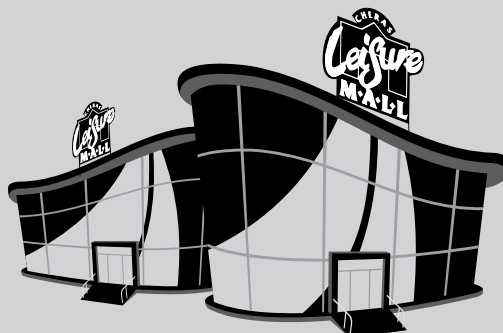




SUN



PPB GROUP BERHAD

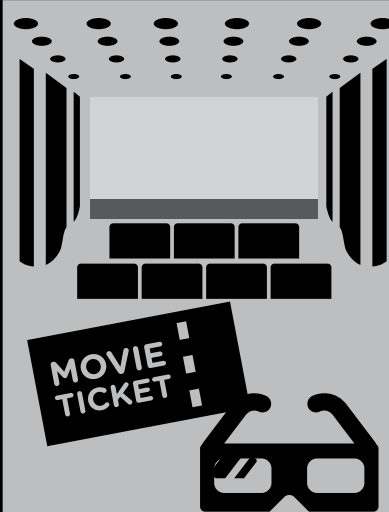
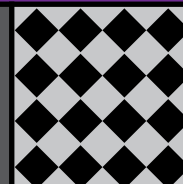


APRIL

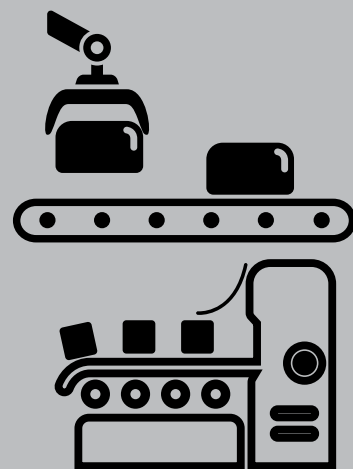
22

**TOUCHING
LIVES**

— ANNUAL REPORT 2014 —
Everyday



TUE



WED

13



THU

FRI



SAT



MON



FLOUR PRODUCTS

- ENRICHED WITH VITAMINS & IRON -



FRESH BAKERY

- BAKED WITH PASSION -



COOKING OILS

- QUALITY COOKING OILS -



CANNED FOOD

- FINEST CANNED FOOD -



SINCE 1968

**TOUCHING LIVES
EVERYDAY**

FOCUSED ON CUSTOMER SATISFACTION



FRESH EGGS

- NUTRITION FROM THE FARM -



TASTY BEVERAGES

- REFRESHING FRUIT DRINKS -



FROZEN FOOD

- CONVENIENT, TRULY DELICIOUS -



46TH

ANNUAL GENERAL MEETING

VENUE

SABAH ROOM, B2 LEVEL,
SHANGRI-LA HOTEL
KUALA LUMPUR
11, JALAN SULTAN ISMAIL,
50250 KUALA LUMPUR

DATE/TIME

WEDNESDAY
13 MAY 2015
10:00AM



OUR MISSION

To strengthen our leadership position in our core businesses in Malaysia, expand regionally for further growth, invest in related activities for greater synergy and increase shareholder value, in a socially and environmentally responsible manner through management excellence.



OUR VISION

To be a market leader in our core businesses reputed for our sustainable quality products and services.



TOUCHING LIVES *Everyday*

PPB Group with its diverse businesses, has in one way or other been Touching Lives Everyday. Whether it's owning a first home, or something as simple as a home-cooked meal, to family entertainment be it the excitement of a movie or pleasures of retail therapy, we have been there creating memorable moments and ensuring value. Knowing that as long as we are able to create long-term value and ensure the quality of our products and services, we will remain part of and continue

TOUCHING LIVES EVERYDAY for many years to come.

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NEW FEATURES



FEEDBACK

We welcome your feedback to make sure we are addressing the things that matter to you. Go to CONTACT US at www.ppbgroup.com or email corporateaffairs@ppb.com.my for the feedback form, or scan the code on the left with your smartphone.

1. Get it

Download the "QR Code Reader" app on Google Play (Android Market), BlackBerry AppWorld, App Store (iOS/iPhone) or Windows Phone Marketplace.

2. Run it

Run the QR Code Reader app and point your camera to the QR Code.

3. Access it

Get access to the feedback form.



LOG IN TO OUR WEBSITE

This icon tells you where you can find more information online at www.ppbgroup.com.



Every

*we make the best
products possible,*



Day

*so that you can take
great delight in baking
sweet offerings.*

CHAIRMAN'S STATEMENT



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of PPB Group Berhad, it gives me great pleasure to present the Annual Report and audited financial statements of the Company and the Group for the financial year ended 31 December 2014.

////////////////////////////////////
DATUK OH SIEW NAM

C H A I R M A N
////////////////////////////////////

CONTINUED

**CHAIRMAN'S
STATEMENT**

2014 REVENUE

RM 3.701
B I L L I O N

PROFIT BEFORE TAX

RM 1.028
B I L L I O N
**RIDING ON THE
REVENUE GROWTH,
MOST OF THE CORE
SEGMENTS**
**REGISTERED
BETTER RESULTS**
GROUP RESULTS

I am pleased to report that the Group achieved a 12% revenue growth to RM3.70 billion with higher contribution from most segments particularly the flour and feed milling, and grains trading segment; environmental engineering; marketing, distribution and manufacturing of consumer products; and cinema operations.

Riding on the revenue growth, most of the core segments registered better results. Profit before tax however, declined 3% to RM1.03 billion mainly due to reduced profit contribution from Wilmar International Limited (Wilmar) of RM695 million compared with RM764 million in 2013; this was due mainly to the continued margin contractions in palm and laurics as well as negative soybean crushing margins. Lower profits from investment in equities coupled with losses incurred by the packaging division also contributed to the lower profit.

Profit for the year reduced 5% to RM939 million, and profit attributable to shareholders was RM917 million. This translated to earnings per share of 77 sen compared with 83 sen in 2013.

		2014	2013	% change
Revenue	RM million	3,701	3,313	12
Profit before tax	RM million	1,028	1,063	(3)
Profit for the year	RM million	939	991	(5)
Earnings per share	sen	77	83	(7)

With a healthy set of results, the Group financial position is further strengthened with shareholders' funds increasing 7.5% to RM16.82 billion, representing net assets per share of RM14.19. Our low debt-to-equity ratio of 3% provides the Group with a solid foundation to pursue investment opportunities to further enhance shareholder value.

CONTINUED

CHAIRMAN'S STATEMENT



DIVIDENDS

The Board is pleased to recommend a final single tier dividend of 16 sen per share. Combined with the interim single tier dividend of 7 sen per share, this would bring the total dividend for financial year 2014 to 23 sen per share amounting to RM273 million.

Subject to shareholders' approval at the forthcoming 46th Annual General Meeting, the proposed final dividend is payable on 29 May 2015.

CONTINUED

**CHAIRMAN'S
STATEMENT**

OVERVIEW OF OPERATIONS

FOOD MANUFACTURING ACTIVITIES

• Flour And Feed Milling, And Grains Trading

A 14% improvement in revenue to RM2.34 billion was recorded in this division due to higher flour sales volumes in Indonesia, Vietnam and Malaysia, coupled with increased animal feed sales volume. Profits were significantly higher at RM179 million, a 44% increase, primarily due to improved net foreign exchange translation positions, and higher sales volume leading to better recovery of fixed costs and improved margins.

The Group's expanded capacity in emerging and high population countries to cater for a wider market has helped increase revenue and profit contribution from this division.

With the commissioning of a second 1,000-mt/day flour mill in its present location in Indonesia at end-2013, PT Pundi Kencana, a 51% subsidiary of the Group now operates two 1,000-mt/day flour mills.

In southern Vietnam, FFM Group commissioned an additional 150-mt/day flour mill line in Ba Ria, Vung Tau Province increasing capacity to 550 mt/day. VFM-Wilmar Flour Mills Co. Ltd, a 51% subsidiary, commissioned a new 500-mt/day mill in northern Vietnam in January 2015 to complement the mill in the south.

The Group under Waikari Sdn Bhd has invested 20% in nine flour mills in China with a total milling capacity of 14,950 mt/day. Eight of these mills with a total capacity of 13,750 mt/day have commenced operations.

On the domestic front, Johor Bahru Flour Mill Sdn Bhd completed the acquisition of 2.3 hectares of land next to its present premises in Pasir Gudang in July 2014. Its feed mill operations will be relocated to this piece of land and in its place a new 500-mt/day flour mill will be built to further improve efficiency and capacity of the Johor operations.





Please refer to the PPB website
www.ppbgroup.com for more details.



**TOTAL LOCAL
FLOUR MILLING
CAPACITY**
2,550
MT/DAY

1/ FLOUR MILLING

FFM Group operates 5 flour mills in Malaysia, 2 in Vietnam and 1 each in Thailand and Indonesia. FFM Group also has 20% interest in 9 associates in China engaged in flour milling.



**TOTAL FEED
MILLING MIXING
CAPACITY**
136
MT/HOUR

2/ ANIMAL FEED MILLING

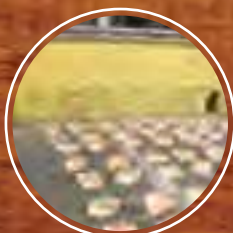
FFM Group is one of the key feed millers in Malaysia and operates 5 feed mills in Peninsular and East Malaysia.



**MONTHLY
PRODUCTION
CAPACITY**
20.0
**MILLION
EGGS**

3/ LIVESTOCK FARMING

FFM Farms Sdn Bhd operates 2 broiler breeder farms and a layer farm to complement the Group's animal feed milling operations.



**VARIOUS
FROZEN FOOD
CAPACITY**
600
MT/MONTH

4/ FOOD PROCESSING

FFM Further Processing Sdn Bhd produces an extensive range of frozen food under "Marina" and "Seri Murni" brands.



**TOTAL
WAREHOUSING
CAPACITY**
300,000
SQ FT

5/ CONSUMER PRODUCTS DISTRIBUTION

FFM Marketing Sdn Bhd has established a strong distribution network and currently distributes a wide range of fast-moving consumer goods under its own brands as well as other international and local brands.



**BREAD LOAVES
PRODUCTION
CAPACITY**
16,000
LOAVES/HOUR

6/ BAKERY

The Italian Baker Sdn Bhd operates a state-of-the-art baking plant in Pulau Indah with 3 fully automated production lines using the latest American and European technology.

CONTINUED**CHAIRMAN'S
STATEMENT****• Bakery**

The Massimo brand is well-entrenched and accepted in the market by Malaysians. With growing demand, the Group increased its overall capacity by 60% with the commencement of its new 6,000 loaves per hour bread line in May 2014. Our bakery products are now available in most hypermarkets and convenient stores nationwide.

During the year, we launched Massimo's new "Chiffon-in-a-Cup" cakes in two flavours, Classic and Mocha to encouraging response and sales have been improving. These snack cakes complement our current range of bread loaves and cream rolls.

• Frozen Foods

This division produces an extensive range of frozen foods such as ready-to-eat chicken sausages, nuggets, fish fingers and chicken fries under the Group's "Marina" and "Seri Murni" brands. It continues to expand to cater to household demand for quick and convenient meals.

FFM Further Processing Sdn Bhd started the installation of new machineries in December 2014 to increase production from 600 kg/hour to 1500 kg/hour to improve output efficiency and cater to the domestic and export markets. The existing distribution cold room is also being expanded to accommodate the larger production capacities. Upgrading of its fully-cooked line is underway in view of the expansion into export markets as well as the quick service restaurant supply chain.



CONTINUED

**CHAIRMAN'S
STATEMENT**

**• Marketing, Distribution And
Manufacturing Of Consumer Products**

Registering a 9% increase in revenue to RM438 million, this division achieved an 18% increase in profits to RM28 million.

The better performance was attributable to improved sales of agency products with better margins. The enlarged distributorship for Snow products comprising milk powder and table spreads to cover Peninsular Malaysia in addition to East Malaysia also contributed to the improved results.

With its wide distribution network and marketing track record, FFM Marketing was recently awarded the distributorship of Goodmaid, a well-known brand of household cleaning products including floor care, laundry detergents, fabric softener, dishwashing liquid, air fresheners and bleach. The Group also launched Gem-Brite, a range of dishwashing liquid manufactured by Products Manufacturing Sdn Bhd, a 70% subsidiary of Chemquest Sdn Bhd.

