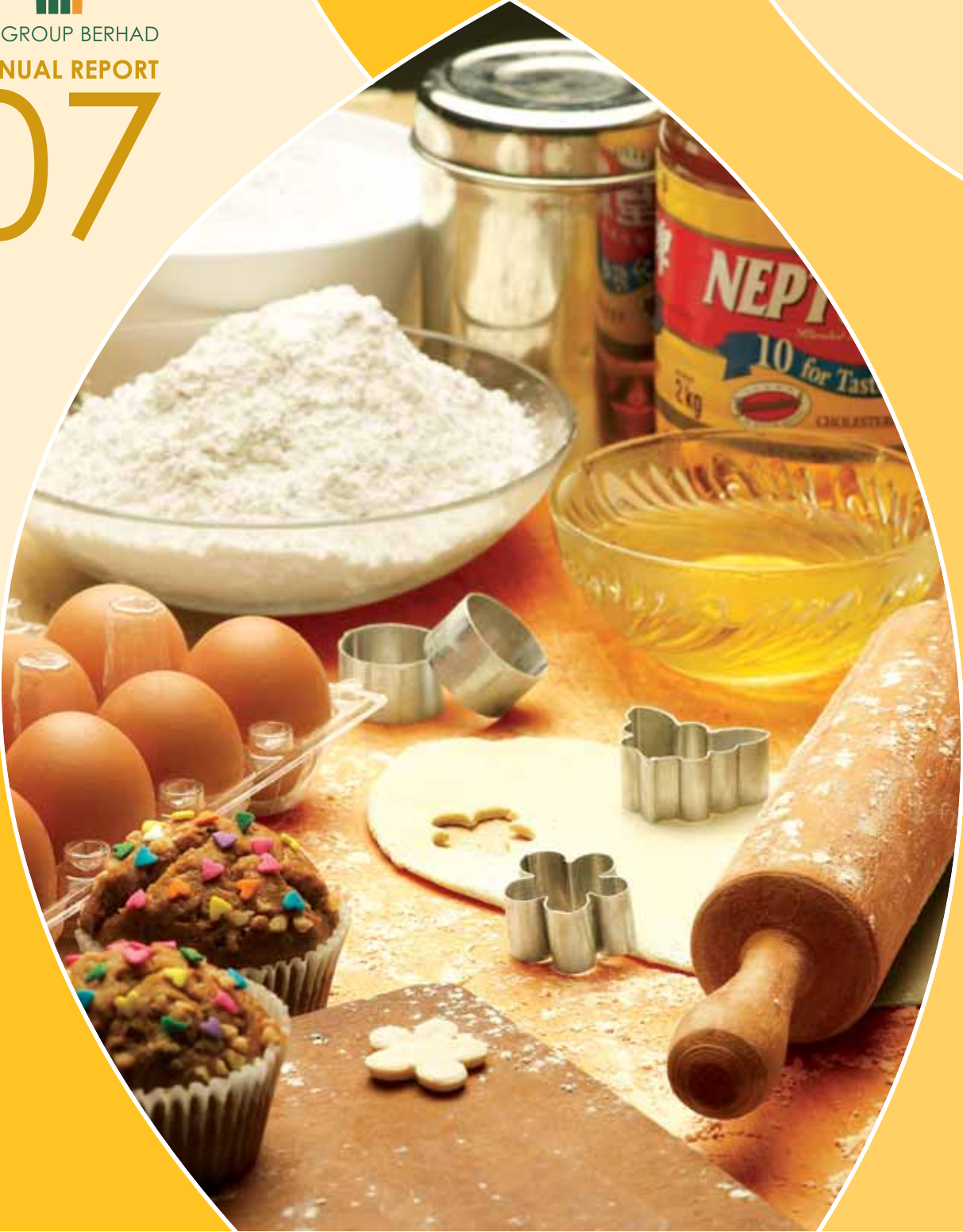




PPB GROUP BERHAD
ANNUAL REPORT

07



PPB GROUP BERHAD AT A GLANCE

PPB Group Berhad was established in 1968, and was listed in 1972 on the then Stock Exchange of Kuala Lumpur and Singapore with an issued and paid-up capital of RM15.0 million.

From its initial operations of cane cultivation and milling, the Group has grown into a major conglomerate engaged in a wide spectrum of activities. The Group's operations now include sugar refining; grains trading, flour and feed milling; environmental engineering and waste management; film exhibition and distribution; property ownership and development, livestock farming, packaging and chemicals manufacturing. With a total domestic and overseas workforce of more than 4,000 employees, PPB Group's operations spread over Malaysia, China, Vietnam, Myanmar, Thailand, Singapore and Indonesia.

PPB Group has positioned itself to be a market leader in the following businesses operated by its subsidiaries:-

SUGAR

Malayan Sugar Manufacturing Co. Berhad owns and operates the country's largest sugar refinery in Prai and supplies about 50% of the local sugar requirements.

FLOUR

FFM Group owns and operates a total of three (3) flour mills in the country and one (1) each in Vietnam and Thailand. FFM Group supplies more than 40% of the local flour requirements.

CINEMAS

Golden Screen Cinemas Sdn Bhd, the largest film exhibitor in the country with 141 screens in 21 locations nationwide, captures more than 40% of the local box office collections.

In June 2007, PPB Group completed the disposal of its oil palm plantations and edible oils refining and trading operations to Wilmar International Limited (Wilmar) and became the second largest shareholder in Wilmar owning 18.3% equity interest. Wilmar is one of Asia's largest integrated agribusiness groups engaged in the businesses of oil palm cultivation, oilseeds crushing, edible oils refining, consumer pack edible oils processing and merchandising, specialty fats, oleochemicals, biodiesel, fertilizers and soy protein manufacturing, rice and flour milling and grains merchandising.

Currently, PPB ranks among the top companies listed on the main board of Bursa Malaysia with a market capitalization of RM13.0 billion. In the last financial year ended 31 December 2007, the Group's total assets amounted to RM11.9 billion with turnover totaling RM6.2 billion.

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1.THE CORPORATION

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WHEAT FLOUR



CHAIRMAN'S STATEMENT



Dear Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS OF PPB GROUP BERHAD, IT IS WITH GREAT PLEASURE THAT I PRESENT TO YOU THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF THE COMPANY AND THE GROUP FOR THE YEAR ENDED 31 DECEMBER 2007.



MSM'S SUGAR REFINERY IN PRAI, PENANG.

GROUP RESULTS

PPB Group achieved an outstanding financial performance in 2007 with profits of RM7 billion, a record 10 fold increase over the previous year's profit of RM694 million.

This substantial increase in profits was due primarily to the one-off gain of RM6.35 billion from the sale of the Group's shares in PPB Oil Palms Berhad, PGEO Group Sdn Bhd and Kuok Oils and Grains Pte Ltd to Wilmar International Limited (Wilmar) in exchange for Wilmar shares. The improved performance of our sugar and flour and feed divisions also contributed to the higher profits.

As a result of the disposal of the above assets to Wilmar, the financial statements have been sectionalised into continuing operations and discontinued operations. Profits from continuing operations include profits from all existing operations and the Group's share of Wilmar's profits from May 2007. Profits derived from the disposed assets prior to the completion of the disposal to Wilmar amounting to RM168 million as well as the one-off gain of RM6.35 billion from disposal are reflected under profits from discontinued operations.

Revenue from continuing operations improved by 15% to RM2.99 billion mainly due to higher sales of sugar especially to the export market and improved prices of specialty flour and animal feed products resulting from higher commodity prices. Pre-tax profit grew to RM564 million from RM392 million due to a significant contribution of RM226 million from Wilmar and higher contributions from the sugar; flour and feed; and livestock farming divisions.

Profit attributable to shareholders increased to RM6.97 billion from RM561 million which translates to an earnings per share of RM5.88 compared with 47 sen in the year before. The much stronger profits boosted net assets per share to RM9.76 from RM4.67.

DIVIDENDS

The Board has recommended a final dividend of 25 sen less 26% income tax. Together with the interim dividend of 5 sen less 27% income tax paid on 28 September 2007, the total dividend for the year ended 31 December 2007 would be 30 sen less tax, an increase of 10 sen over that paid for year 2006. The final dividend is subject to shareholders' approval at the Annual General Meeting to be held on Friday, 16 May 2008 and if approved, will be paid on Friday, 6 June 2008.

The net dividend payment for the year under review will amount to RM263 million which is 52% higher than that paid in 2006.

MARKET CAPITALISATION

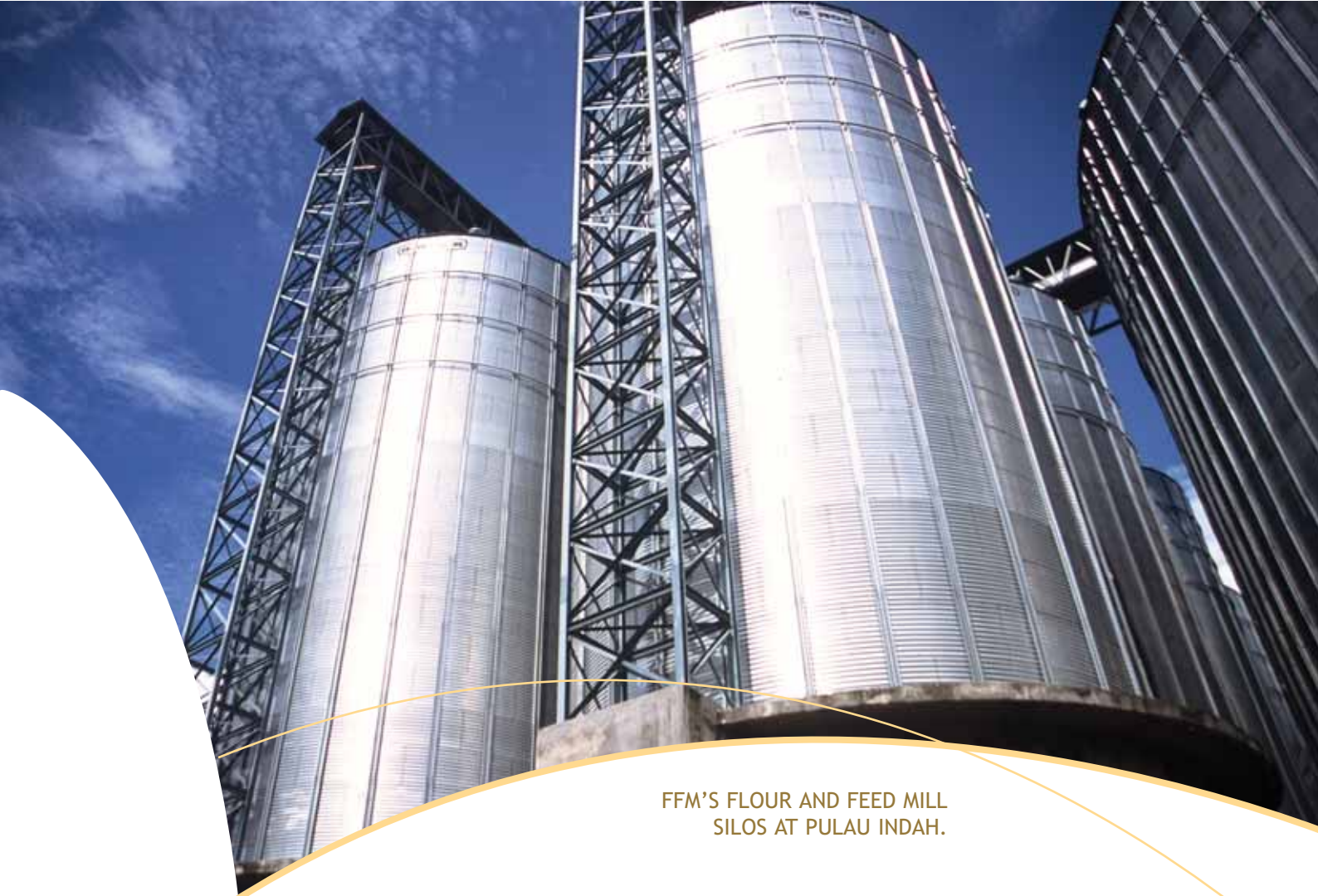
PPB share price doubled from RM5.45 on the last trading day of 2006 to close at RM11.00 for the year under review backed by the strong financial performance of the Group, the increase in Wilmar's share price and the healthy domestic economy.

