

**PPB GROUP BERHAD (8167-W)**  
**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER**  
**ENDED 31 DECEMBER 2005**

*(The figures have been audited)*

**Condensed Consolidated Income Statements For The Year Ended 31 December 2005**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31 December</b>		<b>31 December</b>	
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	RM'000	RM'000	RM'000	RM'000
Revenue	2,867,288	2,683,516	10,687,950	10,999,682
Operating expenses	(2,725,591)	(2,530,075)	(10,192,959)	(10,416,710)
Other operating income	8,432	1,112	21,787	18,998
Profit from operations	150,129	154,553	516,778	601,970
Net profit from investing activities	(5,650)	46,099	59,681	81,119
Share of associated companies' profits less losses	21,993	9,388	66,982	65,546
Share of jointly controlled entities' profits less losses	984	(30)	710	(30)
Finance costs	(4,507)	(2,998)	(15,509)	(15,097)
Profit before taxation	162,949	207,012	628,642	733,508
Taxation	(38,249)	(43,588)	(160,407)	(183,792)
Profit after taxation	124,700	163,424	468,235	549,716
Minority interest	(16,625)	(30,857)	(73,656)	(149,052)
Net profit for the period	<u>108,075</u>	<u>132,567</u>	<u>394,579</u>	<u>400,664</u>
Earnings per share (sen) :-				
(a) Basic earnings per ordinary share	9.12	11.18	33.28	37.90

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to this report.)**

## Condensed Consolidated Balance Sheets

	As at 31-Dec-05 RM'000 (Audited)	As at 31-Dec-04 RM'000 (Audited)
Property, plant and equipment	2,780,267	2,642,271
Land held for property development	437	12,691
Investment in associated companies	633,826	598,741
Investment in jointly controlled entities	40,151	38,867
Long term investments	413,442	452,320
Goodwill on consolidation	32,413	34,687
Deferred tax assets	9,827	7,254
<b>Current Assets</b>		
Inventories	947,886	950,604
Property development costs	43,696	18,719
Receivables	714,529	840,030
Cash, bank balances and deposits	752,839	537,728
	<u>2,458,950</u>	<u>2,347,081</u>
<b>Current Liabilities</b>		
Payables	478,875	541,682
Short term borrowings	367,081	358,232
Taxation	23,008	32,688
	<u>868,964</u>	<u>932,602</u>
<b>Net Current Assets</b>	<u>1,589,986</u>	<u>1,414,479</u>
	<u><u>5,500,349</u></u>	<u><u>5,201,310</u></u>
<b>Financed by :</b>		
Share Capital	1,185,500	592,750
Reserves	<u>3,029,653</u>	<u>3,367,338</u>
Shareholders' equity	4,215,153	3,960,088
Minority interest	803,656	779,395
Long term borrowings	149,438	149,751
Reserve on consolidation	23,535	25,409
Deferred tax liabilities	<u>308,567</u>	<u>286,667</u>
	<u><u>5,500,349</u></u>	<u><u>5,201,310</u></u>
<b>Net assets per share (sen)</b>	423	400 *

\* The comparative net assets per share has been adjusted for the effect of the 1 for 1 Bonus Issue

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to this report.)**

**PPB GROUP BERHAD (8167-W)**  
**Condensed Consolidated Statement Of Changes In Equity**  
**For The Year Ended 31 December 2005**

