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The Financials

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Stringent principles of corporate governance have been incorporated together with our Management's prudent investment strategies to safeguard shareholders value.

Financial | Review

Review of Profit & Loss

PPB Group Bhd achieved a consolidated profit before tax of RM321.6 million in 2001, a 21.3% reduction from the previous year's RM408.9 million. The profit before tax in year 2000 included a net profit from investing activities of RM111.1 million compared to RM16.0 million in year 2001. The higher profits earned in 2000 were mainly from the disposal of RA-PPB (Tops) Retail and certain quoted investments.

Revenue for the year grew by 7.4% from RM5.24 billion to RM5.63 billion in year 2001 mainly due to higher sales from the edible oils refining operations.

At the operating level, the Group performed slightly better in 2001 with Group profit before tax and investing activities of RM305.6 million compared with RM297.8 million in the preceding year. The Plantations division generated a higher contribution attributed to significantly higher FFB production and further improvements in the oil extraction rate. The Property division contributed higher profits to the Group after launching Phase 1 of its Bukit Segar project whilst the Entertainment division managed to reduce its losses. The Group also benefited from higher contributions from its water treatment operations and associated companies engaged in commodities trading.

Profit attributable to shareholders of PPB Group decreased to RM170.3 million from RM244.5 million mainly due to lower exceptional gains in year 2001. Earnings per share decreased to 34.7 sen from 49.8 sen, representing a decrease of 30.3% from the previous year.

Cash Flows

Net cash generated from operating activities decreased to RM314.7 million in 2001 from RM521.4 million in 2000 mainly due to an increase in working capital investments. Net cash used in investing activities has increased to RM197.0 million from RM7.5 million in 2000. The cash used in investing activities in 2000 was stated net of exceptional proceeds received from disposal of associated companies and sale of investments totaling RM163.6 million. During the year, the Group invested RM275.1 million in property, plant and equipment; financed mainly from internally generated funds and partly from the draw down of RM40.7 million in term loans. The net cash used in financing activities reduced from RM388.3 million to RM100.5 million due to a lesser amount of revolving credits and bankers' acceptances being repaid in 2001.

Dividends

The Directors recommend a final dividend of 10 sen per share (5 sen less tax and 5 sen tax exempt) amounting to RM42.2 million. Together with the interim dividend paid of 10 sen per share less tax, the total dividend payment for the financial year ended 31 December 2001 would be 20 sen comprising 15 sen less tax and 5 sen tax exempt, amounting to RM68.7 million.

The dividend amount represents a payout ratio of 49.1% of the Company earnings.

Review of Financial Situation and Debt

As at 31 December 2001, the Group had lower borrowings of RM502.4 million compared with RM519.3 million in 2000 of which 54% amounting to RM269.9 million are bills payable comprising bankers' acceptances for financing trade operations.

The balance of 46% amounting to RM232.5 million and representing a gearing ratio of 8% over shareholders funds consists of :

- a. short term loans, revolving credits, overdraft and hire purchase liabilities amounting to RM199.7 million which are repayable within 12 months; and
- b. term loans and hire purchase liabilities of RM32.8 million which are repayable between 2 to 6 years.

The Group's operations are funded mainly by short-term loans to minimise interest cost. These borrowings are to be repaid from internally generated funds. Most of the Group's borrowings are unsecured on floating interest rates ranging from 2.3% to 8.4% for the year. The Group's exposure to foreign currency borrowings is minimal at RM73.6 million of which about 90% is USD denominated.

The Group will continue to maintain a prudent gearing ratio and efficient management of funds.

Group Capital Expenditure in year 2001

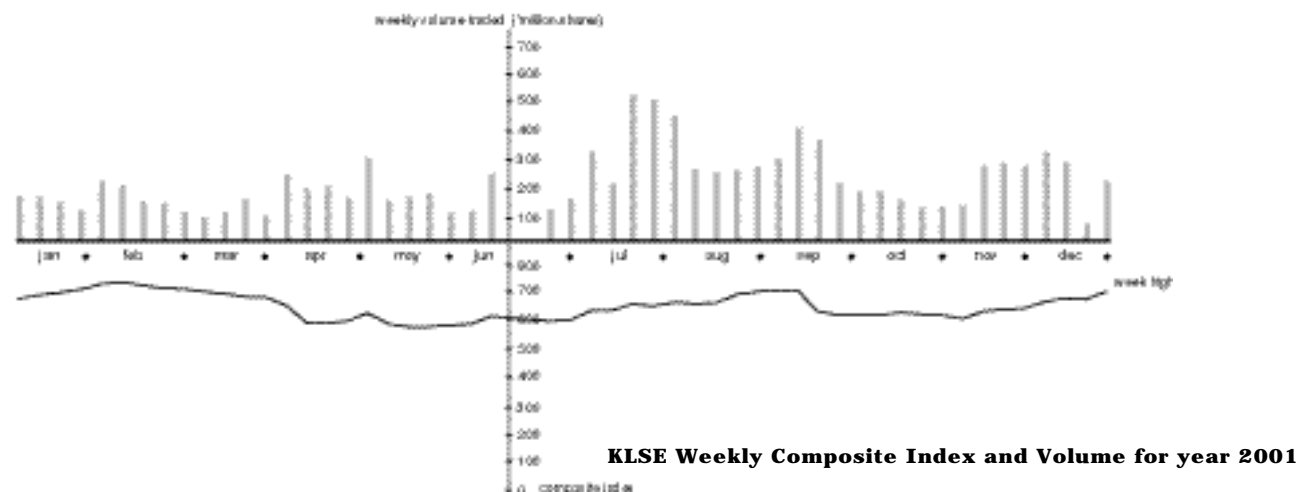
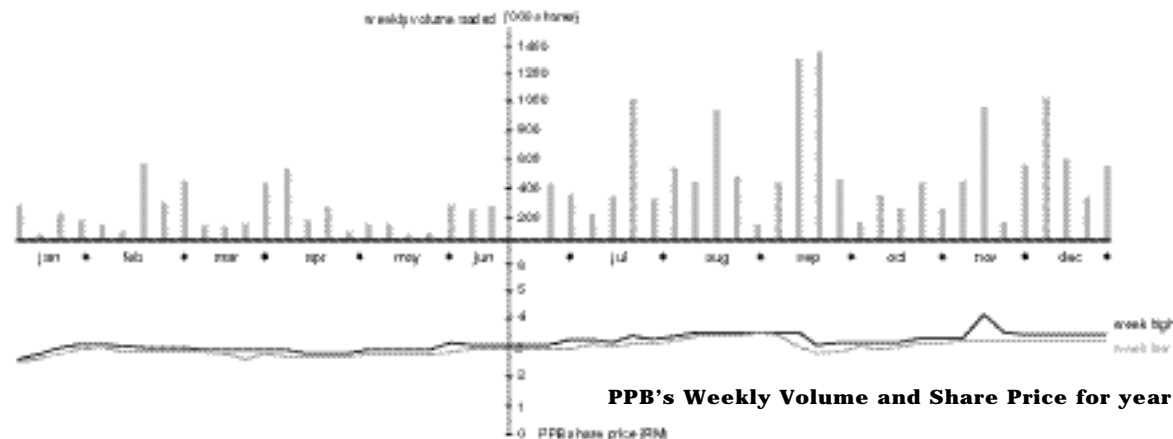
Total capital expenditure incurred during the year amounted to RM286.1 million and the major items are as follows:-

- FFM Group incurred RM62 million on building three new flour mills at Pulau Indah in Klang, Demak Laut Industrial Estate in Kuching and My Xuan in Vietnam; RM20 million on the Phase II of Layer Farm Project at Trong, Perak; and RM14 million on a new cocoa butter replacer plant in Pasir Gudang, Johor.
- FFM Group's wholly-owned subsidiary, Katella Sdn Bhd, acquired a new 47,100 DWT type bulk carrier at a cash price of USD17.8 million (RM67.5 million).
- PPBOP Group spent RM 41.1 million on newplanting and maintenance of immature palms, and RM12.8 million for the construction and completion of a new CPO mill at PT Tidar Sungkai Sawit estate in West Sumatra, Indonesia.
- MSM Group spent RM13.3 million on upgrading the plant and machinery for its sugar refinery at Prai, Province Wellesley.
- Chemquest Group spent RM8.6 million on plant, machinery and equipment to upgrade its manufacturing plants in Medan, Indonesia and Malaysia.

Dividend | Record

TYPE OF DIVIDEND	RATE	PAYMENT DATE	FOR FINANCIAL YEAR
Final	10 sen less tax	31 May 2001	2000
Interim	10 sen less tax	19 September 2001	2001

Share Performance | Chart



Information on KLCI and PPB's Share Price

The Kuala Lumpur Composite Index (KLCI) closed at 696.09 points on the last trading day of year 2001, an increase of 2.42% compared to the closing of 679.64 points at the end of year 2000.

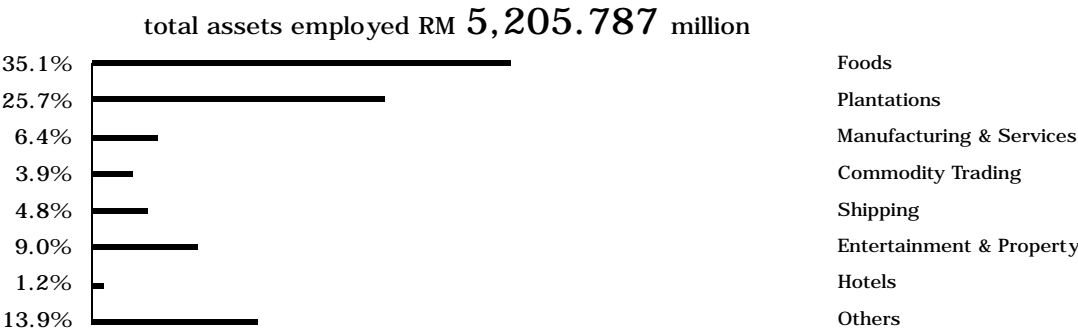
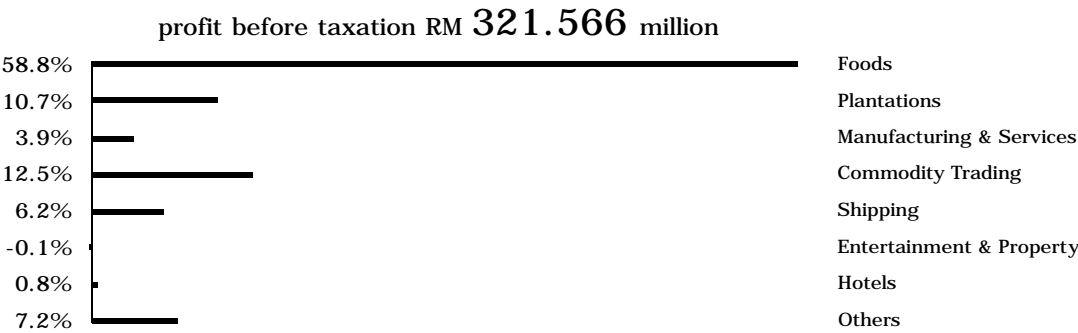
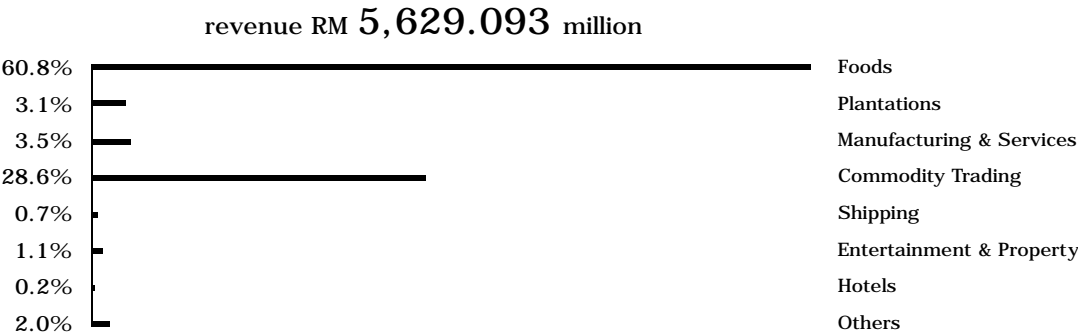
For year 2001, the KLCI's performance was affected by weak market sentiments and slow economic growth due to the spill-over effect of the Asian economic crisis. The September 11 incident further increased the uncertainties in the global economy resulting in the sell-down of equity stocks across world markets.

During the year, a Bonus Issue of 1 for 3 was declared to increase PPB's capital base to a level which would better reflect the Group's net assets and operations.

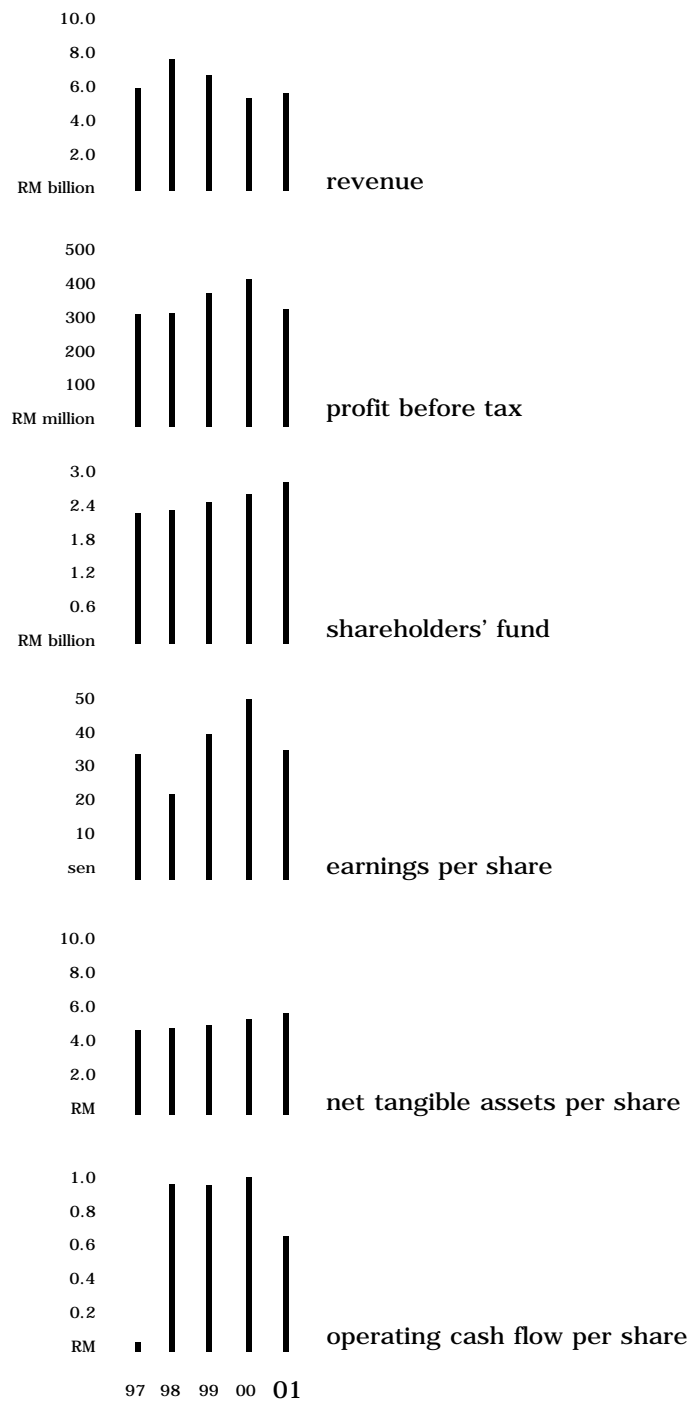
PPB's bonus issue generated interest amongst investors and its share price soared from its year low of RM2.50 in early January 2001 to its year high of RM4.20 on 15 November 2001. Both prices have been adjusted for bonus shares.