In line with the higher share price, the Company's market capitalisation improved to RM13 billion as at 31 December 2007 from RM6.5 billion in the last financial year.

MAJOR CORPORATE EXERCISE COMPLETED

In June 2007, PPB Group completed the disposal of its oil palm plantations and edible oils trading and refining businesses to Wilmar to create one of Asia's largest integrated agribusiness groups. The said disposal in return for Wilmar shares resulted in PPB Group becoming the second largest shareholder of Wilmar with an equity interest of 18.3%. The results of Wilmar, which have been equity accounted with effect from May 2007 contributed a significant RM226 million to Group profits. The strong performance of Wilmar was driven by the increasing demand of edible oils and oilseed products resulting in higher crude palm oil prices and synergies of the merger.





FFM'S FLOUR AND FEED MILL
SILOS AT PULAU INDAH.

OVERVIEW OF OPERATIONS

FOOD MANUFACTURING ACTIVITIES

The sugar operations achieved a higher profit of RM132 million, up 55% from RM85 million, against revenue of RM1.09 billion. The improved performance was due to lower raw sugar prices and favourable refining margins with the increase in production for export market. Domestic sales increased by 7% to 571,021 mt whilst export sales increased by 126% to 207,665 mt. The higher export sales were possible due the expansion of its melting capacity during the year under review by 25% to 800,000 mt per annum. To further enhance operating efficiency, Malayan Sugar Manufacturing Company Sdn Bhd has earmarked another RM104 million in capital expenditure to increase melting and storage capacity and upgrade factory operations.

CHAIRMAN'S STATEMENT

THE GRAINS TRADING, FLOUR AND FEED MILLING DIVISION UNDER FFM BERHAD PERFORMED WELL TO RECORD PROFITS OF RM126 MILLION, UP FROM RM110 MILLION DUE TO IMPROVED SELLING PRICES OF SPECIALTY FLOUR AND ANIMAL FEEDS TOGETHER WITH THE BETTER BUYING OF RAW MATERIALS AND FREIGHT.

FFM is expected to complete the construction of a new 360-mt per day wheat flour mill at Prai, Penang by the last quarter of this year to expand its market in the northern region and will commence construction of a 220-mt per day wheat flour mill in Kota Kinabalu in the second quarter of this year. Overseas, FFM's joint venture company PT Pundi Kencana is constructing a 1,000-mt per day wheat flour mill which is scheduled to be completed by early 2009. All three new mills, when completed, will increase the Group's total wheat milling capacity from the current 2,750 mt per day to 4,330 mt per day. The increase in milling capacity is expected to further enhance operating efficiencies through economies of scale.

The Group's livestock farming operations turned around to record profits of RM7.2 million with improved selling prices of day-old chicks. Increasing feed price and production cost continue to impact the growth of the poultry industry and may result in some poorly managed breeder farms closing down. This is expected to provide the Group with opportunities for further growth in this division.



FFM GROUP SUPPLIES MORE THAN
40% OF THE LOCAL FLOUR REQUIREMENTS.

ENVIRONMENTAL ENGINEERING, WASTE MANAGEMENT AND UTILITIES

Chemquest Sdn Bhd, the Group's subsidiary involved in environmental engineering, waste management and utilities performed to expectations and during the year completed the Filter Backwash at Sungai Semenyih Water Treatment Plant and the Jelutong Sewage Treatment Plant, which is the biggest Sequential Batch Reactor in Asia with a treatment capacity of 800,000 PE (population equivalent) for a combined contract value of RM118 million. The Infrastructure and Engineering division also secured RM140 million of new contracts comprising the Flood Mitigation Project at Kepala Batas, Sewage Treatment Plant at UiTM, Selangor and Mechanical Works at KG Kobat Water Treatment Plant, Pahang and Skim Bekalan Air Batu Hampar.

With an allocation of RM16.5 billion under the Ninth Malaysia Plan for Water, Sewage and Flood Mitigation and the recent estimated RM77 billion budget needed for upgrading water supply services in the country between 2000 and 2050, the Chemquest Group is poised to capitalise on these opportunities during the year and beyond.



GSC OPERATES THE LARGEST CINEMA CHAIN
IN THE COUNTRY WITH A TOTAL OF
141 SCREENS IN 21 LOCATIONS.

FILM EXHIBITION AND DISTRIBUTION

The film exhibition and distribution operations undertaken by Golden Screen Cinemas Sdn Bhd (GSC) achieved its best performance to date to record profits of RM23 million, up from RM19 million in the previous year, on the back of higher revenue of RM150 million.

Cinema admissions continued to grow with 15.7 million patrons visiting GSC cinemas compared with 13.8 million for the year before. The higher admissions were attributable to stronger commercial films and the opening of 4 new multiplexes in Queensbay Mall, Penang; Sunway Carnival, Seberang Prai; Pavilion, Kuala Lumpur and Signature, The Gardens. GSC Signature, the only boutique cinema in the country, is an innovative concept of premium movie entertainment offering only Gold Class and Premier Class halls complete with F&B services to cater to the expectations of today's affluent moviegoers.

In February 2007, the Group completed the acquisition of 44.7% equity interest in GSC held by Golden Harvest Film Distribution Holding Limited and other minority shareholders making GSC a 98.9% subsidiary of the Group.

PROPERTY INVESTMENT AND DEVELOPMENT

The property investment and development division performed well to record higher profits of RM23 million as compared with RM14 million in 2006 due to higher sales of its Masera bungalows under Phase 1 and higher rental income from Cheras Leisure Mall and Cheras Plaza.

During the year under review, PPB Hartabina Sdn Bhd completed the construction of New World Park at Jalan Burma, Penang which now houses a food court and F&B outlets catering to both locals and tourists. The construction of Phase 1 of Masera Bukit Segar was also completed and the bungalow units are currently being handed over to homeowners.

Ongoing housing development projects include the Taman Tanah Aman project at Bukit Tengah, Seberang Prai and the Taman Sinar Mentari project in Bedong, Kedah.

CORPORATE SOCIAL RESPONSIBILITY

Throughout the year under review, the Group embarked on various CSR projects which are detailed on pages 37 to 39 of the Annual Report.

MASERA, BUKIT SEGAR.





PROSPECTS AND CHALLENGES FOR 2008

The economic growth prospects for Malaysia remain favourable with a projected GDP of between 5% - 6% driven primarily by domestic demand from both the private and public sectors and the roll-out of projects under the Ninth Malaysia Plan. Although a slowdown in developed economies especially the US may impact domestic growth, the continued strength of emerging economies in the Asian region should provide some support.

The Group expects a challenging year ahead in view of rising commodity prices and volatile freight rates. Nevertheless, the management is mindful of the difficult business environment and has taken appropriate steps to overcome these challenges. With its proven capability in its core activities, the Group is optimistic that the operating profits for year 2008 will be comparable to that of 2007.

Going forward, the Group will drive earnings growth through domestic and regional expansion of its core operations and capitalize on greater operating efficiencies from new mills and economies of scale in order to maintain its competitive edge in the global market.

DIRECTORATE

I wish to take this opportunity to congratulate Mr Tan Gee Sooi who has been appointed Managing Director of PPB Group with effect from 1 February 2008 as part of the Group's succession planning. Mr Tan joined our subsidiary, FFM Berhad, in 1970 after his graduation from the University of Malaya with a Bachelor of Engineering (Honours) degree in Electrical Engineering. He was appointed Managing Director of FFM in 2002 and a Director of PPB in 2004. Currently, he is the Executive Chairman of FFM and sits on the boards of various companies in which the Group has interest.

Mr Tan Yew Jin and Datuk Harun bin Din have decided not to seek re-election and re-appointment respectively at the forthcoming AGM. On behalf of the Board, I would like to record our sincere thanks and appreciation for their past services and contributions to the Group.

SPECIAL THANKS

The financial achievement for the year and continued success of the Group would not have been possible without the dedication and loyalty of the employees of the Group and to each of them I wish to express my heartfelt thanks. I would also like to thank my fellow Board colleagues for their continued support and contributions during the year. To our customers, business associates and last but not least our shareholders, on behalf of the Board of Directors, I wish to thank you for your unwavering support and confidence in the Group.

Datuk Oh Siew Nam
Chairman

7 April 2008

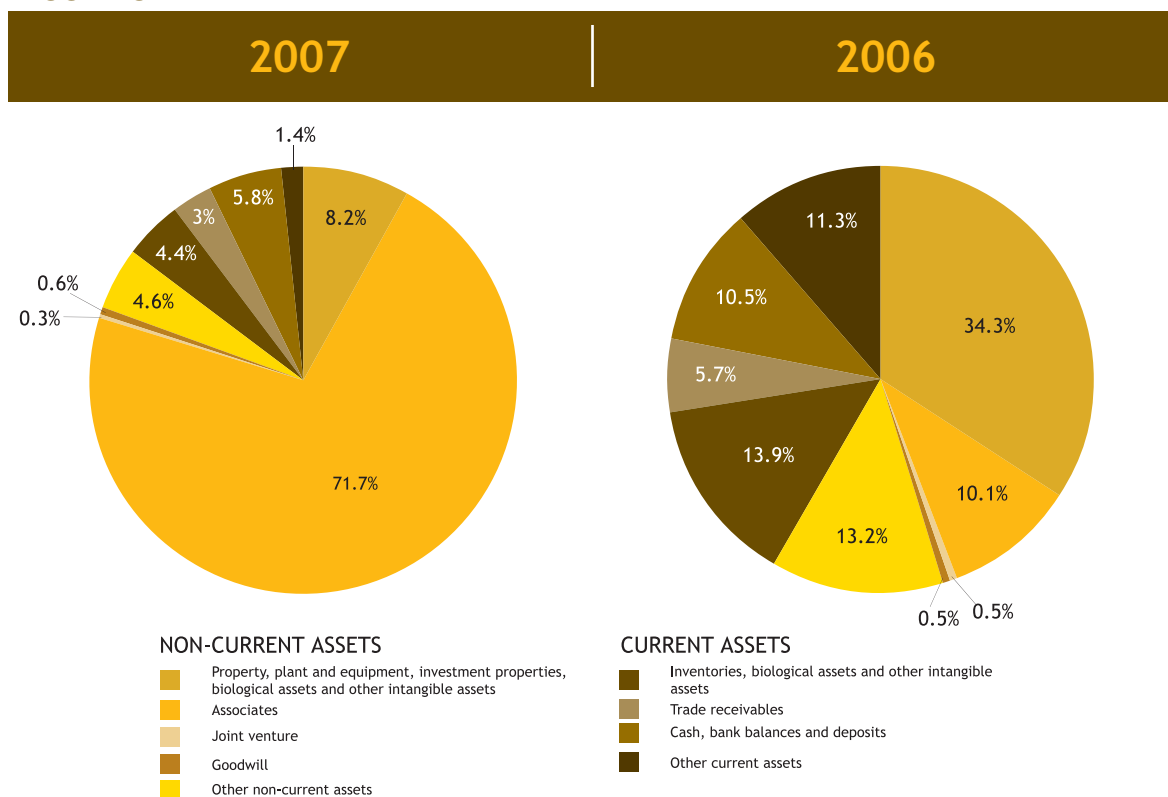
GROUP FINANCIAL HIGHLIGHTS

		2007 RM'Million	2006 RM'Million	Change %
INCOME STATEMENTS				
Revenue		6,154.430	11,519.767	-46.6
Profit before tax		763.477	840.065	-9.1
Profit for the year		7,002.512	694.250	>100
Profit attributable to shareholders of the Company		6,972.965	560.665	>100
BALANCE SHEETS				
Equity attributable to shareholders of the Company		11,429.765	4,644.684	>100
Total equity		11,567.053	5,531.325	>100
RATIOS				
Return on net assets attributable to shareholders of the Company	%	61.01	12.07	
Earnings per share	sen	588.19	47.29	>100
Interest coverage	times	55.56	26.68	>100
Current ratio	times	5.33	2.69	98.1
Total borrowings/Equity	%	0.49	12.49	
Long term borrowings/Equity	%	0.18	6.04	
Net assets per share attributable to shareholders of the Company	RM	9.64	3.92	>100
Operating cashflow per share	sen	15.14	24.53	-38.3
PE ratio	times	20.80*	11.52	80.6
Net dividend per share	sen	22.15	14.55	52.2
31st December closing price	RM	11.00	5.45	>100

