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Introduction

Good corporate governance and transparency are inherent characteristics of PPB Group Berhad. In aligning itself to these characteristics, PPB published its first Investor Handbook entitled “Portfolio of Activities” in August 2002.

This Handbook will keep shareholders and investors well informed of the Group’s activities hence helping the market to better understand PPB, to interpret its results, and to appraise its future.

In this second edition of the Investor Handbook, we have made every effort to provide a more comprehensive analysis of the Group’s businesses in a friendly reference guide to ensure continued interest of its shareholders and investors towards the Group’s business operations and direction.

The Group is constantly seeking strategic investment opportunities to ensure its future growth and the return of increased benefits to shareholders.

Mr Ong Ie Cheong
Executive Chairman

PPB Group Berhad at a glance

In living up to its mission statement, *"striving continually to strengthen our position as a market leader in our core businesses and expand into other related activities to increase shareholder value"*, PPB Group Berhad has grown from a company with total assets of RM19.0 million upon listing to a major conglomerate in South East Asia with total assets exceeding RM5.1 billion and workforce of more than 15,000 employees.

Founded in November 1968, the Group's initial business was to cultivate sugar cane and to extract, process and market sugar.

In May 1972, PPB was listed on the Stock Exchange of Kuala Lumpur and Singapore with an issued and paid capital of RM15.0 million.

The Group's operations now include sugar refining, flour and feed milling, edible oils processing, oil palm cultivation, environmental engineering and waste management, film exhibition and distribution, property development, shipping as well as commodity trading. Over the years, the Group has expanded its business operations to Vietnam, Myanmar and Singapore; and plans are currently made to venture into China and other Asean countries.

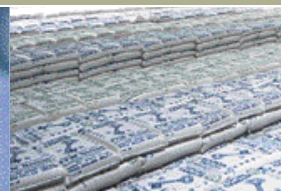
The cumulation of strong management practices, sound business policies and strategic investments provided the foundation for the Group to establish its record growth and strong financial standing.

oil palm

edible oils

sugar

flour



Corporate Objectives

Create wealth for shareholders

It has always been PPB's objective to reward its shareholders through attractive dividends or capital issues. Since year 2000, PPB's dividend policy has been to distribute at least 50% of the Company's earnings to shareholders.

Good corporate governance

PPB is committed to observe the highest standard of transparency, accountability and integrity in all its business practices.

Focus on core business

PPB is focused on further strengthening its core businesses in sugar refining; flour and animal feed milling; plantations and edible oils; and environmental engineering, utilities and waste management.

Market leader

PPB Group aims to maintain its leadership position in its core businesses.

Utilization of synergies

The strong and dedicated management team from the various operations strives for integration of group activities to maximise synergy.

Expansion to Asean region

PPB is expanding its activities to China and other Asean countries to provide earnings growth.

Responsible corporate citizen

Our community relations program focuses on improving the quality of life of the community in which we operate.

Committed to improving efficiency & productivity

PPB is committed to further develop its standards in design, production, distribution and marketing in order to meet market requirements.

Securing future growth

PPB will continue to seek and capitalize on investment opportunities as well as explore new market segments both domestically and regionally for business and revenue growth in the years ahead.

PPB Group's Success Factors

PPB Group has grown from cane cultivation and sugar refining in 1968 to a major conglomerate with total assets of over RM5 billion in diverse businesses. Strategic business decisions coupled with hard work and commitment have positioned the Group as a market leader in all its core activities.

Based on its successful track record over the past 35 years, it is without doubt that PPB Group will continue to grow and accomplish new milestones in the coming years.

