

PPB GROUP BERHAD AT A GLANCE

Established in November 1968, PPB Group Berhad's initial operations were cane cultivation and sugar milling. PPB was listed on the then Stock Exchange of Kuala Lumpur and Singapore with an issued and paid-up capital of RM15 million in May 1972.

Today, PPB Group has grown into a major conglomerate engaged in a wide spectrum of businesses with an issued and paid-up capital of RM1.185 billion. PPB's core businesses are sugar refining; grains trading, flour and feed milling; edible oils refining and trading; oil palm plantations; and environmental engineering, infrastructure and waste management services. Its other businesses are livestock farming; bulk and consumer packaging; film exhibition and distribution; property ownership and development; consumer products distribution; chemicals manufacturing and commodity trading.

Whilst PPB Group's core businesses are mainly located in Malaysia and Indonesia, the Group also has operations in China, Vietnam, Myanmar, Thailand, Singapore and Europe. As one of the more diversified conglomerates in Southeast Asia, PPB's success over the years has shown that its strategic acquisitions and joint ventures were in the right direction.

PPB ranks among the top companies listed on the Bursa Malaysia Securities Berhad with a market capitalisation of RM4.9 billion. Its total assets and turnover for the last financial year ended 31 December 2005 amounted to RM6.4 billion and RM11.0 billion respectively. The Group currently employs more than 20,000 employees for its domestic and overseas operations.

THE
CORPORATION

THE
BUSINESS

THE
FINANCIALS

THE
PROPERTIES &
SHAREHOLDINGS

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Success lies in the unified core values of an entity.
PPB'S STRENGTH IN ITS DIVERSE BUSINESSES.





CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Oh Siew Nam
Executive Chairman

Dato' Lim Chee Wah
Deputy Chairman

Dato Sri Liang Kim Bang
Independent Non-Executive Director

Ang Guan Seng
Non-Independent Non-Executive Director

Tan Yew Jin
Non-Independent Executive Director

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

Tan Gee Sooi
Non-Independent Non-Executive Director

Datuk Harun bin Din
Independent Non-Executive Director

Datuk Rajasingam a/I Mayilvaganam
Independent Non-Executive Director

AUDIT COMMITTEE

Dato Sri Liang Kim Bang
Chairman

Ang Guan Seng

YM Raja Dato' Seri Abdul Aziz bin Raja Salim

Datuk Harun bin Din

Datuk Rajasingam a/I Mayilvaganam

NOMINATION COMMITTEE

Ang Guan Seng
Chairman

Dato Sri Liang Kim Bang

YM Raja Dato' Seri Abdul Aziz bin Raja Salim

REMUNERATION COMMITTEE

Dato Sri Liang Kim Bang
Chairman

Datuk Oh Siew Nam

Ang Guan Seng

SECRETARY

Tan Teong Boon

REGISTERED OFFICE

17th Floor Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21412077
Facsimile : 03-21418242
Website : www.ppbgroup.com

SOLICITORS

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

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

PRINCIPAL BANKERS

Malayan Banking Berhad
Bumiputra-Commerce Bank Berhad
Citibank Berhad

AUDITORS

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

REGISTRARS

PPB Corporate Services Sdn Bhd
14th Floor Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Telephone : 03-21412077
Facsimile : 03-21418242

STOCK EXCHANGE LISTING

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





CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of PPB Group Berhad, it is my pleasure to present to you the Annual Report, incorporating the Financial Statements of the Company and the Group for the year ended 31 December 2005.



CHAIRMAN'S STATEMENT



FFM's flour and feed mill complex at Pulau Indah

GROUP RESULTS

Year 2005 was challenging for the Group as its sugar refining division faced higher raw material costs and its oil palm plantation operations registered considerably lower palm product prices. Nevertheless, the Group with its diverse activities and strong fundamentals managed to deliver a healthy profit before tax of RM629 million albeit 14% lower than that achieved in 2004.

Group revenue decreased by 3% to RM10.7 billion due to lower crude palm oil and refined palm product prices achieved in the year. Profits from operations were 14% down due to lower contributions from the sugar refining and oil palm plantation activities. The oil palm plantation profits were trimmed because of the weaker CPO prices compounded by an increase in operating cost resulting from the larger volume of FFB processed and higher fertilizer costs.

Net profit from investing activities of RM60 million was lower than that recorded last year due to an impairment charge by a property subsidiary company.

Corresponding to the lower revenue, the Group achieved a profit before tax of RM629 million compared with RM734 million last year. Although profit before tax was lower by 14%, net profit reduced marginally by 2% to RM395 million due to lower minority interest resulting from the privatization of FFM Berhad in August 2004.

Earnings per share on the enlarged share capital of the Company arising from the Bonus Issue reduced to 33.28 sen from 37.90 sen in the previous year whilst net assets per share rose by 6% to RM4.23 from RM4.00.

The core businesses continue to contribute strong cash flows to the Group and for year 2005, the Group's businesses generated a net cash of RM593 million utilized mainly to invest in oil palm plantation development of RM95 million; property, plant and equipment of RM225 million; and payment of dividends of RM168 million.

CHAIRMAN'S STATEMENT



DIVIDENDS

The Board has recommended for shareholders' approval, a final dividend of 15 sen per share less 28% income tax payable on Wednesday, 7 June 2006 which together with the interim dividend of 5 sen less 28% income tax paid on 28 September 2005, will bring the total gross dividend to 20 sen per share less 28% income tax for the year ended 31 December 2005.

Net dividend for the year will amount to RM171 million which is 21% higher than the amount paid for year 2004 of RM141 million. This net dividend amount translates to a dividend payout ratio of 116% of Company's earnings.

Rewarding shareholders with consistent dividend yields and conserving adequate funds for investment in long-term assets for sustainable profit growth remain key considerations in the Company's dividend policy.

BONUS ISSUE AND SHARE PERFORMANCE

The Company completed its 1 for 1 Bonus Issue in June 2005. The additional bonus shares of 592,749,941 shares have enhanced the marketability of PPB shares as reflected in its trading volume and market price. PPB shares have steadily appreciated in price by 22% over the last year to close at RM4.16 on 30 December 2005 thereby improving the Company's market capitalization to RM4.9 billion from RM4.0 billion in the last financial year.

CHAIRMAN'S STATEMENT

OVERVIEW OF OPERATIONS

Food manufacturing activities

The Group's sugar refining division encountered a difficult year with raw sugar prices climbing 50% from US10 cents per pound in late 2004 to US15 cents per pound in December 2005. Prices continued its upward trend to reach a 25-year record high of about US19 cents per pound in February 2006. The higher raw material cost impacted profit margins but despite the difficult trading conditions, Malayan Sugar Manufacturing Company Berhad managed to increase its domestic sales by 6% to record an operating profit of RM95 million. To improve margins amidst increasing raw material cost, much effort has been taken to maximize efficiency of factory operations and to reduce energy cost by using natural gas for its boilers.

