

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2000.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company and is also engaged in sugar cane cultivation.

The principal activities of the Group are sugar refining, flour and feed milling, edible oils processing, shipping, commodity and chemicals trading, oil palm and rubber cultivation, waste management and utilities, property development, film exhibition and distribution.

There have been no significant changes in the nature of these activities during the financial year except for the cessation of the retailing operations on 21 December 2000.

RESULTS

	Group RM'000	Company RM'000
Profit after taxation	321,005	117,128
Profit attributable to minority interests	(76,523)	–
Net profit for the year	244,482	117,128
Unappropriated profit brought forward	1,634,878	720,678
Effect of changes in group structure	(2,087)	–
Transfer from reserves	15	–
Profit available for appropriation	1,877,288	837,806
Dividends	(58,139)	(58,139)
Unappropriated profit carried forward	1,819,149	779,667

DIVIDENDS

The Directors recommend the payment of a final dividend of 10% less 28% income tax payable on Thursday, 31 May 2001 to shareholders registered in the Company's books at the close of business on Monday, 14 May 2001.

Together with the interim dividend of 10% comprising 5% tax exempt and 5% less 28% income tax paid on 22 September 2000, the total dividend payment for the financial year is 20% comprising 5% tax exempt and 15% less 28% income tax.

Since the end of the previous financial year, the dividends paid by the Company in respect of the financial year ended 31 December 1999 were as follows:-

	RM'000
Special dividend of 8% less 28% income tax, paid on 3 February 2000	21,195
Final dividend of 8% less 28% income tax, paid on 17 May 2000	21,195
	42,390

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year except as disclosed in the statement of changes in equity as set out on pages 32 and 37.

SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

The Company did not issue any debentures during the financial year.

DIRECTORS

The Board of Directors since the date of the last report are as follows:-

Ong Ie Cheong	<i>(Chairman & Managing Director)</i>
Datuk Oh Siew Nam	<i>(Deputy Chairman)</i>
Dato' Lim Chee Wah	<i>(Executive Director)</i>
Kuok Khoo Ean	<i>(Resigned on 7 March 2001)</i>
Dato' Abd Jabid bin Mohd Don	
Dato' Liang Kim Bang	
Ang Guan Seng	

In accordance with Article 98 of the Company's Articles of Association, Dato' Lim Chee Wah retires by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offers himself for re-election.

Dato' Abd Jabid bin Mohd Don, who has attained seventy years of age, retires in accordance with Section 129 of the Companies Act 1965 and offers himself for re-appointment pursuant to Section 129(6) of the Act to hold office until the conclusion of the next AGM.

DIRECTORS' INTERESTS IN SHARES

According to the register of Directors' shareholdings, the interests of Directors who held office at the end of the financial year in shares of the Company and its related corporations were as follows:-

Interest in the Company

Name of Director	No. of ordinary shares of RM1 each registered in the name of Directors			
	As at 1.1.00	Bought	Sold	As at 31.12.00
Datuk Oh Siew Nam	43,000	–	–	43,000
Dato' Abd Jabid bin Mohd Don	10,000	–	–	10,000

Name of Director	No. of ordinary shares of RM1 each in which Directors are deemed to have interest			
	As at 1.1.00	Bought	Sold	As at 31.12.00
Ong Ie Cheong	3,000	–	–	3,000
Datuk Oh Siew Nam	210,000	–	–	210,000
Kuok Khoo Ean <i>(Resigned on 7 March 2001)</i>	500,000	–	–	500,000
Dato' Abd Jabid bin Mohd Don	10,000	–	–	10,000
Ang Guan Seng	15,431,000	–	–	15,431,000

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN SHARES (continued)

Interest in Subsidiary Companies

No. of ordinary shares of RM1 each
registered in the name of Directors

Name of Director	Name of Subsidiary	As at 1.1.00	Bought	Sold	As at 31.12.00
Ong Ie Cheong	PPBOP	24,000	–	–	24,000
Datuk Oh Siew Nam	FFM	3,000	–	–	3,000
	PPBOP	20,000	–	–	20,000
Dato' Lim Chee Wah	PPBOP	10,000	–	–	10,000
Dato' Abd Jabid bin Mohd Don	PPBOP	10,000	–	–	10,000
Dato' Liang Kim Bang	PPBOP	10,000	–	–	10,000

No. of ordinary shares of RM1 each
in which Directors are deemed to have interest

Name of Director	Name of Subsidiary	As at 1.1.00	Bought	Sold	As at 31.12.00
Datuk Oh Siew Nam	FFM	178,250	–	–	178,250
	PPBOP	36,000	–	–	36,000
Kuok Khoon Ean (Resigned on 7 March 2001)	PPBOP	40,000	–	–	40,000
Dato' Abd Jabid bin Mohd Don	PPBOP	10,000	–	–	10,000
Ang Guan Seng	FFM	5,250	–	–	5,250

FFM = FFM Berhad

PPBOP = PPB Oil Palms Berhad

DIRECTORS' INTERESTS IN CONTRACTS, BENEFITS AND EMOLUMENTS

Neither at the end of the financial year nor at any time during the financial year, did there subsist any arrangements to which the Company is a party whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefits (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest required to be disclosed by Section 169(8) of the Companies Act 1965 except for Mr Kuok Khoon Ean who has financial interest in companies which have sugar contracts with a subsidiary company, Malayan Sugar Manufacturing Company Berhad.

SIGNIFICANT EVENTS

- (a) On 15 September 2000, PPB Group Bhd (PPB) announced the cessation of the departmental and discount store operations under Savers Retail Sdn Bhd, a wholly-owned subsidiary company of PPB.
- (b) On 14 November 2000, PPB entered into a conditional Shares Sale Agreement for the proposed disposal to PPB Oil Palms Berhad (PPBOP), a 57.9% subsidiary company of PPB, of 7,000,000 shares of USD1.00 each in P.T. Tidar Sungkai Sawit (TSS) representing 70% equity interest in TSS for a cash consideration of USD3.612 million (RM13.727 million) including the repayment to PPB of a shareholders' loan granted by PPB to TSS amounting to USD7.467 million (RM28.375 million) together with interest thereon up to the completion date. The proposed disposal is subject to the approvals of PPBOP's shareholders and the relevant authorities.
- (c) The merger of the edible oils refining operations of PPBOP and FFM Berhad, a 53.8% subsidiary company of PPB, under a new holding company, Struktur Idaman Sdn Bhd, was completed on 22 December 2000.
- (d) On 21 December 2000, PPB divested its entire 34.8% equity interest in RA-PPB (Tops) Retail Sdn Bhd, operator of the "Tops" chain of supermarkets in Malaysia for a total cash consideration of RM61.8 million.

INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the Group's and Company's Income Statements and Balance Sheets were prepared, the Directors took reasonable steps:-
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:-
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, there does not exist:-
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability which has arisen in the Group or in the Company since the end of the financial year.

OTHER STATUTORY INFORMATION

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company, which would render any amount stated in the respective financial statements misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (continued)

In the opinion of the Directors:-

- (a) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature;
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
- (c) no contingent or other liability has become enforceable, or is likely to become enforceable, within the succeeding period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

AUDIT COMMITTEE

All the three members of the Audit Committee are independent non-executive Directors of the Company. Since the date of the previous Directors' Report, the Committee held three meetings and reviewed with the auditors their audit plan and evaluation of the system of internal accounting controls. The Committee also reviewed the scope and results of internal audit procedures within the Group and the Company.

The financial statements of the Group and of the Company for the year ended 31 December 2000 together with the auditors' report thereon were reviewed by the Committee and submitted to the Board of Directors.

The Committee nominates Moores Rowland for re-appointment as auditors of the Company for the ensuing year.

AUDITORS

Messrs Moores Rowland have indicated their willingness to continue in office.

On behalf of the Board

ONG IE CHEONG

Chairman & Managing Director

DATUK OH SIEW NAM

Deputy Chairman

Kuala Lumpur
15 March 2001



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CONSOLIDATED**INCOME STATEMENT**

for the year ended 31 December 2000

	NOTE	2000 RM'000	1999 RM'000
Revenue	2	5,271,390	6,729,250
Cost of sales	3	(4,663,197)	(5,951,975)
Gross profit		608,193	777,275
Other operating income		36,036	26,964
Distribution costs		(201,097)	(201,667)
Other operating expenses		(50,103)	(44,742)
Administrative expenses		(126,602)	(119,215)
Profit from operations	4	266,427	438,615
Profit/(Loss) from investing activities	5	110,986	(82,600)
Share of associated companies' profits less losses		51,181	40,920
Finance costs	6	(19,739)	(27,451)
Profit before taxation		408,855	369,484
Taxation – Group	7	(77,425)	(2,888)
– Share of taxation of associated companies	7	(10,425)	(5,660)
Profit after taxation		321,005	360,936
Minority interests		(76,523)	(168,047)
Net profit for the year		244,482	192,889
Basic earnings per share (sen)	8	66.4	52.4
Diluted earnings per share (sen)	8	66.4	52.4
Dividends per share (net of tax) (sen)		15.8	17.3

Accounting policies and explanatory notes are set out on pages 40 to 77.
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CONSOLIDATED**BALANCE SHEET**

as at 31 December 2000

	NOTE	2000 RM'000	1999 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,215,986	2,159,644
Land held for development	10	52,036	30,336
Intangible asset	11	42,268	44,690
Investment in subsidiary company	12	2,191	–
Investment in associated companies	13	675,223	681,554
Other investments	14	259,719	318,504
		3,247,423	3,234,728
CURRENT ASSETS			
Inventories	15	537,656	600,736
Gross amount due from customers	16	3,136	2,108
Trade and other receivables	17	374,090	587,579
Amounts due from associated companies	19	326,534	208,116
Deposits	20	432,372	319,280
Cash and bank balances		49,605	44,313
		1,723,393	1,762,132
Less:			
CURRENT LIABILITIES			
Gross amount due to customers	16	26,160	7,243
Trade and other payables	21	381,020	389,784
Amounts due to associated companies	19	8,008	16,051
Hire purchase liabilities	22	447	525
Short term borrowings	23	507,696	761,011
Taxation		34,122	1,372
Proposed dividend		26,494	42,390
		983,947	1,218,376
NET CURRENT ASSETS		739,446	543,756
Less:			
NON-CURRENT LIABILITIES			
Long term loans	24	10,571	4,341
Hire purchase liabilities	22	623	241
Deferred income	25	12,349	13,015
Deferred taxation	26	49,551	47,678
		3,913,775	3,713,209
Financed by:			
SHARE CAPITAL	27	367,967	367,967
SHARE PREMIUM		143,908	143,908
NON-DISTRIBUTABLE RESERVES		295,951	306,607
UNAPPROPRIATED PROFIT		1,819,149	1,634,878
		2,626,975	2,453,360
MINORITY INTERESTS		1,286,800	1,259,849
		3,913,775	3,713,209

Accounting policies and explanatory notes are set out on pages 40 to 77.
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CONSOLIDATED**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2000

		Non-distributable						
NOTE	Share Capital	Share Premium	Revaluation Reserve	Exchange Translation Reserve	Capital Reserve	Total	Unappropriated Profit	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 1999	367,967	143,908	204,957	41,875	127,947	374,779	1,436,040	2,322,694
Effect of changes in group structure	28	-	-	(589)	-	31	(558)	(658)
Translation differences for the year		-	-	-	(5,708)	-	(5,708)	(5,708)
Share of reserves of associated companies		-	-	8,543	-	(815)	7,728	7,728
Net gains/(losses) not recognised in the income statement		-	-	7,954	(5,708)	(784)	1,462	1,362
Net profit for the year		-	-	-	-	-	192,889	192,889
Transfer of reserves		-	-	(60,325)	298	(9,607)	69,634	-
Dividends	29	-	-	-	-	-	(63,585)	(63,585)
At 31 December 1999	367,967	143,908	152,586	36,465	117,556	306,607	1,634,878	2,453,360
Effect of changes in group structure	28	-	-	(590)	-	(209)	(799)	(2,886)
Translation differences for the year		-	-	-	(10,900)	-	(10,900)	(10,900)
Share of reserves of associated companies		-	-	-	(86)	1,144	1,058	1,058
Net gains/(losses) not recognised in the income statement		-	-	(590)	(10,986)	935	(10,641)	(12,728)
Net profit for the year		-	-	-	-	-	244,482	244,482
Transfer of reserves		-	-	(1,906)	-	1,891	15	-
Dividends	29	-	-	-	-	-	(58,139)	(58,139)
At 31 December 2000	367,967	143,908	150,090	25,479	120,382	295,951	1,819,149	2,626,975

Accounting policies and explanatory notes are set out on pages 40 to 77.
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CONSOLIDATED**CASH FLOW STATEMENT**

for the year ended 31 December 2000

	NOTE	2000 RM'000	1999 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		408,855	369,484
Adjustment for:			
Depreciation		112,721	104,863
Property, plant and equipment written off		3,850	5,692
(Profit)/Loss on sale of associated companies		(56,572)	110,405
Loss/(Profit) on sale of property, plant and equipment		1,019	(242)
Profit on sale of other investments		(38,407)	(3,977)
Loss/(Profit) on sale of subsidiary companies		92	(23)
Provision for impairment in value of other investments		5,851	961
Provision for doubtful debts no longer required		(5,030)	—
Bad and doubtful debts		3,874	11,962
Profit accrued on the percentage of completion method		(8,743)	(13,574)
Inventories written off		405	1,273
Interest expense		19,739	27,451
Unrealised foreign exchange gain		(2,016)	(7,176)
Goodwill on acquisition of subsidiary companies written off		2,549	2,505
Discount on acquisition of subsidiary companies written off		(740)	(536)
Share of profits less losses in associated companies		(51,181)	(40,920)
Dividend income		(7,564)	(10,511)
Interest income		(12,270)	(13,202)
Rental income		(13,191)	(12,775)
Operating profit before working capital changes		363,241	531,660
Changes in land and development expenditure		(13,864)	(1,541)
Changes in inventories		61,968	(2,893)
Changes in gross amount due from/to customers		26,788	50,319
Changes in receivables		98,815	(65,632)
Changes in payables		(367,057)	54,712
Cash generated from operations		169,891	566,625
Rental received		12,254	11,722
Interest paid		(10,264)	(21,338)
Tax paid		(41,750)	(88,498)
Net cash generated from operating activities		130,131	468,511

