial reports with the Group's internal operating structure. The realignment corresponds to PPB Group's objective to enhance synergy within its core operations and related businesses.

The Group will introduce these changes based on the seven reportable segments described below beginning from the financial year 2015. Hence, the Group will present the interim financial reports with the new segment reporting structure beginning from the first quarter of 2015 with prior periods adjusted accordingly.

Grains and agribusiness

This segment includes flour milling and manufacturing of animal feed, wheat and maize trading, production of day-old-chicks, eggs and other related downstream activities, and oil palm plantations.

Consumer products

This segment includes marketing and distribution of edible oils and consumer products, production and distribution of frozen food and bakery products, and manufacturing of toilet requisites and household products.

Film exhibition and distribution

This segment includes exhibition and distribution of cinematograph films.

Environmental engineering and utilities

This segment includes construction works specialising in the water and environmental industries and provision of waste management services.

Property

This segment includes letting of commercial properties and development of residential and commercial properties.

Investments in equities

This segment includes investments in quoted and unquoted shares.

Other operations

This segment includes chemical trading and manufacturing, investment holding, packaging and others.

As part of this realignment, livestock farming and oil palm plantations have been combined into the **grains and agribusiness**. The production and distribution of frozen food and bakery products which were both previously components of other operations are now grouped together with **consumer products**. Chemical trading and manufacturing has been aggregated into **other operations**. The other reportable segments remain the same as per the former grouping. This segmental realignment has no impact on the consolidated segment revenue, profits, assets or liabilities.



**A7. Segmental reporting**

Segmental information in respect of the Group's business segments for the period ended 31 March 2015

<b>Business Segments:</b>	Grains and agribusiness	Consumer products	Film exhibition and distribution	Environmental engineering and utilities	Property	Investments in equities	Other operations	Elimination	Total
<i>All figures in RM'000</i>									
<b>REVENUE</b>									
External revenue	611,816	143,950	105,895	75,196	13,497	55	26,577	-	976,986
Inter-segment sales	26,639	-	-	-	491	-	8,936	(36,066)	-
Total revenue	<u>638,455</u>	<u>143,950</u>	<u>105,895</u>	<u>75,196</u>	<u>13,988</u>	<u>55</u>	<u>35,513</u>	<u>(36,066)</u>	<u>976,986</u>
<b>RESULTS</b>									
Segment results	79,577	4,187	16,204	2,802	6,778	40	(2,216)	-	107,372
Share of associates' profits less losses	(979)	220	1,786	1,122	1,190	-	158,998	-	162,337
Share of joint venture's profit	-	-	-	1,420	-	-	-	-	1,420
Interest income									3,866
Income from short-term fund placements									3,812
Finance costs									(8,076)
Unallocated corporate expenses									(4,190)
Profit before tax									<u>266,541</u>
<b>ASSETS</b>									
Segment assets	1,957,812	471,366	312,029	133,100	308,545	532,327	150,428	(331)	3,865,276
Investments in associates	261,653	1,782	78,997	47,136	179,004	-	13,975,337	-	14,543,909
Investment in joint venture	-	-	-	61,325	-	-	-	-	61,325
Bank deposits and short-term fund placements									836,623
Tax assets									16,847
Other unallocated corporate assets									12,136
Total assets									<u>19,336,116</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 2015 were as follows:-

	RM'000
Property, plant and equipment and investment properties	
- contracted	59,443
- not contracted	260,904
	<u>320,347</u>
Other capital commitments	
- contracted	147,895
- not contracted	91,066
	<u>238,961</u>
	<u>559,308</u>

**A12. Significant related party transactions**

Significant related party transactions during the financial period ended 31 March 2015 were as follows:-

	RM'000
Transactions with an associate	
- Management fee received/receivable	2,353
- Film rental received/receivable	140
- Purchase of goods	1,474
	<u>3,588</u>
Transactions with a subsidiary of the ultimate holding company	
- Sales of goods	3,588
	<u>3,588</u>
Transactions with subsidiaries of an associate	
- Purchase of goods	42,048
- Sales of goods	713
- Rental received	848
- Security and other service fees paid and payable	2,608
- Charter hire of vessels	10,574
	<u>56,789</u>

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

The Group posted an 11% higher revenue of RM977 million in 1Q2015 compared with RM883 million in 1Q2014, primarily driven by improved revenue in the grains and agribusiness, environmental engineering and utilities, and film exhibition and distribution segments. However, the property segment, chemicals and other operations in the combined segment as well as consumer products segment revenues were lower in 1Q2015.