The flour division fared better as prices of raw materials and freight cost eased in the latter part of 2005. Flour sales also registered a healthy growth of 8% from the previous year whilst feed sales were marginally higher. The improved margins and higher sales enabled this division to record a 34% increase in operating profits to RM57 million. The Group's expansion into Thailand through its 43.4% equity interest in Kerry Flour Mills Ltd also generated good returns to associate profits.

For 2005, the Group's livestock farming operations performed significantly better with higher day-old-chick and egg prices. Operating profits improved to RM19 million on the back of a higher revenue of RM84 million compared with RM3 million achieved against a revenue of RM64 million in the year before. The Avian Influenza has been a major factor affecting the supply of broilers and eggs in 2005 resulting mainly from interrupted and reduced supply of Parent Stocks. This in turn affected the supply of broilers and eggs leading to higher selling prices for the producers.

Edible Oils Refining & Trading

The Group's edible oils trading and refining operations performed well to achieve RM126 million in profits, representing a 10% increase notwithstanding the lower revenue registered of RM8.1 billion compared with RM8.5 billion in 2004. The better performance was attributable to higher sales volume, better refining margins and consistent performance from downstream activities particularly in the manufacturing of specialty fats, hydrogenated and soybean products. The Group's refineries processed 3.6 million metric tonnes of edible oils, an increase of 6% over the previous year's production because of the higher crude palm oil production in East Malaysia.

To cater to current and expected future demand, the Group in 2005 completed the expansion of its kernel crushing plant in Bintulu and hydrogenation plant in Pasir Gudang; increased its tank farm capacity and constructed a third dry fractionation plant for the production of specialty fats, both located in Pasir Gudang.

Anticipating higher fuel cost, the Group has embarked on two renewable energy projects, one of which is the completed Biomass-fired Steam Generator Plant in Lumut and the other is a similar soon-to-be completed plant in Sandakan.



CHAIRMAN'S STATEMENT



In October 2005, the 300,000 metric tonne per annum edible oils and fats processing facility in Rotterdam, Netherlands under PGEO Group's joint venture with KOG Investments Pte Ltd, Singapore commenced operation. With this expansion into the European market, the Group expects to further strengthen its position in the highly competitive edible oils market.

Oil Palm Plantations

The oil palm plantation operations remain the major earner of Group profits contributing RM165 million despite lower crude palm oil (CPO) prices. CPO prices averaged RM1,349 per tonne in 2005, 16% lower than that achieved in the previous year of RM1,610 per tonne. The lower CPO price is partly compensated by a 14% increase in the production of fresh fruit bunches to 1.44 million tonnes from 1.27 million tonnes the year before. The average yield per hectare improved by 11% to 22.7 tonnes and the yield is expected to further improve as more mature palms reach their prime production age. The Group's mills processed approximately 1.8 million tonnes of fresh fruit bunches from its own plantations and outside suppliers, an increase of 16% over 2004. Mill performance continued to improve with oil extraction rate and kernel extraction rate reaching 21.9% and 4.6% respectively. As more than 90% of the plantable land bank in East Malaysia is utilized, the Group's future plantation development is focused in Indonesia where its land bank has increased to 283,221 hectares through further acquisitions of 169,251 hectares in Central Kalimantan. Overall, the Group's oil palm plantation land bank has grown by 87% to 363,238 hectares.

Environmental Engineering, Waste Management and Utilities

Profit contribution from this division was lower as there were fewer projects during the year under review in addition to losses incurred by a Singapore subsidiary, which has subsequently been divested. Chemical Waste Management Sdn Bhd (CWM), the company principally engaged in environmental engineering, waste management and utilities recorded a profit before tax of RM16 million as compared with RM24 million in 2004. During the year, CWM successfully completed four projects with a combined contract value of RM109 million and secured two new projects in Pulau Pinang for a total contract value of RM114 million which are the potable ultra-filtration treatment plant at Bukit Pancor and the Jelutong Sewage Treatment Plant.



CHAIRMAN'S STATEMENT

In October 2005, CWM entered into a Sales & Purchase Agreement to dispose of its 25% stake in Konsortium Abass Sdn Bhd for a total cash consideration of RM132 million which would enable the Group to realize an estimated profit of RM87 million.

CWM successfully assisted Kerry-CQ (Changzhou) Waste Incineration Ltd, a 49% associate of the Chemquest Group and its Consortium in winning the investment bid for the RMB330 million Changzhou Waste-to-Energy Plant with a treatment capacity of 750 tonne per day in Jiangsu Province, China in March 2005.

Film Exhibition and Distribution

Film exhibition and distribution operations continued to grow from strength to strength with a 51% increase in operating profits to RM18 million against a higher revenue of RM120 million. The improved performance was attributable to higher box office collections and increased admissions that benefited from the release of stronger Hollywood blockbusters and Indian films. Blockbuster films such as "King Kong", "Chronicles of Narnia", "Harry Potter & The Goblet of Fire", "War of the Worlds", "Star Wars : Episode III", "Chandramukhi" and local films such as "Gangster", "Scenario XX" and "KL Menjerit" boosted admissions to 13.5 million from 11.2 million in the previous year.

During the year, GSC added 22 screens to its brand of cinema entertainment with the opening of two new cineplexes in strategic locations, a 9-screen at Berjaya Times Square and a 13-screen at 1-Utama (New Wing) which received very good response. Both cineplexes are expected to be key contributors to cinema profits.

Property Investment and Development

The property investment and development division recorded lower profits of RM19 million compared with RM28 million due to the sales completion of its Phase 2 Bukit Segar development where profits have been recognized in previous years. During the year, the Group completed the 78 units of apartments known as "Segar Courts" in Taman Segar, Cheras. The Group also completed the refurbishment works at Cheras LeisureMall and Cheras Plaza which enjoy 100% and 74% occupancy rates respectively. In this competitive retail market, the newly renovated complexes ensure continued rent growth for the Group.

In the same year, Seletar Sdn Bhd, a wholly-owned subsidiary of PPB Hartabina launched its Phase 2 residential development works in Bedong, Kedah. This project's land bank of 344 acres is expected to provide long-term development potential for the Group.

Prospects and challenges for 2006

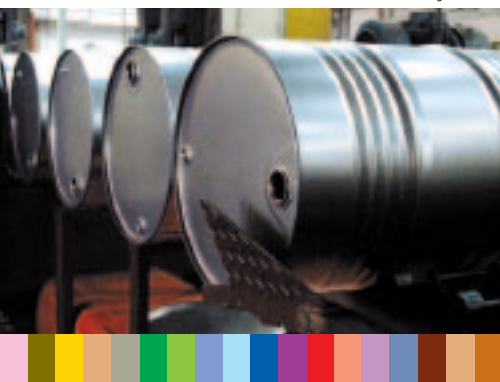
The hike in fuel prices and increasing interest rates leading to an overall increase in the price of goods and services are expected to impact consumers' disposal income as well as hamper consumer confidence. This would inevitably have an effect on Group operations. Nevertheless, the



CHAIRMAN'S STATEMENT



STORK, FFM's brand of high quality bread flour



Steel drums manufactured by PGEO

higher economic growth of 6% projected for this year is good news for the economy and businesses.

