

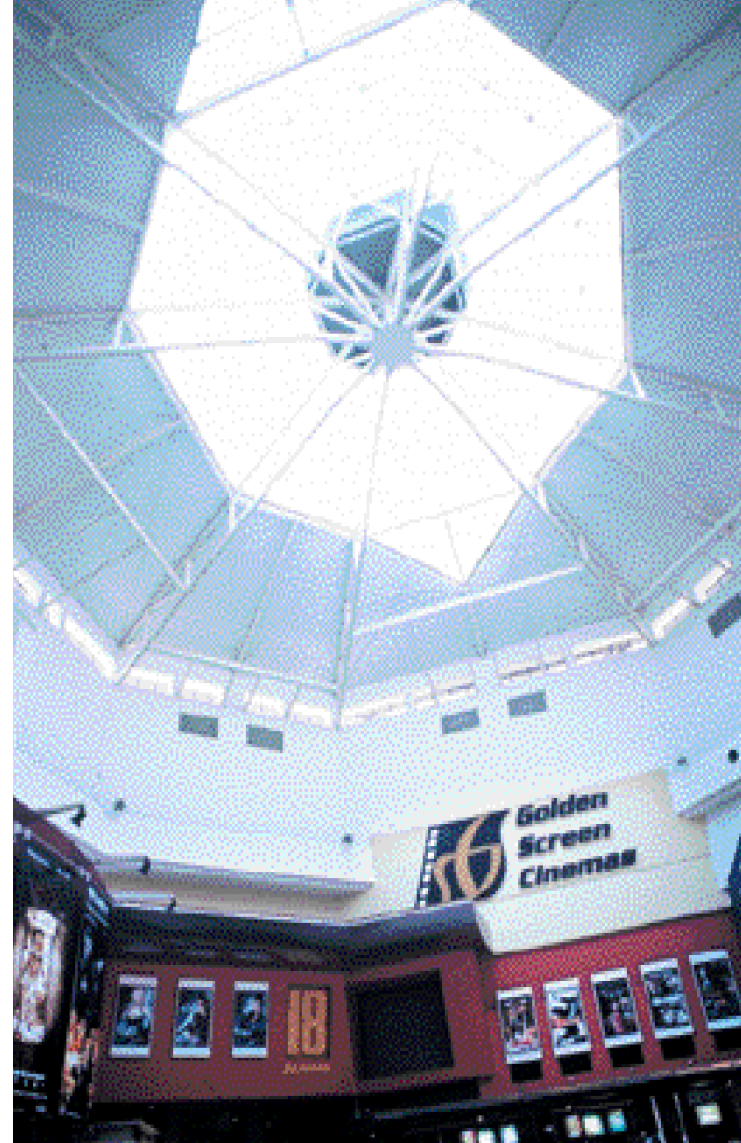
FILM EXHIBITION AND DISTRIBUTION

GSC was established in 1987 from a joint venture between PPB and Golden Harvest International Limited. In 1997, it merged with Cathay Cinemas Sdn Bhd to become the largest cinema operator in the country.



Golden Screen Cinemas at **Mid Valley Megamall**, Kuala Lumpur.

GSC's flagship at Mid Valley is the largest cineplex in Asia with 18 screens, offering a premier 32-seater Gold Class auditorium, International Screens, an AV convention auditorium, a waving gallery and a merchandise outlet named "Glitters".



GSC's flagship outlet at Mid Valley is the largest cineplex in Asia.

FILM EXHIBITION AND DISTRIBUTION

REVIEW OF OPERATIONS

Golden Screen Cinemas Sdn Bhd (GSC), a 54.2% subsidiary of PPB Leisure Holdings Sdn Bhd, is the leading film exhibitor operating a total of 74 screens in 15 locations throughout the country. GSC is also the largest distributor of Chinese films and independent English films.

GSC had a rewarding year as it managed to turn around to record a pre-tax profit of RM2.75 million (2001 : pre-tax loss of RM6.41 million) against a turnover of RM73.68 million (2001 : RM55.05 million). The turnaround was driven by the release of more blockbuster films, aggressive marketing, cost saving and operating efficiency and reduction of entertainment tax rate in October 2001.

Blockbuster films such as “Spider Man”, “Harry Porter and the Chamber of Secrets”, “Lord of the Rings – The Fellowship of The Ring and The Two Towers”, “Star Wars 2” and our local films such as “Mami Jarum”, “Gerak Khas 2”, “KL Menjerit”, “Mr Cinderella” and “Anak Mami” brought the crowd back to the cinemas and admissions were up 23% from 2001. Aggressive marketing to promote GSC cinemas as event venues with support from brand partners has positioned GSC as the “preferred choice” for hosting events. GSC’s 18-screen cineplex at Mid Valley Megamall, Kuala Lumpur with its “Gold Class” remains the number one cinema in Klang Valley.

Our film distribution division forged a successful partnership with TV3 to operate the Pearl Screen Chinese air-time slot every Monday night. The joint venture is the first of its kind in Malaysia between a commercial television network and a film distributor.

