

commodity trading

Kuok Oils & Grains Pte Ltd (KOG), a 28% associate of PPB Group, is an investment holding company which owns edible oils and grains processing plants in China, Vietnam, Indonesia and Bangladesh. The commodities traded by KOG are edible oils such as palm oil, lauric oils, soya oils, corn and rapeseed oils and grains such as soya, corn and wheat.

Fedruns Sdn Bhd, a 100% subsidiary of FFM, is licensed to trade on the Malaysia Derivatives Exchange and the commodities traded are mainly the Group's CPO requirements.





consumer products

BACKGROUND INFORMATION

FFM Marketing Sdn. Bhd. (FMSB), a wholly-owned subsidiary of FFM Group, was set up in 1993 to market a wide range of fast-moving consumer products under its own brand names as well as other local and international brands besides marketing flour, feed, day-old-chicks, table eggs and other products produced by the Group.

FMSB's eleven warehouses are located in Prai, Ipoh, Sg. Buloh, Melaka, Kuantan, Johor Bahru, Kota Bahru, Kuching, Sibiu, Kota Kinabalu and Sandakan.

FFM Group's own brands/products are as follows :-

Fast-moving consumer goods (consumer packs)

- Neptune - blended cooking oil
- Seri Murni - double fractionated 100% palm based vegetable oil
- Krystal - 100% pure corn oil
- Blue Key - packaged flour
- Anchor - packaged flour
- Marina - canned fish and vegetables
- Shamu - nata de coco and jelly cups
- Seri Murni - table eggs
- Marina - frozen food

Others

- Flour (in 25kg bag and in bulk)
- Feed (in bags and in bulk)
- Day-old-chicks
- Table eggs

Agency products include the following :

- Red Bull - energy drinks
- Star Brand - culinary essence and colourings
- Lingham - chilli sauces
- Clorox - liquid bleach and floor care
- Glads - wraps/bags
- Bluebell - household care and floor care
- Guard - shoe care
- Grandcell - rechargeable alkaline batteries/battery chargers
- Rasaku - coconut cream powder/curry mixes
- Claypot - herbal soup spices
- Nekta - concentrated/ready to drink Kiwi Fruit Juice
- Spin - detergents
- Sure - condom
- Blacktop - household insecticides

SIGNIFICANT EVENTS OF FMSB

YEAR EVENT

- | | |
|------|--|
| 1993 | Established in the year to undertake the sales and marketing of FFM Group's products. |
| 1993 | Launched its first external agency line consisting of Bluebell floor care and Guard shoe polish under Pacific Brands (M) Sdn. Bhd. |
| 1994 | Expanded activities into East Malaysia by setting up its first branch in Kuching followed by Sib. . |
| 2000 | FMSB's very own "Seri Murni" cooking oil, a brand leader in the Malay market segment was named one of the awards for Best TV Advertisement for the year. |

EXPANSION PLAN

In March 2003, FMSB ventured into the marketing of frozen and chilled food products with chicken nuggets and fish fingers launched under its own Marina brand.

LOOKING AHEAD

FMSB continues to look for good-fit agencies and explore export opportunities as a short term strategy to sustain continued growth in 2003 whilst continuing to invest and build its own in-house brands as a longer term objective.

FMSB will also actively seek and work with potential principals of frozen and chilled products either overseas or locally with the aim of becoming a leading national player in cold distribution.



contract manufacturing

BACKGROUND INFORMATION

Products Manufacturing Sdn Bhd (PM), a 70% indirect subsidiary of PPB, provides contract manufacturing services for cosmetics, toiletries and household products industries.

PM's factory located at Jalan Kepong, Kuala Lumpur is fully equipped with high-tech machineries and a qualified workforce. PM produces creams, cold and hot mix liquids, lotions, gels, powders and pastes for the hair care, skin care, baby care, body care, household and car care products.

SIGNIFICANT EVENT OF PM

PM was accredited with the Good Manufacturing Practice status since 1995 by Malaysia's Ministry of Health as its factory complies with the requirements of the Drug and Cosmetics Regulations Act, 1994.

LOOKING AHEAD

As a key industry player in contract manufacturing, PM has been actively upgrading its existing machineries to meet product quality and customer satisfaction.

