

"Kulim has gained international recognition for consistently producing quality fatty acids and derivatives"



Ahamad Mohamad
Managing Director

StarBiz, Monday, 28 March 2005

financial statements

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directors' report

The Directors are pleased to submit their annual report to the members together with the audited financial statements of the Group and Company for the year ended 31 December 2004.

Principal Activities

The principal activities of the Company consist of investment holding, property investment and oil palm plantation in Malaysia.

The principal activities of the subsidiaries are described in Note 12 to the financial statements.

There were no significant changes in the nature of these activities during the year except that the Group has commenced the provision of plantation management services and consultancy and mechanical equipment and parts dealing.

Financial Results

	Group RM'000	Company RM'000
Profit after taxation	197,880	73,296
Minority interest	(29,537)	0
Net profit for the year	168,343	73,296

Dividends

The dividends paid or declared by the Company since 31 December 2003 are as follows:

	RM'000
In respect of the year ended 31 December 2003, interim dividend of 5 sen per share, less income tax 28%, on 189,156,240 ordinary shares, paid on 25 February 2004	6,810
In respect of the year ended 31 December 2004, interim dividend of 5 sen per share, less income tax of 28%, on 259,975,647 ordinary shares, paid on 3 December 2004.	9,359

The Directors do not recommend the payment of any final dividend for the year ended 31 December 2004.

Reserves And Provisions

All material transfers to or from reserves and provisions during the year are shown in the financial statements.

Issue Of Shares And Warrants

During the year:

- a. 94,588 new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of warrants issued together with the 1994/1999 Bonds prior to their expiration on 27 January 2004 at an exercise price of RM3.30 per share. The Bonds were repaid in 1999 and the remaining warrants have lapsed after 27 January 2004.
- b. 235,300 new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's Employee Share Option Scheme ("ESOS") at an exercise price of RM2.04 per share.
- c. the Company allotted and issued 19,565,217 and 5,163,135 new ordinary shares of RM0.50 each at an issue price of RM2.30 per ordinary share as partial discharge of purchase consideration for acquisitions of EPA Management Sdn Bhd and Kumpulan Bertam Plantations Berhad respectively.
- d. subscription of renounceable rights issue with warrants of 47,289,060 new ordinary shares of RM0.50 each at RM1.50 per share together with 47,289,060 detachable free warrants on the basis of one (1) new ordinary shares of RM0.50 each together with one (1) free warrant for every four (4) existing ordinary shares of RM0.50 each. Details of the warrants are disclosed in Note 25 to the financial statements.

The new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares of the Company.

Employee Share Option Scheme

The Company implemented an ESOS on 27 August 2004 for a period of 5 years. The ESOS is governed by the by-laws which were approved by the shareholders on 29 June 2004.

Details of the ESOS are set out in Note 25 to the financial statements.

The Company has been granted exemption by the Registrar of Companies from having to disclose in this report the name of the persons to whom options of less than 48,000 shares have been granted and details of their holdings. This information has been separately filed with the Registrar of Companies.

Directors

The Directors who have held office during the period since the date of the last report are:

Tan Sri Dato' Muhammad Ali Hashim

Ahamad Mohamad

Tan Sri Datuk Arshad Ayub

Dato' Johari Mohamed

Tan Sri Dato' Dr Md Noordin Md Sopiee

Wong Seng Lee

Zainah Mustafa

Kua Hwee Sim

Jamaludin Md Ali

Datin Paduka Siti Sa'diah Sh Bakir (appointed on 1 January 2005)

In accordance with Article 97 of the Company's Articles of Association, Tan Sri Dato' Muhammad Ali Hashim and Ahamad Mohamad retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 97 of the Company's Article of Association, Tan Sri Dato' Dr Md Noordin Md Sopiee retires by rotation at the forthcoming Annual General Meeting and, does not offer himself for re-election.

In accordance with Article 83 of the Company's Articles of Association, Datin Paduka Siti Sa'diah Sh Bakir, who was appointed during the period, retires at the forthcoming Annual General Meeting and, being eligible, offers herself for election.

Tan Sri Datuk Arshad Ayub, being over seventy years of age, retires in accordance with Section 129(2) of the Companies Act 1965 and has offered himself for reappointment in accordance with Section 129(6) of the said Act to hold office until the conclusion of the next Annual General Meeting of the Company.

Directors' Benefits

During and at the end of the year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the Company's Employee Share Option Scheme (see Note 7 to the financial statements).

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than directors' remuneration disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors received remuneration from the Company's ultimate holding corporation and certain related companies.

Directors' Interests In Shares and Debentures

According to the register of directors' shareholdings, particulars of interests of Directors who held office at the end of the year in shares and options over shares in the Company, its subsidiaries and its related corporations are as follows:

Number of Ordinary Shares of RM0.50 each				
	At 1.1.2004	Bought	Sold	At 31.12.2004
Company				
Tan Sri Dato' Muhammad Ali Hashim				
– direct	208,000	70,000	0	278,000
– deemed interested	12,000	4,400	0	16,400
Ahamad Mohamad	70,000	60,600	0	130,600
Tan Sri Datuk Arshad Ayub				
– direct	695,000	187,950	0	882,950
– deemed interested	1,100,800	282,400	0	1,383,200
Wong Seng Lee	30,000	17,950	0	47,950
Jamaludin Md Ali	0	3,600	0	3,600

Number of Ordinary Shares of RM1.00 each

	At 1.1.2004	Bought	Sold	At 31.12.2004
In Related Companies				
Johor Land Berhad*				
Tan Sri Datuk Arshad Ayub				
– direct	49,000	0	0	49,000
– deemed interested	273,000	0	0	273,000
Kua Hwee Sim	9,000	0	0	9,000
Tan Sri Dato' Dr Md Noordin Md Sopiee	23,000	0	0	23,000
Tan Sri Dato' Muhammad Ali Hashim	0	46,000	0	46,000
Jamaludin Md Ali	0	9,200	0	9,200

*On 20 December 2004, Johor Land Berhad issued 22 million new ordinary shares of RM1.00 each to Johor Corporation, the Company's ultimate holding corporation. As a result, the Company's shareholding in Johor Land Berhad decreased from 50.55% to 41.43% and Johor Land Berhad was no longer a subsidiary of the Company but became an associate.

Number of Ordinary Shares of RM1.00 each

	At 1.1.2004	Bought	Sold	At 31.12.2004
Sindora Berhad				
Tan Sri Dato' Muhammad Ali Hashim	40,000	29,300	0	69,300
Tan Sri Datuk Arshad Ayub				
– direct	225,000	7,000	0	232,000
– deemed interested	677,000	26,000	0	703,000
Jamaludin Md Ali	0	5,800	0	5,800
Dato' Johari Mohamed	30,000	0	30,000	0
KPJ Healthcare Berhad				
Tan Sri Dato' Muhammad Ali Hashim				
– direct	48,000	33,100	0	81,100
– deemed interested	12,000	0	0	12,000
Tan Sri Datuk Arshad Ayub				
– direct	386,000	0	0	386,000
– deemed interested	733,000	0	0	733,000
Jamaludin Md Ali	0	6,600	0	6,600

Directors' Interests In Shares and Debentures cont'd

Number of options over Ordinary Shares of RM0.50 each

	At 1.1.2004	Granted	Exercised	At 31.12.2004
Company				
Ahamad Mohamad	0	50,000	0	50,000
Wong Seng Lee	0	48,000	9,600	38,400

Number of Warrants

	At 1.1.2004	Bought	Sold	At 31.12.2004
Company				
Tan Sri Dato' Muhammad Ali Hashim				
– direct	0	52,000	42,000	10,000
– indirect	0	4,400	4,400	0
Tan Sri Datuk Arshad Ayub				
– direct	0	100,450	0	100,450
– deemed interested	0	276,300	0	276,300
Ahamad Mohamad	0	24,600	24,600	0
Wong Seng Lee	0	7,550	0	7,550

Other than disclosed above, according to the register of directors' shareholdings, the Directors in office at the end of the year did not hold any interest in shares and options over shares in the Company or shares, options over shares and debentures of its related corporations during the year.

Statutory Information On The Financial Statements

Before the income statements and balance sheets were made out, the Directors took reasonable steps:

- 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 satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may affect the ability of the Group or Company to meet their obligations when they fall due.

At the date of this report, there does not exist:

- a. any charge on the assets of the Group or Company which has arisen since the end of the year which secures the liability of any other person; or
- b. any contingent liability of the Group or Company which has arisen since the end of the year.

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

- a. the results of the Group's and Company's operations during the year were not substantially affected by any item, transaction or event of a material and unusual nature except as disclosed in Note 12 to the financial statements; and
- b. there has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group or Company for the year in which this report is made.

Ultimate Holding Corporation

The Company's ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995).

Auditors

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 31 March 2005.



TAN SRI DATO' MUHAMMAD ALI HASHIM
Chairman



AHAMAD MOHAMAD
Managing Director

statement by directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

We, Tan Sri Dato' Muhammad Ali Hashim and Ahamad Mohamad, two of the Directors of Kulim (Malaysia) Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 113 to 195 are drawn up so as to give a true and fair view of the state of affairs of the Group and Company as at 31 December 2004 and of the results and cash flows of the Group and Company for the year ended on that date in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution dated 31 March 2005.



TAN SRI DATO' MUHAMMAD ALI HASHIM
Chairman



AHAMAD MOHAMAD
Managing Director

statutory declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Sheik Sharufuddin Sheik Mohd, the officer primarily responsible for the financial management of Kulim (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 113 to 195, are, in my opinion, 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.



SHEIK SHARUFUDDIN SHEIK MOHD

Subscribed and solemnly declared by the abovenamed
Sheik Sharufuddin Sheik Mohd at Johor Bahru in Malaysia
on 31 March 2005 before me.



Commissioner for Oaths

report of the auditors

TO THE MEMBERS OF KULIM (MALAYSIA) BERHAD (Incorporated in Malaysia) (Company No. 23370-V)

We have audited the financial statements set out on pages 113 to 195. 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 these 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 in Malaysia. Those 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 Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

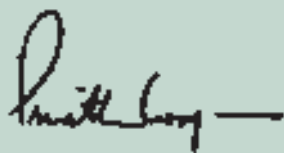
In our opinion:

- a. the financial statements have been prepared in accordance with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i. the matters required by Section 169 of the Companies Act 1965 to be dealt with in the financial statements; and
 - ii. the state of affairs of the Group and the Company as at 31 December 2004 and of the results and cash flows of the Group and the Company for the year ended on that date;
- and
- b. the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

The names of the subsidiaries of which we have not acted as auditors are indicated in Note 12 to the financial statements. We have considered the financial statements of these subsidiaries and the auditors' reports thereon.

We are satisfied that the financial statements of the subsidiaries 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 subsidiaries were not subject to any material qualification and did not include any comment made under Subsection (3) of Section 174 of the Act.



PRICEWATERHOUSECOOPERS

(No. AF-1146)

Chartered Accountants



CHO CHOO MENG

(No. 2082/09/06 (J))

Partner of the firm

Johor Bahru
31 March 2005

consolidated income statement

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 RM'000	2003 RM'000
Revenue	4	1,454,679	1,028,166
Cost of sales	5	(952,166)	(686,575)
Gross profit		502,513	341,591
Other operating income		53,538	56,444
Selling and distribution expenses		(97,036)	(80,482)
Administrative expenses		(107,771)	(78,331)
Other operating expenses		(51,155)	(13,891)
Profit from operations	6	300,089	225,331
Finance cost	8	(30,091)	(35,961)
Share of results of associates		14,878	9,324
Profit from ordinary activities before tax		284,876	198,694
Tax expense	9		
– Company and subsidiaries		(83,799)	(65,178)
– Associates		(3,197)	(1,498)
		(86,996)	(66,676)
Profit from ordinary activities after tax		197,880	132,018
Minority interest		(29,537)	(26,797)
Net profit for the year		168,343	105,221
		Sen	Sen
Earnings per share	10		
Basic		78.00	55.66
Fully diluted		75.24	55.66
Dividends per ordinary share in respect of the year	33	5.00	5.00

company income statement

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 RM'000	2003 RM'000
Revenue	4	205,338	196,792
Cost of sales	5	(85,445)	(92,581)
Gross profit		119,893	104,211
Other operating income		721	19,117
Selling and distribution expenses		(2,141)	(2,302)
Administrative expenses		(14,110)	(9,828)
Profit from operations	6	104,363	111,198
Finance cost	8	(12,822)	(16,735)
Profit from ordinary activities before tax		91,541	94,463
Tax expense	9	(18,245)	(17,893)
Net profit for the year		73,296	76,570
		Sen	Sen
Dividends per ordinary share in respect of the year	33	5.00	5.00

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Kulim (Malaysia) Berhad
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consolidated balance sheet

AS AT 31 DECEMBER 2004

	Note	2004 RM'000	2003 RM'000
Non-Current Assets			
Property, plant and equipment	11	3,042,747	2,833,503
Investments in associates	13	80,320	37,298
Long term investments	14	51,692	34,215
Land held for future development	15	0	64,668
Deferred farm expenditure		2,930	827
Goodwill on consolidation	16	5,822	9,046
Deferred tax assets	9	127	0
		3,183,638	2,979,557
Current Assets			
Inventories	17	119,497	160,529
Land and development expenditure	18	0	56,635
Trade and other receivables	19	257,058	180,764
Tax recoverable		16,531	10,915
Short term investments	20	1,113	808
Deposits with licensed banks	21	43,110	21,813
Bank and cash balances	21	128,148	100,094
		565,457	531,558
Less: Current Liabilities			
Trade and other payables	22	147,404	179,414
Term loans	23	41,119	86,329
Short term borrowings	24	93,495	170,622
Current tax liabilities		7,566	2,522
		289,584	438,887
Net Current Assets		275,873	92,671
Less: Non-Current Liabilities			
Term loans	23	473,841	370,729
Deferred tax liabilities	9	208,567	170,722
		682,408	541,451
		2,777,103	2,530,777
Capital and Reserves			
Share capital	25	130,704	94,531
Share premium account		215,081	157,822
Revaluation and other reserves	26	1,448,753	1,375,168
Revenue reserves	27	842,707	685,039
Shareholders' equity		2,637,245	2,312,560
Minority Interest		139,858	218,217
		2,777,103	2,530,777

company balance sheet

AS AT 31 DECEMBER 2004

	Note	2004 RM'000	2003 RM'000
Non-Current Assets			
Property, plant and equipment	11	1,264,699	1,267,435
Investments in subsidiaries	12	750,362	713,684
Investment in an associate	13	111,210	0
Long term investments	14	9,010	9,607
Deferred farm expenditure		2,930	827
		2,138,211	1,991,553
Current Assets			
Inventories	17	1,866	2,589
Trade and other receivables	19	341,269	281,510
Tax recoverable		13,458	5,742
Short term investments	20	704	684
Deposits with licensed banks	21	22,267	3,235
Bank and cash balances	21	12,867	17,223
		392,431	310,983
Less: Current Liabilities			
Trade and other payables	22	70,528	92,603
Term loans	23	20,640	57,500
Short term borrowings	24	0	20,000
		91,168	170,103
Net Current Assets		301,263	140,880
Less: Non-Current Liabilities			
Term loans	23	444,860	327,500
Deferred tax liabilities	9	54,596	55,386
		499,456	382,886
		1,940,018	1,749,547
Capital and Reserves			
Share capital	25	130,704	94,531
Share premium account		215,081	157,822
Revaluation and other reserves	26	1,003,538	970,436
Revenue reserves	27	590,695	526,758
Shareholders' equity		1,940,018	1,749,547

consolidated statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2004

	Share capital RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2003	94,528	157,807	1,436,759	501,062	2,190,156
Net profit for the year	0	0	0	105,221	105,221
	94,528	157,807	1,436,759	606,283	2,295,377
Currency translation differences	0	0	24,180	0	24,180
Amortisation of reserve on consolidation	0	0	(205)	0	(205)
Transfer to retained earnings on disposal of land	0	0	(85,566)	85,566	0
Net gain not recognised in income statement	0	0	(61,591)	85,566	23,975
Dividends for year ended 31.12.2003 (payable)	0	0	0	(6,810)	(6,810)
Issue of shares:					
– exercise of warrants	3	15	0	0	18
At 31 December 2003	94,531	157,822	1,375,168	685,039	2,312,560
At 1 January 2004	94,531	157,822	1,375,168	685,039	2,312,560
Net profit for the year	0	0	0	168,343	168,343
	94,531	157,822	1,375,168	853,382	2,480,903
Currency translation differences	0	0	28,997	0	28,997
Amortisation of reserve on consolidation	0	0	(205)	0	(205)
Acquisition of subsidiaries	0	0	17,366	0	17,366
Transfer of reserves	0	0	(5,675)	5,675	0
Net gain not recognised in income statement	0	0	40,483	5,675	46,158
Dilution of shareholding in a subsidiary (Note 12)	0	0	0	(6,991)	(6,991)
Dividends for year ended 31.12.2004 (paid)	0	0	0	(9,359)	(9,359)
Issue of shares:					
– exercise of warrants	47	265	0	0	312
– exercise of share options	118	362	0	0	480
– acquisition of subsidiaries	12,364	44,511	0	0	56,875
– rights issue	23,644	14,186	33,102	0	70,932
– share issue cost	0	(2,065)	0	0	(2,065)
At 31 December 2004	130,704	215,081	1,448,753	842,707	2,637,245

company statement of changes in equity

FOR THE YEAR ENDED 31 DECEMBER 2004

	Non-distributable			Distributable	
	Share capital RM'000	Share premium RM'000	Revaluation and other reserves RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2003	94,528	157,807	1,056,002	371,432	1,679,769
Net profit for the year	0	0	0	76,570	76,570
	94,528	157,807	1,056,002	448,002	1,756,339
Transfer to retained earnings on disposal of land	0	0	(85,566)	85,566	0
Dividends for year ended 31.12.2003 (payable)	0	0	0	(6,810)	(6,810)
Issue of shares:					
– exercise of warrants	3	15	0	0	18
At 31 December 2003	94,531	157,822	970,436	526,758	1,749,547
At 1 January 2004	94,531	157,822	970,436	526,758	1,749,547
Net profit for the year	0	0	0	73,296	73,296
	94,531	157,822	970,436	600,054	1,822,843
Dividends for year ended 31.12.2004 (paid)	0	0	0	(9,359)	(9,359)
Issue of shares:					
– exercise of warrants	47	265	0	0	312
– exercise of share options	118	362	0	0	480
– acquisition of subsidiaries	12,364	44,511	0	0	56,875
– rights issue	23,644	14,186	33,102	0	70,932
– share issue cost	0	(2,065)	0	0	(2,065)
At 31 December 2004	130,704	215,081	1,003,538	590,695	1,940,018

