





BOARD OF DIRECTORS

BOARD RESPONSIBILITY

The Board is fully responsible for the effective control of the PPB Group. This includes responsibility for determining the Group's strategic direction, financial performance, allocation of resources, principal risks and implementing appropriate steps to manage these risks, investor relations programme and ensuring the systems of internal control are in place and are effective. The Board has delegated specific responsibilities to four committees, namely, the Audit, Nomination, Remuneration and Risk Advisory Committees, which operate within approved terms of reference. These Committees have the authority to examine particular issues and report to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

COMPOSITION OF THE BOARD

The Board has seven Directors comprising three executive Directors and four non-executive Directors, of whom two are independent. The number of independent Directors is in compliance with the Listing Requirements of the Malaysia Securities Exchange Berhad which requires one third of the Board to comprise independent Directors.

Collectively, the Directors bring to the Board a wide range of business, financial and technical experience for the effective management of the Group's diversified businesses. The profile of each director is presented on pages 14 to 17 of this Annual Report.

There is a clear division of responsibilities in the Company. The Executive Chairman represents the Board to shareholders and provides Board leadership and direction on policy formation and decision making. The executive Directors are responsible for implementing the policies and decisions of the Board, overseeing the operations and development of business and corporate strategies. The non-executive Directors of calibre and experience provide the necessary balance of power and authority to the Board. They ensure that all proposals by management are fully deliberated and examined and take into account the interests of shareholders and other stakeholders and the communities in which the Group conducts its business. The independent non-executive Directors provide unbiased and independent views to safeguard the interest of minority shareholders.

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

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



BOARD MEETINGS

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

During the financial year ended 31 December 2003, the Board met five times and the record of attendance of each Director is set out below:-

Name of Director	Board Meeting	
	No. Attended	No. Held #
Ong Ie Cheong	4	5
Datuk Oh Siew Nam	5	5
Dato' Lim Chee Wah	4	5
Dato Sri Liang Kim Bang	4	5
YM Raja Dato' Seri Abdul Aziz bin Raja Salim (<i>Appointed on 12 May 2003</i>)	4	4
Ang Guan Seng	5	5
Tan Yew Jin	5	5
Michael Oh Aik Teong (<i>Alternate Director to Ang Guan Seng</i>)	4	5
Koh Mei Lee (<i>Alternate Director to Tan Yew Jin</i>)	5	5

Refers to the number of meetings held during the time the Director is in office.

SUPPLY OF INFORMATION

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

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

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



APPOINTMENTS TO THE BOARD

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

The Committee assists the Board in the following:-

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

Decisions on appointments are made by the Board after considering recommendations by the Committee. During the financial year ended 31 December 2003, the Nomination Committee had one meeting which was attended by all members.

DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analyst Malaysia. For new Board members, a familiarization programme is conducted which include visits to the Group's businesses and meetings with senior management as appropriate, to facilitate their understanding of the Group.

The Directors are also required to attend the Continuing Education Programme (CEP) by the Malaysia Securities Exchange Berhad on an annual basis to keep abreast of new regulatory developments and listing requirements.

RE-ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the first opportunity after their appointment. The Articles also provide that at least one third of the Board including the Executive Chairman is subject to re-election annually and each Director shall stand for re-election at least once every three years.



DIRECTORS' REMUNERATION

i. Remuneration Policy

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

ii. Remuneration Procedure

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

The determination of the remuneration of the non-executive Directors is a matter for the Board as a whole subject to approval of shareholders at the Annual General Meeting. The directors are not involved in the approval of their own remuneration package. During the financial year ended 31 December 2003, the Remuneration Committee had one meeting which was attended by all members.

iii. Remuneration Package

The details of the remuneration of Directors on Group basis for the financial year ended 31 December 2003 are as follows :-

All figures in RM'000	Executive Directors	Non-Executive Directors
Salary	3,312	747
Fees	65	462
Bonus	3,405	950
Benefits-in-kind	112	48
Total	6,894	2,207

The number of directors whose remuneration falls into the following bands of RM50,000 is shown below:-

	Executive Directors	Non-Executive Directors
Less than RM50,000	-	1
RM50,001 – RM100,000	-	1
RM100,001 – RM200,000	-	1
RM200,001 – RM300,000	-	1
RM300,001 – RM400,000	1	-
RM700,000 – RM800,000	-	1
RM1,000,000 – RM1,100,000	-	1
RM1,600,000 – RM1,700,000	1	-
RM1,700,001 – RM1,800,000	1	-
RM3,100,000 – RM3,200,000	1	-
Total	4	6



