



FINANCIAL REVIEW OF PPB GROUP

REVIEW OF FINANCIAL RESULTS

PPB Group Bhd achieved a consolidated profit before tax of RM628.6 million in 2005, representing a decrease of 14% from the previous year's Group profit of RM733.5 million.

Revenue for the year fell by 3% from RM11.0 billion to RM10.7 billion in 2005 mainly due to lower refined palm products and CPO prices.

At the operating level, the oil palm plantation division contributed lower profits mainly due to lower average CPO prices compounded by higher operating expenditure. The sugar refining division also recorded lower profits due to higher raw material prices. Improvements in profits were recorded in the edible oils refining; grains trading, flour and feed milling; livestock farming; film exhibition and distribution; and manufacturing divisions. The waste management and utilities division incurred a loss mainly due to losses from a subsidiary company which was subsequently divested during the year.

Profit attributable to shareholders of PPB Group decreased by 2% from RM400.7 million to RM394.6 million. Earnings per share was lower at 33.3 sen for 2005 compared with 37.9 sen in 2004, calculated based on the enlarged share capital after the 1 for 1 Bonus Issue.

CASH FLOWS

Net cash generated from operating activities increased by 34% from RM442.8 million in 2004 to RM592.7 million in 2005 with less cash being utilised in funding the Group's working capital. The net cash used in investing activities decreased from RM488.8 million to RM213.4 million in 2005. The higher cash utilisation in 2004 was mainly due to acquisition of additional shares in FFM Berhad which amounted to RM204.3 million and investment in new associated companies of RM66.0 million. Proceeds from disposal of other investments yielded RM63.9 million cash for the Group in 2005. Purchases of property, plant and equipment of RM320.5 million were incurred during the year and financed mainly by internally generated funds. The net cash used in financing activities increased slightly from RM149.5 million in 2004 to RM161.0 million.

DIVIDENDS

The Directors recommend a final dividend of 15 sen per share less 28% income tax, amounting to RM128.0 million. Together with the interim dividend paid of 5 sen per share less 28% income tax, PPB's total dividend payment for the financial year 2005 would be 20 sen per share. Total net dividend would amount to RM170.7 million, a 21% increase from the RM140.5 million paid in 2004. The net dividend amount represents a payout ratio of 116% of the Company earnings in 2005.



REVIEW OF FINANCIAL SITUATION AND DEBT

As at 31 December 2005, the Group's borrowings were higher at RM516.5 million compared with RM508.0 million in 2004 out of which 46% amounting to RM236.1 million were bills payable comprising bankers' acceptances used to finance trade operations.

The balance of 54% amounting to RM280.4 million and representing a gearing ratio of 7% over shareholders funds consisted of :-

- a. Current portion of long term loans, short term loans, revolving credits, bank overdraft and hire purchase liabilities totaling RM131.0 million which were repayable within 12 months; and
- b. long term bank loans and hire purchase liabilities totaling RM149.4 million of which majority were repayable between 2 to 5 years.

Most of the Group's borrowings were unsecured on floating interest rates ranging from 2.70% to 7.75% during the year. The Group's exposure to foreign currency borrowings was RM183.7 million of which about 88% was USD denominated.

GROUP CAPITAL EXPENDITURE IN 2005

Total capital expenditure incurred during the year amounted to RM341.0 million and the major items were as follows:-

- FFM Group incurred RM17.0 million on the Phase II construction of flour, feed mill and a processing plant at Pulau Indah in Klang; RM44.1 million on upgrading of edible oil refineries; RM11.3 million on biomass generator plants; RM4.2 million on construction of warehouses in Kota Bahru and Sarawak; RM1.3 million on the purchase of land in Kota Kinabalu; and RM8.7 million on other plants and machineries.
- PPBOP Group spent RM28.3 million on development of plantation infrastructure; RM104.0 million on new planting and maintenance of immature palms; RM26.0 million for the provision of housing, social amenities and recreational facilities for employees; RM14.0 million for the construction of CPO mills in Sabah, Sarawak and Indonesia; and RM27.0 million for the purchase of motor vehicles, agricultural machineries and equipments to speed up mechanisation.
- MSM Group spent RM12.5 million on upgrading of plants and machineries for its sugar refinery at Prai, Province Wellesley.
- PPB Hartabina Sdn Bhd spent RM9.5 million for renovation and refurbishment of Cheras Plaza, Cheras Leisure Mall and New World Park.
- Chemquest Group spent RM7.2 million for purchase of properties, plants, furniture, fittings and equipment, motor vehicles and machineries.
- PPB Leisure Group spent RM17.7 million for the opening of a 13-screen cineplex at 1-Utama (New Wing).

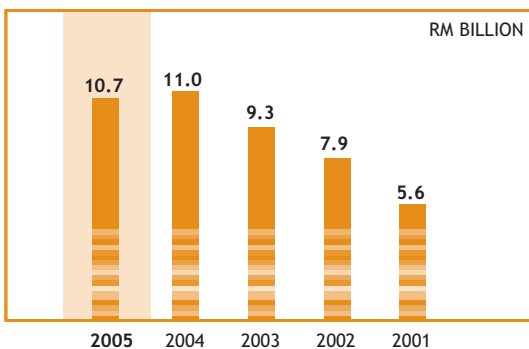


5-YEAR FINANCIAL STATISTICS

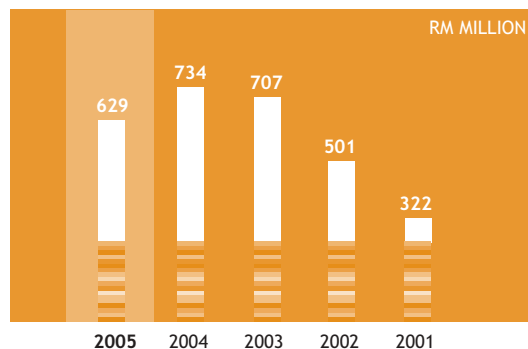
Year ended 31 December		2005	2004	2003	2002	2001
Revenue	RM Million	10,687.950	10,999.682	9,319.768	7,857.980	5,629.093
Profit from operations	RM Million	516.778	601.970	554.572	377.813	235.119
Net profit from investing activities	RM Million	59.681	81.119	39.666	19.592	15.962
Share of profits less losses of associated companies	RM Million	66.982	65.546	124.644	117.111	84.254
Profit before taxation	RM Million	628.642	733.508	707.360	500.747	321.566
Net profit for the year	RM Million	394.579	400.664	371.253	242.996	170.302
Net dividend for the year	RM Million	170.712	140.482	100.675	210.968	68.688
Issued share capital	RM Million	1,185.500	592.750	490.623	490.623	490.623
Shareholders' equity	RM Million	4,215.153	3,960.088	2,988.027	2,701.372	2,775.528
Total assets employed	RM Million	6,369.313	6,133.912	5,805.156	5,338.335	5,211.283
Earnings per share	Sen	33.28	37.90	37.84	24.77	17.36
KLSE Quotes						
High	RM	4.50	4.03	3.28	2.16	2.10
Low	RM	3.30	3.05	1.93	1.65	1.31
Close	RM	4.16	3.40	3.28	1.97	1.66
No. of shareholders		11,560	10,547	8,673	8,528	7,928



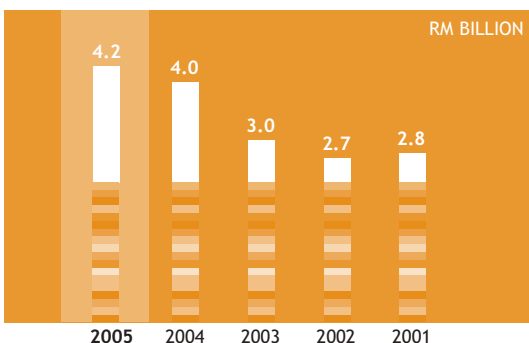
REVENUE



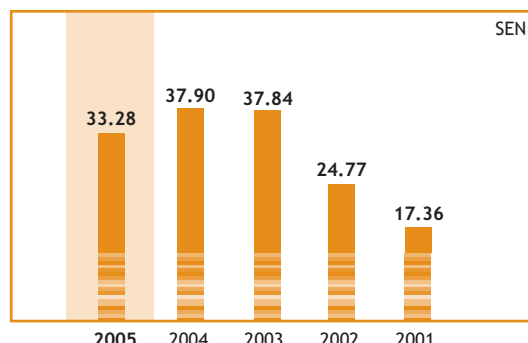
PROFIT BEFORE TAX



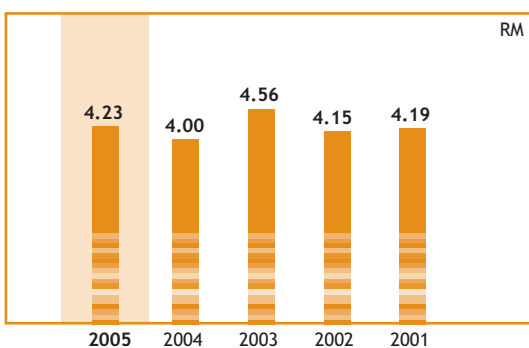
SHAREHOLDERS' EQUITY



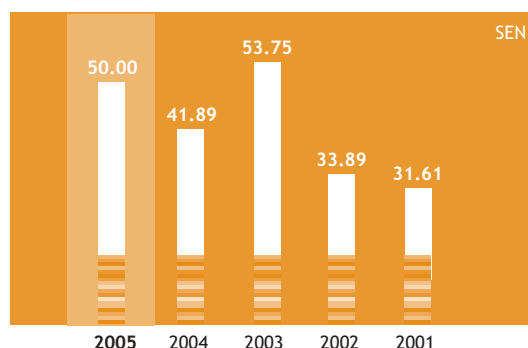
EARNINGS PER SHARE



NET ASSETS PER SHARE

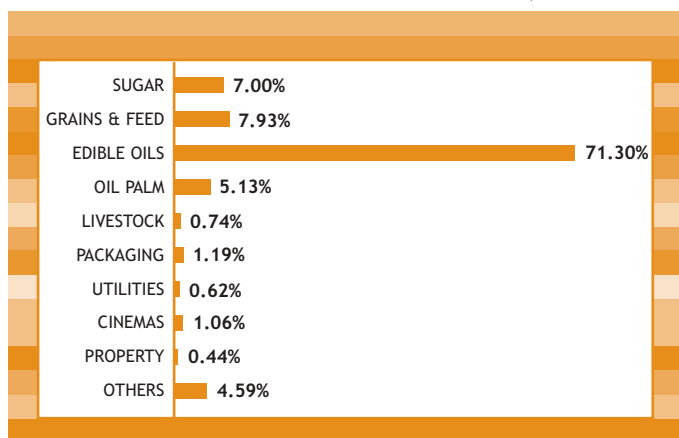


OPERATING CASH FLOW PER SHARE

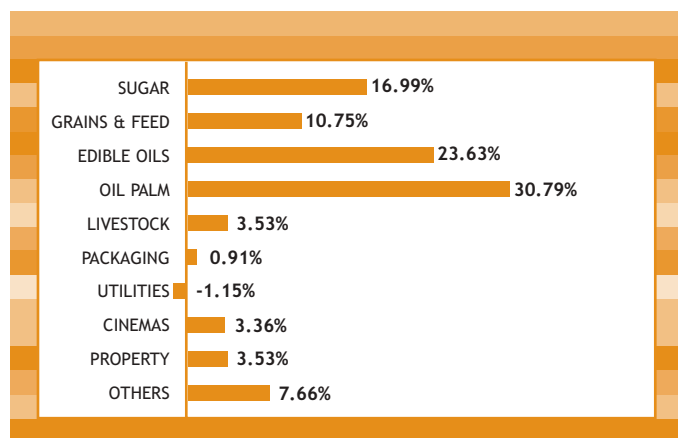


SEGMENTAL ANALYSIS

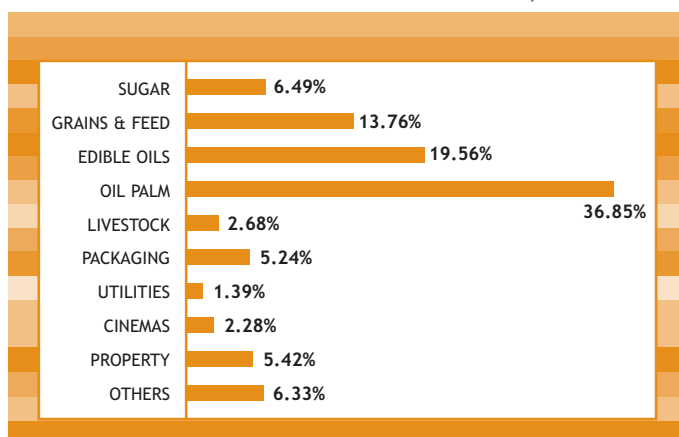
REVENUE-RM10,688 MILLION



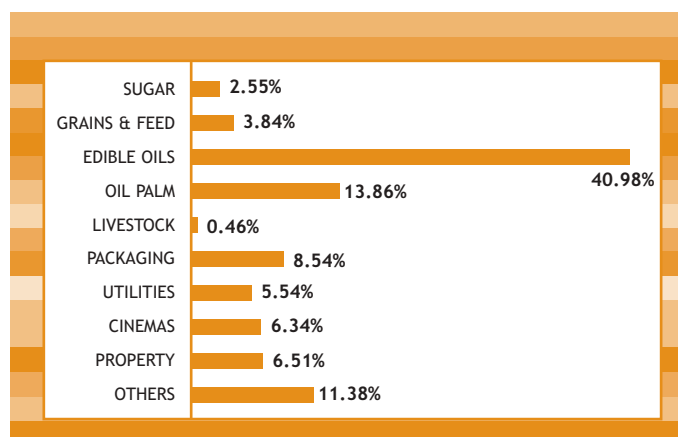
OPERATING PROFITS-RM517 MILLION



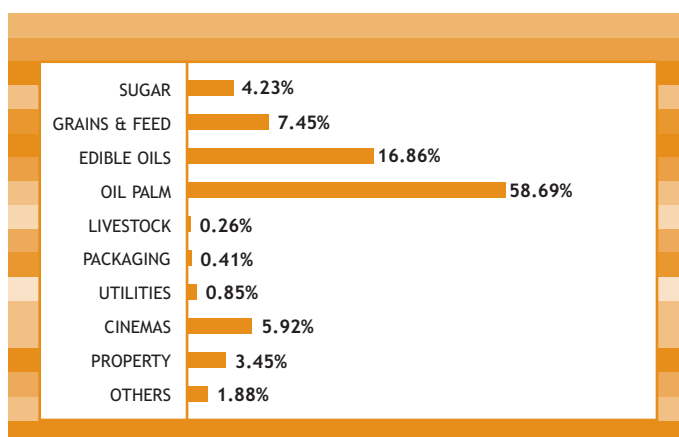
ASSETS-RM4,409 MILLION



LIABILITIES-RM460 MILLION

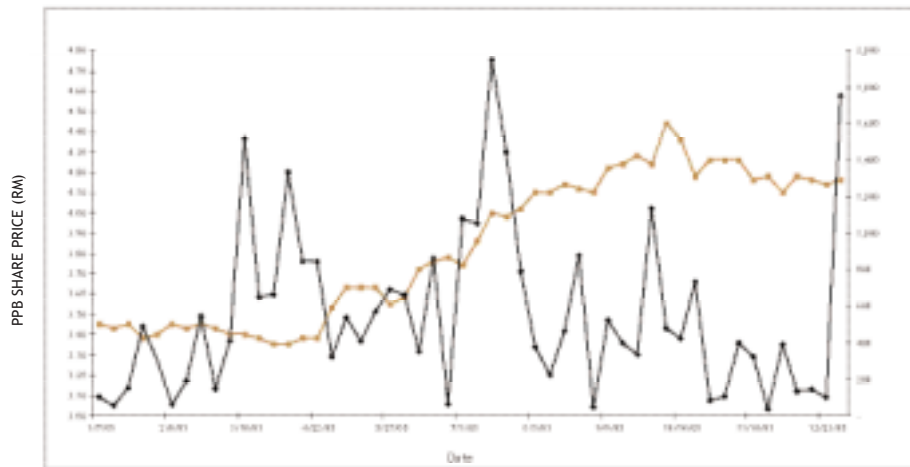


CAPITAL EXPENDITURE-RM341 MILLION



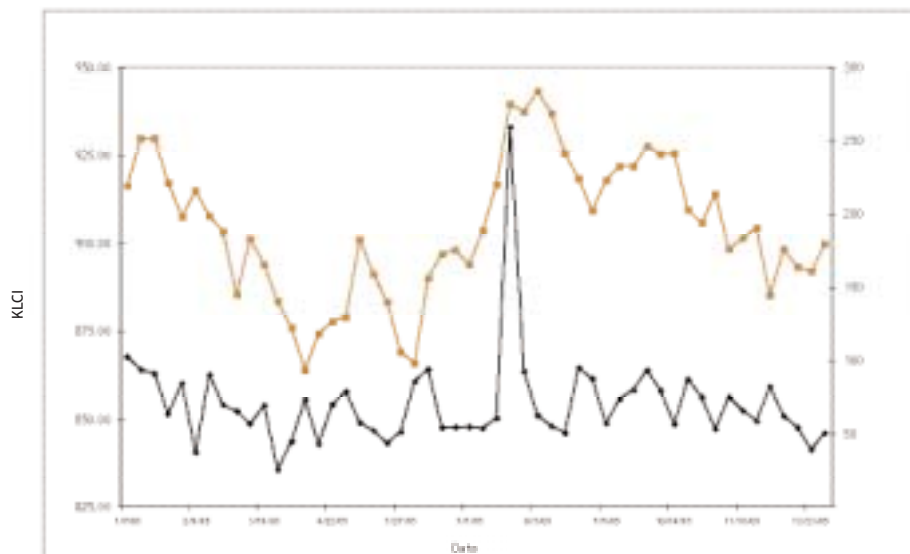
- SUGAR Sugar refining & cane plantation
- GRAINS & FEED Grains trading, flour & feed milling
- EDIBLE OILS Edible oils refining & trading
- OIL PALM Oil palm plantations
- LIVESTOCK Livestock farming
- PACKAGING Packaging
- UTILITIES Environmental engineering, waste management & utilities
- CINEMAS Film exhibition & distribution
- PROPERTY Property investment & development
- OTHERS Other operations

SHARE PERFORMANCE CHART



PPB'S WEEKLY SHARE PRICE & VOLUME TRADED FOR YEAR 2005

— PPB Close (Weekly Average) — Volume (Weekly)



KL COMPOSITE INDEX & VOLUME TRADED FOR YEAR 2005

— KLCI Close (Weekly Average) — Volume (Weekly)

Information on Kuala Lumpur Composite Index (KLCI) and PPB's Share Price

The KLCI started the year on a promising note to touch a 31/2 year high of 940.9 points in mid-January driven by foreign fund inflows on speculations of a revaluation of the Ringgit but retreated following the hike in oil prices and announcements of lower corporate earnings for the 4th Quarter of 2004 which led the KLCI to decline by 4% from the previous quarter.

In the 2nd Quarter, the equity market was affected by the persistent high crude oil prices, diminished expectations of the Ringgit repeg and severe selling of the speculative stocks and lower liners as a result of the withdrawal of share margin financing for these stocks and hit a 7-month low of 858.8 points in early June. In mid-June, market rebounded to above 900 points before closing at 888.3 points, up 2% from previous quarter.

In early July, the KLCI crossed 900 points on selected bargain hunting and closed 4% higher than the 2nd Quarter. Bank Negara's move to depeg the Ringgit encouraged foreign funds into the market, pushing it to a 51/2 year high of 953.8 points in early August but the market retreated following the hike in oil prices to a record high of USD70 per barrel and the lower than expected 2nd Quarter GDP growth of 4%.

Market fell in October following a sell-down in regional markets. The KLCI retreated to a 5-month low of 885.14 points in early December with the release of lackluster corporate results for the 3rd Quarter and concerns over possible hikes in local interest rates. The KLCI closed marginally lower at 899.79 points on the last trading day of 2005, down 1% from 907.43 points in the year before.

Pursuant to the 1 for 1 Bonus Issue, PPB's share capital increased to RM1,185,499,882 with the additional listing of 592,749,941 new PPB shares of RM1.00 each on Bursa Malaysia on 22 June 2005. PPB share price closed 22% higher at RM4.16 on 30 December 2005 as compared with the closing price of RM3.40 for year 2004. Accordingly, market capitalization of PPB shares improved significantly to RM4.9 billion from RM4.0 billion.



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 Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 31 December 2005 set out on pages 71 to 151 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 28 February 2006.



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 2005.

PRINCIPAL ACTIVITIES

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

The principal activities of the Group are sugar refining; grains trading, flour and animal feed milling; edible oils refining and trading; livestock farming; packaging; oil palm cultivation; environmental engineering, waste management and utilities; film exhibition and distribution; property investment and development; and shipping.

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	468,235	147,295
Profit attributable to minority interests	(73,656)	-
Net profit for the year	394,579	147,295
Unappropriated profit brought forward	2,449,806	983,427
Effect of changes in group structure	(1,010)	-
Transfer of reserves	32,318	-
Capitalisation for bonus issue	(72,750)	(72,750)
Profit available for appropriation	2,802,943	1,057,972
Dividends	(89,505)	(89,505)
Unappropriated profit carried forward	<u>2,713,438</u>	<u>968,467</u>

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows:-

	RM'000
In respect of the financial year ended 31 December 2004, as disclosed in the Directors' report of that year:	
Second interim dividend of 10 sen per share less 28% income tax paid on 24 January 2005	42,678
Final dividend of 10 sen per share comprising 2.5 sen tax exempt and 7.5 sen less 28% income tax paid on 30 May 2005	46,827
In respect of the financial year ended 31 December 2005:	
Interim dividend of 5 sen per share less 28% income tax paid on 28 September 2005	42,678
	<u>132,183</u>

The Directors recommend the payment of a final dividend of 15 sen per share less 28% income tax in respect of the financial year ended 31 December 2005.

Together with the interim dividend already paid, the total dividend payment for the financial year ended 31 December 2005 will be 20 sen per share less 28% income tax.

DIRECTORS' REPORT

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year except as disclosed in the statement of changes in equity as set out on pages 73 and 78.

SHARES AND DEBENTURES

During the financial year, the Company increased its authorised share capital from RM1 billion to RM2 billion by the creation of 1,000,000,000 new ordinary shares of RM1.00 each.

The Company also increased its issued and paid-up capital from RM592,749,941 to RM1,185,499,882 through a Bonus Issue of 592,749,941 new ordinary shares of RM1.00 each credited as fully paid-up on the basis of one (1) new ordinary share for every one (1) existing ordinary share held, by capitalising RM520,000,000 and RM72,749,941 from the Company's share premium and unappropriated profit accounts respectively.

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:-

Datuk Oh Siew Nam	<i>(Executive Chairman)</i>
Dato' Lim Chee Wah	<i>(Deputy Chairman)</i>
Tan Yew Jin	<i>(Executive Director)</i>
Dato Sri Liang Kim Bang	
Ang Guan Seng	
YM Raja Dato' Seri Abdul Aziz bin Raja Salim	
Tan Gee Sooi	
Datuk Harun bin Din	<i>(Appointed on 12 May 2005)</i>
Datuk Rajasingam a/l Mayilvaganam	<i>(Appointed on 16 May 2005)</i>

In accordance with Article 107 of the Company's Articles of Association, Datuk Oh Siew Nam and YM Raja Dato' Seri Abdul Aziz bin Raja Salim retire by rotation at the forthcoming Annual General Meeting ("AGM") and, being eligible, offer themselves for re-election.

Datuk Rajasingam a/l Mayilvaganam who was appointed a Director during the year, retires at the AGM in accordance with Article 88 of the Company's Articles of Association and, being eligible, offers himself for re-election as Director.