Group profit before tax of RM267 million in 1Q2015 represents a 53% increase from RM174 million in 1Q2014. This was mainly due to higher profit contribution from an associate, Wilmar International Limited ("Wilmar") and better performance in the grains and agribusiness segment. These profits cushioned lower results recorded by the consumer products segment, property segment, and investments and other operations in the combined segment.

**Group financial performance by business segment**

Revenue	1Q2015	1Q2014	Variance	
	RM'000	RM'000	RM'000	%
Grains and agribusiness	638,455	573,045	65,410	11%
Consumer products	143,950	148,781	(4,831)	(3%)
Film exhibition and distribution	105,895	93,294	12,601	14%
Environmental engineering and utilities	75,196	25,242	49,954	>100%
Property	13,988	32,966	(18,978)	(58%)
Chemicals, Investments and Other operations	35,568	49,727	(14,159)	(28%)
Elimination	(36,066)	(39,870)	3,804	
<b>Total revenue</b>	<b>976,986</b>	<b>883,185</b>	<b>93,801</b>	<b>11%</b>

Segment results	1Q2015	1Q2014	Variance	
	RM'000	RM'000	RM'000	%
Grains and agribusiness	79,577	41,841	37,736	90%
Consumer products	4,187	8,708	(4,521)	(52%)
Film exhibition and distribution	16,204	14,106	2,098	15%
Environmental engineering and utilities	2,802	422	2,380	>100%
Property	6,778	10,998	(4,220)	(38%)
Chemicals, Investments and Other operations	(2,176)	(475)	(1,701)	>(100%)
<b>Total segment results</b>	<b>107,372</b>	<b>75,600</b>	<b>31,772</b>	<b>42%</b>
Share of associates and joint venture's profits less losses	163,757	100,619	63,138	63%
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(4,588)	(2,511)	(2,077)	(83%)
<b>Total profit before tax</b>	<b>266,541</b>	<b>173,708</b>	<b>92,833</b>	<b>53%</b>

**Grains and agribusiness**

Revenue increased by 11% to RM638 million in 1Q2015 compared with RM573 million in the corresponding period last year, riding on higher animal feed and maize sales volumes. Flour sales volume had also increased with contribution from the newly commissioned flour mill in northern Vietnam and improved sales volume in Indonesia and Malaysia.

The segment profit was up by 90% to RM80 million in 1Q2015 compared with RM42 million in 1Q2014. The flour and feed mills in Malaysia registered improved profits while in Indonesia, lower average selling prices of flour coupled with a weaker Rupiah against the USD resulting in foreign exchange translation losses in the quarter. The 1Q2015 results were also supported by a positive net grains hedging position.

**Consumer products**

The segment registered a marginal 3% decrease in revenue to RM144 million in 1Q2015 compared with the same quarter last year. The bakery business recorded revenue growth primarily contributed by "Chiffon in a Cup" which was launched in May 2014, along with higher bread sales volume and increase in bun selling prices from November 2014. This revenue growth was moderated by the discontinuance of an agency product in 4Q2014.

Compared with 1Q2014, the 1Q2015 segment profit of RM4.2 million was lower due to increase in advertising and promotion expenses and lower revenue due to the discontinued agency product.

**Film exhibition and distribution**

The performance of this segment continued to strengthen with revenue increasing by 14% to RM106 million in 1Q2015 compared with RM93 million in the corresponding period last year. Improved cinema collections and distribution revenue from blockbuster movies released during the Chinese New Year as well as contribution from newly opened cinemas added to the revenue growth.

In tandem with the revenue growth, the segment profit of RM16 million in 1Q2015 represented an increase of 15% compared with RM14 million in 1Q2014.