With additional shares listed, the liquidity of PPB shares is expected to improve and PPB shares will continue to generate reward to shareholders. In line with the year end active trading on the KLSE, PPB's share price closed at RM3.32 on 31 December 2001. The market capitalisation of PPB shares on the last trading day of 2001 improved by 25.8% to RM1.6 billion compared with the previous year.

Segment | Analysis



Financial Statistics



Year ended 31 December		2001	2000	1999	1998	1997
FIVE YEAR GROUP STATISTICS						
Revenue	RM Million	5,629.093	5,240.288	6,729.250	7,599.534	5,928.873
Profit from operations	RM Million	235.119	266.292	438.615	297.424	285.680
Profit/(loss) from investing activities	RM Million	15.962	111.053	(82.600)	37.463	24.422
Share of associates' profits less losses	RM Million	84.254	51.181	40.920	51.367	43.794
Profit before tax	RM Million	321.566	408.855	369.484	312.394	311.936
Earnings for the year	RM Million	170.302	244.482	192.889	110.540	166.532
Net dividends proposed/declared for the year	RM Million	68.688	58.139	63.585	42.390	41.801
Issued share capital	RM Million	490.623	367.967	367.967	367.967	367.967
Shareholders' funds *	RM Million	2,775.528	2,653.469	2,474.555	2,343.889	2,282.875
Total assets employed	RM Million	5,205.787	4,958.795	4,996.860	4,816.839	4,715.164
Earnings per share #	Sen	34.71	49.83	39.32	22.53	33.94
KLSE Quotations						
High #	RM	4.20	4.58	3.68	5.96	6.30
Low #	RM	2.50	2.64	2.49	2.27	3.79
No. of shareholders		7,928	8,504	8,319	5,121	4,179

3.7

* The comparative figures have been adjusted accordingly to comply with MASB 19(11).

The comparative figures have been adjusted for the 1 for 3 bonus issue in 2001.

Directors' | Responsibility Statement

In preparing the annual financial statements of the Group and of the Company, the Directors are collectively responsible to ensure that these financial statements have been prepared to give a true and fair view of the state of affairs of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 1965 and the Listing Requirements of the Kuala Lumpur Stock Exchange.

In preparing the financial statements for the year ended 31 December 2001 set out on pages **3.16** to **3.75** of this Annual Report, the Directors have applied appropriate accounting policies on a consistent basis and made judgements and estimates that are reasonable and prudent.

The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy, the financial position of the Group and Company and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 26 February 2002.

Directors' | Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The Company is engaged in sugar cane cultivation and investment holding.

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

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000	
Profit after taxation	248,262	139,909	
Profit attributable to minority interests	(77,960)	-	
Net profit for the year	170,302	139,909	3.9
Unappropriated profit brought forward	1,819,149	779,667	
Effect of changes in group structure	4,381	-	
Transfer from capital reserves	7,352	-	
Profit available for appropriation	2,001,184	919,576	
Dividend	(26,494)	(26,494)	
Unappropriated profit carried forward	1,974,690	893,082	

DIVIDENDS

The Directors recommend the payment of a final dividend of 10 sen per share comprising of 5 sen tax exempt and 5 sen less 28% income tax payable on Thursday, 23 May 2002 to shareholders registered in the Company's books at the close of business on Monday, 6 May 2002.

Together with the interim dividend of 10 sen per share less 28% income tax paid on 19 September 2001, the total dividend payment for the financial year would be 20 sen per share comprising of 5 sen tax exempt and 15 sen less 28% income tax.

Since the end of the previous financial year, the dividends paid by the Company in respect of the financial year ended 31 December 2000 were as follows :-

Final dividend of 10 sen less 28% income tax, paid on 31 May 2001	RM'000 26,494
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RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year except as disclosed in the statement of changes in equity as set out on page 3.18.

SHARES AND DEBENTURES

During the financial year, the issued and paid-up capital of the Company was increased from RM367,967,343 to RM490,623,124 through a Bonus Issue of one (1) new ordinary share of RM1.00 each credited as fully paid-up for every three (3) existing ordinary shares held, by capitalising RM122,655,781 from the Share Premium Account.

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

DIRECTORS

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

Ong Ie Cheong	(Executive Chairman)
Datuk Oh Siew Nam	(Deputy Chairman)
Dato' Lim Chee Wah	(Executive Director)
Dato' Abdul Jabid bin Mohd Don	
Dato' Sri Liang Kim Bang	
Ang Guan Seng	
Tan Yew Jin	(Appointed on 12 May 2001)

In accordance with Article 107 of the Company's Articles of Association, Messrs Ong Ie Cheong and Ang Guan Seng retire by rotation at the forthcoming Annual General Meeting ("AGM") and being eligible, offer themselves for re-election.

Mr Tan Yew Jin who was appointed a Director during the year, retires at the AGM in accordance with Article 88 and being eligible, offers himself for re-election as Director.

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

DIRECTORS' INTERESTS IN SHARES

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

Interest in the Company

Name of Director	No. of ordinary shares of RM1 each registered in the name of Directors				
	As at 1.1.01	Bonus Issue	Bought	Sold	As at 31.12.01
Datuk Oh Siew Nam	43,000	14,333	-	-	57,333
Dato' Abdul Jabid bin Mohd Don	10,000	3,333	-	-	13,333
Tan Yew Jin	10,000	3,333	-	-	13,333

DIRECTORS' INTERESTS IN SHARES (continued)

Name of Director	No. of ordinary shares of RM1 each in which Directors are deemed to have interest				
	As at 1.1.01	Bonus Issue	Bought	Sold	As at 31.12.01
Ong Ie Cheong	3,000	1,000	-	-	4,000
Datuk Oh Siew Nam	210,000	70,000	-	-	280,000
Dato' Abdul Jabid bin Mohd Don	10,000	3,333	-	-	13,333
Ang Guan Seng	15,431,000	5,143,666	-	-	20,574,666
Tan Yew Jin	30,556	10,185	-	-	40,741

Interest in Subsidiary Companies

Name of Director	Name of Subsidiary Company	No. of ordinary shares of RM1 each registered in the name of Directors			
		As at 1.1.01	Bought	Sold	As at 31.12.01
Ong Ie Cheong	PPBOP	24,000	-	-	24,000
Datuk Oh Siew Nam	FFM	3,000	-	-	3,000
	PPBOP	20,000	-	-	20,000
Dato' Lim Chee Wah	PPBOP	10,000	-	-	10,000
Dato' Abdul Jabid bin Mohd Don	PPBOP	10,000	-	-	10,000
Dato' Sri Liang Kim Bang	PPBOP	10,000	-	-	10,000
Tan Yew Jin	PPBOP	15,000	-	-	15,000

Name of Director	Name of Subsidiary Company	No. of ordinary shares of RM1 each in which Directors are deemed to have interest			
		As at 1.1.01	Bought	Sold	As at 31.12.01
Datuk Oh Siew Nam	FFM	178,250	-	-	178,250
	PPBOP	36,000	-	-	36,000
Dato' Abdul Jabid bin Mohd Don	PPBOP	10,000	-	-	10,000
Ang Guan Seng	FFM	5,250	-	-	5,250
Tan Yew Jin	FFM	180,625	-	-	180,625
	PPBOP	10,000	-	-	10,000

FFM = FFM Berhad

PPBOP = PPB Oil Palms Berhad

DIRECTORS' INTERESTS IN CONTRACTS, BENEFITS AND EMOLUMENTS

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

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

SIGNIFICANT EVENTS

- (a) On 18 July 2001, the Company entered into a conditional Shares Sale Agreement with Orange Grove Holdings Pte Ltd, Singapore for the disposal of the Company's 20% equity interest in Tanjong Aru Hotel Sdn Bhd comprising 16,600,000 ordinary shares of RM1.00 each for a cash consideration of RM30.710 million.
- (b) On 17 September 2001, the Company entered into a conditional Shares Sale Agreement with Shangri-La Hotels (Malaysia) Berhad for the disposal of PPB's 25% equity interest in Pantai Dalit Beach Resort Sdn Bhd comprising 33,750,000 ordinary shares of RM1.00 each for a cash consideration of RM28.688 million. The sale was completed on 25 January 2002.
- (c) The disposal of the 70% equity interest in PT Tidar Sungkai Sawit ("TSS") from the Company to PPB Oil Palms Berhad, a 58.7% subsidiary company, comprising 7,000,000 shares of USD1.00 each in TSS for a cash consideration of USD3.612 million (RM13.727 million) including the repayment to PPB of a shareholders' loan granted by PPB to TSS together with interest thereon amounting to USD7.863 million (RM29.88 million) was completed during the year.

INFORMATION ON THE FINANCIAL STATEMENTS

- (a) Before the Group's and Company's Income Statements and Balance Sheets were prepared, the Directors took reasonable steps :-
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render :-
 - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

INFORMATION ON THE FINANCIAL STATEMENTS (continued)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, there does not exist :-
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability which has arisen in the Group or in the Company since the end of the financial year.

OTHER STATUTORY INFORMATION

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

In the opinion of the Directors :-

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

AUDITORS

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

On behalf of the Board

ONG IE CHEONG
Executive Chairman

DATUK OH SIEW NAM
Deputy Chairman

Kuala Lumpur
28 February 2002

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consolidated income statement

3.17

consolidated balance sheet



Financial | statements

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income statement

3.22

balance sheet

3.23

statement of changes in equity

3.18

consolidated statement of changes
in equity

3.19 - 3.20

consolidated cash flow statement



3.24 - 3.25

cash flow statement

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accounting policies and explanatory notes

Consolidated Income Statement

for the year ended 31 December 2001

3.16

	Note	2001 RM'000	2000 RM'000
Revenue	3	5,629,093	5,240,288
Cost of sales	4	(5,048,689)	(4,632,156)
Gross profit		580,404	608,132
Other operating income		20,337	35,858
Distribution costs		(189,924)	(201,097)
Administrative expenses		(129,795)	(126,592)
Other operating expenses		(45,903)	(50,009)
Profit from operations	5	235,119	266,292
Net profit from investing activities	6	15,962	111,053
Share of associated companies' profits less losses		84,254	51,181
Share of jointly controlled entities' profits less losses (see note 45 (a))		8	54
Finance costs	7	(13,777)	(19,725)
Profit before taxation		321,566	408,855
Taxation - Group	8	(60,271)	(77,405)
- Share of taxation of associated companies	8	(13,013)	(10,425)
- Share of taxation of jointly controlled entities (see note 45 (a))	8	(20)	(20)
Profit after taxation		248,262	321,005
Minority interests		(77,960)	(76,523)
Net profit for the year		170,302	244,482
Basic earnings per share (sen)	9	34.7	49.8
Diluted earnings per share (sen)	9	34.7	49.8
Dividend per share (net of tax) (sen)			
- Interim		7.2	8.6
- Final		8.6	7.2
		15.8	15.8

Consolidated Balance Sheet

as at 31 December 2001

	Note	2001 RM'000	2000 RM'000	
NON-CURRENT ASSETS				
Property, plant and equipment	10	2,375,236	2,215,946	
Land held for development	11	15,153	52,036	
Intangible asset	12	39,073	42,268	
Investment in subsidiary company	13	-	2,191	
Investment in associated companies	14	675,320	675,223	
Investment in jointly controlled entities	15	671	663	
Other investments	16	242,384	259,068	
		3,347,837	3,247,395	
CURRENT ASSETS				
Inventories	18	590,229	537,656	
Land under development	19	44,874	-	
Gross amount due from customers	20	10,455	3,136	
Trade and other receivables	21	459,882	343,476	
Amounts due from associated companies	22	213,789	306,780	
Amounts due from jointly controlled entities	15	45,808	39,596	
Deposits	23	453,128	431,272	
Cash and bank balances	24	39,785	49,484	
		1,857,950	1,711,400	3.17
Less:				
CURRENT LIABILITIES				
Gross amount due to customers	20	29,602	22,225	
Trade and other payables	25	403,535	372,942	
Amounts due to associated companies	22	61,801	8,008	
Hire purchase liabilities	26	163	443	
Short term borrowings	27	469,442	507,696	
Taxation		32,459	34,122	
Proposed dividend		-	26,494	
		997,002	971,930	
NET CURRENT ASSETS		860,948	739,470	
		4,208,785	3,986,865	
Financed by:				
SHARE CAPITAL	28	490,623	367,967	
SHARE PREMIUM		21,140	143,908	
NON-DISTRIBUTABLE RESERVES	29	289,075	295,951	
UNAPPROPRIATED PROFIT		1,974,690	1,819,149	
SHAREHOLDERS' EQUITY		2,775,528	2,626,975	
MINORITY INTEREST		1,331,655	1,286,800	
NON-CURRENT AND DEFERRED LIABILITIES				
Bank term loans	30	32,751	10,571	
Hire purchase liabilities	26	73	619	
Deferred income	31	11,721	12,349	
Deferred taxation	32	57,057	49,551	
Total Non-Current and Deferred Liabilities		101,602	73,090	
		4,208,785	3,986,865	