Datuk Harun bin Din, being over 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	<i>No. of ordinary shares of RM1 each registered in the name of Directors</i>				As at 31.12.05
	As at 1.1.05	Bought	Bonus Issue	Sold	
Datuk Oh Siew Nam	60,333	-	60,333	-	120,666
Dato' Lim Chee Wah	-	60,000	20,000	-	80,000
Tan Yew Jin	13,333	-	13,333	-	26,666
Tan Gee Sooi	20,333	-	-	20,333	-

Name of Director	<i>No. of ordinary shares of RM1 each in which Directors are deemed to have interest</i>				As at 31.12.05
	As at 1.1.05	Bought	Bonus Issue	Sold	
Datuk Oh Siew Nam	458,250	-	458,250	-	916,500
Ang Guan Seng	20,783,496	-	20,783,496	-	41,566,992
Tan Yew Jin	221,366	10,000	231,366	-	462,732

Interest in Subsidiary Company

Name of Director	Name of Subsidiary Company	<i>No. of ordinary shares of RM1 each registered in the name of Directors</i>			As at 31.12.05
		As at 1.1.05	Bought	Sold	
Datuk Oh Siew Nam	PPBOP	20,000	-	-	20,000
Dato' Lim Chee Wah	PPBOP	10,000	-	-	10,000
Dato Sri Liang Kim Bang	PPBOP	10,000	-	-	10,000
Tan Yew Jin	PPBOP	65,000	-	-	65,000

Name of Director	Name of Subsidiary Company	<i>No. of ordinary shares of RM1 each in which Directors are deemed to have interest</i>			As at 31.12.05
		As at 1.1.05	Bought	Sold	
Datuk Oh Siew Nam	PPBOP	36,000	-	-	36,000
Tan Yew Jin	PPBOP	10,000	-	-	10,000

PPBOP = PPB Oil Palms Berhad

DIRECTORS' REPORT

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 Ang Guan Seng who has financial interest in companies which have transactions with certain of the Company's subsidiary companies for sale and purchase of raw materials and finished products in the normal course of business as disclosed in note 45 to the accounts.

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.
- (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

DATUK OH SIEW NAM
Executive Chairman

Kuala Lumpur
28 February 2006

DATO' LIM CHEE WAH
Deputy Chairman

FINANCIAL STATEMENTS

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CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005



	<i>Note</i>	2005 RM'000	2004 RM'000
Revenue	4	10,687,950	10,999,682
Cost of sales	5	(9,762,976)	(10,016,008)
Gross profit		924,974	983,674
Other operating income		21,787	18,998
Distribution costs		(199,685)	(181,458)
Administrative and general expenses		(170,716)	(160,437)
Other operating expenses		(59,582)	(58,807)
Profit from operations	6	516,778	601,970
Net profit from investing activities	7	59,681	81,119
Share of profits less losses of associated companies		66,982	65,546
Share of profits less losses of jointly controlled entities		710	(30)
Finance costs	8	(15,509)	(15,097)
Profit before taxation		628,642	733,508
Taxation - Group	9	(140,266)	(160,561)
- Share of taxation of associated companies	9	(19,913)	(23,231)
- Share of taxation of jointly controlled entities	9	(228)	-
Profit after taxation		468,235	549,716
Minority interests		(73,656)	(149,052)
Net profit for the year		394,579	400,664
Basic earnings per share (sen)	10	33.3	37.9
Dividend per share (net of tax) (sen)			
- Interim		3.6	8.6
- 2nd interim		-	7.2
- Final		10.8	7.9
		14.4	23.7

Accounting policies and explanatory notes are set out on pages 81 to 151

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CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005 RM'000	2004 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,780,267	2,642,271
Land held for property development	12	437	12,691
Intangible asset	13	32,413	34,687
Investment in associated companies	15	633,826	598,741
Investment in jointly controlled entities	16	40,151	38,867
Other investments	17	413,442	452,320
Deferred tax assets	18	9,827	7,254
CURRENT ASSETS			
Inventories	20	947,886	950,604
Property development costs	21	43,696	18,719
Gross amount due from customers	22	15,401	11,926
Trade receivables	23	375,157	412,929
Accrued billings	24	654	11
Other receivables, deposits and prepayments	25	78,307	71,401
Amounts due from associated companies	26	218,180	324,780
Amounts due from jointly controlled entities	16	528	7
Current tax assets		26,302	18,976
Deposits	27	659,188	449,584
Cash and bank balances	28	93,651	88,144
		2,458,950	2,347,081
Less:			
CURRENT LIABILITIES			
Gross amount due to customers	22	12,991	3,145
Trade payables	29	239,258	277,927
Progress billings	24	-	1,263
Other payables and accruals	30	182,926	179,485
Amounts due to associated companies	26	43,700	79,862
Hire purchase liabilities	31	599	899
Short term borrowings	32	360,541	348,497
Bank overdrafts	33	5,941	8,836
Current tax liabilities		23,008	32,688
		868,964	932,602
NET CURRENT ASSETS			
		1,589,986	1,414,479
		5,500,349	5,201,310
Financed by:			
SHARE CAPITAL	34	1,185,500	592,750
SHARE PREMIUM		6,715	526,874
NON-DISTRIBUTABLE RESERVES	35	309,500	347,980
UNAPPROPRIATED PROFIT		2,713,438	2,449,806
DIVIDEND		-	42,678
SHAREHOLDERS' EQUITY		4,215,153	3,960,088
MINORITY INTERESTS		803,656	779,395
NON-CURRENT AND DEFERRED LIABILITIES			
Long term bank loans	36	149,263	149,018
Hire purchase liabilities	31	175	733
Deferred income	37	23,535	25,409
Deferred tax liabilities	38	308,567	286,667
		481,540	461,827
		5,500,349	5,201,310

Accounting policies and explanatory notes are set out on pages 81 to 151

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2005



< -----Non-distributable----- >

Note	Share		Exchange		Capital	Unappropriated			Total
	Capital	Premium	Revaluation Reserve	Translation Reserve	Reserve	Sub-total	Profit	Dividend	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2004	490,623	21,128	88,354	36,758	144,030	269,142	2,207,134	-	2,988,027
Effect of changes in group structure 39	-	-	-	-	11,464	11,464	(1,912)	-	9,552
Translation differences for the year	-	-	-	(7,443)	-	(7,443)	-	-	(7,443)
Fair value adjustment on Privatisation of FFM	-	-	79,362	-	-	79,362	-	-	79,362
Share of reserves of associated companies	-	-	-	(4,386)	935	(3,451)	-	-	(3,451)
Net gains/(losses) not recognised in the income statement	-	-	79,362	(11,829)	12,399	79,932	(1,912)	-	78,020
Realisation upon liquidation of a subsidiary company	-	-	-	(131)	-	(131)	-	-	(131)
Net profit for the year	-	-	-	-	-	-	400,664	-	400,664
Transfer of reserves	-	-	(3,042)	6,226	(4,147)	(963)	963	-	-
Dividends 40	-	-	-	-	-	-	(157,043)	42,678	(114,365)
Issue of shares pursuant to Privatisation of FFM 34	102,127	507,570	-	-	-	-	-	-	609,697
Share issue expenses	-	(1,824)	-	-	-	-	-	-	(1,824)
At 31 December 2004	592,750	526,874	164,674	31,024	152,282	347,980	2,449,806	42,678	3,960,088
Effect of changes in group structure 39	-	-	-	-	9,322	9,322	(1,010)	-	8,312
Translation differences for the year	-	-	-	(10,199)	-	(10,199)	-	-	(10,199)
Share of reserves of associated companies	-	-	-	3,974	711	4,685	-	-	4,685
Net (losses)/gains not recognised in the income statement	-	-	-	(6,225)	10,033	3,808	(1,010)	-	2,798
Realisation upon liquidation of subsidiary companies	-	-	-	(7,893)	-	(7,893)	-	-	(7,893)
Realisation upon liquidation of an associated company	-	-	-	(2,077)	-	(2,077)	-	-	(2,077)
Net profit for the year	-	-	-	-	-	-	394,579	-	394,579
Transfer of reserves	-	-	(2,494)	(30,419)	595	(32,318)	32,318	-	-
Dividends 40	-	-	-	-	-	-	(89,505)	(42,678)	(132,183)
Issue of shares pursuant to Bonus issue of 1 for 1 34	592,750	(520,000)	-	-	-	-	(72,750)	-	-
Share issue expenses	-	(159)	-	-	-	-	-	-	(159)
At 31 December 2005	1,185,500	6,715	162,180	(15,590)	162,910	309,500	2,713,438	-	4,215,153

Accounting policies and explanatory notes are set out on pages 81 to 151

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CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

CASH FLOWS FROM OPERATING ACTIVITIES

	2005 RM'000	2004 RM'000
Profit before taxation	628,642	733,508
Adjustments for non-cash items:		
Depreciation	158,703	151,411
Property, plant and equipment written off	1,761	5,639
Impairment in value of property, plant and equipment	26,088	462
Profit on disposal of property, plant and equipment	(7,417)	(5,135)
Profit on disposal of an associated company	(526)	-
Profit on disposal of other investments	(26,812)	(38,307)
Profit/(Loss) on disposal of subsidiary companies	(66)	15
Surplus arising from liquidation of subsidiary companies	(7,877)	(162)
Surplus arising from liquidation of an associated company	(2,074)	(96)
Capital distribution from an investee company	(1,350)	-
Diminution in value of other investments	3,361	(2,222)
Bad and doubtful debts	3,471	4,804
Share of profits less losses of associated companies	(66,982)	(65,546)
Share of profits less losses of jointly controlled entities	(710)	30
Inventories written off	220	248
Unrealised foreign exchange loss	9,982	9,612
Realised foreign exchange gain on capital repayment from an associated company	-	(214)
Goodwill on acquisition of subsidiary companies amortised and written off	3,505	2,427
Discount on acquisition of subsidiary companies amortised and written off	(5,290)	(795)
Interest expense	15,509	15,097
Dividend income	(24,178)	(18,994)
Interest income	(17,205)	(16,588)
Rental income	(641)	(1,283)
Operating profit before working capital changes	690,114	773,911
Adjustments for working capital changes:		
Land and development expenditure	(13,883)	25,263
Inventories	(2,263)	(141,194)
Gross amounts due from/to customers	6,371	(4,066)
Receivables	144,036	(64,767)
Payables	(94,397)	(16,078)
Cash generated from operations	729,978	573,069
Tax paid	(137,244)	(130,220)
Net cash generated from operating activities	592,734	442,849

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005



CASH FLOWS FROM INVESTING ACTIVITIES	Note	2005 RM'000	2004 RM'000
Acquisition of shares in new subsidiary companies	41	(1,731)	(5,437)
Acquisition of additional equity interest in existing subsidiary companies		(11,746)	(205,842)
(Payment for)/Proceeds from disposal of subsidiary companies	42	(889)	56
(Payment for)/Capital repayment from liquidation of subsidiary companies		(448)	2,073
Investment in associated companies		(989)	(65,984)
Proceeds from disposal of an associated company		834	-
Capital repayment from liquidation of an associated company		1,018	96
Capital repayment from associated companies		-	8,903
Advances to associated companies		(18,353)	(63,865)
Investment in jointly controlled entities		-	(11,327)
Purchase of other investments		(310)	(4,234)
Proceeds from disposal of other investments		63,929	44,904
Purchase of property, plant and equipment	43	(320,536)	(256,428)
Proceeds from disposal of property, plant and equipment		16,533	17,236
Placement of deposits		(2,037)	(9,034)
Dividends received from associated companies		19,611	23,956
Dividends received from other investments		23,888	18,405
Interest received		17,229	16,469
Rental received		641	1,283
Net cash used in investing activities		(213,356)	(488,770)
CASH FLOWS FROM FINANCING ACTIVITIES			
Shares issued to minority shareholders of subsidiary companies		4,644	6,696
Payment of share issue expenses		(159)	(1,824)
Revolving credits, bankers' acceptance and export credit refinancing		12,305	(29,905)
Bank term loans		8,891	60,886
Payment of hire purchase liabilities		(906)	(1,206)
Advances from associated companies		220	4,899
Interest paid		(18,295)	(16,269)
Dividends paid to shareholders of the Company		(132,183)	(114,365)
Dividends paid to minority shareholders of subsidiary companies		(35,494)	(58,437)
Net cash used in financing activities		(160,977)	(149,525)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		218,401	(195,446)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		519,858	715,637
EFFECT OF EXCHANGE RATE CHANGES		(2,432)	(333)
CASH AND CASH EQUIVALENTS CARRIED FORWARD		735,827	519,858
Represented by:			
Cash and bank balances		93,651	88,144
Deposits		648,117	440,550
Bank overdrafts		(5,941)	(8,836)
		735,827	519,858

Accounting policies and explanatory notes are set out on pages 81 to 151

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INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

	<i>Note</i>	2005 RM'000	2004 RM'000
Revenue	4	17,615	32,093
Cost of sales	5	(19,131)	(20,688)
Gross (loss)/profit		(1,516)	11,405
Other operating income		1,209	1,381
Administrative and general expenses		(15,879)	(13,586)
Loss from operations	6	(16,186)	(800)
Net profit from investing activities	7	198,060	201,719
Finance costs	8	(1,738)	(953)
Profit before taxation		180,136	199,966
Taxation	9	(32,841)	(13,651)
Net profit for the year		147,295	186,315
Dividend per share (net of tax) (sen)			
- Interim		3.6	8.6
- 2nd interim		-	7.2
- Final		10.8	7.9
		14.4	23.7

BALANCE SHEET

AS AT 31 DECEMBER 2005



	Note	2005 RM'000	2004 RM'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	40,163	44,709
Investment in subsidiary companies	14	1,863,857	1,863,857
Investment in associated companies	15	50,883	50,983
Other investments	17	110,946	146,569
Amounts due from subsidiary companies	19	64,822	59,309
CURRENT ASSETS			
Inventories	20	12,510	11,041
Other receivables, deposits and prepayments	25	944	7,068
Amounts due from subsidiary companies	19	583	370
Amounts due from associated companies	26	75,398	85,767
Current tax assets		6,004	1,148
Deposits	27	4,493	1,707
Cash and bank balances	28	620	634
		100,552	107,735
Less:			
CURRENT LIABILITIES			
Trade payables	29	615	1,441
Other payables and accruals	30	12,491	9,178
Amounts due to subsidiary companies	19	51,265	109,838
Amounts due to associated companies	26	22	58
Bank overdraft	33	314	996
		64,707	121,511
NET CURRENT ASSETS/(LIABILITIES)		35,845	(13,776)
		2,166,516	2,151,651
Financed by:			
SHARE CAPITAL	34	1,185,500	592,750
SHARE PREMIUM		6,715	526,874
UNAPPROPRIATED PROFIT		968,467	983,427
DIVIDEND		-	42,678
SHAREHOLDERS' EQUITY		2,160,682	2,145,729
DEFERRED LIABILITY			
Deferred tax liabilities	38	5,834	5,922
		2,166,516	2,151,651

Accounting policies and explanatory notes are set out on pages 81 to 151
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2005

	<i>Note</i>	Share Capital RM'000	Share Premium RM'000	Unappropriated Profit RM'000	Dividend RM'000	Total RM'000
At 1 January 2004		490,623	21,128	954,155	-	1,465,906
Net profit for the year		-	-	186,315	-	186,315
Dividends	40	-	-	(157,043)	42,678	(114,365)
Issue of shares pursuant to Privatisation of FFM	34	102,127	507,570	-	-	609,697
Share issue expenses		-	(1,824)	-	-	(1,824)
At 31 December 2004		592,750	526,874	983,427	42,678	2,145,729
Net profit for the year		-	-	147,295	-	147,295
Dividends	40	-	-	(89,505)	(42,678)	(132,183)
Issue of shares pursuant to Bonus issue of 1 for 1	34	592,750	(520,000)	(72,750)	-	-
Share issue expenses		-	(159)	-	-	(159)
At 31 December 2005		1,185,500	6,715	968,467	-	2,160,682

Accounting policies and explanatory notes are set out on pages 81 to 151

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CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005



	2005 RM'000	2004 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	180,136	199,966
Adjustments for non-cash items:		
Bad and doubtful debts	17	-
Depreciation	2,500	2,394
Property, plant and equipment written off	3	2
Profit on disposal of property, plant and equipment	(4,203)	(1,893)
Profit on disposal of a subsidiary company	-	(10,516)
Profit on disposal of an associated company	(734)	-
Surplus arising from liquidation of an associated company	-	(48)
Loss on disposal of other investments	8,314	-
Diminution in value of other investments written back	(25)	-
Interest expense	1,738	953
Dividend income	(199,255)	(186,491)
Interest income	(1,641)	(2,285)
Rental income	(557)	(586)
Operating (loss)/profit before working capital changes	(13,707)	1,496
Adjustments for working capital changes:		
Inventories	(1,469)	(429)
Receivables	7,715	(835)
Payables	794	7,775
Cash (used in)/generated from operations	(6,667)	8,007
Tax (paid)/refunded	(1,069)	10,550
Net cash (used in)/generated from operating activities	(7,736)	18,557

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2005

Note	2005 RM'000	2004 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of additional shares in a subsidiary company	-	(204,254)
Capital repayment from liquidation of a subsidiary company	325	-
Acquisition of a new associated company	-	(25)
Capital repayment from an associated company	-	48
Proceeds from disposal of an associated company	834	-
Purchase of property, plant and equipment	43 (1,117)	(1,953)
Proceeds from disposal of property, plant and equipment	9,056	5,275
Proceeds from disposal of other investments	27,334	-
(Advances to)/Repayment from subsidiary companies	(5,728)	5,253
Repayment from/(Advances to) associated companies	8,561	(65,381)
Dividends received from subsidiary companies	156,258	168,336
Dividends received from associated companies	3,676	2,644
Dividends received from other investments	2,605	2,526
Interest received	1,518	2,399
Rental received	557	586
Net cash generated from/(used in) investing activities	203,879	(84,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of share issue expenses	(159)	(1,824)
(Repayment to)/Advances from subsidiary companies	(58,467)	90,197
(Repayment to)/Advances from associated companies	(36)	8
Interest paid	(1,844)	(953)
Dividends paid	(132,183)	(114,365)
Net cash used in financing activities	(192,689)	(26,937)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,454	(92,926)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	1,345	94,271
CASH AND CASH EQUIVALENTS CARRIED FORWARD	4,799	1,345
Represented by:		
Cash and bank balances	620	634
Deposits	4,493	1,707
Bank overdraft	(314)	(996)
	4,799	1,345

Accounting policies and explanatory notes are set out on pages 81 to 151

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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 preparation

The financial statements comply with applicable approved accounting standards issued by the Malaysian Accounting Standards Board and with the provisions of the Companies Act, 1965.

The measurement bases applied in the preparation of the financial statements include cost, recoverable value, realisable value, revalued amount and fair value. Estimates are used in measuring these values.

(b) Subsidiary companies

A subsidiary company is a company controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of a company so as to obtain benefits from its activities.

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 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 a 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.

Discount on acquisition is either taken to the income statement as they arise or retained in the balance sheet and credited to the income statement over a suitable period, depending on 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

Associated companies are 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.



ACCOUNTING POLICIES AND EXPLANATORY NOTES

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 of accounting involves recognising in the consolidated financial statements the Group's share of the results of associated companies for the financial year. The Group's investments in associated companies are carried in the consolidated balance sheet at an amount that reflects its share of the net assets of the associated companies and includes premium or discount on acquisition.

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

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

The results and reserves of associated companies are accounted for in the consolidated financial statements based on audited and/or unaudited management financial statements 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 interests in jointly controlled entities are accounted for in the consolidated financial statements by the equity method of accounting.

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 with accounting policies of the Group.

(f) Other investments

Other investments comprise quoted and unquoted equity shares stated at cost. An allowance for diminution in value is made if the directors are of the opinion that there is a decline in the value of such investments which is other than temporary. The diminution in value is charged to the income statement.

On disposal, the difference between the net disposal proceeds and the carrying amount of the other 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 disposals are stated at the lower of net book value and net realisable value.



(ii) 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.

New planting expenditure incurred on land clearing and upkeep of trees up to maturity is capitalised under land cost and is depreciated on a straight-line basis over the remaining lease period of the plantation land from the date of maturity.

Replanting expenditure is charged to the income statement when incurred.

Depreciation of the vessel owned by the Group is calculated on a straight-line basis to write off its cost net of estimated residual values over its expected useful life of 240 months. Cost includes the cost of any major enhancements and improvements which increase the future benefits from the vessel beyond its previously assessed standard of performance. The cost of routine replacements and repairs is written off in the income statement as and when they are incurred.

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) Leases

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.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is determinable; 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 on a straight-line basis over the period of the lease.

(i) Development properties

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

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

Land on which development has commenced and is expected to be completed within the normal operating cycle is included in property development costs. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.



ACCOUNTING POLICIES AND EXPLANATORY NOTES

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, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and the property development costs on the development units sold shall be recognised as an expense in the period in which they are incurred.

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.

The excess of revenue recognised in the income statement over the billings to purchasers of properties is recognised as accrued billings under current assets.

The excess of billings to purchasers of properties over revenue recognised in the income statement is recognised as progress billings under current liabilities.

(j) Engineering contracts

The Group's engineering contracts comprise substantially 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.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be obtained.

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 of the stage of completion of contract activity, or of 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).

(k) 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.

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 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.



(l) Receivables

Receivables are stated at cost less allowance for doubtful debts.

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

(m) Impairment of assets

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are charged to the income statement.

Property, plant and equipment, land held for property development, intangible assets, deferred tax assets, investment in subsidiary companies, associated companies and jointly controlled entities are assessed 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. The recoverable amount is the higher of an asset's estimated net selling price and its discounted future cash flows expected to be generated from the use of the asset. Recoverable amounts are estimated for each individual asset or, if this is not possible, for the cash-generating unit to which the asset belongs.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(n) Payables

Payables are stated at cost.

(o) Share capital

Ordinary shares are recorded at the nominal value and proceeds received in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Cost incurred directly attributable to the issuance of shares is accounted for as a deduction from share premium, if any, otherwise it is charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(p) 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.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

- (vi) Rental income is recognised on a straight-line basis over the specific tenure of the respective leases.
- (vii) Net voyage income is recognised over the period of the voyage on a pro-rata basis.
- (q) 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 ceases when development is completed or during extended periods when active development is interrupted.

All other borrowing costs are charged to the income statement in the period 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.

- (r) Foreign currencies

- (i) *Transactions in foreign currencies*

Transactions in foreign currencies are translated to Ringgit Malaysia at the rate of exchange ruling at the date of the 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 the foreign currency forward contract rates when there are related or matching forward contracts. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities which are 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 the transaction.

- (ii) *Translation of foreign currency financial statements*

All of the Group's foreign subsidiary companies fall within the classification of foreign entities under *Financial Reporting Standard 121 - The Effect of Changes in Foreign Exchange Rates*.

For consolidation purposes, all assets and liabilities, including fair values adjustments 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.

- (iii) *Closing rates used*

The closing rates used in translation were as follows:

		2005 RM	2004 RM
One Australian Dollar	("AUD")	2.77	2.96
One United States Dollar	("USD")	3.78	3.80
One Sterling Pound	("GBP")	6.52	7.31
One Singapore Dollar	("SGD")	2.27	2.32
One Euro	("EUR")	4.48	5.17
One Swiss Franc	("CHF")	2.88	3.35
100 Philippines Peso	("PHP")	7.13	6.78
100 Indian Rupee	("INR")	8.38	8.70
100 Indonesian Rupiah	("IDR")	0.04	0.04
100 Hong Kong Dollars	("HKD")	48.75	48.87
100 Yuan Renminbi	("CNY")	46.93	45.92
100 Japanese Yen	("JPY")	3.21	3.70
100 Thai Baht	("THB")	9.22	9.74
1,000 Vietnamese Dong	("VND")	0.24	0.24



(s) Employee benefits

(i) *Short term employee benefits*

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) *Post-employment benefits*

The Company and its Malaysian subsidiary companies pay monthly contributions to the Employees Provident Fund ("EPF") which is a defined contribution plan.

The legal or constructive obligation of the Company and its Malaysian subsidiary companies is limited to the amount that they agree to contribute to the EPF. The contributions to the EPF are charged to the income statement in the period to which they relate.

Some of the Company's foreign subsidiary companies make contributions to their respective countries' statutory pension schemes which are recognised as an expense in the income statement as incurred.

(iii) *Termination benefits*

The Group recognises termination benefits payable as a liability and an expense when it is demonstrably committed to terminate the employment of current employees according to a detailed formal plan without realistic possibility of withdrawal.

(t) Taxation

The tax expense in the income statement represents the aggregate amount of current tax and deferred tax included in the determination of net profit or loss for the financial year.

On the balance sheet, a deferred tax liability is recognised for taxable temporary differences while a deferred tax asset is only recognised for deductible temporary differences, unutilised tax losses and unutilised tax credits to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, tax losses and tax credits can be utilised. No deferred tax is recognised for temporary differences arising from:

- (i) goodwill for which amortisation is not deductible for tax purposes, or
- (ii) negative goodwill, or
- (iii) the initial recognition of an asset or liability which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured based on tax consequences that would follow from the manner in which the asset or liability is expected to be recovered or settled, and based on the tax rates enacted by the balance sheet date that are expected to apply to the period when the asset is realised or when the liability is settled.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, whether in the same or a different period, directly to equity.