CONSOLIDATED**CASH FLOW STATEMENT**

for the year ended 31 December 2000

	NOTE	2000 RM'000	1999 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of shares in new subsidiary companies	30	(4,239)	(3,909)
Acquisition of shares in existing subsidiary companies		(1,508)	(22,313)
Proceeds from sale of subsidiary companies	31	–	1,221
Proceeds from partial disposal of subsidiary companies		1,725	–
Investment in associated companies		(3,254)	(2,388)
Proceeds from sale of associated companies		73,982	–
Proceeds from redemption of preference shares of associated companies		4,693	–
(Advances to)/Repayment from associated companies		(5,439)	2,436
Purchase of other investments		(20)	(1,824)
Proceeds from sale of other investments		89,574	12,754
Purchase of property, plant and equipment	32	(196,955)	(189,950)
Proceeds from sale of property, plant and equipment		9,544	24,544
Dividends received from associated companies		23,210	29,802
Dividends received from other investments		7,399	10,281
Interest received		12,270	13,202
Rental received		937	1,053
Net cash generated from/(used in) investing activities		11,919	(125,091)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued to minority shareholders of subsidiary companies		200	20,721
Share application monies received from a minority shareholder of a subsidiary company		22,345	–
Revolving credits		109,700	(164,120)
Long term loans received		8,643	–
Repayment of long term loans		(1,183)	(27,630)
Payment of hire purchase liabilities		(849)	(1,085)
Advances from associated companies		29	82
Interest paid		(14,945)	(11,641)
Dividends paid to shareholders of the Company		(74,035)	(42,390)
Dividends paid to minority shareholders of subsidiary companies		(65,594)	(15,541)
Net cash used in financing activities		(15,689)	(241,604)
NET INCREASE IN CASH AND CASH EQUIVALENTS		126,361	101,816
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		347,927	246,252
CASH AND CASH EQUIVALENTS OF SUBSIDIARY COMPANY NO LONGER CONSOLIDATED		(2,303)	–
EFFECT OF EXCHANGE RATE CHANGES		(4,911)	(141)
CASH AND CASH EQUIVALENTS CARRIED FORWARD		467,074	347,927
Represented by:			
Cash and bank balances		49,605	44,313
Deposits		432,372	319,280
Bank overdrafts		(14,903)	(15,666)
		467,074	347,927

Accounting policies and explanatory notes are set out on pages 40 to 77.
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INCOME**STATEMENT**

for the year ended 31 December 2000

	NOTE	2000 RM'000	1999 RM'000
Revenue	2	27,075	28,442
Cost of sales	3	(19,138)	(19,738)
Gross profit		7,937	8,704
Other operating income		936	987
Other operating expenses		(324)	(335)
Administrative expenses		(10,460)	(10,469)
Loss from operations	4	(1,911)	(1,113)
Profit from investing activities	5	178,921	137,849
Finance costs	6	(11,222)	(14,113)
Profit before taxation		165,788	122,623
Taxation	7	(48,660)	(28,999)
Net profit for the year		117,128	93,624
Dividends per share (net of tax) (sen)		15.8	17.3

Accounting policies and explanatory notes are set out on pages 40 to 77.
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BALANCE**SHEET**

as at 31 December 2000

	NOTE	2000 RM'000	1999 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	50,253	53,106
Investment in subsidiary companies	12	1,016,066	1,014,617
Investment in associated companies	13	119,767	194,902
Other investments	14	140,705	140,705
		1,326,791	1,403,330
CURRENT ASSETS			
Inventories	15	11,553	11,533
Trade and other receivables	17	15,375	9,734
Amounts due from subsidiary companies	18	155,005	161,267
Amounts due from associated companies	19	6,093	11,063
Deposits	20	500	—
Cash and bank balances		408	299
		188,934	193,896
Less:			
CURRENT LIABILITIES			
Trade and other payables	21	4,621	3,645
Amounts due to subsidiary companies	18	96,261	227,050
Amounts due to associated companies	19	52	61
Short term borrowings	23	90,540	85,043
Taxation		6,215	6,484
Proposed dividend		26,494	42,390
		224,183	364,673
NET CURRENT LIABILITIES			
		(35,249)	(170,777)
		1,291,542	1,232,553
Financed by:			
SHARE CAPITAL	27	367,967	367,967
SHARE PREMIUM		143,908	143,908
UNAPPROPRIATED PROFIT		779,667	720,678
		1,291,542	1,232,553

Accounting policies and explanatory notes are set out on pages 40 to 77.
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STATEMENT**OF CHANGES IN EQUITY**

for the year ended 31 December 2000

	Note	Share Capital RM'000	Share Premium RM'000	Unappro- priated Profit RM'000	Total RM'000
At 1 January 1999		367,967	143,908	690,639	1,202,514
Net profit for the year		—	—	93,624	93,624
Dividends	29	—	—	(63,585)	(63,585)
At 31 December 1999		367,967	143,908	720,678	1,232,553
Net profit for the year		—	—	117,128	117,128
Dividends	29	—	—	(58,139)	(58,139)
At 31 December 2000		367,967	143,908	779,667	1,291,542

Accounting policies and explanatory notes are set out on pages 40 to 77.
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CASH**FLOW STATEMENT**

for the year ended 31 December 2000

	2000 RM'000	1999 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	165,788	122,623
Adjustment for:		
Depreciation	2,159	2,543
Property, plant and equipment written off	92	-
(Profit)/Loss on sale of associated companies	(9,172)	1,873
Profit on sale of property, plant and equipment	(607)	(119)
Profit on sale of subsidiary companies	(8,286)	(251)
Provision for impairment in value of investment in subsidiary companies	24,622	-
Bad and doubtful debts	83	60
Advances to a subsidiary company written off	6,251	-
Interest expense	11,222	14,113
Dividend income	(187,178)	(134,401)
Interest income	(4,151)	(4,552)
Rental income	(508)	(518)
Operating profit before working capital changes	315	1,371
Changes in inventories	(20)	6
Changes in receivables	(5,741)	2,101
Changes in payables	188	(359)
Cash (used in)/generated from operations	(5,258)	3,119
Interest paid	(7)	(28)
Tax refunded/(paid)	641	(5,027)
Net cash used in operating activities	(4,624)	(1,936)

	2000 RM'000	1999 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of shares in existing subsidiary companies	(27,335)	(39,419)
Proceeds from sale of subsidiary companies	9,550	251
Investment in associated companies	(2,000)	(2,313)
Proceeds from sale of associated companies	81,614	–
Proceeds from redemption of preference shares of associated companies	4,693	–
Purchase of other investments	–	(1,173)
Purchase of property, plant and equipment	(645)	(910)
Proceeds from sale of property, plant and equipment	1,854	166
Repayment from/(Advances to) subsidiary companies	13,848	(33,547)
Repayment from associated companies	4,598	999
Dividends received from subsidiary companies	116,279	95,406
Dividends received from associated companies	5,954	6,047
Dividends received from other investments	1,927	723
Interest received	4,151	4,552
Rental received	508	518
Net cash generated from investing activities	214,996	31,300
CASH FLOWS FROM FINANCING ACTIVITIES		
Revolving credits	4,580	30,438
Repayment of long term loans	–	(27,630)
Interest paid	(10,466)	(14,076)
(Repayment to)/Advances from subsidiary companies	(130,789)	24,423
Advances from/(Repayment to) associated companies	30	(72)
Dividends paid	(74,035)	(42,390)
Net cash used in financing activities	(210,680)	(29,307)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(308)	57
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	(269)	(326)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	(577)	(269)
Represented by:		
Cash and bank balances	408	299
Deposits	500	–
Bank overdrafts	(1,485)	(568)
	(577)	(269)

Accounting policies and explanatory notes are set out on pages 40 to 77.
Auditors' Report – Page 79.

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

1. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of accounting**

The financial statements comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and have been prepared under the historical cost convention unless otherwise indicated in the accounting policies set out below.

(b) Subsidiary companies

A subsidiary company is a company in which the Company, directly or indirectly, controls more than half of the voting power or issued share capital or controls the composition of the board of directors.

The Company's interests in subsidiary companies are stated at cost and are written down when the directors consider that there is a permanent impairment in value of such investments. The impairment loss is charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary company disposed of is charged to the income statement.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. All inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only. All subsidiary companies are consolidated on the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiary companies acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiary companies' assets are determined and these values are reflected in the consolidated financial statements.

The difference, if any, between the consideration paid for the shares in the subsidiary companies and the fair values of attributable net assets acquired is reflected as goodwill or discount on acquisition as appropriate. However, if the amounts involved are immaterial, goodwill or discount on acquisition is taken to the income statement as and when they arise.

Where goodwill is considered to be capable of generating future economic benefits, it is capitalised in the financial statements and amortised on the straight line basis over its estimated useful life or 25 years, whichever is shorter. The carrying amount and the amortisation period is reviewed annually, and goodwill is written down when, in the opinion of the directors, its value has deteriorated or when it ceases to have a useful life.

Discount on acquisition is retained in the balance sheet and credited to the income statement over a suitable period decided in relation to the particular circumstances which gave rise to it.

Minority interest represents the interests of outside members in the operating results and net assets of subsidiary companies.

(d) Associated companies

The Group treats as associated companies those companies in which the Group holds a long term equity interest of between 20% and 50%, has representation on the board of directors and is in a position to exercise significant influence over financial and operating policies.

The Group's interests in associated companies are stated at cost and are written down when the directors consider that there is a permanent impairment in value of such investments. The impairment loss is charged to the income statement.

On disposal, the difference between net disposal proceeds and the carrying amount of the associated company disposed of is charged to the income statement.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Associated companies (continued)

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. The equity method of accounting involves recognising in the consolidated financial statements the Group's share of the results of associated companies for the year. The Group's investments in associated companies are carried in the consolidated balance sheet at an amount that reflects its share of the net assets of the associated companies and includes goodwill or discount on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company diminishes by virtue of losses to zero, unless the Group has incurred or guaranteed obligations in respect of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with the Group.

(e) Property, plant and equipment

(i) *Measurement basis*

Property, plant and equipment are stated at cost less accumulated depreciation.

Property, plant and equipment retired from active use and held for disposal are stated at the lower of net book value and net realisable value.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of property, plant and equipment exceeds its recoverable amount. The impairment loss is charged to the income statement. Any subsequent increase in recoverable amount is reduced by the amount that would have been recognised as depreciation had the write-down or write-off not occurred.

(ii) *Leased assets*

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at amounts equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

(iii) *Depreciation*

Freehold land is not amortised while leasehold land is amortised on the straight line basis over the remaining period of the lease.

In respect of oil palm and fruit plantations, new planting expenditure incurred on land clearing and upkeep of trees up to maturity is capitalised under land cost and not depreciated, as the economic useful lives of planted areas are maintained through replanting programmes. Replanting expenditure is charged to the income statement when incurred.

Depreciation of the vessel is calculated on the straight line basis to write off its cost net of estimated residual value over its expected useful life of 179 months. Cost includes the cost of any major enhancements and improvements which increase the future benefits from the vessel beyond its previously assessed standard of performance. The cost of routine replacements and repairs is immediately charged to the income statement.

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Property, plant and equipment (continued)***(iii) Depreciation (continued)*

Depreciation is calculated to write off the cost of other property, plant and equipment on the straight line basis over their estimated useful lives. The principal annual rates used for this purpose are:

Buildings and civil works	2% – 5% or the lease period if shorter
Plant and machinery	5% – 10%
Motor vehicles	20% – 25%
Furniture, fittings, office and other equipment	10% – 20%

(f) Development properties

Development properties is classified under two categories i.e. land held for development and land under development.

Land held for development is defined as land on which development is not expected to be completed within the normal operating cycle. Usually, no significant development work would have been undertaken on this land. Accordingly, land held for development is classified as non-current assets on the balance sheet and is stated at cost plus incidental expenditure incurred to put the land in a condition ready for development.

Land under development is defined as land on which development has commenced and is expected to be completed within the normal operating cycle and is classified as current assets.

Where the outcome of a development can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to date bear to estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

Where the outcome of a development cannot be reasonably estimated, no development revenue is recognised.

When it is probable that total costs will exceed revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

On the balance sheet, land under development is stated at cost plus attributable development profits recognised under the percentage of completion method less recognised foreseeable losses and progress billings.

(g) Other investments

Other investments are stated at cost and provision for impairment loss is made if the directors are of the opinion that the impairment is of a permanent nature.

On disposal, the difference between the net disposal proceeds and the carrying amount of investment disposed of is charged to the income statement.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Except in the case of livestock, cost is determined on either the first-in-first-out basis or the weighted average basis, depending on the nature of the inventories. Cost comprises the landed cost of goods purchased, and in the case of work-in-progress and finished goods, includes an appropriate proportion of factory overheads.

In arriving at net realisable value, due allowance is made for all obsolete and slow-moving items.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Inventories (continued)

Livestock comprises broilers, pullets and layers, parent stock and eggs. Livestock is valued at the lower of amortised cost and net realisable value. Cost includes the cost of the parent stock plus all attributable costs including overheads incurred in nursing the parent stock to the point of lay, and such cost is then amortised over its estimated economic life. Net realisable value is defined as the aggregate income expected to be generated from total day old chicks and eggs to be produced and sales proceeds from the disposal of the ex-broiler parent stock less expenses expected to be incurred to maintain the parent stock up to its disposal.

Sugar cane planting expenditure incurred in between annual harvests is deferred as future cane crop expenditure and included as part of inventories under current assets, and is charged to the income statement at the time of harvesting.

(i) Engineering contracts

The Group's engineering contracts comprise substantially of fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to date bear to estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of an engineering contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the income statement irrespective of whether contract work has commenced or not, or the stage of the completion of contract activity, or the amounts of profits expected to arise on other unrelated contracts.

On the balance sheet, contracts in progress are reflected either as gross amounts due from or due to customers, where a gross amount due from customers is the surplus of (i) costs incurred plus profits recognised under the percentage of completion method over (ii) recognised foreseeable losses plus progress billings. A gross amount due to customers is the surplus of (ii) over (i).

(j) Receivables

Known bad debts are written off and specific provision is made for any receivables considered to be doubtful of collection.