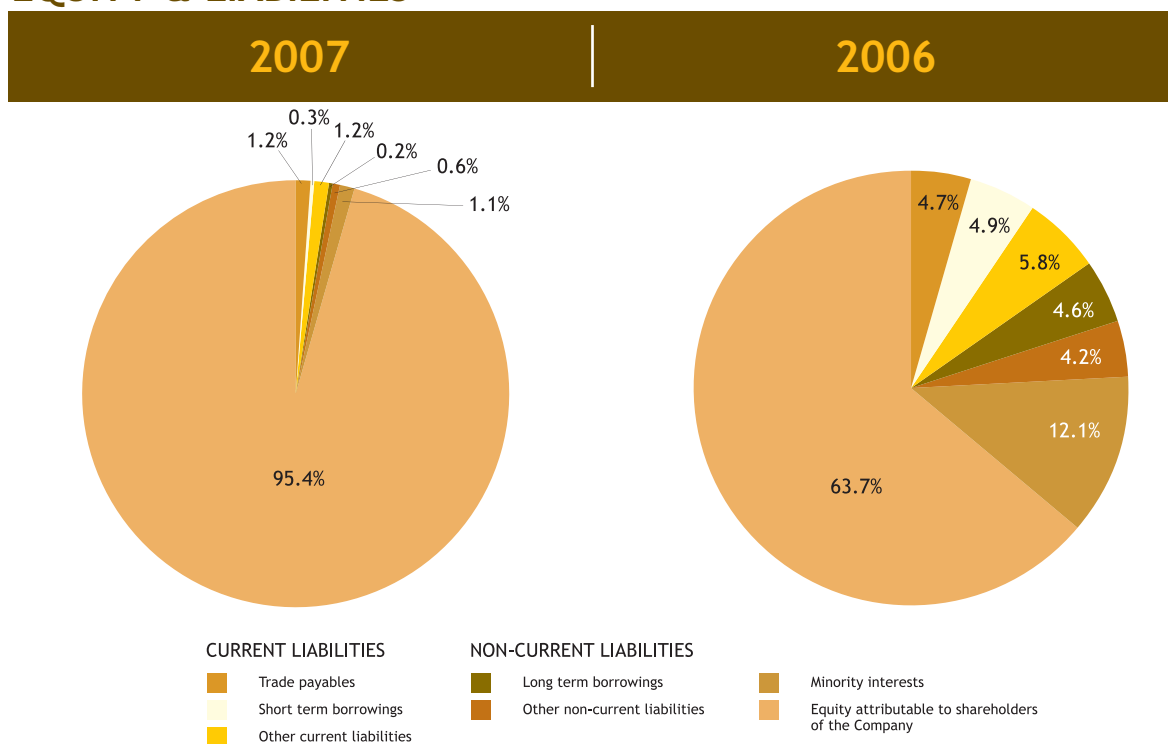
* Exclude the one-time gain from disposal of PPB Oil Palms Berhad, PGEO Group Sdn Bhd and Kuok Oils & Grains Pte Ltd amounting to RM6.346 billion.

SIMPLIFIED GROUP BALANCE SHEETS

ASSETS



EQUITY & LIABILITIES



DIRECTORS' PROFILES



Datuk Oh Siew Nam



Dato' Lim Chee Wah



Tan Gee Sooi

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

Age - 69

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 Group in 1968
- * Managing Director of FFM Berhad from 1982 to 2002 and Executive Chairman from 2002 to 2006
- * Board member of Bank Negara Malaysia since 1989
- * 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

DEPUTY CHAIRMAN

Non-Independent Executive Director

Date of Appointment

Director - 2 March 1988
Deputy Chairman - 1 July 2004

Age - 68

Qualifications and Experience

- * Bachelor of Arts (Honours) degree in Economics from the University of Malaya
- * Joined Malayan Sugar Manufacturing Company Berhad in 1965 and held several senior managerial positions before being appointed as Director in 1989 and Executive Chairman in 2000

Other Directorships in Public Companies

Jerneh Asia Berhad
Jerneh Insurance Berhad
Kuok Foundation Berhad
Malaysian Bulk Carriers Berhad
Malayan Sugar Manufacturing Company Berhad

MANAGING DIRECTOR

Non-Independent Executive Director

Date of Appointment

Director - 28 July 2004
Managing Director - 1 February 2008

Age - 63

Qualifications and Experience

- * Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Malaya
- * Held several senior managerial positions in the FFM Berhad Group and is presently the Executive Chairman of FFM Berhad

Other Directorships in Public Companies

FFM Berhad
Tradewinds (M) Berhad
Redtone International Berhad

DIRECTORS' PROFILES



Dato Sri Liang Kim Bang

Independent Non-Executive Director
Chairman of Audit and Remuneration Committees
Member of Nomination Committee

Date of Appointment

4 January 1995

Age - 71

Qualifications and Experience

- * Bachelor of Arts and Bachelor of Arts (Honours) degrees from the University of Malaya, Singapore
- * Post Graduate Course in Public Administration at Cambridge University, England
- * Sarawak State Civil Service (1961-1994). Held various senior positions including Permanent Secretary, Ministry of Communication and Works, Deputy State Financial Secretary and Chairman / Director / Member in several government statutory bodies and government linked companies. State Financial Secretary (1984-1994)

Other Directorships in Public Companies

Cahaya Mata Sarawak Berhad
CMS Trust Management Berhad
MISC Berhad
UBG Berhad (Formerly known as Utama Banking Group Berhad)



Ang Guan Seng

Non-Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit and Remuneration Committees

Date of Appointment

8 July 1998

Age - 69

Qualifications and Experience

- * Extensive experience and knowledge in commerce, industry, building as well as trading
- * Managing Director of Petaling Garden Berhad from 1963 to 2008

Other Directorships in Public Companies

Malayan United Industries Berhad



Tan Yew Jin

Non-Independent Non-Executive Director
Chairman of Risk Advisory Committee

Date of Appointment

12 May 2001

Age - 66

Qualifications and Experience

- * Member of Malaysian Institute of Accountants
- * Member of Malaysian Institute of Certified Public Accountants
- * Member of Certified Public Accountants, Australia
- * Fellow of the Institute of Certified Public Accountants, Singapore
- * Was actively involved in FFM Berhad Group operations and was Deputy Managing Director of FFM Berhad from 1998 to 2000
- * Executive Chairman of PPB Oil Palms Berhad from 2000 to 2004
- * Executive Director of PPB Group Berhad from 2004 to 2007

Other Directorships in Public Companies

Tradewinds (M) Berhad
Shangri-La Hotels (Malaysia) Berhad

DIRECTORS' PROFILES



**YM Raja Dato' Seri
Abdul Aziz bin Raja Salim**



Datuk Harun bin Din



**Datuk Rajasingam
a/l Mayilvaganam**

Independent Non-Executive Director
Member of Audit and Nomination
Committees

Date of Appointment
12 May 2003

Age - 69

Qualifications and Experience

- * Fellow of the Chartered Association of Certified Accountants, United Kingdom
- * Fellow of the Chartered Institute of Management Accountants, United Kingdom
- * Member of the Malaysian Institute of Accountants
- * Honorary Fellow of the Malaysian Institute of Taxation
- * Former Director-General of Inland Revenue, Malaysia
- * Former Accountant-General of Malaysia

Other Directorships in Public Companies

Amanah Saham Mara Berhad
Camerlin Group Berhad
Gamuda Berhad
Jerneh Asia Berhad
Jerneh Insurance Berhad
Kenanga Investment Bank Berhad
K&N Kenanga Holdings Berhad
Kenanga Unit Trust Berhad
Panasonic Manufacturing Malaysia Berhad
Southern Steel Berhad
Tasek Corporation Berhad

Independent Non-Executive Director
Member of Audit Committee

Date of Appointment
12 May 2005

Age - 73

Qualifications and Experience

- * Bachelor of Arts (Honours) degree from the University of Malaya, Singapore
- * Joined the Malaysian Civil Service as Assistant Secretary in the Prime Minister's Department in 1959 and held the position of Deputy Secretary-General before retiring in 1990
- * Former Secretary-General of the Ministry of Housing & Local Government
- * Former Secretary-General of the Ministry of National & Rural Development
- * Chairman of the Malaysian Election Commission from 1990 to 1999
- * Independent Non-Executive Director of FFM Berhad from 1999 to 2004
- * Former General Manager of Klang Port Authority

Other Directorships in Public Companies

Nil

Independent Non-Executive Director
Member of Audit Committee

Date of Appointment
16 May 2005

Age - 65

Qualifications and Experience

- * Fellow of the Chartered Institute of Logistics and Transport
- * Associate Member of the Institute of Industrial Engineers, Australia
- * Served the Lembaga Pelabuhan Klang for 33 years and was the General Manager prior to his retirement in November 1997
- * Independent Non-Executive Director of FFM Berhad from 1997 to 2004