Included in the retained earnings of the Company was an amount of RM71,936,000 (2003 : RM98,053,000) representing gain on sale of land to a former subsidiary. The amount was eliminated on consolidation.

consolidated cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 RM'000	2003 RM'000
Operating Activities		
Net profit for the year	168,343	105,221
Adjustments to reconcile net profit for the year to cash from/(used in) operations:		
Amortisation and depreciation of property, plant and equipment	61,840	54,041
Gain on disposal of property, plant and equipment	(144)	(862)
Property, plant and equipment written off	5,344	815
Gain on disposal of property held for sale	0	(19,767)
Adjustments to property, plant and equipment	0	1,715
Impairment loss on property, plant and equipment	5,677	334
Gain on disposal of short term investments – quoted investments in Malaysia	(27)	(38)
Gain on disposal of long term investments – unquoted investments in Malaysia	(3,420)	0
Gain on partial disposal of a subsidiary	(6,988)	(312)
Gain on dilution of shareholding in a former subsidiary	(14,731)	0
Property development project written off	0	1,161
Deferred farm expenditure written off	827	2,599
Dividend income	(1,181)	(959)
Interest income	(2,582)	(3,288)
Interest expense	30,091	35,961
Share of profits less losses in associates	(14,878)	(9,324)
(Reversal of impairment loss)/impairment loss of long term investments	(1,133)	597
Reversal of impairment loss of short term investments	(20)	(69)
Amortisation of goodwill on consolidation	3,224	3,226
Amortisation of premium on acquisition of associates	1,019	1,019
Amortisation of reserve on consolidation	0	(205)
Exchange differences	13,188	(8,885)
Tax expense	86,996	66,676
Minority interest	29,537	26,797
	360,982	256,453
Changes in working capital:		
– inventories	(1,121)	(31,191)
– receivables	(469,647)	18,175
– payables	(46,726)	69,356
– balances with related companies	10,968	(3,058)
– balances with ultimate holding corporation	11,991	(4,333)
– balances with related parties	(399)	0
– balance with an associate	1,079	0
Cash from/(used in) operations	(132,873)	305,402
Interest received	2,582	3,288
Interest paid	(30,091)	(35,961)
Tax paid	(57,879)	(49,906)
Dividends received	3,708	9,474
Net cash flow from/(used in) operating activities	(214,553)	232,297

	Note	2004 RM'000	2003 RM'000	
Investing Activities				
Cost of investments:				
– quoted investments		(433)	(24)	
Acquisition of subsidiaries		(15,015)	(2,508)	
Deferred farm expenditure		(2,930)	(827)	
Purchase of property, plant and equipment		(157,665)	(144,679)	
Proceeds from disposal of property, plant and equipment		1,072	1,364	
Proceeds from disposal of property held for sale		0	96,634	
Proceeds from disposal of long term investments		8,412	1,453	
Proceeds from disposal of quoted investments		269	0	
Proceeds from partial disposal of a subsidiary		27,647	0	
Net cash flow used in investing activities		(138,643)	(48,587)	
Financing Activities				
Proceeds from issue of shares		92,578	18	
Proceeds from long term loans		734,671	14,852	
Bank balances pledged to a bank		(1,682)	(1,123)	
Repayments of long term loans		(340,993)	(111,931)	
Proceeds from short term bank borrowings		229,314	203,222	
Repayments of short term bank borrowings		(275,523)	(227,763)	
Dividends paid to:				
– shareholders of Kulim (Malaysia) Berhad		(9,359)	(6,806)	
– minority shareholders of subsidiaries		(5,424)	(1,688)	
Net cash flow from/(used in) financing activities		423,582	(131,219)	
Change in cash and cash equivalents		70,386	52,491	
Currency translation differences		3,702	2,594	
Cash and cash equivalents				
– at start of year		90,077	34,992	
– at end of year	21	164,165	90,077	

company cash flow statement

FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 RM'000	2003 RM'000
Operating Activities		
Net profit for the year	73,296	76,570
Adjustments to reconcile net profit for the year to cash from/(used in) operations:		
Amortisation and depreciation of property, plant and equipment	9,081	8,924
Gain on disposal of property, plant and equipment	(76)	(58)
Property, plant and equipment written off	638	213
Gain on disposal of property held for sale	0	(19,767)
Gain on partial disposal of a subsidiary	(14,690)	0
Deferred farm expenditure written off	827	2,599
Dividends and investment income	(74,922)	(65,376)
Interest income	(579)	(979)
Interest expense	12,822	16,735
Impairment loss of investments in subsidiaries	12,000	0
Reversal of allowance for impairment of short term investments	(20)	(69)
Impairment loss in long term investments	597	597
Exchange differences	(2,237)	(2,311)
Tax expense	18,245	17,891
	34,982	34,969
Changes in working capital:		
– inventories	723	127
– receivables	(27,039)	2,885
– payables	(7,913)	(12,552)
– balances with subsidiaries	(37,968)	(5,953)
– balances with related companies	3,790	(1,413)
– balances with ultimate holding corporation	1,192	(5,211)
Cash from/(used in) operations	(32,233)	12,852
Interest paid	(12,822)	(16,735)
Interest received	579	979
Tax paid	(12,668)	(1,391)
Real Property Gains Tax paid	0	(5,184)
Dividends received:		
– quoted subsidiaries	23,179	30,216
– unquoted subsidiaries	25,240	34,482
– others	760	678
Net cash flow from/(used in) operating activities	(7,965)	55,897

	Note	2004 RM'000	2003 RM'000
Investing Activities			
Purchase of property, plant and equipment		(7,016)	(5,192)
Acquisitions of subsidiaries		(46,009)	0
Additional investment in a subsidiary		(69,960)	0
Proceeds from disposal of property, plant and equipment		109	60
Proceeds from partial disposal of a subsidiary		27,647	0
Proceeds from disposal of property held for sale		0	108,674
Deferred farm expenditure		(2,930)	(827)
Net cash flow from/(used in) investing activities		(98,159)	102,715
Financing Activities			
Proceeds from issue of shares		69,659	18
Proceeds from long term loans		405,500	0
Repayments of long term loans		(325,000)	(97,500)
Repayments of short term bank borrowings		(20,000)	(39,000)
Bank balances pledged to banks		415	(1,133)
Dividends paid to shareholders		(9,359)	(6,806)
Net cash flow from/(used in) financing activities		121,215	(144,421)
Change in cash and cash equivalents		15,091	14,191
Cash and cash equivalents			
– at start of year		19,325	5,134
– at end of year	21	34,416	19,325

notes to the financial statements

31 DECEMBER 2004

1. General Information

The principal activities of the Company consist of investment holding, property investment and oil palm plantation in Malaysia.

The principal activities of the subsidiaries are described in Note 12 to the financial statements.

There were no significant changes in the nature of these activities during the year except that the Group has commenced the provision of plantation management services and consultancy and mechanical equipment and parts dealing.

The number of employees at the end of the year in the Group and the Company (including executive directors) is 15,982 and 1,727 respectively (2003: 12,797 and 1,804).

The Company's ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995).

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Board of the Bursa Malaysia Berhad (formerly known as Kuala Lumpur Stock Exchange).

The address of the registered office of the Company is as follows:

13th Floor
Menara Johor Corporation
KOTARAYA
80000 Johor Bahru

The address of the principal place of business of the Company is as follows:

Ulu Tiram Estate
81800 Ulu Tiram
Johor

2. 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 ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, a global insurance programme and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The Group uses derivative financial instruments such as foreign exchange contracts to hedge certain exposures. The Group does not trade in financial instruments.

a. Foreign currency exchange risk

Foreign currency exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. These companies enter into forward foreign currency exchange contracts to limit exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

Depending on the market situation, hedging is used especially in situations where the Group is able to enjoy the premium swap point. A monthly unhedged foreign currency sales summary is maintained to evaluate the risk exposure and to take necessary action for hedging, if it is required.

b. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and deposits, and is managed through the use of floating rate debts.

c. Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

For key product purchases, the Group establishes floating and fixed priced levels that the Group considers acceptable and enters physical supply or derivative agreements, where necessary, to achieve these levels. The Group does not face significant exposure from the risk from changes in debt and equity prices.

d. Credit risk

Credit risk is the risk that one party to the financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Credit risk arises when derivative instruments are used or sales made on deferred credit terms. The Group seeks to invest cash assets safely and profitably. It also seeks to control credit risk by setting counterparty limits and ensuring that sales of products and services are made to customers with an appropriate credit history. Buyer outstanding payment information is reviewed on a weekly basis to address any possible payment default and action is enforced for debt collection. Furthermore, sales to customer are suspended when earlier amounts are overdue by the credit term. The Group considers the risk of material loss in the event of non-performance by a financial counterparty to be unlikely.

e. Liquidity and cash flow risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Cash flow risk is the risk that future cash flows associated with a financial instrument will fluctuate. In the case of a floating rate debt instrument, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value.

In the short term, the Group focuses on liquidity, gearing of financial position, funds resources for plant upgrading and expansion of existing activities. Prudent liquidity risk management implies maintaining sufficient cash flows and the availability of funding through an adequate amount of committed credit facilities from bankers and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

3. Summary Of Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

A. Basis of preparation

The financial statements of the Group and the Company have been prepared under the historical cost convention except as disclosed in this summary of significant accounting policies. For example, the revaluation of plantation land and estate development expenditure held as property, plant and equipment of the Group and the Company in Malaysia.

The financial statements comply with the provisions of the Companies Act 1965 and the applicable approved accounting standards in Malaysia.

B. Subsidiaries

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are those enterprises in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are consolidated using the acquisition method of accounting.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the 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 subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The difference between the acquisition cost and the fair values of the group's share of subsidiaries' identifiable net assets at the date of acquisition is reflected as goodwill or reserve on consolidation. See the accounting policy Note Q.

Minority interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree. Separate disclosure is made of minority interest.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure the consistency of accounting policies with those of the Group.

The gain or loss on disposal of a subsidiary is the difference between the net disposal proceeds and Group's share of its net assets together with any unamortised balance of goodwill on acquisition, reserve on consolidation and exchange differences which were not previously recognised in the consolidated income statement.

C. Property, plant and equipment

Property, plant and equipment are initially stated at cost. Certain land and estate development expenditure held by the Group and the Company in Malaysia were previously revalued on 31 December 1997, based on external independent valuations. Certain leasehold land held by the Group in Malaysia were previously revalued in 1993 based on external independent valuations.

Surpluses arising on revaluation are credited to revaluation reserve. Any deficit arising from revaluation is charged against the revaluation reserve to the extent of a previous surplus held in the revaluation reserve for the same asset. In all other cases, a decrease in carrying amount is charged to income statement.

The revalued land and estate development expenditure held by the Group and Company and leasehold land held by the Group in Malaysia have not been revalued since they were last revalued.

The Directors have not adopted a policy of regular revaluation of such assets. As permitted under the transitional provisions of International Accounting Standard No. 16 (Revised), (as adopted by MASB Standard No. 15 "Property, Plant and Equipment"), these assets are stated at their valuations, less accumulated depreciation.

Freehold land is not amortised as it has an infinite live.

Long leasehold land is amortised in equal instalments over the periods of the respective leases that range from 60 to 99 years.

Short leasehold land is amortised in equal instalments over the periods of the respective leases that range from 17 to 30 years.

New planting expenditure which represents expenditure incurred on land clearing, planting, field upkeep and maintenance to maturity is capitalised as part of estate costs in estate development expenditure. In the case of new oil palm plantings, maturity is the point in time in which such new planting areas yield 8.60 tonnes of fresh fruit bunches per hectare per annum or 48 months from the date of planting, whichever is earlier. Estate overhead expenditure is apportioned to revenue and estate development expenditure on the basis of the proportion of mature to immature areas.

Estate development expenditure incurred on leasehold land is amortised in equal instalments over the periods of the respective leases.

All other property, plant and equipment are depreciated on the straight line basis to write off the cost of each asset to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% – 25%
Plant and machinery	4 3/4% – 33 1/3%
Furniture and fittings	4 3/4% – 33 1/3%
Motor vehicles	20%

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the assets is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note R on impairment of assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Repairs and maintenance are charged to the income statement during the period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

D. Replanting expenditure

Replanting expenditure is charged to income statement when incurred.

3. Summary Of Significant Accounting Policies cont'd

E. Deferred farm expenditure

Deferred farm expenditure consists of expenditure incurred on land clearing, planting, field upkeep and maintenance to maturity for cavendish bananas. The expenditure is deferred by specific identification and is temporary in nature. The deferred expenditure is charged to the income statement upon harvesting.

F. Property development projects

Property development projects consist of land held for future development and development expenditure which comprise construction and other related development costs including borrowing costs, is stated at cost less accumulated impairment losses.

The Group considers as current asset that proportion of property development projects on which sales have been launched and/or the projects are expected to be completed within the normal operating cycle of two to three years. Cost of property development projects classified as current assets are stated at the lower of cost and net realisable value.

When the outcome of a property development project cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that is probable of recovery.

Any anticipated loss on a property development project (including costs to be incurred over the defects liability period), is recognised as an expense immediately.

G. Investments

Investments in subsidiaries and associates are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note R on impairment of assets.

Investments in other non-current investments are shown at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Marketable securities (within current assets) are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted selling prices at the close of business on the balance sheet date.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

H. Associates

Associates are those corporations in which the Group exercises significant influence but which it does not control. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over those policies. Investments in associates are accounted for in the consolidated financial statements by the equity method of accounting.

Equity accounting involves recognising the Group's share of post acquisition results of associates in the income statement and its share of post acquisition movements within reserves in reserves. The cumulative post acquisition movements are adjusted against the cost of investment and includes goodwill on acquisition (net of accumulated amortisation). Equity accounting is discontinued when the carrying amount of the investment in an

associate reaches zero, unless the Group has incurred obligations or made payment on behalf of the associate. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealised losses are also eliminated unless the transaction provides evidence on impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

I. Inventories and properties held for sale

a. Inventories

Inventories are stated at the lower of cost and net realisable value.

The cost of stocks of produce is based on the weighted average method and includes a proportionate share of estate expenditure, manufacturing costs and overhead costs.

The cost of stores and materials is based on the weighted average method.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

b. Properties held for sale

Properties held for sale are stated at the lower of cost (or, carrying amount where the assets were previously held for long term and stated at valuation) and net realisable value.

J. Trade receivables

Trade receivables are carried at invoiced amount less an allowance for doubtful debts. The allowance is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount.

K. Foreign currencies

a. Reporting currency

The financial statements are presented in Ringgit Malaysia.

b. Foreign entities

The Group's foreign entities are those operations that are not an integral part of the operations of the Company. Income statements of foreign entities are translated into Ringgit Malaysia at average exchange rates for the year and the balance sheets are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from the retranslation of the net investment in foreign entities are taken to Exchange Fluctuation Reserve in shareholders' equity. On disposal of the foreign entity, such translation differences are recognised in the income statement as part of the gain or loss on disposal.

c. Foreign currency transactions

Foreign currency transactions in Group companies are accounted for at exchange rates prevailing at the transaction dates, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Foreign currency monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the income statement.

3. Summary Of Significant Accounting Policies cont'd

K. Foreign currencies cont'd

d. Closing rates

The principal closing rates used in translation of foreign currency amounts are as follows:

Foreign Currency	2004 RM	2003 RM
1000 Indonesian Rupiah	0.4090	0.4490
1 US Dollar	3.8000	3.8000
1 Singapore Dollar	2.3258	2.2315
1 Sterling Pound	7.3169	6.7420
1 Euro	5.1729	4.7435
1 Papua New Guinea Kina	1.2070	1.1510

L. Income taxes

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary, associate and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Tax rates enacted or substantively enacted by the balance sheet date are used to determine deferred tax.

M. Revenue recognition

Revenue comprises the invoiced value for the sale of goods and services, net of sales taxes, rebates and discounts and after eliminating sales within the Group.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer. Revenue from rendering of services is based on the stage of completion determined by references to services performed to date as a percentage of total services to be performed.

Revenue on development properties and construction contracts are recognised progressively based on the percentage of completion method. When foreseeable losses on development projects are anticipated, full allowance for these losses is made in the financial statements. Revenue from property investment is recognised on accrual basis.

Rental income is recognised on an accrual basis.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividends are recognised when the Group's right to receive payment is established.

N. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

O. Share capital

a. Classification

Ordinary shares with discretionary dividends are classified as equity.