(k) Capitalisation of borrowing costs

Borrowing costs incurred on assets under development that take a substantial period of time for completion are capitalised into the carrying value of the assets. Capitalisation of borrowing costs will cease when those assets are completed or during extended periods in which active development is interrupted.

All other borrowing costs are charged to the income statement in the period in which they are incurred. The interest component of hire purchase payments is charged to the income statement over the hire purchase period so as to give a constant periodic rate of interest on the remaining hire purchase liabilities.

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Income recognition**

- (i) Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.
- (ii) Revenue from engineering contracts is recognised on the percentage of completion method, where the outcome of the contracts can be reliably estimated.
Revenue from engineering contracts represents the proportionate contract value on engineering contracts attributable to the percentage of contract work performed during the year.
- (iii) Revenue from box office collections, filmlet income, sale of movie rights and film rental is recognised upon the exhibition of the movie or filmlet.
- (iv) Dividend income is recognised when the shareholder's right to receive payment is established. Dividends from subsidiary companies and associated companies are recognised in the income statement as and when declared or proposed.
- (v) Interest income is recognised on a time proportion basis.
- (vi) Rental income is recognised on a straight line basis over the specific periods of the respective leases.
- (vii) Net voyage income is recognised over the period of the voyage on a pro-rata basis.

(m) Foreign currencies*(i) Transactions in foreign currencies*

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of transaction or at contracted rates if the transactions are hedged by forward contracts. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date or if appropriate at forward contract rates. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and which are stated at historical cost are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of transaction.

(ii) Translation of foreign currency financial statements

For consolidation purposes, all monetary assets and liabilities of foreign subsidiary companies are translated at the exchange rates ruling at the balance sheet date. Non-monetary items are translated at historical rates. Income and expense items are translated at exchange rates approximating those ruling on transaction dates. All exchange differences arising from the translation of the financial statements of foreign subsidiary companies are dealt with through the exchange translation reserve account. All of the Group's foreign subsidiary companies fall within the classification of foreign entities under *MASB Standard 6 – The Effects of Changes in Foreign Exchange Rates*.

The closing rates used in translation are as follows:

	2000 RM	1999 RM
One Singapore Dollar	2.19	2.28
One United States Dollar	3.80	3.80
100 Italian Lire	0.19	0.20
100 Indonesian Rupiah	0.04	0.05
100 Hong Kong Dollars	48.73	49.00
1,000 Vietnamese Dong	0.26	0.29

1. SIGNIFICANT ACCOUNTING POLICIES (continued)**(n) Taxation**

The tax expense in the income statement represents taxation at current tax rates based on results for the year adjusted for items which are non-assessable or non-deductible.

Deferred taxation is provided on the liability method for taxation deferred in respect of material timing differences except where it is thought reasonably probable that the tax effects of such deferrals will continue in the foreseeable future. Deferred tax benefits are only recognised where there is a reasonable expectation of realisation in the near future.

(o) Retirement benefits

Retirement benefits payable to eligible employees are accounted for by increased monthly contributions to the Employees Provident Fund which are charged to the income statement.

(p) Cash equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(q) Rounding of amounts

Unless otherwise indicated, the amounts in these financial statements have been rounded to the nearest thousand. The currency used is Ringgit Malaysia ("RM").

2. REVENUE

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Sales of goods and agricultural produce	5,070,001	6,505,411	27,075	28,442
Waste management and other services rendered	21,290	20,789	–	–
Collection from cinema operations	45,941	45,311	–	–
Contract revenue	121,904	146,017	–	–
Rental from leasing of properties	12,254	11,722	–	–
	5,271,390	6,729,250	27,075	28,442

3. COST OF SALES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Cost of goods sold and services rendered	4,537,318	5,821,477	19,138	19,738
Contract cost recognised as expense	125,879	130,498	–	–
	4,663,197	5,951,975	19,138	19,738

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

4. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Profit/(Loss) from operations is stated after charging:				
Auditors' remuneration				
– current year	867	768	37	37
– overprovision in prior year	(2)	–	–	–
Bad and doubtful debts	3,874	11,962	83	60
Depreciation	112,721	104,863	2,159	2,543
Directors' remuneration				
– fees	480	302	60	45
– other emoluments	14,751	13,858	2,240	2,066
Goodwill on acquisition of subsidiary companies amortised and written off	2,549	2,505	–	–
Inventories written off	405	1,273	–	–
Loss on sale of property, plant and equipment	3,176	–	–	–
Operating lease rentals	263	–	–	–
Property, plant and equipment written off	3,850	5,693	92	–
Realised foreign exchange loss	10,099	588	–	–
Rental of premises	14,925	15,525	354	355
Unrealised foreign exchange loss	6,709	1,264	–	–
and crediting:				
Profit on sale of property, plant and equipment	978	242	108	119
Provision for doubtful debts no longer required	5,030	–	–	–
Realised foreign exchange gain	235	3,148	–	10
Unrealised foreign exchange gain	8,725	8,440	–	–
Discount on acquisition of subsidiary companies amortised and written off	740	536	–	–

5. PROFIT/(LOSS) FROM INVESTING ACTIVITIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Gross dividends from subsidiary companies				
– quoted in Malaysia	–	–	45,746	58,605
– unquoted	–	–	132,588	67,016
Gross dividends from associated companies				
– quoted in Malaysia	–	–	–	1,386
– unquoted	–	–	6,847	6,662
Gross dividends from other investments				
– quoted in Malaysia	751	1,358	254	732
– quoted outside Malaysia	6,813	9,027	1,743	–
– unquoted	–	126	–	–
Interest income	12,270	13,202	4,151	4,552
Rental income	937	1,053	508	518
	20,771	24,766	191,837	139,471
Profit/(Loss) on sale of				
– subsidiary companies	(92)	23	8,286	251
– associated companies	56,572	(110,405)	9,172	(1,873)
– other investments	38,407	3,977	–	–
– land and buildings	1,179	–	499	–
Provision for impairment in value in				
– investment in subsidiary companies	–	–	(24,622)	–
– other investments	(5,851)	(961)	–	–
Advances to a subsidiary company written off	–	–	(6,251)	–
	110,986	(82,600)	178,921	137,849

6. FINANCE COSTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Interest paid and payable on:				
Bankers' acceptance and export credit refinancing	9,744	20,307	–	–
Revolving credits	7,624	4,939	5,372	4,264
Advances from subsidiary companies	–	–	5,843	9,821
Term loans	1,585	549	–	–
Bank overdrafts	347	406	7	28
Hire purchase	219	229	–	–
Others	220	1,021	–	–
	19,739	27,451	11,222	14,113

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

7. TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Malaysian taxation based on results for the year				
Current	76,331	(2,903)	40,600	24,126
Deferred	239	8,338	8,060	4,873
Share of taxation of associated companies	4,352	1,132	–	–
	80,922	6,567	48,660	28,999
Foreign taxation				
Current	1,270	1,393	–	–
Share of taxation of associated companies	6,073	4,528	–	–
	88,265	12,488	48,660	28,999
Overprovision in prior years	(415)	(3,940)	–	–
	87,850	8,548	48,660	28,999

The Group's effective taxation rate for the year is low compared to the statutory rate mainly because the profits on sale of associated companies and other investments are not subject to tax.

The Company's effective taxation rate for the year is high compared to the statutory rate mainly because of the disallowance of certain expenses in arriving at the tax chargeable income.

Subject to agreement with the Inland Revenue Board, based on estimated tax credits available and the prevailing tax rate applicable to dividends and the balance on the exempt account, approximately RM610.060 million of the unappropriated profit of the Company is available for distribution by way of dividends without incurring additional tax liability.

8. EARNINGS PER SHARE**a. Basic earnings per share**

The basic earnings per share has been calculated by dividing the Group's net profit for the year of RM244.482 million (1999: RM192.889 million) and 367.967 million shares (1999: 367.967 million shares) in issue during the year.

b. Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's net profit for the year, adjusted for the after tax effect on income that would result from the conversion of ordinary shares under options granted by a subsidiary company, PPB Oil Palms Berhad pursuant to its Employee Share Option Scheme, and 367.967 million shares (1999: 367.967 million shares) in issue during the year.

8. EARNINGS PER SHARE (continued)**b. Diluted earnings per share (continued)**

The Group's adjusted net profit for the year is calculated as follows:

	2000 RM'000	1999 RM'000
Net profit for the year	244,482	192,889
Group's share of the effect of potential dilution in PPB Oil Palms Berhad's net profit for the year	(49)	–
Adjusted net profit for the year	244,433	192,889

9. PROPERTY, PLANT AND EQUIPMENT

Group Cost/Valuation At 1.1.2000	Land and buildings			Plant, machinery and equipment RM'000	Vehicles, vessels and fixtures RM'000	Capital work in progress RM'000	Total RM'000
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000				
– cost	313,064	735,421	164,486	897,707	167,100	80,030	2,357,808
– valuation	8,702	492,423	86,903	31,309	–	–	619,337
	321,766	1,227,844	251,389	929,016	167,100	80,030	2,977,145
Additions – cost	1,888	55,483	11,350	60,932	21,159	55,040	205,852
Additions via acquisition of subsidiary companies	–	1,368	1,686	–	22	–	3,076
Disposals							
– cost	(3,723)	(22)	(445)	(3,682)	(13,567)	–	(21,439)
– valuation	–	(110)	–	–	–	–	(110)
Exchange adjustments	(11)	–	(8,382)	(9,111)	(496)	(1,507)	(19,507)
Reclassifications							
– cost	4,553	(130,409)	132,636	15,722	10,741	(33,243)	–
– valuation	–	(14,314)	14,314	–	–	–	–
Transfer to land held for development							
– cost	(7,836)	–	–	–	–	–	(7,836)
Write-offs							
– cost	–	(278)	(1,174)	(1,672)	(3,695)	(8)	(6,827)
– valuation	–	(2,378)	–	–	–	–	(2,378)
At 31.12.2000	316,637	1,137,184	401,374	991,205	181,264	100,312	3,127,976
– cost	307,935	661,563	300,157	959,896	181,264	100,312	2,511,127
– valuation	8,702	475,621	101,217	31,309	–	–	616,849
	316,637	1,137,184	401,374	991,205	181,264	100,312	3,127,976

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Group Accumulated depreciation At 1.1.2000	Land and buildings			Plant, machinery and equipment RM'000	Vehicles, vessels and fixtures RM'000	Capital work in progress RM'000	Total RM'000
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000				
– cost	18,320	70,980	68,373	478,039	110,447	233	746,392
– valuation	1,069	23,303	22,059	24,678	–	–	71,109
	19,389	94,283	90,432	502,717	110,447	233	817,501
Charge for the year							
– cost	3,900	10,144	9,051	63,377	20,000	108	106,580
– valuation	52	4,207	2,800	772	–	–	7,831
Disposals – cost	(277)	–	(445)	(2,497)	(7,767)	–	(10,986)
Exchange adjustments	–	–	(629)	(2,735)	(210)	(7)	(3,581)
Reclassifications							
– cost	2	(23,771)	23,831	(2,018)	2,015	(59)	–
– valuation	–	(11,368)	11,368	–	–	–	–
Write-offs							
– cost	–	(154)	(781)	(1,358)	(2,954)	–	(5,247)
– valuation	–	(108)	–	–	–	–	(108)
At 31.12.2000	23,066	73,233	135,627	558,258	121,531	275	911,990
– cost	21,945	57,199	99,400	532,808	121,531	275	833,158
– valuation	1,121	16,034	36,227	25,450	–	–	78,832
	23,066	73,233	135,627	558,258	121,531	275	911,990
Net book value at 31.12.2000	293,571	1,063,951	265,747	432,947	59,733	100,037	2,215,986
– cost	285,990	604,364	200,757	427,088	59,733	100,037	1,677,969
– valuation	7,581	459,587	64,990	5,859	–	–	538,017
	293,571	1,063,951	265,747	432,947	59,733	100,037	2,215,986
Net book value at 31.12.1999	302,377	1,133,561	160,957	426,299	56,653	79,797	2,159,644
– cost	294,744	664,441	96,113	419,668	56,653	79,797	1,611,416
– valuation	7,633	469,120	64,844	6,631	–	–	548,228
	302,377	1,133,561	160,957	426,299	56,653	79,797	2,159,644
Depreciation charged for year ended 31.12.1999	3,579	14,073	9,278	63,362	17,957	–	108,249

9. PROPERTY, PLANT AND EQUIPMENT (continued)

Company Cost/Valuation	Land and buildings			Plant, machinery and equipment	Vehicles, vessels and fixtures	Capital work in progress	Total
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000				
At 1.1.2000							
– cost	8,828	38,287	–	13,938	6,984	–	68,037
– valuation	–	21,423	–	–	–	–	21,423
	8,828	59,710	–	13,938	6,984	–	89,460
Additions	–	153	–	227	265	–	645
Disposals – cost	(1,239)	–	–	–	(457)	–	(1,696)
Write-offs – cost	–	(229)	–	(457)	(496)	–	(1,182)
At 31.12.2000	7,589	59,634	–	13,708	6,296	–	87,227
– cost	7,589	38,211	–	13,708	6,296	–	65,804
– valuation	–	21,423	–	–	–	–	21,423
	7,589	59,634	–	13,708	6,296	–	87,227
Accumulated depreciation At 1.1.2000							
– cost	–	12,290	–	13,075	5,807	–	31,172
– valuation	–	5,182	–	–	–	–	5,182
	–	17,472	–	13,075	5,807	–	36,354
Charge for the year							
– cost	–	770	–	501	631	–	1,902
– valuation	–	257	–	–	–	–	257
Disposals – cost	–	–	–	–	(449)	–	(449)
Write-offs – cost	–	(149)	–	(457)	(484)	–	(1,090)
At 31.12.2000	–	18,350	–	13,119	5,505	–	36,974
– cost	–	12,911	–	13,119	5,505	–	31,535
– valuation	–	5,439	–	–	–	–	5,439
	–	18,350	–	13,119	5,505	–	36,974

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9. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Land and buildings			Plant, machinery and equipment	Vehicles, vessels and fixtures	Capital work in progress	Total
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000				
Net book value at 31.12.2000	7,589	41,284	–	589	791	–	50,253
– cost	7,589	25,300	–	589	791	–	34,269
– valuation	–	15,984	–	–	–	–	15,984
	7,589	41,284	–	589	791	–	50,253
Net book value at 31.12.1999	8,828	42,238	–	863	1,177	–	53,106
– cost	8,828	25,997	–	863	1,177	–	36,865
– valuation	–	16,241	–	–	–	–	16,241
	8,828	42,238	–	863	1,177	–	53,106
Depreciation charged for year ended 31.12.1999	–	1,043	–	824	676	–	2,543

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Included in the additions to the Group's plantation land are the following expenses incurred during the year:-				
Interest expense	6,054	4,903	–	–
Depreciation	1,690	3,386	–	–

Title deeds to certain of the Group's land and buildings costing RM115.850 million (1999: RM117.807 million) have yet to be issued by the relevant authorities.