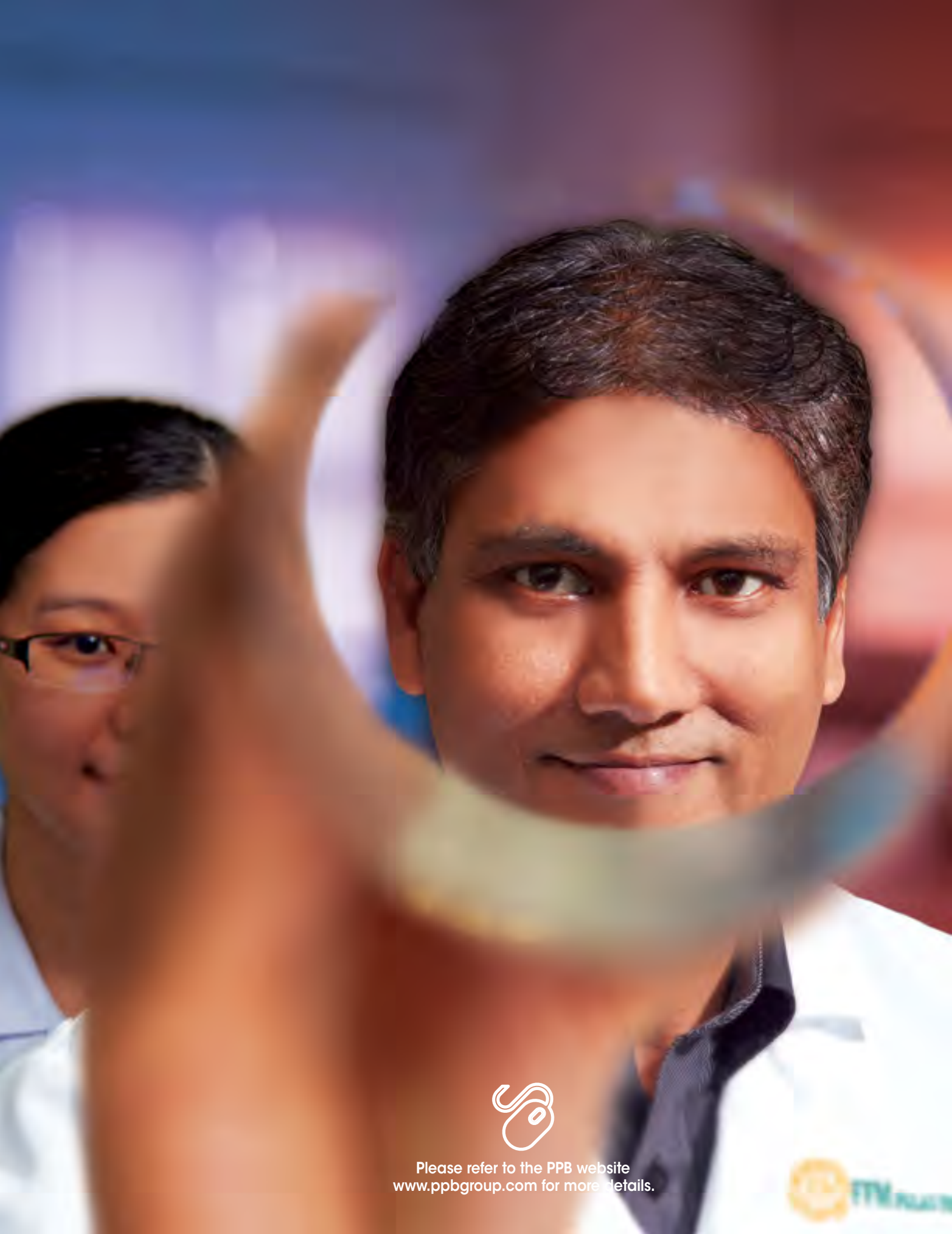
• Livestock Farming

For the year under review, this division performed well to record revenue of RM129 million compared with RM98 million in 2013 due to improved selling prices of day-old chicks and higher sales volume. It recorded profits of RM15.9 million compared with losses of RM7.5 million in the previous year due to higher selling prices for day-old chicks and eggs, as well as an increase in egg production resulting in lower costs.

The livestock farming business operates in a challenging environment with poultry disease outbreak risks, and continuous pressure on selling prices from an over-supplied market. The better selling prices in 2014 will encourage higher production capacities in the industry which is foreseen to further aggravate the oversupply. Our livestock operations will continue to manage costs and improve production efficiency.

A new layer house was set up in Trong which has increased our monthly egg production by 12%.





Please refer to the PPB website
www.ppbgroup.com for more details.





1/ ENVIRONMENTAL ENGINEERING & WASTE MANAGEMENT

CWM Group Sdn Bhd provides innovative solutions, advanced technologies and professional management in the water, sewage, solid waste and drainage industries and has a track record of more than 100 water, sewage and drainage projects with a combined contract value in excess of RM1.2 billion.



2/ CHEMICALS MANUFACTURING

Malayan Adhesives & Chemicals Sdn Bhd manufactures chemical intermediates for a range of industries. Its manufacturing facilities in Shah Alam produce formaldehyde-based resins, additives, paper resins as well as phenolic thermoset microspheres.



3/ CONTRACT MANUFACTURING

Products Manufacturing Sdn Bhd provides contract-manufacturing services for the cosmetics, toiletries and household products industries.



4/ PACKAGING

Tefel Packaging Industrial Co Ltd, a wholly-owned subsidiary of Tego Sdn Bhd, produces commercial polypropylene (PP) and polyethylene (PE) woven bags and fabrics at its manufacturing facilities in Myanmar.

CONTINUED**CHAIRMAN'S
STATEMENT**

• Environmental Engineering, Waste Management And Utilities

In 2014, this division registered improved revenue of RM139 million, an increase of 39% over the previous year, due to contribution from projects secured in 2013 and 2014 which have reached their procurement and construction stages. Profits were lower at RM5.3 million compared with RM6.6 million in 2013 due to the exceptional profit recognised from a project in 2013 and an impairment of goodwill in 2014.

Four sewage treatment plants under the Greater KL Scheme and a fluoride plant for the Kuching Water Board were completed, and six new projects with a combined contract sum of RM261 million were secured, increasing the order book to RM413 million. The most notable of the six projects is the raw water supply project to the Refinery and Petrochemical Integrated Development (RAPID) for Petronas whereby CWM Group will undertake the mechanical and electrical works for the intake plant and raw water and booster pump stations to deliver 260,000m³/day of raw water to RAPID.

The division will continue to focus on water and sewage prospects offering holistic solutions from treatment to distribution, as well as flood mitigation projects.

• Film Exhibition And Distribution

The cinema operations registered a 23% increase in profits to RM61 million on the back of revenue of RM371 million driven by the opening of new cinemas in 2013 and 2014 and release of more blockbuster movies during the year. Higher admissions, concession sales and screen advertising income also contributed to the better performance.

In 2014, Golden Screen Cinemas (GSC) opened a 10-screen multiplex at Palm Mall, Seremban followed by another 10-screen multiplex at Quill City Mall, Kuala Lumpur. GSC continues to push the envelope with the latest audio and visual technology to provide the best cinematic experience. Following the success of the first Dolby Atmos 3D surround sound technology introduced at GSC 1 Utama in 2013, Dolby Atmos has been extended to Pavilion KL and Quill City Mall cinemas. GSC's first D-Box motion seats introduced during the year at the 1 Utama and Pavillion KL cinemas were also well received.

The Group remains committed to strengthening and growing the cinema operations. In the first quarter of 2015, we added another 32 screens with the opening of GSC Nu Sentral, GSC IOI City Mall and GSC Ipoh Parade. All three cinemas offer Dolby Atmos halls. To-date, we operate 284 screens in 31 locations in Malaysia and are planning to open another 100 screens within the next two years.

In Vietnam, Galaxy Studio Joint Stock Company (Galaxy) in which the Group has 25% equity interest opened its fifth cinema (7 screens) at Quang Trung, Ho Chi Minh City. As at end-2014, Galaxy operates five cinemas totaling 25 screens, all of them in Ho Chi Minh City.

CONTINUED**CHAIRMAN'S
STATEMENT****• Property Investment And Development**

Last year, the property division recorded lower revenue of RM84 million compared with RM90 million the year before mainly due to lower project management fees received. Higher rental income from increased rental rates on renewal of tenancies, and higher occupancy rates mitigated the drop in revenue. However, the division's profit was 11% higher at RM38 million due to profits recognised from the finalisation of the Masera project accounts, higher rental income and profit from the sale of investment property.

During the year under review, PPB Hartabina launched 14 luxury bungalows at Taman Tanah Aman in Seberang Prai of which eight have been sold.

PPB's 28% associate, Southern Marina Development Sdn Bhd, is the developer of the Southern Marina Residences in Puteri Harbour, Nusajaya Johor. The first phase of the development comprises two towers with a total of 456 condominiums. Tower 1 in Phase 1 was soft-launched in January this year to good response despite the soft property market; about 50% of the 220 units have been sold. The Southern Marina Residences sales gallery in UBN Tower, Kuala Lumpur has opened, and Phase 1 is expected to be officially launched by June 2015 when the second sales gallery in Puteri Harbour with show units is completed.

We are exploring development potential with plans for several pieces of the Group's commercial land in Selangor and Penang. We will continue to source for additional land for future development and sustainable earnings.

CORPORATE SOCIAL RESPONSIBILITY

The Group recognises that long term business success depends not only on delivering profits to shareholders but also on its ability to balance economic returns with positive and sustainable contributions to society and the environment.

We are committed to pursuing this principle in line with our core values, decision-making, operations and products. During the year under review, the Group carried out various CSR projects which are detailed in the Corporate Sustainability Statement on pages 49 to 59 of the Annual Report.

On the same note, the statements on corporate governance, and risk management and internal control are set out in separate sections in the Annual Report.

PROSPECTS AND CHALLENGES FOR 2015

The Malaysian economy is expected to register steady growth of 4% - 5% in 2015 supported by domestic demand which is driven by private sector spending amid strong domestic fundamentals and a resilient export sector.

Consumer spending is expected to be affected in light of the implementation of the Goods and Services Tax in April and lower earnings in the commodity-related sectors. However the favourable employment market and Government measures to assist lower and middle income households should help mitigate the drop in spending.

Despite the challenging business and economic environment, the Group expects its core operations to perform well, driven by domestic demand. The performance of the Group's flour, feed and food-related businesses should be sustainable based on the enlarged distribution channels and market share. The cinema operations look forward to a strong line-up of movies in 2015 which should attract higher patronage. The property division is expected to perform satisfactorily despite subdued sentiments in the local property market. The environmental engineering segment should achieve higher revenue as the contracts in hand progress to the main construction phases.

The Group remains focused on its core competencies and prudent management of investments to ensure its ongoing success in today's competitive market. Towards this end, the Group is committing RM535 million to invest in new capacity and capability to grow its core businesses both domestically and regionally for sustainable earnings growth.

Our strong presence in its core businesses in Malaysia and strategic expansion regionally should augur well for the Group's operations. Nonetheless, Wilmar's performance will continue to determine the Group's overall financial performance for the year.

APPRECIATION

On behalf of the Board, I wish to thank our shareholders, customers, business partners and stakeholders for their unwavering support and confidence in the Group. We would also like to extend our thanks to the staff and management of the Group for their hard work and contributions to another successful year.

To my fellow Board members, I wish to express my sincere appreciation for their invaluable support, contribution and guidance.

DATUK OH SIEW NAM

C H A I R M A N

25 MARCH 2015



Please refer to the PPB website
www.ppbgroup.com for more details.



1/ CINEMA OPERATIONS

Golden Screen Cinemas Sdn Bhd is the leading cinema exhibitor in Malaysia and operates the largest cinema chain in the country with 284 screens at 31 locations in major cities nationwide.

TOTAL SEATING CAPACITY
49,077
SEATS



2/ FILM DISTRIBUTION

GSC Movies Sdn Bhd acquires and distributes films to cinemas and sub-licences movie content to video, television (pay TV & free TV) and hotel operators. It is the biggest local distributor of Chinese, independent English and foreign language films, and distributes films to cinemas throughout Malaysia, Brunei, Vietnam, Myanmar and Cambodia.

DISTRIBUTED A TOTAL OF
95 FILMS
IN 2014



3/ IT SERVICES

EASI (M) Sdn Bhd provides retail solutions and IT services; their products include point-of-sale systems to customers in Malaysia, Singapore, Indonesia and Hong Kong. EASI Ticketing Sdn Bhd develops software applications for cinema ticketing, concessions and display solutions.

MOBILE APP
WITH CONCESSION
E-COMBO PURCHASE
& E-VOUCHER



Please refer to the PPB website
www.ppbgroup.com for more details.