(u) 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 and exclude fixed deposits pledged to secure banking facilities and margin deposits placed by future clients as collaterals.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

(v) 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").

(w) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(i) *Financial instruments recognised in the balance sheet*

The Group's financial instruments which are recognised in the balance sheet comprise cash and cash equivalents, other investments, receivables and payables, borrowings, hire purchase liabilities and ordinary shares. These financial instruments are recognised when a contractual relationship has been established. The accounting policies and methods adopted, including the basis of measurement applied are disclosed above, where relevant. The information about the extent and nature of these recognised financial instruments, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows are disclosed in the respective notes below, where applicable.

(ii) *Financial instruments not recognised in the balance sheet*

The Group's financial instruments which are not recognised in the balance sheet comprise derivatives (primarily foreign currency forward contracts and commodities futures). These derivative financial instruments are not recorded as an asset or a liability. The objective of entering into these derivatives is to protect the Group against unfavourable exchange rate and commodity price movements. Gains or losses from changes in the fair value of forward contracts offset the corresponding losses or gains on the receivables and payables covered by the forward contracts.

(x) Disclosure of fair value

Cash and cash equivalents, trade and other receivables, trade and other payables, short term investments and short term borrowings.

The carrying amounts approximate fair values because of the short maturities of these instruments.

Long term investments

The fair value of quoted investments is estimated based on quoted market prices. For unquoted investments, a reasonable estimate of fair value is not practical as it would involve incurring excessive costs. Therefore, such investments are valued at cost subject to review for diminution in value.

Long term borrowings and debts

The carrying amounts of the Group's long term floating-rate borrowings approximate fair value. The fair value of the Group's long term fixed-rate borrowings and debts is estimated using discounted cash flow analyses, based on current market interest rates available to the Group for similar types of lending and borrowing arrangements.

Foreign currency contracts and commodities future contracts

The fair value of foreign currency contracts and commodities future contracts is estimated based on quotes obtained from brokers.



3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems, insurance programme and adherence to financial risk management policies. The Group enters into derivative instruments, principally foreign currency forward contracts, to hedge its exposure to financial risks. The Group's management reviews and agrees on policies for managing each of the financial risks and they are summarised below.

The Group does not trade in derivative instruments.

Foreign currency exchange risk

The Group is exposed to currency risk as a result of foreign currency transactions entered into in currencies other than their functional currency. The Group enters into forward foreign currency contracts to limit its exposure on foreign currency receivables and payables, and on cash flows from anticipated transactions denominated in foreign currencies.

The Group's operations in Indonesia are funded with USD bank loans. Whilst benefiting from the lower USD interest cost, these operations are exposed to currency risks. The Group constantly monitors the exchange rate movements and whenever feasible, will utilise derivative instruments to hedge the revenue and expenditure in IDR against scheduled USD loan drawdowns and repayments.

Interest rate risk

The Group is exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Exposure to changes in interest rate risk relates primarily to the Group's deposits placed with creditworthy licensed banks and financial institutions and bank borrowings.

Financial Assets

By placing its deposits on short tenures that generate interest income based on prevailing market rates, the Group is able to reduce its exposures to interest rates fluctuations.

Financial Liabilities

The Group minimises its interest rate risk by maintaining its bank borrowings mainly on floating rates which vary according to changes in market interest rates. This enables the Group to capitalised on cheaper funding in a low interest rate environment. In addition, the Group addresses its exposure to fluctuating interest rates by utilising interest rate swap facilities with financial institutions when appropriate.

Market risk

The Group's exposure to market risk arises mainly from fluctuation in the prices of key raw materials. The Group manages this risk by using commodity futures contracts, cost plus contracts and fixed margin contracts, where relevant, to hedge its exposure.

The Group is also exposed to market risks arising from changes in value caused by movements in market price of its equity investments. The risk of loss is minimised via thorough analyses before investing and continuous monitoring of the performance of the investments. The Group optimises returns by disposing of investments after thorough analysis.



ACCOUNTING POLICIES AND EXPLANATORY NOTES

Credit risk

Credit risk arises from the possibility that a counter party may be unable to meet the terms of a contract in which the Group has a gain position.

The Group's management has a credit policy in place to ensure that transactions are conducted with creditworthy counter parties.

The Group's credit risk is primarily attributable to the trade receivables arising from the sale of goods and the futures contracts entered into by a subsidiary company's clients.

Exposure to credit risk arising from sales made on deferred credit terms is managed through the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. If necessary, the Group may obtain collaterals from counter parties as a means of mitigating losses in the event of default.

As a futures broker, the subsidiary company could be held responsible for the default or misconduct of its clients. Other than the requirement for clients to maintain margin deposits with Malaysian Derivatives Clearing House Bhd, the subsidiary company mitigates the default risk by retaining an appropriate level of clients' assets and acting as futures broker only for subsidiary companies and associated companies of the Company.

The Group seeks to invest its surplus cash safely by depositing them with licensed financial institutions.

Liquidity and cash flow risk

The Group seeks to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (ie. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group seeks to maintain sufficient credit lines available to meet its liquidity requirement while ensuring an effective working capital management within the Group.



4. REVENUE

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Sales of agricultural produce, food-based products and other goods	10,416,223	10,660,051	17,615	32,093
Contract revenue	76,195	109,985	-	-
Sale of development properties	26,449	79,782	-	-
Collection from cinema operations	120,281	104,259	-	-
Rental from leasing of properties	21,809	18,880	-	-
Waste management and other services rendered	26,993	26,725	-	-
	10,687,950	10,999,682	17,615	32,093

5. COST OF SALES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Cost of goods sold	9,554,894	9,752,646	19,131	20,688
Contract cost recognised as expense	64,984	93,306	-	-
Cost of development properties sold	11,902	52,578	-	-
Cost of cinema operations	100,649	88,241	-	-
Cost of leasing of properties	13,038	11,740	-	-
Cost of waste management and other services rendered	17,509	17,497	-	-
	9,762,976	10,016,008	19,131	20,688

6. PROFIT/(LOSS) FROM OPERATIONS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
<i>Profit/(Loss) from operations is stated after charging:</i>				
Auditors' remuneration				
- current year	1,454	1,325	51	46
- under/(over)provision in prior year	9	(1)	5	-
Bad and doubtful debts	4,544	5,194	17	-
Depreciation	158,703	151,411	2,500	2,394
Directors' remuneration				
- Company's directors:				
- fees				
- current year	428	294	223	157
- underprovision in prior year	21	-	20	-
- other emoluments	9,261	11,151	3,257	5,187



ACCOUNTING POLICIES AND EXPLANATORY NOTES

6. PROFIT/(LOSS) FROM OPERATIONS (continued)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
- Subsidiary companies' directors:				
- fees				
- current year	576	787	-	-
- overprovision in prior year	(17)	-	-	-
- other emoluments	15,493	16,525	-	-
Foreign exchange loss				
- realised	4,378	2,015	-	-
- unrealised	10,035	10,076	-	-
Goodwill on acquisition of subsidiary companies amortised (<i>see note 13</i>)	2,093	2,119	-	-
Inventories written off	220	248	-	-
Loss on disposal of property, plant and equipment	524	399	-	-
Operating lease rentals	1,548	1,351	-	-
Property, plant and equipment written off	1,761	5,639	3	2
Rental of premises	16,167	14,194	464	377
Termination benefits	434	-	-	-

and crediting:

Allowance for doubtful debts no longer required	1,073	390	-	-
Bad debts recovered	44	-	-	-
Discount on acquisition of subsidiary companies amortised (<i>see note 37</i>)	1,874	786	-	-
Foreign exchange gain				
- realised	288	1,386	-	-
- unrealised	53	464	-	-
Profit on disposal of property, plant and equipment	1,544	1,291	41	100

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Company's directors	113	141	15	27
Subsidiaries' directors	370	243	-	-



7. NET PROFIT FROM INVESTING ACTIVITIES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Gross dividends from subsidiary companies				
- quoted in Malaysia	-	-	38,824	61,833
- unquoted	-	-	152,678	118,473
Gross dividends from unquoted associated companies	-	-	5,040	3,540
Gross dividends from other investments				
- quoted in Malaysia	18,323	13,542	385	663
- quoted outside Malaysia	5,855	5,381	2,328	1,982
- unquoted	-	71	-	-
Interest income	17,205	16,588	1,641	2,285
Rental income	641	1,283	557	586
Profit/(Loss) on disposal of				
- subsidiary companies	66	(15)	-	10,516
- associated companies	526	-	734	-
- other investments	26,812	38,307	(8,314)	-
- land and buildings	6,397	4,243	4,162	1,793
Surplus arising from liquidation of subsidiary companies (<i>see note 44</i>)	7,877	162	-	-
Surplus arising from liquidation of associated companies	2,074	96	-	48
Capital distribution from an investee company	1,350	-	-	-
Diminution in value of other investments	(3,548)	(11)	-	-
Diminution in value of other investments written back	187	2,233	25	-
Impairment in value of property, plant and equipment	(26,088)	(462)	-	-
Goodwill on acquisition of subsidiary companies written off	(1,412)	(308)	-	-
Discount on acquisition of subsidiary companies written off	3,416	9	-	-
	59,681	81,119	198,060	201,719



ACCOUNTING POLICIES AND EXPLANATORY NOTES

8. FINANCE COSTS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
<i>Interest paid and payable on:</i>				
Bankers' acceptance and export credit refinancing	6,136	6,869	-	-
Revolving credits	2,129	2,120	-	-
Advances from subsidiary companies	-	-	1,738	953
Bank term loans	6,903	5,589	-	-
Bank overdrafts	177	285	-	-
Hire purchase	88	142	-	-
Others	76	92	-	-
	<u>15,509</u>	<u>15,097</u>	<u>1,738</u>	<u>953</u>

9. TAXATION

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Malaysian taxation based on results for the year				
Current	119,941	151,182	32,918	13,670
Deferred	19,577	15,605	(75)	(51)
	<u>139,518</u>	<u>166,787</u>	<u>32,843</u>	<u>13,619</u>
Foreign taxation				
Current	1,571	3,111	-	-
Deferred	(2,205)	(816)	-	-
	<u>138,884</u>	<u>169,082</u>	<u>32,843</u>	<u>13,619</u>
(Over)/Underprovision in prior years				
Malaysian taxation				
Current	(541)	(4,931)	11	24
Deferred	2,239	(3,590)	(13)	8
Foreign taxation				
Current	81	-	-	-
Deferred	(397)	-	-	-
	<u>140,266</u>	<u>160,561</u>	<u>32,841</u>	<u>13,651</u>
Group's share of taxation of:				
- associated companies				
Malaysian taxation	10,069	11,274		
Foreign taxation	9,844	11,957		
	<u>19,913</u>	<u>23,231</u>		
- jointly controlled entities				
Foreign taxation	228	-		
	<u>228</u>	<u>-</u>		



9. TAXATION (continued)

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate to the profit before tax as a result of the following differences:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Accounting profit	560,950	667,992	180,136	199,966
Taxation at applicable tax rate	156,892	186,593	50,438	55,990
<i>Tax effect arising from:</i>				
Non taxable income				
- exempt dividend	(6,339)	(5,291)	(19,076)	(39,233)
- surplus from liquidation of subsidiary companies	(2,205)	(45)	-	-
- surplus from liquidation of associated companies	(581)	(27)	-	(13)
- profit on disposal of				
- subsidiary companies	(18)	-	-	(2,944)
- associated companies	(147)	-	(205)	-
- land and buildings	(1,791)	(1,188)	(1,165)	(502)
- other investments	(9,843)	(10,726)	-	-
- discount on acquisition	(1,481)	(223)	-	-
- diminution in value of other investments written back	(52)	(625)	(7)	-
- others	(5,987)	(8,900)	(7)	(28)
Expenses eligible for double deduction	(834)	(1,922)	-	-
Non-deductible expenses				
- impairment in value of property, plant and equipment	7,305	129	-	-
- loss on disposal of other investments	2,336	-	2,328	-
- goodwill on acquisition	981	679	-	-
- others	14,863	11,942	537	349
Utilisation of reinvestment allowance	(12,609)	(4,142)	-	-
(Reversal of)/Addition to deferred tax assets not recognised	(1,747)	2,770	-	-
Unavailable group relief	63	62	-	-
Effect of different tax rate in other countries	80	(2)	-	-
Effect on reduction in tax rate	(2)	(2)	-	-
Under/(Over)provision in prior years	1,382	(8,521)	(2)	32
	140,266	160,561	32,841	13,651



ACCOUNTING POLICIES AND EXPLANATORY NOTES

9. TAXATION (continued)

Subject to agreement with the Inland Revenue Board, based on the estimated tax credits available and the prevailing tax rate applicable to dividends and the balance on the exempt account, approximately RM804.344 million of the unappropriated profit of the Company is available for distribution by way of dividends without incurring additional tax liability. The balance of the unappropriated profit of RM164.123 million is not covered by the tax credit, therefore, any distribution in excess of RM804.344 million would incur additional tax liability.

10. BASIC EARNINGS PER SHARE

The basic earnings per share has been calculated by dividing the Group's net profit for the year of RM394.579 million (2004: RM400.664 million) by the weighted average number of shares in issue of 1,185.500 million (2004: 1,057.144 million). The weighted average number of share in issue is calculated as follows:

	2005 '000	2004 '000
Number of ordinary shares at 1 January	592,750	490,623
Effect of shares issued pursuant to Bonus issue 1 for 1	592,750	528,572
Effect of shares issued pursuant to Privatisation of FFM	-	37,949
Weighted average number of ordinary shares	<u>1,185,500</u>	<u>1,057,144</u>



11. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings			Plant, machinery and equipment	Motor vehicles and vessels	Furniture, fittings, office and other equipments	Capital work in progress	Total
	Freehold	Long leasehold	Short leasehold					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Cost/Valuation								
At 1.1.2005								
- cost	354,022	975,502	441,686	1,310,199	138,124	95,888	118,753	3,434,174
- valuation	6,497	453,806	120,238	31,309	-	-	-	611,850
	360,519	1,429,308	561,924	1,341,508	138,124	95,888	118,753	4,046,024
Additions	373	146,808	1,167	47,734	8,083	10,216	126,633	341,014
Additions via acquisition of subsidiary companies	-	20,842	-	-	-	38	-	20,880
Disposals - <i>cost</i>	-	(5,937)	-	(4,335)	(5,285)	(416)	-	(15,973)
- <i>valuation</i>	-	(1,589)	-	-	-	-	-	(1,589)
Disposals via disposal of subsidiary companies - <i>cost</i>	-	-	(5,231)	(548)	(75)	(755)	-	(6,609)
Exchange adjustments								
- <i>cost</i>	-	(12,035)	(1,238)	(7,556)	(41)	(939)	(324)	(22,133)
Reclassifications								
- <i>cost</i>	323	20,816	20,162	83,298	120	4,680	(129,399)	-
Write-offs - <i>cost</i>	-	(511)	(53)	(10,326)	(563)	(3,803)	(691)	(15,947)
At 31.12.2005	361,215	1,597,702	576,731	1,449,775	140,363	104,909	114,972	4,345,667
- cost	354,718	1,145,485	456,493	1,418,466	140,363	104,909	114,972	3,735,406
- valuation	6,497	452,217	120,238	31,309	-	-	-	610,261
	361,215	1,597,702	576,731	1,449,775	140,363	104,909	114,972	4,345,667

ACCOUNTING POLICIES AND EXPLANATORY NOTES

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings			Plant, machinery and equipment	Motor vehicles and vessels	Furniture, fittings, office and other equipments	Capital work in progress	Total
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Accumulated depreciation								
At 1.1.2005								
- cost	39,645	143,352	152,409	813,009	57,750	65,436	-	1,271,601
- valuation	189	43,854	55,816	29,287	-	-	-	129,146
	39,834	187,206	208,225	842,296	57,750	65,436	-	1,400,747
Charge for the year								
- cost	4,803	21,652	13,946	92,926	13,158	8,659	-	155,144
- valuation	-	4,706	3,631	991	-	-	-	9,328
Disposals - cost	-	(1,020)	-	(2,628)	(4,553)	(328)	-	(8,529)
- valuation	-	(398)	-	-	-	-	-	(398)
Disposals via disposal of subsidiary companies - cost	-	-	(564)	(255)	(15)	(595)	-	(1,429)
Exchange adjustments								
- cost	-	(631)	(293)	(3,002)	(12)	(433)	-	(4,371)
Reclassifications								
- cost	-	-	226	(77)	9	(158)	-	-
Write-offs - cost	-	(328)	(6)	(9,653)	(560)	(3,639)	-	(14,186)
At 31.12.2005	44,637	211,187	225,165	920,598	65,777	68,942	-	1,536,306
- cost	44,448	163,025	165,718	890,320	65,777	68,942	-	1,398,230
- valuation	189	48,162	59,447	30,278	-	-	-	138,076
	44,637	211,187	225,165	920,598	65,777	68,942	-	1,536,306
Group								
Accumulated impairment losses								
At 1.1.2005								
- cost	-	1,378	-	1,504	-	124	-	3,006
- valuation	-	-	-	-	-	-	-	-
	-	1,378	-	1,504	-	124	-	3,006
Charge for the year								
- cost	25,626	462	-	-	-	-	-	26,088
At 31.12.2005	25,626	1,840	-	1,504	-	124	-	29,094
- cost	25,626	1,840	-	1,504	-	124	-	29,094
- valuation	-	-	-	-	-	-	-	-
	25,626	1,840	-	1,504	-	124	-	29,094



11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings			Plant, machinery and equipment	Motor vehicles and vessels	Furniture, fittings, office and other equipments	Capital work in progress	Total
	Freehold RM'000	Long leasehold RM'000	Short leasehold RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net book value at								
31.12.2005	290,952	1,384,675	351,566	527,673	74,586	35,843	114,972	2,780,267
- cost	284,644	980,620	290,775	526,642	74,586	35,843	114,972	2,308,082
- valuation	6,308	404,055	60,791	1,031	-	-	-	472,185
	290,952	1,384,675	351,566	527,673	74,586	35,843	114,972	2,780,267
Net book value at								
31.12.2004	320,685	1,240,724	353,699	497,708	80,374	30,328	118,753	2,642,271
- cost	314,377	830,772	289,277	495,686	80,374	30,328	118,753	2,159,567
- valuation	6,308	409,952	64,422	2,022	-	-	-	482,704
	320,685	1,240,724	353,699	497,708	80,374	30,328	118,753	2,642,271
Depreciation charged for the year ended								
31.12.2004	4,743	24,304	17,654	87,616	12,088	9,384	-	155,789
<i>The net book value of revalued assets stated under the historical cost convention</i>								
At 31.12.2005	3,545	158,600	50,760	791	-	-	-	213,696
At 31.12.2004	3,545	161,030	52,519	1,530	-	-	-	218,624

ACCOUNTING POLICIES AND EXPLANATORY NOTES

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Company Cost/Valuation	Land and buildings		Plant, machinery and equipment	Motor vehicles	Furniture, fittings, office and other equipments	Capital work in progress	Total
	Freehold	Long leasehold					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.1.2005							
- cost	4,743	37,943	14,552	4,484	2,515	101	64,338
- valuation	-	21,423	-	-	-	-	21,423
	4,743	59,366	14,552	4,484	2,515	101	85,761
Additions	-	129	86	121	262	2,212	2,810
Disposals - cost	-	(5,712)	-	(161)	(4)	-	(5,877)
- valuation	-	(154)	-	-	-	-	(154)
Write-offs - cost	-	(263)	(1,239)	(80)	(220)	-	(1,802)
Reclassifications	-	526	-	-	6	(532)	-
At 31.12.2005	4,743	53,892	13,399	4,364	2,559	1,781	80,738
- cost	4,743	32,623	13,399	4,364	2,559	1,781	59,469
- valuation	-	21,269	-	-	-	-	21,269
	4,743	53,892	13,399	4,364	2,559	1,781	80,738
Accumulated depreciation							
At 1.1.2005							
- cost	-	15,882	13,687	3,287	1,902	-	34,758
- valuation	-	6,294	-	-	-	-	6,294
	-	22,176	13,687	3,287	1,902	-	41,052
Charge for the year							
- cost	-	807	660	517	261	-	2,245
- valuation	-	255	-	-	-	-	255
Disposals - cost	-	(968)	-	(161)	(4)	-	(1,133)
- valuation	-	(45)	-	-	-	-	(45)
Write-offs - cost	-	(263)	(1,238)	(80)	(218)	-	(1,799)
At 31.12.2005	-	21,962	13,109	3,563	1,941	-	40,575
- cost	-	15,458	13,109	3,563	1,941	-	34,071
- valuation	-	6,504	-	-	-	-	6,504
	-	21,962	13,109	3,563	1,941	-	40,575



11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land and buildings		Plant, machinery		Furniture, fittings, office and	Capital	
	Freehold	Long leasehold	and equipment	Motor vehicles	other equipments	work in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
Net book value at							
31.12.2005	4,743	31,930	290	801	618	1,781	40,163
- cost	4,743	17,165	290	801	618	1,781	25,398
- valuation	-	14,765	-	-	-	-	14,765
	4,743	31,930	290	801	618	1,781	40,163
Net book value at							
31.12.2004	4,743	37,190	865	1,197	613	101	44,709
- cost	4,743	22,061	865	1,197	613	101	29,580
- valuation	-	15,129	-	-	-	-	15,129
	4,743	37,190	865	1,197	613	101	44,709
Depreciation charged							
for the year ended							
31.12.2004	-	1,151	505	503	235	-	2,394
The net book value of revalued assets stated under the historical cost convention							
At 31.12.2005	-	3,541	-	-	-	-	3,541
At 31.12.2004	-	3,628	-	-	-	-	3,628



ACCOUNTING POLICIES AND EXPLANATORY NOTES

11. PROPERTY, PLANT AND EQUIPMENT (continued)

Included in additions to property, plant and equipment during the financial year are the following expenses capitalised:

	Group	
	2005	2004
	RM'000	RM'000
Interest expense	2,695	831
Depreciation	5,769	4,378

Included in property, plant and equipment are assets acquired under unexpired hire purchase arrangements with net book value as follows:

	Group	
	2005	2004
	RM'000	RM'000
Plant, machinery and equipments	-	218
Motor vehicles	105	2,517
Furniture, fittings, office and other equipments	-	117

Title deeds to certain of the Group's land and buildings with net book value of RM81.534 million (2004: RM95.111 million) have yet to be issued by the relevant authorities.

Certain long leasehold and short leasehold land and buildings of the Group with net book value of RM0.778 million (2004: RM5.670 million) have been charged to partially secure the bank overdraft referred to in notes 33 below.

The property, plant and equipment stated at valuation were revalued by the directors based on independent professional valuations carried out in 1974, 1980, 1981, 1982 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 amounts of the revalued property, plant and equipment have been retained on the basis of these valuations as though they have never been revalued.



12. LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land at cost RM'000	Leasehold land at cost RM'000	Development expenditure at cost RM'000	Total RM'000
At 1 January 2005	3,927	263	8,501	12,691
Additions	-	-	2,670	2,670
Transfer to current assets as property development costs (see note 21)	(3,927)	-	(10,997)	(14,924)
At 31 December 2005	-	263	174	437
At 1 January 2004	-	263	16,416	16,679
Additions	-	-	1,054	1,054
Transfer from property, plant and equipment	3,927	-	-	3,927
Transfer to current assets as property development costs (see note 21)	-	-	(8,969)	(8,969)
At 31 December 2004	3,927	263	8,501	12,691

13. INTANGIBLE ASSET

	Group	
	2005 RM'000	2004 RM'000
Goodwill on acquisition of subsidiary companies		
Cost		
At 1 January	50,294	48,267
Arising from acquisitions during the year	1,412	2,335
Written off on disposals during the year	(289)	-
Impaired goodwill written off	(1,412)	(308)
At 31 December	50,005	50,294
Accumulated amortisation		
At 1 January	15,607	13,488
Amortisation for the year	2,093	2,119
Written off on disposals during the year	(108)	-
At 31 December	17,592	15,607
Net book value at 31 December	32,413	34,687



ACCOUNTING POLICIES AND EXPLANATORY NOTES

14. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2005 RM'000	2004 RM'000
Shares quoted in Malaysia at cost	432,129	432,129
Unquoted shares at cost	1,430,773	1,430,773
Unquoted shares at valuation	5,377	5,377
	<u>1,868,279</u>	<u>1,868,279</u>
Impairment loss on unquoted shares	(4,422)	(4,422)
	<u>1,863,857</u>	<u>1,863,857</u>
Market value of quoted shares	<u>1,135,593</u>	<u>815,298</u>

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 subsidiary companies are listed in note 55.

15. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Unquoted shares at cost	206,364	205,833	50,883	50,983
Group's share of post-acquisition reserves and retained profits less losses	427,462	392,908	-	-
	<u>633,826</u>	<u>598,741</u>	<u>50,883</u>	<u>50,983</u>

The equity interest in associated companies is represented by:

	Group	
	2005 RM'000	2004 RM'000
Share of net assets of associated companies other than goodwill	610,428	587,070
Premium less discount on acquisition	23,398	11,671
	<u>633,826</u>	<u>598,741</u>

The associated companies are listed in note 56.



16. INVESTMENT IN JOINTLY CONTROLLED ENTITIES

	Group	
	2005	2004
	RM'000	RM'000
Capital contribution, at cost	39,699	38,897
Group's share of retained profits less losses	452	(30)
	<u>40,151</u>	<u>38,867</u>

The equity interest in jointly controlled entities is represented by:

Share of net assets of jointly controlled entities	<u>40,151</u>	<u>38,867</u>
--	---------------	---------------

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

	Group	
	2005	2004
	RM'000	RM'000
<i>Assets and liabilities</i>		
Non-current assets	37,219	38,897
Current assets	3,548	268
Current liabilities	(616)	(298)
Net assets	<u>40,151</u>	<u>38,867</u>

Results

Revenue	6,664	260
Cost of sales	(5,908)	(290)
Gross profit/(loss)	<u>756</u>	<u>(30)</u>
Other operating expenses	(46)	-
Profit/(Loss) before taxation	<u>710</u>	<u>(30)</u>
Taxation	(228)	-
Net profit/(loss) for the year	<u>482</u>	<u>(30)</u>

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

The amounts due from jointly controlled entities represent trade accounts which are unsecured and interest free. The normal credit terms range from 60 days to 120 days.

The jointly controlled entities are listed in note 57.



ACCOUNTING POLICIES AND EXPLANATORY NOTES

17. OTHER INVESTMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Shares quoted in Malaysia at cost	184,102	221,141	288	35,936
Diminution in value	(459)	(403)	(36)	(61)
	183,643	220,738	252	35,875
Shares quoted outside Malaysia at cost	220,052	220,073	98,379	98,379
Diminution in value	(4,774)	(2,763)	-	-
	215,278	217,310	98,379	98,379
Irredeemable convertible unsecured loan stocks quoted in Malaysia, at cost	1,635	-	-	-
Diminution in value	(1,386)	-	-	-
	249	-	-	-
Unquoted shares at cost	16,772	16,772	14,815	14,815
Diminution in value	(2,500)	(2,500)	(2,500)	(2,500)
	14,272	14,272	12,315	12,315
	413,442	452,320	110,946	146,569
Market values of				
- shares quoted in Malaysia	282,475	419,321	312	21,634
- shares quoted outside Malaysia	345,365	299,209	151,184	130,469
- irredeemable convertible unsecured loan stocks quoted in Malaysia	249	-	-	-
	628,089	718,530	151,496	152,103

18. DEFERRED TAX ASSETS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At beginning of the year	7,254	7,450	-	-
Exchange translation differences	(180)	(132)	-	-
Arising from acquisition of subsidiary companies	-	234	-	-
Originating/(Reversal) during the year	2,753	(298)	-	-
At end of the year	9,827	7,254	-	-

The Group has recognised the deferred tax assets based on its current level of operations of certain subsidiary companies and the probability that sufficient taxable profit will be generated in the future against which the deferred tax assets can be utilised.



18. DEFERRED TAX ASSETS (continued)

The deferred tax assets on temporary differences recognised in the financial statements are as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Tax effects of				
- Unabsorbed tax losses	20,604	16,801	-	-
- Unabsorbed capital allowances	20,267	17,770	-	-
- Excess of capital allowances over accumulated depreciation on property, plant and equipment	(31,044)	(27,320)	-	-
- Other temporary differences	-	3	-	-
	<u>9,827</u>	<u>7,254</u>	<u>-</u>	<u>-</u>

In addition to the above, deferred tax benefits not recognised in the financial statements are as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Unabsorbed tax losses	9,518	10,362	-	-
Unabsorbed capital allowances	5,773	3,370	-	-
Excess of capital allowances over accumulated depreciation on property, plant and equipment	(2,620)	(372)	-	-
Other temporary differences	20	20	-	-
	<u>12,691</u>	<u>13,380</u>	<u>-</u>	<u>-</u>

19. 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	
	2005	2004
	RM'000	RM'000
Bearing interest at 2.80% (2004: 2.73%)	56,533	51,477
Interest free	8,289	7,832
	<u>64,822</u>	<u>59,309</u>

Amounts due from subsidiary companies included under current assets

The amounts due from subsidiary companies included under current assets represent unsecured interest free advances which are payable on demand.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

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

Amounts due to subsidiary companies included under current liabilities

The amounts due to subsidiary companies included under current liabilities represent unsecured advances which are payable on demand and are analysed as follows:

	Company	
	2005 RM'000	2004 RM'000
Bearing interest at 2.82%	-	7,520
Bearing interest at 2.80% (2004: 2.72%)	40,403	84,389
Interest free	10,862	17,929
	<u>51,265</u>	<u>109,838</u>

20. INVENTORIES

Group	<----- 2005 ----->			<----- 2004 ----->		
	At cost	At net realisable value	Total	At cost	At net realisable value	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Raw materials	411,986	1,619	413,605	466,974	1,183	468,157
Work-in-progress	36,943	-	36,943	26,059	-	26,059
Finished goods	238,978	159,543	398,521	173,586	197,368	370,954
Sundry stores and consumables	80,195	1,213	81,408	67,206	990	68,196
Livestock	7,496	-	7,496	9,076	-	9,076
Unharvested cane crop	9,913	-	9,913	8,162	-	8,162
	<u>785,511</u>	<u>162,375</u>	<u>947,886</u>	<u>751,063</u>	<u>199,541</u>	<u>950,604</u>

Company	<----- 2005 ----->			<----- 2004 ----->		
	At cost	At net realisable value	Total	At cost	At net realisable value	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Unharvested cane crop	9,913	-	9,913	8,162	-	8,162
Sundry stores and consumables	2,597	-	2,597	2,879	-	2,879
	<u>12,510</u>	<u>-</u>	<u>12,510</u>	<u>11,041</u>	<u>-</u>	<u>11,041</u>



21. PROPERTY DEVELOPMENT COSTS

	Group	
	2005 RM'000	2004 RM'000
Freehold land		
- at cost	976	8,604
- at valuation	3,958	1,156
Leasehold land, at cost	14	-
Development and construction costs	16,791	82,771
Costs recognised as an expense in income statement in previous years	(3,020)	(59,621)
At 1 January	18,719	32,910
Costs transferred from:		
- property, plant and equipment		
- freehold land, at cost	-	2,802
- leasehold land, at cost	-	14
- land held for property development (see note 12)		
- freehold land, at cost	3,927	-
- development costs	10,997	8,969
Development costs incurred during the year	15,514	38,853
	30,438	50,638
Costs recognised as an expense in income statement in current year	(4,301)	(48,982)
Transferred to inventories	(1,160)	(15,847)
At 31 December	43,696	18,719

22. GROSS AMOUNTS DUE FROM/(TO) CUSTOMERS

	Group	
	2005 RM'000	2004 RM'000
Aggregate contract expenditure incurred to-date	354,845	377,972
Attributable profit recognised to-date	26,781	30,605
	381,626	408,577
Progress billings to-date	(379,216)	(399,796)
	2,410	8,781
Gross amount due from customers	15,401	11,926
Gross amount due to customers	(12,991)	(3,145)
	2,410	8,781
Progress billings comprise:		
Progress billings		
- received	359,618	376,676
- receivable	13,681	18,683
Retention sums	5,917	4,437
	379,216	399,796
Advances received for contract work not yet performed by the Group included under amounts owing to associated companies (see note 26)	-	937



ACCOUNTING POLICIES AND EXPLANATORY NOTES

23. TRADE RECEIVABLES

	Group	
	2005	2004
	RM'000	RM'000
Related parties other than associated companies	5,614	4,023
Others	381,892	421,067
	<u>387,506</u>	<u>425,090</u>
Allowance for doubtful debts	(12,349)	(12,161)
	<u>375,157</u>	<u>412,929</u>

The currency exposure profile of trade receivables is as follows:

	Group	
	2005	2004
	RM'000	RM'000
- RM	296,729	316,608
- USD	58,900	78,358
- GBP	-	77
- SGD	8,572	13,263
- EUR	297	358
- IDR	1,127	1,248
- HKD	-	362
- JPY	166	383
- VND	9,366	2,272
	<u>375,157</u>	<u>412,929</u>

Credit terms granted to customers normally range from 7 to 60 days. For major established customers, the credit terms may be extended to 120 days based on the discretion of the management.

24. ACCRUED BILLINGS/(PROGRESS BILLINGS)

	Group	
	2005	2004
	RM'000	RM'000
Revenue recognised in income as at to-date		
Progress billings to-date	5,919	2,854
	<u>(5,265)</u>	<u>(4,106)</u>
	<u>654</u>	<u>(1,252)</u>
Accrued billings	654	11
Progress billings	-	(1,263)
	<u>654</u>	<u>(1,252)</u>



25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Other receivables	56,006	49,367	614	6,306
Amount receivable from Kuok Brothers Sdn Bhd ("KBSB"), a major shareholder of the Company	75	-	75	-
Interest receivables	211	342	1	-
Surplus assets yet to be distributed by subsidiary companies under liquidation	728	354	-	325
Proceeds from disposal of property, plant and equipment	43	-	-	-
	57,063	50,063	690	6,631
Allowance for doubtful debts	(1,763)	(2,038)	(67)	(67)
	55,300	48,025	623	6,564
Deposits held by				
- associated companies of KBSB				
- Jerneh Insurance Berhad	250	250	69	69
- others	8,904	6,754	76	83
Margin deposits with Malaysian Derivatives Clearing House Berhad	5,333	975	-	-
Deposits for purchase of property, plant and equipment	255	598	-	-
	14,742	8,577	145	152
Prepayments	8,265	14,799	176	352
	78,307	71,401	944	7,068

The currency exposure profile of other receivables, deposits and prepayments is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
- RM	44,079	57,894	944	7,068
- AUD	1	6	-	-
- USD	2,014	1,085	-	-
- SGD	134	400	-	-
- EUR	51	2	-	-
- IDR	31,039	11,578	-	-
- HKD	8	2	-	-
- CNY	265	91	-	-
- VND	716	343	-	-
	78,307	71,401	944	7,068

26. AMOUNTS DUE FROM/TO ASSOCIATED COMPANIES

Amounts due from associated companies included under current assets

The amounts due from associated companies included under current assets are unsecured and are analysed as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade balances	114,812	239,908	1,977	3,892
Unquoted redeemable non-convertible preference shares in an associated company, at cost	826	-	-	-
Advances				
- bearing interest at 4.0%	539	-	-	-
- bearing interest at 3.80% (2004: 3.73%)	2,939	2,832	2,939	2,832
- interest free	99,064	82,040	70,482	79,043
	218,180	324,780	75,398	85,767

The trade balances are expected to be settled within the normal credit periods. The advances are payable on demand.

The currency exposure profile of the amounts due from associated companies is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
- RM	140,309	184,420	75,398	85,767
- USD	53,207	140,141	-	-
- SGD	24,664	219	-	-
	218,180	324,780	75,398	85,767

Amounts due to associated companies included under current liabilities

The amounts due to associated companies included under current liabilities are unsecured and are analysed as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Trade balances	38,015	73,460	-	-
Contract advances received (see note 22)	-	937	-	-
Advances				
- bearing interest at 3.6%	191	-	-	-
- interest free	5,494	5,465	22	58
	43,700	79,862	22	58

The trade balances are expected to be settled within the normal credit periods. The advances are payable on demand.



26. AMOUNTS DUE FROM/TO ASSOCIATED COMPANIES (continued)

The currency exposure profile of the amounts due to associated companies is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
- RM	25,951	54,735	22	58
- USD	17,749	25,126	-	-
- SGD	-	1	-	-
	<u>43,700</u>	<u>79,862</u>	<u>22</u>	<u>58</u>

27. DEPOSITS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks				
- in Malaysia	211,912	135,671	-	-
- outside Malaysia	22,456	78,440	-	-
Deposits with other financial institutions				
in Malaysia	424,820	235,473	4,493	1,707
	<u>659,188</u>	<u>449,584</u>	<u>4,493</u>	<u>1,707</u>

The currency exposure profile of deposits is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
- RM	632,767	367,786	4,493	1,707
- AUD	193	26,636	-	-
- USD	14,052	14,190	-	-
- SGD	555	-	-	-
- EUR	11,227	27,452	-	-
- IDR	-	13,520	-	-
- HKD	394	-	-	-
	<u>659,188</u>	<u>449,584</u>	<u>4,493</u>	<u>1,707</u>

Included in deposits with licensed banks of the Group is an amount of RM0.215 million (2004: RM0.214 million) pledged to a bank as security for banking facilities granted to a subsidiary company.

Included in deposits with other financial institutions of the Group is an amount of RM10.856 million (2004: RM8.820 million) representing margin deposits retained by a subsidiary company from its futures clients. The utilisation of the these deposits is restricted as they are intended to mitigate the risk of default by clients.

The effective interest rates range from 1.5% to 4.35% (2004: 0.50% to 5.0%). All the deposits have maturities of less than one year.

28. CASH AND BANK BALANCES

Cash and bank balances of the Group include an amount of RM8.173 million (2004: RM12.362 million) maintained in Housing Development Accounts. Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Development (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest at 2% (2004: 2.0% to 3.2%).

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
- RM	53,149	54,747	620	634
- AUD	-	17,156	-	-
- USD	19,619	5,427	-	-
- SGD	69	279	-	-
- EUR	11	221	-	-
- IDR	14,977	2,406	-	-
- HKD	577	581	-	-
- VND	3,430	483	-	-
- CNY	1,819	6,784	-	-
- JPY	-	1	-	-
- PHP	-	59	-	-
	93,651	88,144	620	634

29. TRADE PAYABLES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Related parties other than subsidiary and associated companies	1,891	1,412	-	-
Others	237,367	276,515	615	1,441
	239,258	277,927	615	1,441



29. TRADE PAYABLES (continued)

The currency exposure profile of trade payables is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
- RM	218,388	227,870	615	1,441
- AUD	-	37	-	-
- USD	14,571	36,928	-	-
- SGD	233	5,194	-	-
- EUR	27	1,741	-	-
- CHF	46	18	-	-
- JPY	1,880	3,031	-	-
- VND	424	99	-	-
- IDR	3,619	2,872	-	-
- HKD	-	78	-	-
- THB	70	59	-	-
	239,258	277,927	615	1,441

The normal credit terms extended by suppliers range from 30 to 60 days. Retention sums for construction contracts are payable upon the expiry of the defect liability period of the respective construction contracts. The defect liability periods of construction contracts are between 12 and 24 months.

30. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Part consideration received for the proposed disposal of other investments	6,853	6,853	6,853	6,853
Unpaid property, plant and equipment acquired	16,562	4,991	1,801	108
Interest accrued	67	158	-	-
Other payables	71,865	79,832	3,167	1,140
Accruals	80,159	81,953	523	917
Tenants and other deposits	7,420	5,698	147	160
	182,926	179,485	12,491	9,178



ACCOUNTING POLICIES AND EXPLANATORY NOTES

30. OTHER PAYABLES AND ACCRUALS (continued)

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
- RM	151,375	157,468	12,491	9,178
- USD	11,958	2,976	-	-
- SGD	155	1,198	-	-
- EUR	6	6	-	-
- IDR	18,610	9,056	-	-
- HKD	289	8,172	-	-
- JPY	14	25	-	-
- VND	475	468	-	-
- CNY	44	116	-	-
	<u>182,926</u>	<u>179,485</u>	<u>12,491</u>	<u>9,178</u>

31. HIRE PURCHASE LIABILITIES

	Group	
	2005 RM'000	2004 RM'000
Outstanding hire purchase instalments due:		
- not later than one year	630	990
- later than one year but not later than five years	180	769
	<u>810</u>	<u>1,759</u>
Unexpired term charges	(36)	(127)
Outstanding principal amount due	<u>774</u>	<u>1,632</u>
Outstanding principal amount due not later than one year (included under current liabilities)	<u>599</u>	<u>899</u>
Outstanding principal amount due later than one year but not later than five years	<u>175</u>	<u>733</u>

The effective interest rates of the hire purchase liabilities are between 3.5% and 7.3% (2004: between 3.2% and 5.3%) per annum.

The currency exposure profile of the outstanding principal amounts due is as follows:

	Group	
	2005 RM'000	2004 RM'000
- RM	774	1,572
- SGD	-	60
	<u>774</u>	<u>1,632</u>



32. SHORT TERM BORROWINGS

	Group	
	2005 RM'000	2004 RM'000
<i>Secured:</i>		
Current portion of long term bank loans (see note 36)	-	326
<i>Unsecured:</i>		
Bankers' acceptance	236,131	215,716
Revolving credits	80,195	31,500
Bank term loans	28,090	100,419
Current portion of long term bank loans (see note 36)	16,125	536
	<u>360,541</u>	<u>348,497</u>

The currency exposure profile of short term borrowings is as follows:

	Group	
	2005 RM'000	2004 RM'000
- RM	317,450	247,557
- USD	41,217	89,431
- SGD	-	521
- VND	-	8,692
- CNY	1,874	2,296
	<u>360,541</u>	<u>348,497</u>

The borrowings bear interest at commercial rates which vary according to inter-bank offer or base lending rates, depending on the nature and purpose of the borrowings.

The effective interest rates for the unsecured short term borrowings are as follows:

	Group	
	2005 %	2004 %
Bankers' acceptance	2.70 - 4.47	2.80 - 7.25
Revolving credits	3.20 - 4.05	3.50 - 4.60
Bank term loans	3.20 - 7.60	1.70 - 7.50

33. BANK OVERDRAFTS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Secured	1,921	2,529	-	-
Unsecured	4,020	6,307	314	996
	<u>5,941</u>	<u>8,836</u>	<u>314</u>	<u>996</u>

The secured bank overdraft of the Group is secured by a debenture incorporating a fixed and floating charge over all assets of a subsidiary company and a fixed charge over a long leasehold land and building of the Group as indicated in note 11 above.

The currency exposure profile of the bank overdrafts is as follows:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
- RM	5,941	7,030	314	996
- SGD	-	1,806	-	-
	<u>5,941</u>	<u>8,836</u>	<u>314</u>	<u>996</u>

The bank overdrafts bear interest at commercial rates which vary according to the banks' base lending rates. The effective interest rates applicable are between 6.00% and 7.75% (2004: between 5.25% and 7.75%).

34. SHARE CAPITAL

	< -----2005----- >		< -----2004----- >	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Authorised:				
Ordinary shares of RM1 each				
At beginning of the year	1,000,000	1,000,000	500,000	500,000
Created during the year	1,000,000	1,000,000	500,000	500,000
At end of the year	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
Ordinary shares of RM1 each				
At beginning of the year	592,750	592,750	490,623	490,623
Share issued pursuant to:				
- Bonus Issue of 1 for 1	592,750	592,750	-	-
- Privatisation of FFM	-	-	102,127	102,127
At end of the year	<u>1,185,500</u>	<u>1,185,500</u>	<u>592,750</u>	<u>592,750</u>



35. NON-DISTRIBUTABLE RESERVES

	Group	
	2005	2004
	RM'000	RM'000
Revaluation reserve	162,180	164,674
Exchange translation reserve	(15,590)	31,024
Capital reserve	162,910	152,282
	<u>309,500</u>	<u>347,980</u>

Details of capital reserve are as follows:

	Group	
	2005	2004
	RM'000	RM'000
Share of capital reserves of associated companies	72,735	62,097
Share premium of subsidiary companies arising from shares issued to minority shareholders	69,051	69,051
Transferred from unappropriated profit arising from:		
- bonus issue of subsidiary companies	1,769	1,946
- gain from disposal of landed properties and investments	19,355	19,188
	<u>162,910</u>	<u>152,282</u>

ACCOUNTING POLICIES AND EXPLANATORY NOTES

36. LONG TERM BANK LOANS

	Group	
	2005 RM'000	2004 RM'000
<i>Secured:</i>		
SGD denominated loan bearing interest at 4.5% (1st year), 4.75% (2nd year), 0.25% above the bank's prime rate (3rd year) and 0.50% above the bank's prime rate (4th year onwards), respectively, (effective interest rate at 31 December: nil% (2004: 5.25%)), repayable by 120 monthly instalments commencing May 2002. The subsidiary company which took this loan was disposed of in 2005.	-	2,972
<i>Unsecured:</i>		
USD denominated loan bearing interest at 0.60% above SIBOR (effective interest rate: 5.13% (2004: 2.64%)) repayable in full at the end of 3 years from the date of first drawdown	37,354	30,917
USD denominated loan bearing interest at 0.55% above SIBOR (effective interest rate: 5.11% (2004: 2.41%)), the loan limit is to be reduced by USD3.5 million per year in 2005, 2006 and 2007 and repayable in full by 31 December 2009	57,899	53,139
USD denominated loan bearing interest at 0.50% above SIBOR (effective interest rate: 5.28% (2004: 2.56%)) repayable in full at the end of 5 years from the date of first drawdown	37,354	25,120
CNY denominated loan bearing interest at 6.12% (2004: 5.76%), repayable in full on 10 July 2014	22,962	22,502
RM denominated loan bearing interest at 0.75% above the bank's cost of fund (effective interest rate: 4.05% (2004: 3.45%)) repayable by 8 instalments commencing 31 December 2002	300	550
RM denominated loan bearing interest at 0.50% above the bank's cost of fund (effective interest rate: 3.75% (2004: 3.20%)) repayable by 4 instalments commencing 9 March 2006	4,805	9,680
RM denominated loan bearing interest at 4.75% (2004: 4.75%) repayable by 20 quarterly instalments commencing on the 3rd month from the date of the first drawdown	4,714	5,000
	165,388	149,880
Repayments due within the next 12 months included under short term borrowings (see note 32)		
- secured	-	(326)
- unsecured	(16,125)	(536)
Repayments due after 12 months	149,263	149,018

In 2004, the SGD denominated loan amounting to RM2.972 million is secured over the short leasehold property of the Group as indicated in note 11 above.



37. DEFERRED INCOME

	Group	
	2005 RM'000	2004 RM'000
Discount on acquisition of subsidiary companies		
Cost		
At 1 January	28,868	14,906
Arising from acquisitions during the year	3,416	13,971
Written off on annual review	(3,416)	(9)
At 31 December	<u>28,868</u>	<u>28,868</u>
Accumulated amortisation		
At 1 January	3,459	2,673
Amortisation for the year	1,874	786
At 31 December	<u>5,333</u>	<u>3,459</u>
Net book value at 31 December	<u>23,535</u>	<u>25,409</u>

38. DEFERRED TAX LIABILITIES

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
At 1 January	286,667	256,080	5,922	5,965
Exchange translation differences	(67)	(59)	-	-
Arising from fair value adjustment following an increase in the percentage of shareholding in a subsidiary company	-	19,730	-	-
Arising from acquisition of subsidiary companies	-	15	-	-
Transfer from/(to) income statement	21,967	10,901	(88)	(43)
At 31 December	<u>308,567</u>	<u>286,667</u>	<u>5,834</u>	<u>5,922</u>

ACCOUNTING POLICIES AND EXPLANATORY NOTES

38. DEFERRED TAX LIABILITIES (continued)

The deferred tax liabilities on temporary differences recognised in the financial statements are as follows:

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Tax effects of				
- Excess of capital allowances over accumulated depreciation on property, plant and equipment	255,462	242,861	256	417
- Surplus on revaluation of land and buildings	93,066	95,289	3,143	3,220
- Unabsorbed capital and agriculture allowances	(16,788)	(20,029)	(340)	-
- Unabsorbed tax losses	(25,078)	(33,173)	-	-
- Unharvested cane crop	2,775	2,285	2,775	2,285
- Other temporary differences	(870)	(566)	-	-
	<u>308,567</u>	<u>286,667</u>	<u>5,834</u>	<u>5,922</u>

39. EFFECT OF CHANGES IN GROUP STRUCTURE

	Group	
	2005 RM'000	2004 RM'000
Effect of issue of shares at a premium by an associated company		
- Capital reserve	9,322	11,464
- Unappropriated profit	(1,010)	(1,912)
	<u>8,312</u>	<u>9,552</u>

40. DIVIDENDS

In respect of the year ended 31 December 2003

Final dividend of 16 sen comprising 5 sen tax exempt and 11 sen less 28% income tax

2005 RM'000	2004 RM'000
-	63,388

In respect of the year ended 31 December 2004

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

Second interim dividend of 10 sen less 28% income tax

Final dividend of 10 sen comprising 2.5 sen tax exempt and 7.5 sen less 28% income tax

-	50,977
-	42,678
46,827	-
46,827	93,655

In respect of the year ended 31 December 2005

First interim dividend of 5 sen less 28% income tax

42,678	-
89,505	157,043

Subsequent to 31 December 2005, the directors recommended the payment of a final dividend of 15 sen less 28% income tax amounting to RM128.034 million.