Consolidated Statement of Changes In Equity

for the year ended 31 December 2001

Note	Share Capital RM'000	Share Premium RM'000	Non-distributable				Unappropriated Profit RM'000	Total RM'000
			Revaluation Reserve RM'000	Exchange Translation Reserve RM'000	Capital Reserve RM'000	Total RM'000		
At 1 January 2000	367,967	143,908	152,586	36,465	117,556	306,607	1,634,878	2,453,360
Effect of changes in group structure	-	-	(590)	-	(209)	(799)	(2,087)	(2,886)
Translation differences for the year	-	-	-	(10,900)	-	(10,900)	-	(10,900)
Share of reserves of associated companies	-	-	-	(86)	1,144	1,058	-	1,058
Net gains/(losses) not recognised in the income statement	-	-	(590)	(10,986)	935	(10,641)	(2,087)	(12,728)
Net profit for the year	-	-	-	-	-	-	244,482	244,482
Transfer of reserves	-	-	(1,906)	-	1,891	(15)	15	-
Dividends	-	-	-	-	-	-	(58,139)	(58,139)
At 31 December 2000	367,967	143,908	150,090	25,479	120,382	295,951	1,819,149	2,626,975
Effect of changes in group structure	-	-	(388)	-	122	(266)	4,381	4,115
Translation differences for the year	-	-	-	(3,800)	-	(3,800)	-	(3,800)
Fair value adjustment following increase in the percentage of shareholding in a subsidiary company	-	-	4,674	-	-	4,674	-	4,674
Share of reserves of associated companies	-	-	99	3,646	(2,289)	1,456	-	1,456
Realised upon liquidation of a subsidiary company	-	-	-	(1,588)	-	(1,588)	-	(1,588)
Net gains/(losses) not recognised in the income statement	-	-	4,385	(1,742)	(2,167)	476	4,381	4,857
Net profit for the year	-	-	-	-	-	-	170,302	170,302
Transfer of reserves	-	-	(12,076)	-	4,724	(7,352)	7,352	-
Dividend	-	-	-	-	-	-	(26,494)	(26,494)
Bonus issue of 1 for 3	122,656	(122,656)	-	-	-	-	-	-
Bonus issue expenses	-	(112)	-	-	-	-	-	(112)
At 31 December 2001	490,623	21,140	142,399	23,737	122,939	289,075	1,974,690	2,775,528

Consolidated Cash Flow Statement

for the year ended 31 December 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Note	2001 RM'000	2000 RM'000	
Profit before taxation	321,566	408,855	
Adjustment for non-cash items :			
Depreciation	118,199	112,714	
Property, plant and equipment written off	1,213	3,850	
(Profit)/Loss on sale of property, plant and equipment	(2,528)	1,019	
Loss on sale of subsidiary companies	1,067	92	
Profit on sale of associated companies	(561)	(56,572)	
Loss/(Profit) on sale of other investments	2,002	(38,407)	
Surplus arising from liquidation of subsidiary companies	(7,174)	-	
Deficit arising from liquidation of an associated company	4,099	-	
Allowance for impairment in value of other investments	5,154	5,851	
Allowance for doubtful debts no longer required	(3,014)	(5,030)	
Bad and doubtful debts	1,999	3,874	
Advances to an associated company written off	514	-	
Loss/(Profit) accrued on the percentage of completion method	7,754	(8,683)	3.19
Share of profits less losses in associated companies	(84,254)	(51,181)	
Share of jointly controlled entities' profits less losses	(8)	(54)	
Inventories written off	202	405	
Unrealised foreign exchange loss/(gain)	3,251	(2,016)	
Goodwill on acquisition of subsidiary companies written off	3,284	2,549	
Discount on acquisition of subsidiary companies written off	(2,779)	(740)	
Interest expense	13,777	19,725	
Dividend income	(4,385)	(7,564)	
Interest income	(14,036)	(12,253)	
Rental income	(15,331)	(13,191)	
Operating profit before working capital changes	350,011	363,243	
Adjustment for working capital changes :			
Land and development expenditure	1,745	(13,864)	
Inventories	(52,547)	61,968	
Gross amounts due from/to customers	(13,694)	22,793	
Receivables	(15,763)	132,870	
Payables	89,747	(16,094)	
Cash generated from operations	359,499	550,916	
Rental received	13,326	12,254	
Tax paid	(58,118)	(41,750)	
Net cash generated from operating activities	314,707	521,420	

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of shares in new subsidiary companies	35	2	(4,239)
Acquisition of shares in existing subsidiary companies		(13,169)	(1,508)
Net cash outflow from sale of subsidiary companies	36	(1,795)	-
Proceeds from partial disposal of subsidiary companies		1,359	1,725
Investment in associated companies		(2,250)	(3,254)
Proceeds from sale of associated companies		3	73,982
Proceeds from liquidation of an associated company		15,974	-
Proceeds from redemption of preference shares of associated companies		-	4,693
Repayment from associated companies		2,437	14,315
Advances to jointly controlled entities		(6,212)	(39,193)
Purchase of other investments		(9,974)	(44)
Proceeds from sale of other investments		19,094	89,574
Purchase of property, plant and equipment	38	(275,050)	(196,938)
Proceeds from sale of property, plant and equipment		9,528	9,544
Dividends received from associated companies		42,965	23,210
Dividends received from other investments		4,044	7,399
Interest received		14,036	12,253
Rental received		2,005	937

Net cash used in investing activities

(197,003) (7,544)

CASH FLOWS FROM FINANCING ACTIVITIES

Shares issued to minority shareholders of subsidiary companies	4,945	200
Share application monies received from a minority shareholder of a subsidiary company	-	22,345
Revolving credits, bankers' acceptance and export credit refinancing	(52,650)	(252,663)
Bank term loans received	40,680	8,643
Repayment of bank term loans	(1,421)	(1,183)
Payment of hire purchase liabilities	(377)	(845)
Payment of share issue expenses	(112)	-
(Repayment to)/Advances from associated companies	(16)	29
Interest paid	(21,638)	(25,195)
Dividends paid to shareholders of the Company	(52,988)	(74,035)
Dividends paid to minority shareholders of subsidiary companies	(16,929)	(65,594)

Net cash used in financing activities

(100,506) (388,298)

NET INCREASE IN CASH AND CASH EQUIVALENTS	17,198	125,578
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	465,853	347,489
CASH AND CASH EQUIVALENTS OF SUBSIDIARY COMPANY NO LONGER CONSOLIDATED	-	(2,303)
EFFECT OF EXCHANGE RATE CHANGES	(969)	(4,911)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	482,082	465,853

Represented by :

Cash and bank balances	39,785	49,484
Deposits	453,128	431,272
Bank overdrafts	(10,831)	(14,903)
	482,082	465,853

Income Statement

for the year ended 31 December 2001

	Note	2001 RM'000	2000 RM'000	
Revenue	3	26,670	27,075	
Cost of sales	4	(19,954)	(19,138)	
Gross profit		6,716	7,937	
Other operating income		1,499	936	
Administrative expenses		(10,396)	(10,460)	
Other operating expenses		(96)	(324)	
Loss from operations	5	(2,277)	(1,911)	
Net profit from investing activities	6	173,906	178,921	
Finance costs	7	(5,431)	(11,222)	
Profit before taxation		166,198	165,788	3.21
Taxation	8	(26,289)	(48,660)	
Net profit for the year		139,909	117,128	
Dividends per share (net of tax) (sen)				
- Interim		7.2	8.6	
- Final		8.6	7.2	
		15.8	15.8	

	Note	2001 RM'000	2000 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	49,438	50,253
Investment in subsidiary companies	13	1,008,116	1,016,066
Investment in associated companies	14	114,738	119,767
Other investments	16	140,705	140,705
Amounts due from subsidiary companies	17	99,892	51,298
		1,412,889	1,378,089
CURRENT ASSETS			
Inventories	18	10,167	11,553
Trade and other receivables	21	6,003	15,375
Amounts due from subsidiary companies	17	69,704	103,707
Amounts due from associated companies	22	3,951	6,093
Tax recoverable		7,211	-
Deposits	23	2,420	500
Cash and bank balances		579	408
		100,035	137,636
Less:			
CURRENT LIABILITIES			
Trade and other payables	25	3,178	4,621
Amounts due to subsidiary companies	17	82,277	96,261
Amounts due to associated companies	22	35	52
Short term borrowings	27	22,589	90,540
Taxation		-	6,215
Proposed dividend		-	26,494
		108,079	224,183
NET CURRENT LIABILITIES			
		(8,044)	(86,547)
		1,404,845	1,291,542
Financed by:			
SHARE CAPITAL	28	490,623	367,967
SHARE PREMIUM		21,140	143,908
UNAPPROPRIATED PROFIT		893,082	779,667
		1,404,845	1,291,542

Statement of Changes In Equity

for the year ended 31 December 2001

	Note	Share Capital RM'000	Share Premium RM'000	Unappropriated Profit RM'000	Total RM'000	
As at 1 January 2000		367,967	143,908	720,678	1,232,553	
Net profit for the year		-	-	117,128	117,128	
Dividends	34	-	-	(58,139)	(58,139)	
As at 31 December 2000		367,967	143,908	779,667	1,291,542	
Net profit for the year		-	-	139,909	139,909	3.23
Dividend	34	-	-	(26,494)	(26,494)	
Bonus issue of 1 for 3	28	122,656	(122,656)	-	-	
Bonus issue expenses		-	(112)	-	(112)	
As at 31 December 2001		490,623	21,140	893,082	1,404,845	

Cash Flow Statement

for the year ended 31 December 2001

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustment for non-cash items :

Depreciation

Property, plant and equipment written off

Profit on sale of property, plant and equipment

Loss/(Profit) on sale of subsidiary companies

Profit on sale of associated companies

Surplus arising from liquidation of an associated company

Allowance for impairment in value of investment in subsidiary companies

Bad and doubtful debts

Advances to a subsidiary company written off

Interest expense

Dividend income

Interest income

Rental income

Operating (loss)/profit before working capital changes

Adjustment for working capital changes :

Inventories

Receivables

Payables

Cash generated from/(used in) operations

Tax (paid)/refunded

Net cash used in operating activities

	2001 RM'000	2000 RM'000
Profit before taxation	166,198	165,788
Adjustment for non-cash items :		
Depreciation	2,066	2,159
Property, plant and equipment written off	21	92
Profit on sale of property, plant and equipment	(50)	(607)
Loss/(Profit) on sale of subsidiary companies	107	(8,286)
Profit on sale of associated companies	-	(9,172)
Surplus arising from liquidation of an associated company	(2,957)	-
Allowance for impairment in value of investment in subsidiary companies	-	24,622
Bad and doubtful debts	-	83
Advances to a subsidiary company written off	3,299	6,251
Interest expense	5,431	11,222
Dividend income	(170,748)	(187,178)
Interest income	(3,102)	(4,151)
Rental income	(505)	(508)
Operating (loss)/profit before working capital changes	(240)	315
Adjustment for working capital changes :		
Inventories	1,386	(20)
Receivables	10,078	(5,741)
Payables	(1,443)	188
Cash generated from/(used in) operations	9,781	(5,258)
Tax (paid)/refunded	(13,080)	641
Net cash used in operating activities	(3,299)	(4,617)

	Note	2001 RM'000	2000 RM'000	
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of shares in existing subsidiary companies		(5,775)	(27,335)	
Proceeds from sale of subsidiary companies		13,618	9,550	
Proceeds from liquidation of an associated company		7,986	-	
Investment in associated companies		-	(2,000)	
Proceeds from sale of associated companies		-	81,614	
Proceeds from redemption of preference shares of associated companies		-	4,693	
Purchase of property, plant and equipment	38	(1,273)	(645)	
Proceeds from sale of property, plant and equipment		51	1,854	
(Advances to)/Repayment from subsidiary companies		(23,998)	13,848	
Repayment from associated companies		1,393	4,598	
Dividends received from subsidiary companies		141,919	116,279	
Dividends received from associated companies		6,255	5,954	
Dividends received from other investments		2,090	1,927	
Interest received		3,102	4,151	
Rental received		505	508	3.25
Net cash generated from investing activities		145,873	214,996	
CASH FLOWS FROM FINANCING ACTIVITIES				
Bonus issue expenses		(112)	-	
Revolving credits		(67,055)	4,580	
Interest paid		(5,431)	(10,473)	
Repayment to subsidiary companies		(13,984)	(130,789)	
(Repayment to)/Advances from associated companies		(17)	30	
Dividends paid		(52,988)	(74,035)	
Net cash used in financing activities		(139,587)	(210,687)	
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,987	(308)	
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		(577)	(269)	
CASH AND CASH EQUIVALENTS CARRIED FORWARD		2,410	(577)	
Represented by :				
Cash and bank balances		579	408	
Deposits		2,420	500	
Bank overdrafts		(589)	(1,485)	
		2,410	(577)	

Accounting policies and explanatory notes are set out on pages 3.26 to 3.75
Auditors' Report - Page 3.77

Accounting Policies & Explanatory Notes

for the year ended 31 December 2001

1. GENERAL

The Company is a public listed company limited by way of shares incorporated in Malaysia under the Companies Act, 1965. The Company is domiciled in Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Subsidiary companies

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

The Company's interests in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

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

(c) Basis of consolidation

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

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

The difference, if any, between the acquisition cost and these fair values is reflected as goodwill or discount on acquisition as appropriate. However, if the amounts involved are immaterial, goodwill or discount on acquisition is taken to the income statement as and when they arise.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

(d) **Associated companies**

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

Investments in associated companies are stated at cost less impairment losses. Impairment losses are charged to the income statement.

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

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting. The equity method is a method of accounting whereby the investment is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associated company. The consolidated financial statements reflects the Group's share of the results of operations of the associated company.

Equity accounting is discontinued when the carrying amount of the investment in an associated company diminishes by virtue of losses to zero, unless the Group has incurred or guaranteed obligations in respect of the associated company.

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

The results and reserves of associated companies are accounted for in the consolidated financial statements based on audited and/or unaudited management accounts made up to the end of the financial year.

(e) **Jointly controlled entities**

Jointly controlled entities are corporations, partnerships or other entities in which there is a contractual agreement whereby the Group and other parties have joint control over the economic entities.

The Group's interest in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

In prior years, the results of the jointly controlled entities were accounted for in the consolidated financial statements using the proportionate consolidation method of accounting where the Group's share of the assets, liabilities, income and expenses of jointly controlled entities are combined on a line-by-line basis with similar items in the Group's financial statements in accordance with *International Accounting Standard 31 - Financial Reporting of Interest in Joint Ventures*. During the current financial year, the Group adopted the equity method of accounting for jointly controlled entities in compliance with *MASB 16 - Financial Reporting of Interest in Joint Ventures*. This change in accounting policy has resulted in a restatement of comparative information of the Group as disclosed in note 45(a).