1/ INVESTMENT PROPERTIES

PPB owns and manages 4 retail/commercial properties namely:

- Cheras LeisureMall in Taman Segar, Kuala Lumpur
- Cheras Plaza in Taman Segar, Kuala Lumpur
- New World Park in Lorong Swatow, Georgetown, Penang
- The Whiteaways Arcade, Beach Street, Penang



2/ PROPERTY DEVELOPMENT

PPB Hartabina Sdn Bhd is engaged in property development and its current project is a high-end residential development at:

- Taman Tanah Aman in Bukit Tengah, Seberang Prai



3/ PROJECT MANAGEMENT

PPB Property Development Sdn Bhd acts as project manager for property development projects under various PPB Group companies and affiliates. The major projects include:

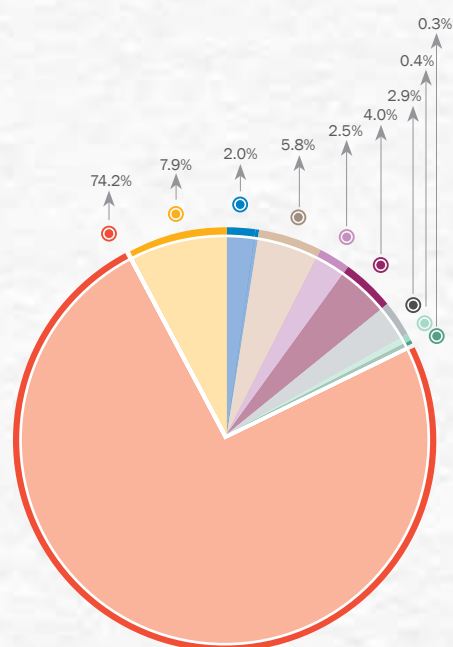
- Southern Marina Residences in Puteri Harbour, Nusajaya, Johor
- Shaw Parade in Pudu, Kuala Lumpur
- Ponderosa Woods in Johor Bahru

GROUP FINANCIAL HIGHLIGHTS

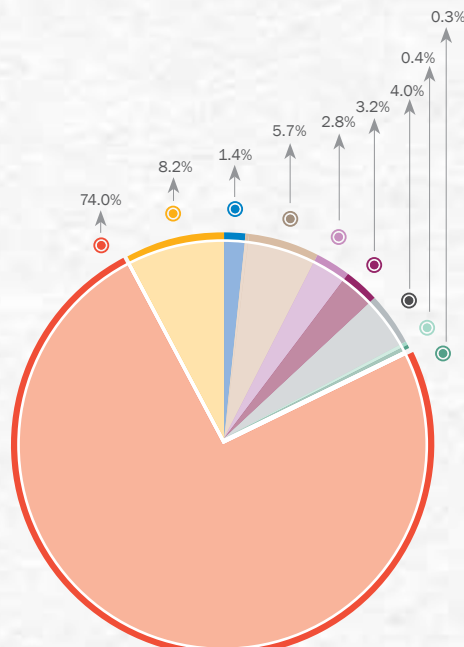
		2014 RM Million	2013 RM Million	% Change
INCOME STATEMENT				
Revenue		3,701	3,313	11.7
Profit before tax		1,028	1,063	-3.3
Profit for the year		939	991	-5.2
Profit attributable to owners of the parent		917	983	-6.7
STATEMENT OF FINANCIAL POSITION				
Equity attributable to owners of the parent		16,821	15,653	7.5
Total equity		17,381	16,192	7.3
RATIOS				
Return on net assets attributable to owners of the parent	(%)	5.45	6.28	
Earnings per share	(sen)	77.33	82.88	
Interest coverage	(times)	49.95	76.93	
Current ratio	(times)	2.48	3.14	
Total borrowings/Equity	(%)	3.18	2.59	
Long-term borrowings/Equity	(%)	0.36	0.55	
Net assets per share attributable to owners of the parent	(RM)	14.19	13.20	
Operating cash flow per share	(sen)	18.47	18.97	
PE ratio	(times)	18.49	19.47	
Net dividend per share	(sen)	23.00	25.00	
31 December closing price	(RM)	14.30	16.14	

SIMPLIFIED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ASSETS



YEAR 2014



YEAR 2013

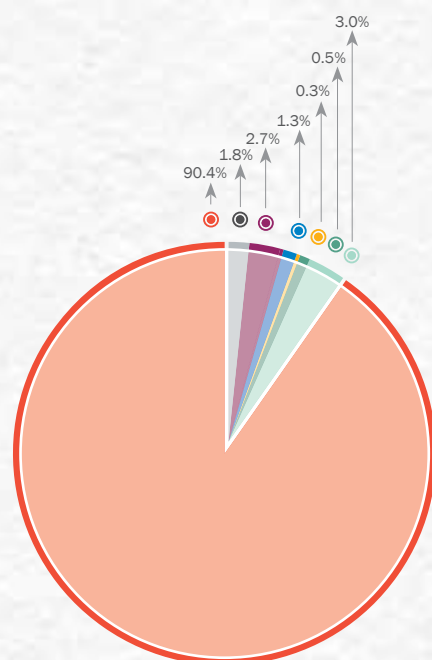
NON-CURRENT ASSETS

- Property, plant and equipment, investment properties, biological assets and other intangible assets
- Associates
- Joint venture
- Goodwill
- Other non-current assets

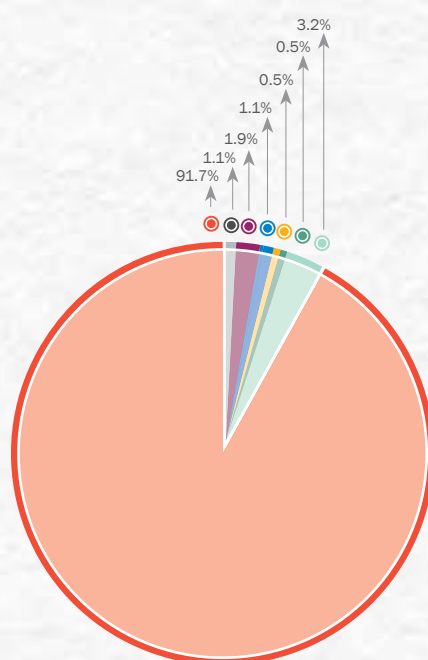
CURRENT ASSETS

- Inventories, biological assets and other intangible assets
- Trade receivables
- Cash, bank balances, deposits and short-term fund placements
- Other current assets

EQUITY & LIABILITIES



YEAR 2014



YEAR 2013

NON-CURRENT LIABILITIES & EQUITY

- Long-term borrowings
- Other non-current liabilities
- Non-controlling interests
- Equity attributable to owners of the parent

CURRENT LIABILITIES

- Trade payables
- Short-term borrowings
- Other current liabilities



Every

*we focus on delivering
a greater entertainment
experience,*



Day

so that you can share
moments of joy and drama
with your loved ones.

DIRECTORS' PROFILES



DATUK OH SIEW NAM, 76

Chairman
Non-independent Executive Director
Member of Remuneration Committee

DATE OF APPOINTMENT

Director – 2 March 1988
Executive Chairman – 1 July 2004
Chairman – 1 February 2008

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Canterbury, New Zealand.
- Assistant Controller of Telecom Malaysia for 5 years before joining FFM Berhad (“FFM”) Group in 1968.
- Managing Director of FFM from 1982 to 2002, and Executive Chairman from 2002 to 2006.
- Board member of Bank Negara Malaysia from 1989 to 2015.
- Served as a member of the Capital Issues Committee and the National Economic Consultative Council II (MAPEN II).
- Chairman of PPB Oil Palms Berhad from 2004 to 2007.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Kuok Foundation Berhad



LIM SOON HUAT, 50

Managing Director
Non-independent Executive Director

DATE OF APPOINTMENT

Director – 29 May 2008
Managing Director – 1 July 2012

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Science (Honours) degree in Statistics from Universiti Kebangsaan Malaysia.
- Many years of management experience in the field of finance, commodities trading, consumer goods manufacturing and marketing, hotel investments, sugar cane plantation and sugar milling operation.
- Held various senior executive positions in the Kuok Group of companies in Singapore, Thailand, Hong Kong, China and Indonesia.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Malaysian Bulk Carriers Berhad
- Ponderosa Golf & Country Resort Berhad

CONTINUED

**DIRECTORS'
PROFILES**

DATO' CAPT AHMAD SUFIAN @ QURNAIN BIN ABDUL RASHID, 65

Independent Non-executive Director
Member of Audit Committee
Chairman of Remuneration Committee

DATE OF APPOINTMENT

22 June 2009

QUALIFICATIONS AND EXPERIENCE

- Qualified as a Master Mariner with a Masters Foreign-going Certificate of Competency from the United Kingdom in 1974.
- Diploma in Applied International Management from the Swedish Institute of Management.
- Attended the Advanced Management Program at Harvard University.
- Fellow of the Chartered Institute of Logistics and Transport and the Institut Kelautan Malaysia.
- Has over 40 years experience in the international maritime industry.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- WCT Holdings Berhad
- Malaysian Bulk Carriers Berhad
- GD Express Carrier Berhad



DATUK ONG HUNG HOCK, 61

Non-independent Non-executive Director
Member of Nomination Committee

DATE OF APPOINTMENT

1 July 2012

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Arts (Honours), University of Malaya.
- Held executive positions in marketing in various companies before joining FFM Berhad ("FFM") group in 1980.
- Previous Managing Director and Executive Chairman of FFM Marketing Sdn Bhd ("FMSB"), and is presently Chairman of FMSB.
- Appointed as director of FFM in October 2004 and has been Managing Director of FFM since March 2011.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

FFM Berhad

CONTINUED
DIRECTORS' PROFILES

MR SOH CHIN TECK, 57

Independent Non-executive Director
Chairman of Audit Committee
Member of Nomination Committee

DATE OF APPOINTMENT

8 October 2012

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Economics, Monash University, Melbourne, Australia.
- Masters in Business Administration – International Management, RMIT University, Australia.
- Fellow member of the Institute of Chartered Accountants Australia.
- Member of the Malaysian Institute of Accountants.
- More than 13 years experience and held various senior positions in member firms of Deloitte in Singapore, Sydney and Kuala Lumpur.
- Former Executive Director and General Manager of CSR Building Materials (M) Sdn Bhd.
- Former Business Director and board member of Rockwool Malaysia Sdn Bhd.
- Former Chairman of FMM-Malaysian Insulation Manufacturers Group.
- Former Deputy Managing Director of Saint-Gobain Malaysia Sdn Bhd.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- Nil


ENCIK AHMAD RIZA BIN BASIR, 54

Independent Non-executive Director
Chairman of Nomination Committee

DATE OF APPOINTMENT

25 July 2013

QUALIFICATIONS AND EXPERIENCE

- Bachelor of Law (Honours), University of Hertfordshire, United Kingdom.
- Barrister-at-Law (Lincoln's Inn), London.
- Called to the Malaysian Bar in 1986.
- Former partner of the law firm, Riza, Leong & Partners.
- Former Managing Director of Kumpulan FIMA Berhad.
- Former director of Jerneh Asia Berhad (now known as JAB Capital Berhad) from 1996 to April 2012.
- Independent director of United Plantations Berhad since 2000.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

- United Plantations Berhad

CONTINUED

**DIRECTORS'
PROFILES**

MADAM TAM CHIEW LIN, 64

Non-independent Non-executive Director

Member of Audit Committee

Member of Remuneration Committee

DATE OF APPOINTMENT

25 July 2013

QUALIFICATIONS AND EXPERIENCE

- Fellow member of the Institute of Chartered Accountants in England and Wales (1975).
- Chartered Accountant – Malaysian Institute of Accountants.
- Public Accountant – Malaysian Institute of Certified Public Accountants.
- Diploma in Applied International Management – Swedish Institute of Management.
- Postgraduate Certificate in Banking and Finance – University of Wales, Bangor.
- Appointed as director of Jerneh Asia Berhad (now know as JAB Capital Berhad ("JAB")) in 1996; and subsequently appointed as Executive Director in 2000.
- Appointed as Managing Director of JAB group of companies from 2005 until her retirement at end-2012.
- Held various positions in the IMC group of companies from 1991 to 2000.

