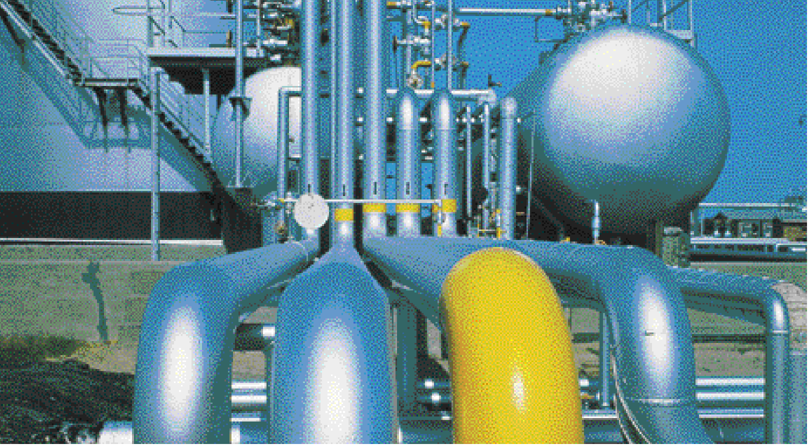


issue 1 31mar02

investor update

PPB GROUP BERHAD

Welcome to the first issue of INVESTOR UPDATE, PPB GROUP BERHAD'S quarterly investor newsletter created to keep our shareholders informed of the Group's activities and financial performance. To enable shareholders to obtain maximum value from this newsletter, we have structured the newsletter into the following categories :

Feature Article	A series of articles focusing on different companies within the group to enhance shareholders'understanding of Group operations.
Happenings	Keep shareholders abreast of corporate events and new businesses.
Share Analysis	Analysis of the Company's share performance on the KLSE.
Press Reports	Reports from the local news publications on PPB Group.
Quarterly Report	Quarterly results and review of financial performance.
Announcements	Announcements made to the KLSE.

As always, we look forward to any suggestions or feedback on how to further improve this newsletter for the benefit of our readers.

Corporate Affairs Department

CWM

Chemical Waste Management Sdn. Bhd.

feature article

UTILITIES & ENVIRONMENTAL OPERATIONS

CHEMICAL WASTE MANAGEMENT SDN BHD

Chemical Waste Management Sdn Bhd (CWM), a 99% subsidiary company of the PPB Group held through Chemquest Sdn Bhd, was established in June 1986 as a chemical trading company. Within a short span of time, CWM has expanded both in size and nature of business into an established corporate entity recognised for its core competencies in water resource engineering and solid waste management.

Today, CWM is a leading service provider of innovative solutions, advanced technologies and professional management for water and waste industries.

Water Treatment

CWM has been selected by various State Governments and the private sectors throughout Malaysia to construct, commission and manage water treatment facilities for human and industrial consumption. Todate, CWM has successfully commissioned more than 20 water projects throughout Malaysia including the Mechanical and Electrical works for the largest water treatment plant in Malaysia under the Sg. Selangor Phase 2 Water Supply Scheme with a capacity of 950 million litres per day plus numerous projects for Power Plant, Petrochemical Complex and State-owned Water Supply Works.

Its role in the industry has progressed from a subcontractor to main contractor and finally a concessionaire when Konsortium ABASS, in which CWM holds 25% equity interest, was awarded a Privatisation cum Concession Agreement with the Selangor State Government to operate, maintain and manage the entire Sungai Semenyih Water Supply Scheme in year 2001. In the same Agreement, Konsortium ABASS was granted a concession of 30 years to sell treated water to the Selangor State Government at pre-determined rates.

Presently, CWM is working on its latest water treatment plant in Gadek, Melaka costing RM33 million.

Wastewater Treatment

CWM has constructed more than 50 wastewater treatment plants for various types of industries, some of which are : Noodles Waste for Tradewinds Cambodia Co. Ltd, Leachate treatment for Worldwide Landfills Sdn Bhd, Detergent Waste for Colgate Palmolive (M) Sdn Bhd, Ink Waste for Riverview Bhd and Fish Processing Waste for Surimi (M) Sdn Bhd.