(f) Other investments

Other investments are stated at cost less impairment losses. Impairment losses are charged to the income statement.

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

(g) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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

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

(ii) Leased assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

All other leases are treated as operating leases. Operating lease rentals are charged to the income statement in the period the rental is payable.

(iii) Depreciation

Freehold land and capital work-in-progress are not depreciated while leasehold land and buildings are amortised on the straight line basis over the remaining period of the lease.

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

Depreciation of the 2 vessels owned by the Group are calculated on the straight line basis to write off their cost net of estimated residual values over their expected useful lives of 179 months and 240 months. Cost includes the cost of any major enhancements and improvements which increase the future benefits from the vessels beyond their previously assessed standard of performance. The cost of routine replacements and repairs is immediately charged to the income statement.

Depreciation is calculated to write off the cost of other property, plant and equipment on a straight line basis over their estimated useful lives.

The principal annual rates used for this purpose are:

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

(h) Development properties

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

(i) Engineering contracts

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

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

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

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

(j) Inventories

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

(k) Receivables

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

(l) Income recognition

(i) Revenue from sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Revenue from engineering contracts and the sale of development properties is recognised on the percentage of completion method, where the outcome of the contract can be reliably estimated.

Revenue from engineering contracts represents the proportionate contract value on engineering contracts attributable to the percentage of contract work performed during the financial year.

Revenue from the sale of development properties represents the proportionate sales value of development properties sold attributable to the percentage of development work performed during the financial year.

(iii) Revenue from box office collections, filmlet income, sale of movie rights and film rental is recognised upon the exhibition of the movie or filmlet.

(iv) Dividend income is recognised when the right to receive payment is established.

(v) Interest income is recognised on a time proportion basis.

(vi) Rental income is recognised on a straight line basis over the specific periods of the respective leases.

(vii) Net voyage income is recognised over the period of the voyage on a pro-rata basis.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Capitalisation of borrowing costs

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

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

(n) Foreign currencies

(i) Transactions in foreign currencies

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date or if appropriate at forward contract rates. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities carried in terms of historical costs denominated in foreign currencies are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of transaction.

(ii) Translation of foreign currency financial statements

All of the Group's foreign subsidiary companies fall within the classification of foreign entities under *MASB Standard 6 - The Effects of Changes in Foreign Exchange Rates*.

For consolidation purposes, all assets and liabilities of foreign subsidiary companies are translated at the exchange rates ruling at the balance sheet date. Income and expense items are translated at exchange rates approximating those ruling on transaction dates. All exchange differences arising from the translation of the financial statements of foreign subsidiary companies are dealt with through the exchange translation reserve account.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(iii) Closing rates used

The closing rates used in translation were as follows:

	2001 RM	2000 RM
One United States Dollar	3.80	3.80
One Sterling Pound	5.57	5.72
One Singapore Dollar	2.05	2.19
One Euro	3.40	N/A
100 Lire	N/A	0.19
100 Indonesian Rupiah	0.04	0.04
100 Hong Kong Dollars	48.74	48.73
100 Japanese Yen	2.92	N/A
1,000 Vietnamese Dong	0.25	0.26

N/A - Not Applicable

(o) **Taxation**

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

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

(p) **Cash equivalents**

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

(q) **Rounding of amounts**

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

3. REVENUE

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Sales of agricultural produce, food-based products and other goods	5,420,654	5,070,001	26,670	27,075
Waste management and other services rendered	14,724	21,290	-	-
Collection from cinema operations	45,377	45,941	-	-
Contract revenue	111,612	90,802	-	-
Sale of development properties	23,400	-	-	-
Rental from leasing of properties	13,326	12,254	-	-
	5,629,093	5,240,288	26,670	27,075

4. COST OF SALES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Cost of goods sold and services rendered	4,887,148	4,488,119	19,954	19,138
Cost of cinema operations	46,206	49,199	-	-
Contract cost recognised as expense	97,932	94,838	-	-
Cost of properties sold	17,403	-	-	-
	5,048,689	4,632,156	19,954	19,138

5. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) from operations is stated after charging :				
Auditors' remuneration				
- current year	933	867	41	37
- under/(over) provision in prior year	47	(2)	4	-
Bad and doubtful debts	1,999	3,874	-	83
Depreciation	118,199	112,714	2,066	2,159
Directors' remuneration				
- fees				
- current year	746	480	147	60
- overprovision in prior year	(2)	-	-	-
- other emoluments	14,216	14,751	2,040	2,240
Foreign exchange loss				
- realised	532	10,099	12	-
- unrealised	3,894	6,709	-	-
Goodwill on acquisition of subsidiary companies amortised	1,616	2,455	-	-
Inventories written off	202	405	-	-
Loss on sale of property, plant and equipment	72	3,176	-	-
Operating lease rentals	769	263	-	-
Property, plant and equipment written off	1,213	3,850	21	92
Rental of premises	12,391	14,925	329	354
and crediting:				
Profit on sale of property, plant and equipment	2,600	978	50	108
Allowance for doubtful debts no longer required	3,014	5,030	-	-
Foreign exchange gain				
- realised	720	235	-	-
- unrealised	643	8,725	-	-
Discount on acquisition of subsidiary companies amortised	474	562	-	-

3.35

Directors' remuneration does not include the estimated monetary value of benefits-in-kind as follows :

	Group		Company	
	2001	2000	2001	2000
	RM'000	RM'000	RM'000	RM'000
Company's directors	98	72	12	17
Subsidiaries' directors	329	244	-	-

6. NET PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Gross dividends from subsidiary companies (see note 45(b))				
- quoted in Malaysia	-	-	26,837	45,746
- unquoted	-	-	133,205	132,588
Gross dividends from unquoted associated companies (see note 45(b))	-	-	8,481	6,847
Gross dividends from other investments				
- quoted in Malaysia	772	751	482	254
- quoted outside Malaysia	3,613	6,813	1,743	1,743
Interest income	14,036	12,253	3,102	4,151
Rental income	2,005	937	505	508
Profit/(Loss) on sale of				
- subsidiary companies	(1,067)	(92)	(107)	8,286
- associated companies	561	56,572	-	9,172
- other investments	(2,002)	38,407	-	-
- land and buildings	-	1,179	-	499
(Deficit)/Surplus arising from liquidation of an associated company	(4,099)	-	2,957	-
Surplus arising from liquidation of subsidiary companies (see note 37)	7,174	-	-	-
Allowance for impairment in value of				
- investment in subsidiary companies	-	-	-	(24,622)
- other investments	(5,154)	(5,851)	-	-
Advances to an associated company written off	(514)	-	-	-
Advances to a subsidiary company written off	-	-	(3,299)	(6,251)
Goodwill on acquisition of subsidiary companies written off	(1,668)	(94)	-	-
Discount on acquisition of subsidiary companies written off	2,305	178	-	-
	15,962	111,053	173,906	178,921

7. FINANCE COSTS

Interest paid and payable on:

Bankers' acceptance and export credit refinancing
Revolving credits
Advances from subsidiary companies
Term loans
Bank overdrafts
Hire purchase
Others

Group		Company	
2001	2000	2001	2000
RM'000	RM'000	RM'000	RM'000
4,652	9,744	-	-
7,227	7,624	3,391	5,372
-	-	2,036	5,843
1,619	1,585	-	-
176	347	4	7
53	218	-	-
50	207	-	-
13,777	19,725	5,431	11,222

8. TAXATION

Malaysian taxation based on results for the year

Current
Deferred
Share of taxation of associated companies
Share of taxation of jointly controlled entities

Group		Company	
2001	2000	2001	2000
RM'000	RM'000	RM'000	RM'000
61,823	76,311	26,289	48,660
1,865	239	-	-
6,691	4,352	-	-
20	20	-	-
70,399	80,922	26,289	48,660
232	1,270	-	-
59	-	-	-
6,322	6,073	-	-
77,012	88,265	26,289	48,660
(3,708)	(415)	-	-
73,304	87,850	26,289	48,660

Foreign taxation

Current
Deferred
Share of taxation of associated companies

Overprovision in prior years

8. TAXATION (continued)

The Group's effective taxation rate for the year is low compared to the statutory rate mainly because of the utilisation of reinvestment allowances claimed during the year.

The Company's effective taxation rate for the year is low compared to the statutory rate mainly because of tax exempt dividends received.

Subject to agreement with the Inland Revenue Board, based on estimated tax credits available and the prevailing tax rate applicable to dividends and the balance on the exempt account, approximately RM677.862 million of the unappropriated profit of the Company is available for distribution by way of dividends without incurring additional tax liability.

9. EARNINGS PER SHARE

a. Basic earnings per share

The basic earnings per share has been calculated by dividing the Group's net profit for the year of RM170.302 million (2000 : RM244.482 million) and 490.623 million shares (2000 : 490.623 million shares, after incorporating the effect of the 1 for 3 bonus issue in 2001) in issue during the year.

b. Diluted earnings per share

The diluted earnings per share has been calculated by dividing the Group's net profit for the year, adjusted for the after tax effect on income that would result from the conversion of ordinary shares under options granted by a subsidiary company, PPB Oil Palms Berhad, pursuant to its ESOS, and 490.623 million shares (2000 : 490.623 million shares, after incorporating the effect of the 1 for 3 bonus issue in 2001) in issue during the year.

	2001 RM'000	2000 RM'000
Net profit for the year	170,302	244,482
Group's share of the effect of potential dilution in PPB Oil Palms Berhad's net profit for the year	(25)	(49)
Adjusted net profit for the year	170,277	244,433

10. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings			Plant, machinery and equipment RM'000	Vehicles, vessels and fixtures RM'000	Capital work in progress RM'000	Total RM'000	
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000					
GROUP								
Cost/Valuation								
At 1.1.2001								
- cost	307,935	661,563	300,157	959,896	181,264	100,312	2,511,127	
- valuation	8,702	475,621	101,217	31,309	-	-	616,849	
As previously reported	316,637	1,137,184	401,374	991,205	181,264	100,312	3,127,976	
Effect of change in accounting policy (see note 45(a))	-	-	-	-	(49)	-	(49)	
As restated								
- cost	307,935	661,563	300,157	959,896	181,215	100,312	2,511,078	3.39
- valuation	8,702	475,621	101,217	31,309	-	-	616,849	
	316,637	1,137,184	401,374	991,205	181,215	100,312	3,127,927	
Fair value adjustment*	-	-	16,469	-	-	-	16,469	
Additions	2,835	45,661	11,538	27,009	84,070	115,001	286,114	
Disposals - cost	(313)	(500)	(877)	(10,336)	(16,359)	(150)	(28,535)	
Exchange adjustments	-	-	(3,953)	(9,375)	(568)	(1,715)	(15,611)	
Reclassifications - cost	10,451	20,363	41,903	75,095	(8,036)	(139,776)	-	
- valuation	-	(10,623)	10,623	-	-	-	-	
Cost overaccrued in previous years	-	(2,340)	-	-	-	(113)	(2,453)	
Transfer to land held for development								
- cost	(2,823)	-	-	-	-	-	(2,823)	
Write-offs - cost	-	(75)	(1,072)	(3,629)	(4,136)	(58)	(8,970)	
- valuation	-	(287)	-	-	-	-	(287)	
At 31.12.2001	326,787	1,189,383	476,005	1,069,969	236,186	73,501	3,371,831	
- cost	318,085	724,672	364,165	1,038,660	236,186	73,501	2,755,269	
- valuation	8,702	464,711	111,840	31,309	-	-	616,562	
	326,787	1,189,383	476,005	1,069,969	236,186	73,501	3,371,831	

* Fair value adjustment made following an increase in the percentage of shareholding in a subsidiary company

10. PROPERTY, PLANT AND EQUIPMENT (continued)

GROUP

Accumulated depreciation

At 1.1.2001

- cost	21,945	57,199	99,400	532,808	121,531	275	833,158
- valuation	1,121	16,034	36,227	25,450	-	-	78,832

As previously reported

Effect of change in accounting
policy (see note 45(a))

As restated

- cost	21,945	57,199	99,400	532,808	121,522	275	833,149
- valuation	1,121	16,034	36,227	25,450	-	-	78,832

Charge for the year

- cost	4,283	9,992	10,672	70,720	18,844	-	114,511
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- valuation	-	4,102	3,361	-	-	-	7,463
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Disposals

- cost	(27)	(160)	(149)	(6,629)	(12,875)	-	(19,840)
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Exchange adjustments

-	-	-	(1,153)	(7,935)	(388)	-	(9,476)
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Reclassifications

- cost	-	(4,291)	3,001	5,673	(4,114)	(269)	-
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Write-offs

- cost	-	(66)	(672)	(3,384)	(3,737)	-	(7,859)
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- valuation	-	(107)	(78)	-	-	-	(185)
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At 31.12.2001

	27,322	82,703	150,609	616,703	119,252	6	996,595
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- cost	26,201	62,674	111,099	591,253	119,252	6	910,485
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- valuation	1,121	20,029	39,510	25,450	-	-	86,110
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	27,322	82,703	150,609	616,703	119,252	6	996,595
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Net book value at 31.12.2001

	299,465	1,106,680	325,396	453,266	116,934	73,495	2,375,236
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- cost	291,884	661,998	253,066	447,407	116,934	73,495	1,844,784
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- valuation	7,581	444,682	72,330	5,859	-	-	530,452
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	299,465	1,106,680	325,396	453,266	116,934	73,495	2,375,236
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Net book value at 31.12.2000

	293,571	1,063,951	265,747	432,947	59,693	100,037	2,215,946
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- cost	285,990	604,364	200,757	427,088	59,693	100,037	1,677,929
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- valuation	7,581	459,587	64,990	5,859	-	-	538,017
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	293,571	1,063,951	265,747	432,947	59,693	100,037	2,215,946
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Depreciation charged for
year ended 31.12.2000

	3,952	14,351	11,851	64,149	19,993	108	114,404
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10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings			Plant, machinery and equipment RM'000	Vehicles, vessels and fixtures RM'000	Total RM'000	
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000				
COMPANY							
Cost/Valuation							
At 1.1.2001							
- cost	7,589	38,211	-	13,708	6,296	65,804	
- valuation	-	21,423	-	-	-	21,423	
	7,589	59,634	-	13,708	6,296	87,227	
Additions	-	268	-	191	814	1,273	
Disposals	-	-	-	-	(138)	(138)	
Write-offs - cost	-	(57)	-	(603)	(20)	(680)	
Reclassification - cost	-	(8)	-	8	-	-	
At 31.12.2001	7,589	59,837	-	13,304	6,952	87,682	
- cost	7,589	38,414	-	13,304	6,952	66,259	
- valuation	-	21,423	-	-	-	21,423	
	7,589	59,837	-	13,304	6,952	87,682	
Accumulated depreciation							3.41
At 1.1.2001							
- cost	-	12,911	-	13,119	5,505	31,535	
- valuation	-	5,439	-	-	-	5,439	
	-	18,350	-	13,119	5,505	36,974	
Charge for the year - cost	-	755	-	475	579	1,809	
- valuation	-	257	-	-	-	257	
Disposals	-	-	-	-	(137)	(137)	
Write-offs - cost	-	(58)	-	(585)	(16)	(659)	
At 31.12.2001	-	19,304	-	13,009	5,931	38,244	
- cost	-	13,608	-	13,009	5,931	32,548	
- valuation	-	5,696	-	-	-	5,696	
	-	19,304	-	13,009	5,931	38,244	
Net book value at 31.12.2001	7,589	40,533	-	295	1,021	49,438	
- cost	7,589	24,806	-	295	1,021	33,711	
- valuation	-	15,727	-	-	-	15,727	
	7,589	40,533	-	295	1,021	49,438	
Net book value at 31.12.2000	7,589	41,284	-	589	791	50,253	
- cost	7,589	25,300	-	589	791	34,269	
- valuation	-	15,984	-	-	-	15,984	
	7,589	41,284	-	589	791	50,253	
Depreciation charged for year ended 31.12.2000	-	1,027	-	501	631	2,159	

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Included in the cost of the Group's plantation land are the following expenses capitalised during the financial year:				
Interest expense	6,946	6,054	-	-
Depreciation	3,775	1,690	-	-
Included in property, plant and equipment is asset acquired under unexpired hire purchase arrangement with net book value as follows:				
Motor vehicles	486	1,655	-	-

Title deeds to certain of the Group's land and buildings costing RM91.532 million (2000 : RM91.532 million) have yet to be issued by the relevant authorities.