	Non-distributable Reserves								
	Share capital RM'000	Share premium RM'000	Revaluation reserve RM'000	Exchange translation reserve RM'000	Capital reserve RM'000	Sub- total RM'000	Retained profits RM'000	Dividends RM'000	Total RM'000
At 1 January 2005	592,750	526,874	164,674	31,024	152,282	347,980	2,449,806	42,678	3,960,088
Net (losses)/gains not recognised in the income statement	-	-	-	(6,225)	10,033	3,808	(1,010)	-	2,798
Realised upon liquidation of subsidiary companies	-	-	-	(7,893)	-	(7,893)	-	-	(7,893)
Realised upon liquidation of an associate	-	-	-	(2,077)	-	(2,077)	-	-	(2,077)
Net profit for the period	-	-	-	-	-	-	394,579	-	394,579
Transfer of reserves	-	-	(2,494)	(30,419)	595	(32,318)	32,318	-	-
Bonus issue	592,750	(520,000)	-	-	-	-	(72,750)	-	-
Bonus issue expenses	-	(159)	-	-	-	-	-	-	(159)
Dividends	-	-	-	-	-	-	(89,505)	(42,678)	(132,183)
At 31 December 2005	<u>1,185,500</u>	<u>6,715</u>	<u>162,180</u>	<u>(15,590)</u>	<u>162,910</u>	<u>309,500</u>	<u>2,713,438</u>	<u>-</u>	<u>4,215,153</u>
At 1 January 2004	490,623	21,128	88,354	36,758	144,030	269,142	2,207,134	-	2,988,027
Net (losses)/gains not recognised in the income statement	-	-	79,362	(11,829)	12,399	79,932	(1,912)	-	78,020
Realised upon liquidation of a subsidiary company	-	-	-	(131)	-	(131)	-	-	(131)
Net profit for the period	-	-	-	-	-	-	400,664	-	400,664
Transfer of reserves	-	-	(3,042)	6,226	(4,147)	(963)	963	-	-
Dividends	-	-	-	-	-	-	(157,043)	42,678	(114,365)
Issue of shares	102,127	507,570	-	-	-	-	-	-	609,697
Shares issue expenses	-	(1,824)	-	-	-	-	-	-	(1,824)
At 31 December 2004	<u>592,750</u>	<u>526,874</u>	<u>164,674</u>	<u>31,024</u>	<u>152,282</u>	<u>347,980</u>	<u>2,449,806</u>	<u>42,678</u>	<u>3,960,088</u>

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to this report.)**

**PPB GROUP BERHAD (8167-W)**  
**Condensed Consolidated Cash Flow Statements**  
**For The Year Ended 31 December 2005**

	2005 RM'000	2004 RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	628,642	733,508
Adjustments :-		
Non-cash items	87,987	62,385
Non-operating items	(26,515)	(21,982)
Operating profit before working capital changes	690,114	773,911
Working capital changes		
Net change in current assets	134,261	(184,764)
Net change in current liabilities	(94,397)	(16,078)
Cash generated from operations	729,978	573,069
Tax paid	(137,244)	(130,220)
<b>Net cash generated from operating activities</b>	<b>592,734</b>	<b>442,849</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(320,536)	(256,428)
Proceeds from disposal of property, plant and equipment	16,533	17,236
Investment in subsidiary companies	(13,477)	(211,279)
Investment in associated companies	(989)	(65,984)
Investment in jointly controlled entities	-	(11,327)
Proceeds from disposal of investments	63,929	44,904
Advances to associated companies	(18,353)	(63,865)
Dividend received from investments	43,499	42,361
Interest received	17,229	16,469
Other investing activities	(1,191)	(857)
<b>Net cash used in investing activities</b>	<b>(213,356)</b>	<b>(488,770)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Shares issued to minority shareholders of subsidiary companies	4,644	6,696
Bank borrowings	20,290	29,775
Interest paid	(18,295)	(16,269)
Dividends paid	(167,677)	(172,802)
Other financing activities	61	3,075
<b>Net cash (used in)/generated from financing activities</b>	<b>(160,977)</b>	<b>(149,525)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>218,401</b>	<b>(195,446)</b>
Cash and cash equivalents at 1 January	519,858	715,637
Effect of exchange rate changes	(2,432)	(333)
<b>Cash and cash equivalents at 31 December</b>	<b>735,827</b>	<b>519,858</b>

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2004 and the accompanying explanatory notes attached to this report.)**

## NOTES

**A. FRS (Financial Reporting Standards) 134 - Paragraph 16****A1. Accounting policies**

The interim financial statements of the Group have been prepared using the same accounting policies and methods of computation as those used in the preparation of the last annual financial statements for the financial year ended 31 December 2004, and comply with the requirements of FRS 134 - Interim Financial Reporting and Chapter 9, Part K of the Listing Requirements of Bursa Malaysia Securities Berhad ("BMSB").

**A2. Disclosure of audit report qualification and status of matters raised**

There was no qualification in the audit report of the preceding annual financial statements.

**A3. Seasonal or Cyclicity of Interim Operations**

The Group's operations are not affected by any seasonal or cyclical factors except for the oil palm plantation operations in which the cropping pattern declines to a trough in the first half of the year and rises to a peak in the second half, and this is reflected accordingly in the production of the Group's plantations and mills.

**A4. Unusual items affecting assets, liabilities, equity, net income, or cash flow**

There were no items of unusual nature, size or incidence that affect the assets, liabilities, equity, net income and cash flows of the Group during the current period under review.

