

financial calendar

YEAR ENDED 31 DECEMBER 2004



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Kulim (Malaysia) Berhad
▲
annual report 2004

Quarterly Results

Quarter

1st Quarter

2nd Quarter

3rd Quarter

4th Quarter

Date of Announcement

27 May 2004

26 August 2004

29 November 2004

23 February 2005

Dividend

Dividend Payable

Interim 10%

Entitlement Date

10 November 2004

Shares & Warrants

Exercise of warrants 1994/2004

Exercise of warrants 1994/2004

Exercise of warrants 1994/2004

Acquisition of 100% EPA Management Sdn Bhd and 62.03% Kumpulan Bertam Plantations Berhad

Acquisition of 100% EPA Management Sdn Bhd and 62.03% Kumpulan Bertam Plantations Berhad

Employees' Share Option Scheme

Employees' Share Option Scheme

Acquisition of 37.97% Kumpulan Bertam Plantations Berhad

Events

Listing & quotation of 17,260

new ordinary shares of RM 0.50 each

Listing & quotation of 58,728

new ordinary shares of RM 0.50 each

Listing & quotation of 18,600

new ordinary shares of RM 0.50 each

Listing & quotation of 23,504,347

new ordinary shares of RM 0.50 each

Listing & quotation of renounceable

rights issue of 47,289,060 new ordinary

shares of RM 0.50 each with 47,289,060

new detachable warrants for free

Listing & quotation of 26,000

new ordinary shares of RM 0.50 each

Listing & quotation of 38,800

new ordinary shares of RM 0.50 each

Listing & quotation of 1,224,005

new ordinary shares of RM 0.50 each

Listing Date

27 January 2004

9 February 2004

17 February 2004

13 July 2004

13 July 2004

27 October 2004

6 December 2004

17 December 2004

Annual Report & Annual General Meeting

Events

Issue of Annual Report

29th Annual General Meeting

Date

4 June 2004

29 June 2004

Extraordinary General Meeting

29 June 2004

notice of annual general meeting

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Kulim (Malaysia) Berhad
annual report 2004

NOTICE IS HEREBY GIVEN that the Thirtieth (30th) Annual General Meeting of the Members of Kulim (Malaysia) Berhad will 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 at 12:00pm, for the following purposes:

notes

1. A Member entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. A proxy need not be a Member of the Company. Where a Member appoints two proxies the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time appointed for the holding of the Meeting.

2. Your Board would like to act expeditiously on opportunities to expand your Group's core plantation business, if and when they arise. Although the investment sum involved may not be too substantial to require shareholders' approval at an Extraordinary General Meeting, the Directors may consider it appropriate to finance such potential acquisitions by the issue of a limited number of new shares. In order to facilitate the process, it is thus appropriate that the Directors be authorised to issue shares in the Company up to an amount not exceeding in total 10% of the issued capital of the Company for the time being for such purpose. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company pursuant to Section 132 (D) of the Companies Act 1965.

Ordinary Business

1. To receive and adopt the Directors' Report and Audited Financial Statement in respect of the year ended 31 December 2004. **resolution 1**
2. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:
 - (i) Tan Sri Dato' Muhammad Ali Hashim **resolution 2**
 - (ii) Ahamad Mohamad **resolution 3**
 - (iii) Datin Paduka Siti Sa'adiah Sh Bakir **resolution 4**
3. To consider, and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965;
"THAT Tan Sri Datuk Arshad Ayub, who is over the age of seventy (70) years, be hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting of the Company." **resolution 5**
4. To approve the payment of Directors' Fees in respect of the financial year ended 31 December 2004. **resolution 6**
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. **resolution 7**
6. To transact any other business of which due notice shall have been given. **resolution 8**

Special Business

7. To consider and if thought fit to pass the following Ordinary Resolution:
"That pursuant to Section 132D of the Companies Act, 1965, full authority be and is hereby given to the Directors to issue shares of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, and that the Directors be and is hereby empowered to obtain the approval of the Bursa Malaysia for the listing and quotation for the new shares so issued". (See Note 2 on left) **resolution 9**