The property, plant and equipment stated at valuation were revalued by the directors based on an independent professional valuation carried out in 1974, 1981, 1982, 1990 and 1995 on the open market value basis. The valuation was a one-off exercise. It has never been the Group's policy to carry out regular revaluations of its property, plant and equipment, and accordingly, the carrying amount of the revalued property, plant and equipment has been retained as though they have never been revalued.

The net book value of revalued assets based on the historical cost convention has not been disclosed as the relevant information is no longer available.

10. LAND HELD FOR DEVELOPMENT

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Freehold land, at cost	13,177	21	–	–
Long leasehold land, at cost	261	5,602	–	–
Development expenditure, at cost	38,598	24,713	–	–
	52,036	30,336	–	–

None of the Group's development projects has commenced.

11. INTANGIBLE ASSET

	Group	
	2000 RM'000	1999 RM'000
Goodwill on acquisition of subsidiary companies		
Cost		
At 1 January	50,212	42,932
Arising from acquisitions during the year	505	8,029
Written off on disposals during the year	(378)	(309)
Deteriorated goodwill written off	(94)	(440)
At 31 December	50,245	50,212
Accumulated amortisation		
At 1 January	5,522	3,457
Amortisation for the year	2,455	2,065
At 31 December	7,977	5,522
Net book value at 31 December	42,268	44,690

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12. INVESTMENT IN SUBSIDIARY COMPANIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Shares quoted in Malaysia at cost	–	–	695,151	695,151
Unquoted shares in				
Consolidated subsidiary companies at cost less provision for impairment loss amounting to RM24.622 million (1999: nil)	–	–	288,203	314,089
Unconsolidated subsidiary company at cost	220	–	–	–
Unquoted shares at valuation	–	–	5,377	5,377
Group's share of post-acquisition retained profit of unconsolidated subsidiary company	1,971	–	–	–
Share application monies	–	–	27,335	–
	2,191	–	1,016,066	1,014,617
The equity interest in the unconsolidated subsidiary company before commencement of members' voluntary liquidation is represented by:				
Share of net assets of unconsolidated subsidiary company	2,191	–		
Goodwill/Discount on acquisition	–	–		
	2,191	–		
Market value of quoted shares	–	–	889,079	1,078,219

The unquoted shares shown at valuation were revalued in 1981 based on the underlying net assets of the subsidiary company concerned. The 1981 valuation was a one-off exercise. It has never been the Group's policy to carry out regular revaluations of its investment in subsidiary companies and accordingly, the carrying amount of the revalued investment has been retained as though it has never been revalued.

The unconsolidated subsidiary company is Fedflour Trading (Singapore) Pte Ltd. Fedflour Trading (Singapore) Pte Ltd was placed under members' voluntary liquidation during the year and accordingly its financial statements have ceased to be included in the Group's financial statements. The investment in Fedflour Trading (Singapore) Pte Ltd has been retained in the financial statements of the Group at the carrying amount at the date the company was placed under members' voluntary liquidation.

The share application monies were paid pursuant to a rights issue by a subsidiary company, Chemquest Sdn Bhd. The shares were issued after 31 December 2000.

The subsidiary companies are listed in explanatory note 39.

13. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unquoted shares at cost	373,924	438,606	119,767	187,209
Group's share of post-acquisition reserves and retained profits less losses	301,299	235,255	–	–
	675,223	673,861	119,767	187,209
Unquoted preference shares at cost	–	7,693	–	7,693
	675,223	681,554	119,767	194,902
The equity interest in associated companies is represented by:				
Share of net assets of associated companies	685,768	681,002		
Premium less discount on acquisition	(10,545)	(7,141)		
	675,223	673,861		

The associated companies are listed in explanatory note 40.

14. OTHER INVESTMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Shares quoted in Malaysia at cost	38,238	38,238	30,011	30,011
Provision for impairment loss	(110)	(110)	–	–
	38,128	38,128	30,011	30,011
Shares quoted outside Malaysia at cost	213,686	266,446	98,379	98,379
Provision for impairment loss	(5,851)	–	–	–
	207,835	266,446	98,379	98,379
Unquoted shares at cost	17,107	17,281	14,815	14,815
Provision for impairment loss	(3,351)	(3,351)	(2,500)	(2,500)
	13,756	13,930	12,315	12,315
	259,719	318,504	140,705	140,705
Market values of shares				
– quoted in Malaysia	25,624	67,925	15,941	29,774
– quoted outside Malaysia	243,387	378,612	98,595	103,159
	269,011	446,537	114,536	132,933

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15. INVENTORIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Raw materials				
– cost	260,526	294,300	–	–
– net realisable value	–	13,891	–	–
Work-in-progress				
– cost	23,248	18,057	–	–
Finished goods				
– cost	140,372	111,051	–	–
– net realisable value	37,630	86,735	–	–
Sundry stores and consumables				
– cost	45,909	46,165	2,881	2,995
Merchandising stock for resale				
– cost	15,405	17,719	–	–
Livestocks				
– cost	5,894	4,280	–	–
Future cane crop expenditure				
– cost	8,672	8,538	8,672	8,538
	537,656	600,736	11,553	11,533

16. GROSS AMOUNT DUE FROM/TO CUSTOMERS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Aggregate contract expenditure incurred to date	427,952	345,810	–	–
Attributable profit recognised to date	43,853	35,110	–	–
	471,805	380,920	–	–
Progress billings	(494,829)	(386,055)	–	–
	(23,024)	(5,135)	–	–
Gross amount due from customers	3,136	2,108	–	–
Gross amount due to customers	(26,160)	(7,243)	–	–
	(23,024)	(5,135)	–	–

Contract expenditure include the following expenses incurred during the year:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Hire purchase interest	1	–	–	–
Bank overdraft interest	155	643	–	–

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Gross trade receivables	330,974	553,032	–	–
Provision for doubtful debts	(30,822)	(33,750)	–	–
	300,152	519,282	–	–
Other receivables, deposits and prepayments	79,596	68,297	15,442	9,734
Provision for doubtful debts	(5,658)	–	(67)	–
	73,938	68,297	15,375	9,734
	374,090	587,579	15,375	9,734

Included in the Group's gross trade receivables are retention sum receivables amounting to RM2.111 million (1999: RM2.041 million).

18. AMOUNTS DUE FROM/TO SUBSIDIARY COMPANIES

The amounts due from subsidiary companies represent unsecured advances with no fixed terms of repayment and are analysed as follows:

	Company	
	2000 RM'000	1999 RM'000
Bearing interest at 0.75% (1999: 0.75%) above inter-bank offer rates	28,799	20,795
Bearing interest at 4.15% (1999: 4.00%)	23,496	49,287
Interest free	102,710	91,185
	155,005	161,267

The amounts due to subsidiary companies represent unsecured advances with no fixed terms of repayment and are analysed as follows:

	Company	
	2000 RM'000	1999 RM'000
Bearing interest at 3.70% (1999: 3.50%)	86,154	217,316
Interest free	10,107	9,734
	96,261	227,050

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19. AMOUNTS DUE FROM/TO ASSOCIATED COMPANIES

The amounts due from/to associated companies represent trade and non-trade accounts which are unsecured with no fixed terms of repayment.

Included in the amounts due from associated companies are RM5.521 million (1999: RM2.303 million) for the Group and RM3.321 million (1999: RM2.303 million) for the Company, which bear interest at between 4.00% and 10.00% (1999: 4.50%).

20. DEPOSITS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Deposits with licensed banks				
– in Malaysia	75,636	39,300	500	–
– outside Malaysia	170,817	143,840	–	–
Deposits with financial institutions				
– in Malaysia	185,919	136,140	–	–
	432,372	319,280	500	–

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Trade payables	219,609	257,863	1,247	1,422
Other payables and accruals	161,411	131,921	3,374	2,223
	381,020	389,784	4,621	3,645

Included in the Group's other payables and accruals are advances received for contract work not yet performed amounting to nil (1999: RM115,000).

22. HIRE PURCHASE LIABILITIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Outstanding hire purchase instalments due:				
– not later than one year	548	655	–	–
– later than one year and not later than five years	781	302	–	–
	1,329	957	–	–
Unexpired term charges	(259)	(191)	–	–
Outstanding principal amount due	1,070	766	–	–
Outstanding principal amount due not later than one year (included in current liabilities)	447	525	–	–
Outstanding principal amount due later than one year and not later than five years	623	241	–	–

23. SHORT TERM BORROWINGS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<i>Secured:</i>				
Current portion of long term bank loans (<i>explanatory note 24</i>)	152	–	–	–
<i>Unsecured:</i>				
Bank overdrafts	14,903	15,666	1,485	568
Revolving credits	207,294	97,594	89,055	84,475
Bankers' acceptance	134,253	520,981	–	–
Export credit refinancing	149,475	125,110	–	–
Current portion of long term bank loans (<i>explanatory note 24</i>)	1,619	1,660	–	–
	507,696	761,011	90,540	85,043

The above borrowings bear interest at commercial rates which vary according to inter-bank offer or base lending rates, depending upon the nature and purpose of the borrowings. During the year, the interest rates applicable were between 2.72% and 8.50% (1999: 2.65% and 9.20%).

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24. LONG TERM LOANS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
<i>Secured:</i>				
US-dollar denominated bank term loan bearing interest at 0.70% above SIBOR repayable by 7 half-yearly instalments commencing August 2003	8,338	—	—	—
Bank term loan bearing interest at 3% per annum repayable by 24 monthly instalments commencing May 2000	203	—	—	—
<i>Unsecured:</i>				
Bank term loan bearing interest at 1.15% above BLR repayable by 14 half-yearly instalments commencing October 1997	3,801	6,001	—	—
	12,342	6,001	—	—
Repayments due within the next 12 months included under short term borrowings				
– secured	(152)	—	—	—
– unsecured	(1,619)	(1,660)	—	—
(explanatory note 23)				
	10,571	4,341	—	—

The US-dollar denominated bank term loan is secured by an irrevocable standby letter of credit issued by the Company.

The other bank term loan amounting to RM203,000 (1999: nil) is secured over the plant and machinery of the Group with a total net book value of RM297,804.

25. DEFERRED INCOME

	Group	
	2000 RM'000	1999 RM'000
Discount on acquisition of subsidiary companies		
Cost		
At 1 January	13,551	–
Arising from acquisitions during the year	74	13,551
Written off	(178)	–
At 31 December	13,447	13,551
Accumulated amortisation		
At 1 January	536	–
Amortisation for the year	562	536
At 31 December	1,098	536
Net book value at 31 December	12,349	13,015

26. DEFERRED TAXATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
At 1 January	47,678	34,493	–	–
Arising from acquisition of subsidiary companies	–	1,799	–	–
Deletion due to disposal of a subsidiary company	–	(2)	–	–
Transfer from income statement	1,873	11,388	–	–
At 31 December	49,551	47,678	–	–

No deferred taxation has been provided on the surplus arising from the revaluation of property, plant and equipment and investment in the subsidiary company as it is not the intention of the directors to dispose of these assets.

Except as stated above, there are no material timing differences on which deferred taxation has not been provided.

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27. SHARE CAPITAL**Authorised:**

500,000,000 ordinary shares of RM1 each

Issued and fully paid:

367,967,343 ordinary shares of RM1 each

2000 RM'000	1999 RM'000
500,000	500,000
367,967	367,967

28. EFFECT OF CHANGES IN GROUP STRUCTURE

Group	
2000 RM'000	1999 RM'000
a. Effect on revaluation reserve	
Effect of issue of shares pursuant to PPB Oil Palms Berhad's ESOS	
(590)	(589)
b. Effect on capital reserve	
Effect of issue of shares pursuant to PPB Oil Palms Berhad's ESOS	
(209)	31
c. Effect on unappropriated profit	
Effect of dilution of equity interest in subsidiary companies	
Effect of dilution of equity interest in associated companies	
Effect of issue of shares pursuant to PPB Oil Palms Berhad's ESOS	
(2,328)	–
981	–
(740)	(100)
(2,087)	(100)

During the year, PPB Oil Palms Berhad disposed of its subsidiary companies, namely, Sandakan Edible Oils Sdn Bhd (100.0%-owned) and Bintulu Edible Oils Sdn Bhd (86.0%-owned) to the Company's 53.8%-owned subsidiary company, FFM Berhad. As a result of these disposals, the Group's effective equity interest in Sandakan Edible Oils Sdn Bhd was reduced from 57.9% to 55.2%, and the Group's effective equity interest in Bintulu Edible Oils Sdn Bhd from 49.8% to 47.5%.

During the year, Masuma Trading Co. Ltd (100.0%-owned) disposed of its subsidiary company, namely PT Healthcare Glovindo (90.0%-owned) to the Company's 55.0%-owned subsidiary company, Chemquest Overseas Ltd. As a result of the disposal, the Group's effective equity interest in PT Healthcare Glovindo was reduced from 90.0% to 49.5%.

During the year, the Company disposed of its subsidiary company, Minsec Engineering Services Sdn Bhd (100.0%-owned) to the Company's 55.0%-owned subsidiary company, Chemquest Sdn Bhd. As a result of the disposal, the Group's effective equity interest in Minsec Engineering Services Sdn Bhd was reduced from 100.0% to 55.0%.