Distributions to holders of a financial instrument classified as an equity instrument is charged directly to equity.

b. Dividends to shareholders of the company

Dividends on ordinary shares are recognised as liabilities when declared before balance sheet date. A dividend declared after the balance sheet date, but before the financial statements are authorised for issue, is not recognised as a liability at the balance sheet date. Upon the dividend becoming payable, it will be accounted for as a liability.

P. Financial instruments

a. Description

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.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

b. Financial instruments recognised on the balance sheet

The particular recognition method adopted for financial instruments recognised on the balance sheet is disclosed in the individual accounting policy statements associated with each item.

c. Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments that comprise foreign currency forward contracts. These instruments are not recognised in the financial statements on inception.

Foreign currency forward contracts

The Group enters into foreign currency forward contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled.

Exchange gains and losses arising on contracts entered into as hedges of anticipated future transactions are deferred until the date of such transaction, at which time they are included in the measurement of such transactions.

3. Summary Of Significant Accounting Policies cont'd

P. Financial instruments cont'd

c. Financial instruments not recognised on the balance sheet cont'd

All other exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period as the exchange differences on the underlying hedged items. Gains and losses on contracts that are no longer designated as hedges are included in the income statement.

d. Fair value estimation for disclosure purposes

The fair value of publicly traded securities is based on quoted market prices at the balance sheet date.

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

In assessing the fair value of other financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for the specific or similar instruments are used for long term debt. Other techniques, such as option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values for financial assets and liabilities with maturity of less than one year are assumed to approximate their fair values.

Q. Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries and associates over the Group's share of the fair value of their identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries are included in the balance sheet. Capitalised goodwill is amortised using the straight line method to income statement over 20 years or its expected useful life, whichever is shorter. The reserve on consolidation is amortised to income statement over a period of 5 years or the expected useful life, whichever is shorter. The Directors determine the expected useful life of goodwill based on its evaluation of the respective enterprise at the time of the acquisition, considering factors such as existing market share, potential growth and other factors inherent in the acquired enterprises.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note R on impairment of assets.

The gain or loss on disposal of an entity includes the carrying amount of goodwill relating to the entity disposed of.

Reserve on consolidation represents the excess of the Group's share of the fair value of identifiable net assets acquired over the cost of acquisition.

R. Impairment of assets

Property, plant and equipment and other non-current assets, including intangible assets, are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus.

S. Borrowings

a. Classification

Borrowings are initially recognised based on the proceeds received, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the income statement.

b. Capitalisation of borrowing cost

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs incurred to finance property development activities and construction contracts are accounted for in a similar manner. All other borrowing costs are expensed.

T. Employee benefits

a. Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

b. Post-employment benefits

Defined contribution plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

3. Summary of Significant Accounting Policies cont'd

U. Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risk and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risk and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup transactions and balances are between group enterprises within a single segment.

4. Revenue

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sale of goods and services rendered	1,341,759	952,808	123,257	125,699
Property development	104,580	68,683	0	0
Property investment income	7,159	5,716	7,159	5,717
Dividend income	1,181	959	74,922	65,376
	1,454,679	1,028,166	205,338	196,792

5. Cost of sales

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cost of inventories sold and services rendered	890,094	632,636	78,044	85,099
Property development costs	54,671	46,457	0	0
Property investment costs	7,401	7,482	7,401	7,482
	952,166	686,575	85,445	92,581

6. Supplementary Income Statement Disclosures

The following items have been charged/(credited) in arriving at profit from operations.

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Replanting expenditure	11,303	10,996	4,705	3,548
Amortisation and depreciation of property, plant and equipment	61,840	54,041	9,081	8,924
Auditors' remuneration:				
Statutory audit				
– current year	231	187	68	68
– under accrual in prior year	19	3	0	0
Other audit related services	36	302	36	302
Non audit services	97	259	97	225
Property, plant and equipment written off	5,344	815	638	213
Impairment loss on property, plant and equipment	5,677	334	0	0
Rental of office premises	798	772	0	0
Rental of plant and equipment	3,614	3,195	0	0
Bad debts written off	1,392	337	183	247
(Reversal of allowance)/allowance for doubtful debts				
– trade	85	628	0	40
– subsidiaries	0	0	(828)	(33)
Inventories written off	20	48	0	0
Impairment loss/(reversal of impairment loss) of long term investment:				
– quoted investments in Malaysia	9,397	0	0	0
– quoted investments overseas	(11,127)	0	0	0
– unquoted investments in Malaysia	597	597	597	597
Reversal of impairment loss of short term investments:				
– quoted investments in Malaysia	(20)	(69)	(20)	(69)
(Reversal of allowance)/allowance for slow moving inventories	(17)	0	9	0
Realised foreign exchange (gain)/loss	(6,184)	(13,082)	(2)	3
Unrealised foreign exchange (gain)/loss	22,173	(11,459)	(2,237)	(2,311)
Amortisation of goodwill on consolidation	3,224	3,226	0	0
Deferred farm expenditure written off	827	2,599	827	2,599
Amortisation of premium on acquisition of associates	1,019	1,019	0	0
Dividend income (gross) from				
– investments in subsidiaries	0	0	(73,872)	(64,698)
– unquoted investments in Malaysia	(1,000)	(628)	(1,000)	(628)
– quoted investments in Malaysia	(181)	(331)	(50)	(50)
Interest income received from				
– fixed deposits	(2,582)	(3,288)	(579)	(979)
Rental income	(1,116)	(2,395)	(530)	(391)

notes to the financial statements cont'd

31 DECEMBER 2004

6. Supplementary Income Statement Disclosures cont'd

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Gain on partial disposal of:				
– New Britain Palm Oil Limited	(6,988)	0	(14,690)	0
– PT. Trimitra Panquest Plantation	0	(312)	0	0
Gain on disposal of quoted investments	(27)	(38)	0	0
Gain on disposal of unquoted investments	(3,420)	0	0	0
Gain on disposal of property, plant and equipment	(144)	(862)	(76)	(58)
Gain on disposal of property held for sale	0	(19,767)	0	(19,767)
Property development project written off	0	1,161	0	0
Staff costs				
– wages, salaries and bonuses	102,512	81,976	14,686	15,695
– defined contribution retirement plan	6,352	4,782	1,152	1,068
Impairment loss of investments in subsidiaries	0	0	12,000	0
Gain on dilution of shareholding in a former subsidiary	(14,731)	0	0	0

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

7. Directors' Remuneration

The Directors of the Company in office from 1 January 2004 to 31 December 2004 are as follows:

Non-executive Directors

Tan Sri Dato' Muhammad Ali Hashim
Jamaludin Md Ali

Independent Non-executive Directors

Tan Sri Datuk Arshad Ayub
Tan Sri Dato' Dr Md Noordin Md Sopiee
Kua Hwee Sim
Dato' Johari Mohamed
Zainah Mustafa

Executive Directors

Ahamad Mohamad
Wong Seng Lee

The aggregate amount of emoluments receivable by Directors of the Company during the year is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Non-executive Directors:				
– fees	90	120	90	120
– other emoluments	3	4	3	4
Independent non-executive Directors				
– fees	174	114	150	90
– other emoluments	6	4	6	4
Executive Directors:				
– fees	99	99	75	75
– salaries and bonus	849	644	547	410
– estimated money value of benefits-in-kind	38	25	14	14
– defined contribution retirement plan	125	95	78	56
	1,384	1,105	963	773

Executive Directors of the Company have been granted options under the Employee Share Option Scheme on the same terms and conditions as those offered to other employees of the Group (refer Note 25) as follows:

Number of options over Ordinary Shares of RM0.50 each

Grant date	Expiry date	Exercise price RM/share	At start of the year '000	Granted '000	Exercised '000	Lapsed '000	At end of the year '000
Year ended 31.12.2004							
27.08.2004	26.08.2009	2.04	0	98	(10)	0	88

**31.12.2004
'000**

Number of share options vested at balance sheet date

10

The options were exercised by a Director on 27 December 2004. The fair value of shares of the Company at the exercise date ranged from RM2.82 to RM2.84 per share.

**31.12.2004
RM'000**

Ordinary share capital – at par	5
Share premium	15
Proceeds received on exercise of share options	20
Fair value at exercise date of shares issued	28

notes to the financial statements cont'd

31 DECEMBER 2004

8. Finance Cost

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest expense	30,091	35,961	12,822	16,735

9. Tax

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current tax:				
– Malaysian tax	30,471	17,819	15,341	12,260
– foreign tax	38,935	24,904	3,694	4,153
Deferred tax				
– Malaysian tax	4,876	12,746	(790)	1,480
– foreign tax	9,517	9,709	0	0
Share of tax in associates	3,197	1,498	0	0
	86,996	66,676	18,245	17,893
Current tax				
Current year	75,173	44,804	20,031	16,681
Over accrual in prior years (net)	(2,570)	(583)	(996)	(268)
Deferred tax				
Origination and reversal of temporary differences	21,056	23,516	(790)	1,480
Benefit from previously unrecognised tax loss	(6,663)	(1,061)	0	0
	86,996	66,676	18,245	17,893

The explanation of relationship between tax expense and profit from ordinary activities before tax is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Numerical reconciliation between the average effective tax rate and the Malaysian income tax rate				
Malaysian income tax rate	28	28	28	28
Income not taxable	(6)	(2)	(9)	(6)
Effect of different tax rate in other countries	1	1	0	0
Utilisation of previously unrecognised tax losses	(2)	(1)	0	0
Expenses not deductible for tax purpose	11	9	5	1
Effect of different tax rate on foreign dividends	0	0	(3)	(4)
Prior year's (over)/under accrual	(1)	(1)	(1)	0
Average effective tax rate	31	34	20	19

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting are shown in the balance sheet:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deferred tax assets	127	0	0	0
Deferred tax liabilities				
– subject to income tax	(122,931)	(98,525)	(6,697)	(7,487)
– subject to capital gains tax	(85,636)	(72,197)	(47,899)	(47,899)
	(208,440)	(170,722)	(54,596)	(55,386)
At start of year	(170,722)	(141,188)	(55,386)	(58,049)
(Charged)/credited to income statement				
– property, plant and equipment	(13,357)	(25,469)	2,518	(2,156)
– tax losses	0	448	0	608
– others	(1,036)	2,566	(1,728)	68
	(14,393)	(22,455)	790	(1,480)
Charged to equity	(6,305)	8,349	0	4,143
Acquisition of subsidiary	(13,563)	0	0	0
Disposal of subsidiary	21	0	0	0
Currency translation differences	(3,478)	(15,428)	0	0
	(208,440)	(170,722)	(54,596)	(55,386)

notes to the financial statements cont'd

31 DECEMBER 2004

9. Tax cont'd

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Subject to income tax				
Deferred tax assets (before offsetting)				
– property, plant and equipment	4,841	240	4,757	0
– tax losses	0	1,181	0	0
– others	2,613	8,583	1,476	3,204
	7,454	10,004	6,233	3,204
Offsetting	(7,327)	(10,004)	(6,233)	(3,204)
Deferred tax assets (after offsetting)	127	0	0	0
Deferred tax liabilities (before offsetting)				
– property, plant and equipment	(117,075)	(95,822)	(12,930)	(10,691)
– others	(13,183)	(12,707)	0	0
	(130,258)	(108,529)	(12,930)	(10,691)
Offsetting	7,327	10,004	6,233	3,204
Deferred tax liabilities (after offsetting)	(122,931)	(98,525)	(6,697)	(7,487)
Subject to capital gains tax				
Deferred tax liabilities				
– property, plant and equipment	(85,636)	(72,197)	(47,899)	(47,899)
	(85,636)	(72,197)	(47,899)	(47,899)

There are sufficient Section 108 tax credits and tax exempt account to frank the payment of net dividends and tax exempt dividends of up to approximately RM391,014,000 (2003: RM190,495,000) out of the Company's distributable reserve at 31 December 2004.

If the balance of the retained profits of the Company were to be distributed as dividends, the Company would have a Section 108 shortfall of approximately RM55,911,000 (2003: RM94,154,000).

Deferred tax assets are recognised for the Group's and the Company's unutilised tax losses to the extent that the unutilised tax losses can be realised through future taxable profits.

The amount of unutilised tax losses of the Group available for which the related tax effects have not been accounted for amounted to approximately RM32,076,000 (2003: RM45,418,000).

Tax savings during the year for the Group due to the recognition of previously unrecognised tax losses amounted to RM6,663,000 (2003: RM1,061,000).

10. Earnings Per Share – Group

a. Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year.

	2004	2003
Net profit for the year (RM'000)	168,343	105,221
Weighted average number of ordinary shares in issue ('000)	215,826	189,056
Basic earnings per share (sen)	78.00	55.66

b. Diluted earnings per share

For the diluted earnings per share calculation, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. The Group has two categories of dilutive potential ordinary shares : Rights Issue with 47,289,060 detachable free warrants and share options, under the ESOS, granted to employees.

	2004	2003
Net profit for the year (RM'000)	168,343	105,221
Weighted average number of ordinary shares in issue ('000)	215,826	189,056
Adjustment for:		
– conversion of warrants ('000)	4,812	0
– share options ('000)	3,108	0
Weighted average number of ordinary shares for diluted earnings per share ('000)	223,746	189,056
Diluted earnings per share (sen)	75.24	55.66

notes to the financial statements cont'd

31 DECEMBER 2004

11. Property, Plant And Equipment

	Freehold land	Long leasehold land	Short leasehold land
Group – 2004	RM'000	RM'000	RM'000
Cost or valuation			
At 1 January	1,410,142	162,429	6,893
Acquisition of subsidiaries	17,466	0	65,838
Disposal of a subsidiary	(1,181)	(2,336)	(165)
Additions	0	0	324
Disposals	0	0	0
Write off	0	0	(1,986)
Transfers	0	0	0
Exchange differences	0	0	(933)
At 31 December	1,426,427	160,093	69,971
Accumulated depreciation			
At 1 January	0	11,930	1,603
Acquisition of subsidiaries	0	0	1,414
Disposal of a subsidiary	0	(151)	(44)
Charge for the year	0	1,981	641
Disposals	0	0	0
Write off	0	0	0
Exchange differences	0	0	(192)
At 31 December	0	13,760	3,422
Accumulated impairment losses			
At 1 January	0	633	0
Impairment loss for the year	0	0	0
Disposal of a subsidiary	0	(633)	0
At 31 December	0	0	0
Net book value at 31 December	1,426,427	146,333	66,549

	Estate development expenditure	Buildings	Plant & machinery, furniture & fittings and motor vehicles	Capital work- in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	747,793	367,222	473,134	110,881	3,278,494
	47,694	2,573	13,748	45	147,364
	0	(5,387)	(3,512)	0	(12,581)
	42,850	20,656	46,890	46,945	157,665
	0	(259)	(2,099)	0	(2,358)
	(2,461)	(877)	(2,238)	0	(7,562)
	1,285	13,841	16,604	(31,730)	0
	(5,634)	7,456	8,581	1,841	11,311
	831,527	405,225	551,108	127,982	3,572,333
	70,521	102,862	256,675	0	443,591
	4,393	1,021	10,416	0	17,244
	0	(1,214)	(1,853)	0	(3,262)
	13,344	11,498	34,376	0	61,840
	0	(70)	(1,360)	0	(1,430)
	0	(212)	(2,006)	0	(2,218)
	(13)	2,207	5,808	0	7,810
	88,245	116,092	302,056	0	523,575
	0	433	0	334	1,400
	5,344	0	0	333	5,677
	0	(433)	0	0	(1,066)
	5,344	0	0	667	6,011
	737,938	289,133	249,052	127,315	3,042,747

notes to the financial statements cont'd

31 DECEMBER 2004

11. Property, Plant And Equipment cont'd

	Freehold land	Long leasehold land
Company – 2004	RM'000	RM'000
Cost or valuation		
At 1 January	902,051	69,280
Additions	0	0
Disposals	0	0
Write off	0	0
At 31 December	902,051	69,280
Accumulated depreciation		
At 1 January	0	4,918
Charge for the year	0	822
Disposals	0	0
Write off	0	0
At 31 December	0	5,740
Net book value at 31 December	902,051	63,540

	Estate development expenditure	Buildings	Plant & machinery, furniture & fittings and motor vehicles	Capital work- in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	193,221	120,901	59,404	0	1,344,857
	1,319	1,437	3,290	970	7,016
	0	0	(277)	0	(277)
	0	(761)	(1,057)	0	(1,818)
	194,540	121,577	61,360	970	1,349,778
	0	30,072	42,432	0	77,422
	0	3,365	4,894	0	9,081
	0	0	(244)	0	(244)
	0	(174)	(1,006)	0	(1,180)
	0	33,263	46,076	0	85,079
	194,540	88,314	15,284	970	1,264,699

notes to the financial statements cont'd

31 DECEMBER 2004

11. Property, Plant And Equipment cont'd

	Freehold land	Long leasehold land	Short leasehold land
Group – 2003	RM'000	RM'000	RM'000
Cost or valuation			
At 1 January	1,409,807	162,429	6,525
Additions	395	0	0
Disposals	(60)	0	0
Write off	0	0	0
Transfers	0	0	0
Exchange differences	0	0	368
Adjustments	0	0	0
At 31 December	1,410,142	162,429	6,893
Accumulated depreciation			
At 1 January	0	9,949	1,285
Charge for the year	0	1,981	240
Disposals	0	0	0
Write off	0	0	0
Exchange differences	0	0	78
Adjustments	0	0	0
At 31 December	0	11,930	1,603
Accumulated impairment losses			
At 1 January	0	633	0
Impairment loss for the year	0	0	0
At 31 December	0	633	0
Net book value at 31 December	1,410,142	149,866	5,290