On another positive note, we expect higher profits from the oil palm plantation division under prevailing CPO prices with the increase in crop production as more young palms become mature and mature palms reach prime age. Sugar refining division will continue to be affected by high raw material cost but we are hopeful for an increase in the retail selling price of sugar from the government to provide some relief. The softening of the freight rates and raw material cost for the other food operations should augur well for their performance.

The Group's strategy remains focused on strengthening its core businesses through domestic and regional expansion in order to maintain its competitive edge in the global market. The Group is also looking for investments in value-added businesses which are able to enhance current operations to provide long term shareholder value growth.

The Board

On behalf of the Board of Directors, I wish to welcome Datuk Harun Bin Din and Datuk Rajasingam a/I Mayilvaganam as Independent Non-executive Directors on the Board.

Datuk Harun joined the Civil Service in 1959 where he held various Secretary-General positions in the Public Sector and senior positions in Statutory Organisations up to his retirement in 1990. After his retirement, he was appointed Chairman of the Malaysian Election Commission from 1990 to 1999. Datuk Rajasingam is a fellow of the Chartered Institute of Logistics and Transport and an associate member of the Institute of Industrial Engineers, Australia. He served the Lembaga Pelabuhan Klang for 33 years and was its General Manager prior to his retirement.

Both new Directors are members of the Audit Committee and we look forward to their invaluable contribution to the ongoing success of the Group.

Special Thanks

I wish to express my sincere gratitude to the Board of Directors, management team and all the staff of PPB Group for their dedication and commitment which have led to another successful year for the Group. I would also like to thank our customers, business associates, shareholders and other stakeholders for their continued support and confidence in the Group.

Datuk Oh Siew Nam
Executive Chairman





BOARD OF DIRECTORS' PROFILE



Datuk Oh Siew Nam
Executive Chairman
Non-Independent Executive Director
Member of Remuneration Committee

Date of Appointment
Director - 2 March 1988
Executive Chairman - 1 July 2004

Age - 67

Qualifications and Experience

- * Bachelor of Engineering (Honours) degree in Electrical Engineering from the University of Canterbury, New Zealand
- * Assistant Controller of Telecom Malaysia for 5 years before joining FFM Berhad Group in 1968
- * Managing Director of FFM Berhad from 1982 to 2002 and appointed as Executive Chairman in 2002
- * Board member of Bank Negara Malaysia since 1989
- * Served as a member of the Capital Issues Committee and the National Economic Consultative Council II (MAPEN II)

Other Directorships in Public Companies
PPB Oil Palms Berhad (Chairman)
FFM Berhad (Chairman)
Kuok Foundation Berhad
Penerbangan Malaysia Berhad

Dato' Lim Chee Wah
Deputy Chairman
Non-Independent Executive Director

Date of Appointment
Director - 2 March 1988
Deputy Chairman - 1 July 2004

Age - 66

Qualifications and Experience

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

Other Directorships in Public Companies
Jerneh Asia Berhad (Chairman)
Jerneh Insurance Berhad (Chairman)
Malaysian Bulk Carriers Berhad
Tradewinds (M) Berhad
Kuok Foundation Berhad
Malayan Sugar Manufacturing Company Berhad
(Executive Chairman)



BOARD OF DIRECTORS' PROFILE



Dato Sri Liang Kim Bang
Independent Non-Executive Director
Chairman of Audit and Remuneration Committees
Member of Nomination Committee

Date of Appointment
4 January 1995

Age - 69

Qualifications and Experience

- * Bachelor of Arts and Bachelor of Arts (Honours) degrees from the University of Malaya, Singapore
- * Post Graduate Course in Public Administration at Cambridge University, England
- * Former Sarawak State Financial Secretary

Other Directorships in Public Companies

Cahaya Mata Sarawak Berhad
CMS Steel Berhad (Chairman)
CMS Trust Management Berhad
MISC Berhad
PPB Oil Palms Berhad
Rashid Hussain Berhad



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

Date of Appointment
8 July 1998

Age - 67

Qualifications and Experience

- * Extensive experience and knowledge in commerce, industry, building as well as trading and has been the Managing Director of Petaling Garden Berhad since 1963

Other Directorships in Public Companies

Petaling Garden Berhad
Malayan United Industries Berhad





BOARD OF DIRECTORS' PROFILE



Tan Yew Jin
Executive Director
Non-Independent Executive Director
Chairman of Risk Advisory Committee

Date of Appointment
Director - 12 May 2001
Executive Director - 25 August 2004

Age - 64

Qualifications and Experience

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

Other Directorships in Public Companies

Jerneh Asia Berhad
Jerneh Insurance Berhad
Tradewinds (M) Berhad

YM Raja Dato' Seri Abdul Aziz bin Raja Salim
Independent Non-Executive Director
Member of Audit and Nomination Committees

Date of Appointment
12 May 2003

Age - 67

Qualifications and Experience

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

Other Directorships in Public Companies

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



BOARD OF DIRECTORS' PROFILE



Tan Gee Sooi
Non-Independent Non-Executive Director

Date of Appointment
28 July 2004

Age - 61

Qualifications and Experience

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

Other Directorships in Public Companies
FFM Berhad



Datuk Harun bin Din
Independent Non-Executive Director
Member of Audit Committee

Date of Appointment
12 May 2005

Age - 71

Qualifications and Experience

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





BOARD OF DIRECTORS' PROFILE



Datuk Rajasingam a/l Mayilvaganam
Independent Non-Executive Director
Member of Audit Committee

Date of Appointment
16 May 2005

Age - 63

Qualifications and Experience

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

NOTES

1. All the Directors are Malaysians.
2. None of the Directors has any family relationship with any other Director or substantial shareholder of the Company, nor any conflict of interest with the Company except for Mr Ang Guan Seng, whose interests in transactions with the PPB Group are disclosed on pages 68 (Directors' Report), 34 and 35 (Additional Compliance Information) of this Annual Report.
3. None of the Directors had any convictions for offences within the past ten years.