During the year, the Company disposed of two of its associated companies, namely, Saratok Palm Oil Mill Sdn Bhd (30.0%-owned) and Agri-Sabah Fertilizer Sdn Bhd (21.0%-owned) to its 57.9%-owned subsidiary company, PPB Oil Palms Berhad. As a result of these disposals, the Group's effective equity interest in Saratok Palm Oil Mill Sdn Bhd was reduced from 30.0% to 17.4%, and the Group's effective equity interest in Agri-Sabah Fertilizer Sdn Bhd from 21.0% to 12.2%.

29. DIVIDENDS

	2000 RM'000	1999 RM'000
Interim dividend of 10% (1999: 8%) comprising 5% (1999: nil) tax exempt and 5% (1999: 8%) less 28% income tax	31,645	21,195
Special dividend of nil (1999: 8%) less 28% income tax	–	21,195
Proposed final dividend of 10% (1999: 8%) less 28% income tax	26,494	21,195
	58,139	63,585

30. ACQUISITION OF SHARES IN NEW SUBSIDIARY COMPANIES

The new subsidiary companies acquired during the year were Aktif Kukuh Sdn Bhd and PT Mustika Sembuluh.

The new subsidiary companies acquired during 1999 were Chemquest Sdn Bhd, Malayan Adhesives & Chemicals Sdn Bhd, Conwaste Disposal Services (P. Pinang) Sdn Bhd, AWS Jaya (Perak) Sdn Bhd and Ribubonus Sdn Bhd.

	Group	
	2000 RM'000	1999 RM'000
Analysis of acquisition of shares in new subsidiary companies		
Non-current assets	3,587	68,344
Current assets	11,154	102,378
Non-current liabilities	–	(11,884)
Current liabilities	(166)	(75,868)
Minority interests	(1,337)	(41,112)
Fair value of attributable assets acquired	13,238	41,858
Goodwill on acquisition	1,772	7,410
Discount on acquisition	–	(998)
Total purchase consideration	15,010	48,270
Existing 47.1% equity interest in Chemquest Sdn Bhd previously equity accounted for	–	(26,627)
Less: Cash and cash equivalents acquired	(10,771)	(17,734)
Net cash paid during the year	4,239	3,909

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30. ACQUISITION OF SHARES IN NEW SUBSIDIARY COMPANIES (continued)

The effects of the acquisition of the new subsidiary companies on the consolidated financial results for the year and the consolidated financial position as at 31 December 2000 are as follows:

	Group	
	2000 RM'000	1999 RM'000
Income statement		
Revenue	–	219,068
Cost of sales	–	(177,324)
Gross profit	–	41,744
Other operating income	1,195	10,284
Distribution expenses	–	(4,446)
Administrative expenses	(2,157)	(17,827)
(Loss)/Profit from operations	(962)	29,755
Profit/(Loss) from investing activities	372	(515)
Share of associated companies' profits less losses	–	368
Finance cost	(31)	(1,663)
(Loss)/Profit before taxation	(621)	27,945
Taxation	(433)	150
(Loss)/Profit after taxation	(1,054)	28,095
Minority interests	505	(16,622)
(Decrease)/Increase in Group's net profit	(549)	11,473
Gain not recognised in the income statement		
Currency translation differences	(125)	(4,380)
Balance sheet		
Non-current assets	4,691	70,340
Current assets	10,109	109,467
Non-current liabilities	–	(6,429)
Current liabilities	(1,518)	(62,921)
Minority interests	(6,291)	(60,797)
Group's share of net assets	6,991	49,660

31. DISPOSAL OF SHARES IN SUBSIDIARY COMPANY

The subsidiary company disposed of during 1999 was Fineway Sdn Bhd.

	Group	
	2000 RM'000	1999 RM'000
Analysis of disposal of interest in subsidiary company		
Non-current assets	–	9
Current assets	–	88
Non-current liabilities	–	(2)
Current liabilities	–	–
Minority interests	–	824
Share of net assets disposed of	–	919
Goodwill written off on disposal	–	309
Gain on disposal of shares in subsidiary companies	–	23
Total sale consideration	–	1,251
Less: Cash and cash equivalents disposed of	–	(30)
Net cash inflow during the year	–	1,221

32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Property, plant and equipment acquired	205,852	198,486	645	910
Interest expense capitalised	(6,054)	(4,903)	–	–
Depreciation capitalised	(1,690)	(3,386)	–	–
Financed via hire purchase	(1,153)	(247)	–	–
Cash paid	196,955	189,950	645	910

33. RELATED PARTY TRANSACTIONS

Significant related party transactions during the year were as follows:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Transactions with subsidiary companies				
Interest received and receivable	–	–	3,574	3,888
Interest paid and payable	–	–	5,843	9,821
Rental income	–	–	492	492
Sales of shares in subsidiary companies	–	–	9,550	–
Sales of shares in associated companies	–	–	7,631	–

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33. RELATED PARTY TRANSACTIONS (continued)

Significant related party transactions during the year were as follows:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Transactions with associated companies				
Sales to				
Kuok Oils & Grains Pte Ltd	1,183,108	3,774,504	—	—
Kilang Gula Felda Perlis Sdn Bhd	27,075	28,442	27,075	28,442
Konsortium Abass Sdn Bhd	26,158	—	—	—
Cipta Quantum Sdn Bhd	11,250	—	—	—
PKAS Jaya Sdn Bhd	194	—	—	—
Lahad Datu Edible Oils Sdn Bhd	121	—	—	—
Interest received from				
Vita Tenggara Fruit Industries Sdn Bhd	108	145	108	145
Saratok Palm Oil Mill Sdn Bhd	11	—	11	—
Worldwide Landfills Sdn Bhd	120	—	—	—
Ladang Sejahtera Sdn Bhd	—	39	—	—
Management fee received from				
Ancom-Chemquest Terminals Sdn Bhd ("Ancom-Chemquest")	91	139	—	—
Cipta Quantum Sdn Bhd	135	150	—	—
Federation Theatres Sdn Bhd	44	44	—	—
Graceville Sdn Bhd	144	144	—	—
Kian Min Realty Sdn Bhd	120	120	—	—
Ladang Sejahtera Sdn Bhd	—	78	—	—
Shaw Brothers (M) Sdn Bhd	—	135	—	—
Rental of premises received from				
Agri-Sabah Fertilizer Sdn Bhd	3	—	3	—
Kerry Leisure Concepts Sdn Bhd	212	279	—	—
Commission received from				
Federation Theatres Sdn Bhd	34	48	—	—
Graceville Sdn Bhd	72	107	—	—
Kuok Oils & Grains Pte Ltd	32	121	—	—
Ladang Sejahtera Sdn Bhd	—	20	—	—
Film rental received from				
Federation Theatres Sdn Bhd	72	62	—	—
Graceville Sdn Bhd	101	118	—	—
Ladang Sejahtera Sdn Bhd	—	56	—	—
Purchases from				
Agri-Sabah Fertilizer Sdn Bhd	9,452	5,670	—	—
Kuok Oils & Grains Pte Ltd	324,041	596,184	—	—
Lahad Datu Edible Oils Sdn Bhd	8,390	46,957	—	—
Rental of premises paid to				
Ancom-Chemquest	132	174	—	—
Kian Min Realty Sdn Bhd	1,024	967	326	362
Shaw Brothers (M) Sdn Bhd	772	1,051	—	—
Lease rental paid to				
Ancom-Chemquest	227	227	—	—

33. RELATED PARTY TRANSACTIONS (continued)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Purchase of property, plant and equipment from				
Graceville Sdn Bhd	31	—	—	—
Kuok Oils & Grains Pte Ltd	478	—	—	—
Ladang Sejahtera Sdn Bhd	—	363	—	—
Commission paid to				
Kuok Oils & Grains Pte Ltd	37	628	—	—
Filmlet income payable to				
Federation Theatres Sdn Bhd	25	93	—	—
Graceville Sdn Bhd	7	28	—	—
Ladang Sejahtera Sdn Bhd	—	61	—	—
Transactions with an associated company which was disposed of during the year				
Rental received from RA-PPB (Tops) Retail Sdn Bhd	621	591	—	—

Non-trade balances with associated companies as at 31 December 2000 were as follows:

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Balances owing by:				
Agri-Sabah Fertilizer Sdn Bhd	1	6	1	6
Bintulu Adhesives & Chemicals Sdn Bhd	—	1	—	1
Federation Theatres Sdn Bhd	63	45	—	—
Graceville Sdn Bhd	248	173	—	—
Kerry Leisure Concepts Sdn Bhd	—	1	—	1
Kian Min Realty Sdn Bhd	46	3	46	3
Konsortium Abass Sdn Bhd	2,287	—	—	—
Kuok Oils & Grains Pte Ltd	8	312	—	—
Ladang Sejahtera Sdn Bhd	1	—	—	—
Pantai Dalit Beach Resort Sdn Bhd	—	35	—	35
Saratok Palm Oil Mill Sdn Bhd	1,502	104	1,502	104
Techno Indah Sdn Bhd	1,238	704	—	—
Vita Tenggara Fruit Industries Sdn Bhd	2,411	2,303	2,411	2,303
Wisma Perak Sdn Bhd	1,070	1,070	—	—
Worldwide Landfills Sdn Bhd	1,320	—	—	—
Balances owing to:				
Golden Screen Film Distribution Co Sdn Bhd	192	193	—	—
Kilang Gula Felda Perlis Sdn Bhd	43	22	43	22
Kian Min Realty Sdn Bhd	9	—	9	—

ACCOUNTING**POLICIES AND EXPLANATORY NOTES**

for the year ended 31 December 2000

33. RELATED PARTY TRANSACTIONS (continued)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Transactions with Kuok Brothers Sdn Bhd, a substantial shareholder of the Company				
Interest paid	132	—	—	—
Management fee paid	117	94	—	—
Transactions with associated companies of Kuok Brothers Sdn Bhd				
Insurance premium paid to Jerneh Insurance Berhad	9,261	10,871	39	68
Rental of premises to Pelangi Berhad	3,622	3,958	—	—
Transactions with companies in which a director, Kuok Khoon Ean, has financial interest				
Sales to Kerry Foodstuff Company Ltd	8,852	19,971	—	—
Sales to Kuok (Singapore) Ltd	22,389	15,533	—	—
Purchases from Kerry Foodstuff Company Ltd	184,509	227,364	—	—
Transactions with companies in which a director of PPB Oil Palms Berhad, Dr Ng Siew Kee, has financial interest				
Purchases from				
Agrocom Enterprise Sdn Bhd	919	1,225	—	—
Agromac (M) Sdn Bhd	157	140	—	—
Transactions with a minority shareholder of Cipta Wawasan Engineering Sdn Bhd				
Management fee paid to Raya Aspirasi Sdn Bhd	372	372	—	—
Transactions with a minority shareholder of Reka Halus Sdn Bhd				
Purchases from Ladang Sabah Sdn Bhd	312	1,493	—	—

33. RELATED PARTY TRANSACTIONS (continued)

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Transactions with other related parties				
Sales by Lamlewa Feedmill Sdn Bhd ("Lamlewa") to companies in which Lamlewa's directors and senior employees have substantial financial interest	–	1,257	–	–

The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

34. EMPLOYEE INFORMATION

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Staff costs	224,534	223,846	10,289	10,374

The number of employees (including executive directors) as at 31 December 2000 was 15,343 (1999: 14,831) for the Group and 381 (1999: 385) for the Company.

35. CONTINGENT LIABILITIES

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Unsecured guarantees issued in consideration of credit facilities granted to associated companies	14,800	21,741	2,550	–
Claim for compensation for early termination of tenancy agreement by a subsidiary company	3,029	–	–	–
Unsecured guarantees to secure supply of property, plant and equipment to a subsidiary company	11,218	–	–	–
Irrevocable standby letter of credit issued in consideration of credit facilities granted to a subsidiary company	–	–	41,800	–
	29,047	21,741	44,350	–

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36. COMMITMENTS

	Group		Company	
	2000 RM'000	1999 RM'000	2000 RM'000	1999 RM'000
Authorised capital expenditure not provided for in the financial statements				
– contracted	68,253	117,478	11,483	–
– not contracted	171,782	210,112	467	671
Operating lease commitments				
– within 12 months	788	–	–	–
– 2 to 5 years	1,163	–	–	–
– over 5 years	175	–	–	–
Uncalled portion of share capital in a subsidiary company	–	–	11,165	–
	242,161	327,590	23,115	671

The Company has also given an undertaking to meet the cash requirements of a subsidiary company's oil palm plantation project in the form of advances or additional capital.

37. SEGMENTAL INFORMATION

Analysis by activity	Revenue			Profit before taxation RM'000	Total assets employed RM'000
	External customers RM'000	Inter segment RM'000	Total RM'000		
2000					
Food industries	5,092,370	–	5,092,370	247,623	1,925,086
Plantations	55,133	199,073	254,206	16,891	1,254,281
Manufacturing and services	307,691	34,352	342,043	20,028	331,415
Commodity trading	2,490,209	–	2,490,209	16,097	236,181
Shipping	47,434	19,819	67,253	31,999	173,856
Property, entertainment and retailing	156,615	–	156,615	36,796	512,088
Hotels	21,453	–	21,453	4,172	62,080
Others	197,540	907	198,447	35,249	475,829
	8,368,445	254,151	8,622,596	408,855	4,970,816
Less: Inter-segment sales			(254,151)	–	–
Group's share of associated companies' revenue			(3,097,055)	–	–
			5,271,390	408,855	4,970,816

37. SEGMENTAL INFORMATION (continued)

2000 % of Contribution	Revenue %	Profit before taxation %	Total assets employed %
Food industries	59.05	60.56	38.73
Plantations	2.95	4.13	25.23
Manufacturing and services	3.97	4.90	6.67
Commodity trading	28.88	3.94	4.75
Shipping	0.78	7.83	3.50
Property, entertainment and retailing	1.82	9.00	10.30
Hotels	0.25	1.02	1.25
Others	2.30	8.62	9.57
	100.00	100.00	100.00

Analysis by activity	Revenue			Profit before taxation RM'000	Total assets employed RM'000
	External customers RM'000	Inter segment RM'000	Total RM'000		
1999					
Food industries	6,636,092	—	6,636,092	274,160	2,064,247
Plantations	56,240	296,646	352,886	115,246	1,197,369
Manufacturing and services	365,817	10,480	376,297	31,171	313,131
Commodity trading	3,210,026	—	3,210,026	25,938	236,000
Shipping	31,282	24,060	55,342	16,724	161,350
Property, entertainment and retailing	267,078	—	267,078	(34,823)	535,411
Hotels	66,720	—	66,720	(102,686)	57,667
Others	196,932	790	197,722	43,754	431,685
	10,830,187	331,976	11,162,163	369,484	4,996,860
Less: Inter-segment sales			(331,976)	—	—
Group's share of associated companies' revenue			(4,100,937)	—	—
			6,729,250	369,484	4,996,860

% of Contribution	%	%	%
Food industries	59.45	74.20	41.31
Plantations	3.16	31.19	23.96
Manufacturing and services	3.37	8.43	6.27
Commodity trading	28.76	7.02	4.72
Shipping	0.50	4.53	3.23
Property, entertainment and retailing	2.39	(9.42)	10.72
Hotels	0.60	(27.79)	1.15
Others	1.77	11.84	8.64
	100.00	100.00	100.00

No geographical analysis has been prepared as the Group's business interests are predominantly located in Malaysia.