PM is constantly looking for business opportunities to expand its operations and venture into foreign markets.





edible oils

BACKGROUND INFORMATION

The edible oils operations of the Group are held through its 100% subsidiary, PGEO Group Sdn Bhd [PGEO Group]. PGEO Group is one of the major palm oil exporters in Malaysia processing over 3 million tonnes of palm oil per year. 90% of the Group's total production is exported to India, China, Middle East, Pakistan, EU countries, USA and Russia.

PGEO Group's activities are vertically integrated from the conversion of crude oils into refined oil products to production of shortening and hydrogenated products, cocoa butter replacers and other specialty fats which are marketed in bulk, drums and consumer packs.

PGEO's operations are set out below :-

- | | |
|-------------------------------|---|
| Edible oils refining | - 6 refineries located in Prai, Lumut, Pasir Gudang, Bintulu, Sandakan and Lahad Datu with a total refining capacity of 11,700 mt per day. |
| Dry fractionation | - 6 dry fractionation plants located in Prai, Lumut, Pasir Gudang, Bintulu, Sandakan and Lahad Datu with a total capacity of 11,350 mt per day. |
| Palm kernel crushing | - 3 palm kernel crushing plants located in Bintulu, Sandakan and Lahad Datu with a total capacity of 1,800 mt per day. |
| Hydrogenation | - 1 hydrogenation plant located in Pasir Gudang with a total capacity of 100 mt per day. |
| Texturising | - 2 texturising plants located in Pasir Gudang with a combined capacity of 180 mt per day. |
| Palm Kernel Oil fractionation | - 1 palm kernel oil fractionation plant located in Pasir Gudang with a total capacity of 50 mt per day. |

SIGNIFICANT EVENTS

YEAR	EVENT
2000	Merger of FFM and PPBOP's refineries under PGEO Group's former name Struktur Idaman Sdn Bhd (SISB).
2001	SISB's name was officially changed to PGEO Group Sdn Bhd to reflect its enlarged entity.
2002	A new 200-mtd palm kernel crushing plant was commissioned in Bintulu, Sarawak.
2002	PGEO commissioned one fractionation plant at Bintulu and a palm kernel fractionation plant for the production of cocoa butter replacers at Pasir Gudang.

EXPANSION PLANS

- The installation of an additional 1,200 tpd dry fractionation plant at Sandakan was completed end February 2003.
- The construction of 6 units of 2,000 mt soyabean silos and an additional 4.5mt/hour Texturising Plant at Pasir Gudang scheduled for completion by end 2003.

The above expansions are estimated to cost RM17.1 million.



engineering services

BACKGROUND INFORMATION

Minsec Engineering Services Sdn Bhd (MES), a 100% indirect subsidiary of PPB, provides services in engineering design, equipment fabrication, installation, plant operation, training and maintenance to clients in Malaysia and Asia Pacific. MES is involved in turnkey construction of palm oil and sugar mills, bulking and storage facilities, factory buildings and ethanol and formalin plants.

MES core business lies in the construction of palm oil mills and to date, MES has constructed two mills in Indonesia and ten mills in East Malaysia with a total value of more than RM180.0 million.

MAJOR PROJECTS COMPLETED BY MES

- Expansion of sugar factory from 8,000 TCD to 10,000 TCD for PT Gula Putih Mataram in Indonesia (contract value : USD8.0 million).
- Design, supply and construct a Biostil Continuous Fermentation Ethanol Plant of 50,000 kilolitre per year for PT Indolampung Distillery in Indonesia (contract value : USD13.0 million).
- Design, supply, construct, install and commission an Adhesive Plant and installation of a Formalin Plant for Petanak Enterprises Sdn Bhd in Bintulu, Sarawak (contract value : RM11.0 million).
- Design, supply, construct, install and commission a 30 ton/hr expandable to 60 ton/hr FFB Palm Oil Mill for PT Tidar Sungkai Sawit in Indonesia (contract value : USD6.3 million).
- Manufacture of pressure vessels, heat exchanger and distillation column for Mitsui Engineering and Shipbuilding Co. Ltd's polyethylene plant (contract value : RM9.3 million).