Other Directorships in Public Companies

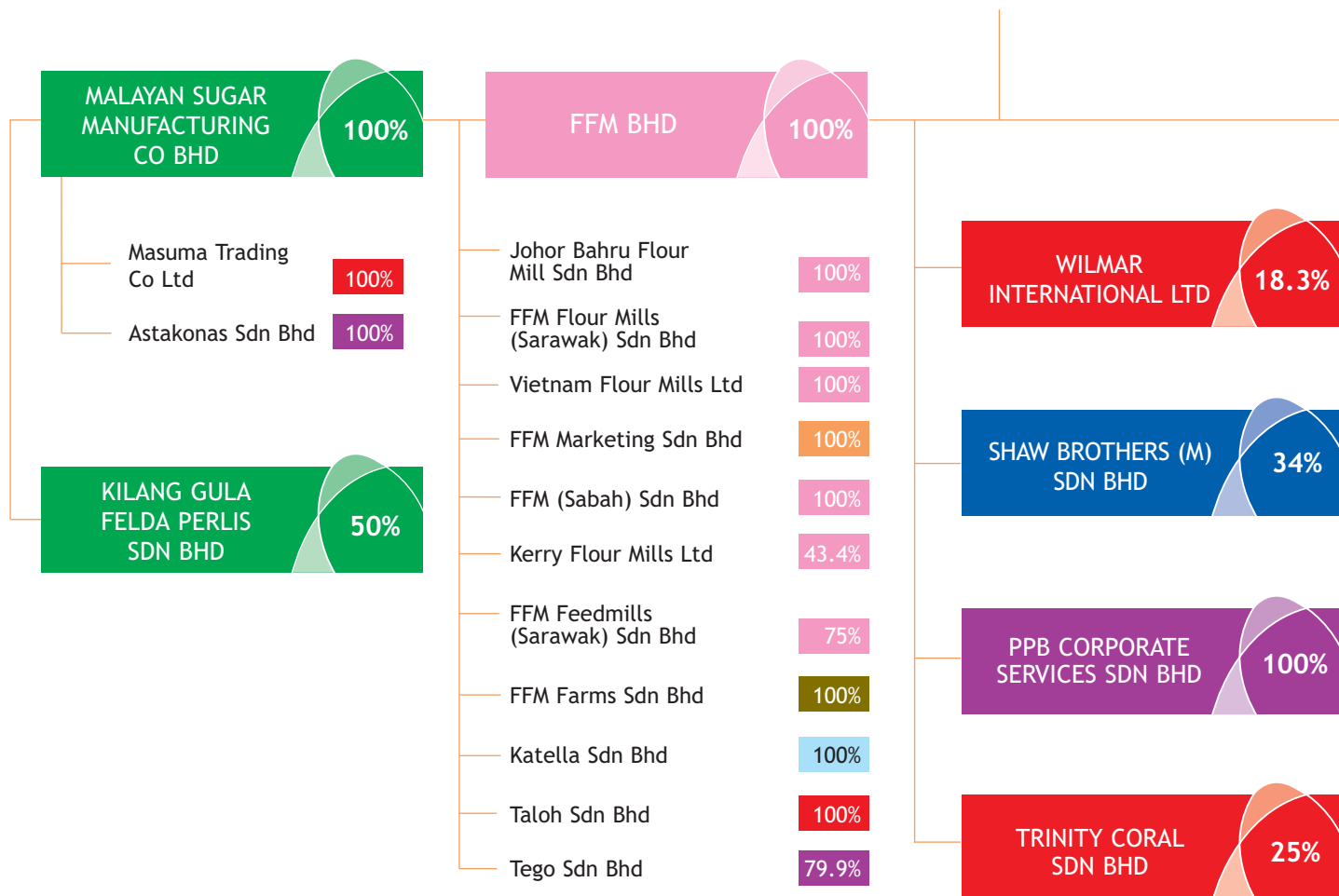
Nil

NOTES

1. All the Directors are Malaysians.
2. None of the Directors has any family relationship with any other Director or substantial shareholder of the Company, nor any conflict of interest with the Company except for Mr Ang Guan Seng, whose interests in transactions with the PPB Group are disclosed on pages 74 (Directors' Report), 40 and 41 (Additional Compliance Information) of this Annual Report.
3. None of the Directors had any convictions for offences within the past ten years.

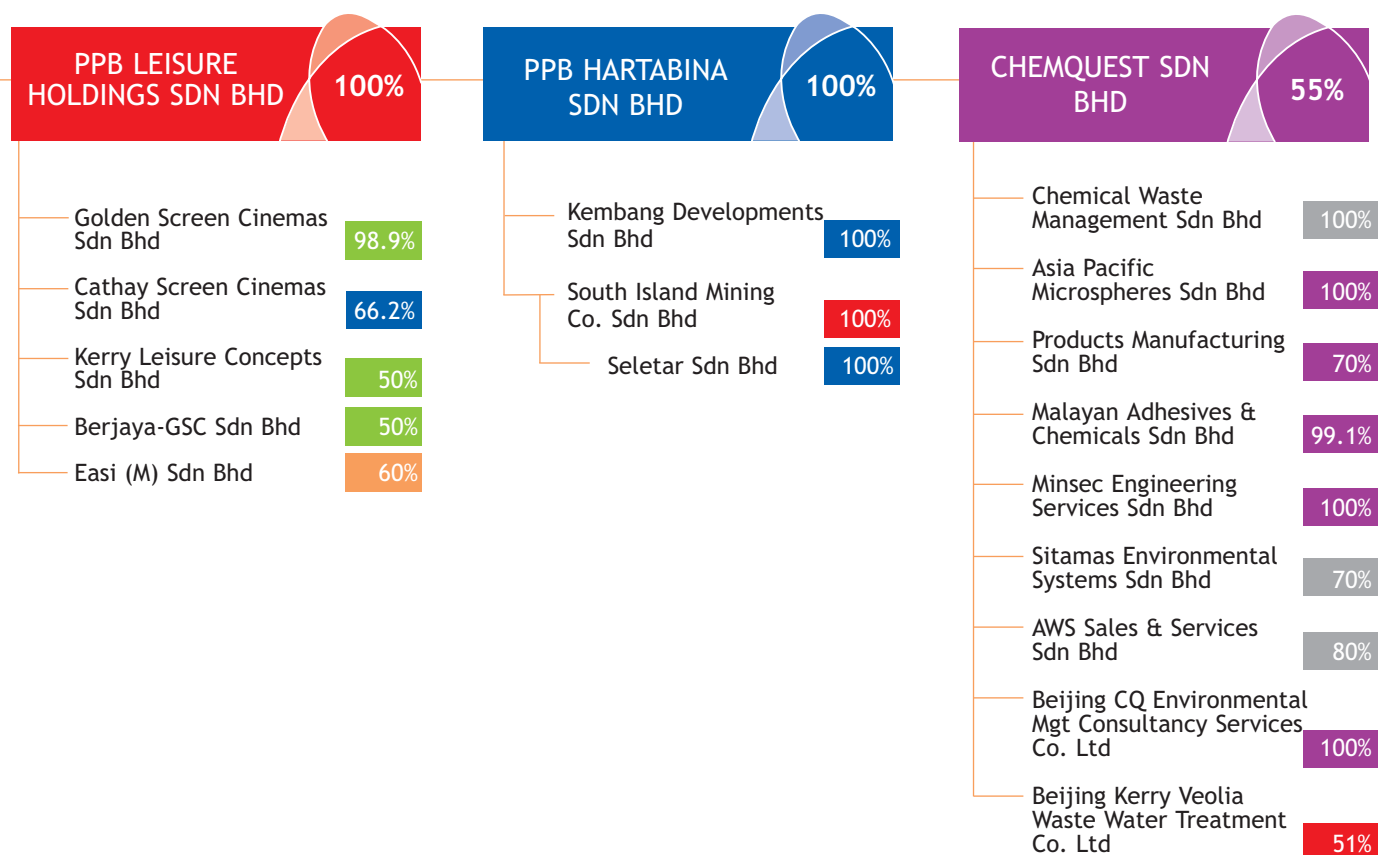
CORPORATE STRUCTURE

AS AT 31 MARCH 2008



CORPORATE STRUCTURE

AS AT 31 MARCH 2008



SUGAR	MANUFACTURING & SERVICES
GRAINS & FEED	INVESTMENT HOLDING
LIVESTOCK FARMING	SHIPPING
ENTERTAINMENT AND LEISURE	WASTE MANAGEMENT & UTILITIES
PROPERTY	OTHERS

This chart features the main operating companies and does not include dormant and inactive companies. Percentages shown indicate the Group's equity interest held.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Oh Siew Nam
Chairman

Dato' Lim Chee Wah
Deputy Chairman

Tan Gee Sooi
Managing Director

Dato Sri Liang Kim Bang
Independent Non-Executive Director

Ang Guan Seng
Non-Independent Non-Executive Director

Tan Yew Jin
Non-Independent Non-Executive Director

YM Raja Dato' Seri Abdul Aziz bin Raja Salim
Independent Non-Executive Director

Datuk Harun bin Din
Independent Non-Executive Director

Datuk Rajasingam a/l Mayilvaganam
Independent Non-Executive Director

AUDIT COMMITTEE

Dato Sri Liang Kim Bang
Chairman

Ang Guan Seng

YM Raja Dato' Seri Abdul Aziz bin Raja Salim

Datuk Harun bin Din

Datuk Rajasingam a/l Mayilvaganam

NOMINATION COMMITTEE

Ang Guan Seng
Chairman

Dato Sri Liang Kim Bang

YM Raja Dato' Seri Abdul Aziz bin Raja Salim

REMUNERATION COMMITTEE

Dato Sri Liang Kim Bang
Chairman

Datuk Oh Siew Nam

Ang Guan Seng

COMPANY SECRETARY

Tan Teong Boon

REGISTERED OFFICE

17th Floor Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21170888
Facsimile : 03-21170999
Website : www.ppbgroup.com

SOLICITORS

Kadir Andri & Partners
8th Floor Menara Safuan
80 Jalan Ampang
50450 Kuala Lumpur

Lee Hishammuddin Allen & Gledhill
Level 16 Menara Asia Life
189 Jalan Tun Razak
50400 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad
CIMB Bank Berhad
Citibank Berhad

AUDITORS

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

REGISTRARS

PPB Corporate Services Sdn Bhd
14th Floor Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21170888
Facsimile : 03-21170999

STOCK EXCHANGE LISTING

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

GROUP'S CORPORATE EVENTS IN 2007

25 JANUARY

Golden Screen Cinemas Sdn Bhd (GSC), a 98.9% subsidiary of PPB Group, opened its 8-screen multiplex at Queensbay Mall, Penang. GSC Queensbay Mall with a seating capacity of 1,500 is also wheelchair-accessible.

28 FEBRUARY

PPB Leisure Holdings Sdn Bhd, a wholly-owned subsidiary of PPB, completed the acquisition of 12,269,466 ordinary shares of RM1.00 each representing 40.2% equity interest in GSC from Golden Harvest Films Distribution Holding Ltd.

1 MARCH

A Press and Analyst Briefing was held to review the financial results for the year ended 31 December 2006 and other related matters.

12 APRIL

An Extraordinary General Meeting of PPB was held to approve the disposal of PPB Group's entire equity interests in PPB Oil Palms Berhad, PGEO Group Sdn Bhd and Kuok Oils and Grains Pte Ltd to Wilmar International Limited.

18 MAY

The 38th Annual General Meeting (AGM) of PPB was held to approve the audited financial statements for the year ended 31 December 2006 and other AGM matters.

16 AUGUST

A Directors' Continuing Education Programme (DCEP) training session was held and the topics comprised 21st Century Governance, Legal and Regulatory Challenges to the Malaysian Board; and 3D Public Relations.

28 AUGUST

A Press and Analyst Briefing was held to review the financial results for the six months ended 30 June 2007 and other matters.

4 OCTOBER

GSC opened its 8-screen multiplex at Sunway Carnival Mall in Seberang Jaya, Penang with a total seating capacity of 1,426 which caters to the mainland Penang market up to Kedah.

23 OCTOBER

PPB completed the disposal of its entire 55% equity interest in Ampang Leisuremall Sdn Bhd comprising 33,000,000 ordinary shares of RM1.00 each to Huatland Development Sdn Bhd for a total cash consideration of RM21.12 million.

5 NOVEMBER

PPB held a DCEP training covering topics on Audit Committee and Accounting Manipulation and Corporate Social Responsibility.



29 NOVEMBER

GSC's 13-screen multiplex at The Pavilion located in Jalan Bukit Bintang, Kuala Lumpur was opened. The 1,899 seater cinema offers a 38-seat Gold Class hall, THX certified halls and access ramps for the disabled.

5 DECEMBER

GSC launched its first boutique cinema under "GSC Signature" at The Gardens, Mid Valley. The 7-screen multiplex offers only Gold and Premiere Class halls which are fitted with full leather recliner seats with electronic controls and Paragon Milano twin seats respectively. This exclusive multiplex complete with three (3) F&B establishments caters especially to the expectations of today's affluent moviegoers.