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38. PRESENTATION OF FINANCIAL STATEMENTS

The financial statements are presented in accordance with the MASB Standards for the first time together with the relevant comparatives.

39. SUBSIDIARY COMPANIES

The subsidiary companies as at 31 December 2000 were as follows:

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
Malayan Sugar Manufacturing Company Bhd	100.0	100.0	Malaysia	Sugar refining
Astakonas Sdn Bhd	100.0	100.0	Malaysia	Transportation
Masuma Trading Co Ltd	100.0	100.0	* Hong Kong	Investment holding and trading in sugar
Quintrine Company Ltd	100.0	100.0	* Hong Kong	Investment holding
Stenmark Investment Inc	100.0	100.0	* Liberia	Dormant
Banqua Limited	100.0	100.0	* British Virgin Islands	Investment holding
MSM Properties Sdn Bhd	100.0	100.0	Malaysia	Dormant
Pari Shipping Sdn Bhd	–	100.0	Malaysia	Under members' voluntary liquidation
FFM Bhd	53.8	53.8	Malaysia	Investment holding, flour milling and processing, marketing and trading of soya beans, maize, wheat and animal feed
Johor Bahru Flour Mill Sdn Bhd	100.0	100.0	Malaysia	Flour milling and manufacturing of animal feed
FFM Feedmills (Sabah) Sdn Bhd	100.0	100.0	* Malaysia	Manufacturing and trading in animal feed
Lamlewa Feedmill Sdn Bhd	76.0	76.0	Malaysia	Ceased operations in 1999
FFM Feedmills (Sarawak) Sdn Bhd	75.0	75.0	* Malaysia	Manufacturing and trading in animal feed
FFM Marketing Sdn Bhd (formerly known as Fedflour Marketing Sdn Bhd)	100.0	100.0	Malaysia	Distribution of edible oils and consumer products
Fedflour Trading Company Ltd	100.0	100.0	* Hong Kong	Commodity trading
Fedflour Trading (Singapore) Pte Ltd	100.0	100.0	* Singapore	Under members' voluntary liquidation
Stock & Trade Ltd	100.0	100.0	* British Virgin Islands	Commodity trading
Fortune Enterprise Sdn Bhd	100.0	100.0	* Malaysia	General merchants and agents
Taloh Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Waikari Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Buxton Limited	100.0	100.0	* Samoa	Investment holding
Reefton Sdn Bhd	100.0	100.0	Malaysia	Shipping
Friendship Trading Sdn Bhd	100.0	100.0	Malaysia	Transportation
Glowland Limited	100.0	100.0	* Samoa	Investment holding

39. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
JBFM Feedmill Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and trading of animal feed
FFM Farms Sdn Bhd	100.0	100.0	Malaysia	Poultry breeding
Johor Bahru Feedmill & Trading Sdn Bhd	100.0	100.0	Malaysia	Dormant
Affluence Trading Sdn Bhd	100.0	100.0	* Malaysia	Dormant
FFM Flour Mills (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Development of a flour mill
Vietnam Flour Mills Ltd	52.5	52.5	* Socialist Republic of Vietnam	Development of a flour mill
Tego Sdn Bhd	79.9	79.9	Malaysia	Manufacturing of polybags
Tego Multifil Sdn Bhd	100.0	100.0	Malaysia	Manufacturing of polypropylene multi-filament yarns
Struktur Idaman Sdn Bhd	100.0	–	Malaysia	Investment holding
PGEO Edible Oils Sdn Bhd (formerly known as Pasir Gudang Edible Oils Sdn Bhd)	100.0	100.0	Malaysia	Processing and marketing of soya bean oils, soya bean meal, palm oil products, maize and manufacturing of steel drums
Fedrums Sdn Bhd	100.0	100.0	Malaysia	Broker in commodity futures
Maytown Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Sandakan Edible Oils Sdn Bhd	100.0	100.0	* Malaysia	Refining and marketing of palm oil
Bintulu Edible Oils Sdn Bhd	86.0	86.0	* Malaysia	Refining and marketing of palm oil
Narwa Sdn Bhd	66.6	66.6	* Malaysia	Manufacturing of plastic containers and trading in edible oils
Savers Retail Sdn Bhd	100.0	100.0	* Malaysia	Ceased operations in 2000
PPB Hartabina Sdn Bhd	100.0	100.0	* Malaysia	Property development
Kembang Developments Sdn Bhd	100.0	100.0	Malaysia	Property development
Minsec Properties Bhd	100.0	100.0	Malaysia	Property development
Ampang Leisuremall Sdn Bhd	55.0	55.0	Malaysia	Property development
PPB Leisure Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Screen Cinemas Sdn Bhd	66.2	66.2	Malaysia	Exhibition and distribution of cinematograph films
Cathay Enterprises Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Theatres Sdn Bhd	100.0	100.0	Malaysia	Renting of properties
Cathay Theatres (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Renting of properties
Film Allied Services Sdn Bhd	100.0	100.0	Malaysia	Subtitling services
Leisure Bowl Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding

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39. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
Leisure Bowl Centres Sdn Bhd	100.0	100.0	Malaysia	Bowling alley operator
Leisure Bowl (JB) Sdn Bhd	60.0	60.0	Malaysia	Bowling alley operator
Golden Screen Cinemas Sdn Bhd	54.2	54.2	Malaysia	Film exhibition and distribution
Premier Cinemas Sdn Bhd	100.0	100.0	Malaysia	Film exhibition
Cinead Sdn Bhd	100.0	100.0	Malaysia	Screen advertising
South Island Mining Company Sdn Bhd	100.0	100.0	Malaysia	Iron ore mining and rubber cultivation
Seletar Sdn Bhd	100.0	100.0	Malaysia	Oil palm cultivation and property development
Central Kedah Rubber Estates Sdn Bhd	100.0	100.0	Malaysia	Dormant
PPB Oil Palms Berhad	57.9	58.1	* Malaysia	Investment holding
Sapi Plantations Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation and milling of fresh fruit bunches
Sandakan Oil Mills Sdn Bhd	–	100.0	* Malaysia	Under members' voluntary liquidation
Kiabau Plantations Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Suai Plantations Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Saremas Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation and milling of fresh fruit bunches
Segarmas Plantations Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Kaminsky Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Sabahmas Plantations Sdn Bhd	100.0	100.0	* Malaysia	Investment holding, oil palm cultivation and milling of fresh fruit bunches
Red Logging Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Gepa Lumber Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Page Development Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Logmerc Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Ceramilek Sdn Bhd	89.8	89.8	* Malaysia	Investment holding
Hibumas Sdn Bhd	100.0	100.0	* Malaysia	Oil palm plantation and investment holding
Penumilek Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Jebawang Sdn Bhd	100.0	100.0	* Malaysia	Dormant
Sri Kamusan Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Reka Halus Sdn Bhd	70.0	70.0	* Malaysia	Oil palm cultivation and milling of fresh fruit bunches
Suburmas Plantations Sdn Bhd	70.0	70.0	* Malaysia	Oil palm cultivation
Ribubonus Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Aktif Kukuh Sdn Bhd	100.0	–	* Malaysia	Oil palm cultivation
PT Mustika Sembuluh	90.0	–	* Indonesia	Oil palm cultivation

39. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
Clonal Palms Sdn Bhd	70.0	70.0	* Malaysia	Cultivation and sale of clonal plantlets
PT Tidar Sungkai Sawit	70.0	70.0	* Indonesia	Oil palm cultivation
Minsec Management Services Company Ltd	100.0	100.0	* Hong Kong	Dormant
PPB Corporate Services Sdn Bhd	100.0	100.0	Malaysia	Corporate and share registration services
Hexarich Sdn Bhd	100.0	100.0	Malaysia	Investment holding
PPB (China) Limited	-	100.0	Samoa	Liquidated
Chemquest Sdn Bhd	55.0	55.0	Malaysia	Investment holding and provision of management services
Chemquest Trading (M) Sdn Bhd	100.0	100.0	Malaysia	Trading in chemical products
Products Manufacturing Sdn Bhd	70.0	70.0	Malaysia	Manufacturing and trading in toilet requisites, household and chemical products
Chemical Waste Management Sdn Bhd	99.0	99.0	Malaysia	Dealing with systems and equipment relating to the reduction and management of industrial and hazardous waste
Cipta Wawasan Maju Engineering Sdn Bhd	60.0	60.0	Malaysia	Builders and contractors for general engineering and construction works
CQ Properties Sdn Bhd	100.0	100.0	Malaysia	Investment in land and property for rental
Chemquest (Overseas) Ltd	100.0	100.0	* British Virgin Islands	Investment holding
CQ Technology Ltd	100.0	100.0	* British Virgin Islands	Investment holding and trading in chemical products
Chemquest Management Services Sdn Bhd	100.0	100.0	Malaysia	Provision of management services
Asia Pacific Microspheres Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and marketing of 'Phenoset Microspheres' and trading in contact glue
Marathon Equipment Asia Pte Ltd	70.0	70.0	* Singapore	Engineering, manufacturing, facility designing and construction management of waste disposal equipment
Malayan Adhesives & Chemicals Sdn Bhd	52.0	52.0	Malaysia	Manufacturing and trading in adhesives, resins, additives and formaldehyde
Otto Enviromental Systems (Asia) Pte Ltd	100.0	100.0	* Singapore	Marketing, distribution and trading of environmental systems

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39. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
Chemquest International Pte Ltd	100.0	100.0	* Singapore	Investment holding and provision of waste management services
Garbagemaster Pte Ltd (<i>formerly known as Waste Express Environment Pte Ltd</i>)	100.0	100.0	* Singapore	Collection, storage and disposal of waste
Sita Environmental Services Sdn Bhd	50.1	50.1	* Malaysia	Investment holding
Solar Status Sdn Bhd	100.0	100.0	* Malaysia	Investment holding
AWS Jaya Sdn Bhd	80.0	80.0	* Malaysia	Contractors for garbage collection and servicing of motor vehicles
AWS Jaya (Kedah-Perlis) Sdn Bhd	100.0	100.0	* Malaysia	Contractors for garbage and sewage collection and car park operator
AWS Jaya (Johor) Sdn Bhd	80.0	80.0	* Malaysia	Contractors for garbage collection and provision of management and other services in connection with garbage collection
SP Maju Sdn Bhd	50.0	80.0	* Malaysia	Contractors for garbage collection
AWS Jaya (Perak) Sdn Bhd	100.0	100.0	* Malaysia	Dormant
Conwaste Disposal Services (Pulau Pinang) Sdn Bhd	100.0	100.0	* Malaysia	Provision of refuse disposal service
Minsec Engineering Services Sdn Bhd	100.0	100.0	Malaysia	Provision of engineering services
Tri-Electro Sdn Bhd	76.0	76.0	Malaysia	Supply of electrical and mechanical equipment
PT Healthcare Glovindo	100.0	90.0	* Indonesia	Manufacturing and trading in surgical gloves
PT Glovindo Lampung	100.0	95.0	* Indonesia	Ceased operation since October 1999

* Subsidiary companies not audited by Moores Rowland

40. ASSOCIATED COMPANIES

The associated companies as at 31 December 2000 were as follows:

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
Kilang Gula Felda Perlis Sdn Bhd	50.0	50.0	Malaysia	Cane milling and sugar refining
Pantai Dalit Beach Resort Sdn Bhd	25.0	25.0	Malaysia	Hotel operator
Tanjong Aru Hotel Sdn Bhd	20.0	20.0	Malaysia	Hotel operator
RA-PPB (Tops) Retail Sdn Bhd	–	34.8	Malaysia	Retailing
Shaw Brothers (M) Sdn Bhd	34.0	34.0	Malaysia	Property development

40. ASSOCIATED COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2000 %	1999 %		
Vita Tenggara Fruit Industries Sdn Bhd	40.0	40.0	Malaysia	Property development
Kian Min Realty Sdn Bhd	50.0	50.0	Malaysia	Property ownership
Bintulu Adhesives & Chemicals Sdn Bhd	–	30.0	Malaysia	Manufacturing of adhesives and chemicals
Malaysian Bulk Carriers Sdn Bhd	20.0	20.0	Malaysia	Shipping
Lahad Datu Edible Oils Sdn Bhd	45.0	45.0	Malaysia	Refining of edible oils
Kuok Oils & Grains Pte Ltd	28.0	28.0	Singapore	Commodity trading
Kuok Oils & Grains (Hong Kong) Ltd	40.0	40.0	Hong Kong	Commodity trading
Wisma Perak Sdn Bhd	50.0	50.0	Malaysia	Investment holding
Grenfell Holdings Sdn Bhd	49.2	49.2	Malaysia	Investment holding
Golden Screen Film Distribution Co Sdn Bhd	50.0	50.0	Malaysia	Dormant
Graceville Sdn Bhd	50.0	50.0	Malaysia	Film exhibition
Primium Khas Sdn Bhd	50.0	50.0	Malaysia	Film exhibition
Federation Theatres Sdn Bhd	40.0	40.0	Malaysia	Film exhibition
Ladang Sejahtera Sdn Bhd	–	50.0	Malaysia	Under members' voluntary liquidation
Kerry Leisure Concepts Sdn Bhd	50.0	50.0	Malaysia	Operator of family amusement centres
Saratok Palm Oil Mill Sdn Bhd	30.0	30.0	Malaysia	Milling of fresh fruit bunches
Agri-Sabah Fertilizer Sdn Bhd	22.7	21.0	Malaysia	Manufacturing of fertilizers
Ancom-Chemquest Terminals Sdn Bhd	25.0	25.0	Malaysia	Provision of rental and related services
Sitamas Environmental Systems Sdn Bhd (<i>formerly known as Conwaste Disposal Services Sdn Bhd</i>)	49.0	49.0	Malaysia	Provision of disposal services
Flinders Corporation Sdn Bhd	–	49.0	Malaysia	Management of waste disposal
Techno Indah Sdn Bhd	40.0	40.0	Malaysia	Sludge disposal management
Waste Disposal Sdn Bhd	–	49.0	Malaysia	Refuse disposal services
Rentak Murni Sdn Bhd	40.0	40.0	Malaysia	Dormant
Cipta Quantum Sdn Bhd	30.0	30.0	Malaysia	Trading in equipment and waste management
Worldwide Landfills Sdn Bhd (<i>formerly known as Worldwide Sita Environmental Management Sdn Bhd</i>)	40.0	40.0	Malaysia	Management of environmental sanitary landfill and waste treatment
Kerry-Chemquest (Benxi) Water Ltd	50.0	50.0	Samoa	Dormant
Konsortium Abass Sdn Bhd	25.0	–	Malaysia	Operation and management of water treatment plant
PKAS Jaya Sdn Bhd	49.0	49.0	Malaysia	Cleaning and landscaping contractor and car park operator

STATEMENT

BY THE DIRECTORS

pursuant to Section 169(15) of the Companies Act, 1965

We, DATO' ABD JABID BIN MOHD DON and DATO' LIANG KIM BANG being two of the Directors of PPB Group Berhad (formerly known as Perlis Plantations Berhad), do hereby state that, in the opinion of the Directors, the financial statements set out on pages 30 to 77 are drawn up in accordance with applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2000 and of their results and cash flows for the year ended on that date.