41. ACQUISITION OF SHARES IN NEW SUBSIDIARY COMPANIES

The new subsidiary companies acquired during 2005 are Easi (M) Sdn Bhd (*formerly known as EPT Consulting Sdn Bhd*), Enterprise Advanced System Intelligence Pte Ltd, PGEO Energy Sdn Bhd, SEO Energy Sdn Bhd, Bintulu Oleochemicals Sdn Bhd (*formerly known as Green Universe Sdn Bhd*), Cloverdale Trading Pte Ltd, Frissor Limited, Trilliton Holdings Limited, Fullsight Holdings Limited, Topassist Investments Limited, Certainworld Limited, Suremoment Limited, Kornhill Assets Limited, Firm Step Investments Limited, Rise High Investments Limited, Fit Best Holdings Limited, Fine Concept Holdings Limited, Richdelta Pte Ltd, Maxillion Pte Ltd, Acemaxton Pte Ltd, Stephigh Pte Ltd, Maxceed Pte Ltd, Quanta Pte Ltd, Rosevale Pte Ltd, Castlerise Pte Ltd, Ampleville Pte Ltd, Gadsden Pte Ltd, Joy Victory Pte Ltd, Wealth Anchor Pte Ltd, PT Mentaya Sawit Mas, PT Eka Kaharap Itah, PT Bulau Sawit Bajenta, PT Pukun Mandiri Lestari, PT Alam Sawit Permai, PT Benua Alam Subur, PT Hamparan Sawit Eka Malan, PT Petak Malai Sawit Makmur, PT Bawak Sawit Tunas Belum, PT Malindo Lestari Plantations, PT Guna Karya Lestari and PT Guna Karya Mandirijaya.

The new subsidiary companies acquired during 2004 were Sitaclean Technologies (M) Sdn Bhd, Sitamas Environmental Systems Sdn Bhd, Beijing CQ Environmental Management Consultancy Services Co Ltd, Volac Ingredients Sdn Bhd, Sri Aman Feedmills Sdn Bhd (*formerly known as Sunrise Ridge Sdn Bhd*), Alam Palm Plantations Sdn Bhd, PT Sarana Titian Permata, PT Karunia Kencana Permaisejati, PT Bumi Sawit Kencana, Dexas Investments Limited, Ferro Group Limited, Rimkus Limited, Fontille Overseas Ltd and Trade Alpha Limited.

	Group	
	2005	2004
	RM'000	RM'000
<i>Analysis of acquisition of shares in new subsidiary companies</i>		
Non-current assets	20,880	4,227
Current assets	1,021	10,441
Current liabilities	(19,926)	(2,914)
Non-current liabilities	-	(944)
Minority interests	(62)	129
Fair value of attributable assets acquired	1,913	10,939
Less: previously equity accounted for	-	(5,368)
Goodwill on acquisition	32	2,033
Reserve on acquisition	(53)	(121)
Total purchase consideration	1,892	7,483
Less: Cash and cash equivalents acquired	(161)	(2,046)
Net cash paid during the year	1,731	5,437

ACCOUNTING POLICIES AND EXPLANATORY NOTES

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

The effects of the acquisition of the new subsidiary companies on the consolidated financial results for the year in which the acquisitions took place and on the consolidated financial position as at the end of the year are as follows:

	Group	
	2005 RM'000	2004 RM'000
<i>Income statement</i>		
Revenue	525	22,219
Cost of sales	(520)	(15,273)
Gross profit	5	6,946
Other operating income	13	928
Distribution expenses	-	(593)
Administrative and general expenses	(1,868)	(4,702)
(Loss)/Profit from operations	(1,850)	2,579
Finance costs	(1)	(320)
(Loss)/Profit before taxation	(1,851)	2,259
Taxation	484	(835)
(Loss)/Profit after taxation	(1,367)	1,424
Minority interest	631	(886)
Group's share of net (loss)/profit	(736)	538
<i>Balance sheet</i>		
Non-current assets	34,560	9,567
Current assets	6,332	2,265
Current liabilities	(7,298)	(2,388)
Non-current liabilities	(210)	(5,714)
Minority interests	(4,146)	(2,371)
Group's share of net assets	29,238	1,359

42. DISPOSAL OF SHARES IN SUBSIDIARY COMPANIES

The subsidiary companies disposed of during 2005 are Marathon Equipment Asia Pte Ltd ("MEAPL") and OTTO Environment System (Asia) Pte Ltd ("OESPL").

The subsidiary company disposed of during 2004 was Quantum Plastic Industries Pte Ltd ("QPIPL").



42. DISPOSAL OF SHARES IN SUBSIDIARY COMPANIES (continued)

The analysis of the disposal of MEAPL and OESPL in 2005 and QPIPL in 2004 are as follows:

	Group	
	2005 RM'000	2004 RM'000
Non-current assets	5,360	-
Current assets	8,228	116
Current liabilities	(8,603)	(45)
Non-current liabilities	(5,770)	-
Minority interest	1,289	-
Share of net assets disposed of	504	71
Profit/(Loss) on disposal of subsidiary companies	66	(15)
Total sale consideration	570	56
Less: Compensation paid on disposal	(1,130)	-
Less: Cash and cash equivalents disposed of	(329)	-
Net cash (outflow)/inflow during the year	(889)	56

The effects of the disposal of MEAPL and OESPL and QPIPL on the consolidated financial results for the financial year and the consolidated financial position as at 31 December 2005 and 2004, are as follows:

	MEAPL and OESPL		QPIPL
	2005 RM'000	2004 RM'000	2004 RM'000
<i>Income statement</i>			
Revenue	6,621	17,613	-
Cost of sales	(7,548)	(16,808)	-
Gross (loss)/profit	(927)	805	-
Other operating income	357	694	1
Administrative and general expenses	(3,355)	(5,388)	-
(Loss)/Profit from operations	(3,925)	(3,889)	1
Finance cost	(220)	(585)	(1)
Loss before taxation	(4,145)	(4,474)	-
Taxation	(1)	27	-
Loss after taxation	(4,146)	(4,447)	-
Minority interest	2,550	2,735	-
Decrease in Group's net profit	(1,596)	(1,712)	-
<i>Balance sheet</i>			
Non-current assets	5,360	5,681	-
Current assets	8,228	13,303	116
Current liabilities	(8,603)	(2,692)	(45)
Non-current liabilities	(5,770)	(13,850)	-
Minority interest	1,062	(329)	(32)
Group's share of net assets	277	2,113	39

ACCOUNTING POLICIES AND EXPLANATORY NOTES

43. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Property, plant and equipment acquired (see note 11)	341,014	251,465	2,810	1,941
Interest expense capitalised	(2,695)	(831)	-	-
Depreciation capitalised	(5,769)	(4,378)	-	-
Financed via hire purchase arrangement	(100)	(691)	-	-
Deposits paid in prior year	(598)	(760)	-	-
Deposits paid in current year	255	598	-	-
Cash paid in respect of prior year acquisition	4,991	16,016	108	120
Unpaid balance included under other payables	(16,562)	(4,991)	(1,801)	(108)
Cash paid	<u>320,536</u>	<u>256,428</u>	<u>1,117</u>	<u>1,953</u>

44. LIQUIDATION OF SUBSIDIARY COMPANIES

The subsidiary companies liquidated during 2005 are Leisure Bowl (JB) Sdn Bhd, Chemquest Management Services Sdn Bhd, Chemquest International Pte Ltd, Garbagemaster Pte Ltd, Fedflour Trading Company Limited and Stock & Trade Limited.

The subsidiary companies liquidated during 2004 were Leisure Bowl Centres Sdn Bhd, Film Allied Services Sdn Bhd and Stenmark Investments Inc.

The analysis of the liquidations are as follows:

	Group	
	2005 RM'000	2004 RM'000
Total surplus assets and capital receivable from companies liquidated during the year	1,486	8
Additional distribution by companies liquidated in prior years	-	31
	<u>1,486</u>	<u>39</u>
Less:		
Cost of investment	(1,886)	(104)
Post-acquisition loss previously consolidated	384	96
Realisation of exchange fluctuation reserve	7,893	131
Surplus from liquidation	<u>7,877</u>	<u>162</u>



45. RELATED PARTIES

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Transactions with subsidiary companies				
Interest received and receivable	-	-	1,398	1,142
Interest paid and payable	-	-	1,738	953
Rental income	-	-	420	420
Registration fee paid and payable	-	-	68	50
Sale of shares in a subsidiary company	-	-	-	26,506
Purchase of shares in a subsidiary company	-	-	-	47,447
Purchase of property, plant and equipment	-	-	120	230
Management fee received	-	-	993	554
Management fee paid	-	-	25	-
Transactions with associated companies				
Sales to				
Kuok Oils & Grains Pte Ltd ("KOGS")	2,029,566	3,573,114	-	-
Kilang Gula Felda Perlis Sdn Bhd	19,344	32,463	17,615	32,093
Konsortium Abass Sdn Bhd	6,554	56,284	-	-
Lahad Datu Edible Oils Sdn Bhd	119,753	130,427	-	-
KOG Edible Oils BV	113,750	-	-	-
Kerry Flour Mills Limited	4,929	-	-	-
Interest received from				
Vita Tenggara Fruit Industries Sdn Bhd	107	105	107	105
Cipta Quantum Sdn Bhd	-	67	-	-
Interest paid and payable to				
Golden Screen Film Distribution Co Sdn Bhd	7	7	-	-



ACCOUNTING POLICIES AND EXPLANATORY NOTES

45. RELATED PARTIES (continued)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Management fee received from				
Konsortium Abass Sdn Bhd	180	180	-	-
Saratok Palm Oil Mills Sdn Bhd	-	447	-	-
Golden Access Pte Ltd	120	120	-	-
Berjaya-GSC Sdn Bhd ("BGSC")	1,172	-	-	-
JER Envirotech Sdn Bhd	23	-	-	-
Rental of premises received from				
Cipta Quantum Sdn Bhd	32	31	-	-
Kerry Leisure Concepts Sdn Bhd	219	212	-	-
Commission received from				
KOGS	256	979	-	-
Lahad Datu Edible Oils Sdn Bhd	68	140	-	-
Purchases from				
KOGS	453,336	567,546	-	-
Lahad Datu Edible Oils Sdn Bhd	100,161	1,383,046	-	-
Saratok Palm Oil Mill Sdn Bhd	1,100	1,002	-	-
Rental of premises paid to				
Ancom-Chemquest Terminals Sdn Bhd ("Ancom-CQ")	120	120	-	-
Lease rental paid to				
Ancom-CQ	79	117	-	-
Maintenance fee charged by				
GA Software Sdn Bhd ("GAS")	170	110	-	-
Film rental received from				
BGSC	1,039	-	-	-
Provision of information technology services and sales of related products to				
BGSC	5	-	-	-
GAS	116	-	-	-



45. RELATED PARTIES (continued)

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Balance of advances owing by:				
BGSC	-	3	-	-
Cipta Quantum Sdn Bhd	556	200	-	-
Global Entertainment and Management Systems Sdn Bhd	-	3,461	-	3,461
Golden Access Pte Ltd	-	216	-	-
Grenfell Holdings Sdn Bhd	-	894	-	-
KOGS	955	193	-	-
Lahad Datu Edible Oils Sdn Bhd	64	53	1	-
Saratok Palm Oil Mill Bhd	177	183	-	-
Shaw Brothers (M) Sdn Bhd	-	5,100	-	5,100
Trinity Coral Sdn Bhd	70,481	70,481	70,481	70,481
Vita Tenggara Fruit Industries Sdn Bhd	2,939	2,833	2,939	2,833
Wisma Perak Sdn Bhd	1,255	1,255	-	-
Kerry Flour Mills Ltd	23	-	-	-
JER Envirotech Sdn Bhd	839	-	-	-
GAS	1	-	-	-
Kerry CQ JV Environmental Engineering Ltd	14,020	-	-	-
Kerry CQ Environmental Engineering Ltd	12,076	-	-	-
Balance of advances owing to:				
Golden Screen Film Distribution Co Sdn Bhd	191	191	-	-
Kilang Gula Felda Perlis Sdn Bhd	22	58	22	58
KOGS	5,457	5,216	-	-
BGSC	18	-	-	-
GAS	14	-	-	-
Golden Access Pte Ltd	1	-	-	-



ACCOUNTING POLICIES AND EXPLANATORY NOTES

45. RELATED PARTIES (continued)

Transactions with subsidiary companies of KOGS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Sales to				
Cai Lan Oils & Fats Industries Company Ltd	1,834	760	-	-
Kerry Oils & Grains Trading Company Limited	9,977	27,928	-	-
Kerry (New Zealand) Limited	8,575	13,084	-	-
Southseas Oils & Fats (Hong Kong) Limited	-	2,776	-	-
Southseas Oils & Fats (Chiwan) Limited	20	11,242	-	-
Orisatin Sdn Bhd	4,577,892	3,641,869	-	-
Bangladesh Edible Oils Ltd	1,053	-	-	-
Cai Lan Oils & Fats Industries Company Ltd (Cha Tho)	453	-	-	-
PT Teluk Bayur Bulking Terminal	654	-	-	-
PT Usaha Inti Padang	1,067	-	-	-
Xian Kerry Oils	45	-	-	-
Commission earned from Orisatin Sdn Bhd	250	357	-	-
Purchases from				
Orisatin Sdn Bhd	442,147	792,247	-	-
Kerry (New Zealand) Limited	3,935	-	-	-
<i>Transactions with Kuok Brothers Sdn Bhd, a major shareholder of the Company</i>				
Management fee paid	140	142	-	-
Disposal of other investments	6,266	7,233	-	-
<i>Transactions with a subsidiary company of Kuok Brothers Sdn Bhd</i>				
Sales to Hoe Sen (Mersing) Sdn Bhd	11,640	10,004	-	-



45. RELATED PARTIES (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
<i>Transactions with associated companies of Kuok Brothers Sdn Bhd</i>				
Sales to Min Tien & Co Sdn Bhd	59,295	58,729	-	-
Insurance premium paid to Jerneh Insurance Berhad	13,217	14,142	316	129
Rental of premises paid to Jerneh Insurance Berhad	1,455	1,309	435	348
Project management fees received from Jerneh Insurance Berhad	96	156	-	-
Rental of premises paid to Pujabina Sdn Bhd	172	172	-	-
Hire purchase instalments paid to Jerneh Credit Leasing Sdn Bhd	79	213	-	-
Corporate and share registration fee received from Jerneh Asia Berhad	16	17	-	-
<i>Transactions with subsidiary companies of Kerry Group Limited, a major shareholder of the Company</i>				
Sales to Kerry Foodstuffs Co Limited	13,150	14,992	-	-
Purchases from Kerry Foodstuffs Co Limited	353,577	213,530	-	-
Purchase of shares in Kerry Flour Mills Limited (formerly known as Kerry-Glory Flour Mills Co Ltd) from Kerry Holdings Limited	-	30,716	-	-
<i>Transactions with directors</i>				
Disposal of a motor vehicle to - Mr. Ong le Cheong	-	304	-	304
- Datuk Oh Siew Nam	-	140	-	-
<i>Transactions with companies in which directors have financial interest</i>				
Companies in which Mr. Ang Guan Seng has financial interest				
- Sales to Batu Pahat Seng Huat Sdn Bhd	5,727	5,405	-	-
- Purchases from Ban Seng Guan Sdn Bhd	6,123	17,065	-	-
- Purchases from Hoe Seng Chan Sdn Bhd	52,617	26,312	-	-
- Purchases from Perusahaan Minyak Sawit Bintang Sdn Bhd	38,901	40,496	-	-
- Purchases from United Plastics Sdn Bhd	4,312	5,467	-	-

ACCOUNTING POLICIES AND EXPLANATORY NOTES

45. RELATED PARTIES (continued)

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
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	319	612	-	-
Plantation advisory services fee paid to Agromac (M) Sdn Bhd	298	325	-	-
Transactions with companies in which a director of Golden Screen Cinemas Sdn Bhd, Mr. Raymond Chow Ting Hsing has financial interest				
Film sourcing service fees receivable from Golden Harvest Entertainment Co Ltd	32	65	-	-
Film royalty fee paid to Golden Movies International Limited	40	177	-	-
Transaction with a company in which a director of Volac Ingredients Sdn Bhd, Mr. Christopher John Neville has financial interest				
Sales to Volac International Ltd	2,307	122	-	-
Transactions with companies in which a director of Sitamas Environmental Systems Sdn Bhd, Tunku Mahmud bin Tunku Besar Burhanuddin has financial interest				
Professional fees paid to				
- Tuan Radin Sdn Bhd	-	38	-	-
- Shamzah Management Services Sdn Bhd	-	52	-	-
Transaction with a company in which directors of AWS Sales and Services Sdn Bhd, Mr. Andrew Chong Loong Thian and Mr. Wong Fook Tin have financial interests				
Purchases from AWS Jaya Motors Sdn Bhd	520	-	-	-



45. RELATED PARTIES (continued)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Transactions with a company in which a director of Sitamas Environmental Systems Sdn Bhd, Encik Abdul Shukor bin P A Mohd Sultan has financial interests				
Rental of truck received from Khidmat Kitaran Alam Sdn Bhd	120	-	-	-
Sales of property, plant and equipment to Khidmat Kitaran Alam Sdn Bhd	275	-	-	-
Transaction with a company in which a director of Easi (M) Sdn Bhd (formerly known as EPT Consulting Sdn Bhd) ("Easi(M)"), Mr. Chan Kok Chee has financial interest				
Purchase of hardware from EPT Consulting Pte Ltd ("EPTCPL")	9	-	-	-
Agent fee receivable from EPTCPL	68	-	-	-
Transactions with a corporate shareholder of Suburmas Plantations Sdn Bhd				
Purchases from				
- Majrany Corporation Sdn Bhd	10,685	2,979	-	-
- Tawakal Sejati Sdn Bhd	22,770	10,549	-	-
Transaction with minority shareholder of Easi(M)				
Support fee payable to Dezwart Fleet Sdn Bhd	18	-	-	-

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

46. EMPLOYEE INFORMATION

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Staff costs	323,211	296,423	15,780	16,640

Included in the staff costs are defined contribution plans amounting to RM26.814 million (2004: RM24.952 million) for the Group and RM1.718 million (2004: RM1.822 million) for the Company.

The number of employees (including executive directors) as at 31 December 2005 is 20,298 (2004: 17,014) for the Group and 377 (2004: 376) for the Company.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

47. CONTINGENT LIABILITIES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Unsecured guarantees issued in consideration of credit facilities given to associated companies	23,556	17,800	2,550	2,550

48. MATERIAL LITIGATION

On 30 June 1999, approximately 2,176.5 hectares of a piece of land alienated to a subsidiary company, Suburmas Plantations Sdn Bhd ("Suburmas"), was compulsorily acquired by the Sarawak State Government. Suburmas accepted the net compensation of RM16.54 million under protest and applied to the Department of Land and Surveys in Bintulu, Sarawak to refer the matter to the High Court of Sabah and Sarawak. The amount claimed by Suburmas against the Sarawak State Government is RM77.30 million based on a valuation of the affected property carried out on 12 March 1999 by Messrs. C.H. Williams, Talhar, Wong & Yeo Sdn Bhd. The claims has been filed at the High Court, Bintulu and the hearing has been fixed for 17 to 21 July 2006.

49. COMMITMENTS

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Authorised acquisition of property, plant and equipment not provided for in the financial statements				
- contracted	59,062	68,493	7	90
- not contracted	637,857	311,388	404	107
Operating lease and other commitments				
- within 1 year	2,850	2,826	-	-
- later than 1 year but not later than 5 years	6,450	6,510	-	-
- later than 5 years	5,785	6,114	-	-
	712,004	395,331	411	197



50. SEGMENTAL REPORTING

(a) Primary reporting format - business segment

The Group's operations comprise the following business segments:

- | | |
|---|--|
| (i) Sugar refining and cane plantation | - Cane cultivation and refining of sugar |
| (ii) Grains trading, flour and feed milling | - Wheat and maize trading, flour milling and manufacturing of animal feed |
| (iii) Edible oils refining and trading | - Manufacturing and marketing of edible oils |
| (iv) Oil palm plantations | - Oil palms cultivation and milling of fresh fruit bunches |
| (v) Livestock farming | - Production of day-old chicks, eggs and other related downstream activities |
| (vi) Packaging | - Manufacturing of steel drums, plastic containers, polyethylene and polypropylene woven bags and fabrics |
| (vii) Environmental engineering, waste management and utilities | - Construction works specialising in water and environmental industry and provision for waste management |
| (viii) Film exhibition and distribution | - Exhibition and distribution of cinematograph films |
| (ix) Property investment and development | - Letting of commercial properties and development of residential and commercial properties |
| (x) Other operations | - Manufacturing and trading in chemical products, consumer products and gloves, investment holding, engineering contracts, shipping and others |

Transactions between segments are entered into in the normal course of business and are established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

50. SEGMENTAL REPORTING (continued)

2005	Sugar refining & cane plantation RM'000	Grains trading, flour & feed milling RM'000	Edible oils refining & trading RM'000	Oil palm plantations RM'000	Livestock farming RM'000
REVENUE					
External sales	798,274	846,727	8,009,921	117,111	72,566
Inter-segment sales	21	57,087	116,114	468,034	11,385
Total revenue	798,295	903,814	8,126,035	585,145	83,951
RESULT					
Segment operating results	90,755	57,429	126,240	164,504	18,852
Unallocated corporate expense					
Profit from operations					
Investing activities					
Finance costs					
Share of associates' results	4,959	10,410	20,875	1,873	-
Share of joint ventures' results	-	-	-	-	-
Profit before taxation					
Taxation					
Profit after taxation					
Minority interests					
Net profit for the year					
OTHER INFORMATION					
Segment assets	288,222	611,213	868,900	1,636,576	118,986
Investments in associates	21,959	38,619	313,424	4,881	-
Investments in joint ventures	-	-	-	-	-
Other investing assets					
Tax assets					
Unallocated corporate assets					
Consolidated total assets					
Segment liabilities	12,672	19,092	203,573	68,846	2,272
Borrowings					
Tax liabilities					
Unallocated deferred income					
Unallocated corporate liabilities					
Consolidated total liabilities					
Capital expenditure	14,416	25,369	57,456	199,973	887
Unallocated corporate capital expenditure					
Depreciation	17,085	15,247	26,826	49,029	5,528
Unallocated corporate depreciation					
Non-cash expenses other than depreciation	479	1,008	107	9,054	159
Unallocated corporate non-cash expenses other than depreciation					

ACCOUNTING POLICIES AND EXPLANATORY NOTES



Packaging RM'000	Environmental engineering, waste management & utilities RM'000	Film exhibition & distribution RM'000	Property investment & development RM'000	Other operations RM'000	Elimination RM'000	Consolidated RM'000
116,240	70,897	120,281	48,630	487,303	-	10,687,950
18,916	-	-	1,153	36,894	(709,604)	-
135,156	70,897	120,281	49,783	524,197	(709,604)	10,687,950
4,879	(6,122)	17,956	18,841	40,865	617	534,816 (18,038) 516,778 59,681 (15,509) 66,982 710 628,642 (160,407) 468,235 (73,656) 394,579
232,818	61,538	101,328	240,933	280,905	(32,739)	4,408,680
-	58,434	5,225	67,588	123,696	-	633,826
-	40,151	-	-	-	-	40,151 1,245,465 36,129 5,062 6,369,313
42,399	27,544	31,499	32,342	56,511	(36,267)	460,483 522,204 331,575 23,265 12,977 1,350,504
1,407	2,892	20,179	11,748	6,392	-	340,719 295 341,014
12,673	2,225	11,447	3,623	13,810	-	157,493 1,210 158,703
(50)	266	416	141	4,165	-	15,745 (1,111) 14,634

ACCOUNTING POLICIES AND EXPLANATORY NOTES

50. SEGMENTAL REPORTING (continued)

2004	Sugar refining & cane plantation RM'000	Grains trading, flour & feed milling RM'000	Edible oils refining & trading RM'000	Oil palm plantations RM'000	Livestock farming RM'000
REVENUE					
External sales	749,352	775,185	8,384,356	137,173	55,475
Inter-segment sales	35	53,634	118,188	453,541	8,437
Total revenue	749,387	828,819	8,502,544	590,714	63,912
RESULT					
Segment operating results	143,345	42,745	115,019	223,503	2,552
Unallocated corporate expense					
Profit from operations					
Investing activities					
Finance costs					
Share of associates' results	1,714	5,820	22,489	2,301	-
Share of joint ventures' results	-	-	-	-	-
Profit before taxation					
Taxation					
Profit after taxation					
Minority interests					
Net profit for the year					
OTHER INFORMATION					
Segment assets	370,734	597,075	932,756	1,433,769	122,234
Investments in associates	20,003	36,519	302,105	4,719	-
Investments in joint ventures	-	-	-	-	-
Other investing assets					
Tax assets					
Unallocated corporate assets					
Consolidated total assets					
Segment liabilities	15,003	22,602	272,281	52,928	2,130
Borrowings					
Tax liabilities					
Unallocated deferred income					
Unallocated corporate liabilities					
Consolidated total liabilities					
Capital expenditure	19,399	38,457	12,620	134,646	1,162
Unallocated corporate capital expenditure					
Depreciation	15,843	15,391	25,423	45,205	5,614
Unallocated corporate depreciation					
Non-cash expenses other than depreciation	(64)	1,812	808	12,049	141
Unallocated corporate non-cash expenses other than depreciation					

ACCOUNTING POLICIES AND EXPLANATORY NOTES



Packaging RM'000	Environmental engineering, waste management & utilities RM'000	Film exhibition & distribution RM'000	Property investment & development RM'000	Other operations RM'000	Elimination RM'000	Consolidated RM'000
109,386	140,543	104,259	98,933	445,020	-	10,999,682
16,099	-	-	1,082	51,469	(702,485)	-
125,485	140,543	104,259	100,015	496,489	(702,485)	10,999,682
9,414	1,182	11,857	27,837	41,604	761	619,819 (17,849) 601,970 81,119 (15,097) 65,546 (30) 733,508 (183,792) 549,716 (149,052) 400,664
217,827	82,415	93,394	269,193	309,479	(29,927)	4,398,949
-	52,744	5,316	64,967	112,368	-	598,741
-	38,867	-	-	-	-	38,867 1,065,030 26,230 6,095 6,133,912
31,942	36,874	22,351	43,666	60,496	(33,399)	526,874 513,448 319,355 24,366 10,386 1,394,429
16,346	1,978	3,555	12,565	10,141	-	250,869 596 251,465
11,182	2,138	11,212	4,723	13,792	-	150,523 888 151,411
115	407	323	2,218	3,870	-	21,679 (936) 20,743

ACCOUNTING POLICIES AND EXPLANATORY NOTES

50. SEGMENTAL REPORTING (continued)

(b) Secondary reporting format - geographical segment

The Group operates mainly in Asia. In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Total assets and capital expenditure are based on the geographical locations of the assets.