Its current project valued at RM40 million is the Bayan Baru Sewage Plant in Penang.

Solid Waste Management

A key player in the waste management industry, CWM through Sitamas Environmental Systems offers extensive collection and disposal services in a large scale for all types of waste ranging from domestic/ household, commercial to industrial waste. CWM is also partner of a consortium that has been awarded a 20-year concession since 1995 to establish, operate, maintain and manage a sanitary landfill site at Air Hitam, Selangor, capable of handling 3,000 tonnes of waste a day. The company uses advanced landfill technologies comprising impermeable liner system, leachate collection system, leachate treatment as well as landfill gas control and monitoring system.

Infrastructure Development

CWM designs and constructs a wide range of industrial facilities to meet the demands for treatment and chemical plants, pumping and bulking plants, storage and warehouse needs.

For its years of hard work, commitment and contribution towards a better environment, CWM was awarded the Enterprise 50 Special Recognition Award in 1997 which was jointly organised by Andersen Consulting, SMIDEC and Business Times.

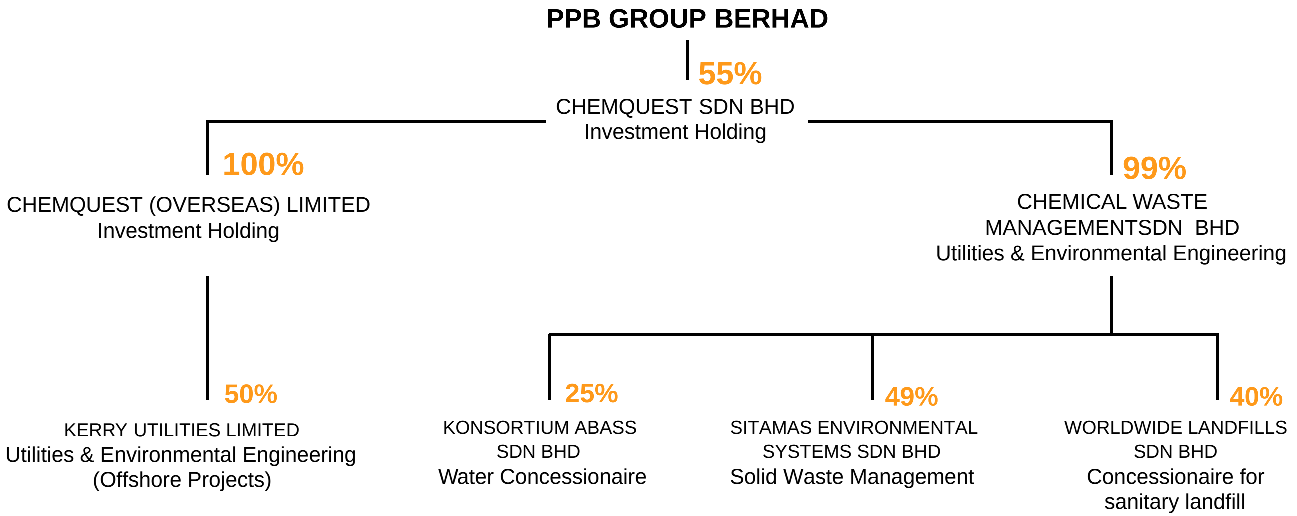
CWM registered a profit of RM 17.0 million (2000 : RM8.1 million) against a turnover of RM123.0 million for year 2001.

KERRY UTILITIES LIMITED

Ready to capitalize on its vast experience and expertise in water and waste management services beyond Malaysia, Chemquest Overseas Limited, another subsidiary of the Chemquest Group has entered into a fifty-fifty joint venture with Kerry Holdings Limited to establish Kerry Utilities Limited (KUL). KUL will be used to spearhead expansion activities into China and other ASEAN countries.

For a start, KULintends to actively bid for numerous environmental projects offered by the Beijing City Government in preparation for Olympics 2008.