On behalf of the Board

DATO' ABD JABID BIN MOHD DON

Director

DATO' LIANG KIM BANG

Director

Kuala Lumpur
15 March 2001

STATUTORY

DECLARATION

pursuant to Section 169(16) of the Companies Act, 1965

I, WONG AI HOON, being the Officer primarily responsible for the accounting records and financial management of PPB Group Berhad (formerly known as Perlis Plantations Berhad), do solemnly and sincerely declare that the financial statements of the Group and of the Company set out on pages 30 to 77 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

WONG AI HOON

Finance Manager

Subscribed and solemnly declared
by the abovenamed Wong Ai Hoon
at Kuala Lumpur in the Federal Territory
this 15th day of March 2001

Before me,

ROBERT LIM HOCK KEE

Commissioner for Oaths

Malaysia

AUDITORS' REPORT

We have audited the financial statements of the Group and of the Company set out on pages 30 to 77. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved auditing standards issued by the Malaysian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the directors as well as an evaluation of the overall presentation of the financial statements.

We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up:
 - (i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
 - (ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2000 and of their results and cash flows for the year ended on that date;
 - (iii) in accordance with applicable approved accounting standards.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report of the subsidiary companies of which we have not acted as auditors, and which are indicated in Explanatory Note 39 to the financial statements.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect of subsidiary companies incorporated in Malaysia, did not include any comment made under Section 174 (3) of the Act.

MOORES ROWLAND

No. AF: 0539

Public Accountants

Kuala Lumpur

15 March 2001

TANG KIN KHEONG

(Partner)

No. 1501/9/01 (J)

PROPERTIES**OWNED**

by PPB Group Berhad and its Subsidiaries

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Perlis						
PN 37, Kampung Baru, Chuping	Sugar cane plantation	–	5,851 hectares	Leasehold	2061 &)	19,238
PN 39, Bukit Merah, Chuping					2063)	
PN 40, Store Chia, Chuping)	
PN 41, Padang Hang Chik Wa, Chuping)	
PN 42, Padang Mayat, Chuping)	
PN 43, Air Hujan, Chuping)	
HS (D) 145, Chuping)	
HS (D) 194, Rimba Mas-Mas, Chuping)	
HS (D) 4455, Air Timbul Jerneh, Chuping)	
HS (D) 2587, Bilal Udoh, Chuping	Sugar cane experimental station	31	13 hectares	Leasehold	2072)	
HS (D) 2483, Wang Bintong, Kangar	Residential land	–	6,070 sq metres	Freehold	–	41
State of Penang						
Lot Nos 31,333 to 339, 342, 343, 435 & 438, Section 15, City of Georgetown, Penang	Land for property development	–	2 hectares	Freehold	–	3,910
Lot 256/1 (923), 257, 258, 260, 283 & 554, Tanah Aman, Bukit Tengah, Mukim 11, Province Wellesley Central State of Penang	Staff housing complex	34 to 37	12 hectares	Freehold	–	1,646
798, Main Road, Prai, Province Wellesley	Sugar refinery complex	37	7 hectares	Leasehold	2042	8,977
Plots 352-355 & 362-364 Tingkat Perusahaan Tiga, Seberang Prai Tengah	Factory and office building	24	268,261 sq feet	Leasehold	2035 & 2043	1,811
Plot 99(1), Plot 100(1) & Plot 571 MK1, Tingkat Perusahaan Dua, Seberang Prai Tengah	Factory, warehouse & office building	18	386,306 sq feet	Leasehold	2042, 2049 & 2050	8,573
Odeon Penang No. 130, Penang Road, 10000 Penang	(Cinema (Cinema carpark	54 –	1,084 sq metres 281 sq metres	Freehold Leasehold	– 2038	434 151
Dalit Cinema Kompleks Tun Abdul Razak Lebuhraya Tek Soon, 10000 Penang	Cinema	20	3,332 sq metres	Leasehold	2080	4,790

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Penang						
Cathay Bukit Mertajam	(Cinema (closed)	45	1,092 sq metres	Freehold	–	413
No. 14, Jln Aston,	(Cinema carpark	–	282 sq metres	Freehold	–)	120
14000 Bukit Mertajam	(Cinema carpark	–	166 sq metres	Leasehold	2054)	
No. 8B, 10 ,12, 12A, 14, 14A, 16, (
16A, 18, 18A, 20, 20A, 22, 22A, (
22B, 22C, Beach Street, (
10300 Penang	(Shophouses	>50	2,526 sq metres	Freehold	–	2,559
No. 2 & 4, Church Street, (
10300 Penang	(
State of Kedah						
Cathay Alor Setar	Cinema	45	3,901 sq metres	Freehold	–	1,200
No. 1, Jln Limbong Kapal						
05000 Alor Setar						
Cathay Sungai Petani	Cinema (closed)	>50	830 sq metres	Freehold	–	417
No. 11, Jln Bank, 08000 Sg. Petani						
31, Jln Kampung Baru,	Land for property	–	10,925 sq metres	Freehold	–	4,556
Sg Petani, 08000 Kedah	development					
Lot 28, 57, 65, 1011, 1128,	Rubber estate	–	224 hectares	Freehold	–)	
1122-1124, 1137, 1139, 1142, 1010,)	
1273, 1242, 1279, 1292, 573, 1289,)	
1290, 1664 & 1665,)	
Mukim Semeling, Daerah Kuala Muda)	15,197
Lot 48, 1721, 1720, 1724, 98, 144,	Oil palm estate	–	484 hectares	Freehold	–)	
199, 200, 202, 204, 205, 209, 210)	
& 213, Mukim Semeling,)	
Daerah Kuala Muda)	
Lots 36-39, 50-51, 108, 3132-3135,	Poultry breeder farm	4	11,091,378	Freehold	–	16,403
Mukim of Ayer Puteh, Gurun	& vacant agricultural land		sq feet			
State of Kelantan						
Lot 29, Kawasan MIEL	Office building & warehouse	7	18,620 sq feet	Leasehold	2055	555
Kampung Lundang,						
Jln Pasir Putih, Kota Bharu						
Wilayah Persekutuan						
LA 79200014, Layang Layang Town,	Disused cinema	–	9,941 sq metres	Leasehold	2092	1,466
Labuan						
Sungei Wang Cinema, Tingkat Dua,	Cinemas	23	6,187 sq metres	Freehold	–	10,809
Sungei Wang Plaza						
55100 Kuala Lumpur						

PROPERTIES**OWNED**

by PPB Group Berhad and its Subsidiaries

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
Wilayah Persekutuan						
Lot 2883/85/86/88/89/90, 2893-2909, 2916-2939, 2912-2914, 39727-39729 Jln Cheras, Kuala Lumpur	Land for property development	–	30 hectares	Freehold	–	61,235
Cheras LeisureMall, Jln Manis 6, Taman Segar, Cheras, 56100 Kuala Lumpur	Shopping mall	6½	2 hectares	Leasehold	2077 & 2080	64,007
No. 11, Jln Manis 1, Taman Segar, Cheras, 56100 Kuala Lumpur	Eight storey building & carparks	14	9,117 sq metres	Leasehold	2077 & 2080	12,866
Lot 82, 264, 265 & 11276 M01, Ampang, Jln Ampang	Land for property development	–	17,844 sq metres	Freehold	–	72,470
No. 18, Jln 8/155, Taman Industrial, Bukit OUG, 58200 Kuala Lumpur	Warehouse & office	5	156 sq metres	Freehold	–	286
State of Sarawak						
Lot 2231, Pending Industrial Estate, Kuching	Factory, warehouse & office building	>17	73,297 sq feet	Leasehold	2040	3,739
Lot 505, Muara Tebas Land District, Kuching	Vacant industrial land	–	229,809 sq feet	Leasehold	2059	1,385
Cathay Kuching, Lot 31, Section 23, Khoo Hun Yeang Street, 93700 Kuching	Cinema (closed)	>50	1,661 sq metres	Leasehold	2802	408
Cathay Sibui, C.D.T, No. 6, Raminway, 96007 Sibui	Cinema (closed)	41	1,486 sq metres	Leasehold	2016	523
Lot 57, Sawai Land, Miri	Oil palm plantation & palm oil mill	<1	2,284 hectares	Leasehold	2056))) 134,044))
Lot 49, Sawai Land, Miri	Oil palm plantation & palm oil mill	9	9,895 hectares	Leasehold	2045	
Lot 1, Sawai Land, Suai	Oil palm plantation	–	5,674 hectares	Leasehold	2043	
Lot 1, Block 39 Sawai Land, Miri	Oil palm plantation	–	4,727 hectares	Leasehold	2053	
Lot 1, Block 42 Sawai Land, Suai	Oil palm plantation	–	3,988 hectares	Leasehold	2054	41,381
Lot 4, Block 1 Kemena Land	Oil palm plantation	–	2,420 hectares	Leasehold	2054	27,099
Port 663, Block 20 Kemena Land District, Tanjong Kidurong, Bintulu	Palm kernel crushing plant	3	175,982 sq feet	Leasehold	2056	1,980
Lot 9, Block 20 Kemena Land District of Bintulu	Factory building	9	283,140 sq feet	Leasehold	2016	6,240

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Sarawak						
Lot 3773, Bk 31 Kemena Land District, No. 7, Taman Seaview Jalan Tg. Batu, Bintulu	Office building	6	630 sq metres	Leasehold	2024	675
State of Sabah						
Nos 1 & 3, Tanjung Lipat, Kota Kinabalu	Office building & warehouse	35	13,250 sq feet	Leasehold	2025	931
5½ mile, Jln Tuaran Kolombong Industrial Estate, Kota Kinabalu	Factory & office building	8	117,612 sq feet	Leasehold	2032	5,947
Cathay Kota Kinabalu No. 51, Jln Pantai, 88801 Kota Kinabalu	Cinema	42	1,394 sq metres	Leasehold	2058	1,112
BFO Building, Jln Tunku Abd Rahman/ Jln Laiman Diki, 88996 Kota Kinabalu	Twin cinema & office lot	20	8,741 sq metres	Leasehold	2074	12,948
CL 075149325, Karamunting Land, Sandakan	Land for future expansion	–	58,315 sq metres	Leasehold	2881	2,244
Cathay Sandakan, Lot 2869, Third Street, 90007 Sandakan	Cinema	44	1,282 sq metres	Leasehold	2053	860
Lot 2777, TL 077508788, Lrg Gardenia & 60M North of KM 24 Jln Utara, Sandakan	Land for future development	–	845 sq metres	Leasehold	2061	234
CL 085319946, Labuk-Sugut, Sg. Sapi	Palm oil mill & ancillary building	<1 to 12	24 hectares	Leasehold	2086	4,745
CL 08532201, Labuk-Sugut, Sg. Sapi	Oil palm plantation	–	3,716 hectares	Leasehold	2086	52,665
CL 085322854, Labuk-Sugut, Sg. Kibut	Oil palm plantation, palm oil mill & ancillary buildings	<1 to 5	6,355 hectares	Leasehold	2088	98,097
CL 085208359, Labuk-Sugut, Beluran	Oil palm plantation	–	972 hectares	Leasehold	2062	20,072
CL 085322194, Labuk-Sugut, Sg. Sapi	Oil palm plantation	–	3,145 hectares	Leasehold	2086	59,369
PT 95092077, PT 95082360, Sg. Sugut, Beluran	Oil palm plantation	–	10,435 hectares	Leasehold	2096	39,197