**A5. Nature and amount of changes in estimates**

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years, which have a material effect in the current interim period.

**A6. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

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 except for the 1 for 1 Bonus Issue of 592,749,941 new ordinary shares of RM1.00 each in the Company which was completed on 22 June 2005.

**A7. Dividends paid**

	Individual Quarter 3 months ended 31-Dec-2005 RM'000	Cumulative Quarter 12 months ended 31-Dec-2005 RM'000
<u>Dividends paid on ordinary shares</u>		
2004 : 2nd interim dividend - 10 sen less 28% income tax	-	42,678
2004 : Final dividend - 2.5 sen tax exempt & 7.5 sen less 28% income tax	-	46,827
2005 : Interim dividend - 5 sen less 28% income tax	42,678	42,678
	<u>42,678</u>	<u>132,183</u>

## A8. Segmental reporting

Segmental information in respect of the Group's business segments for the year ended 31 December 2005

<i>All figures in RM'000</i>	Sugar refining and cane plantation	Grains trading, flour and feed milling	Edible oils refining and trading	Oil palm plantations	Livestock farming	Packaging	Environmental engineering, waste management and utilities	Film exhibition and distribution	Property investment and development	Other operations	Elimination	Consolidated
<b>Information About Business Segments:</b>												
<b>REVENUE</b>												
External sales	798,274	846,727	8,009,921	117,111	72,566	116,240	70,897	120,281	48,630	487,303	-	10,687,950
Inter-segment sales	21	57,087	116,114	468,034	11,385	18,916	-	-	1,153	36,894	(709,604)	-
Total revenue	<u>798,295</u>	<u>903,814</u>	<u>8,126,035</u>	<u>585,145</u>	<u>83,951</u>	<u>135,156</u>	<u>70,897</u>	<u>120,281</u>	<u>49,783</u>	<u>524,197</u>	<u>(709,604)</u>	<u>10,687,950</u>
<b>RESULT</b>												
Segment operating results	90,755	57,429	126,240	164,504	18,852	4,879	(6,122)	17,956	18,841	40,865	617	534,816
Unallocated corporate expense												(18,038)
Profit from operations												516,778
Investing activities												59,681
Finance costs												(15,509)
Share of associated companies' profits less losses	4,959	10,410	20,875	1,873	-	-	14,087	481	5,173	9,124	-	66,982
Share of jointly controlled entities' profits less losses	-	-	-	-	-	-	710	-	-	-	-	710
Profit before taxation												<u>628,642</u>

**A9. Valuation of Property, Plant and Equipment**

There were no amendments in the valuation of property, plant and equipment brought forward from the previous annual financial statements.

**A10. Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

**A11. Changes in the composition of the Group**

There were no changes in the composition of the Group arising from business combinations, acquisition or disposal of subsidiary companies and long-term investments, restructurings, and discontinued operations for the current interim period, except for the following:-

(a) PPBOP has completed the following acquisitions of the subsidiary companies:-

1. the entire issued and paid-up capital of Fit Best Holdings Limited ("Fit Best"), a limited company incorporated in the British Virgin Islands, for a cash consideration of USD651 on 26 October 2005. Fit Best in turn owns the entire issued and paid-up share capital of Joy Victory Pte Ltd ("Joy Victory"), a limited company incorporated in Singapore. Both Fit Best and Joy Victory are presently dormant.
2. the entire issued and paid-up share capital of Wealth Anchor Pte Ltd ("Wealth Anchor"), a limited company incorporated in Singapore, for a cash consideration of SGD1.00. Wealth Anchor had on 21 November 2005 acquired 96% equity interest in PT Guna Karya Lestari ("GKL"), comprising 24 shares of Rupiah1 million each for cash at par, equivalent to a total consideration of Rupiah24 million. On 9 December 2005, Wealth Anchor further acquired 98% equity interest in PT Guna Karya Mandirijaya ("GKM"), comprising 49 shares of Rupiah 500,000 each for cash at par, equivalent to a total consideration of about Rupiah25 million. Both GKL and GKM are limited companies incorporated in Indonesia.
3. eight wholly-owned subsidiary companies incorporated in Indonesia via its wholly-owned subsidiary companies for the proposed development of oil palm plantations as follows:-