**Environmental engineering and utilities**

The segment achieved a first quarter revenue of RM75 million, significantly higher than the RM25 million in 1Q2014, mainly attributed to the increase in the number of on-going engineering projects.

The segment profit grew from RM0.4 million in 1Q2014 to RM2.8 million in 1Q2015 arising from the higher engineering revenue.

**Property**

This segment's revenue decreased from RM33 million in 1Q2014 to RM14 million in 1Q2015 due mainly to lower progress billings of bungalows in Seberang Perai Tengah compared with the higher progress billings recognised in 1Q2014 on delivery of vacant possession of the Masera bungalows in Kuala Lumpur. The reduced revenue was partly mitigated by higher project management fees and higher rental income from increased rental rates on renewal of tenancies.

In 1Q2015, the segment profits of RM6.8 million were mainly derived from rental of investment properties and project management fees. The property development division recorded reduced profits after completion of the Masera bungalows.

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

The combined revenue from this segment decreased by 28% in 1Q2015 to RM36 million from RM50 million in the same quarter last year due mainly to the tightening of the credit control policy and streamlining of sales by the chemical trading and manufacturing segment. The packaging operations in Malaysia were shut down in mid-March this year and all production was relocated to our Myanmar factory resulting in lower sales from focusing on completing orders in hand instead of marketing of the products. The shipping business was discontinued in 4Q2014 with the disposal of the sole vessel.

The combined segments collectively reported a loss of RM2.2 million in 1Q2015 compared with RM0.5 million loss in 1Q2014 largely due to one-time costs incurred in transferring the packaging operation from Malaysia to Myanmar including redundancy payments. Most of other operations recorded marginally lower results in the quarter.

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

The Group's associates and joint venture contributed higher profits of RM164 million in 1Q2015 compared with RM101 million in 1Q2014. Wilmar contributed RM159 million in 1Q2015 against RM97 million in 1Q2014 due to strong performance from its oilseeds and grains segment as well as higher contributions from its associates.

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

Segment results	1Q2015	4Q2014	Variance	
	RM'000	RM'000	RM'000	%
Grains and agribusiness	79,577	18,122	61,455	>100%
Consumer products	4,187	8,243	(4,056)	(49%)
Film exhibition and distribution	16,204	13,954	2,250	16%
Environmental engineering and utilities	2,802	4,478	(1,676)	(37%)
Property	6,778	14,062	(7,284)	(52%)
Chemicals, Investments and and Other operations	(2,176)	(22,428)	20,252	90%
Total segment results	107,372	36,431	70,941	>100%
Share of associates and joint venture's profits less losses	163,757	262,109	(98,352)	(38%)
Interest income, finance costs, income from short-term fund placements and unallocated expenses	(4,588)	(2,613)	(1,975)	(76%)
Total profit before tax	266,541	295,927	(29,386)	(10%)

The Group's profit before tax of RM267 million in 1Q2015 was 10% lower than the RM296 million recorded in 4Q2014.

The grains and agribusiness segment achieved better results from the turnaround of the grains hedging position. The film exhibition and distribution segment delivered higher profits from increased distribution revenue from the Chinese New Year titles. In the combined segment, the packaging business recorded lower losses as most of the costs in transferring of operations from Malaysia to Myanmar had been provided in 4Q2014; and the discontinuance of the shipping operations eliminated further losses from this activity.

Despite the improved results in the grains and the combined segments, profit before tax in 1Q2015 was however lower than 4Q2014 due to lower contribution from Wilmar. Wilmar contributed RM252 million in the preceding quarter compared with RM159 million in 1Q2015. The consumer products segment recorded lower profits mainly due to higher advertising and promotion expenses. In the environmental engineering and utilities segment, the finalisation of a water treatment project had contributed to a higher profit in the preceding quarter compared with 1Q2015. The property segment had lower progress billings in 1Q2015 compared with 4Q2014.

**B3. Prospects for the current financial year**

Household spending in Malaysia is expected to be subdued in the second quarter following the implementation of the Goods and Services Tax on 1 April 2015. While the weak sentiment is expected to be temporary, management has implemented appropriate measures to address these challenges. On the whole, the Group's food-based businesses are not expected to be significantly affected by the reduction in consumption.