PROPERTIES**OWNED**

by PPB Group Berhad and its Subsidiaries

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Sabah						
CL 085320672, Labuk-Sugut, Sg. Sugut, Beluran	Oil palm plantation	–	404 hectares	Leasehold	2087	113
TL 077533754, District of Sandakan	Factory building	14	699,137 sq feet	Leasehold	2037	13,598
TL 077530066, District of Sandakan	Palm kernel crushing plant	11	323,650 sq feet	Leasehold	2035	4,564
CL 085322587, CL 085322596, CL 085322603, Labuk-Sugut, Moynod, Beluran	Oil palm plantation & palm oil mill	1 to 10	5,352 hectares	Leasehold	2087	81,042
CL 085313560/631/640/659/668/ 677, Labuk-Sugut, Sg. Labuk	Oil palm plantation	–	1,655 hectares	Leasehold	2081	17,234
KM 9, Airport Road, Sandakan	Land for future development	–	10 hectares	Leasehold	2924	1,004
TL 017529332, Jln Albert Kok, Kota Kinabalu	Land for property development	–	3,701 sq metres	Leasehold	2073	4,976
CL 115378919/28/37/46/55/64/73, Lot 1,2,3,4,5,6 & 7, Silabukan, Lahad Datu	Oil palm plantation	–	10,991 hectares	Leasehold	2086	195,511
CL 085320403, Labuk-Sugut, Sg. Sugut	Oil palm plantation	–	2,832 hectares	Leasehold	2085	22,551
CL085330089 Labuk, Telupid Beluran	Oil palm plantations	–	3,262 hectares	Leasehold	2096	23,782
CL085333740 Labuk, Telupid Beluran	Oil palm plantations	–	250 hectares	Leasehold	2096	1,546
State of Selangor						
Lot 15609, Persiaran Raja Muda Musa, Klang	Road reserve	–	11,500 sq feet	Freehold	–	117
Lot 602, Jalan Raja Lumu Pandamaran, Port Klang	Factory & office building	10	174,240 sq feet	Leasehold	2079	2,903
P.O Box 141, South Port Area, Port Klang	Factory, warehouse & office building	11 to 34	587,783 sq feet	Leasehold	2000 to 2025	12,288
Lot 1-4, Section 6, Pulau Indah Industrial Park, Port Klang	Vacant industrial land	–	2,399,720 sq feet	Leasehold	yet to be determined	33,063
Lots 2832-2833 & 2824-2827, Mukim Sg. Buloh, District of Kuala Lumpur	Vacant industrial land & warehouse cum office	<3	2,620,090 sq feet	Freehold	–	34,067

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Selangor						
1, Jalan SS 22/19, Damansara Jaya, 47400 Petaling Jaya	Nine 4-storey shophouses	18	1,408 sq metres	Freehold	–	4,230
Lot Nos PT 10989 & PT 10091, Mukim of Sg. Buloh, District of Petaling	Land for property development	–	13,631 sq metres	Freehold	–	2,554
Lot 58 to 61, Daerah Gombak, Mukim Batu, Kaw Perindustrian, Taman Bukit Rahman Putra	Warehouse	5	35,336 sq metres	Freehold	–	13,365
Lot 844, Jalan Subang 7 Taman Perindustrian Subang Subang Jaya, 47500 Petaling Jaya	Land for workshop & office building	–	12,266 sq metres	Freehold	–	9,586
No. 28, Jln PJS 11/8, Bandar Sunway, 46150 Petaling Jaya	Warehouse & office	11	221 sq metres	Leasehold	2380	385
Lot 9, Jalan Utas 15/7, 40000 Shah Alam, Selangor	Office building	31	33,946 sq metres	Leasehold	2069	2,105
Lot 12, Persiaran Kemajuan 16/16, 40000 Shah Alam, Selangor	Office building	6 to 8	2,277 sq feet	Leasehold	2018	1,633
State of Negeri Sembilan						
Lot 1350, Jln Kampung Sawah, Bukit Pelanduk	Factory & office building	16 to 26	123,602 sq feet	Freehold	–	179
Lots 765 & 2100, Mukim of Linggi, District of Port Dickson	Poultry breeder farm	7½	7,296,300 sq feet	Freehold	–	19,389
Lots 14720-14722, Senawang Industrial Park	Factory cum office building	10	411,206 sq feet	Freehold	–	10,225
Lot 3978, Senawang Industrial Estate	Factory & office building	4 to 29	290,981 sq feet	Leasehold	2067	20,637
GC Cineplex, 2nd Floor, Terminal 1 Shopping Plaza, Jln Lintang, 70000 Seremban	Cineplex	5	1,811 sq metres	Leasehold	2094 & 2082	5,101
State of Malacca						
365, 365A & 365B, Taman Peringgiti Jaya	Office building	23	6,332 sq feet	Leasehold	2075	231
Lot 3.5, Cheng Industrial Estate	Office building & warehouse	5	49,400 sq feet	Leasehold	2090	1,242
LT 74, 174, 272, 273 & 177T.A20, Jln Bendahara Melaka	Disused cinema	–	4,046 sq metres	Freehold	–	2,991

PROPERTIES**OWNED**

by PPB Group Berhad and its Subsidiaries

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Malacca						
Cathay Melaka No. 23, Jln Munshi Abdullah, 75100 Melaka	Cinema	42	2,491 sq metres	Leasehold	2054	644
State of Johore						
Lrg Pukal Dua, Kawasan Lembaga Pelabuhan, Pasir Gudang	Factory, warehouse & office building	16 to 24	774,061 sq feet	Leasehold	2049	21,055
Plot 338, Jln Tembaga Dua, Kawasan Perindustrian, Pasir Gudang	Factory & office building	12	653,400 sq feet	Leasehold	2049	17,188
Plot 324, Jln Tembaga Dua, Kawasan Perindustrian, Pasir Gudang	Factory, warehouse & office building	4	653,400 sq feet	Leasehold	2050	5,410
Cathay Muar No. 38, Jln Sayang, 84000 Muar	Cinema (closed)	44	1,623 sq metres	Freehold	–	410
Lot 614 & 615 Bandar Maharani, Jln Ali, District of Muar	Cinema carpark/shophouse	–	345 sq metres	Freehold	–	
Lots 13804, 13805 & 13806, Mukim of Tangkak, District of Muar	Vacant agricultural land	–	3,988,353 sq feet	Freehold	–	
Cathay Batu Pahat 91A, Jln Rahmat, 83000 Batu Pahat	Cinema (closed)	40 to 50	1,562 sq metres	Freehold	–	
Odeon Batu Pahat 30, Jln Jenang, 83000 Batu Pahat	Cinema (closed)	>50	1,752 sq metres	Freehold	–	637
Plaza II Cinema F-126, 1st Floor, Holiday Plaza, Jalan Dato Suleiman, 80250 Johor Bahru, Johor	(Cinema (Cinema (Cinema (Cinema	12 12	1,535 sq metres 1,394 sq metres	Freehold Freehold	– –	9,476
Lot 973, Mukim of Tebrau, Johor Bahru	Warehouse & office building	2	376,533 sq feet	Freehold	–	
State of Pahang						
B-1770, Taman Air Putih, Kuantan	Office building	–	1,600 sq feet	Freehold	–	174
Teruntum Cinema Kompleks Teruntum, Jalan Mahkota, 25000 Kuantan	Cinema	21	2,206 sq metres	Leasehold	2075	3,119

Location	Description	Age of buildings (in years)	Land Area	Tenure	Year of Expiry	Net Book Value at 31.12.2000 RM'000
State of Pahang						
Rex Theatre Jalan Besar, 25000 Kuantan, Pahang Darul Makmur	Cinema	47	1,338 sq metres	Freehold	–	1,495
Lot 2, Kwsn MIEL, Padang Lallang, Phase III, Kuantan	Office building & warehouse	9	6,773 sq feet	Leasehold	2082	263
P.T. 42762, Mukim of Kuala Kuantan	Vacant industrial land	–	84,070 sq feet	Leasehold	2061	3,039
State of Perak						
Cathay Ipoh No. 60, Jln Dato' Onn Jaafar, 30300 Ipoh	Cinema & carpark	44	4,494 sq metres	Freehold	–	1,197
Plot 90, Kwsn Perusahaan Silibin Lengkok Rishah I, Ipoh	Office building & warehouse	7	86,250 sq feet	Leasehold	2045	1,327
Block G4 & G5 Lumut Industrial Park, Lumut	Factory	3	871,200 sq feet	Leasehold	yet to be determined	10,213
Block G9, Lumut Industrial Park, Lumut	Vacant industrial land	–	652,964 sq feet	Leasehold	yet to be determined	2,204
Mukim Bukit Gantang, District of Larut & Matang	Vacant agricultural land	–	23,268,500 sq feet	Freehold	–	13,953
Indonesia						
Desa Talao, Sg. Kunyit, Kecamatan Sangir, Kabupaten Solok, Sumatra Barat	Oil palm plantation	–	10,216 hectares	Leasehold	2032	22,886
Sampit, Central Kalimantan	Oil palm plantation	–	15,366 hectares	Leasehold	yet to be determined	2,718
Jalan Kolonel Yos Sudarso KM 10, Kawasan Industri Medan	Medical glove factory	7	39,032 sq metres	Leasehold	2022	3,966
Jalan Ir. Sutami KM 7, Bandar Lampung	Medical glove factory	12	51,450 sq metres	Leasehold	2008 & 2026	532
Vietnam						
My Xuan A Industrial Zone Ba Ria Vung Tan Province	Vacant industrial land	–	348,643 sq feet	Leasehold	2024	626
Nha Be, Phu My Ho Chi Minh City	Vacant industrial land	–	322,917 sq feet	Leasehold	2026	8,570

STATEMENT OF SHAREHOLDINGS

as at 15 March 2001

Authorised Share Capital

RM500,000,000

Issued and Fully-Paid Capital

RM367,967,343

Class of Shares

Ordinary Shares of RM1.00 each

Voting Rights

One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No of Holders	% of Holders	No of Shares	% of Issued Capital
Less than 500 shares	621	7.41	133,191	0.04
500 to 5,000 shares	5,804	69.27	11,702,017	3.18
5,001 to 10,000 shares	891	10.63	7,220,457	1.96
10,001 to 100,000 shares	860	10.26	25,405,581	6.90
100,001 to 1,000,000 shares	163	1.95	49,479,959	13.45
Above 1,000,000 shares	40	0.48	274,026,138	74.47
	8,379	100.00	367,967,343	100.00

THE TWENTY LARGEST SHAREHOLDERS

	No of Shares	% of Issued Capital
1. Kuok Brothers Sdn Berhad	118,810,071	32.29
2. HSBC Nominees (Asing) Sdn Bhd	29,167,620	7.93
3. Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	18,359,398	4.99
4. Nai Seng Sdn Berhad	15,306,000	4.16
5. Cartaban Nominees (Asing) Sdn Bhd	13,342,175	3.63
6. Employees Provident Fund Board	13,146,210	3.57
7. Mayban Nominees (Tempatan) Sdn Bhd	12,620,781	3.43
8. RC Nominees (Tempatan) Sdn Bhd	10,480,098	2.85
9. Citicorp Nominees (Asing) Sdn Bhd	8,258,779	2.24
10. ABN Amro Nominees (Tempatan) Sdn Bhd	6,901,000	1.88
11. HDM Nominees (Asing) Sdn Bhd	4,965,006	1.35
12. Permodalan Nasional Berhad	4,655,750	1.27
13. Eng Nominees (Asing) Sdn Bhd	4,260,796	1.16
14. Kuok Foundation Berhad	4,196,498	1.14
15. Malaysia Nominees (Tempatan) Sdn Bhd	3,842,433	1.04
16. Chase Malaysia Nominees (Asing) Sdn Bhd	3,066,764	0.83
17. Malaysian Food Agencies Sdn Bhd	2,631,388	0.71
18. Amanah Raya Nominees (Tempatan) Sdn Bhd – Sekim Amanah Saham Nasional	2,284,000	0.62
19. Shaw Brothers (Johore) Sdn Bhd	2,000,000	0.54
20. Universal Trustee (Malaysia) Berhad	1,981,000	0.54
	280,275,767	76.17

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	Indirect Interest	Total	
Name of Substantial Shareholders	No of Shares	No of Shares	No of Shares (in which they are deemed to have interest)	%
Kuok Brothers Sdn Berhad	147,709,623	3,841,856	151,551,479	41.19
Amanah Raya Nominees (Tempatan) Sdn Bhd – Skim Amanah Saham Bumiputera	18,359,398	–	18,359,398	4.99
Nai Seng Sdn Berhad	15,306,000	–	15,306,000	4.16
Employees Provident Fund Board	14,146,210	–	14,146,210	3.84
Dalex Investment Limited	13,649,750	–	13,649,750	3.71
Natalon Company Limited	11,342,500	–	11,342,500	3.08
Kerry Holdings Limited	–	26,217,782	26,217,782	7.13
Kerry Group Limited	–	26,217,782	26,217,782	7.13
Ang Guan Seng	–	15,431,000	15,431,000	4.19

As Bare Trustee		No of Shares held	%
Cartaban Nominees (Asing) Sdn Bhd (a)		13,343,613	3.63
Citicorp Nominees (Asing) Sdn Bhd (b)		8,249,613	2.24
HSBC Nominees (Asing) Sdn Bhd (c)		29,166,370	7.93
Mayban Nominees (Tempatan) Sdn Bhd (d)		12,620,781	3.43
R C Nominees (Tempatan) Sdn Bhd (e)		10,480,098	2.85

Notes:-

- (a) & (b) None of the beneficiaries have more than 2% interest in the Company.
- (c) 13,649,750 shares (3.71%) are held for Dalex Investment Limited and 11,342,500 shares (3.08%) are held for Natalon Company Limited.
- (d) 11,600,000 shares (3.15%) are held for Kuok Brothers Sdn Berhad.
- (e) 10,400,000 shares (2.83%) are held for Kuok Brothers Sdn Berhad.

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I/We _____
of _____
being a member/members of PPB GROUP BERHAD hereby appoint the Chairman of the Meeting*
or _____
of _____
or failing him/her _____
of _____

* Delete the words "the Chairman of the Meeting" if you wish to appoint another person to be your proxy.

as my/our proxy to vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on Friday, 11 May 2001 at 2.00 pm and at any adjournment thereof.

My/Our proxy is to vote as indicated below:-

Resolution		For	Against
1	To adopt the Directors' Report and audited Financial Statements.		
2	To approve the payment of a final dividend for the year ended 31 December 2000.		
3	To approve the payment of Directors' fees.		
4	To elect Dato' Lim Chee Wah as Director.		
5	To re-appoint Dato' Abd Jabid bin Mohd Don as Director.		
6	To re-appoint Messrs Moores Rowland as the Auditors of the Company.		

(Please indicate with an 'X' in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion.)

Signed this _____ day of _____ 2001

Number of
shares held

Signature

NOTES:-

- A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
- The instrument appointing a proxy, in the case of an individual shall be signed by the appointer, or his/her attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at 17th Floor Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

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STAMP

The Company Secretary
PPB GROUP BERHAD
17th Floor, Wisma Jerneh
38, Jalan Sultan Ismail
50250 Kuala Lumpur
Malaysia