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

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

11. LAND HELD FOR DEVELOPMENT

	Group	
	2001 RM'000	2000 RM'000
Freehold land, at cost	2,062	13,177
Long leasehold land, at cost	263	263
Development expenditure, at cost	12,828	38,596
	15,153	52,036

12. INTANGIBLE ASSET

Goodwill on acquisition of subsidiary companies

Cost

At 1 January

Arising from acquisitions during the year

Written off on disposals during the year

Deteriorated goodwill written off

At 31 December

Accumulated amortisation

At 1 January

Amortisation for the year

At 31 December

Net book value at 31 December

Group		
2001 RM'000	2000 RM'000	
50,245	50,212	
1,675	505	
(1,586)	(378)	
(1,668)	(94)	
48,666	50,245	
7,977	5,522	
1,616	2,455	
9,593	7,977	
39,073	42,268	3.43

13. INVESTMENT IN SUBSIDIARY COMPANIES

Shares quoted in Malaysia at cost

Unquoted shares in

Consolidated subsidiary companies at cost less impairment
loss of RM18.900 million (2000 : RM24.622 million)

Unconsolidated subsidiary company at cost

Unquoted shares at valuation

Group's share of post-acquisition retained profit of
unconsolidated subsidiary company

Share application monies

Group		Company		
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	
-	-	695,151	695,151	
-	-	307,588	288,203	
-	220	-	-	
-	-	5,377	5,377	
-	1,971	-	-	
-	-	-	27,335	
-	2,191	1,008,116	1,016,066	

13. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
The equity interest in the unconsolidated subsidiary company before commencement of members' voluntary liquidation is represented by :				
Share of net assets of unconsolidated subsidiary company	-	2,191		
Goodwill/Discount on acquisition	-	-		
	-	2,191		
Market value of quoted shares	-	-	1,099,721	889,079

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

The unconsolidated subsidiary company was Fedflour Trading (Singapore) Pte Ltd. Fedflour Trading (Singapore) Pte Ltd was placed under members' voluntary liquidation in 2000 and since then its financial statements are no longer included in the Group's financial statements.

The share application monies were paid in 2000 pursuant to a rights issue by a subsidiary company, Chemquest Sdn Bhd. The shares were allotted during the financial year and as at 31 December 2001, RM0.14 per share amounting to RM5.390 million remains uncalled (see note 42).

The subsidiary companies are listed in note 46.

14. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unquoted shares at cost	368,855	374,498	114,738	119,767
Group's share of post-acquisition reserves and retained profits less losses	306,465	300,725	-	-
	675,320	675,223	114,738	119,767
The equity interest in associated companies is represented by :				
Share of net assets of associated companies	687,963	685,768		
Discount less premium on acquisition	(12,643)	(10,545)		
	675,320	675,223		

The associated companies are listed in note 47.

15. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

Capital contribution, at cost
Group's share of retained profits less losses

The equity interest in jointly controlled entities is represented by :

Share of net assets of jointly controlled entities

The Group's share of the assets, liabilities and results of the jointly controlled entities are as follows:

Assets and liabilities

Non-current assets
Current assets
Current liabilities
Non-current liabilities
Net assets

Results

Revenue
Cost of sales
Gross profit
Other operating income
Administrative expenses
Net profit for the year

The unincorporated jointly controlled entities have no contingencies and capital commitments at year end.

The amounts due from jointly controlled entities represent trade accounts which are unsecured and interest free. The amounts are expected to be settled within the normal credit periods.

The jointly controlled entities are listed in note 48.

Group		
2001 RM'000	2000 RM'000	
205	205	
466	458	
671	663	
671	663	
552	227	3.45
26,454	32,459	
(26,335)	(32,019)	
-	(4)	
671	663	
50,242	56,373	
(50,218)	(56,335)	
24	38	
61	34	
(77)	(18)	
8	54	

16. OTHER INVESTMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Shares quoted in Malaysia at cost	38,238	38,238	30,011	30,011
Impairment loss	(110)	(110)	-	-
	38,128	38,128	30,011	30,011
Shares quoted outside Malaysia at cost	188,537	213,686	98,379	98,379
Impairment loss	(6,733)	(5,851)	-	-
	181,804	207,835	98,379	98,379
Unquoted shares at cost	25,027	15,605	14,815	14,815
Impairment loss	(2,575)	(2,500)	(2,500)	(2,500)
	22,452	13,105	12,315	12,315
	242,384	259,068	140,705	140,705
Market values of shares				
- quoted in Malaysia	24,375	25,624	15,643	15,941
- quoted outside Malaysia	167,069	243,387	71,197	98,595
	191,444	269,011	86,840	114,536

17. AMOUNTS DUE FROM/TO SUBSIDIARY COMPANIES

Amounts due from subsidiary companies included under non-current assets

The amounts due from subsidiary companies included under non-current assets represent unsecured advances not expected to be recalled within the next 12 months and are analysed as follows:

	Company	
	2001 RM'000	2000 RM'000
Bearing interest at 3% (2000 : 4.15%) per annum	62,836	20,496
Interest free	37,056	30,802
	99,892	51,298

17. AMOUNTS DUE FROM/TO SUBSIDIARY COMPANIES (continued)

Amounts due from subsidiary companies included under current assets

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

	Company	
	2001 RM'000	2000 RM'000
Bearing interest at 0.75% above inter-bank offer rates	-	28,799
Bearing interest at 4% (2000 : 4.15%)	3,319	3,000
Interest free	1,816	1,231
Dividends receivable	64,569	70,677
	69,704	103,707

Amounts due to subsidiary companies included under current liabilities

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

	Company	
	2001 RM'000	2000 RM'000
Bearing interest at 2.85% (2000 : 3.70%)	73,084	86,154
Interest free	9,193	10,107
	82,277	96,261

3.47

18. INVENTORIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Raw materials				
- cost	305,236	260,526	-	-
- net realisable value	3,734	-	-	-
Work-in-progress				
- cost	20,269	23,248	-	-
- net realisable value	148	-	-	-
Finished goods				
- cost	196,235	155,777	-	-
- net realisable value	4,627	37,630	-	-
Sundry stores and consumables				
- cost	46,954	45,909	2,668	2,881
Livestock				
- cost	5,527	5,894	-	-
Future cane crop expenditure				
- cost	7,499	8,672	7,499	8,672
	590,229	537,656	10,167	11,553

19. LAND UNDER DEVELOPMENT

Freehold land, at cost
Development and construction costs
Attributable profit recognised to date
Progress billings
Progress billings comprise :
Progress billings
- received
- receivable
- retention sums

Group	
2001 RM'000	2000 RM'000
16,000	-
44,339	-
60,339	-
5,998	-
66,337	-
(21,463)	-
44,874	-
19,846	-
1,617	-
-	-
21,463	-

Included under development and construction costs is the following expense incurred during the financial year :

Interest expense

Group	
2001 RM'000	2000 RM'000
915	-

20. GROSS AMOUNTS DUE FROM/TO CUSTOMERS

Aggregate contract expenditure incurred to date
Attributable profit recognised to date
Progress billings
Gross amount due from customers
Gross amount due to customers

Group	
2001 RM'000	2000 RM'000
305,701	396,911
30,041	43,793
335,742	440,704
(354,889)	(459,793)
(19,147)	(19,089)
10,455	3,136
(29,602)	(22,225)
(19,147)	(19,089)

20. GROSS AMOUNTS DUE FROM/TO CUSTOMERS (Continued)

Progress billings comprise :

Progress billings

- received
- receivable
- retention sums

Group	
2001 RM'000	2000 RM'000
330,581	446,570
23,794	11,112
514	2,111
354,889	459,793

There were no advances received for contract work not yet performed by the Group at the end of the financial year (2000 : RM Nil).

21. TRADE AND OTHER RECEIVABLES

Gross trade receivables

Allowance for doubtful debts

Other receivables, deposits and prepayments

Allowance for doubtful debts

Group		Company		
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	
380,371	300,364	-	-	3.49
(11,346)	(30,822)	-	-	
369,025	269,542	-	-	
96,608	79,592	6,070	15,442	
(5,751)	(5,658)	(67)	(67)	
90,857	73,934	6,003	15,375	
459,882	343,476	6,003	15,375	

Included in the above are amounts owing to related parties as follows:

Group		Company	
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
5,084	5,725	-	-
231	231	69	69

22. AMOUNTS DUE FROM/TO ASSOCIATED COMPANIES

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

Included in the amounts due from associated companies are RM5.322 million (2000 : RM5.521 million) and RM2.522 million (2000 : RM3.321 million) for the Group and for the Company, respectively, which bear interest at between 4% and 10% (2000 : between 4% and 10%)

23. DEPOSITS

Deposits with licensed banks
- in Malaysia
- outside Malaysia
Deposits with other financial institutions
- in Malaysia

Group		Company	
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
80,433	74,536	2,420	500
180,230	170,817	-	-
192,465	185,919	-	-
453,128	431,272	2,420	500

24. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM2.988 million (2000 : RM0.006 million) maintained in Housing Development Accounts in accordance with the Housing Developers (Housing Development Account) Regulations 1991.

25. TRADE AND OTHER PAYABLES

Trade payables
Other payables and accruals

Group		Company	
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
260,343	211,581	1,064	1,247
143,192	161,361	2,114	3,374
403,535	372,942	3,178	4,621

Included in the above are amounts owing to related parties as follows:

Trade payables
Other payables and accruals

Group		Company	
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
3,421	328	161	161
105	61	-	-

26. HIRE PURCHASE LIABILITIES

Outstanding hire purchase instalments due:
- not later than one year
- later than one year and not later than five years

Unexpired term charges
Outstanding principal amount due
Outstanding principal amount due not later than one year
(included under current liabilities)
Outstanding principal amount due later than one year
and not later than five years

Group	
2001 RM'000	2000 RM'000
194	543
80	777
274	1,320
(38)	(258)
236	1,062
163	443
73	619

27. SHORT TERM BORROWINGS

Secured:

Current portion of bank term loans (see note 30)

Unsecured:

Bank overdrafts

Revolving credits

Bankers' acceptance

Export credit refinancing

Bank term loan

Current portion of bank term loans (see note 30)

Group		Company	
2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
47	152	-	-
10,831	14,903	589	1,485
168,464	207,294	22,000	89,055
269,908	134,253	-	-
-	149,475	-	-
7,557	-	-	-
12,635	1,619	-	-
469,442	507,696	22,589	90,540

The above borrowings bear interest at commercial rates which vary according to inter-bank offer or base lending rates, depending the nature and purpose of the borrowings. During the financial year, the interest rates applicable were between 2.31% and 8.40% (2000 : between 2.72% and 8.50%).

3.51

28. SHARE CAPITAL

Authorised:

Ordinary shares of RM1 each

Issued and fully paid:

Ordinary shares of RM1 each

At 1 January

Bonus issue of 1 for 3

At 31 December

2001 No. of Shares	2000 No. of Shares	2001 RM'000	2000 RM'000
500,000,000	500,000,000	500,000	500,000
367,967,343	367,967,343	367,967	367,967
122,655,781	-	122,656	-
490,623,124	367,967,343	490,623	367,967

29. NON-DISTRIBUTABLE RESERVES

Revaluation reserve
Exchange translation reserve
Capital reserve

Details of capital reserve are as follows:

Share of capital reserves of associated companies
Share premium of subsidiary companies arising from shares
issued to minority shareholders
Transferred from unappropriated profit arising from:
- bonus issue of subsidiary companies
- gain from disposal of landed properties

Group	
2001 RM'000	2000 RM'000
142,399	150,090
23,737	25,479
122,939	120,382
289,075	295,951
46,007	43,749
55,968	55,842
1,924	1,747
19,040	19,044
122,939	120,382

30. BANK TERM LOANS

Secured :

Bank term loan bearing interest at 3% per annum repayable by 24 monthly instalments commencing May 2000

Unsecured :

US-dollar denominated bank term loan bearing interest at 0.70% above Singapore Interbank Offer Rate ("SIBOR") repayable by 7 half yearly instalments commencing August 2003

Bank term loan bearing interest at 0.60% above SIBOR per annum, repayable upon demand by the bank

Bank term loan bearing interest at 1% above the lender bank's cost of fund repayable by 8 instalments commencing 31 December 2002

Bank term loan bearing interest at 0.63% above SIBOR per annum, repayable in full at the end of 3 years from the date of the first drawdown

Bank term loan bearing interest at 1.15% above BLR repayable by 14 half yearly instalments commencing October 1997

Repayments due within the next 12 months included under short term borrowings

- secured
- unsecured
(see note 27)

Group	
2001 RM'000	2000 RM'000
47	203
31,886	8,338
3,800	-
1,380	-
5,890	-
2,430	3,801
45,433	12,342
(47)	(152)
(12,635)	(1,619)
32,751	10,571

30. BANK TERM LOANS (continued)

The bank term loan amounting to RM0.047 million (2000 : RM0.203 million) is secured over certain plant and machinery of the Group with a total net book value of RM0.205 million (2000 : RM0.298 million).