By Order of the Board

IDHAM JIHADI BIN ABU BAKAR. ACIS
MAICSA 7007381
HASLINDA MD NOOR@MOHD NOAH
LS 05697
Ulu Tiram, Johor
28 May 2005

statement accompanying notice of annual general meeting

Pursuant to Paragraph 8.28(2) of the Listing Requirements of the Bursa Malaysia:

1. Directors who are standing for re-election at the Thirtieth (30th) Annual General Meeting are as follows:
 - i. Tan Sri Dato' Muhammad Ali Hashim **resolution 2**
 - ii. Ahamad Mohamad **resolution 3**
 - iii. Datin Paduka Siti Sa'adiah Sh Bakir **resolution 4**
2. A General Meeting of the Company was held at Ulu Tiram Estate, Ulu Tiram Johor, Malaysia, on Monday, 29 June 2004 at 12.00pm.
3. Details of attendance of Directors at Board Meetings held during the financial year ended 31 December 2004.

name of directors	26 Feb	10 May	29 Jun	30 Sep	13 Dec
Tan Sri Dato' Muhammad Ali Hashim	✓	✓	✓	✓	×
Ahamad Mohamad	✓	✓	✓	✓	✓
Tan Sri Datuk Arshad Ayub	✓	✓	✓	✓	✓
Dato' Johari Mohamed	✓	✓	✓	✓	✓
Kua Hwee Sim	✓	✓	✓	×	✓
Tan Sri Dato' Dr Md Noordin Md Sopiee	✓	×	✓	×	×
Wong Seng Lee	✓	✓	✓	✓	✓
Zainah Mustafa	×	✓	✓	×	×
Jamaludin Md Ali	✓	✓	✓	✓	✓

4. A total of five (5) Board Meetings were held during the financial year as follows:

no.	meeting	date	time	venue
1.	BOD – 234	26 February 2004	9.30 am	Johor Corporation Kuala Lumpur Office Damansara Town Centre, KL
2.	BOD – 235	10 May 2004	9.30 am	Ulu Tiram Estate, Ulu Tiram Johor
3.	BOD – 236	29 June 2004	10.30 am	Ulu Tiram Estate, Ulu Tiram Johor
4.	BOD – 237	30 September 2004	9.00 am	Shangri-La Hotel on the Marina, Cairns, Australia
5.	BOD – 238	13 December 2004	9.00 am	Ulu Tiram Estate, Ulu Tiram Johor

5. Particulars of Directors seeking re-election at the Annual General Meeting are as follows:
 - i. Tan Sri Dato' Muhammad Ali Hashim **Attended 4 out Of 5 Board of Directors Meeting as per table above.**
 - ii. Ahamad Mohamad **Attended all Board of Directors Meeting as per table above.**
 - iii. Datin Paduka Siti Sa'adiah Sheikh Bakir **Appointed as a Director on 1st January 2005.**

Particulars of Directors seeking re-election at the Annual General Meeting are set out in the Directors' Profile appearing in pages 28 to 36 of the Annual Report.

group's five years financial statistics

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
Net Assets					
Property, plant and equipment	3,042,747	2,833,503	2,695,577	2,748,212	2,964,503
Investments in associates	80,320	37,298	37,857	35,151	37,395
Long term investments	51,692	34,215	33,167	27,241	48,507
Land held for future development	–	64,668	68,493	74,491	64,425
Current assets	565,457	531,558	550,753	539,325	470,249
Deferred farm expenditure	2,930	827	2,599	1,908	143
Goodwill on consolidation	5,822	9,046	9,793	2,505	3,131
Deferred tax assets	127	–	–	–	–
Total assets	3,749,095	3,511,115	3,398,239	3,428,833	3,588,353
Current liabilities	(289,584)	(438,887)	(354,163)	(538,190)	(550,066)
Term loans	(473,841)	(370,729)	(520,726)	(455,768)	(540,317)
Minority interest	(139,858)	(218,217)	(192,006)	(168,697)	(173,456)
Deferred tax liabilities	(208,567)	(170,722)	(141,188)	(137,548)	(144,226)
	2,637,245	2,312,560	2,190,156	2,128,630	2,180,288
Shareholders' Fund					
Share capital	130,704	94,531	94,528	94,528	94,528
Reserves	2,506,541	2,218,029	2,095,628	2,034,102	2,085,760
Share premium account	215,081	157,822	157,807	157,807	157,807
Revaluation and other reserves	1,448,753	1,375,168	1,436,759	1,623,747	1,680,230
Revenue reserves	842,707	685,039	501,062	252,548	247,723
	2,637,245	2,312,560	2,190,156	2,128,630	2,180,288
Revenue					
Plantation operations	818,173	596,614	517,351	392,009	483,763
Manufacturing	523,586	357,153	320,133	267,404	306,566
Property development	104,580	68,683	59,030	38,586	42,540
Hotel and services	–	–	–	235	32,520
Property investment	7,159	5,716	4,245	4,331	2,805
Other operations	1,181	–	–	–	–
	1,454,679	1,028,166	900,759	702,565	868,194