	Revenue		Carrying amount of segment assets		Capital expenditure	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Malaysia	7,377,450	6,632,113	3,917,194	4,060,131	220,892	196,430
Indonesia	116,147	103,306	406,268	222,934	119,686	53,564
Singapore	2,620,812	3,843,758	145	18,839	-	317
Other Asean countries	71,541	29,060	81,470	69,700	436	1,065
East Asia	127,632	160,351	3,603	27,345	-	89
Other Asia countries	125,334	135,681	-	-	-	-
European countries	136,347	20,995	-	-	-	-
America and Asia Pacific countries & others	112,687	74,418	-	-	-	-
	<u>10,687,950</u>	<u>10,999,682</u>	<u>4,408,680</u>	<u>4,398,949</u>	<u>341,014</u>	<u>251,465</u>



51. FINANCIAL INSTRUMENTS

(a) Credit risk

At balance sheet date, RM103.214 million or 21.04% (2004: RM225.574 million or 34.55%) of the Group's total trade receivables is due from Kuok Oils & Grains Pte Ltd ("KOGS"), an associated company and Orisatin Sdn Bhd, a subsidiary company of KOGS.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet and the following:

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
(i) Outstanding credit facilities guaranteed by the Group and the Company (<i>see note 47</i>)				
Total amount guaranteed	23,556	17,800	2,550	2,550
Total amount outstanding	16,270	7,584	2,272	2,374

(ii) Outstanding commodity future contracts entered into by a subsidiary company's clients are as follows:

	Group		Company	
	< -----2005----- >	< -----2004----- >		
	RM'000	RM'000		
	Unrealised gain based on year end market value	Unrealised loss based on year end market value		
	Contract amount	Contract amount		
Future contracts				
- sales	228,375	446	208	-
- purchases	-	-	34,050	(506)

(b) Derivative financial instruments

Outstanding commodities future contracts entered into by the Group as at 31 December are as follows:

	Group		Company	
	< -----2005----- >	< -----2004----- >		
	RM'000	RM'000		
	Unrealised gain based on year end market value	Unrealised gain based on year end market value		
	Contract amount	Contract amount		
Future contracts				
- sales	-	-	1,099	94

The outstanding future contracts mature within one year.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

51. FINANCIAL INSTRUMENTS (continued)

Foreign currency forward contracts outstanding as at 31 December are as follows:

2005	Amount to be received or paid equivalent		Average contractual rate	<--Settlement period-->	
	'000	RM'000		Within 1 year RM'000	2 to 5 years RM'000
Trade receivables					
USD	99,910	376,194	3.765	376,194	-
SGD	1,413	3,189	2.257	3,189	-
EUR	3	11	3.667	11	-
CHF	231	628	2.719	628	-
Trade payables					
USD	9,055	34,206	3.778	34,206	-
Other payables					
EUR	685	3,082	4.499	3,082	-
USD	1,238	4,673	3.775	4,673	-
2004					
Trade receivables					
USD	136,376	518,514	3.802	518,514	-
SGD	2,272	5,017	2.210	5,017	-
GBP	11	77	7.300	77	-

(c) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

2005	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Non-current assets				
Amounts due from subsidiary companies	-	-	64,822	*
Other investments				
Shares quoted in Malaysia	183,643	282,475	252	312
Shares quoted outside Malaysia	215,278	345,365	98,379	151,184
	398,921	627,840	98,631	151,496
Unquoted shares	14,272	#	12,315	#



51. FINANCIAL INSTRUMENTS (continued)

2004	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Non-current assets				
Amounts due from subsidiary companies	-	-	59,309	*
Other investments				
Shares quoted in Malaysia	220,738	419,321	35,875	21,634
Shares quoted outside Malaysia	217,310	299,209	98,379	130,469
	438,048	718,530	134,254	152,103
Unquoted shares	14,272	#	12,315	#

* It is not practical to estimate the fair values of the amounts due from subsidiary companies due principally to the absence of fixed repayment terms. However, the Company does not anticipate the carrying amounts to be significantly different from the values that would eventually be received.

It is not practical to estimate the fair value of unquoted investments due to the lack of quoted market values and the inability to estimate fair value without incurring excessive cost. Such investments are valued at cost subject to review for impairment.

Guarantees given

It is not practical to estimate the fair values of the guarantees referred to in note 47 due to the uncertainties of timing, costs and eventual outcome.

52. EVENTS PENDING COMPLETION

- (i) During the current financial year, a subsidiary company, Chemical Waste Management Sdn Bhd, entered into a Conditional Share Sale Agreement to dispose of its 25% equity interest in Konsortium Abass Sdn Bhd comprising 2.5 million ordinary shares of RM1.00 each and 21.875 million redeemable cumulative preference shares of RM0.01 each for a total consideration of RM132 million. The disposal has not been completed as at year end, as certain conditions precedent remain unfulfilled.
- (ii) In 2004, the Company entered into 2 Conditional Shares Sale Agreements to dispose of certain of its other investments included in note 17 at a carrying value of RM12.049 million for a consideration which is yet to be finalised. The disposals have not been completed as at year end, as certain conditions precedent remain unfulfilled.

53. SUBSEQUENT EVENTS

- (i) On 20 January 2006, a subsidiary company, Fontille Overseas Limited, acquired the entire issued and paid up share capital comprising of 1 share of SGD1 in Ivory Rose Pte Ltd, a company incorporated in Singapore, for a total cash consideration of SGD1.
- (ii) On 27 January 2006, a subsidiary company, Fine Concept Holdings Limited, acquired the entire issued and paid up share capital comprising of 1 share of SGD1 in Coudrey Pte Ltd, a company incorporated in Singapore, for a total cash consideration of SGD1.

54. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 28 February 2006 by the Board of Directors.

ACCOUNTING POLICIES AND EXPLANATORY NOTES

55. SUBSIDIARY COMPANIES

The subsidiary companies as at 31 December 2005 are as follows:-

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
Malayan Sugar Manufacturing Company Bhd	100.0	100.0	Malaysia	Sugar refining and investment holding
Astakonas Sdn Bhd	100.0	100.0	Malaysia	Provision of transportation services
Masuma Trading Co Ltd	100.0	100.0	* Hong Kong	Investment holding
Quintrine Company Ltd	100.0	100.0	* Hong Kong	Investment holding
Banqua Limited	100.0	100.0	* British Virgin Islands	Investment holding
MSM Properties Sdn Bhd	100.0	100.0	Malaysia	Dormant
FFM Berhad	100.0	100.0	Malaysia	Investment holding, grains trading, flour milling and animal feed manufacturing
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
Cloverdale Trading Pte Ltd	100.0	-	* Singapore	Trading of flour
Lamlewa Feedmill Sdn Bhd	100.0	100.0	Malaysia	Dormant
FFM Feedmills (Sarawak) Sdn Bhd	75.0	75.0	* Malaysia	Manufacturing and trading of animal feed
Sri Aman Feedmills Sdn Bhd	100.0	100.0	Malaysia	Dormant
FFM Marketing Sdn Bhd	100.0	100.0	Malaysia	Distribution and marketing of edible oils and consumer products
Fedflour Trading Company Ltd	-	100.0	* Hong Kong	Under members' voluntary liquidation
Stock & Trade Ltd	-	100.0	* British Virgin Islands	Liquidated
FFM Flour Mills (Sabah) 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
Katella Sdn Bhd	100.0	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
FFM Pulau Indah Sdn Bhd	100.0	100.0	Malaysia	Provision of management services
Affluence Trading Sdn Bhd	100.0	100.0	* Malaysia	Dormant
FFM Flour Mills (Sarawak) Sdn Bhd	100.0	100.0	* Malaysia	Flour milling
FFM Management Services Sdn Bhd	100.0	100.0	Malaysia	Dormant
Vietnam Flour Mills Ltd	100.0	82.5	* Socialist Republic of Vietnam	Flour milling



55. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
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
Tefel Packaging Industries Co Ltd	100.0	100.0	* Union of Myanmar	Manufacturing and trading of polyethylene and polypropylene woven bags and fabrics
Keen Trade Limited	100.0	100.0	* British Virgin Islands	Trading of flexible intermediate bulk container bags, polyethylene and polypropylene woven bags and fabrics
PGEO Group Sdn Bhd	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 edible oils, soya bean products, shortening, dough fats, margarine, hydrogenated products and steel drums
Fedrums Sdn Bhd	100.0	100.0	Malaysia	Broker in commodity futures
Maytown Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Sandakan Edible Oils Sdn Bhd	100.0	100.0	* Malaysia	Processing and marketing of edible oils
Bintulu Edible Oils Sdn Bhd	100.0	100.0	* Malaysia	Processing and marketing of edible oils
Volac Ingredients Sdn Bhd	51.0	51.0	Malaysia	Processing and marketing of calcium salt
PGEO Energy Sdn Bhd	100.0	-	Malaysia	Supplier of alternate source of energy for industrial and commercial use
SEO Energy Sdn Bhd	100.0	-	Malaysia	Generation and sale of steam and power
Bintulu Oleochemicals Sdn Bhd	100.0	-	Malaysia	Dormant
PPB Hartabina Sdn Bhd	100.0	100.0	Malaysia	Investment holding, property development and property investment
Kembang Developments Sdn Bhd	100.0	100.0	Malaysia	Property investment
South Island Mining Company Sdn Bhd	100.0	100.0	Malaysia	Investment holding, iron-ore mining and 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
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

ACCOUNTING POLICIES AND EXPLANATORY NOTES

55. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
PPB Leisure Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Screen Cinemas Sdn Bhd	66.2	66.2	Malaysia	Property investment and investment holding
Cathay Enterprises Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Cathay Theatres Sdn Bhd	100.0	100.0	Malaysia	Property investment
Cathay Theatres (Sarawak) Sdn Bhd	100.0	100.0	Malaysia	Property investment
Leisure Bowl Holdings Sdn Bhd	100.0	100.0	Malaysia	Investment holding
Leisure Bowl (JB) Sdn Bhd	-	60.0	Malaysia	Under members' voluntary liquidation
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
Glitters Café Sdn Bhd	100.0	100.0	Malaysia	Operator of cafés
Easi (M) Sdn Bhd (<i>formerly known as EPT Consulting Sdn Bhd</i>)	60.0	-	Malaysia	Provision of information technology solutions, consultation services and sales of its related products and services
Enterprise Advanced System Intelligence Pte Ltd	100.0	-	* Singapore	Software development and software maintenance
PPB Oil Palms Berhad	55.6	55.6	* Malaysia	Investment holding and provision of agricultural advisory services
Sapi Plantations Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation and operation of palm oil mills
Kiabau Plantations Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Suai Plantations Sdn Bhd	100.0	100.0	* Malaysia	Dormant
Saremas Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation and operation of palm oil mills
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 operation of palm oil mill
Red Logging Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Gepa Lumber Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Page Development Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Logmerc Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Ceramilek Sdn Bhd	89.8	89.8	* Malaysia	Investment holding
Hibumas Sdn Bhd	100.0	100.0	* Malaysia	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	Oil palm cultivation
Sri Kamusan Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation and operation of palm oil mill
Reka Halus Sdn Bhd	70.0	70.0	* Malaysia	Oil palm cultivation and operation of palm oil mill



55. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
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	Dormant
Suburmas Palm Oil Mill Sdn Bhd	53.0	53.0	* Malaysia	Operation of palm oil mill
Jasa Karya Sdn Bhd	-	-	* Malaysia	Under members' voluntary liquidation
Sekar Imej Sdn Bhd	100.0	100.0	* Malaysia	Oil palm cultivation
Clonal Palms Sdn Bhd	70.0	70.0	* Malaysia	Cultivation and sale of clonal plantlets
Kalimantan Palm Industries Sdn Bhd	100.0	100.0	* Malaysia	Investment holding
Alam Palm Plantations Sdn Bhd	100.0	100.0	* Malaysia	Dormant
PT Kerry Sawit Indonesia	90.0	90.0	* Indonesia	Oil palm cultivation
PT Mustika Sembuluh	90.0	90.0	* Indonesia	Oil palm cultivation
PT Tidar Sungkai Sawit	100.0	100.0	* Indonesia	Oil palm cultivation and operation of palm oil mill
PT Sarana Titian Permata	80.0	80.0	* Indonesia	Oil palm cultivation
PT Karunia Kencana Permaisejati	95.0	65.0	* Indonesia	Oil palm cultivation
PT Bumi Sawit Kencana	95.0	95.0	* Indonesia	Oil palm cultivation
PT Mentaya Sawit Mas	95.0	-	* Indonesia	Oil palm cultivation
PT Eka Kaharap Itah	95.0	-	* Indonesia	Dormant
PT Bulau Sawit Bajenta	95.0	-	* Indonesia	Dormant
PT Pukun Mandiri Lestari	95.0	-	* Indonesia	Dormant
PT Alam Sawit Permai	95.0	-	* Indonesia	Dormant
PT Benua Alam Subur	95.0	-	* Indonesia	Dormant
PT Hamparan Sawit Eka Malan	95.0	-	* Indonesia	Dormant
PT Petak Malai Sawit Makmur	95.0	-	* Indonesia	Dormant
PT Bawak Sawit Tunas Belum	95.0	-	* Indonesia	Dormant
PT Malindo Lestari Plantations	95.0	-	* Indonesia	Dormant
PT Guna Karya Lestari	95.0	-	* Indonesia	Proposed operation of kernel crushing plant and supporting facilities
PT Guna Karya Mandirijaya	98.0	-	* Indonesia	Proposed operation of warehouses and general storage
Dexas Investments Limited	100.0	100.0	* British Virgin Islands	Investment holding
Ferro Group Limited	100.0	100.0	* British Virgin Islands	Investment holding
Rimkus Limited	100.0	100.0	* British Virgin Islands	Investment holding
Fontille Overseas Ltd	100.0	100.0	* British Virgin Islands	Investment holding
Trade Alpha Limited	100.0	100.0	* British Virgin Islands	Investment holding
Frissor Limited	100.0	-	* British Virgin Islands	Investment holding
Trilliton Holdings Limited	100.0	-	* British Virgin Islands	Investment holding
Fullsight Holdings Limited	100.0	-	* British Virgin Islands	Investment holding

ACCOUNTING POLICIES AND EXPLANATORY NOTES

55. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
Topassist Investments Limited	100.0	-	* British Virgin Islands	Investment holding
Certainworld Limited	100.0	-	* British Virgin Islands	Investment holding
Suremoment Limited	100.0	-	* British Virgin Islands	Investment holding
Firm Step Investments Limited	100.0	-	* British Virgin Islands	Investment holding
Rise High Investments Limited	100.0	-	* British Virgin Islands	Investment holding
Kornhill Assets Limited	100.0	-	* British Virgin Islands	Investment holding
Fit Best Holdings Limited	100.0	-	* British Virgin Islands	Investment holding
Fine Concept Holdings Limited	100.0	-	* British Virgin Islands	Investment holding
Richdelta Pte Ltd	100.0	-	* Singapore	Investment holding
Acemaxton Pte Ltd	100.0	-	* Singapore	Investment holding
Maxillion Pte Ltd	100.0	-	* Singapore	Investment holding
Stephigh Pte Ltd	100.0	-	* Singapore	Investment holding
Maxceed Pte Ltd	100.0	-	* Singapore	Investment holding
Quanta Pte Ltd	100.0	-	* Singapore	Investment holding
Rosevale Pte Ltd	100.0	-	* Singapore	Investment holding
Ampleville Pte Ltd	100.0	-	* Singapore	Investment holding
Gadsden Pte Ltd	100.0	-	* Singapore	Investment holding
Castlerise Pte Ltd	100.0	-	* Singapore	Investment holding
Joy Victory Pte Ltd	100.0	-	* Singapore	Investment holding
Wealth Anchor Pte Ltd	100.0	-	* Singapore	Investment holding
PPB Corporate Services Sdn Bhd	100.0	100.0	Malaysia	Corporate secretarial 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 toilet requisites, household and chemical products
CQ Properties Sdn Bhd	100.0	100.0	Malaysia	Property investment
Chemquest Management Services Sdn Bhd	-	100.0	Malaysia	Under members' voluntary liquidation
Minsec Engineering Services Sdn Bhd	100.0	100.0	Malaysia	Provision of engineering services
Chemical Waste Management Sdn Bhd	99.0	99.0	Malaysia	Construction works specialising in the water and environmental industry



55. SUBSIDIARY COMPANIES (continued)

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
Cipta Wawasan Maju Engineering Sdn Bhd	55.0	55.0	Malaysia	Builders and contractors for general engineering and construction works
SES Environmental Services Sdn Bhd	50.1	50.1	Malaysia	Investment holding
Solar Status Sdn Bhd	100.0	100.0	Malaysia	Investment holding
AWS Sales & Services Sdn Bhd	80.0	80.0	Malaysia	Contractors for garbage collection and provision of management and other services in connection with garbage collection
Sitamas Environmental Systems Sdn Bhd	70.0	78.0	Malaysia	Provision of refuse disposal services
Zegwaard Bumianda Sdn Bhd	100.0	100.0	Malaysia	Provision of liquid waste disposal services
Entrol Systems Sdn Bhd	100.0	100.0	Malaysia	Letting of properties
Tunggak Menara Services Sdn Bhd	100.0	100.0	Malaysia	Provision of garbage collection and disposal services
Sitaclean Technologies (M) Sdn Bhd	100.0	100.0	* Malaysia	Provision of management services (temporarily ceased operation)
Asia Pacific Microspheres Sdn Bhd	100.0	100.0	Malaysia	Manufacturing and marketing of "Phenaset Microspheres" and trading in contact glue
Malayan Adhesives & Chemicals Sdn Bhd	96.9	51.9	Malaysia	Manufacturing and trading in adhesives, resins, additives and formaldehyde and investment holding
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
Marathon Equipment Asia Pte Ltd	-	70.0	* Singapore	Engineering, manufacturing, facility designing and construction management of waste disposal equipment (Disposed of during the year)
Otto Environmental Systems (Asia) Pte Ltd	-	100.0	* Singapore	Marketing, distribution and trading of environmental systems (Disposed of during the year)
PT Healthcare Glovindo	99.9	99.9	* Indonesia	Manufacturing and trading in gloves
PT Glovindo Lampung	95.0	95.0	* Indonesia	Dormant
Chemquest International Pte Ltd	-	100.0	* Singapore	Under members' voluntary liquidation
Garbagemaster Pte Ltd	-	100.0	* Singapore	Under members' voluntary liquidation
Kerry Utilities Ltd	50.0	50.0	* Samoa	Investment holding
Beijing Kerry Veolia Waste Water Treatment Co Ltd	51.0	51.0	* People's Republic of China	Investment holding
Beijing CQ Environmental Management Consultancy Services Co Ltd	100.0	100.0	* People's Republic of China	Provision of consultancy services

* Subsidiary companies not audited by Moores Rowland

ACCOUNTING POLICIES AND EXPLANATORY NOTES

56. ASSOCIATED COMPANIES

The associated companies as at 31 December 2005 are as follows:-

Companies	Group's equity interest		Country of incorporation	Principal activities
	2005 %	2004 %		
Kilang Gula Felda Perlis Sdn Bhd	50.0	50.0	Malaysia	Cane milling and sugar refining
Shaw Brothers (M) Sdn Bhd	34.0	34.0	Malaysia	Property investment, investment holding and provision of management services
Vita Tenggara Fruit Industries Sdn Bhd	40.0	40.0	Malaysia	Property development
Trinity Coral Sdn Bhd	25.0	25.0	Malaysia	Investment holding
Lahad Datu Edible Oils Sdn Bhd	45.0	45.0	Malaysia	Processing and marketing of edible oils
Kuok Oils & Grains Pte Ltd	28.0	28.0	Singapore	Commodity trading
Kuok Oils & Grains (Hong Kong) Ltd	-	40.0	Hong Kong	Under members' voluntary liquidation
Wisma Perak Sdn Bhd	50.0	50.0	Malaysia	Investment holding
Grenfell Holdings Sdn Bhd	49.7	49.7	Malaysia	Investment holding
Kerry Flour Mills Ltd	43.4	43.4	Thailand	Wheat flour milling and distribution
KOG Edible Oils BV	35.0	35.0	Netherlands	Operation of an edible oils refinery
Golden Screen Film Distribution Co Sdn Bhd	50.0	50.0	Malaysia	Dormant
Kerry Leisure Concepts Sdn Bhd	50.0	50.0	Malaysia	Operator of amusement centres
Berjaya-GSC Sdn Bhd	50.0	50.0	Malaysia	Exhibition of cinematograph films
Global Entertainment and Management Systems Sdn Bhd	-	33.3	Malaysia	Investment holding (Disposed of during the year)
Golden Access Pte Ltd	50.0	50.0	Singapore	Provision of information technology services
GA Software Sdn Bhd	50.0	50.0	Malaysia	Provision of information technology services
Saratok Palm Oil Mill Sdn Bhd	30.0	30.0	Malaysia	Operation of palm oil mill
Ancom-Chemquest Terminals Sdn Bhd	25.0	25.0	Malaysia	Building, owning, operating, leasing and managing a chemical tank farm and warehouse
Cipta Quantum Sdn Bhd	30.0	30.0	Malaysia	Trading in equipment and provision of services in waste management
Worldwide Landfills Sdn Bhd	40.0	40.0	Malaysia	Management of environmental sanitary landfill and waste treatment
Konsortium Abass Sdn Bhd	25.0	25.0	Malaysia	Operation and management of water treatment plant
Veolia Water Kerry Water Services Ltd	49.0	49.0	Hong Kong	Investment holding
Kerry CQ Environmental Engineering Ltd	49.0	49.0	British Virgin Islands	Investment holding
Kerry CQ JV Environmental Engineering Ltd	50.0	50.0	British Virgin Islands	Investment holding
JER Envirotech Sdn Bhd	50.0	-	Malaysia	Manufacturing of wood composite panel board



57. JOINTLY CONTROLLED ENTITIES

The jointly controlled entities as at 31 December 2005 are as follows:-

	Group's equity interest		Country of operation	Principal activities
	2005 %	2004 %		
Zufar Water Services-Chemical Waste Management JV	50.0	50.0	Malaysia	Civil, mechanical and electrical works
Beijing Drainage Group Co Ltd Veolia Kerry Wastewater Treatment Plant	42.0	42.0	People's Republic of China	To own, operate and maintain a waste water treatment plant



STATEMENT BY THE DIRECTORS

We, YM RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM 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 71 to 151 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 2005 and of their results and cash flows for the year ended on that date.