31. DEFERRED INCOME

Discount on acquisition of subsidiary companies

Cost

At 1 January
Arising from acquisitions during the year
Written off on disposals during the year
Written off on liquidation of a subsidiary company
Written off

At 31 December

Accumulated amortisation

At 1 January
Amortisation for the year
At 31 December

Net book value at 31 December

Group		
2001 RM'000	2000 RM'000	
13,447	13,551	
2,233	74	
(57)	-	
(25)	-	
(2,305)	(178)	
13,293	13,447	
1,098	536	3.53
474	562	
1,572	1,098	
11,721	12,349	

32. DEFERRED TAXATION

At 1 January
Arising from fair value adjustment following an increase in the percentage of shareholding in a subsidiary company
Reversal due to disposal of subsidiary companies
Exchange translation differences
Transfer from income statement
At 31 December

Group		
2001 RM'000	2000 RM'000	
49,551	47,678	
4,941	-	
(93)	-	
(13)	-	
2,671	1,873	
57,057	49,551	

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

32. DEFERRED TAXATION (continued)

The following timing differences exist at 31 December for which the related deferred tax benefits have not been recognised in the financial statements.

	Group	
	2001 RM'000	2000 RM'000
Unabsorbed capital and agriculture allowances	175,862	173,455
Tax losses	149,111	124,085
Excess of capital allowance claimed on property, plant and equipment over accumulated depreciation	(35,079)	(33,430)
Others	342	3,039
	290,236	267,149

Except as stated above, there were no material timing differences on which deferred taxation had not been provided (2000: Nil).

33. EFFECT OF CHANGES IN GROUP STRUCTURE

a. Effect on revaluation reserve

Effect of issue of shares pursuant to PPB Oil Palms Berhad's ESOS

b. Effect on capital reserve

Effect of issue of shares pursuant to PPB Oil Palms Berhad's ESOS

c. Effect on unappropriated profit

Effect of dilution of equity interest in subsidiary companies

Effect of dilution of equity interest in associated companies

Effect of issue of shares pursuant to PPB Oil Palms Berhad's ESOS

	Group	
	2001 RM'000	2000 RM'000
	(388)	(590)
	122	(209)
	4,922	(2,328)
	-	981
	(541)	(740)
	4,381	(2,087)

During the financial year, the Company disposed of its subsidiary company, PT Tidar Sungkai Sawit (70.0%-owned) to its 57.9%-owned subsidiary company, PPB Oil Palms Berhad. As a result of the disposal, the Group's effective equity interest in PT Tidar Sungkai Sawit was reduced from 70.0% to 40.5%.

33. EFFECT OF CHANGES IN GROUP STRUCTURE (continued)

The dilution of equity interest in subsidiary and associated companies in the prior year arose from :

- (a) The disposal of Sandakan Edible Oils Sdn Bhd (100.0%-owned) and Bintulu Edible Oils Sdn Bhd (86.0%-owned) to FFM Berhad (53.8%-owned).
- (b) The disposal of PT Healthcare Glovindo (90.0%-owned) to Chemquest Overseas Ltd (55.0%-owned).
- (c) The disposal of Minsec Engineering Services Sdn Bhd (100.0%-owned) to Chemquest Sdn Bhd (55.0%-owned).
- (d) The disposal of Saratok Palm Oil Mill Sdn Bhd (30.0%-owned) and Agri-Sabah Fertilizer Sdn Bhd (21.0%-owned) to PPB Oil Palms Berhad (57.9%-owned).

34. DIVIDENDS

Interim dividend of 10 sen less 28% income tax
(2000: 10 sen comprising 5 sen tax exempt and 5 sen less 28% income tax)

Proposed final dividend of 10 sen less 28% income tax

Group	
2001 RM'000	2000 RM'000
26,494	31,645
-	26,494
26,494	58,139

Subsequent to 31 December 2001, the directors recommended the payment of a final dividend of 10 sen comprising 5 sen tax exempt and 5 sen less 28% income tax amounting to RM42.194 million.

3.55

In compliance with MASB 19 - *Events After the Balance Sheet Date*, dividends declared or proposed subsequent to the financial year to which they relate are not deducted from shareholders' equity, but are only disclosed by way of notes with effect from 2001. Prior to 2001, such dividends were deducted from shareholders' equity and included as current liabilities on the balance sheet.

The new accounting treatment has been adopted prospectively from 2001. If the new accounting treatment had been adopted retrospectively, the amounts of dividends which would have been deducted from shareholders' equity would have been as follows :

In respect of the year ended 31 December 2001

Interim dividend of 10 sen less 28% income tax

In respect of the year ended 31 December 2000

Interim dividend of 10 sen comprising 5 sen tax exempt and 5 sen less 28% income tax

Final dividend of 10 sen less 28% income tax

In respect of the year ended 31 December 1999

Final dividend of 8 sen less 28% income tax

Group and Company	
2001 RM'000	2000 RM'000
26,494	-
-	31,645
26,494	-
-	21,195
52,988	52,840

Additionally, the Group's and Company's unappropriated profit as at 31 December 2000 would have been higher by RM26.494 million and current liabilities lower by the same amount.

3.56

The new subsidiary companies acquired during 2000 were Aktif Kukuh Sdn Bhd and PT Mustika Sembuluh.

	Group	
	2001 RM'000	2000 RM'000
Analysis of acquisition of shares in new subsidiary companies		
Non-current assets	-	3,587
Current assets	1,818	11,154
Non-current liabilities	-	-
Current liabilities	(1,825)	(166)
Minority interests	-	(1,337)
Fair value of attributable assets acquired	(7)	13,238
Goodwill on acquisition	7	1,772
Discount on acquisition	-	-
Total purchase consideration	*	15,010
Less : Cash and cash equivalents acquired	2	(10,771)
Net cash (acquired)/paid during the year	(2)	4,239
* Represents RM4		
The effects of the acquisition of the new subsidiary companies on the consolidated financial results for the year of acquisition and the consolidated financial position as at the end of the year of acquisition are as follows :		
Income statement		
Revenue	4,752	-
Cost of sales	(4,626)	-
Gross profit	126	-
Other operating income	-	1,195
Distribution expenses	(10)	-
Administrative expenses	(83)	(2,157)
Profit/(loss) from operations	33	(962)
Profit from investing activities	-	372
Finance cost	-	(31)
Profit/(loss) before taxation	33	(621)
Taxation	2	(433)
Profit/(loss) after taxation	35	(1,054)
Minority interest	(16)	505
Increase/(Decrease) in Group's net profit	19	(549)

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

	Group	
	2001 RM'000	2000 RM'000
Gain not recognised in the income statement		
Currency translation differences	-	(125)
Balance sheet		
Non-current assets	-	4,691
Current assets	1,818	10,109
Non-current liabilities	-	-
Current liabilities	(1,825)	(1,518)
Minority interests	3	(6,291)
Group's share of net (liabilities)/assets	(4)	6,991

36. DISPOSAL OF SHARES IN SUBSIDIARY COMPANIES

3.57

The subsidiary companies disposed of during the financial year were AWS Jaya Sdn Bhd, S P Maju Sdn Bhd, AWS Jaya (Kedah-Perlis) Sdn Bhd, Conwaste Disposal Services (P. Pinang) Sdn Bhd and AWS Jaya (Perak) Sdn Bhd. The analysis of the disposal of subsidiary companies is as follows:-

	Group	
	2001 RM'000	2000 RM'000
Non-current assets	2,352	-
Current assets	7,589	-
Non-current liabilities	(93)	-
Current liabilities	(3,763)	-
Minority interests	(210)	-
Share of net assets disposed of	5,875	-
Goodwill written off on disposal	2,406	-
Loss on disposal of shares in subsidiary companies	(456)	-
Total sale consideration	7,825	-
Less : Cash and cash equivalents disposed of	(1,981)	-
Sales consideration receivable included in other receivables	(7,639)	-
Net cash outflow during the year	(1,795)	-

36. DISPOSAL OF SHARES IN SUBSIDIARY COMPANIES (continued)

The effects of the disposal of the subsidiary companies on the consolidated financial results for the year and the consolidated financial position as at 31 December 2001 are as follows :

	Group	
	2001 RM'000	2000 RM'000
Income statement		
Revenue	13,255	13,801
Cost of sales	(8,839)	(9,830)
Gross profit	4,416	3,971
Other operating income	757	904
Administrative and general expenses	(1,892)	(2,080)
Profit from operations	3,281	2,795
Finance cost	(48)	(104)
Share of profit of an associated company	18	56
Profit before taxation	3,251	2,747
Taxation	(1,020)	(785)
Profit after taxation	2,231	1,962
Minority interest	(1,826)	(1,184)
Increase in Group's net profit	405	778
Balance sheet		
Non-current assets	2,524	2,806
Current assets	7,589	6,493
Non-current liabilities	(93)	(1,080)
Current liabilities	(3,763)	(3,049)
Minority interests	(4,182)	(1,132)
Group's share of net assets	2,075	4,038

There were no disposal of subsidiary companies in 2000.

37. LIQUIDATION OF SUBSIDIARY COMPANIES

The subsidiary companies liquidated during the financial year were Fedflour Trading (Singapore) Pte Ltd ("FTS") and Sandakan Oil Mills Sdn Bhd ("SOM").

There was no liquidation of subsidiary companies in 2000.

	Group	
	2001 RM'000	2000 RM'000
Total surplus assets and capital	8,037	-
Less :		
Cost of investment	(1,783)	-
Post-acquisition reserve previously consolidated	(2,032)	-
	4,222	-
Exchange fluctuation reserve realised upon liquidation	2,952	-
Surplus from liquidation	7,174	-

38. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Property, plant and equipment acquired	286,114	205,835	1,273	645
Interest expense capitalised	(6,946)	(6,054)	-	-
Depreciation capitalised	(3,775)	(1,690)	-	-
Financed via hire purchase arrangement	(343)	(1,153)	-	-
Cash paid	275,050	196,938	1,273	645

39. RELATED PARTIES

Significant related party transactions during the financial year were as follows :

	Company		
	2001 RM'000	2000 RM'000	
Transactions with subsidiary companies			3.59
Interest received and receivable	2,486	3,574	
Interest paid and payable	2,036	5,843	
Rental income	492	492	
Sales of shares in subsidiary companies	13,618	9,550	
Sales of shares in associated companies	-	7,631	
Sales of property, plant and equipment	50	-	

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Transactions with associated companies				
Sales to				
Kuok Oils & Grains Pte Ltd	2,229,861	1,183,108	-	-
Kilang Gula Felda Perlis Sdn Bhd	26,670	27,075	26,670	27,075
Konsortium Abass Sdn Bhd	-	26,158	-	-
Cipta Quantum Sdn Bhd	-	11,250	-	-
PKAS Jaya Sdn Bhd	163	194	-	-
Lahad Datu Edible Oils Sdn Bhd	15,132	121	-	-

39. RELATED PARTIES (continued)

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Interest received from				
Vita Tenggara Fruit Industries Sdn Bhd	111	108	111	108
Saratok Palm Oil Mill Sdn Bhd	79	11	79	11
Worldwide Landfills Sdn Bhd	111	120	-	-
Techno Indah Sdn Bhd	62	-	-	-
Management fee received from				
Ancom-Chemquest Terminals Sdn Bhd ("Ancom-Chemquest")	130	91	-	-
Cipta Quantum Sdn Bhd	-	135	-	-
Federation Theatres Sdn Bhd	44	44	-	-
Graceville Sdn Bhd	59	144	-	-
Kian Min Realty Sdn Bhd	-	120	-	-
Konsortium Abass Sdn Bhd	2,180	-	-	-
Sitamas Environmental Systems Sdn Bhd	378	-	-	-
Rental of premises received from				
Agri-Sabah Fertilizer Sdn Bhd	3	3	3	3
Kerry Leisure Concepts Sdn Bhd	212	212	-	-
Commission received from				
Federation Theatres Sdn Bhd	28	34	-	-
Graceville Sdn Bhd	23	72	-	-
Kuok Oils & Grains Pte Ltd	-	32	-	-
Registration fees received from				
Kerry Leisure Concepts Sdn Bhd	4	4	-	-
Film rental received from				
Federation Theatres Sdn Bhd	19	72	-	-
Graceville Sdn Bhd	24	101	-	-
Purchases from				
Agri-Sabah Fertilizer Sdn Bhd	11,337	9,452	-	-
Kuok Oils & Grains Pte Ltd	246,279	324,041	-	-
Lahad Datu Edible Oils Sdn Bhd	183,940	8,390	-	-

39. RELATED PARTIES (continued)

	Group		Company		
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000	
Rental of premises paid to					
Ancom-Chemquest	120	132	-	-	
Kian Min Realty Sdn Bhd	540	1,024	163	326	
Shaw Brothers (M) Sdn Bhd	-	772	-	-	
Lease rental paid to					
Ancom-Chemquest	224	227	-	-	
Purchase of property, plant and equipment from					
Graceville Sdn Bhd	60	31	-	-	
Kuok Oils & Grains Pte Ltd	-	478	-	-	
Assignment of trademark to					
Kuok Oils & Grains Pte Ltd	500	-	-	-	3.61
Commission paid to					
Kuok Oils & Grains Pte Ltd	-	37	-	-	
Filmlet income payable to					
Federation Theatres Sdn Bhd	59	25	-	-	
Graceville Sdn Bhd	16	7	-	-	
Transaction with an associated company disposed of in 2000					
Rental received from RA-PPB (Tops) Retail Sdn Bhd	-	621	-	-	

39. RELATED PARTIES (continued)

Non-trade balances with associated companies as at 31 December 2001 were as follows :