OTHER DIRECTORSHIPS IN PUBLIC COMPANIES

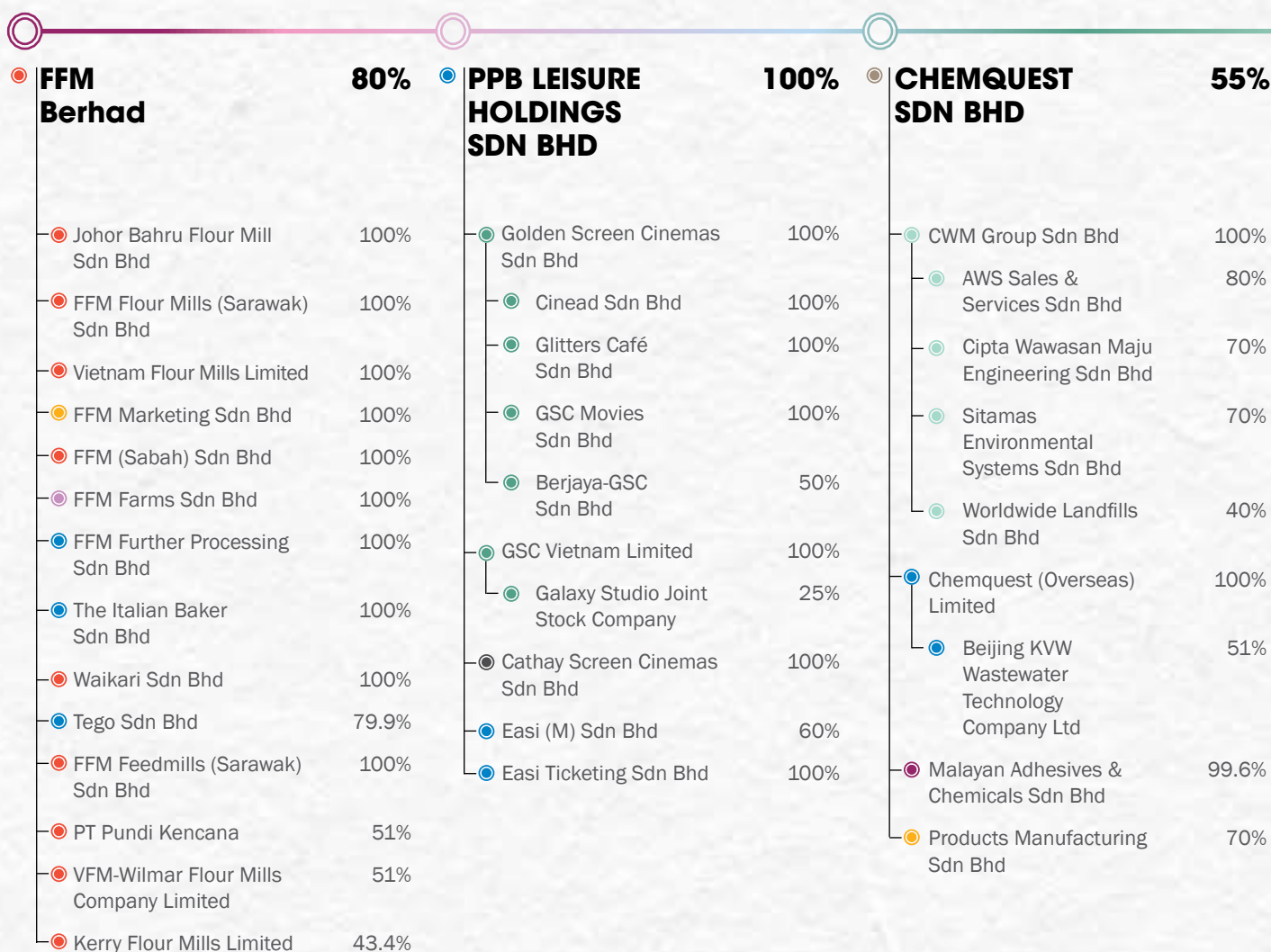
- JAB Capital Berhad

NOTES

1. All the Directors are Malaysians.
2. None of the Directors has any family relationship with any other Director and/or major shareholder of the Company, nor any conflict of interest with the Company.
3. None of the Directors had any convictions for any offences other than traffic offences within the past ten years.

GROUP CORPORATE STRUCTURE

AS AT 31 MARCH 2015



CONTINUED

**GROUP CORPORATE
STRUCTURE**

This chart features the main operating companies and does not include dormant and inactive companies.

Percentages shown indicate the Group's direct equity interest held.

- Flour & feed milling, & grains trading
- Marketing, distribution & manufacturing of consumer products
- Film exhibition & distribution
- Environmental engineering, waste management & utilities
- Property investment & development
- Chemicals trading & manufacturing
- Livestock farming
- Investments in equities
- Others

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Oh Siew Nam
Chairman

Mr Lim Soon Huat
Managing Director

Mr Soh Chin Teck
Independent Non-executive Director

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Independent Non-executive Director

En Ahmad Riza bin Basir
Independent Non-executive Director

Datuk Ong Hung Hock
Non-independent Non-executive Director

Madam Tam Chiew Lin
Non-independent Non-executive Director

AUDIT COMMITTEE

Mr Soh Chin Teck
Chairman

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid

Madam Tam Chiew Lin

NOMINATION COMMITTEE

En Ahmad Riza bin Basir
Chairman

Datuk Ong Hung Hock

Mr Soh Chin Teck

REMUNERATION COMMITTEE

Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid
Chairman

Datuk Oh Siew Nam

Madam Tam Chiew Lin

COMPANY SECRETARY

Mr Mah Teck Keong

REGISTERED OFFICE

12th Floor UBN Tower
10 Jalan P Ramlee
50250 Kuala Lumpur
Telephone : 03-2726 0088
Facsimile : 03-2726 0099
Website : www.ppbgroup.com

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Amanah Malaysia Berhad
AmBank (M) Berhad

AUDITORS

Mazars
7th Floor South Block
Wisma Selangor Dredging
142-A Jalan Ampang
50450 Kuala Lumpur

REGISTRARS

PPB Corporate Services Sdn Bhd
12th Floor UBN Tower
10 Jalan P Ramlee
50250 Kuala Lumpur
Telephone : 03-2726 0088
Facsimile : 03-2726 0099

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)
Sector : Consumer Products
Stock Name : PPB
Stock Number : 4065
ISIN : MYL406500008
Reuters Code : PEPT.KL

FINANCIAL CALENDAR

FINANCIAL YEAR FROM 1 JANUARY 2014 TO 31 DECEMBER 2014

RESULTS

1ST QUARTER

ENDED
31 MARCH
2014



Announced
21-May-14

2ND QUARTER

ENDED
30 JUNE
2014



Announced
27-Aug-14

3RD QUARTER

ENDED
30 SEPTEMBER
2014



Announced
26-Nov-14

4TH QUARTER

ENDED
31 DECEMBER
2014



Announced
27-Feb-15

DIVIDENDS

INTERIM SINGLE TIER DIVIDEND OF 7 SEN PER SHARE



Declared
27-Aug-14



**Entitlement
Date**
11-Sep-14



Paid
26-Sep-14

PROPOSED FINAL SINGLE TIER DIVIDEND OF 16 SEN PER SHARE



Announced
27-Feb-15



**Entitlement
Date**
18-May-15



Payable
29-May-15

PPB'S CORPORATE EVENTS AND INVESTOR RELATIONS ACTIVITIES IN 2014



6 MARCH 2014

A Press and Analyst Briefing was held to review the financial results for the year ended 31 December 2013 and other related matters.

10 MARCH 2014

Release of e-Investor Update for the 4th Quarter ended 31 December 2013.

15 MAY 2014

The 45th Annual General Meeting (AGM) of PPB was held to receive the audited financial statements for the year ended 31 December 2013 and approve other related AGM matters.

4 JUNE 2014

Release of e-Investor Update for the 1st Quarter ended 31 March 2014.

CONTINUED**PPB'S CORPORATE EVENTS
AND INVESTOR RELATIONS
ACTIVITIES IN 2014****3 SEPTEMBER 2014**

A Press and Analyst Briefing was held to review the financial results for the six months ended 30 June 2014 and other related matters.

10 SEPTEMBER 2014

Release of e-Investor Update for the 2nd Quarter ended 30 June 2014.

2 OCTOBER 2014

A directors' training session was held and topics included the impending goods and services tax; risk-based internal audit; the Board's responsibilities on risk management; and a preview of Southern Marina Residences, a project by an associate of PPB.

10 DECEMBER 2014

Release of e-Investor Update for the 3rd Quarter ended 30 September 2014.



Every

*we seek
new solutions
to problems,*



Day

*so that your
everyday life is
made convenient.*

CORPORATE GOVERNANCE STATEMENT

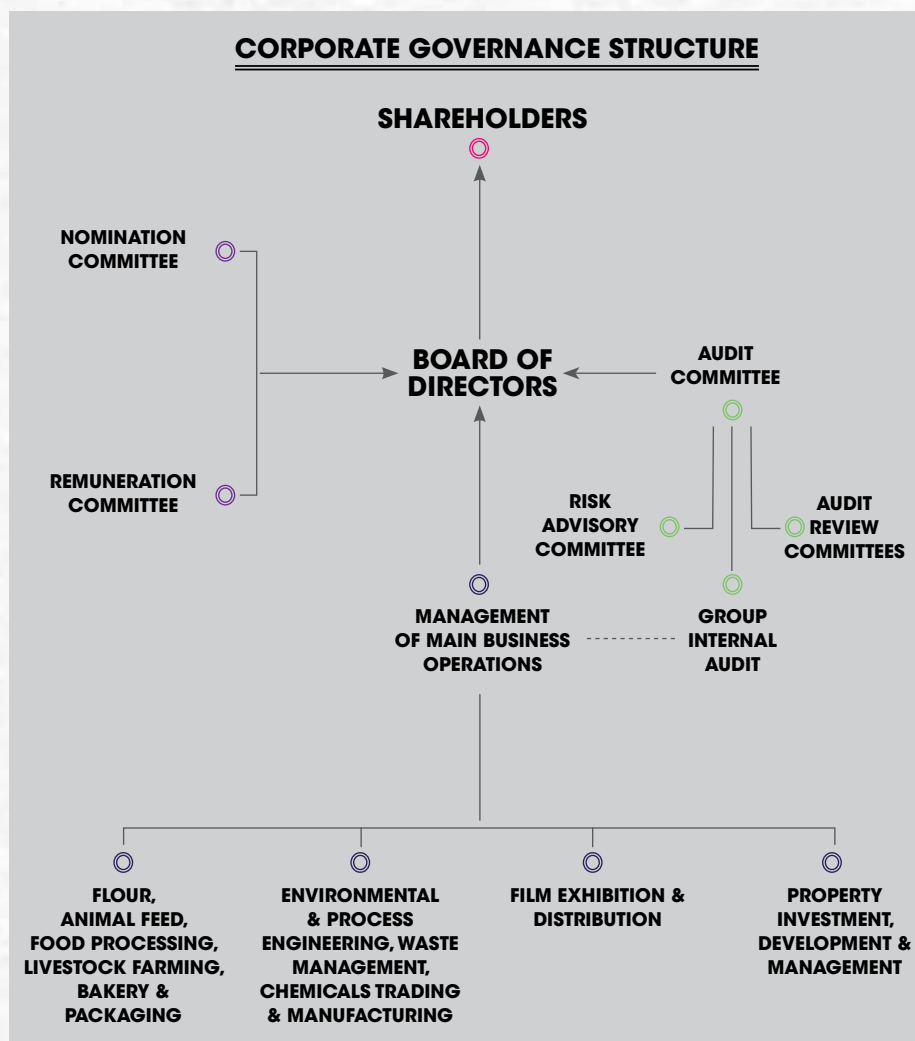
The Board of Directors of PPB Group Berhad is committed to maintaining a high standard of corporate governance and ensuring that effective self-regulatory controls exist throughout PPB and its subsidiaries ("the Group") to safeguard the Group's assets.

The Board especially recognizes that good corporate governance encompasses four key areas namely transparency, accountability, integrity and corporate performance.

This statement describes the manner in which PPB Group has applied the principles of good corporate governance and the extent of compliance with the recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG").

The statement outlines the Group's main corporate governance practices and policies in place during the financial year and at the date of this statement, through discussion of :

- Clear roles and responsibilities;
- Strengthen composition;
- Reinforce independence;
- Foster commitment;
- Uphold integrity in financial reporting;
- Recognise and manage risks;
- Ensure timely and high quality disclosure; and
- Strengthen relationship between Company and shareholders.



**CORPORATE GOVERNANCE
STATEMENT**

CLEAR ROLES AND RESPONSIBILITIES

BOARD RESPONSIBILITIES AND DUTIES

The Board is responsible for the effective control of PPB Group. The Board is primarily responsible for setting and reviewing the strategic direction of the Group and monitoring the implementation of that strategy by management including :

- Approving the strategic direction of the Group;
- Overseeing the conduct of the Group's businesses;
- Overseeing allocation of Group resources and monitoring the financial performance of the Group;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Monitoring and reviewing the Group's risk management system and internal control;
- Overseeing the development of an investor relations policy for the Company for effective communication with shareholders.

The Board has delegated specific responsibilities to three Board committees, namely, the Audit, Nomination and Remuneration Committees, which operate within approved terms of reference. These committees have authority to examine particular issues and report to the Board with their findings/recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

There is a clear division of responsibilities in the Company. The Chairman represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Chairman also ensures that management proposals are deliberated by Directors, executive and non-executive alike, taking into account the interests of shareholders and other stakeholders.

The Managing Director is responsible for overseeing the business developments and operations as well as coordinating and implementing corporate strategies adopted by the Board. The non-executive Directors of calibre and experience provide the necessary balance of power and authority to the Board. The independent non-executive Directors provide unbiased and independent views to safeguard the interest of minority shareholders.

BOARD CHARTER

The Board has adopted a charter which sets out the matters reserved for the Board's decision and outlines the Board's roles and responsibilities. Together with the Group's strategic plan, the charter also serves as a source of reference and primary induction literature, providing insights to new Board members. The charter is periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

BOARD COMPOSITION

There are presently seven Directors on the Board comprising two executive Directors and five non-executive Directors, of whom three are independent.

Recommendation 3.5 of MCCG states that where the Chairman of the Board is not an independent Director, the board must comprise a majority of independent directors. Although PPB has departed from Recommendation 3.5, the Board believes that the interests of shareholders can be served by a Chairman and a team of Board members who act collectively in the best overall interests of shareholders.

Collectively, the Directors bring to the Board a wide range of business, financial and technical experience for the effective management of the Group's diversified businesses. The Directors' profiles are presented on pages 26 to 29 of this Annual Report.

The Company does not at present have a formal gender diversity policy. The Board is of the opinion that it is important to recruit and retain the best available talent regardless of gender, to maximise the effectiveness of the board; taking into account the balance of skills, experience, knowledge and independence, and based on the Group's needs and circumstances.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, Directors who are appointed by the Board are subject to election by shareholders at the next annual general meeting following their appointment. The Articles also provide that one third of the Board including the Managing Director shall be subject to re-election annually and each Director shall stand for re-election at least once every three years.