INVESTOR RELATIONS

INVESTOR RELATIONS PROGRAMME

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

i. Sources of Information

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

- Our annual report which aims to give readers a comprehensive picture of PPB Group's businesses and performance for the financial year under review.
- Quarterly Investor Updates designed like a newsletter which contain financial results, articles of the Group's operations as well as significant events during the quarter under review.
- The Investor Handbook published annually provides shareholders and the investment community with an overview of the Group's operations and serves as a convenient reference guide.
- Press releases on financial performance and important events relating to the Group via the local media and the corporate website.
- The Company's corporate website, www.ppbgroup.com contains a separate section for our shareholders or potential investors under "Investors" where they can request for information or provide feedback to the Company. Information on the Group, its businesses, financial data, annual reports and Investor Updates can be easily downloaded from the website.



ii. Direct Meetings

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

Analyst briefings are held twice a year to provide consistent dialogues between the Company's senior management and the investment community. An annual press conference is also held after the final results are released to the Malaysia Securities Exchange Berhad. On these occasions, the Executive Chairman and CEOs of the principal subsidiaries are present to address any questions.

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

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

iii. Queries and Feedback

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

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

1. Dato Sri Liang Kim Bang, Senior Independent Non-Executive Director
Telephone number : 03-21412077
Facsimile number : 03-21411041
2. Koh Mei Lee, Senior Manager (Corporate Affairs)
Telephone number : 03-21412077
Facsimile number : 03-21411041
E-mail address : corporateaffairs@ppb.com.my



ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

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

A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 80 of this Annual Report.

RELATIONSHIP WITH AUDITORS

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

A report of the Audit Committee is set out on pages 31 to 32 of this Annual Report.

INTERNAL CONTROL

The Statement on Internal Control set out on pages 29 to 30 of this Annual Report provides an overview of the state of controls within PPB Group.

Signed on behalf of the Board of Directors in accordance with a resolution dated 27 February 2004.

Ong Ie Cheong
Executive Chairman

Dato Sri Liang Kim Bang
Independent Non-Executive Director



Group Financial Highlights

	2002*	2003	%	
	RM'Million	RM'Million	Change	
INCOME STATEMENTS				
Revenue	7,857.980	9,319.768	18.60%	
Profit before taxation	500.747	707.360	41.26%	
Profit after taxation	378.492	536.882	41.85%	
Net profit for the year	242.996	371.253	52.78%	
BALANCE SHEETS				
Funds employed	4,404.741	4,822.938	9.49%	
Shareholders' funds	2,701.372	2,988.027	10.61%	
RATIOS				
Current ratio	times	2.11	2.34	10.90%
Interest coverage	times	37.10	62.60	68.73%
Debt/Equity	%	2.89	2.81	
Return on equity	%	9.00	12.42	
Return on net assets	%	11.43	14.71	
Price/Operating cash flow	times	5.81	6.09	4.82%
Price earnings ratio	times	7.95	8.66	8.93%
Profit before tax over revenue	%	6.37	7.59	
Earnings per share	sen	49.53	75.67	52.78%
Dividend per share (net) for the year	sen	43.00	20.52	-52.28%
Net tangible assets per share	RM	5.43	6.02	10.87%
31st December closing price	RM	3.94	6.55	66.24%

* Comparative figures for 2002 have been restated to comply with MASB 25 - *Income Taxes* and the change in accounting policy on Plantation Development Expenditure.

DIVIDENDS PAID IN YEAR 2003

Type of Dividend	Rate	Payment Date	For Financial Year
Final	5 sen tax exempt & 7.5 sen less tax	29 May 2003	2002
Interim	4 sen tax exempt & 5 sen less tax	26 September 2003	2003

Group's Major Events in 2003



28 February

FFM Marketing Sdn Bhd, a wholly-owned subsidiary of FFM Berhad, launched its "Marina" frozen foods comprising tempura coated chicken nuggets and New Zealand Hoki fish fingers. The launch marks a new business venture for the FFM Group and the beginning of a nationwide distribution for their frozen foods.

11 April

PPB Oil Palms Berhad, a 55.6% subsidiary of PPB, acquired 100% equity interest in Jasa Karya Sdn Bhd (JKSB). JKSB's wholly-owned subsidiary, Sekar Imej Sdn Bhd, is the registered owner of several pieces of land covering 3,642 hectares at Sungai-Sungai, District of Beluran, Sabah which is suitable for development into oil palm plantation.