	Estate development expenditure	Buildings	Plant & machinery, furniture & fittings and motor vehicles	Capital work- in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	701,542	313,136	379,806	86,687	3,059,932
	7,188	2,114	8,263	126,719	144,679
	0	(501)	(774)	0	(1,335)
	(1)	(765)	(5,875)	0	(6,641)
	16,839	30,147	71,477	(118,463)	0
	22,225	23,318	24,136	15,278	85,325
	0	(227)	(3,899)	660	(3,466)
	747,793	367,222	473,134	110,881	3,278,494
	50,277	86,311	215,467	0	363,289
	10,195	10,117	31,508	0	54,041
	0	(267)	(566)	0	(833)
	(1)	(543)	(5,282)	0	(5,826)
	8,335	7,315	18,900	0	34,628
	1,715	(71)	(3,352)	0	(1,708)
	70,521	102,862	256,675	0	443,591
	0	433	0	0	1,066
	0	0	0	334	334
	0	433	0	334	1,400
	677,272	263,927	216,459	110,547	2,833,503

notes to the financial statements cont'd

31 DECEMBER 2004

11. Property, Plant And Equipment cont'd

	Freehold land	Long leasehold land
Company – 2003	RM'000	RM'000
Cost or valuation		
At 1 January	902,051	69,280
Additions	0	0
Disposals	0	0
Write off	0	0
Transfers	0	0
At 31 December	902,051	69,280
Accumulated depreciation		
At 1 January	0	4,096
Charge for the year	0	822
Disposals	0	0
Write off	0	0
At 31 December	0	4,918
Net book value at 31 December	902,051	64,362

	Estate development expenditure	Buildings	Plant & machinery, furniture & fittings and motor vehicles	Capital work- in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
	190,586	121,031	59,384	11	1,342,343
	2,635	545	2,012	0	5,192
	0	(5)	(178)	0	(183)
	0	(670)	(1,825)	0	(2,495)
	0	0	11	(11)	0
	193,221	120,901	59,404	0	1,344,857
	0	27,332	39,533	0	70,961
	0	3,255	4,847	0	8,924
	0	(3)	(178)	0	(181)
	0	(512)	(1,770)	0	(2,282)
	0	30,072	42,432	0	77,422
	193,221	90,829	16,972	0	1,267,435

notes to the financial statements cont'd

31 DECEMBER 2004

11. Property, Plant And Equipment cont'd

The plant and machinery, furniture and fittings and motor vehicles are further analysed as follows:

	Plant and machinery	Furniture and fittings	Motor vehicles	Total
Group – 2004	RM'000	RM'000	RM'000	RM'000
Cost or valuation				
At 1 January	442,554	11,797	18,783	473,134
Acquisition of subsidiaries	823	8,342	4,583	13,748
Disposal of a subsidiary	(1,047)	(1,034)	(1,431)	(3,512)
Additions	40,621	1,808	4,461	46,890
Disposals	(1,702)	(120)	(277)	(2,099)
Write off	(1,028)	(385)	(825)	(2,238)
Transfers	16,064	110	430	16,604
Exchange differences	8,914	(23)	(310)	8,581
At 31 December	505,199	20,495	25,414	551,108
Accumulated depreciation				
At 1 January	234,288	8,072	14,315	256,675
Acquisition of subsidiaries	536	6,723	3,157	10,416
Disposal of a subsidiary	(307)	(590)	(956)	(1,853)
Charge for the year	31,471	1,121	1,784	34,376
Disposals	(996)	(120)	(244)	(1,360)
Write off	(811)	(370)	(825)	(2,006)
Exchange differences	6,061	(18)	(235)	5,808
At 31 December	270,242	14,818	16,996	302,056
Net book value at 31 December	234,957	5,677	8,418	249,052
Company – 2004				
Cost or valuation				
At 1 January	47,607	4,675	7,122	59,404
Additions	1,513	812	965	3,290
Disposals	0	0	(277)	(277)
Write off	(433)	(218)	(406)	(1,057)
At 31 December	48,687	5,269	7,404	61,360
Accumulated depreciation				
At 1 January	33,362	3,865	5,205	42,432
Charge for the year	3,755	330	809	4,894
Disposals	0	0	(244)	(244)
Write off	(382)	(217)	(407)	(1,006)
At 31 December	36,735	3,978	5,363	46,076
Net book value at 31 December	11,952	1,291	2,041	15,284

	Plant and machinery	Furniture and fittings	Motor vehicles	Total
Group – 2003	RM'000	RM'000	RM'000	RM'000
Cost or valuation				
At 1 January	350,632	11,639	17,535	379,806
Additions	4,929	1,315	2,019	8,263
Disposals	(344)	(206)	(224)	(774)
Write off	(4,013)	(1,173)	(689)	(5,875)
Transfers	71,255	222	0	71,477
Exchange differences	23,983	11	142	24,136
Adjustments	(3,888)	(11)	0	(3,899)
At 31 December	442,554	11,797	18,783	473,134
Accumulated depreciation				
At 1 January	193,505	8,422	13,540	215,467
Charge for the year	29,058	874	1,576	31,508
Disposals	(189)	(154)	(223)	(566)
Write off	(3,528)	(1,066)	(688)	(5,282)
Exchange differences	18,783	7	110	18,900
Adjustments	(3,341)	(11)	0	(3,352)
At 31 December	234,288	8,072	14,315	256,675
Net book value at 31 December	208,266	3,725	4,468	216,459
Company – 2003				
Cost or valuation				
At 1 January	48,523	4,390	6,471	59,384
Additions	558	486	968	2,012
Disposals	0	0	(178)	(178)
Write off	(1,485)	(201)	(139)	(1,825)
Transfers	11	0	0	11
At 31 December	47,607	4,675	7,122	59,404
Accumulated depreciation				
At 1 January	30,816	3,822	4,895	39,533
Charge for the year	3,978	242	627	4,847
Disposals	0	0	(178)	(178)
Write off	(1,432)	(199)	(139)	(1,770)
At 31 December	33,362	3,865	5,205	42,432
Net book value at 31 December	14,245	810	1,917	16,972

notes to the financial statements cont'd

31 DECEMBER 2004

11. Property, Plant And Equipment cont'd

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Net book value of assets pledged as security for borrowings:				
– Freehold land	1,372,663	1,373,057	771,837	43,950
– Long leasehold land	126,266	127,613	0	49,980
– Estate development expenditure	239,435	226,125	114,954	61,188
– Buildings	11,180	0	0	0
– Other property, plant and equipment	6,317	26,864	0	0
	1,755,861	1,753,659	886,791	155,118

Certain land and estate development expenditure in Malaysia were last revalued on 31 December 1997 by the following independent qualified valuer using the open market method to reflect fair value:

- Danny Yeo Soon Kee, member of the Institute of Surveyors, Malaysia, registered valuer with CH Williams Talhar & Wong Sdn Bhd

Certain leasehold land held by the Group was last revalued in 1993 by the following independent qualified valuer using the comparison method to reflect fair value:

- Fong Kin, member of the Institute of Surveyors, Malaysia, a partner with CH Williams Talhar & Wong Sdn Bhd

If the total amounts of the land and estate development expenditure had been determined in accordance with the historical cost convention, they would have been included at:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Net book value				
– Freehold land	99,145	81,679	8,819	8,819
– Long leasehold land	49,709	49,970	33,560	33,755
– Short leasehold land	66,693	5,313	0	0
– Estate development expenditure	534,838	474,170	111,044	109,725
	750,385	611,132	153,423	152,299

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Land and estate development expenditure:				
Cost				
– Freehold land	129,791	113,506	292	292
– Long leasehold land	44,026	46,362	24,736	24,736
– Short leasehold land	69,971	6,893	0	0
– Estate development expenditure	656,155	572,421	19,091	17,772
Valuation – 1993				
– Long leasehold land	16,549	16,549	0	0
Valuation – 1997				
– Freehold land	1,296,636	1,296,636	901,759	901,759
– Long leasehold land	99,518	99,518	44,544	44,544
– Estate development expenditure	175,372	175,372	175,449	175,449
	2,488,018	2,327,257	1,165,871	1,164,552

12. Investments In Subsidiaries – Company

	Company	
	2004 RM'000	2003 RM'000
Non-current assets		
Shares at cost		
Quoted in Malaysia	0	111,210
Unquoted in Malaysia	491,512	318,667
Quoted overseas	269,751	282,708
Unquoted overseas	3,462	3,462
	764,725	716,047
Less : Accumulated impairment losses	(14,363)	(2,363)
	750,362	713,684
Market value of quoted shares		
– Malaysia	0	42,462
– Overseas	580,490	386,736
Current assets		
Amount due from subsidiaries (Note 19)	308,639	270,529
Current liabilities		
Amount due to subsidiaries (Note 22)	57,512	72,752

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12. Investments In Subsidiaries – Company cont'd

Details of the subsidiaries are as follows:

	Group's effective interest		Country of incorporation	Principal activities
	2004 %	2003 %		
Subsidiaries of the Company				
Kulim TopPlant Sdn Bhd (formerly known as Flovent Sdn. Bhd.)	100	100	Malaysia	Dormant
# Johor Land Berhad			Malaysia	Property development,
– direct	*	50.55		contracting and
– indirect	*	1.53		manufacturing of ready mixed concrete
# Kulim Limited	100	100	United Kingdom	Investment holding
Kulim Plantations (Malaysia) Sdn Bhd	100	100	Malaysia	Oil palm plantation
Mahamurni Plantations Sdn Bhd	100	100	Malaysia	Oil palm plantation
Natural Oleochemicals Sdn Bhd	91.38	91.38	Malaysia	Manufacturer of oleochemicals
Pristine Bay Sdn. Bhd.	51	51	Malaysia	Investment holding
+ New Britain Palm Oil Limited	76.33	80	Papua New Guinea	Oil palm plantation
Selai Sdn Bhd	100	100	Malaysia	Oil palm plantation
Skellerup Industries (Malaysia) Sdn Bhd	100	100	Malaysia	Manufacturer of rubber based products
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	100	100	Malaysia	Oil palm plantation
EPA Management Sdn Bhd	100	0	Malaysia	Investment holding, provision of management services and consultancy, mechanical equipment assembler and oil palm plantation
# Kumpulan Bertam Plantations Berhad	92.99	0	Malaysia	Oil palm plantation
Subsidiaries of Kulim Plantations (Malaysia) Sdn Bhd				
# PT. Multrada Multi Maju	100	100	Indonesia	Oil palm plantation, production and sales of palm oil and palm kernels
# PT. Padang Bolak Jaya	100	100	Indonesia	Oil palm plantation
Subsidiaries of Johor Land Berhad				
# Advance Development Sdn Bhd	*	100	Malaysia	Property developer
# Pembinaan Prefab Sdn Bhd	*	100	Malaysia	Manufacturer of ready mixed concrete
# Johor Land Manufacturing Sdn Bhd	*	75	Malaysia	Manufacturer of metal door frames

	Group's effective interest		Country of incorporation	Principal activities
	2004 %	2003 %		
Subsidiaries of Mahamurni Plantations Sdn Bhd				
Pembangunan Mahamurni Sdn Bhd	100	100	Malaysia	Investment holding
United Malayan Agricultural Corporation Berhad	100	100	Malaysia	Oil palm plantation
Subsidiaries of New Britain Palm Oil Limited				
+ Dami Australia Pty Ltd	100	100	Australia	Research and production of premium oil palm seeds
+ New Britain Nominees Limited	100	100	Papua New Guinea	Operate as legal entity for New Britain Palm Oil Limited Share Ownership Plan
+ Capital Stock Brokers Limited	100	100	Papua New Guinea	Stock broking
Subsidiary of Capital Stock Brokers Limited				
+ Capital Nominees Limited	100	100	Papua New Guinea	Nominee company
Subsidiaries of Skellerup Industries (Malaysia) Sdn Bhd				
Skellerup Foam Products (Malaysia) Sdn Bhd	100	100	Malaysia	Dormant
Skellerup Latex Products (M) Sdn Bhd	100	100	Malaysia	Dormant
Subsidiary of Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd				
EPA Futures Sdn Bhd	100	51	Malaysia	Dormant
Subsidiaries of Natural Oleochemicals Sdn Bhd				
Dubois-Natural Esters Sdn Bhd	55	55	Malaysia	Manufacturer of esters
Natural Soaps Sdn Bhd	100	100	Malaysia	Manufacturer of soap noodles
Subsidiaries of EPA Management Sdn Bhd				
Edaran Badang Sdn Bhd	100	N/A	Malaysia	Agricultural equipment assembler
Panquest Ventures Limited	100	N/A	British Virgin Island	Management services / investment holding
# PT. Sumber Mahardhikagraha	95	N/A	Indonesia	Oil palm plantation
# PT. Graha Cakra Mulia	90	N/A	Indonesia	Oil palm plantation
# PT. Harapan Hibrida Kalbar	85	N/A	Indonesia	Oil palm plantation
# PT. Salonok Ladang Mas	100	N/A	Indonesia	Oil palm plantation

12. Investments In Subsidiaries – Company cont'd

	Group's effective interest		Country of incorporation	Principal activities
	2004 %	2003 %		
Subsidiary of Panquest Ventures Limited				
# PT. Trimitra Sumber Perkasa	71.78	N/A	Indonesia	Oil palm plantation

- * On 20 December 2004, Johor Land Berhad issued 22,000,000 new ordinary shares of RM1.00 each to Johor Corporation, the Company's ultimate holding corporation. As a result, the Company's shareholding in Johor Land Berhad decreased from 50.55% to 41.43% and Johor Land Berhad was no longer a subsidiary of the Company but became an associate (refer Note 13).
- + Audited by a member firm of PricewaterhouseCoopers International Limited which is a separate and independent entity from PricewaterhouseCoopers Malaysia.
- # Audited by other firms of auditors
- N/A Not applicable

a. Acquisitions of subsidiaries

i. Acquisition of EPA Management Sdn Bhd

On 9 June 2003, the Company signed a Sales and Purchase Agreement to acquire 100% of the ordinary shares of RM1.00 each in EPA Management Sdn Bhd for a consideration of RM80,000,000. As a result, on 28 July 2004, EPA Management Sdn. Bhd., a related company became a subsidiary of the Company, and the Company's shareholding in EPA Management Sdn Bhd is 100%.

The purchase consideration of the 100% equity interest in EPA Management Sdn Bhd consists of:

- cash consideration of RM35,000,001.
- 19,565,217 new ordinary shares of RM0.50 each of the Company at an issue price of RM2.30 for each new ordinary share.

The effect of this acquisition on the financial results of the Group during the year is shown below:

	Year ended 31.12.2004 RM'000
Revenue	18,685
Expenses excluding finance cost and tax	(18,104)
Profit before tax	581
Tax expense	(3,622)
Loss after tax	(3,041)
Minority interest	406
Net loss	(2,635)

The effect of this acquisition on the Group's financial position at the year end was as follows:

	31.12.2004 RM'000
Non current assets	114,993
Current assets	76,355
Current liabilities	(83,293)
Non current liabilities	(12,605)
Net assets	95,450
Minority interest	(3,100)
Group's share of net assets	92,350

Details of net assets acquired, reserve on consolidation and cash flow arising from the acquisition are as follows:

	At the date of acquisition RM'000
Property, plant and equipment	110,322
Inventories	2,207
Receivables, deposits and prepayments	25,430
Tax recoverable	323
Deposits, bank and cash balances	41,382
Payables	(68,741)
Deferred tax liabilities	(11,039)
Fair value of total net assets	99,884
Minority interest	(4,901)
Fair value of net assets acquired on 28 July 2004	94,983
Reserve on consolidation	(14,704)
Cost of acquisition	80,279
Total purchase consideration	80,000
Purchase consideration discharged by shares issued	(45,000)
Purchase consideration discharged by cash	35,000
Expenses directly attributable to the acquisition, paid in cash	279
Less : cash and cash equivalents of subsidiary acquired	(41,382)
Cash inflow of the Group on acquisition	(6,103)
Cash outflow of the Company on acquisition	35,279

12. Investments In Subsidiaries – Company cont'd

a. Acquisitions of subsidiaries cont'd

ii. Acquisition of Kumpulan Bertam Plantations Berhad

On 9 June 2003, the Company signed a Sales and Purchase Agreement to acquire 6,091,358 ordinary shares of RM1.00 each representing 62.03% equity interest in Kumpulan Bertam Plantations Berhad for a consideration of RM15,060,000. As a result, on 28 July 2004, Kumpulan Bertam Plantations Berhad, a related company became a subsidiary of the Company, and the Company's shareholding in Kumpulan Bertam Plantations Berhad is 62.03%.

The purchase consideration of the 62.03% equity interest in Kumpulan Bertam Plantations Berhad consists of:

- cash consideration of RM6,000,000.
- 3,939,130 new ordinary shares of RM0.50 each of the Company at an issue price of RM2.30 for each new ordinary share.