	Wholly-owned	Indonesia	Equity	Purchase
<u>Date of</u>	<u>Subsidiary</u>	<u>Subsidiary</u>	<u>Interest</u>	<u>Consideration</u>
(i) 7 Oct 2005	Richdelta Ptd Ltd	PT Bulau Sawit Bajenta	75.0%	375
(ii) 14 Oct 2005	Maxillion Ptd Ltd	PT Pukun Mandiri Lestari	95.0%	950
(iii) 14 Oct 2005	Stephigh Pte Ltd	PT Alam Sawit Permai	95.0%	950
(iv) 21 Oct 2005	Maxceed Pte Ltd	PT Benua Alam Subur	95.0%	950
(v) 21 Oct 2005	Quanta Pte Ltd	PT Hamparan Sawit Eka Malan	95.0%	285
(vi) 28 Oct 2005	Rosevale Pte Ltd	PT Petak Malai Sawit Makmur	94.3%	283
(vii) 28 Oct 2005	Ampleville Pte Ltd	PT Bawak Sawit Tunas Belum	95.0%	285
(viii) 6 Dec 2005	Gadsden Pte Ltd	PT Malindo Lestari Plantations	95.1%	485

(b) Chemquest Management Services Sdn Bhd, a wholly-owned indirect subsidiary has been placed under Member's Voluntary Winding-up on 16 September 2005. The liquidation is in progress.

(c) Chemquest International Pte Ltd and Garbagemaster Pte Ltd, both indirect wholly-owned subsidiaries have been placed under Member's Voluntary Winding-up on 27 September 2005. The liquidation is in progress.

- (d) Stock and Trade Limited, a wholly-owned indirect subsidiary has been placed under Member's Voluntary Winding-up on 30 September 2005. The liquidation has been completed on 18 November 2005.
- (e) Tri-Electro Sdn Bhd, a 76% indirect subsidiary of the Company, was placed under Members' Voluntary Winding-up on 4 August 2003. The liquidation is still in progress.
- (f) Jasa Karya Sdn Bhd ("JKSB"), a wholly-owned dormant subsidiary company of PPBOP, has been placed under Members' Voluntary Winding-up on 3 November 2004. The liquidation is still in progress.
- (g) Film Allied Services Sdn Bhd, an indirect wholly-owned subsidiary company, has been placed under Members' Voluntary Winding-up on 11 October 2004. The liquidation is still in progress.
- (h) Leisure Bowl Centres Sdn Bhd, an indirect wholly-owned subsidiary company, has been placed under Members' Voluntary Winding-up on 22 September 2004. The liquidation is still in progress.
- (i) On 31 October 2005, PPB Leisure Holdings Sdn Bhd, a wholly-owned subsidiary of PPB, acquired/subscribed for up to 60,000 ordinary shares of RM1.00 each for cash at par in EASI (M) Sdn Bhd (formerly known as EPT Consulting Sdn Bhd) ["EASI"]. EASI is the sole distributor of the Point-of-Sale software.
- (j) On 31 October 2005, Chemquest Waste Management Sdn Bhd ("CWM"), a 98.95% indirect subsidiary of PPB disposed of its entire 25% equity interest in Konsortium Abass Sdn Bhd ("Abass") comprising 2.5 million ordinary shares of RM1.00 each and 21.875 million redeemable cumulative preference shares of RM0.01 each to Titisan Modal (M) Sdn Bhd for a total cash consideration of RM132 million. The disposal is pending the relevant approvals and Abass will cease to be an associate of PPB upon completion of the disposal.
- (k) On 30 November 2005, EASI (M) Sdn Bhd (formerly known as EPT Consulting Sdn Bhd) ["EASI"], a 60% indirect subsidiary of PPB, acquired the entire issued and paid-up share capital consisting of 1 ordinary share of SGD1.00 in Enterprise Advanced System Intelligence Pte Ltd ("EASI (S)"), for cash at par. EASI (S) will provide information of technology services and distribution of Point-of-Sale software in Singapore.
- (l) On 15 December 2005, Leisure Bowl (JB) Sdn Bhd, a 60% indirect subsidiary of PPB, was placed under members' voluntary winding-up as it had ceased operations in November 2003. The liquidation is still in progress.

**A12. Changes in contingent liabilities or contingent assets**

The guarantees issued by the Group in respect of credit facilities granted by financial institutions to associated companies as at 31 December 2005 were RM23.60 million (2004 : RM17.80 million).