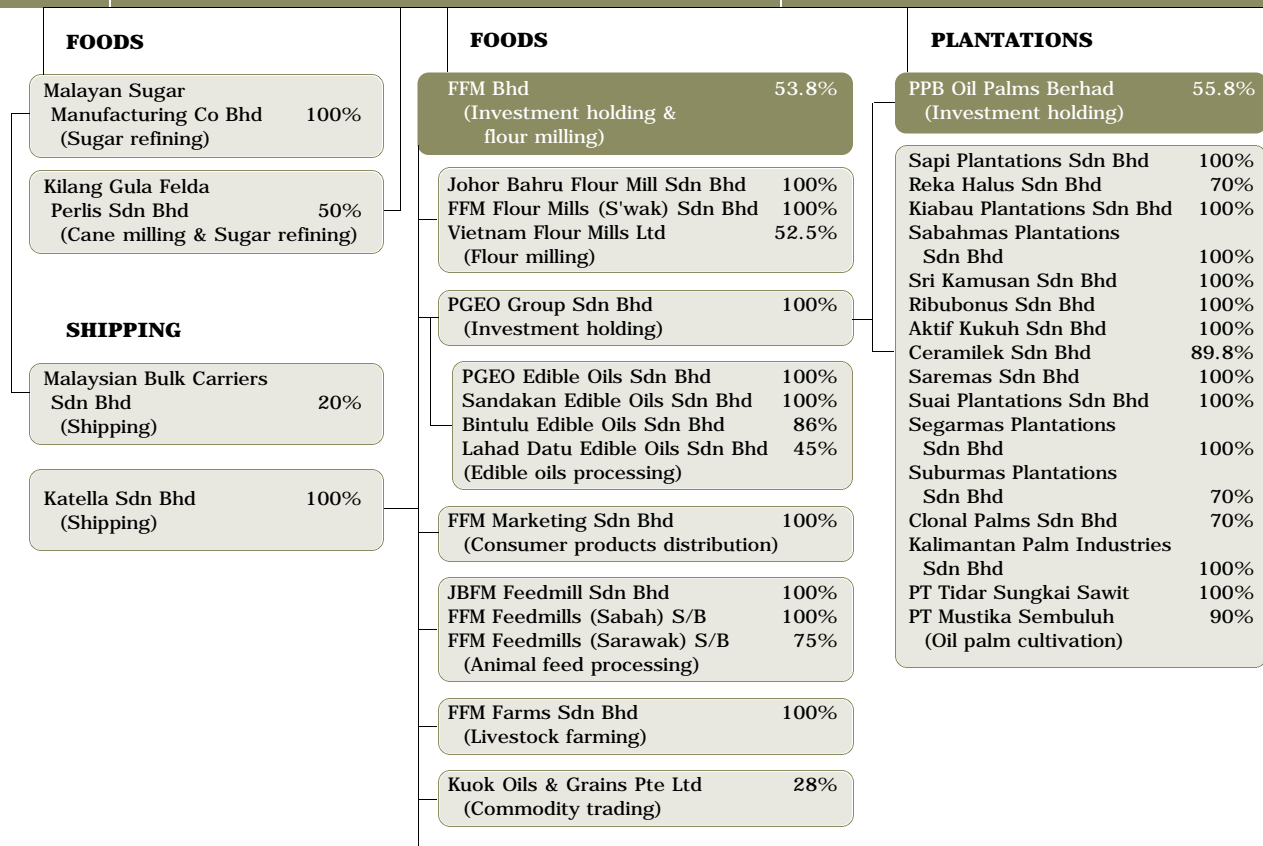
PPB Group's success can be attributed to the following factors:-

- Diversity in the Group's core businesses which provides safeguards and different revenue streams in times of economic downturns or setbacks in any one industrial sector.
- Visionary leaders with strong leadership skills who are able to provide direction and assess opportunities in new emerging business areas.
- Efficient and effective business processes managed by a team of experienced and growth-oriented professionals.
- Synergistic business operations between the various units to yield maximum returns in investment.

- Practises strong corporate governance and observes high standards of transparency, accountability and integrity in all its business endeavours.
- Highly focused on its core business activities and continuous adoption of best practices in line with world standards.
- Cultivates a strong corporate culture of loyalty, hard work and commitment among its employees to ensure an effective succession plan.
- Financial resilience through strong cash positions, minimal borrowing and prudent investment policies in new businesses.
- Strong brand presence and market positioning to ensure maintenance of its market leadership in core business areas.
- Re-investment of profits towards the continuing upgrading of its facilities and infrastructure especially in high growth industries such as plantations and manufacturing.
- Building a strong investor relationship with its stakeholders to ensure continuous commitment among its shareholders.

Group Corporate Structure

as at 31 Dec 2002



PPB GROUP BERHAD

MANUFACTURING & SERVICES

Chemquest Sdn Bhd 55%
(Investment holding)

Chemical Waste Management S/B 99%
(Waste mgt & environmental egrg)

Asia Pacific Microspheres Sdn Bhd 100%
(Microspheres manufacturing)

Malayan Adhesives & Chemicals Sdn Bhd 52%
(Adhesives manufacturing)

Products Manufacturing Sdn Bhd 70%
(Contract manufacturing)

Konsortium Abass Sdn Bhd 25%
(Water treatment plant operations)

PT Healthcare Glovindo 100%
(Glove manufacturing)

Minsec Engineering Services Sdn Bhd 100%
(Engineering services)

Tego Sdn Bhd 79.9%
(Polybag manufacturing)

PROPERTIES

PPB Hartabina Sdn Bhd 100%
(Property development)

Cathay Screen Cinemas Sdn Bhd 66.2%
(Property owners)

Seletar Sdn Bhd 100%
(Property development)

Shaw Brothers (M) Sdn Bhd 34%
(Property development)

ENTERTAINMENT

PPB Leisure Holdings S/B 100%
(Investment holding)

Golden Screen Cinemas S/B 54.2%
(Cinema operations)

Kerry Leisure Concepts S/B 50%
(Amusement centre operations)

Leisure Bowl Holdings S/B 100%
(Bowling operations)

Global Entertainment & Management Systems S/B 33.3%
(Investment holding)