16 July

Kerry Utilities Limited, a 50% overseas subsidiary of PPB held through Chemquest Group, as part of a consortium won the bid for the RMB201 million Lugouqiao Sewage Treatment Plant (Phase 1) project in Fengtai District, Beijing, China.

25 August

PGEO Group Sdn Bhd (PGSB), a wholly-owned subsidiary of PPB Group, entered into a Joint Venture Agreement with Volac Limited to subscribe for shares in a joint venture company known as "Volac Ingredients Sdn Bhd (VISB)" with the former taking 51% equity interest. VISB will undertake the production of calcium salts for feed ingredients using Palm Fatty Acid Distillate at PGSB's factory in Pasir Gudang, Johor.

10 November

PPB's Board announced its intention to privatise its 54.23% subsidiary, FFM Berhad (FFM), by acquiring the remaining shares in FFM not already owned by PPB by way of an FFM members' scheme of arrangement under Section 176 of the Companies Act, 1965.

2 December

Malaysian Bulk Carriers Berhad (MBC) in which PPB is a substantial shareholder holding 14% equity interest, was listed on the Main Board of Malaysia Securities Exchange Berhad. MBC is principally involved in investment holding and shipping activities.



28 February

Release of 4th Quarter Report for the year ended 31 December 2002.

5 March

A press briefing was held to review the financial results for the year ended 31 December 2002.

17 April

Issue of 2002 Annual Report.

22 April

An analyst briefing was held to review the financial results for the year ended 31 December 2002 and other related matters.

9 May

34th Annual General Meeting was held.

29 May

Release of 1st Quarter Report for the three months ended 31 March 2003.

26 July

The staff of PPB organized a "Gotong-Royong" activity at Rumah Charis Home for the Aged and Children with the theme "Let's Care Together". Its community programme held annually is aimed at improving the quality of life of the community.

25 August

Release of 2nd Quarter Report for the six months ended 30 June 2003. An Interim Dividend of 9 sen per share comprising 4 sen tax exempt and 5 sen less 28% tax was declared.

17 September

An analyst briefing was held to review the results for the six months ended 30 June 2003 and other related matters.

10 November

PPB's Board announced its intention to privatise its 54.23% subsidiary, FFM Berhad (FFM), by acquiring the remaining shares in FFM not already owned by PPB by way of a members' scheme of arrangement under Section 176 of the Companies Act, 1965.

21 November

Release of 3rd Quarter Report for the nine months ended 30 September 2003.



The Board acknowledges its responsibility for establishing an efficient and effective system of internal control covering not only financial controls but also controls relating to operational, compliance and risk management to safeguard shareholders' investment and the Group's assets. There is an on-going review process by the Board to ensure the adequacy and integrity of the system. Such a system is designed to manage rather than eliminate the risk of failure. Accordingly, the system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

The key elements of the Group's system of internal control are summarized as follows :-

1. Control Environment

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

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

2 Risk Management

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

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

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

- A formal risk policy and guideline have been established and approved by the Board and communicated to employees throughout the Group;
- A risk reporting structure which outlines the lines of reporting and responsibilities of the Board, Audit Committee, Risk Advisory Committee and the various subsidiary risk committees has been established and approved;
- The group-wide risk assessment process includes identifying the key risks, potential impact and likelihood of those risks, the control effectiveness and adopting the appropriate action plans to mitigate those risks to the desired level;
- The Risk Advisory Committee provides quarterly reports on the risk profile of the Group to the Audit Committee for review and the Audit Committee reports on the significant risks and controls available to mitigate those risks to the Board for its consideration;



Statement On Internal Control

2 Risk Management (continued)

- The appointment of a Chief Risk Officer at holding company and risk officers at the subsidiaries to ensure leadership, direction and coordination of the group-wide application of risk management; and
- On-going risk management education and training is provided at management and staff levels.

3. Control Activities

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

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

4. Information And Communication

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

5. Monitoring

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

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

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

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

This statement is made in accordance with a resolution of the Board of Directors dated 27 February 2004.