There were no contingent assets as at the end of the current interim period.

**B. BMSB Listing Requirements (Part A of Appendix 9B)****B1. Review of Performance for the current quarter and financial year-to-date**

The Group revenue of RM10.688 billion for the year ended 31 December 2005 is 3% lower when compared with RM11.000 billion in the previous year mainly due to lower refined palm product and CPO prices realised.

Group profit before tax of RM629 million was 14% lower compared with RM734 million in the previous year. The sugar refining division recorded lower profits due to higher raw material prices whilst profits from the oil palm plantation division were also lower due to lower average CPO prices compounded by higher operating expenditure attributed to higher volume of FFB processed and increase in fertiliser costs. Improvements in profits were recorded in the edible oils refining, grains trading, flour and feed milling, livestock farming, film exhibition & distribution and manufacturing divisions. The waste management and utilities division incurred a loss mainly due to losses from a Singapore subsidiary which was subsequently divested during the year.

**B2. Material changes in the quarterly results compared to the results of the immediate preceding quarter**

The Group profit before tax for the quarter under review of RM163 million was 8% higher compared with RM151 million for the preceding quarter mainly due to higher profits from the oil palm plantation and edible oils refining divisions. Profits from the plantation operations were higher due to better CPO prices, higher crop production and translation gain of USD loans recorded by the Indonesian subsidiaries in this quarter.

**B3. Prospects for current financial year**

Contributions to Group profits by the oil palm plantation division will be higher assuming that CPO prices stay at current levels together with projected higher crop production. The sugar refining division will continue to be affected by the higher raw material prices whilst the Group's other business operations are expected to perform satisfactorily. Overall, it is envisaged that 2006 will be a challenging year. However the Group is well positioned to meet these challenges.

**B4. Variance of actual profit from forecast profit**

Not applicable.

**B5. Taxation**

	Individual Quarter 3 months ended 31-Dec-2005 RM'000	Cumulative Quarter 12 months ended 31-Dec-2005 RM'000
Taxation comprises:-		
Malaysian taxation based on profit for the period:-		
Current	25,174	119,941
Deferred	4,899	19,577
Share of taxation of associated companies	2,046	10,069
	<u>32,119</u>	<u>149,587</u>
Foreign taxation		
Current	1,231	1,571
Deferred	1,032	(2,205)
Share of taxation of associated companies	2,250	9,844
Share of taxation of jointly controlled entities	228	228
	<u>36,860</u>	<u>159,025</u>
(Over)/under provision		
Current	307	(460)
Deferred	1,082	1,842
	<u>38,249</u>	<u>160,407</u>

The effective tax rate is lower than the statutory rate mainly due to non-taxable and tax exempt income and utilisation of reinvestment allowances.

**B6. Profit/Loss on sale of unquoted investments and / or properties**

There was no sale of unquoted investments. However, there was a profit on sale of properties amounting to RM6.397 million for the current financial year-to-date under review.

**B7. Quoted securities**

(a) Total purchases and disposals of quoted securities for the current quarter and financial year-to-date under review were as follows :-

	Individual Quarter 3 months ended 31-Dec-2005 RM'000	Cumulative Quarter 12 months ended 31-Dec-2005 RM'000
Total cost of purchases	281	310
Total proceeds from disposals	291	63,929
Profit on disposal	(1)	26,812

(b) Total investments in quoted securities as at 31 December 2005 were as follows:-

	RM'000
At cost	405,789
At book value	399,170
At market value	628,089

**B8. Status of corporate proposals**

On 13 October 2004, the Company entered into two separate conditional Share Sales Agreements for the disposal of its entire 12.15% equity interest in Gula Padang Terap Sdn Bhd comprising 13,000,000 ordinary shares of RM1.00 each and 12.15% equity interest in Gula Padang Terap Plantations Sdn Bhd comprising 121,500 ordinary shares of RM1.00 each. To date, certain conditions precedent have not yet been fulfilled and the prescribed period for their fulfillment/satisfaction has been extended for a further period of 6 months commencing on 13 February 2006 and expiring on 12 August 2006.