UTILITIES & ENVIRONMENTAL OPERATIONS



happenings

Local celebrities enjoying themselves

GOLDEN SCREEN CINEMAS INTERNATIONAL SCREENS

Golden Screen Cinemas (GSC) has devoted four of its eighteen (18) screens at Mid Valley Megamall, Kuala Lumpur to non-mainstream, art house and foreign language movies. These are the International Screens which are the first and only in Malaysia.

YB Dato'Dr. Ng Yen Yen, claps the famous "clapper board" to launch the event.

On 19th March 2002, GSC celebrated its partnership with Guinness Anchor Berhad (Heineken) for the promotion of the International Screens. The event was officiated by YB Dato' Dr. Ng Yen Yen, Deputy Minister of Culture, Arts and Tourism which coincided with the promotional launch of the award winning French movie "Meilleur Espoir Feminin" by Gerard Jugnot. The function was well attended by the media, local celebrities, management team of Heineken, dignitaries from the various high commissions and embassies and GSC's other promotional partners.

Since its inception on 2nd December 1999, over 70 award winning foreign language films have been released under the International Screens banner. Thematic film festivals have also been held at International Screens, some in collaboration with foreign diplomatic missions and agencies.

YB Dato' Dr. Ng Yen Yen speaking with guests from the trade commissions

Some of the major events which have taken place at the International Screens are:-

- The opening of the premiere of "Topsy Turvy" in October 2000 by TRH The Earl and Countess of Wessex (Prince and Princess Edward).
- "French Film Fest" in November 2001 with the French Embassy.
- The visit of the celebrated Iranian director, Jafar Panahi for an Iranian Directors' Showcase.
- Joint exhibition of a German language movie "Run Lola Run" with the Goethe Institute of Germany.

GSC has gained a reputation for bringing quality films to the Malaysian audience and carved a niche market for itself among discerning viewers. Information on releases at the International Screens are posted on GSC's website – **www.gsc.com.my.**

press report

On 1 March 2002, a Press Briefing was held at the Gold Class, Golden Screen Cinemas, Mid Valley Megamall, to review the results of PPB for the financial year ended 31 December 2001. Eight members of the press from leading local news publications attended the Briefing.

The Executive Chairman of PPB, Mr Ong Ie Cheong together with other management staff dealt with the numerous questions from the press on the final results as well as the latest developments in the PPB Group.

For more articles on the PPB Group, please check the following local news publications:-

New Straits Times	- 2 March 2002, 14 March 2002
The Edge Malaysia	- 4 March 2002
Utusan Malaysia	- 2 March 2002
Nanyang Siang Pau	- 2 March 2002

PPB Group optimistic with improved outlook

By P.W. THONG

PPB Group Bhd is looking forward to a better performance in its current financial year to Dec 31 as the outlook improves for its core businesses, which include food, plantations, property and entertainment, said executive chairman Ong Ie Cheong.

Ong told a financial briefing in Kuala Lumpur yesterday the group's major profit earner, the food division, would see higher turnover as it expanded capacity at its flour milling operations.

He said PPB subsidiary FFM Bhd, the country's largest flour miller, had spent close to RM100mil of the group's annual capital expenditure budget of RM250mil to RM300mil on two new flour mills to increase total wheat milling capacity to about 3,000 tonnes per day by year's end, from 2,100 tonnes a day now.

FFM also planned to double chicken egg production at its poultry farms to 20 million eggs per day this year, he added.

Ong also sees the group's plantations division, headed by subsidiary PPB Oil Palms Bhd, faring better this year following the firming of crude palm oil (CPO) prices. For the year, he expects CPO prices to remain at a weighted average of RM1,050 per tonne.

He said PPB Oil Palms, which has over 100,000ha of oil palm plantation in Malaysia and Indonesia, was expected to see CPO production rise by between 9% and 10% this year.

He added that the group was looking to increase its plantations landbank to raise its oil palm acreage.

PPB was also looking at expanding its infrastructure and waste management division, as well as to complete its property development projects to boost future earnings, Ong said.

He said the focus on these two areas was to reduce the group's dependence on the food division.

"The food division will continue to

Ong Ie Cheong

play an important role in the group's profitability profile this year, contributing some 60% of group profit.