GROUP FINANCIAL HIGHLIGHTS



INCOME STATEMENTS

Revenue
Profit before taxation
Profit after taxation
Net profit

BALANCE SHEETS

Net assets employed
Shareholders' equity

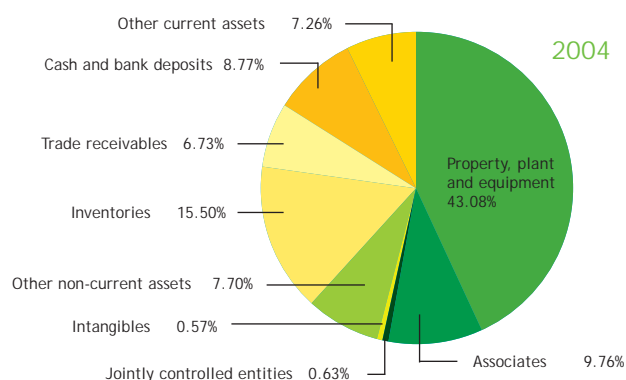
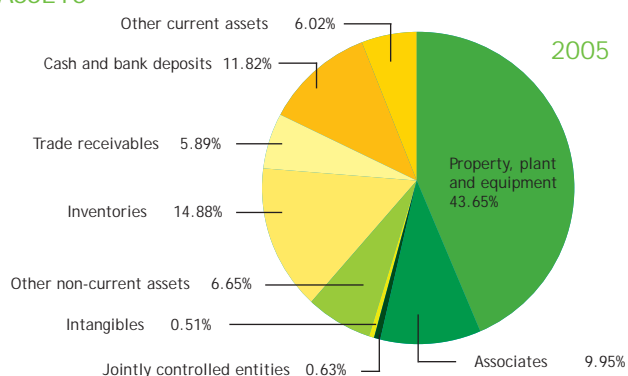
RATIOS

Current ratio times 2.83
Interest coverage times 41.53
Long-term debt/Equity % 3.55
Return on equity % 9.36
Return on net assets (pre-tax) % 12.53
Return on net assets (post tax) % 9.33
Price/Operating cash flow times 8.32
Price earnings ratio times 12.50
Earnings per share sen 33.28
Net dividend per share sen 14.40
Net assets per share RM 4.23
31 December closing price RM 4.16

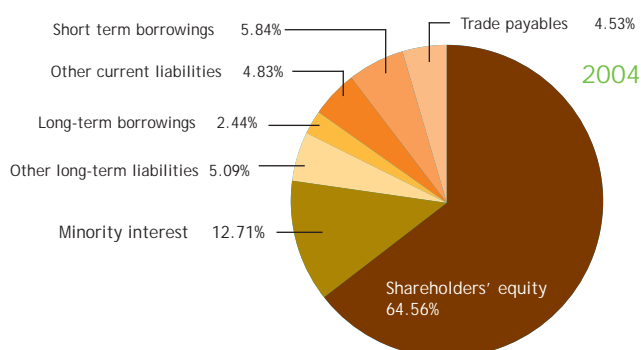
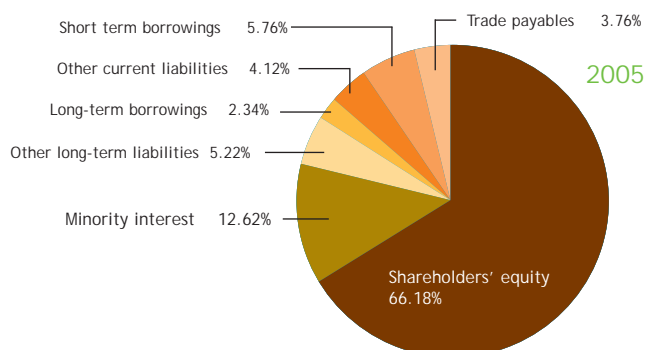
2005 RM'Million	2004 RM'Million	% Change
10,687.950	10,999.682	-2.83
628.642	733.508	-14.30
468.235	549.716	-14.82
394.579	400.664	-1.52
5,018.809	4,739.483	5.89
4,215.153	3,960.088	6.44
2.83	2.52	12.30
41.53	49.59	-16.25
3.55	3.78	
9.36	10.12	
12.53	15.48	
9.33	11.60	
8.32	8.12	2.46
12.50	8.97	39.35
33.28	37.90	-12.19
14.40	11.85	21.52
4.23	4.00	5.75
4.16	3.40	22.35

SIMPLIFIED GROUP BALANCE SHEETS

ASSETS



LIABILITIES & SHAREHOLDERS' EQUITY





GROUP'S CORPORATE EVENTS IN 2005

27 Jan

PPB's 54.2% indirect subsidiary, Golden Screen Cinemas Sdn Bhd (GSC), opened its 9-screen cineplex at Berjaya Times Square (BTS) with a seating capacity of 1,570. The cineplex is a 50:50 joint venture with Berjaya Times Square Sdn Bhd, the owner of BTS.

3 Mar

A press briefing was held to review the financial results for the year ended 31 December 2004.

25 Apr

Johor Bahru Flour Mill Sdn Bhd, a 100% indirect subsidiary of PPB, acquired 100% equity interest in Cloverdale Trading Pte Ltd (Cloverdale). Cloverdale will undertake the manufacturing, marketing and distribution of wheat flour and related products in Singapore.

27 Apr

An analyst briefing was held to review the financial results for the year ended 31 December 2004 and other related matters.

5 May

Sri Kamusan Sdn Bhd, a 100% indirect subsidiary of PPB, had a soft opening of its new palm oil mill located at its estate in Sugut, Sabah. The mill with a production capacity of 40-tonne per hour (tph) expandable to 80 tph will cater to the increasing FFB production from the Group and neighbouring estates.

22 Jun

Listing and quotation of PPB's additional 592,749,941 new ordinary shares of RM1.00 each on Bursa Malaysia pursuant to the 1 for 1 Bonus Issue.

23 Jun

GSC opened its 13-screen cineplex at 1-Utama (New Wing), Petaling Jaya. GSC 1-Utama with a seating capacity of 2,168 offers THX halls, a 30-seater Gold Class, International Screens as well as special facilities such as special ramps and a hydraulic lift for wheelchair-bound patrons.

23 Aug

PGEO Group Sdn Bhd (PGSB), a wholly-owned indirect subsidiary of PPB, acquired 100% equity interest in PGEO Energy Sdn Bhd ("PGEO Energy") and SEO Energy Sdn Bhd ("SEO Energy"). PGEO Energy will operate the Biomass-fired Steam Generator Plant located in Lumut while SEO Energy will operate the other steam generator plant proposed for construction in Sandakan.

6 Sep

An analyst briefing was held to review the financial results for the six months ended 30 June 2005 and other related matters.

7 Sep

PGSB acquired 100% equity interest in Green Universe Sdn Bhd which will undertake the production of biodiesel using palm oil.