CONTINUED**CORPORATE GOVERNANCE
STATEMENT****BOARD COMMITTEES**

The three Board Committees assist the Board in its oversight functions. The functions of the Committees are governed by clearly defined terms of reference, which are reviewed periodically to ensure that they are relevant and up-to-date. The three Board Committees are as follows :

- Audit Committee
- Nomination Committee
- Remuneration Committee

Each Committee submits reports of their respective deliberations and recommendations to the Board. Their deliberations and recommendations are minuted, and confirmed by the respective Committees at the following meeting.

Audit CommitteeResponsibilities

- The principal functions of the Audit Committee are to ensure that the financial statements comply with applicable financial reporting standards, and to assess the suitability and independence of external auditors.
- The Audit Committee also assesses the effectiveness of the Group's enterprise-wide risk management and internal control framework.
- The summarised terms of reference of the Audit Committee are set out in the Audit Committee Report on pages 45 and 46 of the Annual Report.

Nomination Committee

The Nomination Committee comprises three non-executive Directors of whom two are independent. They are Encik Ahmad Riza bin Basir (Chairman), Datuk Ong Hung Hock and Mr Soh Chin Teck.

Responsibilities

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- Review the required mix of skills, experience and other qualities of the Directors, including core competencies which non-executive Directors should bring to the Board.
- Review the Board structure, size and composition and make relevant recommendations to the Board including Directors to fill the seats on board committees.
- Assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of the Directors.

Decisions on Board appointments are made by the Board after considering the Committee's assessment of the candidate and recommendation thereon. The criteria for the evaluation of candidates for appointment as Directors include their qualification, occupation, experience, other directorships, and the Company's requirements. During the financial year ended 31 December 2014, the Nomination Committee held two meetings.

Remuneration Committee

The members of this Committee are Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid (Chairman, and independent Director), Datuk Oh Siew Nam and Madam Tam Chiew Lin. During the financial year ended 31 December 2014, the Remuneration Committee held two meetings.

Responsibilities

- Review the remuneration packages of executive Directors which reflect market rates, sustained individual performance, job responsibilities and the Group's performance against financial objectives.
- Recommend the executive Directors' remuneration based on their performance and in line with corporate objectives.

BOARD MEETINGS

The Board meets at least four times a year, with additional meetings held when decisions on urgent matters are required between scheduled meetings.

During the financial year ended 31 December 2014, the Board met four times and the record of the attendance of each Director is set out below :

Name of Director	Number of meetings attended	% of attendance
Datuk Oh Siew Nam	4	100
Lim Soon Huat	4	100
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	4	100
Datuk Ong Hung Hock	4	100
Soh Chin Teck	4	100
Ahmad Riza bin Basir	3	75
Tam Chiew Lin	4	100

CONTINUED

**CORPORATE GOVERNANCE
STATEMENT****SUPPLY OF INFORMATION**

The Chairman plays a key role to ensure that all Directors have full and timely access to information. Directors are provided with an agenda and a set of board papers issued in sufficient time prior to Board meetings to ensure that the Directors can appreciate the issues deliberated and where necessary, to obtain further explanation. The Board papers include updates on financial, operational and corporate developments of the Group. At each Board Meeting, Directors are briefed on the Group's activities and operations by the chief executives of the principal subsidiaries.

In exercising their duties, Directors have access to information within the Company and to the advice and services of the Company Secretary. If necessary, Directors can seek professional opinion and advice from external consultants including investment bankers, valuers and financial advisers.

There is a schedule of matters reserved specifically for the Board's decision, including amongst others, the overall Group strategy and direction, approval of financial results, corporate plans and budgets, material acquisitions and disposals of assets by the Group, and major investments. This ensures that the governance of the Group is in the Board's hands.

**STRENGTHEN
COMPOSITION**

The Board strives to achieve a balance of skills, experience, diversity and perspective amongst its Directors. The Nomination Committee conducts an annual review of the size and composition of the Board, taking into consideration the required mix of skills, competencies and experience relevant to the business of PPB Group.

An assessment of the Board's performance is carried out every year, including an assessment of the Independent Directors. The assessment of the Board was carried out under the following main categories :

- Board composition
- Board roles and responsibilities
- Board meeting procedures
- Effectiveness of the board committees
- Assessment of independent directors.

For the year under review, the Board is satisfied with the existing number and composition of its members and is of the view that with the current mix of skills, knowledge, experience and strengths, the Board is able to discharge its duties and responsibilities effectively.

DIRECTORS' REMUNERATION

The Board reviews the overall remuneration policy of the executive and non-executive Directors to attract and retain Directors with the relevant experience and expertise to manage the Group successfully.

In the case of executive Directors, their remuneration is structured to link rewards to corporate and individual performance. For the non-executive Directors, the level of remuneration reflects responsibilities undertaken by them. The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole subject to shareholders' approval. The Directors are not involved in the approval of their own remuneration package.

The details of the Directors' remuneration on a Group basis for the financial year ended 31 December 2014 are as follows :

All figures in RM'000	Executive Directors	Non-executive Directors
Salary	1,560	864
Fees	20	331
Meeting allowances	1	34
Bonus	3,000	1,200
Benefits-in-kind	72	48
Employees Provident Fund	286	124
Total	4,939	2,601

The aggregate remuneration of Directors analysed into the appropriate RM50,000 bands is as follows :

	Executive Directors	Non-executive Directors
RM50,001 – RM100,000	-	4
RM2,100,000 – RM2,150,000	1	-
RM2,300,000 – RM2,350,000	-	1
RM2,800,000 – RM2,850,000	1	-

Note: Successive bands of RM50,000 are not shown in entirety as they are not represented.

CONTINUED**CORPORATE GOVERNANCE
STATEMENT****REINFORCE
INDEPENDENCE**

The Board considers the importance of significant representation by Directors who are capable and willing to make decisions in the best interest of shareholders free from conflicts of interest and influences, and are also independent of management.

Independent Directors are those who are able to exercise their duties and express their views unfettered by familiarity, or business or other relationships.

PPB Board currently consists of three Independent Non-executive Directors. The number of independent directors is in compliance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") which requires at least one third of the Board to comprise independent directors. The Independent Non-executive Directors are persons of calibre and integrity, who collectively provide skills and competencies to ensure the effectiveness of the Board. The criteria for independence observed by the Company broadly encapsulate independence from management and the absence of conflicting business relationships which could interfere with the Independent Director's judgement and ability to contribute to the Board's deliberations, or which could interfere with the Director's ability to act in the best interest of the Company. The criteria for independence set out in the MMLR also form the basis for evaluation of independence.

The Independent Directors provide broader views, and an independent and balanced assessment of proposals. The Board has appointed Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid as the Senior Independent Non-executive Director of the Board to whom concerns of the Group may be conveyed.

CONFLICT OF INTEREST

Over and above the issue of independence, each Director has a continuing responsibility to determine whether he has a potential or actual conflict of interest in relation to any material transaction or matter which comes before the Board. Such a situation may arise from external associations, interests or personal relationships. Each Director is required to disclose any interest in a transaction. If so, the Director abstains from deliberations and decisions of the Board on the subject.

FOSTER COMMITMENT**COMMITMENT BY THE BOARD**

Directors are expected to commit sufficient time to carry out their responsibilities. Nominees for appointment as Directors disclose to the Board details of their working, business and other interests. In line with the MMLR, all Directors of PPB comply with the limits on directorships in other listed companies.

DIRECTORS' TRAINING

There is a familiarisation programme for new Board members including, where appropriate, visits to the Group's businesses and meetings with senior management to facilitate their understanding of the Group's businesses and operations.

The Directors have access to continuing educational or training courses and seminars to keep abreast with market and regulatory developments. An in-house training session for directors and senior management was also held during the year ended 31 December 2014. The topics selected are based on subjects which are relevant to the needs of the Group and the Directors, and included the following :

- The impending goods and services tax.
- Risk-based internal audit.
- The Board's responsibilities on risk management.
- Preview of Southern Marina Residences, a project by an associate of PPB.

All the Directors attended the above session, and several Directors also attended other training sessions conducted externally.

**CORPORATE GOVERNANCE
STATEMENT**

UPHOLD INTEGRITY IN FINANCIAL REPORTING

FINANCIAL REPORTING

The Board strives to provide a balanced and fair assessment of the Group's financial performance and prospects via the audited financial statements and quarterly financial reports as well as through disclosures in accordance with the MMLR.

The Board is assisted by the Audit Committee to oversee the integrity of the Group's financial reporting and as part of this role, the financial reporting processes. The processes are aimed at providing assurance that the financial statements and related notes comply with applicable financial reporting standards.

For the year under review, two sessions were held between the Audit Committee and the external auditors in the absence of management as part of the Company's practice for greater exchange of views in relation to the financial reporting and auditing process.

RECOGNISE AND MANAGE RISKS

INTERNAL CONTROL

The ultimate responsibility for ensuring a sound internal control system and reviewing the effectiveness of the system lies with the Board. The Group's system of risk management and internal control is designed to manage, rather than eliminate, the risk of failure to achieve the Company's corporate objectives as well as to safeguard shareholders' investments and the Group's assets.

The Statement on Risk Management and Internal Control set out on pages 47 and 48 of this Annual Report provides an overview of the state of risk management and internal controls within PPB Group.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

PPB seeks to release price-sensitive information to Bursa Securities in a timely manner as required under the MMLR, and to the market and community generally through media releases, the website and appropriate channels.

The Company has a Corporate Disclosure Policy through which it exercises its commitment to achieving best practice in terms of disclosure by acting in accordance with the spirit, intention and purpose of the applicable regulatory requirements and by looking beyond form to substance, and reflects the relevant obligations prescribed by the MMLR.

INSIDER TRADING

Directors and senior management of PPB are prohibited from dealing in securities if they have knowledge of any price-sensitive information which has not been publicly disclosed in accordance with the MMLR and the relevant regulatory provisions. Prior notification of closed periods for dealing in PPB's securities is circulated to Directors and senior management deemed to be privy to price-sensitive information.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Board of PPB is committed to providing shareholders, the investing community, the media and other stakeholders with accurate, clear, timely and equal access to material information pertaining to the Company's performance and operations.

CONTINUED**CORPORATE GOVERNANCE
STATEMENT**

The Company's Corporate Disclosure Policy provides a framework for the Board, management and relevant staff to communicate effectively with shareholders, investors, other stakeholders and the public generally. The policy encompasses the following objectives :

- to raise awareness and provide guidance to the Board and employees of PPB Group on the Company's disclosure obligations and practices;
- to provide policies and guidelines in disseminating information to, and in dealing with shareholders, financial analysts, media, regulators, the investing community and other stakeholders;
- to ensure compliance with applicable legal and regulatory requirements on disclosure of material information; and
- to build good relations with the investing community to foster trust and confidence.

INVESTOR RELATIONS PROGRAMME

The Company has an active investor relations programme directed at both individual and institutional investors, the objective of which is to maintain ongoing awareness of the Company's performance amongst shareholders, media and the investing community. The Company's investor relations programme focuses on transparency of disclosure and timely dissemination of information.

a. SOURCES OF INFORMATION

The principal sources of information disseminated by the Company during the year include :

- PPB's annual report which aims to give readers a comprehensive picture of PPB Group's businesses and performance for the financial year under review.
- Quarterly Investor Updates designed as e-newsletters are posted on its corporate website. The Investor Update contains financial results, reports and articles on the Group's operations as well as significant events during the quarter under review.
- The annual Investor Handbook provides an overview of the Group's operations and serves as a convenient reference guide.
- News releases to announce financial results and important events relating to the Group via the local media and company website.
- The Company's website, www.ppbgroup.com where information on the Group, its businesses, financial data, annual reports, Investor Handbook and Investor Updates can be easily downloaded.

b. DIRECT MEETINGS

PPB's policy is to maintain an active dialogue with shareholders with the objective of giving a clearer picture of the Company's performance. At the Company's annual general meetings, shareholders can express their views or raise questions in relation to the Group's financial performance and business operations. Members of the Board as well as the auditors of the Company are present to answer questions raised at the meeting.

The Company conducts analyst briefings twice a year after the half-yearly and final results are released to Bursa Securities to provide regular dialogues between senior management and the investing community. Media conferences are also held together with these briefings for consistent dissemination of information to the public. On these occasions, the Managing Director of PPB and chief executives of the principal subsidiaries are present to address questions on the Group's businesses.

At other times, the Company makes every attempt to meet requests for meetings or information from the investing community.

While the Company endeavours to provide as much information as practicable, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

c. QUERIES AND FEEDBACK

PPB welcomes inquiries and feedback from shareholders and the investing community. The Corporate Affairs Department of the Company provides investors with a channel of communication through which they can provide feedback to the Company.