SIGNIFICANT EVENTS OF MES

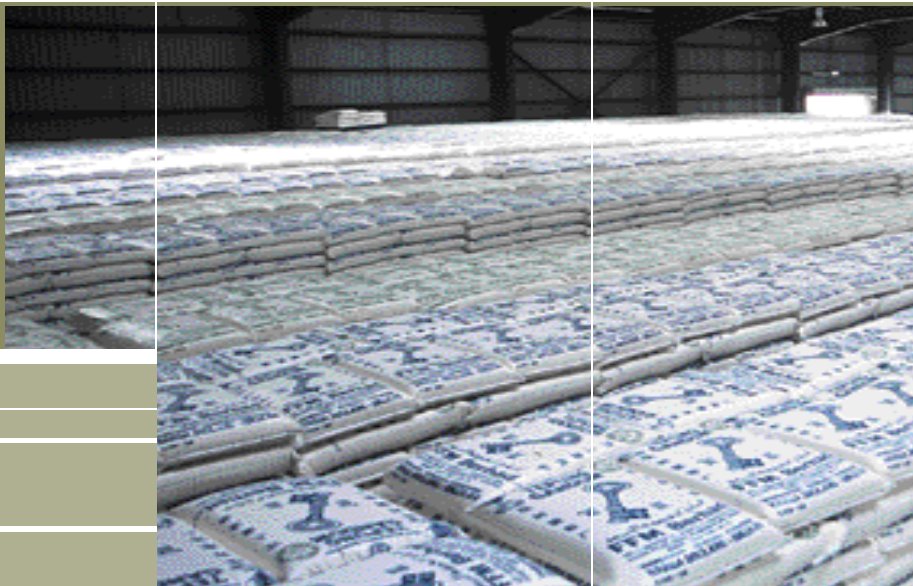
YEAR	EVENT
Jun 1994	Completed its first overseas project at PT Gula Putih Mataram, Indonesia.
2001	Undertook its first research and development on the use of oil palm biomass as fuel for co-generation and composting into organic fertilizer.
May 2002	Ventured into the manufacturing of heat exchange equipment and is currently the only company in Malaysia with specialized machine to undertake fin tube manufacture.
Nov 2002	Completed the construction of an organic fertilizer plant which utilizes a new process of converting and mixing byproducts of biomass into organic fertilizer.
Nov 2002	Obtained a license to manufacture unfired pressure vessels.

CURRENT PROJECTS

- Design, supply, construct, install and commission a 40 ton/hr FFB expandable to 80 ton/hr FFB Palm Oil Mill for Suburmas Plantations Sdn Bhd in Bintulu, Sarawak (contract value : RM16.6 million).
- Expansion of mill capacity from 30 to 60 ton/hr for Sabahmas Plantations Sdn Bhd in Lahad Datu, Sabah (contract value : RM4.4 million).

LOOKING AHEAD

MES has tendered for several private and government projects in Malaysia valued between RM15.0 to RM25.0 million.



flour

BACKGROUND INFORMATION

FFM Berhad (FFM) commenced its wheat milling operations in 1966, having a single flour mill with a milling capacity of 150 mt of wheat per day. Today, FFM stands as the largest flour miller in Malaysia and owns four flour mills strategically located at Port Klang, Pasir Gudang, Vietnam and Sarawak with a total milling capacity of 2,430 mt per day.

FFM expanded its operations to Vietnam via its 52.5% subsidiary, Vietnam Flour Mills Ltd which commissioned a new 400-mt flour mill in My Xuan, Vung Tau Province. The flour produced in Vietnam is presently marketed under the brand names of Red Key, Blue Key and Twin Globe.

Among the other products produced for the domestic market include:-

- Wheat Flour
 - Speciality Wheat Flour Products
 - Other Wheat Specialty Products
 - Bread Improvers & Premixers
- Bread, Noodles, Biscuits, Cakes, All-Purpose
 - Semolina, Special Wholemeal
 - Wheat, Food Bran, Wheat Germ
 - Cake Donut, Yeast-Raised Donut

SIGNIFICANT EVENTS

YEAR EVENT

1966	Started flour milling operations at South Port, Port Klang.
1976	Commissioned new flour mill at Pasir Gudang, Johor.
2001	Commissioned new flour mill of 500 mt/day at Pulau Indah.
2001	Commissioned its first overseas flour mill of 400 mt per day in Vietnam under Vietnam Flour Mills Ltd.