GROUP'S CORPORATE EVENTS IN 2005



31 Oct

PPB's wholly-owned subsidiary, PPB Leisure Holdings Sdn Bhd, entered into a joint venture agreement with Dezwart Fleet Sdn Bhd (DF) to acquire 60% equity interest in Easi (M) Sdn Bhd (Easi (M)). Easi (M) is the sole distributor of Point-of-Sale programs owned and developed by DF and also provides consultancy in information technology.

31 Oct

Chemical Waste Management Sdn Bhd, a 99% indirect subsidiary of PPB, entered into a Sale and Purchase Agreement to dispose of its 25% equity interest in Konsortium Abass Sdn Bhd for a total cash consideration of RM132.0 million. Konsortium Abass has a 30-year concession with the Selangor State Government to undertake the operation and maintenance of the existing facilities of the Sungai Semenyih Water Supply Scheme.

10 December

As part of PPB's community relations programme, a futsal tournament and fun fair was organized by PPB's staff for the children of Stepping Stones Home at Score Arena, Jln Kuchai Lama, Kuala Lumpur. PPB's community relations programme is aimed at improving the quality of life of the community.

FINANCIAL CALENDAR

FINANCIAL YEAR FROM 1 JANUARY 2005 TO 31 DECEMBER 2005

RESULTS

1st Quarter ended 31 March 2005	Announced on	26 May 2005
2nd Quarter ended 30 June 2005	Announced on	25 August 2005
3rd Quarter ended 30 September 2005	Announced on	24 November 2005
4th Quarter ended 31 December 2005	Announced on	28 February 2006

DIVIDEND

Interim Dividend of 5 sen less 28% income tax	Declared on Entitlement Date on Paid on	25 August 2005 14 September 2005 28 September 2005
Proposed Final Dividend of 15 sen less 28% income tax	Declared on Entitlement Date on Payable on	28 February 2006 24 May 2006 7 June 2006
Issue of Annual Report 2004		20 April 2005
36th Annual General Meeting		12 May 2005