The effect of this acquisition on the financial results of the Group during the year is shown below:

	Year ended 31.12.2004 RM'000
Revenue	1,274
Expenses excluding finance cost and tax	(1,267)
Profit before tax	7
Tax expense	27
Profit after tax	34
Minority interest	0
Net profit	34

The effect of this acquisition on the Group's financial position at the year end is as follows:

	31.12.2004 RM'000
Non current assets	
– property, plant and equipment	19,764
– long term investment	648
	20,412
Current assets	7,857
Current liabilities	(592)
Non current liabilities	(472)
Net assets	27,205
Minority interest	(1,904)
Group's share of net assets	25,301

Details of net assets acquired, reserve on consolidation and cash flow arising from the acquisition are as follows:

	At the date of acquisition RM'000
Property, plant and equipment	19,798
Long term investments	648
Inventories	145
Receivables, deposits and prepayments	7,073
Tax recoverable	713
Deposits, bank and cash balances	8
Payables	(365)
Bank overdraft	(198)
Deferred tax liabilities	(692)
Fair value of total net assets	27,130
Minority interest	(10,300)
Fair value of net assets acquired on 28 July 2004	16,830
Reserve on consolidation	(1,734)
Cost of acquisition	15,096
Total purchase consideration	15,060
Purchase consideration discharged by shares issued	(9,060)
Purchase consideration discharged by cash	6,000
Expenses directly attributable to the acquisition, paid in cash	36
Add: cash and cash equivalents of subsidiary acquired	190
Cash outflow of the Group on acquisition	6,226
Cash outflow of the Company on acquisition	6,036

The company acquired an additional equity interest of 30.96% in Kumpulan Bertam Plantations Berhad from the minority shareholders on 26 November 2004 during the unconditional takeover offer by the Company. As a result, the Company's shareholding in Kumpulan Bertam Plantations Berhad increased from 62.03% to 92.99%.

The purchase consideration of the 30.96% equity interest in Kumpulan Bertam Plantations Berhad amounted to RM7,509,412 and consists of:

- cash consideration of RM4,694,200.
- 1,224,005 new ordinary shares of RM0.50 each of the Company at an issue price of RM2.30 for each new ordinary share.

iii. Additional acquisition of equity interest in PT. Graha Cakra Mulia

On 31 July 2004, the Group acquired an additional equity interest of 20% in PT. Graha Cakra Mulia. As a result, the Group's shareholding in PT. Graha Cakra Mulia increased from 70% to 90%. The purchase consideration for the acquisition of the additional 20% equity interest in PT. Graha Cakra Mulia amounted to RM12,024,973 of which RM8,642,973 has been paid as at year end and amount not yet paid of RM3,382,000 has been included in payables.

12. Investments In Subsidiaries – Company cont'd

a. Acquisitions of subsidiaries cont'd

iv. Additional acquisition of equity interest in PT. Sumber Mahardhikagraha

On 31 August 2004, the Group acquired an additional equity interest of 25% in PT. Sumber Mahardhikagraha. As a result, the Group's shareholding in PT. Sumber Mahardhikagraha increased from 70% to 95%. The purchase consideration for the acquisition of the additional 25% equity interest in PT. Sumber Mahardhikagraha consists of cash of RM1,554,827.

v. Cash flow on acquisitions of subsidiaries

The impact of acquisitions of subsidiaries during the year on the cash flows of the Group and the Company are as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash inflow/(outflow) from investing activities				
Acquisitions of subsidiaries				
– EPA Management Sdn Bhd	6,103	0	(35,279)	0
– Kumpulan Bertam Plantations Berhad	(10,920)	0	(10,730)	0
– PT. Graha Cakra Mulia	(8,643)	0	0	0
– PT. Sumber Mahardhikagraha	(1,555)	0	0	0
– PT. Multrada Multi Maju	0	(1,658)	0	0
– PT. Padang Bolak Jaya	0	(850)	0	0
	(15,015)	(2,508)	(46,009)	0

b. Dilution of shareholding in Johor Land Berhad

On 20 December 2004, Johor Land Berhad issued 22,000,000 new ordinary shares of RM1.00 each to Johor Corporation, the Company's ultimate holding corporation. As a result, the Company's shareholding in Johor Land Berhad decreased from 50.55% to 41.43% and Johor Land Berhad was no longer a subsidiary of the Company but became an associate (refer to Note 13).

Johor Land Berhad's contribution to the Group's results for the year is as follows:

	31.12.2004 RM'000	31.12.2003 RM'000
Revenue	108,416	72,432
Expenses excluding finance cost and tax	(72,190)	(53,875)
Gain on dilution of shareholding in subsidiary	14,731	0
Profit before tax	50,957	18,557
Tax expense	(9,925)	(3,725)
Profit after tax	41,032	14,832
Minority interest	54	74
Net profit	41,086	14,906

The effect of the disposal on the financial position of the Group is as follows:

	At the date of disposal RM'000
Property, plant and equipment	7,000
Investments in associates	47,960
Treasury shares	760
Land held for future development	502,829
Development properties	44,204
Inventories	301
Property development costs	74,507
Receivables	27,496
Short term investments	100
Deposits, bank and cash balances	17,156
Payables	(20,535)
Term loan	(4,096)
Short term borrowings	(9,043)
Bank overdrafts	(27,085)
Current tax liabilities	(1,008)
Convertible unsecured loan stocks	(322,499)
Deferred tax liabilities	(7,522)
Minority interest	(184)
Net assets	330,341
Less: Minority interest	(163,354)
Less: Amount classified as associate (Note 13)	(80,320)
Less: Balance of unrealised gain on sales of land to Johor Land Berhad	(71,936)
Gain on dilution of shareholding in a subsidiary	14,731
	31.12.2003 RM'000
Non-current assets	208,236
Current assets	159,125
Total assets	367,361
Current liabilities	(67,829)
Non-current liabilities	(11,912)
Net assets	287,620

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13. Investments In Associates

	2004 RM'000	2003 RM'000
Group		
Non-current assets:		
Shares at cost		
– quoted	111,210	0
– unquoted	0	53,062
Share of post acquisition retained profits and reserves less losses	(30,890)	(15,764)
	80,320	37,298
Share of net assets other than goodwill of associates	80,320	20,949
Goodwill on acquisition net of amortisation	0	16,306
Share of foreign exchange fluctuation reserve	0	43
	80,320	37,298
Company		
Non-current assets:		
Shares at cost – quoted	111,210	0

The details of the associates are as follows:

	Percentage held		Country of incorporation	Principal activities
	2004 %	2003 %		
Associate of the Company				
Johor Land Berhad	41.43	*	Malaysia	Property development, contracting and manufacturing of ready mixed concrete
Held by a former subsidiary				
Saint Gobain Terreal (M) Sdn Bhd	0	35.00	Malaysia	Manufacturer of clay roof tiles
Revertex (Malaysia) Sdn Bhd	0	30.07	Malaysia	Manufacturing and sale of rubber products

- * On 20 December 2004, Johor Land Berhad issued 22,000,000 new ordinary shares of RM1.00 each to Johor Corporation, the Company's ultimate holding corporation. As a result, the Company's shareholding in Johor Land Berhad decreased from 50.55% to 41.43% and Johor Land Berhad was no longer a subsidiary of the Company but became an associate (refer Note 12).

14. Long Term Investments

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unquoted investments in Malaysia, at cost	11,960	11,960	12,633	12,633
Less: Accumulated impairment losses	(4,416)	(3,819)	(4,416)	(3,819)
	7,544	8,141	8,217	8,814
Quoted investments in Malaysia, at cost	41,590	25,740	19,421	19,421
Less: Accumulated impairment losses	(35,358)	(22,913)	(18,628)	(18,628)
	6,232	2,827	793	793
Unquoted investments overseas, at cost	7,566	6,034	0	0
Less: Accumulated impairment losses	(81)	0	0	0
	7,485	6,034	0	0
Quoted investments overseas, at cost	30,431	28,340	0	0
Less: Accumulated impairment losses	0	(11,127)	0	0
	30,431	17,213	0	0
Total Long Term Investments	51,692	34,215	9,010	9,607
Market value of quoted investments in Malaysia	6,824	6,167	1,300	1,300
Market value of quoted investments overseas	36,353	31,447	0	0

The market value of the quoted investments at the balance sheet date approximated their fair value. It was not practicable within the constraints of timeliness and cost to estimate the fair value of the unquoted investments.

15. Land Held For Future Development

	Group	
	2004 RM'000	2003 RM'000
Freehold land	0	17,131
Long leasehold land	0	47,537
	0	64,668
At start of year	64,668	68,493
Transferred to land and development expenditure	0	(3,825)
Dilution of shareholding in a subsidiary	(64,668)	0
At end of year	0	64,668

Certain land titles with carrying value of RM Nil (2003: RM51,411,000) were in the process of being registered in the name of a former subsidiary.

Freehold land of the Group with carrying value of RM Nil (2003: RM10,115,000) were charged to a licensed bank to secure a term loan facility of a former subsidiary.

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16. Goodwill On Consolidation

	Group	
	2004 RM'000	2003 RM'000
Net book value		
At 1 January	9,046	9,793
Acquisition of subsidiary	0	2,508
Amortisation during the year	(3,224)	(3,226)
Disposal of a subsidiary	0	(29)
At 31 December	5,822	9,046
Cost	14,938	14,938
Accumulated amortisation	(9,116)	(5,892)
	5,822	9,046

17. Inventories

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At cost				
Stocks of produce	21,622	33,857	1,193	1,928
Finished goods	40,346	38,330	0	0
Work-in-progress	125	88	0	0
Stores and materials	52,124	41,767	673	661
Completed houses	0	46,487	0	0
	114,217	160,529	1,866	2,589
Less: Allowance for slow moving inventories	(185)	0	0	0
	114,032	160,529	1,866	2,589
At net realisable value				
Finished goods	5,465	0	0	0
	119,497	160,529	1,866	2,589

Certain titles to the completed houses of a former subsidiary with carrying value amounting to RM Nil (2003 : RM42,556,000) were held in escrow by the ultimate holding corporation.

18. Land And Development Expenditure

	Group	
	2004 RM'000	2003 RM'000
Development property and expenditure	0	122,787
Add: Accumulated profits recognised	0	21,017
	0	143,804
Less: Progress billings to date	0	(78,570)
	0	65,234
Less: Transfer to inventories	0	(8,599)
	0	56,635

Development property of the Group included long leasehold land of RM Nil (2003: RM14,848,000) and the title to the land was held in escrow by the ultimate holding corporation.

19. Trade And Other Receivables

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade receivables	242,646	155,612	31,219	4,162
Less: Allowance for doubtful debts	(3,603)	(4,329)	(1,062)	(1,041)
	239,043	151,283	30,157	3,121
Amount due from subsidiaries	0	0	310,282	273,658
Less: Allowance for doubtful debts	0	0	(1,643)	(3,129)
Net amount due from subsidiaries (Note 12)	0	0	308,639	270,529
Amount due from ultimate holding corporation	208	3,777	136	1,329
Amount due from fellow subsidiaries	13,607	19,359	1,956	4,667
Amounts due from related parties	5,963	0	0	0
Less: Allowance for doubtful debts	(5,564)	0	0	0
	399	0	0	0
Deposits	753	3,350	252	1,128
Less: Allowance for doubtful debts	(54)	0	0	0
	699	3,350	252	1,128
Prepayments	3,102	2,995	129	736
	257,058	180,764	341,269	281,510

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19. Trade And Other Receivables cont'd

Amount due from subsidiaries arose mainly from normal trade transactions which are unsecured, with no fixed terms of repayment and interest free except for an amount of RM216,273,000 (2003: RM181,432,000) which is chargeable at weighted average interest rate at balance sheet date of 4.15% (2003: 5.12%).

Amount due from ultimate holding corporation and fellow subsidiaries arose mainly from normal trade transactions which are unsecured, with no fixed terms of repayment and interest free.

Amount due from fellow subsidiaries is after deducting allowance for doubtful debts of RM Nil (2003: RM34,000).

The related parties are minority shareholders of certain Indonesian subsidiaries. The amounts due from related parties are unsecured, interest free with no fixed term of repayment.

The currency exposure profile of trade and other receivables is as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
– US Dollar	87,012	93,345	0	0
– Kina	118,495	1,013	27,647	0
– Euro	711	0	0	0
– Sterling Pound	12	17	27,897	0
– Ringgit Malaysia	44,239	81,685	285,725	281,510
– Indonesian Rupiah	6,552	2,495	0	0
– Others	37	2,209	0	0
	257,058	180,764	341,269	281,510

Credit terms of trade receivables range from payment in advance to 180 days.

Concentrations of credit risk with respect to trade receivables are limited due to the Group's large number of customers, who are internationally dispersed, cover a broad spectrum of manufacturing and distribution and have a variety of end markets in which they sell. The Group's historical experience in collection of accounts receivables falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

20. Short Term Investments

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Quoted in Malaysia				
Shares at cost	2,528	2,243	2,119	2,119
Less: Accumulated impairment losses	(1,415)	(1,435)	(1,415)	(1,435)
	1,113	808	704	684
Market value of quoted investments in Malaysia	800	837	800	690
Market value of quoted investments overseas	409	0	0	0

The market value at the balance sheet date approximated their fair value.

21. Cash And Cash Equivalents

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Deposits with licensed banks	43,110	21,813	22,267	3,235
Bank and cash balances	128,148	99,508	12,867	17,223
Housing Development Account with a licensed bank	0	586	0	0
Total	171,258	121,907	35,134	20,458
Less:				
Bank overdrafts (Note 24)	(4,244)	(30,663)	0	0
Amount pledged to banks	(2,849)	(1,167)	(718)	(1,133)
	164,165	90,077	34,416	19,325
The currency exposure profile of deposits, bank and cash balances is as follows:				
– Ringgit Malaysia	76,938	46,881	31,169	20,224
– US Dollar	5,465	2,014	3,927	212
– Australian Dollar	22	1	16	1
– Indonesian Rupiah	21,461	2,851	0	0
– Euro	87	499	0	0
– Kina	66,976	69,549	1	0
– Sterling Pound	58	84	0	0
– Singapore Dollar	251	28	21	21
	171,258	121,907	35,134	20,458

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21. Cash And Cash Equivalents cont'd

The weighted average interest rates of deposits, bank and cash balances that were effective at balance sheet date are as follows:

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Deposits with licensed banks	2.95	3.27	2.33	3.92
Housing Development Account with a licensed bank	0	1.22	0	0
Bank balances	0.18	0.28	0	0

Deposits of the Group and Company have an average maturity of 40 and 18 days (2003: 30 days). Bank balances are deposits held at call with banks.

22. Trade And Other Payables

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables	76,529	138,269	5,296	5,841
Trade accruals	48,881	27,270	6,478	7,201
Dividend payable	212	6,810	163	6,809
Amount due to subsidiaries (Note 12)	0	0	57,512	72,752
Amount due to ultimate holding corporation	8,929	507	0	0
Amount due to fellow subsidiaries	11,774	6,558	0	0
Amount due to an associate	1,079	0	1,079	0
	147,404	179,414	70,528	92,603
The currency exposure profile of trade and other payables is as follows:				
– Kina	42,049	68,450	0	0
– Indonesian Rupiah	16,060	4,814	0	0
– US Dollar	6,376	22,184	0	0
– Ringgit Malaysia	82,906	72,038	70,528	92,603
– Others	13	11,928	0	0
	147,404	179,414	70,528	92,603

Credit terms of trade payables and suppliers of property, plant and equipment granted to the Group vary from no credit to 90 days. Amounts due to subsidiaries, ultimate holding corporation, fellow subsidiaries, and associate are mainly from normal trade transactions and are unsecured, have no fixed terms of repayment and are interest free.

23. Term Loans

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Current				
Term loan (2)	0	50,000	0	50,000
(3)	0	11,653	0	0
(4)	16,659	12,412	0	0
(5)	7,500	7,500	7,500	7,500
(6)	3,820	0	0	0
(7)	0	4,764	0	0
(9)	13,140	0	13,140	0
	41,119	86,329	20,640	57,500
Non-current				
Term loan (1)	0	267,500	0	267,500
(4)	15,694	28,377	0	0
(5)	52,500	60,000	52,500	60,000
(6)	13,287	14,852	0	0
(8)	38,000	0	38,000	0
(9)	354,360	0	354,360	0
	473,841	370,729	444,860	327,500
	514,960	457,058	465,500	385,000
Repayable as follows:				
Due not later than 1 year	41,119	86,329	20,640	57,500
Due later than 1 year and not later than 2 years	154,675	39,697	135,160	7,500
Due later than 2 years and not later than 5 years	270,206	63,532	260,740	52,500
Due later than 5 years	48,960	267,500	48,960	267,500
	514,960	457,058	465,500	385,000

notes to the financial statements cont'd

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23. Term Loans cont'd

- Loan (1) which was an Islamic bank borrowing denominated in Ringgit Malaysia, repayable in one lump sum in September 2008 was refinanced during the year via Loan (9).
- Loan (2) which was denominated in Ringgit Malaysia, was repayable in one lump sum in June 2004.
- Loan (3) which was denominated in Ringgit Malaysia, was repayable by 20 equal quarterly instalments of RM2,818,786 (inclusive of interest) commencing October 2000.
- Loan (4) which is denominated in US Dollar, is repayable by 12 equal quarterly instalments of USD1.1 million commencing March 2003.
- Loan (5) which is denominated in Ringgit Malaysia, is repayable in 6 yearly instalments of RM7,500,000 for the initial three years and RM17,500,000 for the remaining three years, commencing on 4th July 2003.
- Loan (6) which is denominated in US Dollar, is repayable in 22 equal quarterly instalments starting on 21 months from the date of the first drawing of the facility or upon completion of the financial project.
- Loan (7) which was denominated in Ringgit Malaysia, was repayable in 4 equal quarterly instalments of RM2.5 million each.
- Loan (8) which is denominated in US Dollar, is repayable in 6 equal semi-annual instalments commencing September 2008.
- Loan (9) which is an Islamic bank borrowing denominated in Ringgit Malaysia, is repayable quarterly commencing December 2005.