Composition

The members of the Audit Committee (AC) during the financial year ended 31 December 2003 comprised the following directors :-

Director	Membership	Directorship
Dato Sri Liang Kim Bang	Chairman	Independent Non-executive
YM Raja Dato' Seri Abdul Aziz bin Raja Salim (Appointed : 12 May 2003)	Member	Independent Non-executive
Ang Guan Seng	Member	Non-independent Non-executive
Tan Yew Jin (Resigned : 12 May 2003)	Member	Non-independent Non-executive

Terms Of Reference

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

Authority

The Audit Committee shall :-

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

Duties

The duties of the Audit Committee are to :-

- (1) review the following and report the same to the board of directors of the Company :-
 - a. with the external auditors, the audit plan;
 - b. with the external auditors, their evaluation of the system of internal controls;
 - c. with the external auditors, their audit report;
 - d. the assistance given by the employees of the Company to the external auditors;
 - e. the adequacy of the scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - f. the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - g. the quarterly results and year-end financial statements, prior to the approval by the board of directors, focusing particularly on :-
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
 - h. any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
 - i. any letter of resignation from the external auditors of the Company; and
 - j. whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.



Audit Committee Report

- (2) recommend the nomination of a person(s) as external auditors;
- (3) consider the external auditors' fee and any questions of dismissal;
- (4) discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management where necessary);
- (5) review the external auditors' management letter and management's response;
- (6) review any appraisal or assessment of the performance of members of the internal audit function;
- (7) approve any appointment or termination of senior staff member of the internal audit function;
- (8) inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning; and
- (9) consider other topics as defined by the Board.

Meetings Of Audit Committee

The number of meetings of the AC held during the financial year ended 31 December 2003 and details of attendance of each committee member are as follows :-

Director	Audit Committee Meetings	
	No. Held#	No. Attended
Dato Sri Liang Kim Bang	4	4
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	3	3
Ang Guan Seng	4	4
Tan Yew Jin	1	1

Refers to the number of meetings held during the time the director is a member of the AC.

Activities Of The Audit Committee

During the financial year ended 31 December 2003, the AC performed the duties specified in its Terms of Reference. In performing its duties, the AC inter-alia :-

1. reviewed with Moores Rowland the audit plan, the audit report, their evaluation of the system of internal controls and the assistance given by the Group's officers to them.
2. reviewed with the internal auditors their audit reports, approve their audit plan, scope and audit approach including assessing their performance and adequacy of their resources.
3. reviewed the Group's quarterly results and year-end financial statements prior to submission to the Board of Directors.
4. reviewed the Audit Committee Report and Statement on Internal Control for inclusion in the Annual Report.
5. reviewed the quarterly reports on the Group's top risks and management action plans to manage the risks.
6. reviewed related party transactions within the Group.
7. considered the increase in Moores Rowland's audit fee and recommended the nomination of Moores Rowland for re-appointment as external auditors.

Activities Of The Internal Audit Department

The activities of PPB Internal Audit Department (PPBIAD) are guided by its Remit and the annual audit plan approved by the AC. PPBIAD reports functionally to the AC and is independent of the activities they audit.

During the financial year ended 31 December 2003, PPBIAD reviewed the adequacy and integrity of the Group's system of internal control covering both financial as well as non-financial controls. In addition, the effectiveness of the Group's Enterprise Risk Management system was also evaluated. The audits focused on key controls to manage risks, safeguard assets, secure the accuracy and reliability of records, comply with policies, procedures, laws and regulations and promote efficiency of operations.

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

27 February 2004



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

1. Non-audit Fees

The non-audit fees paid to the external auditors of PPB and its subsidiaries ("PPB Group") for the financial year ended 31 December 2003 were as follows :-

Name of Auditor	Fees (RM)	Purpose
Moores Rowland	233,690	Due diligence review, tax advisory and accounting services.
KPMG	51,928	Tax advisory and accounting services.
Ernst & Young	137,863	Due diligence review, tax advisory and accounting services
Chin & Co.	600	Tax advisory services.
Khin Su Htay & Associates	2,158	Secretarial services.

2. Material Contracts

There were no material contracts entered into by PPB Group which involve its Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2003 or entered into since the end of the previous financial year other than as disclosed below :-

Privatisation Agreement dated 3 December 2003 between PPB and FFM Berhad ("FFM") to facilitate the Proposed Privatisation of FFM by way of a members' scheme of arrangement under Section 176 of the Companies Act, 1965. In consideration of the exchange of FFM shares held by the scheme shareholders, PPB shall on or before the last day of the settlement period, pay a cash sum of RM2.00 and shall allot and issue one (1) new PPB share for each FFM share surrendered by the scheme shareholders.

Kuok Brothers Sdn Bhd ("KBSB") is deemed interested in the Privatisation Agreement by virtue of KBSB being a major shareholder of both PPB and FFM.