Queries and concerns regarding PPB Group may be conveyed to the following persons :

1. Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid,
Senior Independent Non-executive Director
Telephone number : 03-2726 0088
Facsimile number : 03-2726 0099
2. Koh Mei Lee, *Head of Corporate Affairs*
Telephone number : 03-2726 0088
Facsimile number : 03-2726 0198
E-mail address : corporateaffairs@ppb.com.my

Datuk Oh Siew Nam
Chairman

Soh Chin Teck
Independent Non-executive Director

Kuala Lumpur
27 February 2015

AUDIT COMMITTEE REPORT

Composition

The members of the Audit Committee (AC) during the financial year ended 31 December 2014 comprised the following Directors :

Name of AC member	Membership	Directorship
Mr Soh Chin Teck	Chairman	Independent Non-executive
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	Member	Independent Non-executive
Madam Tam Chiew Lin	Member	Non-independent Non-executive

Terms of Reference

The terms of reference of the AC are summarized as follows :

- (1) review the following and report the same to the Board of Directors of the Company :
 - a. with the external auditors, the audit plan, their evaluation of the system of internal control and their audit report;
 - b. the assistance given by employees of the Company to the external auditors;
 - c. the adequacy of the scope, functions, performance, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - d. the internal audit programme, processes including investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - e. the quarterly results and year-end financial statements, prior to approval by the Board of Directors;
 - f. any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - g. any letter of resignation from the external auditors of the Company; and
 - h. whether there is reason to believe that the Company's external auditors are not suitable for re-appointment;
- (2) recommend the nomination of a person(s) as external auditors;
- (3) assess, review and monitor the suitability and independence of external auditors, including obtaining written assurance from them to confirm that they are and have been independent throughout the conduct of the audit engagement; and
- (4) establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into with the external auditors and procedures that they must follow.

Meetings

The number of AC meetings held during the financial year ended 31 December 2014 and details of attendance of each committee member are as follows :

Name of AC member	Number of Audit Committee Meetings	
	Held	Attended
Mr Soh Chin Teck	4	4
Dato' Capt Ahmad Sufian @ Qurnain bin Abdul Rashid	4	4
Madam Tam Chiew Lin	4	4

CONTINUED**AUDIT COMMITTEE
REPORT****Activities**

For the financial year ended 31 December 2014, the AC performed the duties specified in its terms of reference. In performing its duties, the AC inter-alia :

1. reviewed with Mazars the audit plan, the audit report, their evaluation of the system of internal control and the assistance given by the Group's officers to them;
2. reviewed with the internal auditors their audit reports, approved their audit plan, scope and audit approach; and assessed their performance, competency and adequacy of their resources;
3. reviewed the Group's quarterly results and year-end financial statements prior to submission to the Board of Directors;
4. reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report;
5. reviewed half-yearly reports on the Group's top risks and management action plans to manage the risks;
6. reviewed related party transactions within the Group;
7. assessed the suitability and independence of Mazars and thereafter recommended the nomination of Mazars for re-appointment as external auditors.

During the year, members of the AC visited the following PPB Group operations :

Entity/Location	Business activity
Johor Bahru Flour Mill – Pasir Gudang, Johor	Flour and feed milling
Southern Marina Development project – Puteri Harbour, Iskandar, Johor	Property development

Internal Audit Function

The internal audit function of PPB and its subsidiaries (the Group) is performed in-house by staff of the PPB Internal Audit Department (PPBIAD). PPBIAD reports directly to the AC and is independent of the activities they audit.

The total cost incurred by PPBIAD for the internal audit function of the Group for the financial year ended 31 December 2014 was about RM1.91 million.

Activities of the Internal Audit Department

The activities of PPBIAD are guided by its charter and the annual audit plan approved by the AC.

During the financial year ended 31 December 2014, PPBIAD reviewed the adequacy and integrity of the Group's systems of internal control covering both financial as well as non-financial controls. The effectiveness of the Group's enterprise risk management system was also evaluated. The audits focused on key controls to manage risks, safeguard assets, secure the accuracy and reliability of records, comply with policies, procedures, laws and regulations and promote efficiency of operations.

Following a quality assurance review of PPBIAD in 2013 by the Institute of Internal Auditors Malaysia (IIAM), PPBIAD had implemented various steps to further improve its efficiency and effectiveness. In their follow-up report dated 17 November 2014, IIAM has subsequently rated PPBIAD as 'Generally Conforms' to the International Standards for the Professional Practice of Internal Auditing.

Soh Chin Teck

Audit Committee Chairman
(Independent Non-executive Director)

27 February 2015

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for establishing a sound risk management and internal control system to safeguard shareholders' investments and the Group's assets.

There is an on-going review process by the Board to ensure the adequacy and effectiveness of the system to meet the Group's objectives and strategies. This process includes determining the Group's risk appetite and level of risk tolerance for its top risks.

The main features of the Group's system of risk management and internal control are summarised as follows :

1. Control environment

The Board considers the integrity of staff at all levels to be of utmost importance, and this is pursued through comprehensive recruitment, appraisal and reward programmes. There is an effective Group organisation structure within which business activities are planned, controlled and monitored.

The Group's culture and values, and the standard of conduct and discipline it expects from its employees have been communicated to them via the employee handbook or letters of appointment.

2. Risk management

The Board has established a formal Group-wide enterprise risk management system covering the Group's core business activities to identify, evaluate and manage significant business risks faced by the Group.

This process has been in place throughout the year and is regularly reviewed and monitored by the Audit Committee for its adequacy and effectiveness and reported accordingly to the Board.

The main features of the Group's risk management framework are :

- A formal risk policy and guidelines have been established and approved by the Board and communicated to employees throughout the Group;
- A risk reporting structure which outlines the lines of reporting and responsibilities of the Board, Audit Committee, Risk Advisory Committee and the various subsidiary risk committees, has been established and approved;
- The Group-wide risk assessment process includes identifying the key risks, potential impact and likelihood of those risks occurring, the control effectiveness and adopting the appropriate action plans to mitigate those risks to within the Group's risk appetite and tolerance;
- The Risk Advisory Committee provides reports on the risk profile of the Group to the Audit Committee for review, and the Audit Committee reports on the significant risks and controls available to mitigate those risks to the Board for its consideration;
- The appointment of a Chief Risk Officer at the holding company and risk officers at the subsidiaries to ensure leadership, direction and coordination of the Group-wide application of risk management; and
- On-going risk management education and training is provided at management and staff levels.

3. Control activities

The Board has in place a system to ensure that there are adequate and effective risk management, financial and operational policies and procedures and rules relating to the delegation and segregation of duties.

There are comprehensive budgets, requiring board approval, which are reviewed and revised on a regular basis, with performance monitored against them and explanations sought for significant variances.

CONTINUED

**STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL****4. Information and communication**

There is a system of financial reporting to the Board, based on quarterly results and annual budgets. Key risks and operational performance indicators are continuously monitored and reported to the Board.

5. Monitoring

Monitoring of the Group's significant business risks is embedded within the Group's risk management process described in item 2 above. A control self-assessment system is also in place for management to monitor critical and routine risk areas under their jurisdiction using an internal control checklist.

The adequacy and effectiveness of the Group's risk management, internal control and governance processes are reviewed and monitored by the Audit Committee, which receives regular reports from the internal auditors. Formal procedures are in place for actions to be taken to remedy any significant failing or weaknesses identified in these reports.

There were no significant risk management and internal control failings or weaknesses which had resulted in material losses or contingencies during the financial year.

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects based on the risk management and internal control system of the Group.

Based on the foregoing, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. However, such a system is designed to manage rather than eliminate the risk of failure. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The Group's system of risk management and internal control applies principally to PPB Group Berhad and its subsidiaries. Associated companies have been excluded because the Group does not have full management and control over them.

27 February 2015

Corporate Responsibility has always been part of PPB Group's values, guiding us in decision-making and operations. It is important for us to achieve business success in ways that honour our ethical principles and demonstrate respect for people and the planet. In today's competitive business environment, our efforts have evolved and taken on a progressively strategic approach, which helps us manage and create value for the Company.

The sustainability and long-term success of PPB Group depend on our access to resources and the strength of relationships with key stakeholders – our workforce, business partners, shareholders and the regulators. In addition, it is our Company's firm belief that to continue to make economic returns, we should be an integral part of our community and support it through various initiatives. Our history of continuous improvements in our operations through new technology to minimise harm to the environment in producing safe, reliable and quality products for our customers, also contributes to our Group's competitiveness in the marketplace. PPB Group recognises its corporate responsibility to promote a sustainable future and to provide our employees and others who work with us with a safe and healthy work environment.

This Corporate Sustainability Statement outlines PPB Group's positions and actions to promote these goals in year 2014.

CONTINUED

CORPORATE SUSTAINABILITY STATEMENT



ENVIRONMENT

We are conscious that the planet belongs not to us, but to future generations, and therefore, we are committed to minimizing the environmental impact of our operations. We understand the importance of conserving natural resources and strive to make environmental improvements that promote a sustainable future.

Some aid to those affected by the floods in the east coast and Perak

CORPORATE SUSTAINABILITY STATEMENT



Helping to build a trail for nature lovers

PPB Group's environmental commitment includes:

- Complying with applicable laws, rules and regulations
- Conducting our business in observance of environmentally sound practices
- Promoting recycling and waste reduction by our employees
- Ensuring the responsible use of energy in our business practices, including energy conservation and improving energy efficiency.

PPB Group recognises that as a socially responsible corporate citizen, environmental protection must be a commitment of our businesses. As such, PPB Group endeavours to provide quality products and services in a manner that optimises the environmental integrity of our processes and facilities.

i. **Recycle, Reduce and Reuse**

PPB Group seeks to minimise the generation of waste by encouraging the 3Rs. Employees have developed a culture of reducing electricity and paper usage, recycling waste plastic materials as well as reusing paper or adopting a paperless system for selected processes.

During the year, PPB organised two separate collections of recyclable items from the staff to be given to the Pertubuhan Amal Seri Sinar Kuala Lumpur & Selangor and Pusat Jagaan Insan Istimewa; both these entities generate income from the sale of recyclable items.

ii. **Energy Conservation**

Energy-saving lightings and equipment are used in the office and business operations. Office lights are turned off during the lunch break and in unoccupied areas to conserve energy.

iii. **Electronic Publications**

The Annual Report and Investor Handbook of PPB are published in CD-ROM format and posted on PPB's website. Besides that, PPB has ceased distribution of its quarterly Investor Updates in hard copy which are now accessible exclusively from PPB's website.

iv. **"No Styrofoam/Plastic Bag Day"**

PPB has dedicated every Friday as "No Styrofoam/Plastic Bag Day" whereby employees are encouraged to consciously avoid using both items and bring their own bags and containers for shopping and packed meals.

v. **Going Ticketless**

Golden Screen Cinemas Sdn Bhd (GSC), a wholly-owned subsidiary of PPB, introduced the GSC Mobile App (for iPhone, Android and Windows) which enables movie-goers to purchase tickets on their smartphones. Patrons are able to enjoy the "ticketless" option by scanning the 2D barcode on their smartphone screens at the selected cinema checkpoints.

vi. **"I'm Finished with Fins"**

In support of the global marine conservation initiative, GSC signed the corporate pledge on the "I'm FINished with FINS" campaign. GSC has pledged to remove shark fin from corporate functions.

vii. **Earth Hour Initiative 2014**

GSC continued its commitment towards Earth Hour by switching off all non-essential lights in GSC cinemas nationwide between 8.30 pm and 9.30 pm on 29 March 2014.

viii. **Build a Trail and Appreciate Nature**

PPB sponsored and assisted in the building of a new forest trail known as the "Unity Trail" measuring 2.2 km in the Kota Damansara Community Forest (KDCF) in Kota Damansara, Petaling Jaya. PPB Group staff participated in the building of the trail on weekend Volunteer Days. The Unity Trail is strategically important as it links the existing trails in KDCF increasing the total trail length in KDCF to 10 km suitable for trekking and mountain biking.

CONTINUED

CORPORATE SUSTAINABILITY STATEMENT



WORKPLACE

We help create sustainable economic growth by building human and institutional capacity.

Our workforce is encouraged to reach their full potential through training, career development and promotion.

CONTINUED

CORPORATE
SUSTAINABILITY STATEMENT

PPB held a 2-day team building workshop at IOI Resort City, Putrajaya



Risk management awareness workshop

We provide a safe workplace and recognise the importance for our workforce to feel proud and inspired to work for the Group.

i. Benefits

To provide a rewarding and supportive working environment for more than 4,000 employees, the Group encourages continual professional and personal development of staff through various training programmes, workshops and seminars. Awareness talks on health and personal financial management were organised to provide insightful information useful to staff well-being. Sports and fitness activities within and outside the workplace were held to promote healthier living and the Group also encourages social interaction amongst employees with various company events.

ii. Smoke-free Workplace

Smoking is not permitted in offices, corridors, restrooms or other locations inside the buildings where PPB Group has offices and production/manufacturing activities.

iii. No Harassment

PPB is committed to providing a workplace free from gender discrimination and sexual harassment as well as discrimination and harassment based on race, colour, gender, national origin, marital status, religion, creed or any other characteristic protected by law. PPB does not tolerate such discrimination against, or harassment of any of our employees or contractors by any superior, supervisor or other employee.

iv. PPB Health and Fitness Programme

In 2012, PPB launched a walking and running club known as "PPB WaR Club" with the aim of bringing PPB Group employees together for a common interest whilst promoting health and fitness. PPB also organises weekly workout sessions with an external fitness trainer for its employees. During the year, PPB Group staff and family members also participated in the Park City Run 2014 held at Desa Park City, Kuala Lumpur and the Standard Chartered KL Marathon 2014.