Term loans (2) and (3) were secured by legal charges over certain parcels of land belonging to subsidiaries. Term loan (4) is secured by certain properties of a subsidiary. Term loan (5), (8) and (9) are secured by fixed charges over certain parcels of land belonging to the Company.

Term loan (6) is secured by fixed and floating charges over land, building and other assets belonging to a subsidiary and corporate guarantee from the Company.

Term loan (7) was covered by a negative pledge and letter of comfort from the holding company.

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Weighted average effective interest rates at balance sheet date:				
– Term loans	4.50	5.01	4.46	5.10

All the loans, except for loan (3), have floating interest rates.

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
The currency exposure profile of term loans is as follows:				
– US Dollar	87,460	55,642	38,000	0
– Ringgit Malaysia	427,500	401,416	427,500	385,000
	514,960	457,058	465,500	385,000

The fair value of the term loans of the Group and Company at the balance sheet date are RM458,107,000 (2003: RM382,017,000) and RM409,022,000 (2003: RM328,761,000) respectively.

24. Short Term Borrowings

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Bank overdrafts (Unsecured) (Note 21)	4,244	30,663	0	0
Short term bank borrowings				
Secured	89,251	108,745	0	10,000
Unsecured	0	31,214	0	10,000
	93,495	170,622	0	20,000

The secured short term bank borrowings of the Group and the Company are secured by legal charges over certain parcels of plantation land and properties of certain subsidiaries.

The bank overdrafts and short term bank borrowings carry interest rates which vary according to prevailing base lending rates. The weighted average effective interest rates are as follows:

	Group		Company	
	2004 %	2003 %	2004 %	2003 %
Weighted average effective interest rates at balance sheet date:				
– Bank overdrafts	2.42	7.15	0	0
– Short term bank borrowings	3.33	3.98	0	4.28

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
The currency exposure profile of bank overdrafts and short term bank borrowings is as follows:				
– Kina	4,244	0	0	0
– Ringgit Malaysia	89,251	170,622	0	20,000
	93,495	170,622	0	20,000

The carrying amounts of bank overdrafts and short term bank borrowings at balance sheet date approximated their fair values.

25. Share Capital – Group And Company

	2004 RM'000	2003 RM'000
Authorised:		
400,000,000 ordinary shares of RM0.50 each	200,000	200,000
Issued and fully paid:		
Ordinary shares of RM0.50 each		
At start of year	94,531	94,528
Issued during the year:		
– exercise of warrants	47	3
– exercise of share options	118	0
– acquisition of subsidiaries	12,364	0
– rights issue	23,644	0
At end of year	130,704	94,531

During the year:

- 94,588 new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of warrants issued together with the 1994/1999 Bonds prior to their expiration on 27 January 2004 at an exercise price of RM3.30 per share. The Bonds were repaid in 1999 and the remaining warrants have lapsed after 27 January 2004.
- 235,300 new ordinary shares of RM0.50 each were issued by the Company for cash by virtue of the exercise of options pursuant to the Company's ESOS at an exercise price of RM2.04 per share.
- the Company allotted and issued 19,565,217 and 5,163,135 new ordinary shares of RM0.50 each at an issue price of RM2.30 per ordinary share as partial discharge of purchase consideration for acquisitions of EPA Management Sdn Bhd and Kumpulan Bertam Plantations Berhad respectively.
- subscription of renounceable rights issue with warrants of 47,289,060 new ordinary shares of RM0.50 each at RM1.50 per share together with 47,289,060 detachable free warrants on the basis of one (1) new ordinary shares of RM0.50 each together with one (1) free warrant for every four (4) existing ordinary shares of RM0.50 each.

The new ordinary shares issued during the year ranked pari passu in all respects with the existing ordinary shares of the Company.

Employee Share Option Scheme

The Company implemented an ESOS which came into effect on 27 August 2004 for a period of 5 years. The ESOS is governed by the by-laws which were approved by the shareholders on 29 June 2004.

The main features of the ESOS are as follows:

- The total number of ordinary shares to be issued by the Company under the ESOS shall not exceed 10% of the total issued and paid-up ordinary shares of the Company, such that not more than 50% of the shares available under the ESOS is allocated, in aggregate, to directors and senior management.

- Set below are details of options over the ordinary shares of the Company granted under the ESOS:

Number of options over Ordinary Shares of RM0.50 each

Grant date	Expiry date	Exercise price RM/share	At start of the year '000	Granted '000	Exercised '000	Lapsed '000	At end of the year '000
Year ended 31.12.2004							
27.08.2004	26.08.2009	2.04	0	11,171	(235)	0	10,936
							31.12.2004 '000
Number of share options vested at balance sheet date							2,184

notes to the financial statements cont'd

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25. Share Capital – Group And Company cont'd

Details relating to options exercised during the period are as follows:

Exercise date	Fair value of shares at share issue date RM/share	Exercise price RM/share	Number of shares issued 31.12.2004 '000
18 October 2004	2.61	2.04	26
24 November 2004	2.82	2.04	39
27 December 2004	2.82 – 2.84	2.04	170
			235
			RM'000
Ordinary share capital – at par			118
Share premium			362
Proceeds received on exercise of share options			480
Fair value at exercise date of shares issued			659

Warrants

During the year, the Company had a rights issue of 47,289,060 new ordinary shares of RM0.50 each together with 47,289,060 detachable free warrants.

The detachable warrants were constituted by a Deed Poll on 6 May 2004. Each warrant entitles its warrants holder to subscribe for one (1) new ordinary share of RM0.50 each in the Company at an exercise price of RM2.56 per share. Each warrant has an exercise period of five (5) years commencing on 1 July 2004 and expiring on 30 June 2009.

As at 31 December 2004, none of the new warrants (totalling 47,289,060 units) have been exercised.

26. Revaluation And Other Reserves

	Revaluation reserve	Reserve on consolidation	Exchange fluctuation reserve	Warrant reserve	Other reserves	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2003	1,551,812	412	(120,398)	0	4,933	1,436,759
Amortisation	0	(205)	0	0	0	(205)
Arising from translation of foreign subsidiaries' financial statements	0	0	24,180	0	0	24,180
Transfer to retained earnings on disposal of land	(85,566)	0	0	0	0	(85,566)
At 31 December 2003	1,466,246	207	(96,218)	0	4,933	1,375,168
At 1 January 2004	1,466,246	207	(96,218)	0	4,933	1,375,168
Amortisation	0	(205)	0	0	0	(205)
Arising from translation of foreign subsidiaries' financial statements	0	0	28,997	0	0	28,997
Transfer of reserve	(5,675)	0	0	0	0	(5,675)
Acquisition of subsidiaries	0	17,366	0	0	0	17,366
Issue of shares: – rights issue	0	0	0	33,102	0	33,102
At 31 December 2004	1,460,571	17,368	(67,221)	33,102	4,933	1,448,753

	Revaluation reserve	Warrant reserve	Other reserves	Total
	RM'000	RM'000	RM'000	RM'000
Company				
At 1 January 2003	1,051,837	0	4,165	1,056,002
Transfer to retained earnings on disposal of land	(85,566)	0	0	(85,566)
At 31 December 2003	966,271	0	4,165	970,436
At 1 January 2004	966,271	0	4,165	970,436
Rights issue	0	33,102	0	33,102
At 31 December 2004	966,271	33,102	4,165	1,003,538

The warrant reserve is in respect of the 47,289,060 detachable free warrants issued with the renounceable rights issue of 47,289,060 new ordinary shares during the year. The warrants are valued at RM0.70 per warrant.

Other reserves consist mainly of reserves arising from the scheme of reconstruction, amalgamation and liquidation of a former subsidiary in 1975.

notes to the financial statements cont'd

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27. Revenue Reserves

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Retained earnings:				
At 1 January	685,039	501,062	526,758	371,432
Net profit	168,343	105,221	73,296	76,570
Dividends for the year	(9,359)	(6,810)	(9,359)	(6,810)
Transfer from revaluation reserve on disposal of land	0	85,566	0	85,566
Dilution of shareholding in a subsidiary	(6,991)	0	0	0
Transfer of reserves	5,675	0	0	0
At 31 December	842,707	685,039	590,695	526,758

Included in the retained earnings of the Company was an amount of RM71,936,000 (2003: RM98,053,000) which represented gain on sale of land to a former subsidiary. The amount was eliminated on consolidation.

28. Contingent Liabilities (Unsecured)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Guarantees given by the Group and Company in respect of:				
Indemnity for guarantee given by a bank to third parties on behalf of the Company	968	743	935	743
Bank guarantee given on behalf of a club associated with ultimate holding corporation	204	168	204	168
Indemnity for guarantee given by banks to third parties on behalf of subsidiaries	0	0	782	589
Banking facilities extended to:				
– Ultimate holding corporation	413	0	0	0
– Related companies	587	0	0	0
	2,172	911	1,921	1,500

29. Financial Instruments

a. Forward foreign exchange contracts

Forward foreign exchange contracts are entered into by the Group in currencies other than its functional currency to manage exposure to fluctuations in foreign currency exchange rate on specific transactions. Currently, the Group's policy is to enter into forward foreign exchange contracts for up to 30% of such foreign currency receipts where the Group is able to enjoy premium market swap point and up to 80% of such foreign currency payment over the following year but it is subject to review by management from time to time due to the currency market trend and situation.

At 31 December 2004, the settlement dates on open forward contracts range between 1 and 6 months. The foreign currency amount and contractual exchange rates of the Group's outstanding contracts are as follows:

2004 – Group

Hedged item	Currency	RM'000 equivalent	Contract rate
Trade receivables: USD4,422,609	USD	16,808	1 USD=RM3.8006
Trade receivables: EUR95,180	EUR	459	1 EUR=RM4.8200
Trade payables: EUR 28,600	EUR	145	1 EUR=RM5.0600

2003 – Group

Hedged item	Currency	RM'000 equivalent	Contract rate
Trade receivables: USD2,738,000	USD	10,419	1 USD=RM3.8056

The fair values of outstanding forward contracts of the Group at the balance sheet date approximated their carrying amounts.

The net unrecognised losses/(gains) at 31 December 2004 on open contracts which hedge anticipated future foreign currency sales for the Group amounted to loss of RM4,286 (2003: gain of RM15,333). These net exchange losses/(gains) are deferred until the related sales are transacted, at which time they are included in the measurement of such transactions.

b. Fair values

The carrying amounts of financial assets and liabilities of the Group and Company at the balance sheet date approximated their fair values except as disclosed in Notes 14, 20, 23 and 28.

30. Segment Reporting

The Group is organised on a worldwide basis into four main business segments:

- Plantation operations – Oil palm planting, crude palm oil processing and plantation management services and consultancy
- Manufacturing – Manufacture and sale of oleochemicals and rubber products
- Property development – Development of housing and commercial estate
- Property investment – Rental of office building

Other operations of the Group mainly comprise investment holding, which is not of sufficient size to be reported separately.

notes to the financial statements cont'd

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30. Segment Reporting cont'd

a. Primary reporting format – business segments

	Plantation operations RM'000	Manufacturing RM'000
Group – 2004		
Revenue		
External sales	818,173	523,586
Inter-segment sales	7,083	0
Total revenue	825,256	523,586
Results		
Segment results (external)	236,612	21,182
Unallocated income		
Profit from operations		
Finance cost	(22,702)	(4,013)
Share of net profits of associates	0	0
Profit from ordinary activities before tax		
Tax		
Minority interest		
Net profit for the year		
	Plantation operations RM'000	
Other information		
Segment assets	3,127,512	
Investment in equity method associates	0	
Unallocated corporate assets		
Consolidated total assets		
Segment liabilities	620,669	
Unallocated corporate liabilities		
Consolidated total liabilities		
Capital expenditure	122,772	
Depreciation	48,148	
Amortisation	3,224	
Non-cash items other than depreciation and amortisation	(14,118)	

	Property development RM'000	Property investment RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
	104,580	7,159	1,181	0	1,454,679
	3,836	0	0	(10,919)	0
	108,416	7,159	1,181	(10,919)	1,454,679
	20,877	(303)	0	0	278,368
					21,721
					300,089
	(3,376)	0	0	0	(30,091)
	14,878	0	0	0	14,878
					284,876
					(86,996)
					197,880
					(29,537)
					168,343
	Manufacturing RM'000	Property development RM'000	Property investment RM'000	Other operations RM'000	Total RM'000
	395,192	0	93,266	0	3,615,970
	0	80,320	0	0	80,320
					52,805
					3,749,095
	141,296	0	1,558	0	763,523
					208,469
					971,992
	34,324	0	569	0	157,665
	9,831	0	3,861	0	61,840
	0	1,019	0	0	4,243
	0	0	0	0	(14,118)

notes to the financial statements cont'd

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30. Segment Reporting cont'd

a. Primary reporting format – business segments cont'd

	Plantation operations RM'000	Manufacturing RM'000	
Group – 2003			
Revenue			
External sales	596,614	357,153	
Inter-segment sales	0	0	
Total revenue	596,614	357,153	
Results			
Segment results (external)	178,652	29,706	
Unallocated income			
Profit from operations			
Finance cost	(27,879)	(3,358)	
Share of net profits of associates	0	0	
Profit from ordinary activities before tax			
Tax			
Minority interest			
Net profit for the year			
		Plantation operations RM'000	
Other information			
Segment assets		2,785,756	
Investment in equity method associates		0	
Unallocated corporate assets			
Consolidated total assets			
Segment liabilities		(596,381)	
Unallocated corporate liabilities			
Consolidated total liabilities			
Capital expenditure		143,761	
Depreciation		52,802	
Amortisation		3,226	
Non-cash items other than depreciation and amortisation		2,148	

Unallocated income represents interest income. Unallocated corporate assets represent long and short term investments. Unallocated corporate liabilities represent deferred taxation. Capital expenditure comprises additions to property, plant and equipment. The basis for inter-segment pricing is generally based on terms that are not materially different from transactions with unrelated parties.

	Property development RM'000	Property investment RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
	68,683	5,716	0	0	1,028,166
	3,748	0	0	(3,748)	0
	72,431	5,716	0	(3,748)	1,028,166
	13,956	(1,765)	0	0	220,549
					4,782
					225,331
	(4,724)	0	0	0	(35,961)
	9,324	0	0	0	9,324
					198,694
					(66,676)
					132,018
					(26,797)
					105,221
	Manufacturing RM'000	Property development RM'000	Property investment RM'000	Other operations RM'000	Total RM'000
	326,201	228,964	97,873	0	3,438,794
	0	37,298	0	0	37,298
					35,023
					3,511,115
	(132,602)	(78,841)	(1,791)	(1)	(809,616)
					(170,722)
					(980,338)
	4	914	0	0	144,679
	585	654	0	0	54,041
	0	814	0	0	4,040
	334	1,032	0	0	3,514

notes to the financial statements cont'd

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30. Segment Reporting cont'd

b. Secondary reporting segments – geographical segments

Although the Group's business segments are managed on a worldwide basis, they operate in four main geographical areas:

- Malaysia – mainly plantation, manufacturing, property development and investment activities
- Papua New Guinea – mainly plantation activities
- Indonesia – mainly plantation activities
- United Kingdom – mainly plantation activities

	Revenue (external)		Total assets		Capital expenditure	
Group	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Papua New Guinea	10,103	0	711,264	634,819	68,221	74,807
Indonesia	63,276	17,454	220,360	134,559	27,766	21,420
Malaysia	473,265	395,232	2,590,992	2,669,416	61,678	48,452
United Kingdom	440,840	130,626	0	0	0	0
Rest of Asia (mainly China and Japan)	204,828	173,952	0	0	0	0
Rest of Europe (mainly Netherlands)	141,739	264,782	0	0	0	0
Other countries	120,628	46,120	0	0	0	0
	1,454,679	1,028,166			157,665	144,679
Associated companies			80,320	37,298		
Unallocated assets			146,159	35,023		
Total assets			3,749,095	3,511,115		

With the exception of the countries disclosed above no other individual country contributed more than 10% of consolidated sales or assets.

In determining the geographical segments of the Group, sales are based on the country in which the customer is located. There are no sales between the segments. Total assets and capital expenditure are determined based on where the assets are located.

31. Significant Related Party Disclosures

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions described below were carried out on terms and conditions obtainable in transactions with unrelated parties unless otherwise stated.

The immediate and ultimate holding corporation of the Company is Johor Corporation, a body corporate established under the Johor Corporation Enactment (No. 4 of 1968) (as amended by Enactment No. 5 of 1995).