Piracy still remains as a threat to the future growth of the cinema industry. GSC is working closely with its industry partners and various government agencies to improve the legal, regulatory and enforcement environment to gradually eradicate piracy. Entertainment tax, although lowered to 25% remains high in comparison to other entertainment media, which incur marginal or no tax.



PPB entered into an equal joint venture with Golden Harvest Cinemas Holding Ltd and Tanjong Entertainment Sdn Bhd to invest in Global Entertainment and Management Systems Sdn Bhd (GEMS) which in turn has 25% equity interest in Tanjong Golden Village Sdn Bhd (TGV).



LOOKING AHEAD

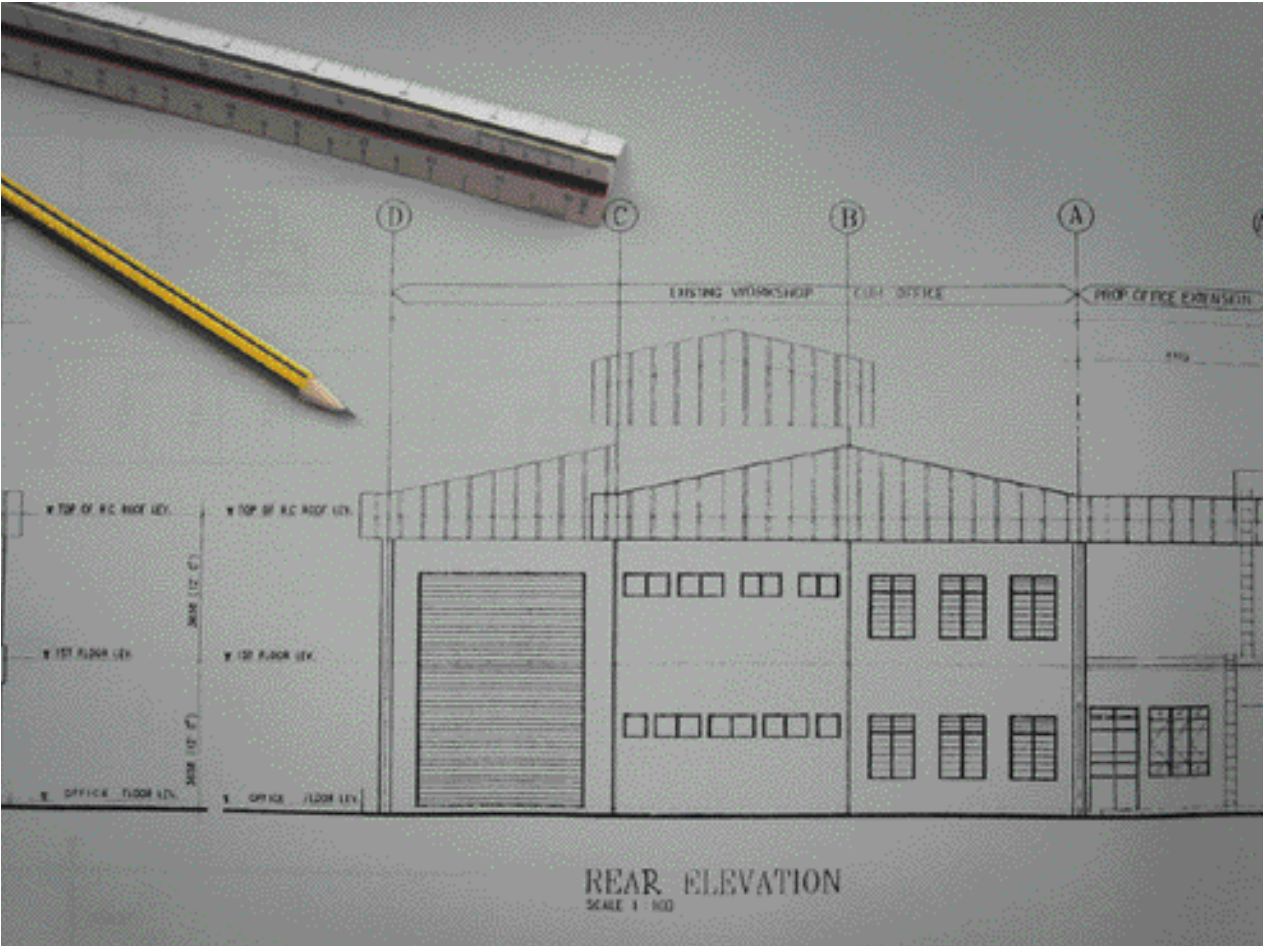
GSC IS EXPANDING ITS CINEMA OPERATIONS TO PENANG AND INVESTING RM15 MILLION TO SET UP A 12-SCREEN CINEPLEX WITH 1,856 SEATS AT GURNEY PLAZA SCHEDULED FOR COMPLETION BY END-2003. THIS CINEPLEX, BEING THE LARGEST IN PENANG, WILL BE GSC'S SECOND FLAGSHIP OUTLET AFTER MID VALLEY, KUALA LUMPUR.