However, we hope to reduce that ratio to 50% in two years' time to allow a greater contribution from the infrastructure and waste management division – to 15%, from the current 5%," Ong said.

To achieve that, he said, PPB subsidiary ChemQuest Sdn Bhd would actively scout around for overseas infrastructure projects in sewage management, environmental engineering and utilities.

On the group's property division, Ong said its main property subsidiary, PPB Hartabina, was expected to reap more sales this year following the launch of the second phase of its Bukit Segar mixed residential properties in Cheras, Kuala Lumpur.

He said the project, which has an estimated sales value of RM94mil, would have 121 units of up-market bungalows and semi-detached houses.

On the group's investment in entertainment, Ong said the division, which included the Golden Screen Cinemas group, was being nursed back to health and was expected to break even, if not profitable, after losing RM12mil in 2000 and RM6mil last year.

For the year ended Dec 31 last year, PPB recorded a lower pre-tax profit of RM321.6mil, down 21% from RM408.9mil in 2000. Ong said the higher profit in 2000 included an extraordinary gain of RM96.1mil arising from the disposal of Ra-PPB (Tops) Retail and certain quoted investments. "There were no such exceptional gains last year," he added.

Earnings per share stood at 34.7 sen in 2001 compared with 49.8 sen in the previous year, and net tangible assets per share at RM5.58 against RM5.27 in 2000.

The group has proposed a final dividend of 10% (5% less tax and 5% tax exempt), payable on May 23.

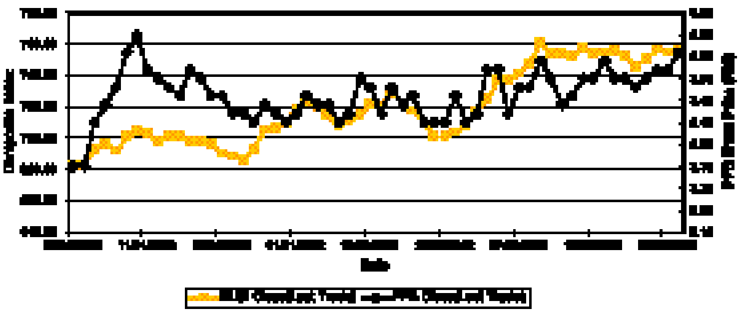
Newspaper cutting from **The Star** 2 March 2002

share analysis
on 31 December 01

PPB'S SHARE PERFORMANCE

	1st Q 2002	4th Q 2001	% change
PPB share price			
Closing price (high)	3.60	3.46	4.05%
Closing price (low)	3.30	3.08	7.14%
Month end closing price	3.56	3.32	7.23%
Weighted share price	3.46	3.30	4.84%
Market capitalization (RM' million)	1,746.62	1,628.87	7.23%
PPB share volume			
Daily volume (high)	774,000	546,670	41.58%
Daily volume (low)	2,000	2,670	-25.09%
Average daily volume	184,052	102,623	79.35%
Kuala Lumpur Composite Index			
KLCI closing (high)	761.01	696.09	9.33%
KLCI closing (low)	682.83	592.26	15.29%
KLCI month end closing	756.10	696.09	8.62%

KLCI & PPB Share Price For 1st Quarter 2002



The Kuala Lumpur Composite Index (KLCI) closed 60 points higher at 756.10 on 29 March 2002, compared with 696.09 on 31 December 2001. In March, positive developments in the corporate sector and renewed foreign interest led to improved investor confidence in the equity market. The upgrading of Malaysia's outlook from stable to positive by Standard & Poor's further improved market sentiments.

In line with the KLSE's performance, PPB's share price closed at RM3.56 on 29 March 2002, an increase of 7.2% over the closing price of on 31 December 2001. As at 31 March 2002, market capitalization of PPB shares was RM1.747 billion. PPB's daily average volume rose to 184,052 shares for the first quarter of 2002, an increase of 79.4% over the average volume for the last quarter of 2001.