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Sales of oil palm fresh fruit bunches to:				
Johor Corporation	1,681	11,058	1,681	11,058
Kulim Plantations (Malaysia) Sdn Bhd	0	0	14,715	14,919
Mahamurni Plantations Sdn Bhd	0	0	5,765	2,914
Johor Foods Sdn Bhd	19,586	16,283	9,314	8,853
Sales of finished goods to:				
Stearinaire Dubois Fils	3,117	3,634	0	0
Sales of bananas to:				
JTP Trading Sdn Bhd	3,172	4,503	3,172	4,503
Rental receivable from:				
EPA Management Sdn Bhd	207	265	267	265
Skellerup Industries (Malaysia) Sdn Bhd	0	0	120	0
Dividend income received from:				
Sindora Berhad	181	181	50	50
Selai Sdn Bhd	0	0	16,250	14,950
Mahamurni Plantations Sdn Bhd	0	0	18,216	14,573
Skellerup Industries (Malaysia) Sdn Bhd	0	0	590	295
Natural Oleochemicals Sdn Bhd	0	0	11,660	4,664
New Britain Palm Oil Limited	0	0	24,629	27,688
Johor Land Berhad	0	0	2,528	2,528
Purchase of oil palm fresh fruit bunches from:				
Johor Corporation	4,586	4,316	4,586	4,316
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	0	0	31	1,069
Johor Land Berhad	0	0	3,836	3,748
Management fees and services payable to:				
EPA Management Sdn Bhd	2,656	3,690	1,476	1,452
Johor Corporation	0	237	0	0
Harta Consult Sdn Bhd	421	209	0	0

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31. Significant Related Party Disclosures cont'd

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Rental payable to:				
Johor Corporation	629	629	629	629
Harta Consult Sdn Bhd	435	400	0	0
Purchase of property, plant and equipment:				
Johor Corporation	0	640	0	0
Edaran Badang Sdn Bhd	0	133	133	133
Donation to Kelab Bolasepak Perbadanan Johor	3,025	1,976	3,025	1,976
Selling and distribution expenses payable to:				
EPA Management Sdn Bhd	4,649	7,104	1,479	1,578
JTP Trading Sdn Bhd	162	228	162	228
Purchase commission payable to:				
EPA Management Sdn Bhd	762	1,135	599	515
Payment made on behalf of:				
Mahamurni Plantations Sdn Bhd	0	0	15,167	1,249
Selai Sdn Bhd	0	0	531	1,027
United Malayan Agricultural Corporation Berhad	0	0	277	39
Advances from:				
Pristine Bay Sdn Bhd	0	0	225	202
Agency fee received from:				
Johor Corporation	443	0	0	0
Kumpulan Penambang Sdn Bhd	177	0	0	0
Sindora Berhad	506	0	0	0
Johor Foods Sdn Bhd	397	0	0	0
Johor Franchise Development Sdn Bhd	276	0	0	0
Purchasing and sales commission received from:				
Johor Corporation	2,774	0	0	0
Kumpulan Penambang Sdn Bhd	308	0	0	0
Sindora Berhad	1,146	0	0	0
Johor Foods Sdn Bhd	1,145	0	0	0
Johor Franchise Development Sdn Bhd	541	0	0	0
Planting advisory and agronomy fees received from:				
Johor Corporation	189	0	0	0
Kumpulan Penambang Sdn Bhd	62	0	0	0
Sindora Berhad	113	0	0	0
Johor Foods Sdn Bhd	101	0	0	0
Johor Franchise Development Sdn Bhd	84	0	0	0

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Computer charges received from:				
Johor Corporation	88	0	0	0
Sindora Berhad	39	0	0	0
Johor Foods Sdn Bhd	38	0	0	0
Inspection fees – Palm Oil Mill received from:				
Johor Corporation	90	0	0	0
Sales of goods to:				
Johor Corporation	250	0	0	0
Sindora Berhad	145	0	0	0
Kumpulan Penambang Sdn Bhd	54	0	0	0
Johor Franchise Sdn Bhd	142	0	0	0
Johor Foods Sdn Bhd	93	0	0	0

The other related parties disclosed above are subsidiaries of the Company or subsidiaries of Johor Corporation other than Stearinarie Dubois Fils, which is a shareholder of a subsidiary company. Kelab Bolasepak Perbadanan Johor is a registered club for organising football activities within the Johor Corporation Group.

The management fees received from the ultimate holding corporation consist mainly of services rendered on the collection of rental income on its behalf which are charged at 10% on the amounts collected.

The management fees and services rendered by EPA Management Sdn Bhd consist mainly of agronomy, planting advisory and agency fees on the oil palm plantations which are charged at RM8 to RM25 per hectare per year. Other services are mainly commission on procurement of equipment, spares and stores which is charged at 2.5% of the purchase cost and commission on purchases of fresh fruit bunches on behalf which is charged at RM1.75 per tonne.

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32. Capital Commitments

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Authorised capital expenditure in respect of property, plant and equipment not provided for in the financial statements at the end of the year:				
Contracted	90,131	6,338	0	0
Not contracted	61,550	201,428	176	2,620
	151,681	207,766	176	2,620

33. Dividends

Dividends declared in respect of ordinary shares for the year ended 31 December 2004 are as follows:

	Group and Company			
	2004		2003	
	Gross dividend per share sen	Amount of dividend, net of tax RM'000	Gross dividend per share sen	Amount of dividend, net of tax RM'000
Interim dividend paid/payable	5.00	9,359	5.00	6,810

34. Significant Events During And After The Year

- a. On 1 November 2004, the Company's subsidiary, signed a Memorandum of Understanding together with the Government of the Solomon Island for acquisition of certain assets and/or interests of Solomon Island Plantations Limited. All negotiations have been completed and New Britain Palm Oil Limited ("NBPOL") shareholders approval was secured at an Extraordinary General Meeting. An initial Investment Certificate has been issued by the Solomon Island Government and NBPOL is awaiting for the issuance of a final Investment Certificate for commencement of operations.
- b. On 6 December 2004, the Company entered into a joint venture agreement with TopPlant Laboratories Sdn Bhd ("TLSB") to invest in and to operate a joint venture company known as Kulim TopPlant Sdn Bhd ("KTSB") (formerly known as Flovent Sdn Bhd) for the production of high-yielding oil palm clones by plant tissue culture technology. The Company will be subscribing for 60% of the equity in KTSB and TLSB the remaining 40%. The authorised share capital of KTSB shall be RM10 million divided into 10 million ordinary shares of RM1.00 each. The paid up capital shall be RM5 million. Foreign Investment Committee approval has been secured on 3 March 2005 and the joint venture partners are in final planning stage for laboratory construction work to commence.
- c. On 10 January 2005, the Company completed an exercise of disposing a further 1.33% of NBPOL shares. This follows an earlier disposal of 3.67% shares in NBPOL completed by 31 December 2004. The net proceed raised from this disposal is equivalent to RM37.7 million. The Group's shareholding in NBPOL after the disposal is reduced to 75% of NBPOL's equity.
- d. On 11 March 2005, the Company announced its proposal to undertake a capital distribution-in-specie of 50,550,000 Johor Land Berhad shares to the shareholders of the Company. The proposed distribution would involve a distribution of the shares held by the Company, representing 41.43% equity interest as at 31 December 2004, to its shareholders. The proposal requires the approvals of the shareholders at an Extraordinary General Meeting, Securities Commission, the High Court, Bursa Malaysia Securities Berhad and the Ministry of Finance. The proposal is estimated to be completed by September 2005.

35. Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 31 March 2005.

Malaysia estate locations



properties of the group in Malaysia

As at 31 December 2004	Tenure/ Approximate Age of Building	Hectares	Description	Net Book Value @ 31.12.2004 RM'000	Year of Acquisition/ Revaluation	
Kulim (Malaysia) Berhad						197 ▲ Kulim (Malaysia) Berhad annual report 2004
Labis Bahru Estate K B 517 85009 Segamat, Johor	Freehold/n.a.	2,081	Oil palm and rubber estate	75,628	1997*	
Mutiara Estate P O Box 21 Kahang New Village 86700 Kahang, Johor	Leasehold expiring 20.06.2085/n.a. Leasehold expiring 26.09.2085/n.a. Leasehold expiring 25.11.2085/n.a.	1,619 324 607	Oil palm estate	52,450	1997*	
Nam Heng Complex K B 502 81909 Kota Tinggi, Johor	Freehold/n.a.	3,208	Oil palm estate	476,408	1997*	
REM Estate K B 501 81909 Kota Tinggi, Johor	Freehold/n.a. Leasehold expiring 15.04.2093/10 years	2,218 4	Oil palm estate Staff training centre	375,307 3,977	1997*	
Sg Sembrong Estate P O Box 21 Kahang New Village 86700 Kahang, Johor	Leasehold expiring 04.11.2074/n.a. Leasehold expiring 04.11.2074/n.a. +Leasehold/n.a.	608 607 29	Oil palm estate	26,414	1997*	
Ulu Tiram Estate K B 710 80990 Johor Bahru, Johor	Freehold/n.a.	501	Oil palm estate	101,960	1997*	
Ladang Kuala Kabung No. 70, Jalan Ria 3 Taman Ria, Bukit Batu 81020 Kulai, Johor	Leasehold expiring 30.9.2019/n.a.	1,696	Oil palm estate	19,478	1997*	
Mukim of Plentong, Johor			Vacant land	18,000	1997*	
Lot 1581	Freehold/n.a.	5				
Lot 2222	Freehold/n.a.	8				
Lot 2223	Freehold/n.a.	68				
Lot 2226	Freehold/n.a.	4				
Lot 2227	Freehold/n.a.	5				
Menara Ansar 65, Jalan Trus 80000 Johor Bahru	Leasehold expiring 18.12.2080/6 years	—	24 storey Intelligent office building comprising 3-level Basement Carpark, 5-level Podium and 16-level Tower	85,791	1998#	
		13,592		1,235,413		

properties of the group in Malaysia cont'd

As at 31 December 2004	Tenure/ Approximate Age of Building	Hectares	Description	Net Book Value @ 31.12.2004 RM'000	Year of Acquisition/ Revaluation
Kulim Plantations (Malaysia) Sdn Bhd					
Tereh Selatan Estate	Freehold/n.a.	1,149	Oil palm estate	65,110	1997*
K B 537	Leasehold expiring	1,583			
86009 Kluang, Johor	27.08.2087/n.a.				
Tereh Utara Estate	Freehold/n.a.	1,619	Oil palm estate	73,647	1997*
K B 536	Leasehold expiring	845			
86009 Kluang, Johor	27.08.2078/n.a.				
	Leasehold expiring	607			
	27.06.2079/n.a.				
		5,803		138,757	
Mahamurni Plantations Sdn Bhd					
Rengam Estate	Freehold/n.a.	2,468	Oil palm and rubber estate	210,044	1997*
K B 104					
86300 Rengam, Johor					
Sedenak Estate	Freehold/n.a.	2,827	Oil palm estate	239,244	1997*
K B 726					
80990 Johor Bahru, Johor					
UMAC Estate	Leasehold expiring	243		30,921	1997*
P O Box 64	17.03.2070/n.a.				
86007 Segamat, Johor	Leasehold expiring	237			
	29.08.2071/n.a.				
	Leasehold expiring	324			
	11.12.2071/n.a.				
	Leasehold expiring	405			
	28.11.2072/n.a.				
	Leasehold expiring	481			
	25.2.2072/n.a.				
	+Leasehold/n.a.	49			
		7,034		480,209	
Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd					
Bukit Layang Estate	Freehold/n.a.	398	Oil palm estate	59,238	1997*
K B 502					
81909 Kota Tinggi, Johor					
		398		59,238	

As at 31 December 2004	Tenure/ Approximate Age of Building	Hectares	Description	Net Book Value @ 31.12.2004 RM'000	Year of Acquisition/ Revaluation	
Selai Sdn Bhd						199 ▲ Kulim (Malaysia) Berhad annual report 2004
Enggang Estate K B 503 86009 Kluang, Johor	Freehold/n.a.	1,687	Oil palm estate	49,584	1997*	
Selai Estate K B 529 86009 Kluang, Johor	Freehold/n.a.	1,848	Oil palm estate	48,169	1997*	
		3,535		97,753		
Kumpulan Bertam Plantations Berhad						
Sepang Loi Estate K B 520 85009 Segamat	Freehold/n.a.	1,027	Oil palm estate	11,392	2003	
		1,027		11,392		
Natural Oleochemicals Sdn Bhd						
PLO 428, Jalan Besi Satu Pasir Gudang Industrial Estate 81700 Pasir Gudang, Johor	Leasehold expiring 19.10.2042/n.a. Leasehold expiring 29.03.2051/n.a.	2 2	Oleochemicals factory	6,293	1991#	
PLO 502, Jalan Besi Satu Pasir Gudang, Johor PLO 283, Jalan Besi Satu Pasir Gudang, Johor	+Leasehold/n.a.	5	Vacant land	9,118		
		9		15,411		
Grand Total		31,398		2,034,196		

+ The document of titles are in the process of being issued by the relevant State Authorities.

These properties were acquired during the respective years as indicated and are stated at cost less accumulated depreciation.

* These properties were revalued on 31/12/1997. The accounting policy on revaluation is disclosed in Note 3C to the Financial Statements.

Papua New Guinea estate locations

Kulim (Malaysia) Berhad
annual report 2004



properties of the group in Papua New Guinea

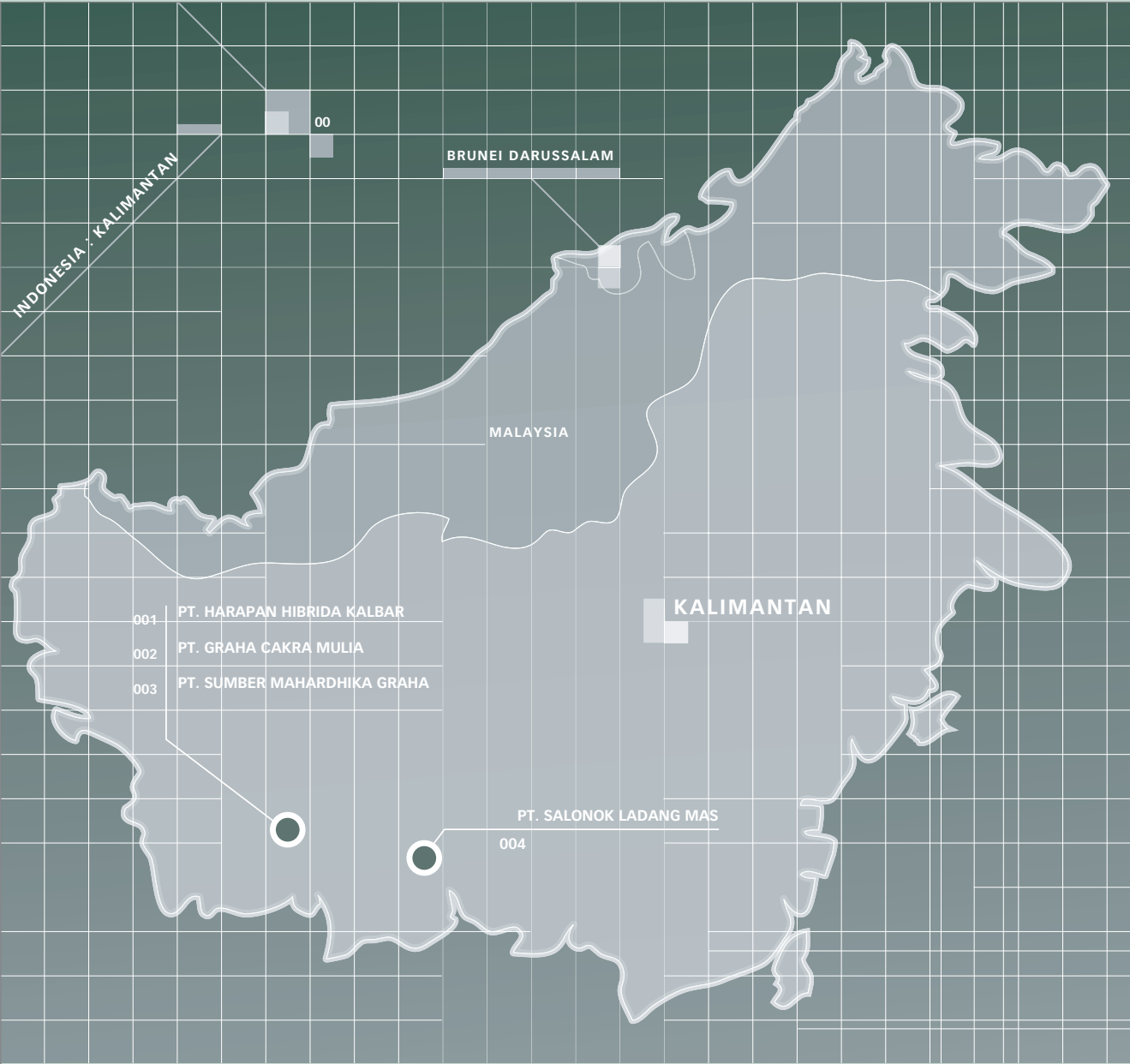
As at 31 December 2004	Tenure	Hectares	Description	Net Book Value @ 31.12.2004 K'000	Year of Acquisition	
New Britain Palm Oil Limited						201 ▲ Kulim (Malaysia) Berhad annual report 2004
Mosa Group						
Bebere	Freehold	1,689	Mature Oil Palm & Development Costs	1,858	1968-1990	
Kumbango	Freehold	1,753	Mature Oil Palm & Development Costs	3,799	1972-1985	
Togulo	Freehold	1,320	Mature Oil Palm & Development Costs	0	1979-1985	
Dami	Freehold	355	Mature Oil Palm & Development Costs	340	1969-2000	
Numundo Group						
Numundo	Freehold	1,384	Mature Oil Palm & Development Costs	4,185	1996-2001	
Haella	Freehold	2,937	Mature Oil Palm & Development Costs	9,081	1999-2001	
Garu	Freehold	2,562	Mature Oil Palm & Development Costs	8,148	1998-2000	
Navarai	Freehold	467	Mature Oil Palm &	10	1980-1988	
Kapiura Group						
Kautu	Freehold	2,944	Mature Oil Palm & Development Costs	3,776	1986-2000	
Kaurausu	Freehold	1,854	Mature Oil Palm & Development Costs	791	1996-1999	
Bilomi	Freehold	2,035	Mature Oil Palm & Development Costs	260	1995-1999	
Malilimi	Freehold	2,376	Mature Oil Palm & Development Costs	1,812	1983-1998	
Moroa	Leasehold	807	Mature Oil Palm & Development Costs	4,136	2003	
Talasea Group						
Lotogam	Freehold	200	Mature Oil Palm & Development Costs	2,075	2002	
Natupi	Freehold	162	Mature Oil Palm & Development Costs	1,338	2003	
Karato	Freehold	220	Mature Oil Palm & Development Costs	621	2003	
Volupai	Freehold	1,060	Mature Oil Palm &	8,731	2004	
Kulu-Dagi Group						
Dalaivu	Freehold	2,026	Mature Oil Palm & Development Costs	12,309	2003	
Sapuri	Freehold	1,773	Mature Oil Palm & Development	11,466	2004	
		27,924		74,736		