PROPERTY INVESTMENT AND DEVELOPMENT

PPB Hartabina Sdn Bhd, the property arm of PPB Group, is involved in residential and commercial development as well as property management. It is currently developing 52.6 acres of prime hilly land in Taman Segar, Cheras and managing its own shopping complex “Cheras Leisuremall”.



PPB Hartabina Sdn Bhd's **Bukit Segar** development in Cheras.



PROPERTY INVESTMENT AND DEVELOPMENT

REVIEW OF OPERATIONS

During the year under review, the Property subsidiaries attained substantially higher profit of RM26.7 million (2001 : RM8.6 million) against a revenue of RM103.5 million (2001 : RM38.3 million) due to the sales of its Bukit Segar homes in Cheras, Kuala Lumpur by PPB Hartabina Sdn Bhd ("PPBH"), a wholly-owned subsidiary of PPB.



Following the success of Bukit Segar's Phase 1, PPBH launched Phase II during the year comprising 114 units of semi-detached houses, 5 bungalows and 2 pieces of bungalow land covering 21.3 acres with an estimated total revenue of RM98.4 million.

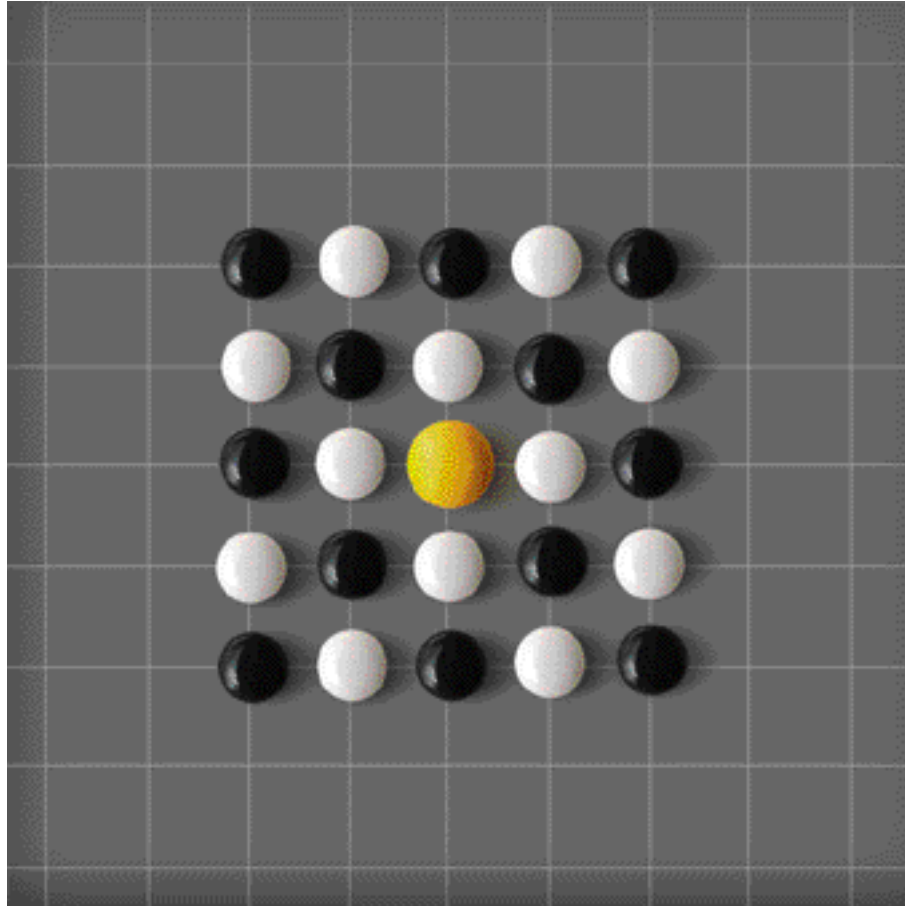
In addition to residential and commercial development, PPBH is engaged in property management. PPBH owns and manages Cheras Leisuremall, a prime shopping mall at Taman Segar, Kuala Lumpur and Cheras Plaza, a 9-storey commercial building which has been leased to an educational institution.

Seletar Sdn Bhd, another wholly-owned subsidiary of PPB, launched its residential development at Bedong, Kedah comprising single storey houses priced from RM35,000 to RM118,000. This development is expected to generate a total revenue of RM37.5 million.

LOOKING AHEAD

PPBH PLANS TO DEVELOP ITS REMAINING LAND BANK OF 20 ACRES IN BUKIT SEGAR INTO EXCLUSIVE BUNGALOW UNITS WHILST LOOKING FOR ADDITIONAL RESIDENTIAL LAND BANK TO EXPAND ITS PROPERTY DEVELOPMENT ACTIVITIES.

IT IS ALSO LOOKING AT DEVELOPING SOME OF THE GROUP'S COMMERCIAL LAND BANK, SPECIFICALLY NEW WORLD PARK AND TANAH AMAN IN PENANG.



STRENGTH

The stronger player harnesses all possible resources to ensure a position of greater stability.
The concerted effort made by every component of the Group to succeed has garnered the Group its best performance to date.