Listed Subsidiaries

PPB Oil Palms Berhad (PPBOP)

The rebound in CPO and PK prices generated renewed interest in the Plantation Sector and PPBOP, a 57.8% subsidiary of PPB has been identified as a "top pick" by a number of investment research houses leading to a run-up of PPBOP's share price. PPBOP's share price closed at RM2.65 on 29 March 2002, a 21% increase from RM2.19 on 31 December 2001. The appreciation in PPBOP's share price, which enhances PPB's investment in PPBOP is expected to improve PPB's share value.

FFM Group Berhad (FFM)

FFM, a 53.8% subsidiary of PPB closed higher at RM5.45 on 29 March 2002 from RM4.94 on the last trading day of year 2001. The recovering economy is expected to have a positive impact on its share price.

CONSOLIDATED INCOME STATEMENT

(The figures have not been audited)

All figures in RM'000

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31 MAR 2002	Preceding Year Corresponding Quarter 31 MAR 2001	Current Year To-date 31 MAR 2002	Preceding Year Corresponding Period 31 MAR 2001
1. (a) Revenue	1,512,299	1,130,956	1,512,299	1,130,956
(b) Investment income	73	290	73	290
(c) Other income	9,348	7,021	9,348	7,021
2. (a) Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items	91,451	79,142	91,451	79,142
(b) Finance cost	(2,197)	(3,763)	(2,197)	(3,763)
(c) Depreciation and amortisation	(30,011)	(26,484)	(30,011)	(26,484)
(d) Exceptional items	7,428	145	7,428	145
(e) Profit/(loss) before share of associated companies' results, income tax, minority interests and extraordinary items	66,671	49,040	66,671	49,040
(f) Share of profits and losses of associated companies	22,772	17,504	22,772	17,504
(g) Profit/(loss) before income tax, minority interests and extraordinary items	89,443	66,544	89,443	66,544
(h) Income Tax	(16,914)	(17,364)	(16,914)	(17,364)
(i) (i) Profit/(loss) after income tax before deducting minority interests	72,529	49,180	72,529	49,180
(ii) Less minority interests	(26,851)	(16,524)	(26,851)	(16,524)
(j) Pre-acquisition profit/(loss), if applicable	-	-	-	-
(k) Net profit/(loss) from ordinary activities attributable to members of the Company	45,678	32,656	45,678	32,656
(l) (i) Extraordinary items	-	-	-	-
(ii) Less minority interests	-	-	-	-
(iii) Extraordinary items attributable to members of the Company	-	-	-	-
(m) Net profit/(loss) attributable to members of the Company	45,678	32,656	45,678	32,656
3. Earnings per share based on 2 (m) above after deducting any provision for preference dividends, if any:-				
(a) Basic (based on 490,623,124 ordinary shares) (sen)	9.31	6.66	9.31	6.66
(b) Fully diluted (sen)	9.28	6.66	9.28	6.66

All figures in RM'000	As At End of Current Quarter 31 MAR 2002	As at Preceding Financial Year End 31 DEC 2001
1. Property, plant and equipment	2,390,261	2,375,236
2. Investment property	16,476	15,153
3. Investment in associated companies	670,488	675,320
Investment in jointly controlled entities	637	671
4. Long term investments	242,155	242,384
5. Goodwill on consolidation	38,511	39,073
6. Intangible assets	-	-
7. Current Assets		
- Inventories	638,609	590,229
- Gross amount due from customers	11,787	10,455
- Trade receivables	306,257	369,025
- Cash and bank balances	65,562	39,785
- Deposits with banks and financial institutions	436,526	453,128
- Others - Other receivables	111,053	90,857
- Land held under development	42,325	44,874
- Amount due from associated companies	115,988	213,789
- Amount due from jointly controlled entities	20,269	45,808
	1,748,376	1,857,950
8. Current Liabilities		
- Trade payables	180,821	260,343
- Gross amount due to customers	11,213	29,602
- Other payables	158,639	143,192
- Hire purchase liabilities	193	163
- Short term borrowings	410,647	469,442
- Provision for taxation	14,315	32,459
- Others - Amount due to associated companies	40,844	61,801
	816,672	997,002
9. Net Current Assets	931,704	860,948
	4,290,232	4,208,785
10. Shareholders' Funds		
Share Capital	490,623	490,623
Reserves		
- Share premium account	21,140	21,140
- Revaluation reserve	143,259	142,399
- Capital reserve	120,453	122,939
- Unappropriated profit	2,023,580	1,974,690
- Others - Exchange translation reserve	23,799	23,737
	2,822,854	2,775,528
11. Minority interests	1,365,880	1,331,655
12. Long term borrowings	34,527	32,751
13. Hire purchase liabilities	-	73
Deferred income - Reserve on consolidation	11,628	11,721
14. Deferred taxation	55,343	57,057
	4,290,232	4,208,785
15. Net tangible assets per share (sen)	568	558