Indonesia estate locations



properties of the group in Indonesia

As at 31 December 2004	Tenure	Hectares	Description	Net Book Value @ 31.12.2004 RM'000	Year of Acquisition/ Revaluation	
PT Multrada Multi Maju						203 ▲ Kulim (Malaysia) Berhad annual report 2004
Kembang Tanjung Musi Rawas Sumatera Selatan	Leasehold for 35 years expiry 31.12.2029	2,641	Oil palm estate	2,609	1998	
Babat Baru and Sido Makmur Kikim and Tebing Tinggi Sumatera Selatan	Leasehold for 30 years expiry 31.12.2023	5,749	Oil palm estate	2,609	1998	
Jajaran Lama, Suka Merindu, Suka Raja and Tanjung Aur Sumatera Selatan	Leasehold for 30 years expiry 31.12.2023	1,768	Oil palm estate	2,609	1998	
Sungai Laru Kikim Sumatera Selatan	Leasehold for 35 years expiry 31.12.2029	387	Oil palm estate	2,609	1998	
Sungai Laru Kikim Sumatera Selatan	Leasehold for 35 years expiry 31.12.2029	388	Oil palm estate	2,609	1998	
PT Padang Bolak Jaya						
Tanjung Lontar Merapi Sumatera Selatan	Leasehold for 30 years Expiry 2.2.2025	5,073	Oil palm estate	2,012	1998	
Tanjung Lontar Merapi Sumatera Selatan	Leasehold for 30 years Expiry 29.7.2026	2,558	Oil palm estate	2,012	1998	
PT Trimitra Sumber Perkasa						
Kecamatan Lahat and Kikim, Kabupaten Lahat Propinsi Sumatera Selatan, Sumatera	Leasehold for 30 years Expiry 31.12.2025	15,461	Oil palm estate	4,342	2004	



properties of the group in Indonesia cont'd

As at 31 December 2004	Tenure	Hectares	Description	Net Book Value @ 31.12.2004 RM'000	Year of Acquisition/ Revaluation	
PT Graha Cakra Mulia Kecamatan Balai Riam, Kabupaten Kotawaringin Barat, Propinsi Kalimantan Tengah	Leasehold for 30 years expiry 25.8.2033	13,858	Oil palm estate	4,966	27.4.03	205 ▲ Kulim (Malaysia) Berhad annual report 2004
PT Salonok Ladang Mas Kecamatan Danau Sembuluh, Kabupaten Seruyan, Propinsi Kalimantan Tengah, Kalimantan	Leasehold for 30 years expiry 24.9.2030	14,188	Oil palm estate	5,988	25.4.03	
PT Sumber Mahardikagraha	The right to use of the land Hak Guna Usaha (HGU) has not been issued by the Badan Pertahanan Nasional	17,500				
PT Harapan Hibrida Kalbar Lipat Gunting Estate Kecamatan Manis Mata, Kabupaten Propinsi Kalimantan Tengah	Leasehold for 35 years Expiry 12.1.2033	7,386	Oil palm estate	1,936	26.4.03	
Sungai Bila Estate Kecamatan Balai Riam, Sukamara and Kotawaringin Lama, Kabupaten Kotawaringin Barat, Propinsi Kalimantan Tengah, Kalimantan.	Leasehold for 30 years Expiry 24.9.2030	10,274	Oil palm estate	1,936	27.4.03	
Total		97,229		36,237		

shareholding statistics

AS AT 29 APRIL 2005

Authorised Share Capital : RM200,000,000.00
 Issued & Fully Paid-Up Capital : RM130,931,726.00
 Class of Shares : Ordinary Share of RM0.50 each

Voting Right of Shareholders

Every member of the Company present in person or by proxy shall have one vote on a show of hand and in the case of a poll shall have one vote for every share of which he/she is the holder.

Break Down of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	297	3.68	10,080	—
100 – 1000	1,636	20.25	1,290,717	0.49
1,001 – 10,000	5,058	62.61	18,115,072	6.92
10,001 – 100,000	999	12.36	25,265,750	9.65
100,001 to less than 5% of Issued Capital	86	1.06	43,104,408	16.46
5% and above of Issued Capital	3	0.04	174,077,425	66.48
TOTAL	8,079	100.00	261,863,452	100.00

Top Thirty Securities Account Holders

(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	%
1. Johor Corporation	122,575,835	46.81
2. Johor Corporation	28,930,690	11.05
3. Employees Provident Fund Board	22,570,900	8.62
4. Johor Corporation	4,099,300	1.57
5. Lembaga Tabung Haji	3,659,375	1.40
6. Malaysia Noms (T) Sdn Bhd - A/C Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	2,600,000	0.99
7. Tabung Amanah Warisan Negeri Johor	2,105,800	0.80
8. Amanah Raya Noms (T) Sdn Bhd – Dana Johor	1,979,000	0.76
9. Johor Corporation	1,834,200	0.70
10. Amanah Raya Noms (T) Sdn Bhd – Amanah Saham Johor	1,500,000	0.57
11. Quarry Lane Sdn Bhd	1,400,250	0.53
12. Malaysia Noms (T) Sdn Bhd – A/C Zalaraz Sdn Bhd	1,367,100	0.52
13. Citicorp Noms (A) Sdn Bhd – A/C CBNY for DFA Emerging Markets Fund	1,295,725	0.49
14. PJB Capital Sdn Bhd	1,000,000	0.38
15. Mayban Noms (T) Sdn Bhd – A/C JMF Asset Management Sdn Bhd for Tenaga Utama (J) Berhad (C348-240544)	996,907	0.38
16. BHLB Trustee Berhad – A/C TA Small Cap Fund	852,600	0.33
17. Goh Aik Lai Holdings Sdn Bhd	844,750	0.32
18. Johor Ventures Sdn Bhd	837,725	0.32
19. Johor Capital Holdings Sdn Bhd	754,300	0.29
20. Menteri Kewangan Malaysia - A/C Section 29 (SICDA)	740,170	0.28
21. Permodalan Nasional Berhad	598,750	0.23
22. Bumiputra-Commerce Trustee Berhad - A/C Amanah Saham Darul Iman	580,000	0.22
23. Gan Teng Siew Realty Sdn Bhd	564,200	0.22
24. Neoh Choo Ee & Company Sdn Bhd	545,000	0.21
25. Loo Geok Eng	522,600	0.20
26. HSBC Noms (T) Sdn Bhd – A/C Koon Yew Yin	464,175	0.18
27. Arshad bin Ayub	423,100	0.16
28. Amsec Noms (A) Sdn Bhd – A/C Lau Siu Yin Amy	407,100	0.16
29. ECM Libra Secs Noms (T) Sdn Bhd – A/C Petroliaam Nasional Berhad	360,000	0.14
30. Citicorp Noms (A) Sdn Bhd – A/C CBNY for DFA Emerging Markets Small Cap Series	328,850	0.13

Substantial Shareholders

Name	No. of Shares	%
1. Johor Corporation – 4 a/cs	157,440,025	60.12
Johor Corporation Group – Johor Capital Holdings Sdn Bhd – 2 a/cs	1,007,566	
– PJB Capital Sdn Bhd	1,000,000	
– Johor Ventures Sdn Bhd – 2 a/cs	855,825	1.09
2. Employees Provident Fund Board	22,570,900	8.62

Analysis of Shareholders

	No. of Shareholders	%	No. of Shares	%
Malaysian – Bumiputra	539	6.67	202,431,896	77.30
– Others	6,080	75.26	42,016,439	16.05
Foreigners	1,460	18.07	17,415,117	6.65
TOTAL	8,079	100.00	261,863,452	100.00

Break down of Warrantholdings

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
Less than 100	153	3.75	7,319	0.02
100 – 1000	2,442	59.90	1,212,263	2.56
1,001 – 10,000	1,300	31.88	3,931,332	8.31
10,001 – 100,000	143	3.51	3,996,905	8.45
100,001 to less than 5% of Issued Capital	37	0.91	16,250,300	34.37
5% and above of Issued Capital	2	0.05	21,890,941	46.29
TOTAL	4,077	100.00	47,289,060	100.00

Top Thirty Securities Account Holders

(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Warrants	%
1. Johor Corporation	14,458,941	30.58
2. HSBC Noms (A) Sdn Bhd – A/C TNTC for APS Growth Fund	7,432,000	15.72
3. TA Noms (T) Sdn Bhd – A/C Koon Yew Yin	1,547,900	3.27
4. TA Noms (T) Sdn Bhd – A/C Kidstone Sdn Bhd	1,537,000	3.25
5. Eng Noms (T) Sdn Bhd – A/C Mak Seng Fook	1,358,200	2.87
6. Cartaban Noms (A) Sdn Bhd – A/C Raffles Noms for APS Alpha Fund (Dexia TS SVS SG)	1,119,400	2.37
7. Lembaga Tabung Haji	1,068,475	2.26
8. Citicorp Noms (A) Sdn Bhd – A/C GSI for APS Asia Pacific Master Hedge Fund	1,031,700	2.18
9. TA Noms (T) Sdn Bhd – A/C Tan Kit Pheng	960,000	2.03
10. Malaysia Noms (T) Sdn Bhd – A/C Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	560,000	1.18
11. OSK Noms (T) Sdn Bhd – A/C Koon Yew Yin	555,400	1.17
12. HSBC Noms (A) Sdn Bhd – A/C HSBC BK PLC for Gale Invest Ltd. (Class H)	524,500	1.11
13. HDM Noms (T) Sdn Bhd – A/C OCBC Securities Pte Ltd for Diong Tai Pew	500,000	1.06
14. Tabung Amanah Warisan Negeri Johor	455,800	0.96
15. HSBC Noms (A) Sdn Bhd – A/C PICTET AND CIE for HFI Asset Management Ltd	445,000	0.94
16. Johor Corporation	432,425	0.91
17. Yap Boon Meed	312,000	0.66
18. Ng Siok Hoong	300,000	0.63
19. Malaysia Noms (T) Sdn Bhd – A/C Zalaraz Sdn Bhd	276,300	0.58
20. DB (M) Nom (A) Sdn Bhd – A/C BNP Paribas Noms S'pore Pte Ltd for Cablestar Limited	267,500	0.57
21. RHB Capital Noms (T) Sdn Bhd – A/C Salbiah binti Shuib (CEB)	200,000	0.42
22. RHB Capital Noms (T) Sdn Bhd – A/C Rahimah Stephens (CEB)	200,000	0.42
23. Loh Kah Wai	200,000	0.42
24. Tang Kee Hiong	200,000	0.42
25. Tong Le Siw	200,000	0.42
26. Mayban Securities Noms (T) Sdn Bhd – A/C Tan Tek Leong (REM 818)	185,300	0.39
27. Gail Khong Kit Yan	175,000	0.37
28. Goh Aik Lai Holdings Sdn Bhd	168,950	0.36
29. Employees Provident Fund Board	156,900	0.33
30. Yap Geok Cheng	155,550	0.33

Substantial Warrantholders

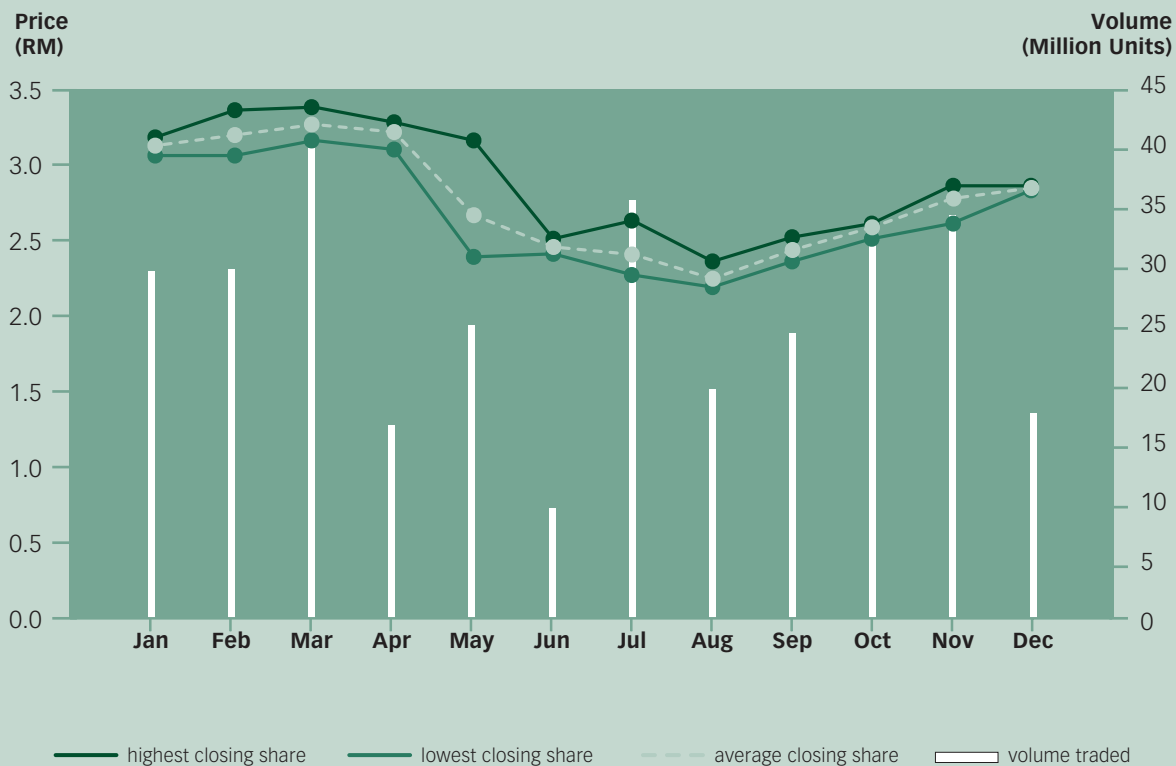
Name	No. of Warrants	%
1. Johor Corporation – 2 a/cs	14,891,366	31.49
Johor Corporation Group – Johor Capital Holdings Sdn Bhd	68,000	0.20
– Johor Ventures Sdn Bhd	25,000	93,000
2. HSBC Noms (A) Sdn Bhd – A/C TNTC for APS Growth Fund	7,432,000	15.72

Analysis of Warrantholders

	No. of Warrantholders	%	No. of Warrants	%
Malaysian – Bumiputra	246	6.03	18,480,983	39.08
– Others	3,261	79.99	13,877,433	29.35
Foreigners	570	13.98	14,930,644	31.57
TOTAL	4,077	100.00	47,289,060	100.00

share price and volume traded

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Kulim (Malaysia) Berhad ▲
annual report 2004



Highest & Lowest Closing Share Prices (RM)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Highest	3.18	3.36	3.38	3.28	3.16	2.51	2.63	2.36	2.52	2.61	2.86	2.86
Lowest	3.06	3.06	3.16	3.10	2.39	2.41	2.27	2.19	2.36	2.51	2.61	2.83

Volume Traded ('000 Units)

30,007	30,173	40,362	16,967	25,431	9,969	36,039	20,032	24,742	32,417	34,727	17,995
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Average Closing Share Prices (RM)

3.12	3.19	3.26	3.21	2.66	2.45	2.40	2.24	2.43	2.58	2.77	2.84
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proxy form

I/We * _____
(BLOCK LETTER)

of _____
being a member(s) of KULIM (MALAYSIA) BERHAD, hereby appoint the Chairman of the Meeting or

as my/our* Proxy to vote for me/us* on my/our* behalf at the Thirtieth (30th) Annual General Meeting of the Company to be held at the Nilam Room, Level 2, The Puteri Pan Pacific Hotel, Jalan Abdullah Ibrahim, 80000 Johor Bahru, Johor, Malaysia on Monday, 20 June 2005 and at any adjournment of such meeting.

(Should you desire to direct your Proxy how to vote on the Resolutions set out in the Notice of Meeting and as summarised below, please indicate with an 'X' in the appropriate space. If no specific directions as to voting are given, the Proxy will vote or abstain at his/her discretion.)

resolution no.	description	for	against
1	To adopt the Directors' Report and Audited Financial Statements		
2	To re-elect Director – Tan Sri Dato' Muhammad Ali Hashim		
3	To re-elect Director – Ahamad Mohamad		
4	To re-elect Director – Datin Paduka Siti Sa'diah Sh Bakir		
5	To re-elect Director – Tan Sri Datuk Arshad Ayub		
6	To approve the payment of Directors' fees		
7	To re-appoint auditor Messrs PricewaterhouseCoopers		
8	Authority to issue shares		

Dated this day of 2005

No. of Shares	
---------------	--

Signature of Shareholder

- Note:
- A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy may but need not be a member of the Company.
 - The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if the appointor is a corporation either under seal or in other manner approved by its Board of Directors.
 - The instrument appointing a proxy must be deposited at the registered office of the Company at Kulim (Malaysia) Berhad, 13th Floor, Menara Johor Corporation, KOTARAYA , 80000 Johor Bahru, Johor at least forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

STAMP

The Secretary
KULIM (MALAYSIA) BERHAD
13th Floor, Menara Johor Corporation
KOTARAYA
80000 Johor Bahru
Johor, Malaysia