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Balance of advances owing by:				
Agri-Sabah Fertilizer Sdn Bhd	1	1	1	1
Federation Theatres Sdn Bhd	32	39	-	-
Graceville Sdn Bhd	-	176	-	-
Kerry Leisure Concepts Sdn Bhd	1	-	1	-
Kian Min Realty Sdn Bhd	-	46	-	46
Konsortium Abass Sdn Bhd	-	2,287	-	-
Kuok Oils & Grains Pte Ltd	500	8	-	-
Ladang Sejahtera Sdn Bhd	-	1	-	-
Saratok Palm Oil Mill Sdn Bhd	-	1,502	-	1,502
Techno Indah Sdn Bhd	1,911	1,238	-	-
Vita Tenggara Fruit Industries Sdn Bhd	2,522	2,411	2,522	2,411
Wisma Perak Sdn Bhd	1,070	1,070	-	-
Worldwide Landfills Sdn Bhd	1,111	1,320	-	-
Balance of advances owing to:				
Golden Screen Film Distribution Co. Sdn Bhd	190	190	-	-
Kilang Gula Felda Perlis Sdn Bhd	35	43	35	43
Kian Min Realty Sdn Bhd	-	9	-	9
Lahad Datu Edible Oils Sdn Bhd	400	400	-	-
Primium Khas Sdn Bhd	3	2	-	-
Transactions with jointly controlled entities				
Booking commission received - Selangor Amusement Co.	7	7	-	-
Booking commission received - Odeon Cineplex Central Square JV	24	24	-	-
Progress billings to Cipta Quantum - Chemical Waste Management JV	2,544	15,000	-	-
Progress billings to Zufar Water Services- Chemical Waste Management	91,853	52,315	-	-
Transactions with Kuok Brothers Sdn Bhd , a substantial shareholder of the Company				
Interest paid	-	132	-	-
Management fee paid	108	117	-	-

39. RELATED PARTIES (continued)

Transactions with associated companies of Kuok Brothers Sdn Bhd

Management fees received from Jerneh Insurance Berhad	8	-	-	-
Registration fees received from Jerneh Asia Berhad	16	20	-	-
Registration fees received from Pelangi Berhad	26	19	-	-
Insurance premium paid to Jerneh Insurance Berhad	10,267	9,261	221	39
Rental of premises paid to Jerneh Insurance Berhad	492	-	137	-
Rental of premises paid to Pelangi Berhad	1,466	3,622	-	-

Transactions with a company in which a director of PPB Group Berhad, Kuok Khoon Ean (since resigned) has financial interest

Sales to Kerry Foodstuff Company Ltd	9,568	8,852	-	-
Sales to Hoe Seng (Mersing) Sdn Bhd	9,358	-	-	-
Sales to NewQuest Trading Pte Ltd	22,230	-	-	-
Sales to Min Tien (Co) Sdn Bhd	17,743	-	-	-
Purchases from Kerry Foodstuff Company Ltd	283,154	184,509	-	-
Purchases from Pengedar Bahan Pertanian Sdn Bhd	1,655	1,927	1,655	1,927

3.63

Transaction with a company in which certain directors of PPB Group Berhad, Kuok Khoon Ean (since resigned) and Dato' Lim Chee Wah have financial interest

Sales to Kuok (Singapore) Ltd	-	22,389	-	-
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Transactions with companies in which a director of PPB Oil Palms Berhad, Dr. Ng Siew Kee has financial interest

Purchases from				
Agrocom Enterprise Sdn Bhd	476	919	-	-
Agromac (M) Sdn Bhd	374	157	-	-

Transaction with a corporate shareholder of Cipta Wawasan Engineering Sdn Bhd

Management fee paid to Raya Aspirasi Sdn Bhd	186	372	-	-
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Transaction with a corporate shareholder of Reka Halus Sdn Bhd

Purchases from Ladang Sabah Sdn Bhd	-	312	-	-
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The above transactions have been entered into in the normal course of business and have been established under negotiated terms.

40. EMPLOYEE INFORMATION

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Staff costs	242,004	224,534	9,937	10,289

The number of employees (including executive directors) as at 31 December 2001 was 15,110 (2000: 15,343) for the Group and 382 (2000: 381) for the Company.

41. CONTINGENT LIABILITIES

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Unsecured guarantees issued in consideration of credit facilities given to associated companies	23,800	14,800	2,550	2,550
Claim for compensation for early termination of tenancy agreement by a subsidiary company	-	3,029	-	-
Indemnity given to a licensed offshore bank for an irrevocable standby letter of credit issued in consideration of credit facilities granted to a subsidiary company	-	-	-	41,800
	23,800	17,829	2,550	44,350

In addition to the above, on 14 July 2000, a legal suit was filed in the High Court of Sabah and Sarawak at Sandakan against the Government of the State of Sabah challenging the alienation by the Sabah State Government to two of the Company's subsidiaries, namely, Hibumas Sdn Bhd ("Hibumas") and Penumilek Sdn Bhd ("Penumilek") of a total of 5,700 acres (2,307 hectares) of land situated in Sugut and Bonggaya District of Sandakan (the said lands). The said lands form part of a total area 25,784 acres (10,434 hectares) alienated to Hibumas and Penumilek, who were named as the Second and Third Defendants, respectively.

Hibumas and Penumilek have sought legal advice and had on 12 September 2000 filed an application to strike out the plaintiff's suit ("the Application"). The Court which had fixed the hearing of the Application on 9-11 July 2001, has postponed the said hearing and set down the suit for further mention on 7 March 2002. The Directors are of the opinion that the suit is without merit.

42. COMMITMENTS

	Group		Company	
	2001 RM'000	2000 RM'000	2001 RM'000	2000 RM'000
Authorised acquisition of property, plant and equipment not provided for in the financial statements				
- contracted	47,753	68,253	-	11,483
- not contracted	205,366	171,782	619	467
Operating lease and other commitments				
- within 12 months	636	788	-	-
- after 1 year but within 5 years	2,774	1,163	-	-
- over 5 years	-	175	-	-
Uncalled portion of share capital in a subsidiary company	-	-	5,390	11,165
	256,529	242,161	6,009	23,115

43. SUBSEQUENT EVENT

- (i) On 9 November 2001, a subsidiary company, namely Reefton Sdn Bhd entered into a memorandum of agreement to sell MV Alam Aman to Bloster Shipping Company Ltd for a total consideration of USD2,500,000 (equivalent to RM9,500,000). Pursuant to the memorandum of agreement, Reefton Sdn Bhd delivered the vessel to Bloster Shipping Company Ltd on 18 January 2002 and ceased its shipping operations thereafter.
- (ii) Subsequent to the financial year end, a subsidiary company, namely Chemquest Waste Management Sdn Bhd ("CWM") entered into a conditional subscription agreement with an associated company, Konsortium Abass Sdn Bhd ("KASB") to subscribe for up to 5,562,500 redeemable cumulative preference shares of RM0.01 each in KASB at an issue price of RM1.00 each in the event of a default by KASB in the repayment of its bank loan.

44. SEGMENTAL INFORMATION

Analysis by activity

2001

	External customers RM'000	Inter segment RM'000	Total RM'000	Profit before taxation RM'000	Total Assets employed RM'000
Foods	5,437,448	-	5,437,448	189,025	1,829,118
Plantations	77,741	200,142	277,883	34,468	1,338,511
Manufacturing and services	278,159	34,798	312,957	12,593	330,503
Commodity trading	2,556,666	-	2,556,666	40,248	201,108
Shipping	64,125	-	64,125	20,029	251,333
Entertainment, property and retailing	103,029	-	103,029	(431)	469,903
Hotels	17,731	-	17,731	2,430	64,207
Others	178,280	428	178,708	23,204	721,104

Less : Inter segment sales
Group's share of associated companies' revenue

(235,368)	-	-
(3,084,086)	-	-
5,629,093	321,566	5,205,787

% of Contribution

	%	%	%
Foods	60.75	58.78	35.14
Plantations	3.11	10.72	25.71
Manufacturing and services	3.50	3.92	6.35
Commodity trading	28.57	12.52	3.86
Shipping	0.72	6.23	4.83
Entertainment, property and retailing	1.15	(0.13)	9.03
Hotels	0.20	0.75	1.23
Others	2.00	7.21	13.85
	100.00	100.00	100.00

44. SEGMENTAL INFORMATION (continued)

Analysis by activity	Revenue			Profit before taxation RM'000	Total Assets employed RM'000	
	External customers RM'000	Inter segment RM'000	Total RM'000			
2000						
Foods	5,092,370	-	5,092,370	210,832	1,726,179	
Plantations	55,133	199,073	254,206	16,891	1,254,281	
Manufacturing and services	307,691	34,352	342,043	20,028	319,394	
Commodity trading	2,490,209	-	2,490,209	16,097	236,181	
Shipping	47,434	19,819	67,253	31,999	173,856	
Entertainment, property and retailing	156,615	-	156,615	36,796	510,581	
Hotels	21,453	-	21,453	4,172	62,080	
Others	197,540	907	198,447	72,040	676,243	3.67
	8,368,445	254,151	8,622,596	408,855	4,958,795	
Less : Inter segment sales			(254,151)	-	-	
Group's share of associated companies' revenue			(3,128,157)	-	-	
			5,240,288	408,855	4,958,795	
% of Contribution			%	%	%	
Foods			59.05	51.56	34.81	
Plantations			2.95	4.13	25.29	
Manufacturing and services			3.97	4.90	6.44	
Commodity trading			28.88	3.94	4.76	
Shipping			0.78	7.83	3.51	
Entertainment, property and retailing			1.82	9.00	10.30	
Hotels			0.25	1.02	1.25	
Others			2.30	17.62	13.64	
			100.00	100.00	100.00	

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

All inter-segment transactions have been carried out in the normal course of business and have been established under negotiated terms.

45. CHANGES IN ACCOUNTING POLICIES

(a) Accounting for investment in jointly controlled entities

In prior years, the Group accounted for the results of jointly controlled entities using the proportionate consolidation method of accounting. During the current financial year, the Group adopted the accounting policy set out in note 2(e) above in compliance with *MASB 16 - Financial Reporting of Interest in Joint Ventures*.

In order to effect a proper comparison with the current year's presentation using the new accounting policy, the comparative figures have been restated as follows :

INCOME STATEMENT

Revenue	5,271,390
Cost of sales	4,663,197
Administrative expenses	126,602
Net profit from investing activities	111,070
Share of jointly controlled entities' profits less losses	-
Finance costs	19,739
Taxation - Group	77,425
- Share of taxation of jointly controlled entities	-

BALANCE SHEET

NON-CURRENT ASSETS

Property, plant and equipment	2,215,986
Investment in jointly controlled entities	-
Other investments	259,719

CURRENT ASSETS

Trade and other receivables	374,090
Amount due from associated companies	326,534
Amount due from jointly controlled entities	-
Deposits	432,372
Cash and bank balances	49,605

CURRENT LIABILITIES

Gross amount due to customers	26,160
Trade and other payables	381,020
Hire purchase liabilities	447

NON-CURRENT LIABILITIES

Hire purchase liabilities	623
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As previously reported RM'000	Effect of change in accounting policy RM'000	As restated RM'000
5,271,390	(31,102)	5,240,288
4,663,197	(31,041)	4,632,156
126,602	(10)	126,592
111,070	(17)	111,053
-	54	54
19,739	(14)	19,725
77,425	(20)	77,405
-	20	20
2,215,986	(40)	2,215,946
-	663	663
259,719	(651)	259,068
374,090	(30,614)	343,476
326,534	(19,754)	306,780
-	39,596	39,596
432,372	(1,100)	431,272
49,605	(121)	49,484
26,160	(3,935)	22,225
381,020	(8,078)	372,942
447	(4)	443
623	(4)	619

This change in accounting policy has had no effect on the Company's financial statements.

45. CHANGES IN ACCOUNTING POLICIES (continued)

(b) *Dividend income recognition*

In prior years, dividends from subsidiary companies and associated companies were recognised in the income statement as and when declared or proposed. With effect from the current financial year, all dividends are recognised in the income statement when the right to receive payment is established, as indicated in note 2(l)(iv) above.

This new accounting treatment has been adopted prospectively commencing from the current financial year. If the new accounting treatment had been adopted retrospectively, the Company's results and changes in unappropriated profit for the year ended 31 December 2001 and its restated results and changes in unappropriated profit for the year ended 31 December 2000 would have been as follows:

RESULTS

Loss from operations	(2,277)	(1,911)	
Net profit from investing activities	272,129	157,412	
Finance costs	(5,431)	(11,222)	
Profit before taxation	264,421	144,279	
Taxation	(53,791)	(40,600)	3.69
Net profit for the year	210,630	103,679	

CHANGES IN UNAPPROPRIATED PROFIT

At beginning of the year		
As previously stated	779,667	720,678
Prior year adjustment	(70,721)	(57,272)
As restated	708,946	663,406
Net profit for the year	210,630	103,679
Dividends	(26,494)	(58,139)
At end of the year	893,082	708,946

The new accounting treatment has had no effect on the Group's financial statements.