CONSOLIDATED BALANCE SHEET

NOTES

1. **Accounting policies**
The financial statements of the Group are prepared using the same accounting policies, methods of computation and basis of consolidation as those used in the preparation of the most recent annual financial statements.

2. **Exceptional items**

	Current Year Quarter 31 MAR 2002 RM'000	Current Year To-date 31 MAR 2002 RM'000
a) Profit on sale of an associated company	1,268	1,268
b) Profit on sale of a vessel	6,160	6,160
	7,428	7,428

3. **Extraordinary items**
There were no extraordinary items for the financial period under review.

4. **Taxation**
Taxation comprises:-

	Current Year Quarter 31 MAR 2002 RM'000	Current Year To-date 31 MAR 2002 RM'000
Malaysian taxation based on profit for the period:-		
Current	14,327	14,327
Deferred	(1,572)	(1,572)
Share of taxation of associated companies	1,629	1,629
	14,384	14,384
Foreign taxation		
Current	29	29
Deferred	-	-
Share of taxation of associated companies	2,595	2,595
	17,008	17,008
Over provision in prior years	(94)	(94)
	16,914	16,914

The effective tax rate is lower than the statutory rate mainly because of the utilisation of reinvestment allowance.

5. **Profit/Loss on sale of unquoted investments and/or properties**
There was a gain on sale of an unquoted investment in associated company amounting to RM1.268 million. There was no profits on sale of properties for the financial period under review.

6. **Quoted securities**
(a) There were no purchases and sales of quoted investment for the period under review.
(b) Total investments in quoted securities as at 31 March 2002 are as follows:-

	RM'000
At cost	226,447
At book value	219,701
At market value	195,765

There is no significant impairment in the value of the investments as the net tangible assets of the investments are mainly above book values. The quoted investments are held as long term investments.

7. **Changes in the composition of the Group**
PPB's 55% indirect subsidiary, Chemquest (Overseas) Ltd had on 12 March 2002 acquired a 50% equity interest in the entire issued and paid-up capital of Kerry Utilities Limited (KUL) equivalent to 1 ordinary share of USD1.00 for a total cash consideration of USD1.00. KUL, a company incorporated in Samoa, will explore investment opportunities in China especially in the water treatment, wastewater treatment and solid waste management actitivities.

8. **Status of corporate proposals**

The following are the corporate proposals that have been announced but not completed at the date of this announcement :-

The proposed disposal of the Company's 20% equity interest in Tanjung Aru Hotel Sdn Bhd to Orange Grove Holdings Pte Ltd for a cash consideration of RM30.710 million is pending the Securities Commission (SC)'s approval of the waiver of a general offer to be undertaken by the purchaser which is expected to be in July 2002. The proposed disposal is expected to be completed within 21 days from the date of approval by SC.

9. There were no issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial year to-date.

10. **Group borrowings**

Total Group borrowings as at 31 March 2002 are as follows:-

	RM'000 Total	RM'000 Secured	RM'000 Unsecured
Long term bank loans	4,230	-	4,230
Long term bank loans (USD)	41,420	5,890	35,530
Hire purchase liabilities	193	193	-
Repayments due within the next 12 months	(11,316)	(193)	(11,123)
	34,527	5,890	28,637
Short term bank borrowings			
Bills payable	249,449	-	249,449
Short term loans	102,200	-	102,200
Short term loans (USD)	36,658	-	36,658
Short term loans (Vietnamese Dong)	4,378	-	4,378
Current portion of long term loans	11,123	-	11,123
Current portion of hire purchase liabilities	193	193	-
	404,001	193	403,808
Bank overdrafts	6,839	-	6,839
	410,840	193	410,647