FINANCIAL CALENDAR

FINANCIAL YEAR FROM 1 JANUARY 2007 TO 31 DECEMBER 2007

RESULTS

1st Quarter ended 31 March 2007	Announced on	30 May 2007
2nd Quarter ended 30 June 2007	Announced on	24 August 2007
3rd Quarter ended 30 September 2007	Announced on	29 November 2007
4th Quarter ended 31 December 2007	Announced on	29 February 2008

DIVIDENDS

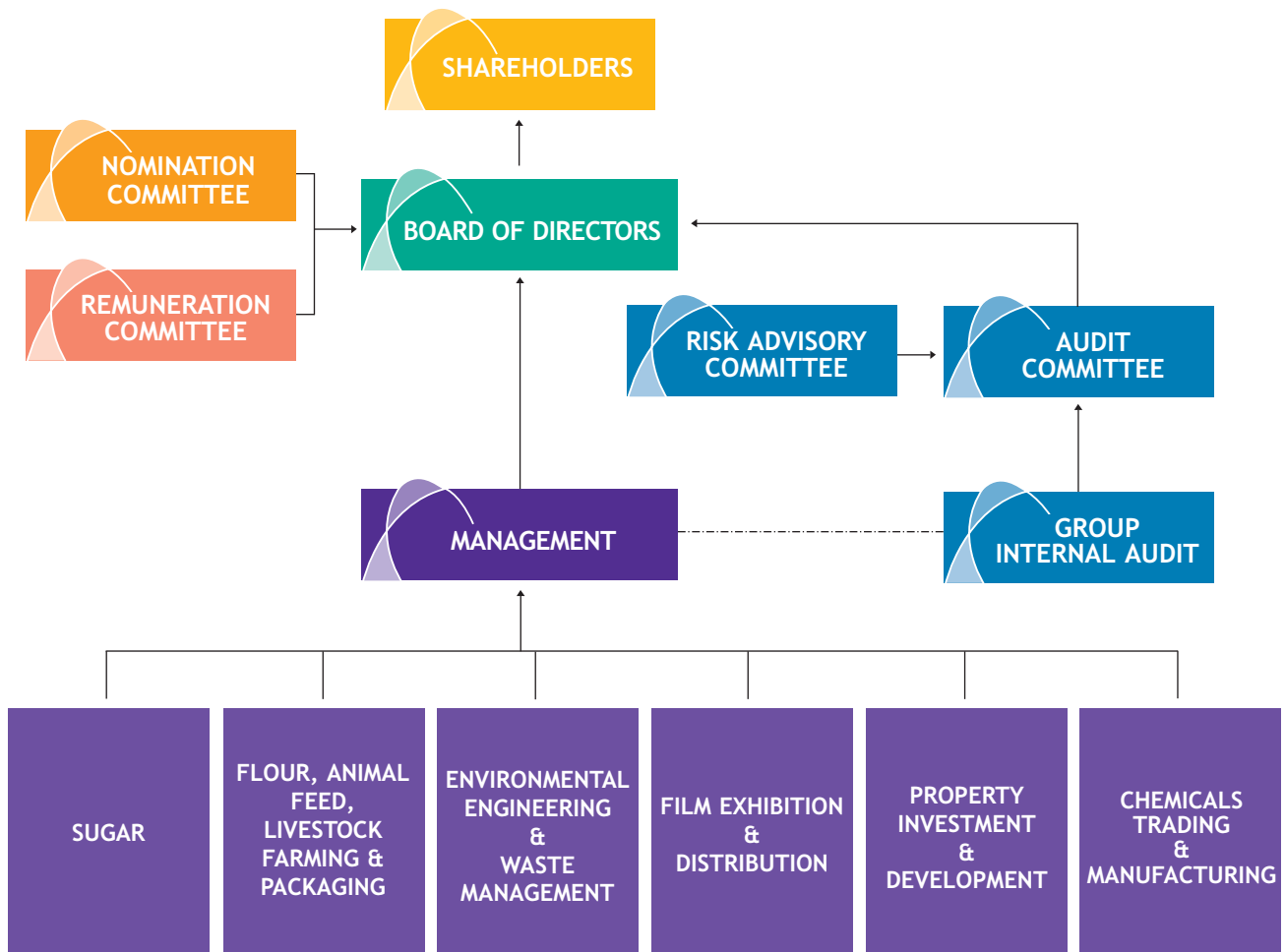
Interim Dividend of 5 sen less 27% income tax	Declared on	24 August 2007
	Entitlement Date on	13 September 2007
	Paid on	28 September 2007
Proposed Final Dividend of 25 sen less 26% income tax	Announced on	29 February 2008
	Entitlement Date on	22 May 2008
	Payable on	6 June 2008

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of PPB Group Berhad continues to be committed in 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 governance and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance (“the Code”) throughout the financial year.

CORPORATE GOVERNANCE STRUCTURE



BOARD OF DIRECTORS

BOARD RESPONSIBILITY

The Board is fully responsible for the effective control of PPB Group. This includes responsibility for determining the Group's strategic direction, financial performance, allocation of resources, principal risks and implementing appropriate steps to manage these risks, investor relations programme and ensuring the systems of internal control are in place and are effective.

The Board has delegated specific responsibilities to four committees, namely, the Audit, Nomination, Remuneration and Risk Advisory Committees, which operate within approved terms of reference. These Committees have the authority to examine particular issues and report to the Board with their 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 all proposals by management are fully deliberated by all directors, executive and non-executive alike, as well as examined taking into account the interests of shareholders and other stakeholders and the communities in which the Group conducts its businesses. The Managing Director is responsible for overseeing the operations and development of the businesses 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.

COMPOSITION OF THE BOARD

The Board has nine Directors comprising three Executive Directors and six non-executive Directors, of whom four are independent. The number of independent directors is in compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") which requires one third of the Board to comprise independent directors.

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 profile of each director is presented on pages 17 to 19 of this Annual Report.

The Board has appointed Dato' Sri Liang Kim Bang as the Senior Independent Non-executive Director of the Board to whom concerns of the Group may be conveyed.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.



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 2007, the Board met five times and the record of the attendance of each Director is set out below:-

Name of Director	Attendance	% of Attendance
Datuk Oh Siew Nam	5	100
Dato' Lim Chee Wah	5	100
Tan Gee Sooi	5	100
Dato Sri Liang Kim Bang	5	100
Ang Guan Seng	5	100
Tan Yew Jin	5	100
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	5	100
Datuk Harun bin Din	5	100
Datuk Rajasingam a/l Mayilvaganam	5	100

SUPPLY OF INFORMATION

The Chairman plays a key role to ensure that all Directors have full and timely access to information. All 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, the directors are briefed on the Group's activities and operations by the CEOs of the principal subsidiaries.

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

In addition, 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, acquisitions and disposals of assets that are material to the Group, major investments and capital expenditures. This schedule ensures that the governance of the Group is in its hands.

APPOINTMENTS TO THE BOARD

The Nomination Committee comprises three non-executive Directors and they are Ang Guan Seng (Chairman), Dato Sri Liang Kim Bang and YM Raja Dato' Seri Abdul Aziz bin Raja Salim.

The Committee assists the Board in the following:-

- Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board.
- Regularly 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.

CORPORATE GOVERNANCE STATEMENT

Decisions on appointments are made by the Board after considering recommendations by the Committee. During the financial year ended 31 December 2007, the Nomination Committee had two (2) meetings which were attended by all members.

DIRECTORS' TRAINING

There is a familiarization 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.

All the Directors have attended the Continuous Education Programmes ("CEP") as required by Bursa Securities to keep abreast with relevant new regulatory developments on a continuous basis. In addition, in-house Directors' CEP training sessions in the form of seminars were held during the financial year ended 31 December 2007, as follows :-

Seminar Topics	No. of Hours Spent
21st Century Governance, Legal & Regulatory Challenges to the Malaysian Board	3
3D Public Relations	2
Audit Committee and Accounting Manipulation	3
Corporate Social Responsibility	2

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 first opportunity after their appointment. The Articles also provide that at least one third of the Board including the Managing Director is subject to re-election annually and each Director shall stand for re-election at least once every three years.

DIRECTORS' REMUNERATION

i. Remuneration Policy

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the Group successfully. In the case of Executive Directors, the remuneration is structured to link rewards to corporate and individual performance. As for the non-executive Directors, the level of remuneration reflects the experience and level of responsibility undertaken by the non-executive Director.

ii. Remuneration Procedure

The Remuneration Committee comprising mainly non-executive Directors, recommends to the Board the remuneration of the Executive Directors and it is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. The members of this Committee are Dato Sri Liang Kim Bang (Chairman), Datuk Oh Siew Nam and Ang Guan Seng.

The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole subject to approval of shareholders at the Annual General Meeting ("AGM"). The directors are not involved in the approval of their own remuneration package. During the financial year ended 31 December 2007, the Remuneration Committee had two (2) meetings which were attended by all members.

iii. Remuneration Package

The details of the remuneration of Directors on Group basis for the financial year ended 31 December 2007 are as follows :-

Non-executive All figures in RM'000	Executive Directors	Directors
Salary	2,460	780
Fees	-	328
Attendance Fee	1,002	39
Bonus	6,200	2,300
Benefits-in-kind	51	32
Employer Provident Fund	1,293	409
Total	11,006	3,888

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

	Executive Directors	Non-executive Directors
RM50,001 - RM100,000	-	5
RM1,800,001 - RM1,850,000	1	-
RM2,850,001 - RM2,900,000	1	-
RM3,650,001 - RM3,700,000	-	1
RM6,300,001 - RM6,350,000	1	-
Total	3	6

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

On 29 November 2007, the Board adopted an Investor Relations Policy which provides a framework for the Board, Management and relevant staff to communicate effectively with PPB shareholders, investors, other stakeholders and the public.

The Policy deals with the following :-

- Basic Communication Principles - clarity and reliability of information, its openness, timeliness and consistency;
- Responsible Parties - those who have custody of the various elements of the policy and who are responsible for implementation;
- Authorised Spokespersons - those who may speak for the company and specific areas of responsibility for communication;
- Confidential Information - expressing the need to obtain appropriate undertakings from third parties to whom confidential information is given;
- Publication Procedures - covering press releases, announcements, Annual Reports, e-reports, websites and those responsible;
- Events - events and presentations involving investors, analysts and the media, their conduct, the support materials and those responsible including general meetings of shareholders, one-on-one meetings with the investment community and media interviews; and
- Others - including outlook and profit warnings, dealing with information leaks, crisis procedures and insider dealings in PPB shares.

INVESTOR RELATIONS

INVESTOR RELATIONS PROGRAMME

The Company has an active Investor Relations programme directed to both individual and institutional investors. The Company's Investor Relations mission is to maintain an ongoing awareness of the Company's performance among its shareholders, media and the investment community. The Company's Investor Relations programme focuses on transparency of disclosure and the timely dissemination of information.

i. Sources of Information

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

- Our 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 like a newsletter are sent to registered shareholders and the investment community. The Investor Update contains financial results, update of the Group's operations as well as significant events during the quarter under review.
- The Investor Handbook published annually provides shareholders and the investment community an overview of the Group's operations and serves as a convenient reference guide.
- News releases which announce financial performance and important events relating to the Group via the local media and the corporate website.
- The Company's corporate website, www.ppbgroup.com contains a separate section for our shareholders or potential investors under "Investors Relations" where they can request for information or provide feedback to the Company. Information on the Group, its businesses, financial data, annual reports and Investor Updates can be easily downloaded from the website.

ii. Direct Meetings

PPB Group's policy is to maintain an active dialogue with its shareholders with the objective of giving shareholders a clear and complete picture of the Company's performance. This is provided at the Company's annual general meetings where shareholders can express their views or raise questions in relation to the Company'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 to provide consistent dialogues between the Company's senior management and the investment community. Biannual press conferences are also held after the final and half-yearly results are released to the Bursa Securities. On these occasions, the Chairman together with the Managing Director of PPB and CEOs of the principal subsidiaries are present to address any questions on the Group's businesses.

At other times, the Company makes every attempt to meet all requests for meetings or information by the investment community.

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

iii. Queries and Feedback

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

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

1. Dato Sri Liang Kim Bang, Senior Independent Non-executive Director

Telephone number : 03-21170888

Facsimile number : 03-21170999

2. Koh Mei Lee, Senior Manager (Corporate Affairs)

Telephone number : 03-21170800

Facsimile number : 03-21170998

E-mail address : corporateaffairs@ppb.com.my

ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors are committed to present a balanced and fair assessment of PPB Group's position and prospects. The Audit Committee assists in reviewing the information disclosed to ensure accuracy and adequacy.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 66 of this Annual Report.

RELATIONSHIP WITH AUDITORS

The Board maintains a formal and transparent professional relationship with the auditors through the Audit Committee. The Audit Committee meets with the external auditors without the presence of the management at least once a year.

A report of the Audit Committee is set out on pages 32 to 34 of this Annual Report.

INTERNAL CONTROL

The Statement on Internal Control set out on pages 35 and 36 of this Annual Report provides an overview of the Statement on Internal Control within PPB Group.