**B9. Group borrowings**

Total Group borrowings as at 31 December 2005 were as follows:-

	RM'000 Total	RM'000 Secured	RM'000 Unsecured
Long term bank loans	9,819	-	9,819
Long term bank loans (USD)	132,607	-	132,607
Long term bank loans (RMB)	22,962	-	22,962
Hire purchase liabilities	774	774	-
Repayments due within the next 12 months	(16,724)	(599)	(16,125)
	<u>149,438</u>	<u>175</u>	<u>149,263</u>
Short term bank borrowings			
Bills payable	236,131	-	236,131
Short term loans	80,195	-	80,195
Short term loans (USD)	28,090	-	28,090
Current portion of long term loans	16,125	-	16,125
Hire purchase liabilities	599	599	-
	<u>361,140</u>	<u>599</u>	<u>360,541</u>
Bank overdrafts	5,941	1,921	4,020
	<u>367,081</u>	<u>2,520</u>	<u>364,561</u>

**B10. Off Balance Sheet Financial Instruments****Foreign Currency Contracts**

The Group enters into forward foreign exchange contracts as a hedge for its confirmed sales and purchases in foreign currencies. The purpose of hedging is to protect the Group against unfavourable movement in exchange rate. Gains or losses from changes in the fair value of foreign currency contracts offset the corresponding losses or gains on the receivables and payables covered by the instrument.

As at 22 February 2006, the Group has hedged outstanding foreign currency contracts of USD83.754 million equivalent to RM314.761 million. These contracts are short term and majority are due to mature within the next two months.

There is minimal credit risk because these contracts are entered into with licensed financial institutions.

Besides a small fee, there is no cash requirement for these instruments.

**Commodities Futures Contracts**

The Group enters into commodity future contracts to hedge its exposure to price volatility in palm oil commodities. Gains and losses on contracts which are no longer designated as hedges are included in the income statement.

There is minimal credit risk because these contracts are entered into through the Bursa Malaysia Derivatives.

Besides a small fee, the Group is required to place margin deposit for these outstanding contracts.

The Group does not have any outstanding CPO futures contract as at 22 February 2006.

### **B11. Material litigation**

As previously reported, Suburmas Plantations Sdn Bhd, a 70% owned subsidiary of PPB Oil Palms Berhad had submitted a claim for RM77.3 million on about 2,176 hectares of land compulsorily acquired by the Sarawak State Government. The claim has been filed at the High Court, Bintulu. The date of hearing has been fixed for 17 to 21 July 2006.

### **B12. Dividend**

The Board of Directors is pleased to recommend a final dividend for the financial year ended 31 December 2005 of 15 sen per share less 28% income tax (2004 : 10 sen per share comprising 2.5 sen tax exempt and 7.5 sen less 28% income tax) payable on Wednesday, 7 June 2006 subject to approval of shareholders at the 37th Annual General Meeting to be held on Thursday, 18 May 2006.

Together with the interim dividend of 5 sen per share less 28% income tax paid on 28 September 2005, the total dividend paid and payable to-date for the financial year ended 31 December 2005 is 20 sen per share less 28% income tax (2004 : 30 sen per share comprising of 7.5 sen tax exempt and 22.5 sen less 28% income tax).

#### **Dividend payment/entitlement date**

Notice is hereby given that the final dividend will be payable on Wednesday, 7 June 2006 to shareholders whose names appear in the Record of Depositors at the close of business on Wednesday, 24 May 2006.

A Depositor shall qualify for entitlement only 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 the Bursa Malaysia Securities Berhad ("BMSB") on a cum entitlement basis according to the Rules of the BMSB.

#### **Dividends Paid / Payable**

Dividends paid and payable for the financial year 2004 and up to the date of this report are as follows :-

Financial Year	Type	Rate	Payment Date
2004	Interim dividend	5 sen tax exempt & 5 sen less 28% income tax	27 September 2004
2004	2nd Interim dividend	10 sen less 28% income tax	24 January 2005
2004	Final dividend	2.5 sen tax exempt & 7.5 sen less 28% income tax	30 May 2005
2005	Interim dividend	5 sen less 28% income tax *	28 September 2005
2005	Final dividend	15 sen less 28% income tax *	Payable on 7 June 2006

\* Based on the enlarged share capital after the 1 for 1 Bonus Issue.

**B13. Earnings per Share**

The basic earnings per share has been calculated by dividing the Group's net profit for the current period by 1,185,499,882 ordinary shares in issue during the period. The comparative earnings per share in 2004 has been adjusted for the effect of the 1 for 1 Bonus Issue.

There is no diluted earnings per share for the current period or financial year-to-date as there were no dilutive potential ordinary shares.

**Kuala Lumpur**  
**28 February 2006**

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