On behalf of the Board

YM RAJA DATO' SERI ABDUL AZIZ BIN RAJA SALIM
Director

DATO SRI LIANG KIM BANG
Director

Kuala Lumpur
28 February 2006

STATUTORY DECLARATION

I, LEONG CHOY YING, being the person 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 71 to 151 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

Subscribed and solemnly declared by
the abovenamed Leong Choy Ying
at Kuala Lumpur in the
Federal Territory on this
28th day of February, 2006

Before me,

SOH AH KAU
Commissioner of Oaths
Malaysia
No. W315



We have audited the financial statements of the Group and of the Company set out on pages 71 to 151.

These financial statements are the responsibility of the Company's directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 December 2005 and of their results and cash flows for the year ended on that date; and
 - (ii) 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; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 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 55 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

TANG KIN KHEONG
No. 1501/9/07 (J/PH)
Partner

Kuala Lumpur
28 February 2006



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Integrity and humanity form the basis of self-governance
PPB'S COMMITMENT TO SHAREHOLDERS AND THE COMMUNITY.



PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
State of Perlis							
PN 37, Kampung Baru, Chuping	Sugar cane plantation	1.11.1980	-	5,809 hectares	Leasehold	2061 & 2063	17,217
PN 39, Bukit Merah, Chuping							
PN 40, Store Chia, Chuping							
PN 41, Padang Hang Chik Wa, Chuping							
PN 42, Padang Mayat, Chuping							
PN 43, Air Hujan, Chuping							
HS (D) 4455, Air Timbul Jerneh, Chuping							
HS (D) 145, Chuping							
HS (D) 194, Rimba Mas-Mas, Chuping							
HS (D) 2587, Bilal Udoh, Chuping	Sugar cane experimental station	2.8.1982	37	13 hectares	Leasehold	2072	
HS (D) 2483, Wang Bintong, Kangar	Bas depot	10.5.1969	-	6,070 sq metres	Freehold	-	41
State of Kedah							
Cathay Alor Setar No 1, Jln Limbong Kapal, 05000 Alor Setar	Property leased out	16.4.1990	50	3,901 sq metres	Freehold	-	1,120
Cathay Sungai Petani No 11, Jln Bank, 08000 Sg Petani	Property leased out	16.4.1990	>50	830 sq metres	Freehold	-	384
31 Jln Kampung Baru, Sg Petani, 08000 Kedah	Land for property development	7.11.1991	-	11,339 sq metres	Freehold	-	4,701
Lot 28, 57, 65, 1010, 1011, 1122-1124, 1128, 1137, 1139, 1142, 1242, 1273, 1279, 1289, 1290, 1292, 1294, 1664 & 1665, Mukim Semeling, Daerah Kuala Muda	Oil palm estate	13.4.1981	-	569 hectares	Freehold	-	13,765
Lot PT 4841-4846, Mukim Semeling, Daerah Kuala Muda	Oil palm estate	13.4.1981	-	91 hectares	Freehold	-	
Lot 36-39, 50-51, 108, 3132-3135, Mukim of Ayer Puteh, Gurun	Poultry breeder farm & vacant agricultural land	21.2.1995	9	103 hectares	Freehold	-	15,849

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES



Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
State of Penang							
Lot No 31, 333-339, 342, 343, 435 & 438, Section 15, City of Georgetown	Land for property development	30.9.1976	-	2 hectares	Freehold	-	3,910
798 Main Road, Prai, Province Wellesley	Sugar refinery factory	30.9.1976	41	8 hectares	Leasehold	2028 & 2054	10,271
Plot 352-355 & 362-364 Tingkat Perusahaan Tiga, Seberang Prai Tengah	Factory & office building	28.4.1989	29	24,922 sq metres	Leasehold	2035 & 2043	2,506
Plot 99(1), MK1 Tingkat Perusahaan Dua, Seberang Prai Tengah	Factory & warehouse building	25.11.1982	23	21,089 sq metres	Leasehold	2042	6,083
Plot 100(1), MK1 Tingkat Perusahaan Dua, Seberang Prai Tengah	Warehouse building	10.2.1989	23	13,489 sq metres	Leasehold	2049	2,098
Plot 571, MK13 Tingkat Perusahaan Dua, Seberang Prai Tengah	Vacant industrial land	4.11.1990	-	1,305 sq metres	Leasehold	2050	136
Odeon Penang No 130, Penang Road, 10000 Penang	Property leased out	16.4.1990	59	1,084 sq metres	Freehold	-	434
		16.4.1990	-	281 sq metres	Leasehold	2038	124
Dalit Cinema Kompleks Tun Abdul Razak Lebuhraya Tek Soon, 10000 Penang	Shoplot leased out	16.4.1990	25	3,332 sq metres	Leasehold	2080	4,269
Cathay Bukit Mertajam No 14, Jln Aston, 14000 Bukit Mertajam	Property leased out	16.4.1990	50	1,092 sq metres	Freehold	-	381
		16.4.1990	-	282 sq metres	Freehold	-	} 113
		16.4.1990	-	166 sq metres	Leasehold	2054	
No 8-8A, 8B, 10, 10A, 12, 12A, 14, 14A, 16, 16A, 18, 18A, 20, 20A, 22, 22A, 22B & 22C, Beach Street, 10300 Penang	2 storey shophouses under re-development	31.3.1981	> 50	2,526 sq metres	Freehold	-	5,030
No 2 & 4, Church Street, 10300 Penang							



PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
State of Perak							
Cathay Ipoh No 60, Jln Dato' Onn Jaafar, 30300 Ipoh	Property leased out	16.4.1990	49	4,494 sq metres	Freehold	-	1,145
Plot 90, Kwsn Perusahaan Silibin, Lengkok Rishah 1, Ipoh	Office building & warehouse	3.10.1991	12	8,013 sq metres	Leasehold	2045	1,554
Block G4 & G5, Lumut Industrial Park, Lumut	Factory	28.12.1995	< 9	80,937 sq metres	Leasehold	yet to be determined	16,479
Lot 950, Batu 9, Sg Limau, 34850 Trong	Layar farm & vacant agricultural land	25.10.1996	7	216 hectares	Freehold	-	45,755
State of Selangor							
P.O Box 141, South Port Area, Port Klang	Factory, warehouse & office building	25.11.1982	16 to 39	42,206 sq metres	Leasehold	2005 to 2025	2,666
Lot 1-4, Section 6, Pulau Indah Industrial Park, Port Klang	Factory, warehouse & vacant industrial land	6.6.1995	4	208,170 sq metres	Leasehold	2097	69,283
Lot 2824-2827 & PT 45125 Mukim Sg Buloh, District of Kuala Lumpur	Warehouse cum office & vacant industrial land	19.10.1993 1.6.1994	< 8	243,419 sq metres	Freehold	-	59,554
1 Jln SS 22/19, Damansara Jaya, 47400 Petaling Jaya	Nine 4-storey shop-houses & offices leased out	16.4.1990	23	1,408 sq metres	Freehold	-	3,477
Lot No PT 10989 & 10091, Mukim of Sg Buloh, District of Petaling	Land leased out	16.4.1990	-	13,631 sq metres	Freehold	-	2,619
Lot 58-61, Daerah Gombak, Mukim Batu, Kaw Perindustrian, Taman Bukit Rahman Putra	Warehouse	15.9.1993	11	35,336 sq metres	Freehold	-	11,572
Lot 844, Jln Subang 7, Taman Perindustrian Subang, Subang Jaya 47500	Workshop & office building	15.6.1993	6	12,266 sq metres	Freehold	-	9,229

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES



Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Lot 9, Jln Utas 15/7, 40000 Shah Alam	Office building	22.2.1993	35	33,946 sq metres	Leasehold	2069	3,083
Lot 12, Persiaran Kemajuan 16/16, 40000 Shah Alam	Office building	22.2.1993	17	11,458 sq metres	Leasehold	2018	2,633
16/8A Jln Pahat 40700 Shah Alam	Office building	1.1.2004	25	3,837 sq metres	Leasehold	2067	778
Wilayah Persekutuan							
2nd Floor, Sungei Wang Plaza Jln Bukit Bintang, 55100 Kuala Lumpur	Shoplot leased out	16.4.1990	28	6,187 sq metres	Freehold	-	9,424
Lot 2883, 39727-39729 Jln Cheras, Kuala Lumpur	Land for property development	9.3.1982	-	4,958 sq metres	Freehold	-	538
Cheras LeisureMall, Jln Manis 6, Taman Segar, Cheras, 56100 Kuala Lumpur	Shopping mall	9.3.1982	10 ^{1/2}	21,225 sq metres	Leasehold	2077 & 2080	58,032
No 11, Jln Manis 1, Taman Segar, Cheras, 56100 Kuala Lumpur	Eight storey building & carpark	9.3.1982	18	9,225 sq metres	Leasehold	2077 & 2080	15,385
Lot 82, 264, 265 & 11276, Mukim 01 Ampang, Jln Ampang	Land for property development	27.8.1990 1.7.1996	-	19,781 sq metres	Freehold	-	46,843
LA 79200014, Layang Layang Town, Labuan	Commercial building to be leased or sold	16.4.1990	-	9,941 sq metres	Leasehold	2092	1,239
State of Negeri Sembilan							
Lot 1350, Jln Kampung Sawah, Bukit Pelanduk	Factory & office building	25.11.1982	21 to 31	11,483 sq metres	Freehold	-	470
Lot 765 & 2100, Mukim of Linggi, District of Port Dickson	Poultry breeder farm	12.3.1992	< 13	677,849 sq metres	Freehold	-	12,458
Lot 14720-14722, Senawang Industrial Park	Factory cum office building	30.6.1996	14	38,202 sq metres	Freehold	-	12,527

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

	Description & existing use of properties	Date of acquisition /revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Location							
Lot 3978, Senawang Industrial Estate	Factory & office building	30.6.1996	9 & 34	27,033 sq metres	Leasehold	2067	19,046
GC Cineplex 2nd Floor, Terminal One Shopping Complex, 20B Jln Lintang, 70000 Seremban	Cineplex	26.2.1996	10	1,811 sq metres	Leasehold	2094 & 2082	4,677
State of Malacca							
Lot 3.5, Cheng Industrial Estate	Office building & warehouse	12.9.1992	10	4,589 sq metres	Leasehold	2090	1,352
Cathay Melaka No 23, Jln Munshi Abdullah, 75100 Melaka	Property leased out	16.4.1990 16.4.1990 16.4.1990	47 47 47	1,456 sq metres 518 sq metres 517 sq metres	Leasehold Leasehold Leasehold	2054 2054 2054	555
State of Johor							
Lrg Pukal Dua, Kawasan Lembaga Pelabuhan, Pasir Gudang	Factory, warehouse & office building	7.1.1989	21 to 29	71,913 sq metres	Leasehold	2049	24,977
Plo 338 & 329, Jln Tembaga Dua, Kawasan Perindustrian, Pasir Gudang	Factory, warehouse & office building	10.10.1987 14.7.1988	9 & 17	121,406 sq metres	Leasehold	2050	42,299
Cathay Muar No 38, Jln Sayang, 84000 Muar	Property leased out	16.4.1990	49	1,623 sq metres	Freehold	-	371
Lot 614 & 615, Bandar Maharani, Jln Ali, District of Muar	Land leased out	16.4.1990	-	345 sq metres	Freehold	-	
Cathay Batu Pahat 91A Jln Rahmat, 83000 Batu Pahat	Property leased out	16.4.1990	< 51	1,562 sq metres	Freehold	-	435
Odeon Batu Pahat 30 Jln Jenang, 83000 Batu Pahat	Property to be leased out (vacant)	16.4.1990	< 51	1,752 sq metres	Freehold	-	599
Lot 511, Mukim of Mersing	Vacant agricultural land	19.6.2001	-	227,255 sq metres	Freehold	-	1,680

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES



Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Plaza I & II Cinema F-126, 1st Floor, Holiday Plaza, Jln Dato Suleiman, 80250 Johor Bahru	Shoplot leased out	31.7.1992 16.11.1992	16 & 17	2,929 sq metres	Freehold	-	8,396
Lot 973, Mukim of Tebrau, Johor Bahru	Warehouse & office building	15.7.1996	6	34,981 sq metres	Freehold	-	10,730
Plo 679, Jln Tembaga, Kawasan Perindustrian Pasir Gudang	Factory, warehouse & office building	21.1.2004	1	8,092 sq metres	Leasehold	2064	4,483
No 5, Jln Bakti, Kawasan Perindustrian Larkin 80350 Johor Bahru	Warehouse	30.8.2002	13 - 35	11,681 sq metres	Leasehold	2023	2,929
State of Pahang B-1770, Taman Air Putih, Kuantan	Office building	23.12.1986	37	149 sq metres	Freehold	-	300
No 19, Jln IM 3/1, Bandar Indera Mahkota 25200 Kuantan	Office building & warehouse	12.7.1997	7	7,810 sq metres	Leasehold	2061	2,391
Teruntum Cinema 6th Floor, Kompleks Teruntum, Jln Mahkota, 25000 Kuantan	Commercial shoplot to be leased or sold	16.4.1990	26	2,206 sq metres	Leasehold	2075	941
State of Kelantan Lot 29, Kawasan MIEL, Kampung Lundang, Jln Pasir Putih, Kota Bharu	Office building & warehouse	29.7.1992	12	1,730 sq metres	Leasehold	2077	532
Lot No PT 4090 Mukim Panchor, Daerah Kemumin, Kota Bharu	Vacant industrial land	30.12.2001	-	14,166 sq metres	Leasehold	2063	3,718
State of Sarawak Lot 2231, Pending Industrial Estate, Kuching	Factory, warehouse & office building	13.11.1984 18.6.1987 15.3.1989	> 22	6,810 sq metres	Leasehold	2040	4,267

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Lot 505, Block 8, Muara Tebas Land District, Kuching	Factory, warehouse & office building	6.12.1999	2	21,350 sq metres	Leasehold	2059	21,903
Lot 137, Block 5, Undup Land District Sri Aman	Vacant agricultural land	9.3.1996	-	18,127 sq metres	Leasehold	2017	40
Lot 1149, Block 8, Muara Tebas Land District Kuching	Vacant industrial land	17.5.2004	-	10,518 sq metres	Leasehold	2064	2,686
Lot 189, 190 & 191, Block 71 Kuching Central Land District	Clonal plantlet laboratory	30.11.2001	< 5	0.45 hectares	Leasehold	2924	1,776
Cathay Kuching Lot 31, Section 23, Khoo Hun Yeang Street, 93700 Kuching	Property leased out	16.4.1990	> 50	1,661 sq metres	Leasehold	2802	380
Cathay Sibul C.D.T, No 6 Raminway, 96007 Sibul	Property leased out	16.4.1990	46	1,486 sq metres	Leasehold	2016	360
Lot 57, Sawai Land, Miri	Oil palm plantation & palm oil mill	31.5.1997	< 6	2,284 hectares	Leasehold	2056	190,485
Lot 49, Sawai Land, Miri	Oil palm plantation & palm oil mill	31.5.1997	14	9,895 hectares	Leasehold	2045	
Lot 1, Sawai Land, Suai	Oil palm plantation	31.5.1997	-	5,674 hectares	Leasehold	2043	
Lot 1, Block 39, Sawai Land, Miri	Oil palm plantation	31.5.1997	-	4,727 hectares	Leasehold	2053	42,854
Lot 1, Block 42, Sawai Land Suai	Oil palm plantation	31.5.1997	-	3,988 hectares	Leasehold	2054	43,274
Lot 4, Block 1, Kemena Land	Oil palm plantation & palm oil mill	31.5.1997	< 2	2,314 hectares	Leasehold	2054	46,957
Port 663, Block 20, Kemena Land District, Tanjong Kidurong, Bintulu	Palm kernel crushing plant & building	31.5.1997	8	20,000 sq metres	Leasehold	2056	6,660

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES



Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Lot 9, Block 20, Kemena Land District of Bintulu	Factory building	31.5.1997	14	26,305 sq metres	Leasehold	2016	5,107
Lot 3773, Block 31, Kemena Land District, Taman Seaview Commercial Centre, Jln Tanjung Batu, Bintulu	4-storey office building	5.7.1995	11	173 sq metres	Leasehold	2056	715
State of Sabah							
Nos 1 & 3, Tanjung Lipat, Kota Kinabalu	Office building & warehouse	17.12.1984	40	1,231 sq metres	Leasehold	2025	739
5 ^{1/2} mile, Jln Tuaran, Kolombong Industrial Estate, Kota Kinabalu	Factory & office building	10.10.1989	13	10,927 sq metres	Leasehold	2032	4,252
TL 077577514, 9.5KM, Jln Batu Sapi, Sandakan	Industrial land under development	3.11.2004	-	26,846 sq metres	Leasehold	2068	1,156
TL 077577523, 9.5KM, Jln Batu Sapi, Sandakan	Industrial land under development	3.11.2004	-	26,846 sq metres	Leasehold	2068	1,156
BFO Building, Jln Tunku Abd Rahman/Jln Laiman Diki, 88996 Kota Kinabalu	Office building	21.11.1995	25	8,741 sq metres	Leasehold	2074	12,470
CL 075149325, Karamunting, Sandakan	Land for expansion	10.8.1996	-	58,315 sq metres	Leasehold	2881	2,243
Cathay Sandakan Lot 2869, Third Street, 90007 Sandakan	Land leased out	16.4.1990	48	1,282 sq metres	Leasehold	2053	676
Lot 2777, TL 077508788, Lrg Gardenia & 60M North of KM 24, Jln Utara, Sandakan	Land for future development	16.4.1990	-	845 sq metres	Leasehold	2061	196
TL 077533754, District of Sandakan	Factory building	31.5.1997	10 to 28	57,000 sq metres	Leasehold	2037	15,542
TL 077530066, District of Sandakan	Palm kernel crushing plant	31.5.1997	16 to 26	23,000 sq metres	Leasehold	2037	4,682

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Lot 1A, KM 15, Jln Labuk, 90000 Sandakan	4 storey office building	4.4.2002	4	1,500 sq metres	Leasehold	2887	2,196
CL 085319946, Labuk-Sugut, Sg Sapi	Palm oil mill & ancillary building	31.5.1997	< 6 to 17	24 hectares	Leasehold	2086	3,977
CL 085322201, Labuk-Sugut, Sg Sapi	Oil palm plantation	31.5.1997	-	3,716 hectares	Leasehold	2086	48,475
CL 085322194, Labuk-Sugut, Sg Sapi	Oil palm plantation	31.5.1997	-	3,145 hectares	Leasehold	2086	53,309
CL 085322854, Labuk-Sugut, Sg Kibut	Oil palm plantation, palm oil mill & ancillary buildings	31.5.1997	< 6 to 10	6,355 hectares	Leasehold	2088	91,143
CL 085208359, Labuk-Sugut, Beluran	Oil palm plantation	31.5.1997	-	972 hectares	Leasehold	2062	19,483
CL 85331040, Labuk-Sugut, Beluran	Oil palm plantation	20.2.2002	-	1,208 hectares	Leasehold	2101	10,805
PT 95092077 & PT 95082360, Sg Sugut, Beluran	Oil palm plantation	18.9.1998	-	7,540 hectares	Leasehold	2096	79,046
CL 085320672, Labuk-Sugut, Sg Sugut, Beluran	Oil palm plantation	18.9.1998	-	404 hectares	Leasehold	2087	9,006
CL 085322587, CL 085322596 & CL 085322603, Labuk-Sugut, Moynod, Beluran	Oil palm plantation & palm oil mill	31.5.1997	6 to 15	5,352 hectares	Leasehold	2087	78,053
CL 085313560/631/640/659/ 668/677, Labuk-Sugut, Sg Labuk	Oil palm plantation	31.5.1997	-	1,655 hectares	Leasehold	2081	20,860
CL 115378919/37/46/55/64/ 73 & CL 115418874, Lot 1-7, Silabukan, Lahad Datu	Oil palm plantation & palm oil mill	29.7.1998	< 6	10,477 hectares	Leasehold	2086	192,711
CL 085320403, Labuk-Sugut, Sg Sugut	Oil palm plantation & palm oil mill	7.12.1998	1	2,832 hectares	Leasehold	2085	59,191

PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES



Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
CL 085330089, Labuk, Telupid Beluran	Oil palm plantation	30.4.1999	-	3,262 hectares	Leasehold	2096	48,508
CL 085333740, Labuk, Telupid Beluran	Oil palm plantation	19.5.2000	-	250 hectares	Leasehold	2096	2,844
CL 085333982, Sungai-sungai, District of Beluran	Oil palm plantation	12.8.2003	-	3,642 hectares	Leasehold	2098	24,482
Indonesia							
Desa Talao, Sg Kunyit, Kecamatan Sangir, Kabupaten Solok, Sumatra Barat	Oil palm plantation & palm oil mill	31.12.1996	< 5	10,216 hectares	Leasehold	2032	51,261
Kotawaringin Timur & Seruyan, Central Kalimantan	Oil palm plantation	6.7.2000	-	5,538 hectares	Leasehold	2031 2032 & 2035	86,504
			-	16,273 hectares	Leasehold	yet to be determined	
Seruyan, Central Kalimantan	Oil palm plantation	27.2.2003	-	19,139 hectares	Leasehold	yet to be determined	54,613
Seruyan, Central Kalimantan	Oil palm plantation	12.3.2004	-	19,200 hectares	Leasehold	yet to be determined	3,483
Kotawaringin Timur, Central Kalimantan	Oil palm plantation	16.12.2004	-	11,472 hectares	Leasehold	2040	7,680
Kotawaringin Timur, Central Kalimantan	Oil palm plantation	25.11.2004	-	19,650 hectares	Leasehold	2040	7,986
Kotawaringin Timur, Central Kalimantan	Oil palm plantation	12.01.2005	-	16,371 hectares	Leasehold	2040	6,537
Seruyan, Central Kalimantan	Oil palm plantation	7.10.2005	-	15,000 hectares	Leasehold	yet to be determined	3,884
Seruyan, Central Kalimantan	Oil palm plantation	14.10.2005	-	19,000 hectares	Leasehold	yet to be determined	3,485
Seruyan, Central Kalimantan	Oil palm plantation	23.9.2005	-	20,000 hectares	Leasehold	yet to be determined	3,658



PROPERTIES OWNED BY PPB GROUP BERHAD AND ITS SUBSIDIARIES

Location	Description & existing use of properties	Date of acquisition / revaluation	Age of buildings in years	Land area	Tenure	Year of expiry	Net book value at 31.12.2005 RM'000
Seruyan, Central Kalimantan	Oil palm plantation	14.10.2005	-	16,160 hectares	Leasehold	yet to be determined	2,710
Seruyan, Central Kalimantan	Oil palm plantation	21.10.2005	-	16,160 hectares	Leasehold	yet to be determined	2,710
Seruyan, Central Kalimantan	Oil palm plantation	21.10.2005	-	19,680 hectares	Leasehold	yet to be determined	2,838
Seruyan, Central Kalimantan	Oil palm plantation	28.10.2005	-	19,680 hectares	Leasehold	yet to be determined	2,809
Seruyan, Central Kalimantan	Oil palm plantation	28.10.2005	-	16,800 hectares	Leasehold	yet to be determined	1,901
Kotawaringin Timur, Central Kalimantan	Oil palm plantation	6.12.2005	-	10,400 hectares	Leasehold	yet to be determined	373
Kotawaringin Timur, Central Kalimantan	Land for kernel crushing plant	21.11.2005	-	12 hectares	Leasehold	yet to be determined	103
Kotawaringin Timur, Central Kalimantan	Land for warehouse	9.12.2005	-	23 hectares	Leasehold	yet to be determined	-
Jln Kolonel Yos Sudarso, KM 10, Kawasan Industri Medan	Land & examination glove factory	27.10.1992	13	39,032 sq metres	Leasehold	2022	3,865
Jln Insinyur Sutami, KM 7, Kecamatan Tanjung Bintang, Lampung Selatan	Land & examination glove factory	29.2.1996	16	51,450 sq metres	Leasehold	2008 & 2026	469

STATEMENT OF SHAREHOLDINGS

as at 27 March 2006



Authorised Share Capital
Issued and Fully-Paid Capital
Class of Shares
Voting Rights

RM2,000,000,000
RM1,185,499,882
Ordinary Shares of RM1.00 each
One vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100	413	3.46	13,200	0.00
100 - 1,000	1,588	13.28	1,141,581	0.10
1,001 - 10,000	6,807	56.90	28,856,922	2.43
10,001 - 100,000	2,673	22.35	78,616,976	6.63
100,001 to less than 5% of issued shares	478	4.00	610,759,639	51.52
5% and above of issued shares	1	0.01	466,111,564	39.32
	11,960	100.00	1,185,499,882	100.00

DIRECTORS' INTERESTS IN SHARES

In the Company	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Datuk Oh Siew Nam	120,666	0.01	916,500	0.08
Dato' Lim Chee Wah	80,000	0.01	-	-
Dato Sri Liang Kim Bang	-	-	-	-
Ang Guan Seng	-	-	41,566,992	3.51
Tan Yew Jin	26,666	*	462,732	0.04
Raja Dato' Seri Abdul Aziz bin Raja Salim	-	-	-	-
Tan Gee Sooi	-	-	-	-
Datuk Harun bin Din	-	-	-	-
Datuk Rajasingam a/l Mayilvaganam	-	-	-	-



STATEMENT OF SHAREHOLDINGS

as at 27 March 2006

In Related Corporation	Direct Interest		Deemed Interest	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
PPB Oil Palms Berhad				
Datuk Oh Siew Nam	20,000	*	36,000	0.01
Dato' Lim Chee Wah	10,000	*	-	-
Dato Sri Liang Kim Bang	10,000	*	-	-
Ang Guan Seng	-	-	-	-
Tan Yew Jin	65,000	0.01	10,000	*
Raja Dato' Seri Abdul Aziz bin Raja Salim	-	-	-	-
Tan Gee Sooi	-	-	-	-
Datuk Harun bin Din	-	-	-	-
Datuk Rajasingam a/l Mayilvaganam	-	-	-	-

* negligible

Other than as disclosed above, none of the Directors had any direct nor deemed interest in shares of any other related corporations of the Company.