Datuk Oh Siew Nam
Chairman

Dato Sri Liang Kim Bang
Independent Non-Executive Director

Kuala Lumpur
7 April 2008



AUDIT COMMITTEE REPORT

COMPOSITION

The members of the Audit Committee (AC) during the financial year ended 31 December 2007 comprised the following directors :-

Name of Director	Membership	Directorship
Dato Sri Liang Kim Bang	Chairman	Independent Non-Executive
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	Member	Independent Non-Executive
Ang Guan Seng	Member	Non-Independent Non-Executive
Datuk Harun bin Din	Member	Independent Non-Executive
Datuk Rajasingam a/l Mayilvaganam	Member	Independent Non-Executive

TERMS OF REFERENCE

The Terms of Reference of the AC are set out below :-

Authority

The Audit Committee shall :-

- (1) have authority to investigate any matters within its terms of reference;
- (2) have the resources which are required to perform its duties;
- (3) have full and unrestricted access to any information pertaining to the Company;
- (4) have direct communication channels with the external and internal auditors;
- (5) be able to obtain independent professional or other advice; and
- (6) be able to convene meetings with the external auditors, the internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Duties

The duties of the Audit Committee are to :-

- (1) review the following and report the same to the Board of Directors of the Company :-
 - a. with the external auditors, the audit plan;
 - b. with the external auditors, their evaluation of the system of internal control;
 - c. with the external auditors, their audit report;
 - d. the assistance given by the employees of the Company to the external auditors;
 - e. the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - f. the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - g. the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on :-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - h. any related party transactions 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;
 - i. any letter of resignation from the external auditors of the Company; and
 - j. whether there is reason (supported by grounds) 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) consider the external auditors' fee and any questions of dismissal;
- (4) discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management where necessary);
- (5) review the external auditors' management letter and management's response;
- (6) review any appraisal or assessment of the performance of members of the internal audit function;
- (7) approve any appointment or termination of senior staff member of the internal audit function;
- (8) take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
- (9) consider other topics as defined by the Board.

MEETINGS OF AUDIT COMMITTEE

The number of meetings of the AC held during the financial year ended 31 December 2007 and details of attendance of each committee member are as follows :-

Name of Director	No. of Audit Committee Meetings	
	Held	Attended
Dato Sri Liang Kim Bang	4	4
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	4	4
Ang Guan Seng	4	4
Datuk Harun bin Din	4	4
Datuk Rajasingam a/l Mayilvaganam	4	4

AUDIT COMMITTEE TRAINING

The details of the training programmes attended by all members of the AC for the financial year ended 31 December 2007 are as follows :-

Topics

- 21st Century Governance, Legal and Regulatory Challenges to the Malaysian Board
- 3D Public Relations
- Audit Committee and Accounting Manipulation
- Corporate Social Responsibility

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 December 2007, the AC performed the duties specified in its Terms of Reference. In performing its duties, the AC inter-alia :-

1. reviewed with Moores Rowland 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, approve their audit plan, scope and audit approach including assessing their performance 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 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. recommended the nomination of Moores Rowland for re-appointment as external auditors; and
8. considered the increase in Moores Rowland's audit fee.

INTERNAL AUDIT FUNCTION

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

ACTIVITIES OF THE INTERNAL AUDIT DEPARTMENT

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

During the financial year ended 31 December 2007, PPBIAD reviewed the adequacy and integrity of the Group's system of internal control covering both financial as well as non-financial controls. In addition, 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.

Dato Sri Liang Kim Bang
Chairman
(Independent Non-Executive Director)

7 April 2008

STATEMENT ON INTERNAL CONTROL

The Board acknowledges its responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard shareholders' investment and the Group's assets. There is an on-going review process by the Board to ensure the adequacy and integrity of the system. 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 key elements of the Group's system of internal control are summarized 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 its 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 continually reviewed by the Audit Committee for its adequacy and effectiveness and reported accordingly to the Board.

The key features in the Group's risk management framework are :-

- A formal risk policy and guideline 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 have 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 the desired level;
- 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 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.

STATEMENT ON INTERNAL CONTROL

3. Control activities

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

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

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 2 above. A control-self-assessment system is also in place for management to monitor those critical and routine risk areas under their jurisdiction using an internal control checklist.

The effectiveness of the Group's risk management, internal control and governance processes is monitored by the Audit Committee, which receives regular reports from the internal auditors. Formal procedures are in place for correction of weaknesses identified in these reports.

There were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year.

The Group's system of 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.

7 April 2008

CORPORATE SOCIAL RESPONSIBILITY STATEMENT



CORPORATE SOCIAL RESPONSIBILITY (CSR) 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 MORE STRATEGIC APPROACH, AND IT HELPS US MANAGE AND CREATE WORTH FOR OUR COMPANY.

The sustainability and long-term success of PPB Group depends on our ability to gain access to new resources and the strength of relationships developed 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 improvement in our operations through cutting edge technology and minimizing harm to the environment for example, also contributes to our Company's competitiveness in the marketplace.

COMMITMENT

- We are committed to pursue and practice CSR by ensuring that our operations and business practices are managed responsibly and efficiently with the highest standards of transparency, accountability and integrity in increasingly complex environments.
- 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 from within wherever possible.
- We provide a safe workplace and recognize the importance for our workforce to feel proud and inspired to work for the Group, and thus we strive to improve their quality of life.

- We believe that it is our duty to contribute and engage with the communities in which we belong and society at large. Through our educational initiatives and community projects, we hope to develop relationships with and enhance the quality of life of these communities.
- We are conscious that the planet belongs not to us, but to future generations, and hence we make every effort to ensure that our operations and services are in accordance with appropriate industry standards and best practices, thus minimizing harm to the environment.

HIGHLIGHTS OF 2007 CSR ACTIVITIES

- **FOR THE COMMUNITY**

Improving education especially for the underprivileged is a major focus of the Group's community activities as education is the key for them to secure a better future. With this in mind, the Group provided financial assistance to schools and local universities to upgrade their facilities and for their research initiatives. Equally important is to instill in children the love for reading as it fosters lifelong learning and creative thinking. PPB continued with its "Cultivating the Love for Reading" project for the second year and besides donating English storybooks to primary schools, English Language quizzes and essay writing competitions were organized for these schools. Through this project, PPB also encourages the younger children to learn and improve their command of the English Language which PPB believes is vital as a foundation for higher learning and future career development. In addition, PPB provided free newspapers to all schools in Perlis to encourage reading by children in schools.

PPB Group also provided financial assistance and periodically contributed its products to charity homes. Various essential products were given to Johor flood victims to help restart their lives after the flood disaster. During Malaysia's 50th Merdeka celebrations, PPB organized a series of events with senior citizens and orphans including a visit to FFM Berhad's flour mill complex. In December 2007, a visit to the Forest Research Institute Malaysia (FRIM) was organized for its employees and underprivileged children to encourage our youngsters to love and protect nature.

To encourage sports activities, PPB Group organized a Judo competition for primary, secondary and international school students in December 2007. Financial assistance was also given to sports associations to support and encourage talented young athletes to persevere in their determination, hard work and dedication to their chosen sports.

PPB Group jointly organized various film festivals, such as the Japanese Film Festival, European Union Film Festival, French Film Festival and others to expose and increase the public's awareness of the arts and cultures of other countries. In addition, free quarterly movie screenings are organized for senior citizens at GSC cinemas to show appreciation and encourage senior citizens to maintain an active and varied lifestyle.

- **FOR THE WORKPLACE**

PPB Group employs about 4,000 people and to ensure that the Group is a rewarding and supportive place to work in, PPB sends employees to various continuing training programmes and English Language workshops to enhance personal and professional development. During the year, seminars on eye care and fitness were conducted to encourage employees to take better care of their health and well-being. Sports activities within and outside the workplace were organized to promote healthier living. PPB Group also encourages more interaction amongst employees and organized company trips and dinners during the year.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT



- **FOR THE ENVIRONMENT**

PPB Group strives to ensure that its operations produce as little environmental impact as is consistent with its business needs. PPB Group is focused on optimizing recycling and reducing energy use in its operations. The Group's sugar refining operations converted its steam boiler fuel from medium fuel oil to gas and installed a water treatment plant to recycle effluent back to process. PPB Group encourages its staff to reduce paper usage and reuse waste plastic materials as well as adopting a paperless system for selected documentation.

- **FOR THE MARKETPLACE**

PPB recognizes the need to keep stakeholders abreast of the Company's activities and hence publishes quarterly Investor Updates and an annual Investor Handbook to enable investors to have a better understanding and assessment of the future and direction of the Group. PPB's corporate website provides easy access to information on the Group's financials and operations with a separate "Investor Relations" section for shareholders and market's feedback and queries.

The cinema operations are committed to provide disabled friendly facilities in all its new cinemas. The flour operations worked with the Ministry of Education to train domestic science teachers on the latest baking techniques and new products as well as train parties interested in setting up baking businesses. All of PPB Group's operations encourages active consideration of customers' feedback and suggestions.

7 April 2008

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Bursa Malaysia Securities Berhad Listing Requirements, the following additional information is provided :-

1. Non-audit Fees

The amount of non-audit fees paid to the external auditors of PPB and its subsidiaries ("PPB Group") for the financial year ended 31 December 2007 were as follows :-

Name of Auditor	Fees (RM)	Purpose
Moore Rowland	118,245	Tax advisory services and accounting services
KPMG Corporate Advisory Sdn Bhd	78,750	Advisory services for a corporate exercise
KPMG Tax Services	22,732	Tax advisory services
Ernst & Young Tax Consultants	24,100	Tax advisory services
Chin & Co.	500	Tax advisory services
Khin Su Htay & Associates	4,111	Secretarial services

2. Material Contracts

There was no material contract entered into by PPB Group involving its Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2007 or entered into since the end of the previous financial year.

3. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The RRPTs entered into by PPB Group during the financial year ended 31 December 2007 were as follows :-

RELATED PARTIES

The related parties are as follows :-

- (a) Kuok Brothers Sdn Berhad ("KB"), a major shareholder of PPB with direct interest of 41.28% and indirect interest of 0.19%, 0.12%, 0.08% and 0.004% held through Gaintique Sdn Bhd, Jerneh Insurance Berhad, Min Tien & Co. Sdn Bhd and Hoe Sen (Mersing) Sdn Bhd respectively; and
- (b) Mr Ang Guan Seng ("AGS"), a Director of PPB, has indirect interest of 3.51% held through Nai Seng Sdn Bhd, Ang Toon Chew & Sons (M) Sdn Bhd, his spouse and children in PPB.

ADDITIONAL COMPLIANCE INFORMATION

Nature of Transactions Undertaken by PPB and/or its Subsidiary Companies	Transacting Party	Year 2007 Actual RM'000	Interested Related Party
PURCHASE OF RAW SUGAR			
• Malayan Sugar Manufacturing Co. Bhd (“MSM”)	• Kerry Group Limited (“KGL”), its subsidiaries and associated companies (“KGL Group”)	496,919	KGL
SALE AND PURCHASE OF EDIBLE OILS/GRAINS			
• PGEO Group S/B & its subsidiary companies*	• Kuok Oils & Grains Pte Ltd & its subsidiary companies	2,762,536	KGL & Kerry Holdings Limited (“KHL”)
SALE OF REFINED SUGAR			
• MSM	• Hoe Sen (Mersing) S/B	15,386	KB
• MSM	• Min Tien & Co. S/B (“MTSB”)	39,946	KB
• MSM	• KGL Group	81,980	KGL
SALE AND PURCHASE OF CHEMICALS			
• Chemquest S/B and its subsidiary companies	• Malayan Adhesives & Chemicals S/B	44,520	KB
PURCHASE OF CORN/SOYA BEAN MEAL			
• FFM Berhad and its subsidiary companies (“FFM Group”)	• Ban Seng Guan S/B	Nil	AGS
• FFM Group	• Hoe Seng Chan S/B	101,172	AGS
PURCHASE OF CRUDE PALM OIL			
• PGEO Edible Oils S/B*	• Perusahaan Minyak Sawit Bintang S/B	20,579	AGS
PURCHASE OF CRUDE PALM OIL AND/OR PALM KERNEL			
• Sandakan Edible Oils S/B*, Bintulu Edible Oils S/B*, FFM (Sabah) S/B	• PPB Oil Palms Berhad (“PPBOP”) and its subsidiary companies	189,678	KB

* PPB completed the disposal of its subsidiaries, PPBOP and PGEO Group Sdn Bhd to Wilmar International Limited on 24 April 2007 and 8 May 2007 respectively.