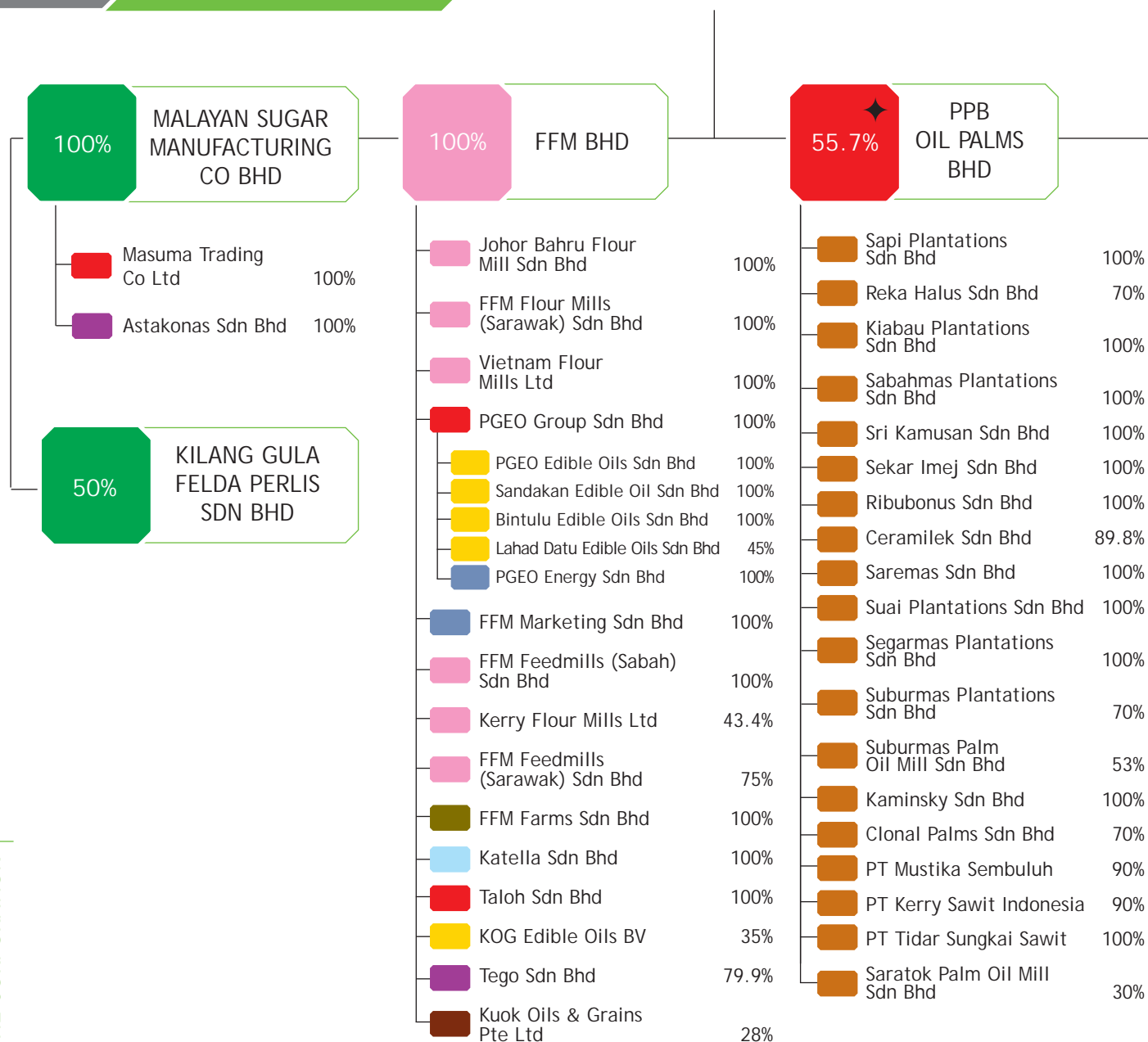


CORPORATE STRUCTURE

AS AT 27 MARCH 2006

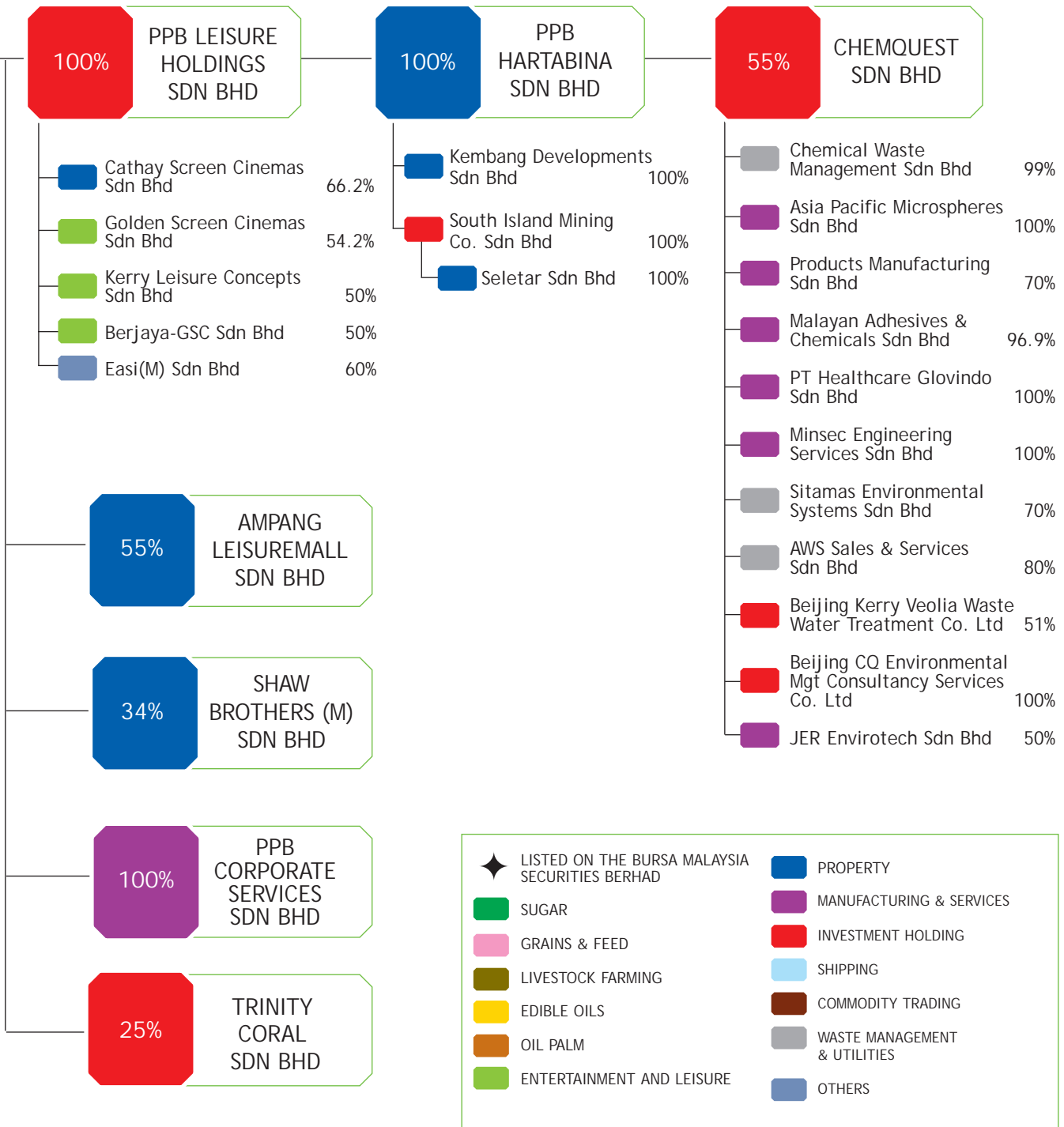


PPB GROUP BERHAD



CORPORATE STRUCTURE

AS AT 27 MARCH 2006



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

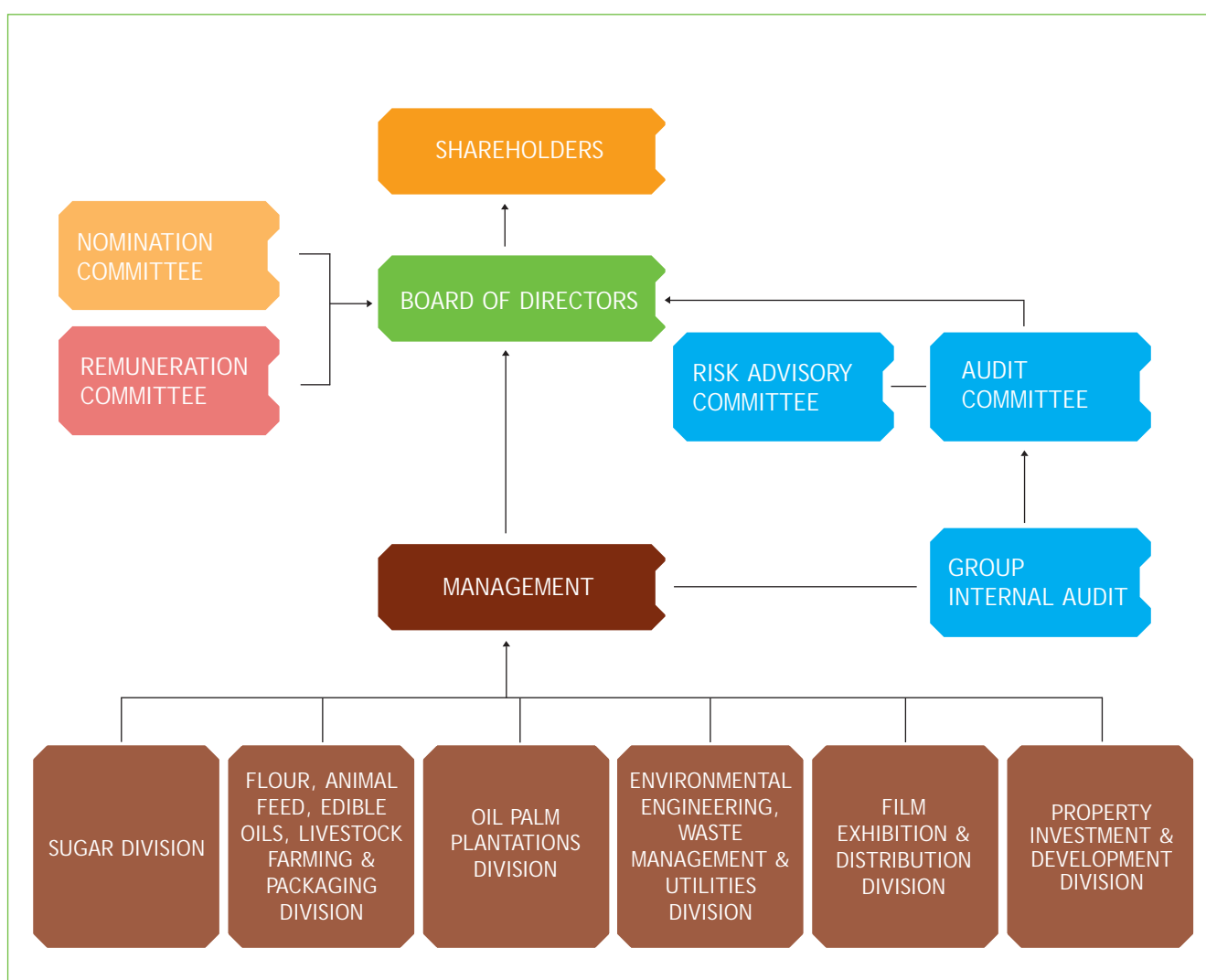


CORPORATE GOVERNANCE STATEMENT

The Board of Directors of PPB Group Berhad continues to be committed in maintaining a high standard of corporate governance and ensuring that effective self regulatory controls exist throughout PPB and its subsidiaries ("the Group") to safeguard the Group's assets. The Board especially recognizes that good corporate governance encompasses four key areas namely transparency, accountability, integrity and corporate performance.