11. **Contingent liabilities**

The Group's contingent liabilities as at the date of this announcement are as follows :-

	RM'000
Unsecured guarantees issued in consideration of credit facilities granted to associated companies	23,800

12. **Financial instruments**

The group enters into foreign exchange contracts as a hedge against its confirmed sales and purchases in foreign currencies. The purpose of hedging is to preserve the values of trade receivables and payables against market risks.

These contracts are short term in nature with majority of them maturing in the next two months. As at 10 May 2002, the Group has hedged outstanding foreign currency of USD136.398 million equivalent to RM519.098 million.

13. **Material litigation**

a) Approximately 2,176.5 hectares of a piece of land alienated to Suburmas Plantations Sdn Bhd (Suburmas), a 70% subsidiary company of PPBOP, was compulsorily acquired by the Sarawak State Government on 30 June 1999. Suburmas has accepted the net compensation of RM16.54 million under protest and has applied to the Department of Lands 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 CH Williams, Talhar, Wong & Yeo Sdn Bhd. The High Court of Sabah and Sarawak has yet to set the date of hearing.

b) On 14 July 2000, a legal suit was filed at the High Court of Sabah and Sarawak at Sandakan (the court) against the Government of the State of Sabah challenging the alienation by the Sabah State Government to two subsidiary companies of PPBOP, Hibumas Sdn Bhd (Hibumas) and Penumilek Sdn Bhd (Penumilek) of a total of 5,700 acres (2,307 hectares) of land situated in Sugut and Bonggaya District of Sandakan (the lands). The lands form part of a total area of 25,784 acres (10,434 hectares) alienated to Hibumas and Penumilek, who were named as the Second and Third Defendants respectively. Management of Hibumas and Penumilek have sought legal advice and had on 12 September 2000 filed an application to strike out the plaintiff's suit (the Application). The hearing of the Application has been set for mention on 5 June 2002. The Directors are of the opinion that the suit is without merit.

NOTES continued

14. Segmental reporting

All figures in RM'000 Information About Business Segments:	Sugar refining and cane plantation	Flour, feed and grain milling	Palm oil refining and oil palm plantation	Livestock farming
REVENUE				
External Sales	181,000	160,525	1,020,897	11,415
Inter-Segment sales	-	5,825	20,637	549
Total revenue	181,000	166,350	1,041,534	11,964
RESULT				
Segment operating profit/(loss)	8,793	15,328	23,987	1,544
Unallocated corporate expense				
Operating profit				
Investing activities				
Finance costs				
Share of profit/(loss) of associates	(844)	-	14,707 *	-
Share of profit/(loss) of jointly controlled entities	-	-	-	-
Profit before taxation				
Income taxes				
Profit after taxation				
Minority interest				
Net profit				
OTHER INFORMATION				
Segment assets	266,561	495,866	1,973,476	110,079
Investment in associates	18,853	-	246,598	-
Investment in jointly controlled entities	-	-	-	-
Other investments				
Deposits with banks & financial institutions				
Unallocated corporate assets				
Total assets				
Segment liabilities	22,256	28,872	194,953	4,393
Bank borrowings				
Tax liabilities				
Unallocated corporate liabilities				
Total liabilities				

***** Included share of profit from an associate engaged in commodity trading amounting to RM14.506 million.***

 # Included profit from sale of vessel amounting to RM6.160 million.

Packaging	Waste management and water treatment	Film exhibition and distribution	Property investment and development	Others	Elimination	Total
17,309	24,423	18,703	9,542	68,485		1,512,299
4,116	-	-	405	5,175	(36,707)	0
21,425	24,423	18,703	9,947	73,660	(36,707)	1,512,299
3,558	586	1,335	2,989	643	504	59,267
						(506)
						58,761
						10,107 #
						(2,197)
-	2,696	(11)	911	5,346	-	22,805
-	-	(4)	-	(29)	-	(33)
						89,443
						(16,914)
						72,529
						(26,851)
						45,678
127,083	87,471	117,848	238,575	304,372	(12,767)	3,708,564
-	17,908	148	78,723	308,258	-	670,488
-	-	529	-	108	-	637
						242,155
						436,526
						48,534
						5,106,904
18,661	50,820	21,363	23,012	52,934	(24,173)	393,091
						445,367
						69,658
						10,054
						918,170