2.THE BUSINESS

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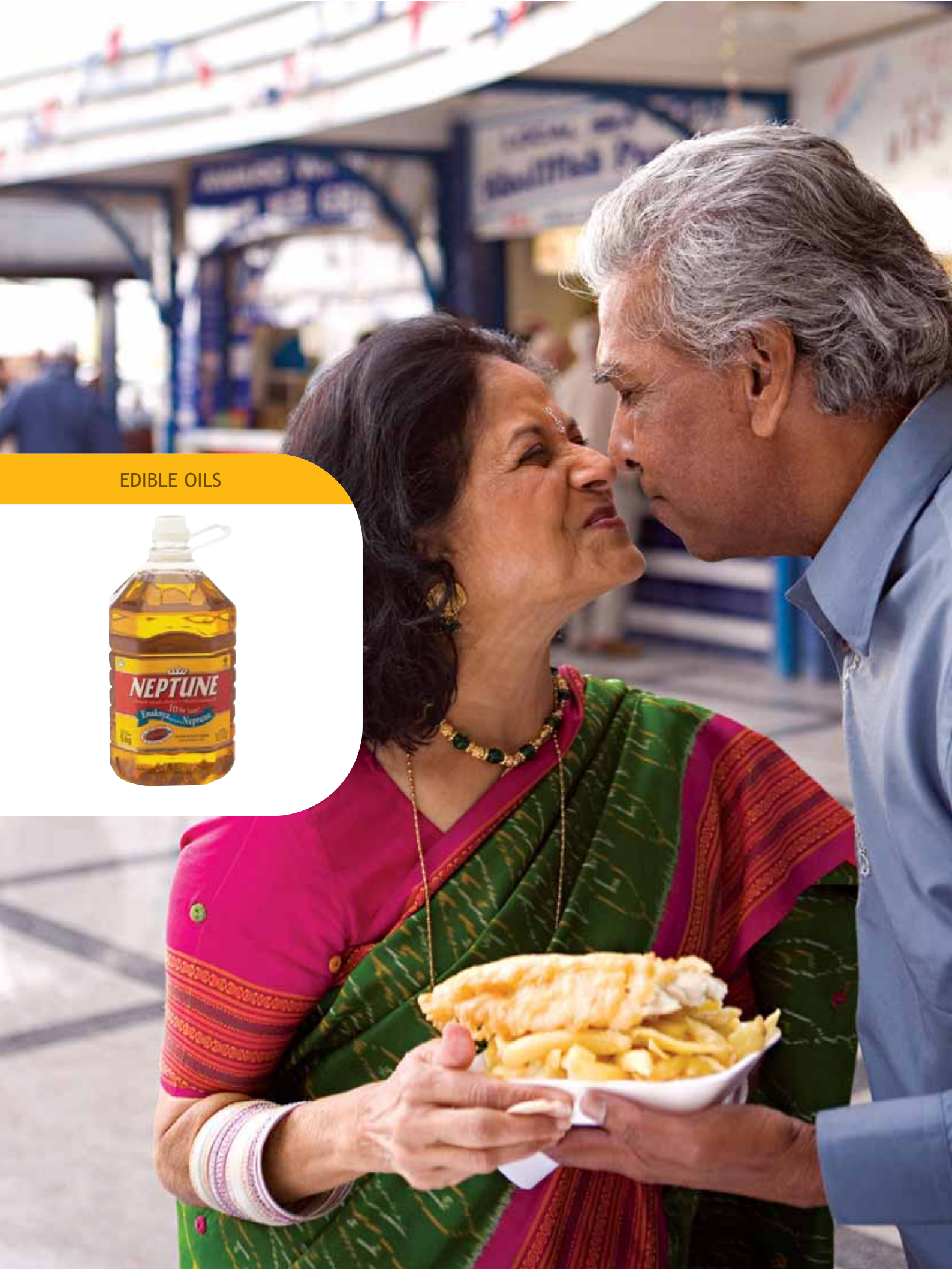
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EDIBLE OILS





SUGAR REFINING AND CANE PLANTATION



MSM

Sugar Refining and Cane Plantation

The Group's sugar refining operations are undertaken by its wholly-owned subsidiary, **Malayan Sugar Manufacturing Company Berhad (MSM)** and 50% associate, Kilang Gula Felda Perlis Sdn Bhd (KGFP).

MSM's sugar refinery at Prai, Penang, Province Wellesley started operations in 1964 and is the country's largest sugar refinery with a melting capacity of 2,500 tonnes of raw sugar per day. The refinery produces various types of sugar for industrial and household consumers. Its customers consist of major food and beverage manufacturers, confectionaries, hotels, restaurants, food outlets and household consumers.

At present, both MSM and KGFP produce more than 850,000 mt of refined sugar per annum and supply about 60% of the domestic sugar requirements.

REVIEW OF OPERATIONS

The sugar operations achieved a higher profit of RM131.8 million in 2007 (2006: RM84.6 million) due to lower raw material prices and favourable refining margins with the increase in production for export market.

In January 2007, MSM completed its melting capacity expansion which increased refined sugar production capacity to 800,000-mt per annum.

Making the most of its increased capacity, MSM's domestic sales volume grew by 7% whilst exports rose 126% from 91,772 mt to 207,665 mt with more sales to Indonesia, Singapore and Korea.

	SALES VOLUME	
	2007	2006
Domestic (mt)	571,021	534,178
Export (mt)	207,665	91,772
Total (mt)	778,686	625,950
Domestic (%)	73	85
Export (%)	27	15

LOOKING AHEAD

For 2008, MSM plans to invest RM103.7 million to further improve melting capacity, sugar storage capacity and factory operations.

Barring unforeseen circumstances, MSM's sugar refining operations expect to perform satisfactorily in 2008.



GRAINS TRADING, FLOUR AND FEED MILLING



FFM

Grains Trading, Flour and Feed Milling

PPB Group's grains trading, flour and feed milling activities are held under **FFM Berhad (FFM)**, a wholly-owned subsidiary of PPB.

FFM Group is one of the largest flour millers in Malaysia supplying more than 40% of the country's wheat flour requirements. FFM's milling complexes are strategically located in Pasir Gudang, Johor Bahru; Pulau Indah, Port Klang; Kuching, Sarawak; and Vietnam with a total milling capacity of 2,350 mt per day. Kerry Flour Mills Ltd, a 43.4% associate of FFM, operates a 400-mt per day flour mill in Thailand.

FFM also operates five feed mills in Peninsular and East Malaysia with a total milling capacity of 135 mt per hour and is one of the biggest feed millers in Malaysia.

REVIEW OF OPERATIONS

The Group's grains trading, flour and feed milling division performed satisfactorily with operating profits of RM126.1 million for year 2007 (2006: RM109.6 million) against revenue of RM1.042 billion (2006: RM939.3 million) due to improved selling prices of specialty flour and feed products.

During the year under review, JBFM Flour Mill Sdn Bhd, a wholly-owned subsidiary of FFM, started construction of a new wheat flour mill in Prai, Penang which is scheduled to be completed by the 4th quarter of 2008. The mill, with a wheat milling capacity of 360 mt per day, will increase FFM's market share and provide better services to its customers in the northern region.

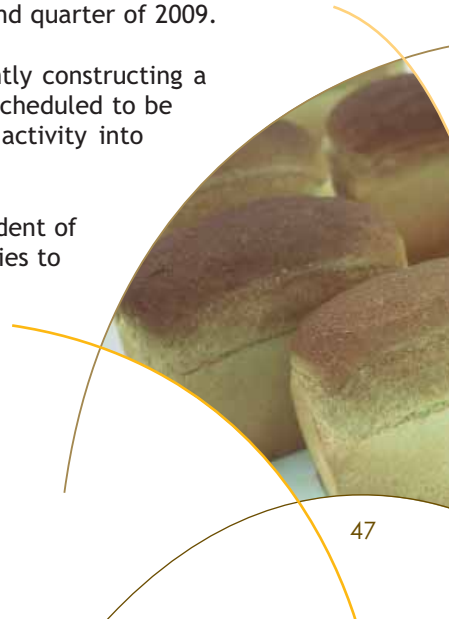
A grains processing plant was constructed in Pulau Indah early-2007 to process dahl and graded soybeans. The plant is expected to be operational by the 2nd quarter of 2008.

LOOKING AHEAD

As part of its expansion plans, FFM's wholly-owned subsidiary, FFM (Sabah) Sdn Bhd will be constructing a wheat flour mill in Kota Kinabalu in the 2nd quarter of 2008. The flour mill, with a wheat milling capacity of 220 mt per day is expected to be completed in the 2nd quarter of 2009.

In addition, PT Pundi Kencana in which FFM Group has 51% interest, is currently constructing a 1,000-mt per day wheat flour mill in Cilegon, Java, Indonesia. The flour mill, scheduled to be completed by early 2009, will enable FFM Group to expand its flour milling activity into Indonesia.

Although raw material prices are expected to remain high in 2008, FFM is confident of maintaining its market share. FFM will also continue to explore new opportunities to expand its flour and feed businesses locally and overseas.





LIVESTOCK FARMING



FFM FARMS

Livestock Farming

FFM Farms Sdn Bhd, a wholly-owned subsidiary of FFM Berhad, undertakes high-tech livestock farming in two broiler-breeder farms and one layer farm, producing day-old chicks and table eggs respectively. These farming activities complement the Group's feed milling and trading operations.

The breeder farms are located in Sua Betong, Negeri Sembilan and Gurun, Kedah on a total land area of 167 hectares. The total production capacity of both farms is 3 million chicks per month.

The layer farm in Trong, Perak has a monthly production capacity of 20 million eggs. Sited on 222 hectares of land, with ample buffer zone for maintenance of strict biosecurity, this farm produces antibiotic-free and vitamin E-enriched premium eggs, marketed under the brandname 'Seri Murni'.

FFM Farms also produces organic fertilizer, using composted poultry manure from the layer farms which is sold under the "Organic" brandname.

REVIEW OF OPERATIONS

Livestock farming operations turned around with a profit of RM7.2 million for 2007 (2006 : loss of RM4.4 million) on the back of a 34% increase in revenue to RM82.2 million (2006 : RM61.4 million). The profit was largely due to higher selling prices of day-old chicks.

LOOKING AHEAD

FFM Group is in the midst of constructing a Halal-meat further processing plant to produce poultry sausages, nuggets and burgers at Pulau Indah, Selangor which is expected to commence operations in April 2008. The setting up of the plant is in accordance with the Group's strategy of investing in downstream activities for synergistic growth.

The outlook for the egg market depends largely on the extent to which local production is affected by feed supply constraints and high production cost as well as the rate at which major producers are able to export their excess to foreign markets.

Increasing feed price and production cost will affect the growth of the poultry industry leading to some poorly managed breeder farms downsizing or closing their operations. In view of this, the Company is planning to increase day-old chicks production and expand its market share.





PACKAGING



TEGO

Packaging

The Group's packaging operations comprise of the production of commercial polypropylene (PP) and polyethylene (PE) bags and fabrics held under FFM's 79.9% owned subsidiary, **Tego Sdn Bhd (Tego)** and drum manufacturing and consumer packaging activities held under PGEO Group Sdn Bhd (PGEO Group). In May 2007, PGEO Group was disposed to Wilmar International Limited (Wilmar) along with its packaging operations.

Tego is the leading producer of commercial PP and PE bags and fabrics in Malaysia. It also produces 25kg-size bags used for packing of sugar, flour, feed meal, fertilizer, soya beans, industrial chemicals and the specially designed flexible intermediate bulk container (FIBC) bags with 0.5 mt to 2.0 mt of loading capacity for packing bulk cargo. In addition, Tego supplies technical fabrics and sewing threads to local as well as export markets for industrial applications.