Datuk Oh Siew Nam and Mr Tan Yew Jin are deemed interested in the Privatisation Agreement as they are Directors of KBSB, PPB as well as FFM and having direct and indirect interest in PPB. They also have indirect interest in KBSB and FFM.

Mr Ong Ie Cheong and Dato' Lim Chee Wah are deemed interested in the Privatisation Agreement as they are Directors of KBSB and PPB. Mr Ong has indirect interest in PPB and direct interest in KBSB while Dato' Lim has indirect interest in KBSB.



Additional Compliance Information

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

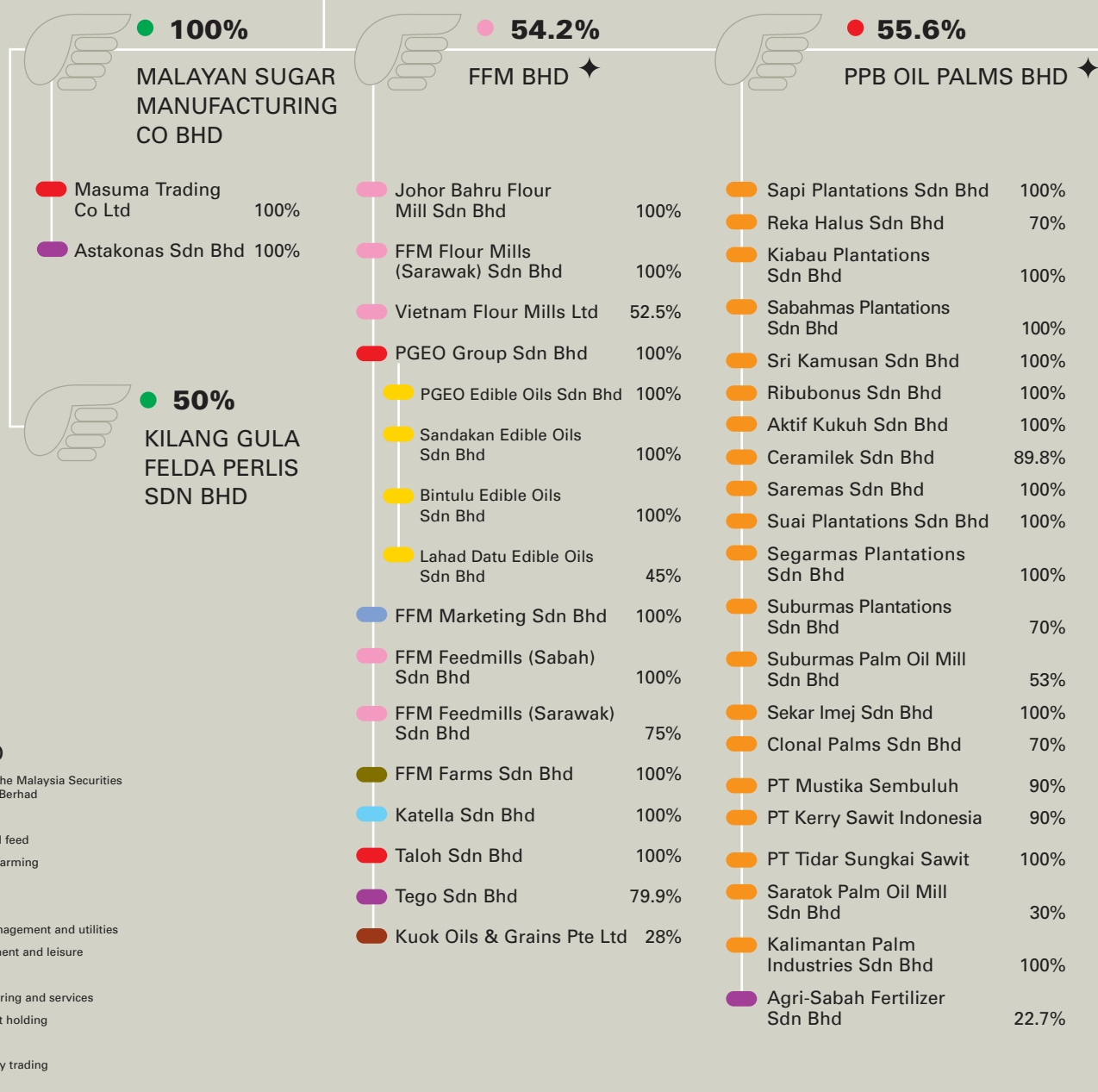
The RRPTs entered into by PPB Group during the financial year ended 31 December 2003 were as follows :-