NOTES continued

15. **Material changes in the quarterly results compared to the results of the immediate preceding quarter**
The Group revenue of RM1.512 billion in the current quarter represents a drop of 18% when compared to RM1.849 billion in the preceding quarter ended 31 December 2001. This reduction was mainly due to lower throughput from the edible oil refining operations.

The Group profit before tax for the quarter under review of RM89.443 million was marginally lower compared to RM89.995 million for the preceding quarter. The plantation division contributed higher profits in the current quarter from its Indonesian operations mainly due to translation gains on USD loans arising from the strengthening of the Indonesian Rupiah. Sugar refining operations contributed lower profits in the current quarter due to reduced refining margins.

16. **Review of performance of the Company and its principal subsidiaries**
For the period ended 31 March 2002, the Group profit before tax and exceptional items of RM82.015 million was 24% higher when compared to RM66.399 million for the same period in the preceding year. Despite lower crop production, the plantation division improved on its profits attributable to significantly higher palm product prices. The property division generated a higher profit and the associated company engaged in water treatment also contributed higher profits to the Group compared to the corresponding quarter last year. The cinema operations have also turned profitable in this quarter.

17. **Material Subsequent Events**
The were no material subsequent events as at 10 May 2001, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

18. **Seasonal or cyclical factors**
The Group's operations are not affected by any seasonal or cyclical factors except for the oil palm plantation operations. As the cropping pattern of the oil palm plantations declined to a trough in the third quarter and is expected to rise to a peak in the last quarter, the performance of the plantations and mills will be affected accordingly.

19. **Prospects for the current financial year**
The sugar, flour and feed divisions are expected to maintain their profit levels similar to year 2001. Crude palm oil prices have improved significantly since the beginning of 2002 and at current levels, profits for the plantation division will be higher than in year 2001. The utilities and environmental engineering operations are also expected to maintain their contributions to Group profits. The Group profit before exceptional items for year 2002 is projected to be higher than that of the previous year.

20. **Variance of actual profit from forecast profit**
Not applicable

21. **Dividend**
The Final Dividend for the financial year ended 31 December 2001 has been approved by shareholders at the Annual General Meeting held on Friday, 3 May 2002.

The Directors do not recommend any interim dividend for the period under review.

23. **Dividends Paid / Declared**
Dividends paid and declared for financial years 2000, 2001 and up to the date of this report :-

Financial Year	Type	Rate	Payment Date
2000	Interim dividend	5 sen tax exempt & 5 sen less 28% income tax	22 September 2000
2000	Final dividend	10 sen less 28% income tax	31 May 2001
2001	Interim dividend	10 sen less 28% income tax	19 September 2001
2001	Final dividend	5 sen tax exempt & 5 sen less 28% income tax	23 May 2002

Kuala Lumpur
16 May 2002

By ***Order of the Board***
Tan Teong Boon
Company Secretary

announcements

2002

1 january

Dato' Sri Liang Kim Bang was appointed Chairman of PPB's Audit Committee.

22 february

PPB disposed of its 4-storey terraced shop house at Tanjung Batu Road, Taman Seaview, Bintulu, Sarawak to its 58.3% subsidiary, PPB Oil Palms Berhad, for a total cash consideration of RM800,000/.

28 february

Release of 4th Quarter Report for the year ended 31 December 2001.

12 march

PPB's 55% indirect subsidiary, Chemquest (Overseas) Ltd, acquired a 50% equity interest in Kerry Utilities Limited (KUL). KULis presently a dormant company which will be used to explore investment opportunities in China.

Please direct your suggestions or comments to Ms Koh Mei Lee, Senior Manager (Corporate Affairs Department).

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