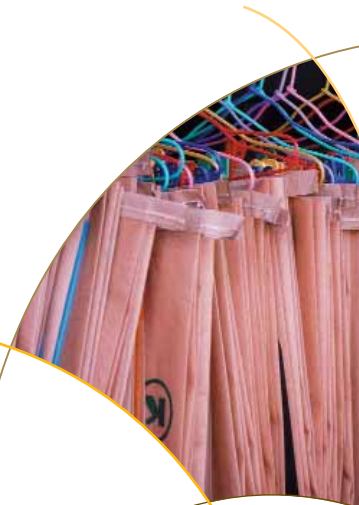
Tego, an ISO-certified manufacturing facility, operates three factories of which two are located in Senawang and the other in Yangon, Myanmar. Their monthly combined production capacity of PP and PE products is 650 mt.

REVIEW OF OPERATIONS

Packaging division (excluding the packaging operations of PGEO Group Sdn Bhd) incurred a loss of RM8.36 million for 2007 (2006: loss of RM1.46 million) due mainly to heavy price competition in the industry, lower export sales of FIBC and a one time business re-organisation expense of RM5.64 million.

LOOKING AHEAD

For 2008, Tego will endeavour to expand its technical fabrics and FIBC market share.





ENVIRONMENTAL ENGINEERING & WASTE MANAGEMENT



CWM

Environmental Engineering & Waste Management

PPB Group's environmental engineering and waste management operations in Malaysia are undertaken by Chemquest Sdn Bhd's wholly-owned subsidiaries, **Chemical Waste Management Sdn Bhd (CWM)** for the Malaysian operations and Chemquest Overseas Limited (CQOL) for the overseas projects.

CQOL is an investment holding company with investments in China projects undertaken by joint venture companies including the 20-year concession Lugouqiao Sewage Treatment Plant (Phase 1) project in Beijing and a 30-year concession water treatment project in Hohhot, the capital of Inner Mongolia.

REVIEW OF OPERATIONS

The Group's environmental engineering and waste management division registered a profit of RM3.9 million in 2007 (2006 : RM3.1 million).

In 2007, Chemquest Group successfully completed the Filter Backwash at Sungai Semenyih Water Treatment Plant and the Jelutong Sewage Treatment Plant (STP) with a combined contract value of RM118 million. The Jelutong STP is currently the biggest Sequential Batch Reactor plant in Asia with a treatment capacity of 800,000 PE (population equivalent).

In the same year, Chemquest Group secured the Flood Mitigation project at Kawasan Bertam, Kepala Batas; Sewage Treatment Plant at UiTM, Selangor; and mechanical works at Kg Kobat Water Treatment Plant, Pahang and "Skim Bekalan Air Batu Hampar" with a total project value of RM140.0 million.

LOOKING AHEAD

Chemquest Group will continue to engage in the 9th Malaysia Plan projects with focus on 4 sectors namely, water, sewage, flood mitigation and rural water which have a total allocation of RM16.5 billion while also initiating Private Finance Initiative schemes for solid waste management activities and pursuing related projects in the various economic corridors.

The Group will continue to develop and expand its solid waste division by acquiring new contracts and working with its strategic partners on transfer stations and other recycling related activities.

As for its China investments, the Group will continue to nurture the investments in Beijing and Hohhot to optimize returns to shareholders.





FILM EXHIBITION AND DISTRIBUTION



GSC

Film Exhibition and Distribution

PPB Leisure Holdings Sdn Bhd (PPBL), the leisure and entertainment arm of PPB, owns 98.9% equity interest in Golden Screen Cinemas Sdn Bhd (GSC). GSC operates the largest cinema chain in the country with a total of 141 screens at 21 locations in major cities nationwide including the 18-screen multiplex in Mid Valley Megamall, Kuala Lumpur which is the largest in South East Asia.

GSC is also a leading distributor of Chinese and independent English films in the country.

REVIEW OF OPERATIONS

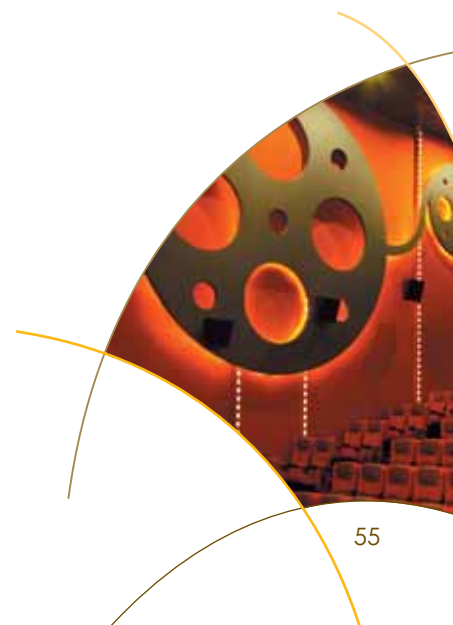
The film exhibition and distribution division achieved another record year in 2007 with profits of RM23 million (2006: RM18.9 million) up 32% from previous year, on the back of higher revenue of RM150.3 million (2006: RM124.8 million). Cinema admissions increased to 15.7 million from 13.8 million in 2006. The improved performance was driven by a stronger line-up of commercial films and openings of four (4) new multiplexes in Queensbay Mall, Penang; Sunway Carnival, Seberang Jaya, Penang; Pavilion and The Gardens, Kuala Lumpur.

In June 2007, GSC improved its ticketing services by adding maybank2u.com, a direct debit payment from Maybank customers' savings or current account, as the 2nd e-payment option for GSC customers. GSC's e-payment ticketing is available at GSC 1 Utama, Mid Valley, Berjaya Times Square, Pavilion, Gurney Plaza, Queensbay Mall, Sunway Carnival and GSC Signature, The Gardens.

GSC in December 2007 launched Malaysia's first boutique cinema "GSC Signature" at The Gardens, Mid Valley which offers two (2) Gold Class and five (5) Premiere Class halls together with three (3) food and beverage outlets to cater to the affluent taste of today's movie-goers.

LOOKING AHEAD

GSC will be opening 3 new multiplexes in 2008 which will further reinforce GSC's long-term commitment to the film industry in Malaysia.





PROPERTY INVESTMENT AND DEVELOPMENT



PPBH

Property Investment and Development

PPB's wholly-owned subsidiary, **PPB Hartabina Sdn Bhd (PPBH)**, plays a significant role in the Group's property development especially in Taman Segar, Cheras where PPBH has developed residential properties and commercial complexes. PPBH is also engaged in property management and currently owns and manages Cheras LeisureMall, a prime shopping centre in Cheras and Cheras Plaza, a 9-storey office cum commercial building. PPBH also owns and manages New World Park, a food and beverage complex in Penang.

Cathay Screen Cinemas Group (CSC Group), in which PPB Group has 66.2% equity interest, owns and leases various former cinema properties and commercial buildings throughout the country.

REVIEW OF OPERATIONS

During the year under review, the property division reported higher profits of RM23.1 million (2006: RM13.9 million) due to increased sales of bungalow units from Phase I of Masera Bukit Segar and rental income from Cheras Leisuremall and Cheras Plaza.

Construction of New World Park at Jalan Burma, Penang was completed over two phases. The first phase consisting of a food court was opened on 8 January 2007 and fully let out whilst the second phase comprising mainly F & B outlets and a covered performance stage was opened on 1 August 2007.

Construction of Phase I of Masera Bukit Segar, a gated community project at Bukit Segar, Cheras was completed in December 2007 and these bungalows were handed over to homeowners from December 2007.

At the Taman Tanah Aman high-end residential project at Bukit Tengah, Seberang Prai, PPBH commenced earthworks and construction of 24 units of double storey semi-detached houses in March and June 2007 respectively. The project also includes 48 units of bungalows and 12 units of two storey shoplots which will be built over 5 phases.

LOOKING AHEAD

In 2008, PPBH plans to launch the sale of its bungalow units at Taman Tanah Aman, Seberang Prai. Phase II of the Masera Bukit Segar project is expected to be launched at the end of 2008 after a redesign and upgrading of finishings.

PPBH will continue to provide management services to the other Group companies for their development projects.



CHEMICALS TRADING AND MANUFACTURING



APM MAC

Chemicals Trading and Manufacturing

PPB Group's chemicals manufacturing operations are housed under **Asia Pacific Microspheres Sdn Bhd (APM)**. APM manufactures phenolic microspheres, used mainly in the marine, automobile, aerospace and adhesive industries. APM exports all its production to North America, Europe and the Asia Pacific region.

APM's 99.1% subsidiary, **Malayan Adhesives & Chemicals Sdn Bhd (MAC)**, is a long-established manufacturer of adhesive resins for wood-based industries. While plywood resins predominated in the past, newer products for medium-density fibreboards and particleboards have over the years overtaken plywood resins in line with the growth of the reconstituted wood panels.

The Chemquest Group also engages in chemicals trading activities which include distribution of industrial chemicals, petroleum solvents, refrigerated gases and filter aids.

REVIEW OF OPERATIONS

The chemicals manufacturing division registered higher profits of RM5.2 million for 2007 (2006: RM3.6 million) against revenue of RM123.4 million (2006: RM103.5 million).

In 2007, MAC constructed a new warehouse costing RM3.5 million to improve and increase its warehousing capacity. The new warehouse was completed in January 2008.

LOOKING AHEAD

APM plans to invest RM6.0 million to increase its Research & Development activities with the purchase of equipment for specific chemical analysis.

For 2008, MAC aims to refurbish and upgrade its existing warehouse. Its major capital expenditure will include replacing handling equipment such as forklifts and critical elements of the formalin plants.

Meanwhile, the chemicals trading division plans to develop new agency lines for the plastic and rubber industries.





INTEGRATED AGRIBUSINESS



WILMAR (Associate Company)

Integrated Agribusiness

In June 2007, PPB Group completed the disposal of its oil palm plantations and edible oils trading and refining businesses to Wilmar International Limited (Wilmar) to create one of Asia's largest integrated agribusiness groups. The said disposal in return for Wilmar shares resulted in PPB Group becoming the second largest shareholder of Wilmar with an equity interest of 18.3%.

Wilmar, a Singapore Exchange-listed company is engaged in the businesses of oil palm cultivation, oilseeds crushing, edible oils refining, consumer pack edible oils processing and merchandising, specialty fats, oleochemicals, biodiesel, fertilisers and soy protein manufacturing, rice and flour milling, and grains merchandising.

Headquartered in Singapore, Wilmar's operations are located in more than 20 countries across four continents, with a primary focus on Malaysia, Indonesia, China, India and Europe. Wilmar has over 160 processing plants and an extensive distribution network for its products which are delivered to more than 50 countries globally.

REVIEW OF OPERATIONS

Wilmar reported an unaudited net profit of USD580.4 million for the year ended 31 December 2007 (2006 : USD215.9 million). The better profit was due to strong demand for palm oil benefiting its plantations and refining operations as well as strong demand for oilseed and edible oils products in China and India due to high economic growth. In addition, Wilmar benefited from the synergies of merger with PPB's oil palm plantations, and edible oils processing and refining operations which was completed in June 2007.

The Wilmar Group revenue increased by 134.7% to USD16.5 billion in 2007 (2006: USD7.0 billion) buoyed by the high commodity prices and higher sales volume from all its operations.

For 2007, Wilmar contributed RM226 million to the profit of PPB Group.

LOOKING AHEAD

Wilmar presently has a total planted oil palm area of 203,683 hectares and plans to expand its planted oil palm hectareage in Indonesia and West Africa. Wilmar plans to increase its plantation acreage 3-fold in 10 years.

Going forward, Wilmar will continue expansion in palm and laurics, merchandising and processing in line with palm oil production growth. As for its consumer pack business, Wilmar will continue to expand capacity in order to meet market demand in China and India.

(Source: Wilmar's FY2007 Results Briefing)