46. SUBSIDIARY COMPANIES

The subsidiary companies as at 31 December 2001 were as follows :-

Companies	Group's equity interest		Country of incorporation	Principal activities
	2001 %	2000 %		
Malayan Sugar Manufacturing Company Bhd	100.0	100.0	Malaysia	Sugar refining and investment holding
Astakonas Sdn Bhd	100.0	100.0	Malaysia	Transportation
Masuma Trading Co Ltd	100.0	100.0 *	Hong Kong	Investment holding
Quintrine Company Ltd	100.0	100.0 *	Hong Kong	Investment holding
Stenmark Investment Inc	100.0	100.0 *	Liberia	Dormant
Banqua Limited	100.0	100.0 *	British Virgin Islands	Investment holding
MSM Properties Sdn Bhd	100.0	100.0	Malaysia	Dormant
FFM Berhad	53.8	53.8	Malaysia	Investment holding, flour milling, animal feed manufacturing and marketing and trading of wheat, maize and soya beans
Johor Bahru Flour Mill Sdn Bhd	100.0	100.0	Malaysia	Flour milling and manufacturing of animal feed
FFM Feedmills (Sabah) Sdn Bhd	100.0	100.0 *	Malaysia	Manufacturing and trading of animal feed
Lamlewa Feedmill Sdn Bhd	76.0	76.0	Malaysia	Ceased operations in 2000
FFM Feedmills (Sarawak) Sdn Bhd	75.0	75.0 *	Malaysia	Manufacturing and trading of animal feed
FFM Marketing Sdn Bhd	100.0	100.0	Malaysia	Distribution and marketing of edible oils and consumer products
Fedflour Trading Company Ltd	100.0	100.0 *	Hong Kong	Commodity trading
Fedflour Trading (Singapore) Pte Ltd	-	100.0 *	Singapore	Under members' voluntary liquidation
Stock & Trade Ltd	100.0	100.0 *	British Virgin Islands	Investment holding
Fortune Enterprise Sdn Bhd	100.0	100.0 *	Malaysia	Dormant
Taloh Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Waikari Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Buxton Limited	100.0	100.0 *	Samoa	Investment holding and commodity trading
Reefton Sdn Bhd	100.0	100.0	Malaysia	Shipping
Katella Sdn Bhd	100.0	-	Malaysia	Shipping
Friendship Trading Sdn Bhd	100.0	100.0	Malaysia	Provision of transportation services
Glowland Limited	100.0	100.0 *	Samoa	Investment holding
JBFM Feedmill Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and trading of animal feed
FFM Farms Sdn Bhd	100.0	100.0	Malaysia	Livestock breeding
Johor Bahru Feedmill & Trading Sdn Bhd	100.0	100.0	Malaysia	Dormant
Affluence Trading Sdn Bhd	100.0	100.0 *	Malaysia	Dormant
FFM Flour Mills (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Flour milling
Vietnam Flour Mills Ltd	52.5	52.5 *	Socialist Republic of Vietnam	Flour milling
Tego Sdn Bhd	79.9	79.9	Malaysia	Manufacturing of polyethylene and polypropylene woven bags and fabrics
Tego Multifil Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and trading of polypropylene multi-filament yarns

46. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2001 %	2000 %		
PGEO Group Sdn Bhd (formerly known as <i>Struktur Idaman Sdn Bhd</i>)	100.0	100.0	Malaysia	Investment holding and trading and marketing of edible oils
PGEO Edible Oils Sdn Bhd	100.0	100.0	Malaysia	Processing and marketing of soya bean oils, soya bean meal, palm oil products and maize, and manufacturing of steel drums
Fedruns Sdn Bhd	100.0	100.0	Malaysia	Broker in commodity futures
Maytown Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Sandakan Edible Oils Sdn Bhd	100.0	100.0 *	Malaysia	Manufacturing and marketing of edible oils
Bintulu Edible Oils Sdn Bhd	86.0	86.0 *	Malaysia	Manufacturing and marketing of edible oils
Narwa Sdn Bhd	66.6	66.6 *	Malaysia	Manufacturing of plastic containers and distribution and marketing of edible oils and consumer products
Savers Retail Sdn Bhd	100.0	100.0	Malaysia	Ceased operations in 2000
PPB Hartabina Sdn Bhd	100.0	100.0 *	Malaysia	Property development and property investment
Kembang Developments Sdn Bhd	100.0	100.0	Malaysia	Rental of landed properties
Minsec Properties Bhd	100.0	100.0	Malaysia	Property development
Minsec Management Services Company Ltd	100.0	100.0 *	Hong Kong	Dormant
Ampang Leisuremall Sdn Bhd	55.0	55.0	Malaysia	Property development
PPB Leisure Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Screen Cinemas Sdn Bhd	66.2	66.2	Malaysia	Exhibition of cinematograph films
Cathay Enterprises Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Theatres Sdn Bhd	100.0	100.0	Malaysia	Renting of properties
Cathay Theatres (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Renting of properties
Film Allied Services Sdn Bhd	100.0	100.0	Malaysia	Provision of subtitling services of cinematograph films
Leisure Bowl Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding and provision of management services
Leisure Bowl Centres Sdn Bhd	100.0	100.0	Malaysia	Provision of recreational facilities for bowling and sales and rental of related equipment
Leisure Bowl (JB) Sdn Bhd	60.0	60.0	Malaysia	Provision of recreational facilities for bowling and sales and rental of related equipment
Golden Screen Cinemas Sdn Bhd	54.2	54.2	Malaysia	Exhibition and distribution of cinematograph films
Premier Cinemas Sdn Bhd	100.0	100.0	Malaysia	Exhibition of cinematograph films
Cinead Sdn Bhd	100.0	100.0	Malaysia	Advertising contractors and consultants
South Island Mining Company Sdn Bhd	100.0	100.0	Malaysia	Investment holding, iron-ore mining, cultivation of rubber and oil palm
Seletar Sdn Bhd	100.0	100.0	Malaysia	Oil palm cultivation and property development
Central Kedah Rubber Estates Sdn Bhd	100.0	100.0	Malaysia	Dormant

46. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2001 %	2000 %		
PPB Oil Palms Berhad	58.7	57.9 *	Malaysia	Investment holding
Sapi Plantations Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation and milling of fresh fruit bunches
Kiabau Plantations Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Suai Plantations Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Saremas Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation and milling of fresh fruit bunches
Segarmas Plantations Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Kaminsky Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Sabahmas Plantations Sdn Bhd	100.0	100.0 *	Malaysia	Investment holding, oil palm cultivation and milling of fresh fruit bunches
Red Logging Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Gepa Lumber Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Page Development Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Logmerc Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Ceramilek Sdn Bhd	89.9	89.9 *	Malaysia	Investment holding
Hibumas Sdn Bhd	100.0	100.0 *	Malaysia	Investment holding and oil palm cultivation
Penumilek Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Jebawang Sdn Bhd	100.0	100.0 *	Malaysia	Dormant
Sri Kamusan Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Reka Halus Sdn Bhd	70.0	70.0 *	Malaysia	Oil palm cultivation and milling of fresh fruit bunches
Suburmas Plantations Sdn Bhd	70.0	70.0 *	Malaysia	Oil palm cultivation
Ribubonus Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
Aktif Kukuh Sdn Bhd	100.0	100.0 *	Malaysia	Oil palm cultivation
PT Mustika Sembuluh	90.0	90.0 *	Indonesia	Oil palm cultivation
Clonal Palms Sdn Bhd	70.0	70.0 *	Malaysia	Cultivation and sale of clonal plantlets
PT Tidar Sungkai Sawit	100.0	70.0 *	Indonesia	Oil palm cultivation
PPB Corporate Services Sdn Bhd	100.0	100.0	Malaysia	Corporate and share registration services
Hexarich Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Chemquest Sdn Bhd	55.0	55.0	Malaysia	Investment holding and provision of management services
Chemquest Trading (M) Sdn Bhd	100.0	100.0	Malaysia	Trading in chemical products
Products Manufacturing Sdn Bhd	70.0	70.0	Malaysia	Manufacturing and trading in toiletries requisites, household and chemical products
Chemical Waste Management Sdn Bhd	99.0	99.0	Malaysia	Construction works specialising in the water and environmental industry
Cipta Wawasan Maju Engineering Sdn Bhd	55.0	60.0	Malaysia	Builders and contractors for general engineering and construction works

46. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2001 %	2000 %		
CQ Properties Sdn Bhd	100.0	100.0	Malaysia	Investment in land and property for rental
Chemquest (Overseas) Ltd	100.0	100.0 *	British Virgin Islands	Investment holding
CQ Technology Ltd	100.0	100.0 *	British Virgin Islands	Trading in chemical products and investment holding
Chemquest Management Services Sdn Bhd	100.0	100.0	Malaysia	Provision of management services
Asia Pacific Microspheres Sdn Bhd	100.0	100.0	Malaysia	Manufacture and marketing of "Phenoset Microspheres" and trading in contact glue
Marathon Equipment Asia Pte Ltd	70.0	70.0 *	Singapore	Engineering, manufacturing, facility designing and construction management of waste disposal equipment
Malayan Adhesive & Chemicals Sdn Bhd	52.0	52.0	Malaysia	Manufacturing and trading in adhesives, resins, additives and formaldehyde and investment holding
Otto Enviromental Systems (Asia) Pte Ltd	100.0	100.0 *	Singapore	Marketing and distribution and trading of environmental systems
Chemquest International Pte Ltd	100.0	100.0 *	Singapore	Provision of waste management and investment holding
Garbagemaster Pte Ltd	100.0	100.0 *	Singapore	Collection, storage and disposal of wastes
Sita Environmental Services Sdn Bhd	50.1	50.1 *	Malaysia	Investment holding
Solar Status Sdn Bhd	100.0	100.0 *	Malaysia	Investment holding
AWS Jaya Sdn Bhd	-	80.0 *	Malaysia	Contractors for garbage collection and servicing of motor vehicles
AWS Jaya (Kedah-Perlis) Sdn Bhd	-	100.0 *	Malaysia	Contractors for garbage and sewage collection and car park operator
AWS Jaya (Johor) Sdn Bhd	80.0	80.0 *	Malaysia	Contractors for garbage collection and provision of management and other services in connection with garbage collection
SP Maju Sdn Bhd	-	50.0 *	Malaysia	Contractors for garbage collection
AWS Jaya (Perak) Sdn Bhd	-	100.0 *	Malaysia	Dormant
Conwaste Disposal Services (P. Pinang) Sdn Bhd	-	100.0 *	Malaysia	Contractors for garbage and sewage collection
Minsec Engineering Services Sdn Bhd	100.0	100.0	Malaysia	Provision of engineering services
Tri-Electro Sdn Bhd	76.0	76.0	Malaysia	Supply of electrical and mechanical equipment
PT Healthcare Glovindo	100.0	100.0 *	Indonesia	Manufacturing and trading in gloves
PT Glovindo Lampung	100.0	100.0 *	Indonesia	Ceased operation since October 1999
Quantum Plastics Industries Pte Ltd	100.0	- *	Singapore	Engineering, manufacturing, facility designing and construction management of waste disposal equipment

* Subsidiary companies not audited by Moores Rowland

47. ASSOCIATED COMPANIES

The associated companies as at 31 December 2001 were as follows :-

Companies	Group's equity interest		Country of incorporation	Principal activities
	2001 %	2000 %		
Kilang Gula Felda Perlis Sdn Bhd	50.0	50.0	Malaysia	Cane milling and sugar refining
Pantai Dalit Beach Resort Sdn Bhd	25.0	25.0	Malaysia	Hotel operator
Tanjong Aru Hotel Sdn Bhd	20.0	20.0	Malaysia	Hotel operator
Shaw Brothers (M) Sdn Bhd	34.0	34.0	Malaysia	Property development
Vita Tenggara Fruit Industries Sdn Bhd	40.0	40.0	Malaysia	Property development
Kian Min Realty Sdn Bhd	-	50.0	Malaysia	Under member's voluntary liquidation during the financial year
Malaysian Bulk Carriers Sdn Bhd	20.0	20.0	Malaysia	Investment holding and shipping
Lahad Datu Edible Oils Sdn Bhd	45.0	45.0	Malaysia	Refining of edible oils
Kuok Oils & Grains Pte Ltd	28.0	28.0	Singapore	Commodity trading
Kuok Oils & Grains (Hong Kong) Ltd	40.0	40.0	Hong Kong	Commodity trading
Wisma Perak Sdn Bhd	50.0	50.0	Malaysia	Investment holding
Grenfell Holdings Sdn Bhd	49.2	49.2	Malaysia	Investment holding
Golden Screen Film Distribution Co Sdn Bhd	50.0	50.0	Malaysia	Dormant
Graceville Sdn Bhd	-	50.0	Malaysia	Ceased operation during the financial year
Primium Khas Sdn Bhd	50.0	50.0	Malaysia	Dormant
Federation Theatres Sdn Bhd	40.0	40.0	Malaysia	Exhibition of cinematograph films
Kerry Leisure Concepts Sdn Bhd	50.0	50.0	Malaysia	Operator of amusement centers
Saratok Palm Oil Mill Sdn Bhd	30.0	30.0	Malaysia	Operation of a palm oil mill, purchasing and processing of fresh fruit bunches and selling of crude palm oil and palm kernel
Agri-Sabah Fertilizer Sdn Bhd	22.7	22.7	Malaysia	Manufacturing of fertilizers
Ancom-Chemquest Terminals Sdn Bhd	25.0	25.0	Malaysia	Building, mining, operating, leasing and managing a chemical tank farm and warehouse
Sitamas Environmental Systems Sdn Bhd	49.0	49.0	Malaysia	Provision of disposal services
Techno Indah Sdn Bhd	40.0	40.0	Malaysia	Sludge disposal management
Rentak Murni Sdn Bhd	40.0	40.0	Malaysia	Dormant
Cipta Quantum Sdn Bhd	30.0	30.0	Malaysia	Trading in equipment and services in waste management
Worldwide Landfills Sdn Bhd	40.0	40.0	Malaysia	Management of environmental sanitary landfill and waste treatment
Kerry-Chemquest (Benxi) Water Co Ltd	50.0	50.0	Samoa	Dormant
Konsortium Abass Sdn Bhd	25.0	25.0	Malaysia	Operation and management of water treatment plant
PKAS Jaya Sdn Bhd	-	49.0	Malaysia	Cleaning and landscaping contractor and car park operator

48. JOINTLY CONTROLLED ENTITIES

Companies	Group's equity interest		Country of incorporation	Principal activities
	2001 %	2000 %		
Cipta Quantum - Chemical Waste Management JV	25.0	25.0	Malaysia	Mechanical and electrical works
Zufar Waste Services - Chemical Waste Management JV	50.0	50.0	Malaysia	Civil, mechanical and electrical works
Selangor Amusement Co	50.0	50.0	Malaysia	Operator of Coliseum Cinema
Odeon Cineplex Central Square	50.0	50.0	Malaysia	Operator of Odeon Cineplex

Statement by Directors

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

We, DATO' ABDUL JABID BIN MOHD DON and DATO' SRI LIANG KIM BANG being two of the Directors of PPB Group Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 3.16 to 3.75 are drawn up in accordance with applicable approved accounting standards so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2001 and of their results and cash flows for the year ended on that date.

On behalf of the Board

Dato' Abdul Jabid bin Mohd Don
Director

Dato' Sri Liang Kim Bang
Director

Kuala Lumpur
28 February 2002

Statutory Declaration

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

I, LEONG CHOY YING, being the Officer primarily responsible for the accounting records and financial management of PPB Group Berhad, do solemnly and sincerely declare that the financial statements of the Group and of the Company set out on pages 3.16 to 3.75 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Leong Choy Ying
Finance Controller

Subscribed and solemnly declared by the
abovenamed Leong Choy Ying
at Kuala Lumpur in the
Federal Territory this 28th day of February 2002

Before me,

Soh Ah Kau
Commissioner for Oaths
Malaysia

Auditors' | Report

We have audited the financial statements of the Group and of the Company set out on pages 3.16 to 3.75. The preparation of the financial statements is the responsibility of the Company's directors. Our responsibility is to express an opinion on the financial statements based on our audit.

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

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

In our opinion:

- (a) the financial statements have been properly drawn up:
 - (i) so as to give a true and fair view of the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
 - (ii) in accordance with the provisions of the Act so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2001 and of their results and cash flows for the year ended on that date;
 - (iii) in accordance with applicable approved accounting standards.
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' report of the subsidiary companies of which we have not acted as auditors, and which are indicated in note 46 to the financial statements.

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

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

MOORES ROWLAND
No. AF: 0539
Chartered Accountants

Kuala Lumpur
28 February 2002

TANG KIN KHEONG
(Partner)
No. 1501/9/03 (J/PH)