CONTINUED

CORPORATE SUSTAINABILITY STATEMENT



COMMUNITY

We believe that it is our duty to contribute and engage with the communities in which we operate, and with society at large. Through our community projects, we hope to develop relationships with and enhance the quality of life of these communities.

CONTINUED

CORPORATE SUSTAINABILITY STATEMENT

We see employee volunteerism gaining strength but regard this as an area in which we can improve going forward.

i. PPB-KF Welfare Fund For Perlis

PPB established an endowment fund known as the "PPB-KF Welfare Fund for Perlis" in 2010. The Fund which amounts to RM10.0 million is managed by Kuok Foundation Berhad, and is utilised to benefit the underprivileged and poor in the state of Perlis and improve their welfare. In 2014, the Fund donated school uniforms, shoes, socks and school bags complete with stationery sets under the "Educare Project" to poor schoolchildren from Perlis. Study grants were given to deserving secondary school students in the state.

ii. Aid to Flood Victims

After the massive floods hit several east coast states in Peninsular Malaysia in late-December 2014, FFM Berhad, PPB's 80%-subsidiary, mobilised its staff to distribute ready-to-eat items manufactured and distributed by FFM Group such as Massimo cream rolls, Chiffon-in-a-Cup and other products to flood victims at several relief centres in the east coast and Perak. After the victims returned to their homes, FFM staff made house-to-house deliveries of items such as cleaning products, mosquito sprays and heavy duty garbage bags to 6,000 families.

Apart from PPB Group's contribution, the staff of FFM group voluntarily started a donation drive and collected a total sum of RM72,000 to help ease the burden of the flood victims and FFM staff who were affected by the floods.

iii. Festival Celebrations

Each year, PPB Group celebrates the main festivals with underprivileged groups by organising lunches and activities to provide them encouragement, hope and awareness that they are not forgotten during such festivals.



Chinese New Year celebration with the special children of Persatuan Insan Istimewa Cheras

CONTINUED**CORPORATE
SUSTAINABILITY STATEMENT**

PPB brought cheer to the residents of Persatuan Insan Istimewa Cheras, Rumah Anak Yatim Al-Nasuha, Siddharthan Care Centre, The Touch Community and the Kapar Community in Klang in conjunction with the celebration of the various main festivals. PPB donated products manufactured/distributed by FFM Group to these homes besides giving them festive goodies, new clothings as well as fulfilling some of their wishes.

Cheras LeisureMall, a shopping complex owned and managed by PPB, carried out the 'Toy Bank – a Gift of Love' event in December 2014 to good response. The Toy Bank collected more than 2,000 gifts for children from 12 homes in the Klang Valley.

Throughout the year, the Group also donated FFM products to various welfare homes to help relieve their expenses.

iv. "Back to School" Project

PPB donated school uniforms complete with school shoes, socks and whiteners to 2,223 poor students from 19 primary schools in Bagan Serai, Perak under this project.

v. "Let the Blind Read" Project

PPB assisted the Malaysian Association for the Blind (MAB) in the production of Braille storybooks for primary schoolchildren and sponsored a set of 44 Braille storybooks each to 26 primary schools for the blind in the country.

vi. "Helping the Poor to Help Themselves" Project

Under this project, PPB has given in-kind assistance to a poor single mother to complete her Diploma Course in Early Childhood Education. In addition, PPB contributed 10 units of sewing machines to the YWCA, an NGO that manages a vocational training centre to teach useful skills to underprivileged women in the country.



A happy recipient of PPB's "Back to School" project

vii. Setting up of a mini-bakery at Shepherd's Centre Foundation

PPB's 80%-subsidiary, FFM Berhad, helped set up a mini-bakery for the Shepherd's Centre Foundation, a home for orphans, abandoned, abused and neglected children in Semenyih. FFM with its technical and baking expertise installed the baking equipment and conducted baking classes, to impart the necessary baking skills to the children there. These baking skills will eventually prepare them for the workforce.



More than 10,000 students have received school uniforms and shoes from the "Back to School" project since its inception in 2010

CONTINUED

CORPORATE
SUSTAINABILITY STATEMENT

PPB staff learning how to help the visually impaired under the "Let the Blind Read" project



Eagle Club XIII Judo Championship held at Cheras LeisureMall

viii. Eagle Cup XIII Judo Championship

PPB has been the venue sponsor of this event for more than 10 consecutive years, in support of the sport among school children. The event was held at Cheras LeisureMall where more than 100 participants from local and international schools and Judo Clubs in the Klang Valley competed. The event helps to raise awareness of the sport to the community at large and enabled young participants to showcase their skills in a healthy sport.

ix. Awareness of Arts and Culture through Film Festivals

In support of the arts, GSC jointly organised film festivals with various foreign embassies to hold the Japanese Film Festival, European Union Film Festival and French Film Festival to encourage and increase public awareness of the arts and cultures of other countries.

x. Women Street Crime Awareness Campaign

Cheras LeisureMall hosted the Women Street Crime Awareness Campaign on 12 October 2014. Working in partnership with the Road Safety Marshal Club Malaysia, the event aimed to educate women on their personal safety and empower them to protect themselves.

xi. Senior Citizens, We Appreciate You

Free movie screenings and health awareness programmes were organised at GSC cinemas for senior citizens to show appreciation and encourage senior citizens to maintain an active and varied lifestyle. In addition, senior citizens above the age of 55 years enjoy a significant discount on movie tickets on weekdays.



"Women Street Crime Awareness" campaign in Cheras LeisureMall

CONTINUED

CORPORATE SUSTAINABILITY STATEMENT



MARKETPLACE

We are committed to pursue and practise corporate sustainability by ensuring that our operations and practices are managed responsibly and efficiently with high standards of transparency, accountability and integrity in increasingly complex business environments.

CONTINUED

**CORPORATE
SUSTAINABILITY STATEMENT**

Quality checks at FFM's food processing plant in Pulau Indah

i. Keeping Stakeholders Informed

Recognising the need to keep stakeholders abreast of the Group's activities, quarterly Investor Updates and an annual Investor Handbook are published to enable investors to have a better understanding and assessment of the Group's operations and strategic direction. PPB's company website provides easy access to information on the Group's financials and operations with an email link for stakeholders to provide feedback and make enquiries.

ii. Quality Products

PPB Group continually improves the quality of its food products through product innovation and ensures that its products meet all applicable food regulations and standards. Its food products are properly labeled for better awareness to allow consumers to make healthy choices.

iii. Customer Service

The Group's operations encourage active consideration of customer feedback and suggestions. In its efforts to improve customer services, the cinema operations are committed to provide disabled-friendly facilities in all new cinemas including hydraulic lifts and easily accessible space in the halls for customers in wheelchairs.

iv. Membership in Associations

PPB Group operations are actively involved in associations such as the Malaysian Association of Film Exhibitors, Malaysian Feed Millers Association, Federation of Livestock Farmers Association and various other platforms in which PPB Group's businesses are involved to address industry-specific issues.

ADDITIONAL COMPLIANCE INFORMATION

The following additional information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad :

1. Non-audit fees

The non-audit fees paid to the external auditors of PPB and its subsidiaries ("PPB Group") during the financial year ended 31 December 2014 were as follows :

Name of entity	Fees (RM)	Purpose
Mazars	6,000	Review of statement on risk management and internal control
Mazars	18,700	Revenue certification
Mazars Taxation Services Sdn Bhd	159,930	Tax advisory services

2. Sanctions and/or penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, or their directors and management by regulatory authorities during the financial year ended 31 December 2014.

3. Material contracts

There were no material contracts entered into by PPB Group involving the directors' and major shareholders' interests since the end of the previous financial year nor still subsisting at the end of the financial year ended 31 December 2014.

4. Recurrent related party transactions of a revenue or trading nature ("RRPT")

The actual values of RRPTs entered into by PPB Group with PGEO Group Sdn Bhd ("PGSB") and Kuok Brothers Sdn Berhad ("KBSB") and/or their connected persons during the financial year ended 31 December 2014 pursuant to the shareholders' mandate obtained at the 45th Annual General Meeting are as follows :

Nature of transactions undertaken by PPB and/or its subsidiaries	Transacting party	Year 2014 Actual RM'000	Nature of relationship
Purchase of cooking oil, soyabean, doughfat, crude palm oil and soyabean meal from PGSB Group			
FFM Berhad ("FFM")* Group	PGSB Group	156,650	PGSB is a major shareholder of FFM.
Sale of polypropylene woven bags and flexible intermediate bulk containers to PGSB Group			
Tego Sdn Bhd	PGSB Group	2,441	PGSB is a major shareholder of FFM.
Rental of land and buildings and provision of related services (viz canteen rental, elevation services and security services) to/from PGEO			
FFM Group	PGEO Edible Oils Sdn Bhd ("PGEO")	4,993	PGEO is a wholly-owned subsidiary of PGSB.

CONTINUED

**ADDITIONAL COMPLIANCE
INFORMATION**

Nature of transactions undertaken by PPB and/or its subsidiaries	Transacting party	Year 2014 Actual RM'000	Nature of relationship
Purchase of crude palm oil from Sapi			
FFM (Sabah) Sdn Bhd	Sapi Plantations Sdn Bhd ("Sapi")	4,290	Sapi is a wholly-owned subsidiary of PPB Oil Palms Berhad, a person connected to PGSB.
Charter hire of vessels from RSI			
FFM Group	Raffles Shipping International Pte Ltd ("RSI")	68,219	RSI is a 100%-owned subsidiary of Wilmar International Limited ("Wilmar"), a person connected to PGSB.
Sale of flour and pollard to Wilmar Group			
FFM Group	Wilmar Group	90	Wilmar is a person connected to PGSB.
Payment of advisory fee to WTC			
FFM Group	Wilmar Trading (China) Pte Ltd ("WTC")	385	WTC is an indirect 100%-owned subsidiary of Wilmar.
Purchase of light fuel oil from WEO			
Johor Bahru Flour Mill Sdn Bhd ("JBFM")	Wilmar Edible Oils Sdn Bhd ("WEO")	39	WEO is an indirect 100%-owned subsidiary of Wilmar.
Sale of animal feed, bran and pollard, flour, maize and raw materials to Min Tien			
JBFM	Min Tien & Co Sdn Bhd ("Min Tien")	13,251	Min Tien is a 51.7% - owned subsidiary of KBSB, a major shareholder of PPB.

* FFM is an 80% subsidiary of PPB.



Every

*we listen to homeowners
to understand their needs
and requirements,*



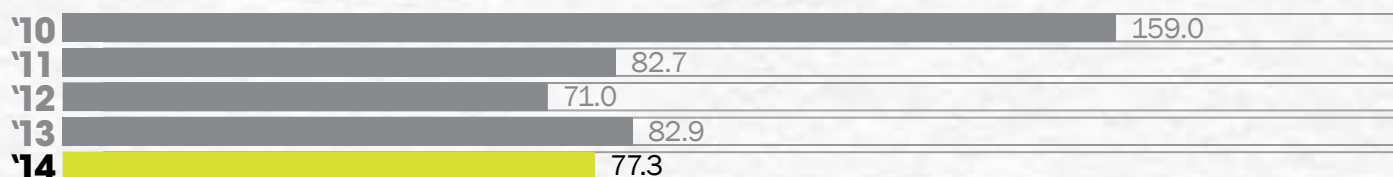
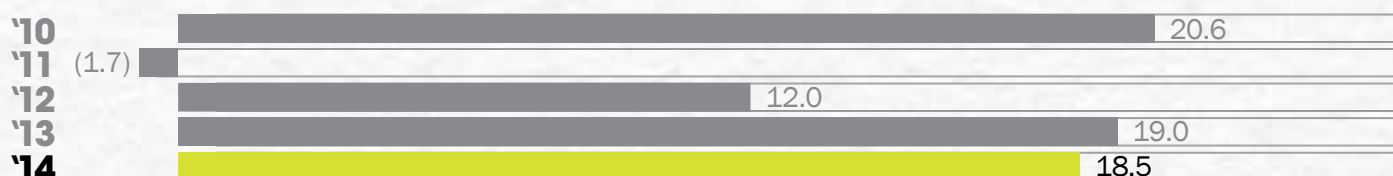
Day

*so that you can have
your dream home.*

5-YEAR GROUP FINANCIAL STATISTICS

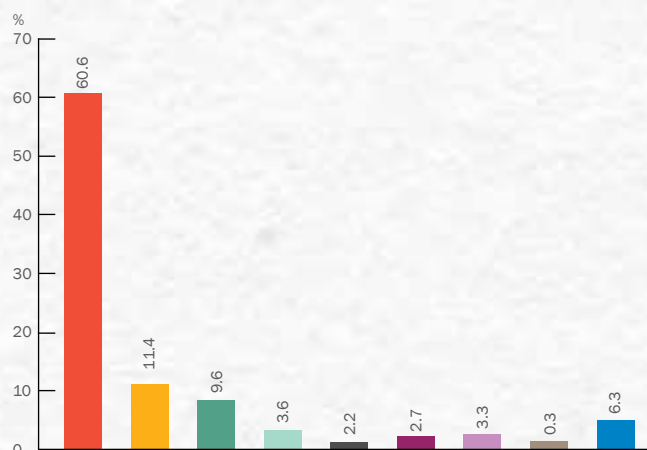
Year ended 31 December		2014	2013	2012	2011	2010
Revenue	RM Million	3,701	3,313	3,018	2,711	2,274
Share of net profits less losses of associates	RM Million	719	786	713	815	772
Profit before tax	RM Million	1,028	1,063	917	1,057	1,129
Profit for the year	RM Million	939	991	868	1,013	1,909
Net dividend for the financial year	RM Million	273	296	237	273	1,043
Issued share capital	RM Million	1,186	1,186	1,186	1,186	1,186
Equity attributable to owners of the parent	RM Million	16,820	15,653	14,271	14,062	13,277
Total equity and liabilities	RM Million	18,605	17,065	15,579	15,199	13,935
Earnings per share	Sen	77.33	82.88	71.04	82.70	159.00
PPB Share Price - Closing						
Year high	RM	16.68	16.14	17.72	17.96	19.54
Year low	RM	13.46	12.00	11.18	15.76	15.10
Year close	RM	14.30	16.14	11.60	17.16	17.26
No. of shareholders		9,868	10,242	11,817	9,537	10,135