This statement describes the manner in which PPB Group has applied the principles of good governance and the extent of compliance with the best practices set out in the Malaysian Code on Corporate Governance ("the Code") throughout the financial year.

CORPORATE GOVERNANCE STRUCTURE





BOARD OF DIRECTORS

BOARD RESPONSIBILITY

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

Collectively, the Directors bring to the Board a wide range of business, financial and technical experience for the effective management of the Group's diversified businesses. The profile of each director is presented on pages 12 to 16 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 taking into account the interests of shareholders and other stakeholders and the communities in which the Group conducts its businesses. 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.

CORPORATE GOVERNANCE STATEMENT

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 2005, the Board met four times and the record of the attendance of each Director is set out below:-

Name of Director	Attendance	% of Attendance
Datuk Oh Siew Nam	4	100
Dato' Lim Chee Wah	4	100
Dato Sri Liang Kim Bang	3	75
Ang Guan Seng	4	100
Tan Yew Jin	4	100
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	4	100
Tan Gee Sooi	4	100
Datuk Harun bin Din (appointed on 12 May 2005)	3	100
Datuk Rajasingam a/I Mayilvaganam (appointed on 16 May 2005)	3	100

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 its hands.



APPOINTMENTS TO THE BOARD

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

The Committee assists the Board in the following:-

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

Decisions on appointments are made by the Board after considering recommendations by the Committee. During the financial year ended 31 December 2005, the Nomination Committee had two (2) meetings which were attended by all members.

DIRECTORS' TRAINING

The new Board members have completed the Mandatory Accreditation Programme. Familiarization programmes are conducted for new board members which include visits to the Group's businesses and meetings with senior management as appropriate, to facilitate their understanding of the Group.

All the Directors have attended the Continuous Education Programmes ("CEP") as required by Bursa Securities to keep abreast with relevant new regulatory developments on a continuous basis. In addition, in-house Directors' CEP training sessions in the form of seminars were held during the financial year ended 31 December 2005, as follows :-

	Seminar Topics	No. of Hours Spent
i.	Finance for Non-Finance Directors	3 1/2
ii.	Overview of the ASEAN Free Trade Area	3
iii.	Credit Rating and Corporate Governance	1 1/2
iv.	Detection and Prevention of Fraud	2
v.	Briefings on the Group's major businesses in Malaysia	3

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.



CORPORATE GOVERNANCE STATEMENT

DIRECTORS' REMUNERATION

i. Remuneration Policy

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

ii. Remuneration Procedure

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

The determination of the remuneration of the Non-executive Directors is a matter for the Board as a whole subject to approval of shareholders at the Annual General Meeting ("AGM"). The directors are not involved in the approval of their own remuneration package. During the financial year ended 31 December 2005, the Remuneration Committee had one (1) 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 2005 are as follows :-

All figures in RM'000	Executive Directors	Non-executive Directors
Salary	1,956	576
Fees	53	376
Bonus	4,300	1,300
Benefits-in-kind	84	29
Employer Provident Fund	895	254
Total	7,288	2,535

The number of directors whose total remuneration fall within the following bands are:-

Range of Remuneration	Executive Directors	Non-executive Directors
Less than RM100,000	-	4
RM100,001 - RM200,000	-	1
RM200,001 - RM300,000	1	-
RM300,001 - RM400,000	-	1
RM400,001 - RM500,000	1	-
RM500,001 - RM600,000	1	-
Total	3	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 are sent to registered shareholders and the investment community. The Investor Update contains 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 an overview of the Group's operations and serves as a convenient reference guide.
- News releases which announce financial performance and important events relating to the Group via the local media and the corporate website.
- The Company's corporate website, www.ppbgroup.com contains a separate section for our shareholders or potential investors under "Investors" where they can request for information or provide feedback to the Company. Information on the Group, its businesses, financial data, annual reports and Investor Updates can be easily downloaded from the website.

ii. Direct Meetings

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

The Company endeavours to conduct analyst briefings 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 Bursa Securities. 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.





CORPORATE GOVERNANCE STATEMENT

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 64 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 29 to 31 of this Annual Report.

INTERNAL CONTROL

The Statement of Internal Control set out on pages 32 and 33 of this Annual Report provides an overview of the Statement of Internal Control within PPB Group.

Signed on behalf of the Board of Directors in accordance with a resolution dated 28 February 2006.

Datuk Oh Siew Nam
Executive Chairman

Dato Sri Liang Kim Bang
Independent Non-executive Director

AUDIT COMMITTEE STATEMENT



COMPOSITION

The members of the Audit Committee (AC) during the financial year ended 31 December 2005 comprised the following directors :-

Name of Director	Membership	Directorship
Dato Sri Liang Kim Bang	Chairman	Independent Non-executive
Ang Guan Seng	Member	Non-Independent Non-executive
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	Member	Independent Non-executive
Datuk Harun bin Din (Appointed : 16 May 2005)	Member	Independent Non-executive
Datuk M Rajasingam a/I Mayilvaganam (Appointed : 16 May 2005)	Member	Independent Non-executive

Terms of Reference

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

Authority

The Audit Committee shall :-

- (1) have authority to investigate any matters within its terms of reference;
- (2) have the resources which are required to perform its duties;
- (3) have full and unrestricted access to any information pertaining to the Company;
- (4) have direct communication channels with the external and internal auditors;
- (5) be able to obtain independent professional or other advice; and
- (6) be able to convene meetings with the external auditors, 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 control;
 - c. with the external auditors, their audit report;
 - d. the assistance given by the employees of the Company to the external auditors;
 - e. the adequacy of the scope, functions 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;

AUDIT COMMITTEE STATEMENT

- i. any letter of resignation from the external auditors of the Company; and
 - j. whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
- (2) recommend the nomination of a person(s) as external auditors;
 - (3) consider the external auditors' fee and any questions of dismissal;
 - (4) discuss problems and reservations arising from the interim and final audits and any matter the auditor may wish to discuss (in the absence of management where necessary);
 - (5) review the external auditors' management letter and management's response;
 - (6) review any appraisal or assessment of the performance of members of the internal audit function;
 - (7) approve any appointment or termination of senior staff member of the internal audit function;
 - (8) 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 2005 and details of attendance of each committee member are as follows :-

Name of Director	No. of Audit Committee Meetings	
	Held	Attended
Dato Sri Liang Kim Bang	4	3
Ang Guan Seng	4	4
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	4	3
Datuk Harun bin Din	3#	3
Datuk M Rajasingam a/I Mayilvaganam	3#	3

since the date of their appointment as members of the AC.