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest		Total	
	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital	No. of Shares	% of Issued Capital
Kuok Brothers Sdn Berhad	469,187,570	39.57	4,695,412	0.40	473,882,982	39.97
Employees Provident Fund Board	70,278,318	5.93	-	-	70,278,318	5.93
Kerry Group Limited	-	-	73,855,478	6.23	73,855,478	6.23
Kerry Holdings Limited	-	-	73,855,478	6.23	73,855,478	6.23

STATEMENT OF SHAREHOLDINGS

as at 27 March 2006



THE THIRTY LARGEST SHAREHOLDERS (as per Record of Depositors)

Name of Shareholders	No. of Shares	% of Issued Capital
1. Kuok Brothers Sdn Berhad	466,111,564	39.32
2. Employees Provident Fund Board	58,850,118	4.96
3. Nai Seng Sdn Berhad	40,826,500	3.44
4. HSBC Nominees (Asing) Sdn Bhd <i>For Dalex Investments Limited</i>	40,125,728	3.38
5. Valuecap Sdn Bhd	38,291,800	3.23
6. HSBC Nominees (Asing) Sdn Bhd <i>For Natalon Company Limited</i>	30,246,666	2.55
7. Cartaban Nominees (Asing) Sdn Bhd <i>Government of Singapore Investment Corporation Pte Ltd For Government of Singapore (C)</i>	25,526,200	2.15
8. Permodalan Nasional Berhad	19,756,000	1.67
9. Key Development Sdn Berhad	14,938,000	1.26
10. Kuok Foundation Berhad	14,546,420	1.23
11. Chinchoo Investment Sdn Berhad	12,868,000	1.09
12. Cartaban Nominees (Asing) Sdn Bhd <i>Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (H)</i>	12,016,600	1.01
13. Inter-Pacific Equity Nominees (Asing) Sdn Bhd <i>Kim Eng Securities Pte Ltd For Sin Heng Chan (1960) Pte Ltd</i>	10,200,000	0.86
14. Citigroup Nominees (Asing) Sdn Bhd <i>Exempt AN For American International Assurance Company Limited</i>	7,815,200	0.66
15. HSBC Nominees (Tempatan) Sdn Bhd <i>Nomura Asset Mgmt SG For Employees Provident Fund Board</i>	6,991,600	0.59
16. Citigroup Nominees (Asing) Sdn Bhd <i>CBNY For DFA Emerging Markets Fund</i>	6,613,166	0.56
17. Ophir Holdings Berhad	5,841,754	0.49
18. Shaw Brothers (Johore) Sdn Bhd	5,788,732	0.49
19. Malaysia National Insurance Berhad	5,313,250	0.45
20. Keck Seng (Malaysia) Berhad	4,891,728	0.41
21. Pertubuhan Keselamatan Sosial	3,960,000	0.33
22. Cartaban Nominees (Asing) Sdn Bhd <i>Investors Bank and Trust Company For Ishares, Inc.</i>	3,779,166	0.32
23. Gan Teng Siew Realty Sdn Berhad	3,621,998	0.31
24. Universiti Malaya	3,600,000	0.30
25. Mayban Nominees (Tempatan) Sdn Bhd <i>Mayban Trustees Berhad For Public Ittikal Fund</i>	3,472,700	0.29
26. Cartaban Nominees (Asing) Sdn Bhd <i>Government of Singapore Investment Corporation Pte Ltd For Monetary Authority of Singapore (B)</i>	3,325,000	0.28
27. Universiti Kebangsaan Malaysia	3,323,608	0.28
28. HSBC Nominees (Asing) Sdn Bhd <i>For Chipchase Limited</i>	3,295,584	0.28
29. Ang Poon Tiak	3,250,000	0.27
30. Cartaban Nominees (Asing) Sdn Bhd <i>DBS Vickers (Hong Kong) Limited For Eastern Express Co Inc.</i>	3,243,832	0.27
	862,430,914	72.75



AMUSEMENT CENTRE OPERATIONS

Kerry Leisure Concepts Sdn Bhd
Main Office
Lot 2.37, Level 2
Cheras LeisureMall
Jalan Manis 2, Taman Segar, Cheras
56100 Kuala Lumpur
Tel : 03-91311663
Contact Person :
Mr Han Yew Kong (GM)

ANIMAL FEED MANUFACTURING

JBFM Feedmill Sdn Bhd
Main Office/Factory
2429 MK 1, Tingkat Perusahaan Dua
Kawasan Perusahaan Prai
13600 Prai
Seberang Prai, Pulau Pinang
Tel : 04-3999018
Contact Person :
Mr Teoh Beng Tong (ED)

FFM Feedmills (Sabah) Sdn Bhd
Main Office/Factory
5 1/2 Mile, Off Jalan Tuaran
Kolombong Industrial Estate
88450 Kota Kinabalu, Sabah
Tel : 088-426310
Contact Person :
Mr Chia Ngun How (D/GM)

FFM Feedmills (Sarawak) Sdn Bhd
Main Office/Factory
Lot 2231, Jalan Kilang
Pending Industrial Estate
93450 Kuching, Sarawak
Tel : 082-482751
Contact Person :
Mr Lee Cho Fatt (D/GM)



CINEMA OPERATIONS

Golden Screen Cinemas Sdn Bhd
Main Office
1 Jalan SS22/19, Damansara Jaya
47400 Petaling Jaya, Selangor
Tel : 03-77295666
Contact Person :
Mr Irving Chee (GM)

CHEMICALS MANUFACTURING

Asia Pacific Microspheres Sdn Bhd
Main Office/Factory
No. 9 Jalan Utas 15/7
40200 Shah Alam, Selangor
Tel : 03-55181188
Contact Person :
Mr Huen Foo Seng (D/GM)

Malayan Adhesives & Chemicals Sdn Bhd
Main Office/Factory
No. 9 Jalan Utas 15/7
40200 Shah Alam, Selangor
Tel : 03-55191801
Contact Person :
Mr Huen Foo Seng (D/GM)

CONSUMER PRODUCTS DISTRIBUTION

FFM Marketing Sdn Bhd
Main Office
PT 45125, Batu 15 1/2
Sungai Pelong
47000 Sungai Buloh, Selangor
Tel : 03-61565888
Contact Person :
Mr Ong Hung Hock (MD)

CONTRACT MANUFACTURING

Products Manufacturing Sdn Bhd
Main Office/Factory
Lot PT 31-A1, A2 & A3
Industrial Area
Mukim Batu 6.5 Miles, Jalan Kepong
52000 Kuala Lumpur
Tel : 03-62528298
Contact Person :
Mr Khor Siang Chew (Chairman/GM)



EDIBLE OILS REFINING

PGEO Edible Oils Sdn Bhd
Main Office/Factory
Plo 338, Jalan Tembaga Dua
Kawasan Perindustrian Pasir Gudang
81707 Pasir Gudang, Johor
Tel : 07-2514971
Contact Person :
Mr Loh Chee Kheong (GM)

Bintulu Edible Oils Sdn Bhd
Main Office/Factory
12th Mile
Jalan Tanjung Kidurong
97007 Bintulu, Sarawak
Tel : 086-251150
Contact Person :
Mr Koh Suu Heng (GM)

Sandakan Edible Oils Sdn Bhd
Main Office/Factory
Km 8, Jalan Batu Sapi, Karamunting
90729 Sandakan, Sabah
Tel : 089-611011
Contact Person :
Mrs Fung Kia Fen (M)

Lahad Datu Edible Oils Sdn Bhd
Main Office/Factory
Km 2, Jalan Kastam Baru
91109 Lahad Datu, Sabah
Tel : 089-884352
Contact Person :
En Azmer Shamsuddin (GM)

EDIBLE OILS TRADING

Kuok Oils & Grains Pte Ltd
Main Office
1 Kim Seng Promenade
Great World City #05-01
Singapore 237994
Tel : 02-67388622
Contact Person :
Mr Kwok Kian Hai (MD)

PGEO Group Sdn Bhd
Main Office
Suite No. 3, Level 33
Johor Bahru City Square
Jalan Wong Ah Fook
80000 Johor Bahru, Johor
Tel : 07-2688888
Contact Person :
Mr Yee Chek Toong (Chairman/MD)

ENGINEERING SERVICES

Minsec Engineering Services Sdn Bhd
Main Office
Lot 844, Jalan Subang 7
Taman Perindustrian Subang
47500 Subang Jaya, Selangor
Tel : 03-80247650
Contact Person :
Mr Saw Kong Beng (Chairman/GM)

ENVIRONMENTAL ENGINEERING, INFRASTRUCTURE & WASTE MANAGEMENT

Chemical Waste Management Sdn Bhd
Main Office
Lot 12, Persiaran Kemajuan
Off Jalan Halba 16/16
40200 Shah Alam, Selangor
Tel : 03-55196566
Contact Person :
Mr Lum Swee Kuan (D)

Beijing CQ Environmental Management Consultancy Services Co. Ltd
Main Office
Unit 905 Level 9
North Office Tower
Beijing Kerry Centre
1 Guang Hua Road
Chao Yang District
Beijing 100020
Tel : 00-8610-85298393
Contact Person :
Mr Ethan Pang (Accountant)

Sitamas Environmental Systems Sdn Bhd
Main Office
Lot 15 Jalan Pahat 16/8A
40702 Shah Alam, Selangor
Tel : 03-5510 4008
Contact Person :
Mr Simon Lee (Chairman)

AWS Sales & Services Sdn Bhd
Main Office
2049 Jalan Perusahaan
Prai Industrial Complex
13600 Prai, Seberang Prai
Tel : 04-3988600
Contact Person :
Mr Yap Eng Soon (GM)



FLOUR MILLING

FFM Berhad
Main Office
PT 45125, Batu 15 1/2
Sungai Pelong
47000 Sungai Buloh, Selangor
Tel : 03-61572289
Contact Person :
Mr Tan Gee Sooi (MD)



Johor Bahru Flour Mill Sdn Bhd
Main Office/Factory
Kawasan Lembaga Pelabuhan Johor
81700 Pasir Gudang, Johor
Tel : 07-2512211
Contact Person :
Mr Tan Hock Yong (MD)

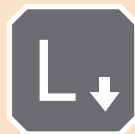
Vietnam Flour Mills Ltd
Factory
Myxuan A Industrial Zone,
Tan Thanh Commune
Ba Ria Vung Tau Province, Vietnam
Tel : 0084-64894883
Contact Person :
Mr Patrick Wong (Deputy General
Director)

FFM Flour Mills (Sarawak) Sdn Bhd
Main Office/Factory
Lot 505, Block 8, MTLD
Sejingkat Industrial Park
Jalan Bako
93050 Kuching, Sarawak
Tel : 082-439449
Contact Person :
Mr Terry Kho (Factory Manager)



GLOVE MANUFACTURING

PT Healthcare Glovindo
Main Office/Factory
Jl. Kol. Yos Sudarso Km10.5
Kawasan Industri Medan (KIM)
Medan 20242, Indonesia
Tel : 00 62 61 6850015/6
Contact Person :
Mr Oh Seong Lee (D)



LIVESTOCK FARMING

FFM Farms Sdn Bhd
Main Office
PT 45125, Batu 15 1/2
Sungai Pelong
47000 Sungai Buloh, Selangor
Tel : 03-61572289
Contact Person :
Dr Thomas Lui (MD)



OIL PALM CULTIVATION

PPB Oil Palms Berhad
Head Office
15th Floor, Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-21441503
Contact Person :
Mr Khoo Eng Min (MD)

Main Office (Sabah)
Lot 1A, KM 15
Jalan Labuk
90000 Sandakan, Sabah
Tel : 089-670208
Contact Person :
Mr C S Kwang Kay
(GM, Plantations [Sabah])

Main Office (Sarawak)
Lot 964, Sublot 7
Taman Seaview
Commercial Centre
Jalan Tanjung Batu,
PO Box 730
97008 Bintulu, Sarawak
Tel : 086-315286
Contact Person :
Mr Koh Hong Lian
(GM, Plantations [Sarawak])

Main Office (Indonesia)
PT Tidar Sungkai Sawit
Jalan Tanah Abang III/14
10160 Jakarta, Indonesia
Tel : 00 62 21 3853625
Contact Person :
Mr Graham Hecmond Wong
(President Director)

Clonal Palms Sdn Bhd
Main Office
172, Lot 1829, Ground Floor
Lorong Kota Padawan 3, KCLD
10th Mile Penrissen Road
93250 Kuching, Sarawak
Tel : 082-614653
Contact Person :
Mr Jimmy Thong (M)



POLYBAG MANUFACTURING

Tego Sdn Bhd
Main Office/Factory
Lot 5-8
Senawang Industrial Estate
70450 Seremban
Negeri Sembilan
Tel : 06-6773361
Contact Person :
Mr Boo Yew Leng (MD)

Tego Multifil Sdn Bhd
Factory
Lot 9
Lorong Bunga Tanjung 1/2
Senawang Industrial Park
70400 Seremban
Negeri Sembilan
Tel : 06-6778721
Contact Person :
Mr Boo Yew Leng (D)

Tefel Packaging Industries Co. Ltd
Main Office/Factory
Plot No. 247-A/248
Muse Street
Ward (23), Industrial Zone (1)
South Dagon Township
Yangon, Myanmar
Tel : 0095-1-590643
Contact Person :
Mr Cheng Kin Ming (D)

PROPERTY OWNERS/DEVELOPER

PPB Hartabina Sdn Bhd
Main Office
7th Floor, Cheras Plaza
Jalan Manis 1
Taman Segar, Cheras
56100 Kuala Lumpur
Tel : 03-91305088
Contact Person :
Mr Wong Kah Keen (Senior
Manager)

Cathay Screen Cinemas Sdn Bhd
Main Office
1 Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya, Selangor
Tel : 03-77299118
Contact Person :
Ms Carol Au (M)

South Island Mining Co. Sdn Bhd
Main Office
330 Simco Bungalow,
Sg Toh Pawang
08100 Bedong, Kedah
Tel : 04-44581126
Contact Person :
Mr Chong Seng Meng (GM)



SUGAR OPERATIONS

Malayan Sugar Manufacturing Co Berhad
Main Office
18th Floor, Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-21484388
Contact Person :
Mr Chua Say Sin (MD)

Kilang Gula Felda Perlis Sdn Bhd
Main Office/Factory
Chuping, 21/2 km
Jln Kilang Gula
Chuping, Perlis
Tel : 04-9441301
Contact Person :
En Mohamad Amri bin Sahari
@ Khuzari(GM)

PPB Group Berhad (Cane Division)
Plantation
KM 23, Jalan Kilang Gula, Chuping
02400 Besei, Perlis
Tel : 04-9441002
Contact Person :
YM Tengku Shaharin (GM)

LEGEND
D - Director
ED - Executive Director
GM - General Manager
M - Manager
MD - Managing Director

NOTICE OF ANNUAL GENERAL MEETING

Date/Time : Thursday, 18 May 2006 at 9.30 a.m.

Venue : 19th Floor Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting of PPB Group Berhad will be held at 19th Floor Wisma Jerneh, 38 Jalan Sultan Ismail, 50250 Kuala Lumpur on Thursday, 18 May 2006 at 9.30 a.m. for the following purposes :-

1. To receive and adopt the audited Financial Statements for the year ended 31 December 2005, and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To declare a final dividend of 15 sen per share less 28% income tax for the year ended 31 December 2005 as recommended by the Directors. (See note 2) (Resolution 2)
3. To approve an increase in Directors' fees. (See note 3) (Resolution 3)
- 4.1 To re-elect Datuk Rajasingam a/l Mayilvaganam as Director in accordance with Article 88 of the Articles of Association of the Company. (Resolution 4)
- 4.2 To re-elect the following Directors who retire by rotation in accordance with Article 107 of the Articles of Association of the Company :-
 - i) Datuk Oh Siew Nam (Resolution 5)
 - ii) YM Raja Dato' Seri Abdul Aziz bin Raja Salim (Resolution 6)
- 4.3 To consider, and if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act 1965 :-

"That pursuant to Section 129(6) of the Companies Act 1965, Datuk Harun bin Din be hereby re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company". (Resolution 7)
5. To re-appoint Messrs Moores Rowland as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)
6. As Special Business
To consider, and if thought fit, to pass the following Ordinary Resolutions :-

ORDINARY RESOLUTIONS

- 6.1 AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965
"THAT subject to the Companies Act 1965 and the Articles of Association of the Company, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad." (See Note 4(ii)) (Resolution 9)
- 6.2 PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE
The text of the above resolution(s) together with the details of the Proposed Shareholders' Mandate are set out in the Circular to Shareholders dated 26 April 2006. (See Note 4(ii)) (Resolutions 10 - 14)
7. To transact any other business of an Annual General Meeting.

Kuala Lumpur
26 April 2006

By Order of the Board
TAN TEONG BOON
Company Secretary



Notes :-

1. Appointment of Proxy

- i) A member of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
- ii) A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- iii) The Proxy Form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, executed under its common seal or under the hand of an officer or attorney duly authorised.
- iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

2. Notice of Dividend Entitlement and Payment

Notice is hereby given that, subject to the approval of members at the Annual General Meeting to be held on Thursday, 18 May 2006, the proposed final dividend will be paid on Wednesday, 7 June 2006 to members whose names appear in the Record of Depositors on Wednesday, 24 May 2006.

A Depositor shall qualify for entitlement in respect of :-

- i) Shares transferred into the Depositor's securities account before 4.00 pm on Wednesday, 24 May 2006 in respect of ordinary transfers; and
- ii) Shares bought on Bursa Malaysia Securities Berhad ("BMSB") on cum entitlement basis according to the Rules of BMSB.

3. Proposed Increase in Directors' Fees

It is proposed that the basic fee payable to non-salaried Directors be increased from RM30,000/- to RM35,000/- per Director for the financial year 2005. It is also proposed that the fees payable to the Chairman of the Audit Committee be increased from RM10,000/- to RM15,000/- and to a member of the Audit Committee from RM7,500/- to RM10,000/-. Arising therefrom, the total fees payable to non-salaried Directors for 2005 would amount to RM262,205/-.

4. Special Business

i) Authority to allot shares pursuant to Section 132D of Companies Act 1965

The Company is continually looking for opportunities to broaden the operating base and earnings potential of the Company. This may require the issue of new shares not exceeding ten per centum (10%) of the Company's issued share capital.

With the passing of Resolution 9 mentioned above by the shareholders of the Company at the forthcoming Annual General Meeting, the Directors would avoid delay and cost of convening further general meetings to approve issue of such shares for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

ii) Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The relevant information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 26 April 2006 which is despatched together with the Company's 2005 Annual Report.

5. Statement Accompanying the Notice of Annual General Meeting

Additional information pursuant to Paragraph 8.28 of the Listing Requirements of BMSB is set out in Annexure A in the 2005 Annual Report.



STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Annexure A

37th Annual General Meeting of PPB GROUP BERHAD

Date : Thursday, 18 May 2006
Time : 9.30 a.m.
Venue : 19th Floor, Wisma Jerneh
38 Jalan Sultan Ismail
50250 Kuala Lumpur

1. THE DIRECTORS WHO ARE STANDING FOR RE-ELECTION/RE-APPOINTMENT ARE :-

Datuk Rajasingam a/l Mayilvaganam
Datuk Oh Siew Nam
YM Raja Dato' Seri Abdul Aziz bin Raja Salim
Datuk Harun bin Din

2. DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2005 :-

The details of Directors' attendance at Board Meetings are disclosed in the Corporate Governance Statement on page 24.

3. DETAILS OF DIRECTORS STANDING FOR RE-ELECTION/RE-APPOINTMENT :-

The details of the Directors who are standing for re-election/re-appointment, namely, Datuk Rajasingam a/l Mayilvaganam, Datuk Oh Siew Nam, YM Raja Dato' Seri Abdul Aziz bin Raja Salim and Datuk Harun bin Din, are disclosed under the Board of Directors' Profile on pages 16, 12, 14 and 15 respectively. The above Directors' interests in shares of the Company and its subsidiaries are disclosed under the Statement of Shareholdings on pages 167 and 168.

I/We _____
of _____ NRIC/Passport No.: _____
being a member/members of PPB GROUP BERHAD hereby appoint the Chairman of the Meeting*
or _____ NRIC/Passport No.: _____
of _____
or failing him/her _____ NRIC/Passport No.: _____
of _____

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

as my/our proxy to vote for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held on Thursday, 18 May 2006 at 9.30 a.m. and at any adjournment thereof.

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

No. Resolutions	For	Against
1 To adopt the Directors' Report and Financial Statements.		
2 To approve the payment of a final dividend for the year ended 31 December 2005.		
3 To approve an increase in Directors' fees.		
4 To re-elect Datuk Rajasingam a/l Mayilvaganam as Director.		
5 To re-elect Datuk Oh Siew Nam as Director.		
6 To re-elect YM Raja Dato' Seri Abdul Aziz bin Raja Salim as Director.		
7 To re-appoint Datuk Harun bin Din as Director.		
8 To re-appoint Messrs Moores Rowland as the Auditors of the Company.		
9 To authorise the Directors to Allot and Issue Shares.		
10 To approve the shareholders' mandate for recurrent related party transactions of a revenue or trading nature entered into and/or to be entered into with persons connected to Kuok Brothers Sdn Bhd.		
11 To approve the shareholders' mandate for recurrent related party transactions of a revenue or trading nature entered into and/or to be entered into with persons connected to Kerry Group Limited/ Kerry Holdings Limited.		
12 To approve the shareholders' mandate for recurrent related party transactions of a revenue or trading nature entered into and/or to be entered into with persons connected to Ang Guan Seng.		
13 To approve the shareholders' mandate for recurrent related party transactions of a revenue or trading nature entered into and/or to be entered into with persons connected to Lee Cho Fatt.		
14 To approve the shareholders' mandate for recurrent related party transactions of a revenue or trading nature entered into and/or to be entered into with persons connected to Christopher John Neville.		

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

The proportion of my/our holding to be represented by my/our proxies are as follows :-

First Proxy	%
Second Proxy	%
Total	100%
No. of Shares Held	

Signed this _____ day of _____ 2006

Signature

NOTES :

- A member of the Company entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company.
- A member shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- The Proxy Form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporation, executed under its common seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

FOLD HERE

FOLD HERE

50 sen stamp
if posted without
envelope in
Malaysia

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