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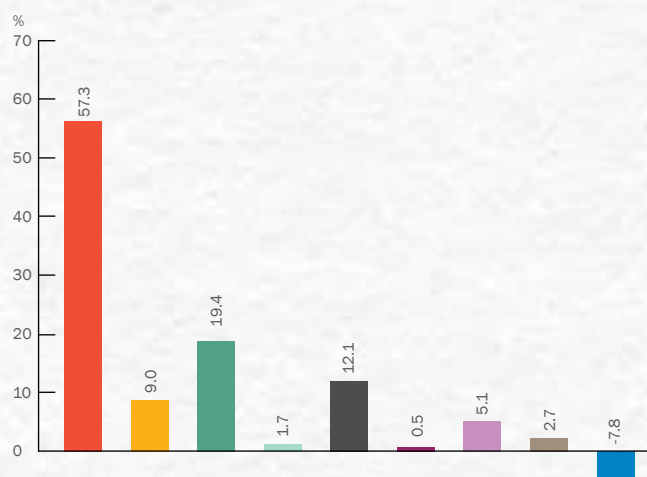
5-YEAR GROUP
FINANCIAL STATISTICSREVENUE **RM3.7 Billion**PROFIT BEFORE TAX **RM1,028 Million**EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT **RM16.8 Billion**EARNINGS PER SHARE **77.3 Sen**NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT **RM14.2**OPERATING CASH FLOW PER SHARE **18.5 Sen**

SEGMENTAL ANALYSIS

REVENUE RM3.701 Billion

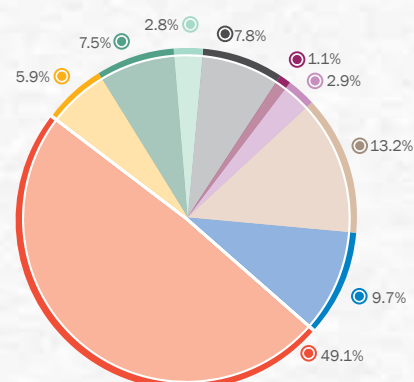


PROFITS RM313.0 Million

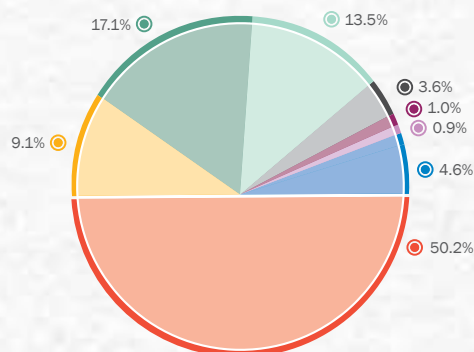


- Flour & feed milling, & grains trading
- Marketing distribution & manufacturing of consumer products
- Film exhibition & distribution
- Environmental engineering, waste management & utilities
- Property investment & development
- Chemicals trading & manufacturing
- Livestock farming
- Investments in equities
- Other operations

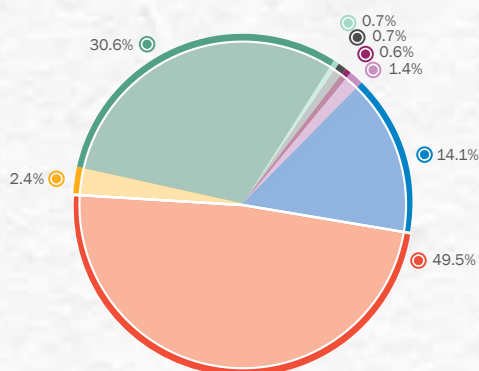
ASSETS RM3.886 Billion



LIABILITIES RM560.6 Million

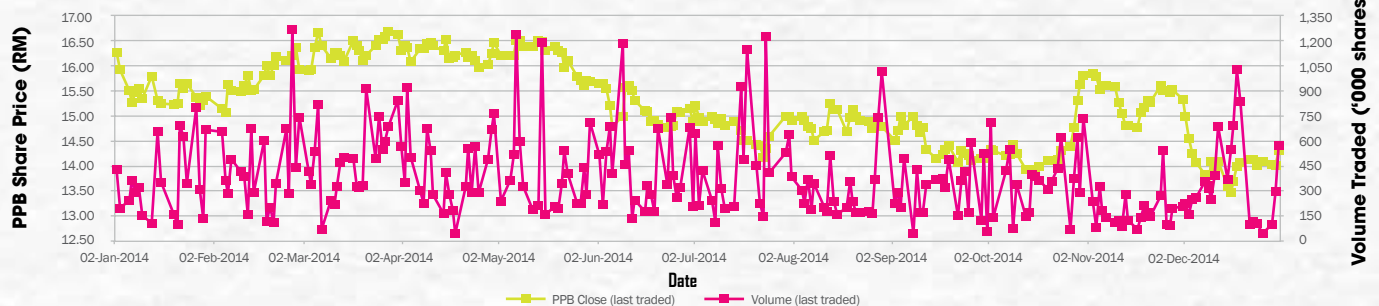


CAPITAL EXPENDITURE RM185.4 Million

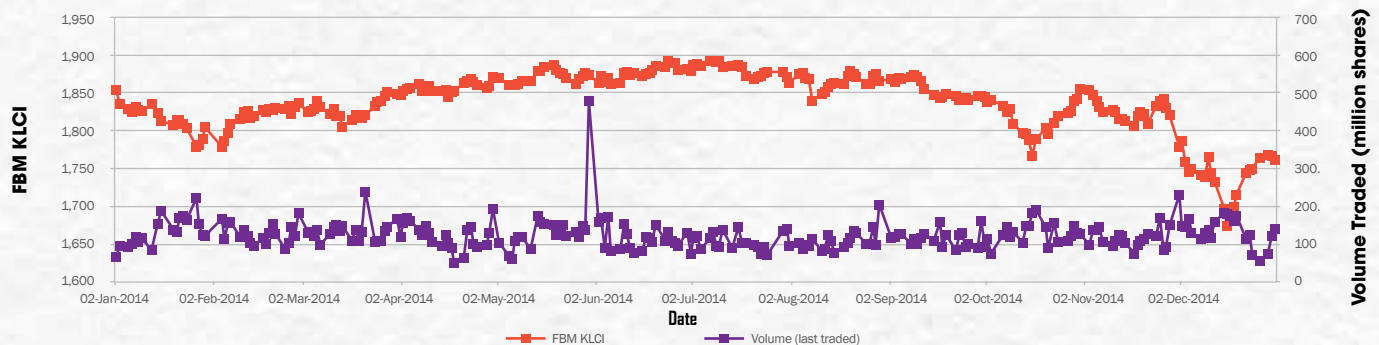


SHARE PERFORMANCE

PPB SHARE PRICE & VOLUME TRADED FOR YEAR 2014



FBM KLCI AND VOLUME TRADED FOR YEAR 2014



INFORMATION ON FTSE BURSA MALAYSIA KUALA LUMPUR COMPOSITE INDEX (FBM KLCI) AND PPB'S SHARE PRICE

Like the bond market, the performance of the domestic equity market also followed two noticeable trends during the year that largely reflected changes in the global environment. The domestic equity market was generally on an upward trend between February and mid-July given the positive global and domestic sentiments. Against the background of low global financial market volatility, low interest rates in the major economies and ample global liquidity, international investors were attracted to the domestic equity market by the positive earnings prospects amid the strong domestic macroeconomic performance. During the period, the share of non-resident holdings of the domestic equity market increased to 24.1% in July (end 2013: 23.9%). Strong demand from non-residents was reinforced by resident investors, resulting in the FTSE Bursa Malaysia Kuala Lumpur Composite Index (FBM KLCI) reaching its new historical peak of 1,892.7 points on 8 July 2014, an increase of 6.4% from February.

The rally in the domestic equity market subsequently reversed due to rising global uncertainties and, to some extent, domestic developments.

The upward trend was initially interrupted by the Malaysia Airlines flight MH17 incident which affected investor sentiments. Additionally, the market was also affected by disappointing second quarter corporate earnings, particularly in the plantation sector, in view of the weak crude palm oil prices. The downward trend was further weighed down by profit-taking and the unwinding of portfolio investments by non-resident investors from regional equity markets, including Malaysia.

Towards year-end, sentiments in the domestic equity market were also affected by the sharp decline in oil prices. Concerns over the impact of lower oil prices on the domestic economy led to a sell-off in the domestic equity market. The oil and gas sector was particularly affected amid concerns that lower oil prices would lead to lower corporate earnings and investments. The index declined by 11.6% from its peak to reach its lowest level for the year at 1,673.9 points on 16 December 2014. For the year, the FBM KLCI declined by 5.7% (2013: +10.5%) to close at 1,761.3 points. As at end-December 2014, the FTSE Bursa Malaysia's market capitalisation stood at RM1.65 trillion (2013: RM1.70 trillion).

[Source: Bank Negara Malaysia, Annual Report 2014]

Trending with the FBM KLCI, PPB's share price closed lower at RM14.30 as compared with the closing price of RM16.14 in 2013 and accordingly, market capitalisation of PPB shares decreased to RM16.960 billion from RM19.142 billion.

PPB Share Price - Closing	2014 RM	2013 RM	Change %
Year High	16.68	16.14	3.35
Year Low	13.46	12.00	12.17
Year Close	14.30	16.14	(11.40)
Market Capitalisation	16.960 billion	19.142 billion	(11.40)

ADDITIONAL FINANCIAL INFORMATION

GROUP CASH FLOWS

Net cash generated from operating activities in 2014 was RM218.6 million compared with RM224.9 million in 2013 with more cash used in funding higher wheat and maize inventory levels.

The Group generated net cash of RM66.9 million from investing activities in 2014. During the year, the Group spent RM152.3 million on capacity expansions of flour and feed mills, as well as the bakery and cinemas; RM31.8 million for acquisition of shares in its China and Malaysia associates; and RM45.5 million in advances to associates. The Group also received RM40.9 million from the sale of a vessel and an investment property. Dividends received from associates amounted to RM234.7 million in 2014.

The net cash of RM177.0 million used in financing activities was mainly for dividend payments to shareholders. In 2014, the Group utilised RM153.7 million of revolving credits and short-term loan facilities and repaid RM35.0 million of its long-term loan facilities.

GROUP BANK BORROWINGS

As at 31 December 2014, the Group's borrowings were higher at RM553.6 million compared with RM419.6 million in 2013, of which 84% or RM466.7 million were bills payable and drawdown trade facilities. The balance 16% amounting to RM86.9 million comprised:

- current portion of long-term loans, revolving credits, overdraft and hire purchase liabilities totaling RM24.9 million, all repayable within 12 months; and
- long-term bank loans and hire purchase liabilities totaling RM62.0 million, which are repayable within 5 years.

Most of the Group's borrowings were unsecured and based on floating rates of interest ranging from 0.57% to 10.30% per annum. The Group's exposure to foreign currency borrowings was RM362.4 million of which about 70% was USD-denominated.

GROUP CAPITAL EXPENDITURE

Total Group capital expenditure incurred during the year amounted to RM185.4 million and the major items were as follows:

- FFM Group spent RM15.8 million to expand its new flour mill in Indonesia; RM28.2 million to invest in a new flour mill in Quang Ninh, Vietnam; RM5.0 million to construct concrete silos; RM19.8 million on acquisition of a feed mill from a third party; RM14.1 million on new baking machineries and supporting facilities; RM5.6 million on its frozen food production facility and cold room, and RM2.6 million on a new warehouse.
- PPB Leisure Group spent RM17.4 million on the outfitting of new cinemas in Palm Mall, Seremban and Quill City Mall, Kuala Lumpur; RM31.2 million on new cinemas to be opened in 2015; and a total of RM7.1 million to purchase the Dolby Atmos sound system, replace cinema seats, and upgrade of computer systems.
- Chemquest Group spent RM2.9 million on office renovations, purchase of machineries, equipment and motor vehicles.

DIRECTORS' RESPONSIBILITY STATEMENT

In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year in accordance with the applicable Financial Reporting Standards in Malaysia, the provisions of the Companies Act 1965 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 31 December 2014 set out on pages 76 to 167 of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgments and estimates that are fair and reasonable.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy financial information for preparation of the financial statements.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 25 March 2015.