RELATED PARTIES

- (a) Kuok Brothers Sdn Bhd ("KB"), a major shareholder of PPB with direct interest of 40.95% and indirect interest of 0.23%, 0.15%, 0.10%, 0.004% and 0.002% held through Gaintique Sdn Bhd, Jerneh Insurance Berhad, Min Tien & Co. Sdn Bhd, Hoe Sen (Mersing) Sdn Bhd and Jerneh Asia Capital Sdn Bhd respectively;
- (b) Kerry Group Limited ("KGL"), a major shareholder of PPB with indirect interest of 7.60% held through Kerry Holdings Limited ("KHL");
- (c) KHL, a major shareholder of PPB with indirect interest of 4.09%, 3.08%, 0.33% and 0.09% held through Dalex Investments Limited, Natalon Company Ltd, Chipchase Limited and Kerry Asset Management Limited respectively;
- (d) Datuk Oh Siew Nam ("DOSN"), a Director of PPB, has direct interest of 0.01% and indirect interest of 0.06% held through Loish Holdings Sdn Bhd in PPB;
- (e) Mr Ang Guan Seng ("AGS"), a Director of PPB, has indirect interest of 4.24% held through Nai Seng Sdn Bhd and Ang Toon Chew & Sons (M) Sdn Bhd in PPB;
- (f) Dato' Abd Jabid bin Mohd Don ("DAJ"), a past Director of PPB within the preceding 12 months who retired on 9 May 2003, has direct interest of 0.001% and also indirect interest of 0.001% held by his wife, Datin Ramlah bte Ahmad in PPB; and
- (g) Mr Raymond Chow Ting Hsing ("RC"), a Director and major shareholder with indirect interest of 40.2% in Golden Screen Cinemas Sdn Bhd, a 54.2% subsidiary of PPB.



Nature of transactions undertaken by PPB and/or its subsidiaries	Transacting Party	Year 2003 Actual RM'000	Interested related party
Purchase of raw sugar			
• Malayan Sugar Manufacturing Co. Bhd (MSM)	• Kerry Foodstuffs Co. Ltd (KFCL)	232,445	KGL & KHL
Sale of refined sugar			
• MSM	• Hoe Sen (Mersing) S/B	9,514	KB
• MSM	• Min Tien & Co. S/B	22,500	KB
• MSM	• KFCL	1,462	KGL & KHL
• MSM	• Batu Pahat Seng Huat Sdn Bhd	4,093	AGS
Purchase of polypropylene bags			
• MSM	• Tego S/B	1,782	KB & DOSN
Purchase of insurance			
• PPB Group	• Jerneh Insurance Bhd	3,166	KB
Provision of engineering services and quarry operations			
• Minsec Engineering Services S/B	• PPB Oil Palms Bhd Group	2,640	KB
Purchase of edible oils			
• Chemquest Trading (M) S/B	• PGEO Group S/B	1,027	KB
Sale of chemicals			
• Chemquest Trading (M) S/B	• Malayan Adhesives & Chemicals S/B	25,615	KB
• Chemquest Trading (M) S/B	• PT Healthcare Glovindo	2,798	KB
• Asia Pacific Microspheres S/B	• CQ Technology Ltd	8,894	KB
Supply of landfills equipment			
• AWS Sales & Services S/B	• Worldwide Landfills S/B	1,776	KB
Sale of formalin and purchase of phenol			
• Malayan Adhesives & Chemicals S/B	• Tejana Trading Corporation S/B	1,573	DAJ
Purchase of corn			
• FFM Group	• Ban Seng Guan S/B	30,708	AGS
Sale of flour			
• Johor Bahru Flour Mill S/B	• Batu Pahat Seng Huat Sdn Bhd	2,396	AGS
Purchase of soya bean meal			
• FFM Group	• Hoe Seng Chan Sdn Bhd	10,903	AGS
Purchase of crude palm oil			
• PGEO Edible Oils Sdn Bhd	• Perusahaan Minyak Sawit Bintang S/B	35,764	AGS
Purchase of plastics (jerrycans)			
• PGEO Edible Oils Sdn Bhd	• United Plastics S/B	4,413	AGS
Payment of film royalty fee			
• Golden Screen Cinemas Sdn Bhd	• Golden Harvest Entertainment Holdings Ltd Group	1,244	RC



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

Corporate Structure As At 15 March 2004