Activities of the Audit Committee

During the financial year ended 31 December 2005, the AC performed the duties specified in its Terms of Reference. In performing its duties, the AC inter-alia :-

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

AUDIT COMMITTEE STATEMENT



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 2005, 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)

28 February 2006





STATEMENT ON INTERNAL CONTROL

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

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

1. Control environment

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

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

2. Risk management

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

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

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

- A formal risk policy and guideline have been established and approved by the Board and communicated to employees throughout the Group;
- A risk reporting structure which outlines the lines of reporting and responsibilities of the Board, Audit Committee, Risk Advisory Committee and the various subsidiary risk committees have been established and approved;
- The group-wide risk assessment process includes identifying the key risks, potential impact and likelihood of those risks occurring, the control effectiveness and adopting the appropriate action plans to mitigate those risks to the desired levels;
- The Risk Advisory Committee provides reports on the risk profile of the Group to the Audit Committee for review and the Audit Committee reports on the significant risks and controls available to mitigate those risks to the Board for its consideration;
- The appointment of a Chief Risk Officer at holding company and risk officers at the subsidiaries to ensure leadership, direction and coordination of the group-wide application of risk management; and
- On-going risk management education and training is provided at management and staff levels.



STATEMENT ON INTERNAL CONTROL



3. Control activities

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

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

4. Information and communication

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

5. Monitoring

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

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

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

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

This statement is made in accordance with a resolution of the Board of Directors dated 28 February 2006.





ADDITIONAL COMPLIANCE INFORMATION

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

1. Non-audit Fees

The amount of non-audit fees paid to the external auditors of PPB and its subsidiaries ("PPB Group") for the financial year ended 31 December 2005 were as follows :-

Name of Auditor	Fees (RM)	Purpose
Moores Rowland	165,390	Tax advisory and accounting services
KPMG	39,900	Review on Enterprise Risk Management
KPMG Tax Services	59,377	Tax advisory services
Ernst & Young Tax Consultants	48,147	Tax advisory and secretarial services
Chin & Co.	500	Tax advisory services
Khin Su Htay & Associates	4,542	Secretarial and accounting services

2. Material Contracts

There were no material contracts entered into by PPB Group involving its Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2005 or entered into since the end of the previous financial year.

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

The RRPTs entered into by PPB Group during the financial year ended 31 December 2005 were as follows :-

RELATED PARTIES

The related parties are as follows :-

- (a) Kuok Brothers Sdn Bhd ("KB"), a major shareholder of PPB with direct interest of 39.57% and indirect interest of 0.19%, 0.12%, 0.08% and 0.004% held through Gaintique Sdn Bhd, Jerneh Insurance Berhad, Min Tien & Co. Sdn Bhd and Hoe Sen (Mersing) Sdn Bhd respectively;
- (b) Kerry Group Limited ("KGL"), a major shareholder of PPB with indirect interest of 6.23% held through Kerry Holdings Limited ("KHL");
- (c) KHL, a major shareholder of PPB with indirect interest of 3.38%, 2.55%, 0.28% and 0.02% held through Dalex Investments Limited, Natalon Company Ltd, Chipchase Limited and Kerry (1989) Limited respectively;
- (d) Mr Ang Guan Seng ("AGS"), a Director of PPB, has indirect interest of 3.51% held through Nai Seng Sdn Bhd and Ang Toon Chew & Sons (M) Sdn Bhd;
- (e) Mr Lee Cho Fatt ("LCF"), a Director and shareholder of FFM Feedmills (Sarawak) Sdn Bhd, and a Director of FFM Flour Mills (Sarawak) Sdn Bhd, 75% and 100% subsidiary companies of PPB respectively; and
- (f) Mr Christopher John Neville ("CJN"), a Director with more than 15% indirect interest in Volac Ingredients Sdn Bhd, a 51% subsidiary company of PPB.

ADDITIONAL COMPLIANCE INFORMATION



Nature of transactions undertaken by PPB and/or its subsidiary companies	Transacting Party	Year 2005 Actual RM'000	Interested related party
Purchase of raw sugar • Malayan Sugar Manufacturing Co. Bhd ("MSM")	• Kerry Foodstuffs Co. Ltd ("KFCL")	353,577	KGL & KHL
Sale and purchase of edible oils/grains • PGEO Group S/B Group	• Kuok Oils & Grains Pte Ltd & its subsidiary companies	7,639,483	KGL & KHL
Sale of refined sugar • MSM • MSM • MSM • MSM	• Hoe Sen (Mersing) S/B • KFCL • Batu Pahat Seng Huat S/B • Min Tien & Co. S/B ("MTSB")	11,640 13,150 3,424 29,218	KB KGL & KHL AGS KB
Purchase of all classes of general insurance • PPB Group	• Jerneh Insurance Bhd ("JIB")	11,782	KB
Provision of engineering services and quarry operations • Minsec Engineering Services S/B	• PPB Oil Palms Bhd ("PPBOP") Group	11,557	KB
Sale of chemicals • Chemquest Trading (M) S/B • Asia Pacific Microspheres S/B ("APM")	• Malayan Adhesives & Chemicals S/B ("MAC") • CQ Technology Ltd	27,088 6,460	KB KB
Purchase of chemicals • APM	• MAC	5,558	KB
Purchase of corn/soya bean meal • FFM Berhad ("FFM") Group • FFM Group	• Ban Seng Guan S/B • Hoe Seng Chan S/B	6,123 52,617	AGS AGS
Sale of flour • Johor Bahru Flour Mill S/B ("JBFM")	• Batu Pahat Seng Huat S/B	2,303	AGS
Purchase of crude palm oil • PGEO Edible Oils S/B ("PGEO")	• Perusahaan Minyak Sawit Bintang S/B	38,901	AGS
Purchase of plastics (jerrycans) • PGEO	• United Plastics S/B	4,312	AGS
Sale of waste containers • Marathon Equipment Asia Pte Ltd	• Otto Environmental Systems (Asia) Pte Ltd	267	KB
Sale of soya bean meal • PGEO	• MTSB	24,414	KB
Purchase of crude palm oil and/or palm kernel • Sandakan Edible Oils S/B, Bintulu Edible Oils S/B, FFM Feedmills (Sarawak) S/B and FFM Feedmills (Sabah) S/B	• PPBOP Group	468,849	KB
Sale of flour, wheat, feed and bran and pollard • JBFBM	• MTSB	5,663	KB
Sale of bran and pollard • FFM Flour Mills (Sarawak) S/B	• FFM Feedmills (Sarawak) S/B	4,009	LCF
Sale of calcium salt • Volac Ingredients S/B	• Volac International Ltd	2,307	CJN