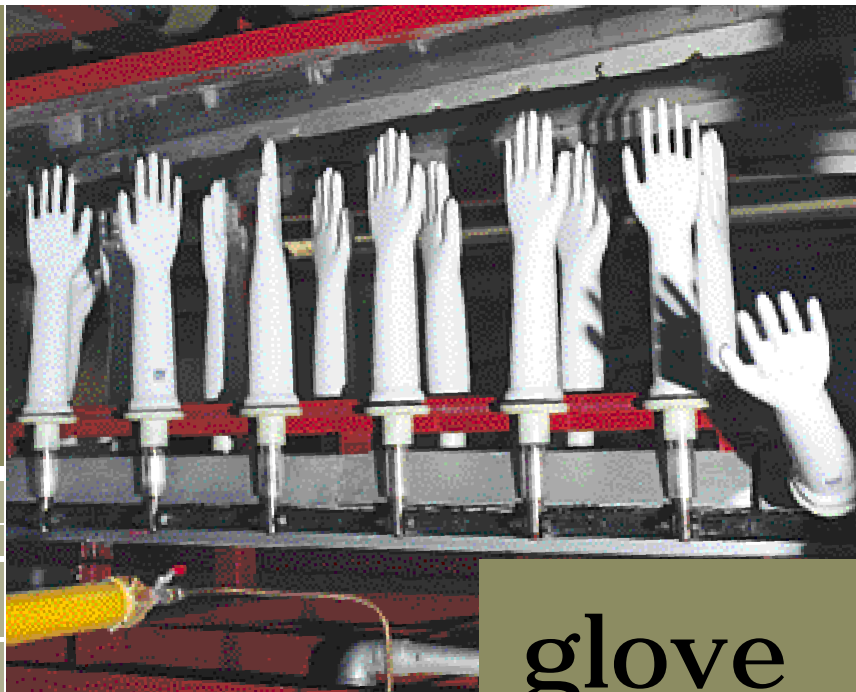
EXPANSION PLANS

- Commissioning of a new flour mill complex in Kuching, Sarawak under FFM's wholly-owned subsidiary, FFM Flour Mills (Sarawak) Sdn Bhd, with a daily wheat milling capacity of 220 mtd in March 2003. This flour mill will cater mainly to the East Malaysian market (total project cost : RM41.0 million).
- Construction of a 500-mtd flour mill and 40,000-mt grain storage next to FFM's existing flour mill in Pulau Indah scheduled for completion by early 2005 (total project cost : RM65.0 million).

LOOKING AHEAD

FFM has taken certain measures to further improve production efficiency and quality. One of such measures is the replacement and relocation of its older facilities in South Port with state-of-the-art factories in West Port.





glove manufacturing

BACKGROUND INFORMATION

PT Healthcare Glovindo, a 100% subsidiary of Chemquest Group, operates a latex examination glove factory in Medan, Sumatra with seventeen dipping lines and an annual production capacity of 900 million pieces. Glovindo produces pre-powdered and powder-free latex examination gloves for the medical industry which are exported to United States, Europe and Latin America.

PRODUCTION RESULTS

	NO. OF GLOVES	
	2002	2001
Total Production	661 million pieces	565 million pieces

SIGNIFICANT EVENTS OF GLOVINDO

YEAR	EVENT
1993	Commenced commercial production with 5 dipping lines.
1994	Production lines increased from 5 to 10.
1996-1997	To cope with the high demand of examination gloves, Glovindo's production lines increased further to 15.
1997	Received the ISO 9002 certification for its products.

EXPANSION PLAN

The production lines are in the process of being upgraded to include online chlorination which will improve productivity and product quality at a total cost of USD2.689 million.

LOOKING AHEAD

Glovindo is undertaking a cost reduction programme to turn the business around and is focusing on the production of powder-free examination gloves which are more profitable.