With a stable labour market condition and steady income growth, consumers will gradually adjust to the new tax structure and spending will normalise towards the later part of the year.

Domestic demand in Malaysia and in the ASEAN economies remains as the main driving factor for the Group's local and regional core businesses. Nevertheless, the overall consolidated financial results in 2015 will continue to be substantially supported by Wilmar's business performance.

**B4. Variance of actual profit from forecast profit**

Not applicable.

**B5. Profit before tax**

	Individual Quarter 3 months ended 31-Mar-15 RM'000	Cumulative Quarter 3 months ended 31-Mar-15 RM'000
Profit before tax is stated after crediting :-		
Dividend income	55	55
Fair value gain on derivatives	40,425	40,425
Foreign exchange gain	19,160	19,160
Gain on disposal of investment property	499	499
Interest income	3,866	3,866
Income from short-term fund placements	3,812	3,812
Rental income	913	913
Profit before tax is stated after charging :-		
Allowance for doubtful debts and receivables written-off	(125)	(125)
Depreciation and amortisation	(27,886)	(27,886)
Fair value loss on derivatives	(603)	(603)
Foreign exchange loss	(12,827)	(12,827)
Interest expense	(8,076)	(8,076)
Loss on disposal of investment property	(194)	(194)
Loss on financial assets at fair value through profit or loss	(84)	(84)

**B6. Taxation**

	Individual Quarter 3 months ended 31-Mar-15 RM'000	Cumulative Quarter 3 months ended 31-Mar-15 RM'000
Taxation comprises :-		
Malaysian taxation		
Current	28,887	28,887
Deferred	957	957
	29,844	29,844
Foreign taxation		
Current	686	686
Deferred	958	958
	31,488	31,488
Underprovision in prior year		
Current	378	378
	31,866	31,866

The effective tax rate is higher than the average statutory rate for the period mainly due to deferred tax credit not recognised by a foreign 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 14 May 2015.

**B8. Group borrowings**

Total Group borrowings as at 31 March 2015 were as follows :-

	Total RM'000	Secured RM'000	Unsecured RM'000
Long-term bank borrowings			
Long-term bank loans (USD)	82,042	82,042	-
Hire purchase liabilities	31	31	-
Repayments due within the next 12 months	(22,243)	(22,243)	-
	59,830	59,830	-
Short-term bank borrowings			
Bills payable	213,086	-	213,086
Short-term loans	2,050	-	2,050
Short-term loans (USD)	31,656	-	31,656
Short-term loans (IDR)	210,579	-	210,579
Short-term loans (VND)	28,184	-	28,184
Current portion of long-term loans	22,217	22,217	-
Hire purchase liabilities	26	26	-
	507,798	22,243	485,555
Bank overdrafts	769	-	769
	508,567	22,243	486,324

**B9. Material litigation**

There was no material litigation as at 14 May 2015.

**B10. Dividends**

The final single tier dividend for the financial year ended 31 December 2014 of 16 sen per share was approved by shareholders at the 46th Annual General Meeting held on 13 May 2015, and is payable on 29 May 2015.

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

**Dividends paid/payable**

Dividends paid/payable for the financial year 2014 and up to the date of this report are as follows :-

Financial Year	Type	Rate per share	Date paid/payable
2014	Interim dividend	7 sen	26 September 2014
2014	Final dividend	16 sen	29 May 2015

**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-15 RM'000	As at 31-Dec-14 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries :-		
- Realised	12,516,194	12,380,925
- Unrealised	(88,197)	(92,733)
	<u>12,427,997</u>	<u>12,288,192</u>
Total share of retained profits/(accumulated losses) from associates :-		
- Realised	147,993	149,566
- Unrealised	(1,547)	(1,587)
- Wilmar International Limited ("Wilmar") *	4,811,240	4,620,617
Total share of retained profits from joint venture :-		
- Realised	8,396	8,034
	<u>17,394,079</u>	<u>17,064,822</u>
Less : consolidation adjustments	(2,242,151)	(2,175,512)
Total Group retained profits as per consolidated accounts	<u>15,151,928</u>	<u>14,889,310</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**  
**21 May 2015**

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