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000	
Profit						
Operating profit	269,998	189,370	171,174	5,588	(5,945)	o17 Kulim (Malaysia) Berhad ▲ annual report 2004
Share of profits less losses in associated companies	14,878	9,324	11,439	7,116	5,165	
Profit before taxation	284,876	198,694	182,613	12,704	(780)	
Taxation	(86,996)	(66,676)	(46,480)	(7,450)	(39,110)	
Minority interest	(29,537)	(26,797)	(34,854)	(13,550)	(22,088)	
Profit/(loss) attributable to Shareholders of Kulim (Malaysia) Berhad	168,343	105,221	101,279	(8,296)	(61,978)	
Retained profit brought forward						
– as previously reported	685,039	501,062	236,667	238,654	297,807	
– prior year adjustment	–	–	15,881	9,069	21,347	
– as restated	685,039	501,062	252,548	247,723	319,154	
Realisation of revaluation reserve on disposal of land	853,382	606,283	353,827	239,427	257,176	
Transfer of reserves	–	85,566	160,847	9,170	–	
Dilution of shareholding in a subsidiary	5,675	–	–	10,757	–	
Appropriations – Dividends (net of tax)	(6,991)	–	–	–	–	
Appropriations – Dividends (net of tax)	(9,359)	(6,810)	(13,612)	(6,806)	(9,453)	
Retained profits carried forward	842,707	685,039	501,062	252,548	247,723	
Per ordinary share of RM0.50 per share						
Earnings/(loss) (sen)						
Basic	78.00	55.66	53.57	(4.39)	(32.78)	
Fully diluted	75.24	–	–	–	–	
Dividend rate (%)	10.00	10.00	10.00	10.00	10.00	
Dividend yield (%)	1.81	1.56	1.93	3.33	3.29	
Net tangible assets (RM)	10.05	12.18	11.53	11.25	11.52	
Note:						
a. The basis for computing per Ordinary Share are set out in Note 3 to the Financial Statements						
b. Dividend rate and dividend yield per Ordinary Share are based on the shares entitled to dividends						
The average market (closing) price of KMB shares	2.76	3.20	2.59	1.50	1.52	

group quarterly performance 2004

UNAUDITED

RM'000

Financial Performance

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Revenue	333,270	383,661	409,918	332,810
Operating profit	75,282	62,087	103,859	63,436
Profit before taxation	70,471	57,117	99,657	62,405
Profit attributable to shareholders	38,693	25,163	63,621	45,770
Earning per share (sen)	20.46	13.31	29.50	21.21

Revenue

Plantation operations	198,109	225,972	207,293	179,801
Manufacturing	119,545	136,302	139,393	130,307
Property development	13,862	19,149	58,112	13,457
Property investment	1,754	1,931	1,916	1,558
Management services	—	—	2,330	7,687
Other investment income	—	307	874	—
	333,270	383,661	409,918	332,810

Profit/(Loss) before taxation

Plantation operations	58,671	59,262	75,002	39,210
Manufacturing	14,440	8,647	2,492	(510)
Property development	2,120	4,360	19,475	(1,286)
Property investment	(182)	(86)	(7)	(28)
Management services	—	—	—	7,895
Associated companies	2,226	2,478	3,392	6,782
Investment income	73	4,059	806	(1,228)
Interest income	460	330	485	965
	77,808	79,050	101,645	51,800

Add/(Less):

Interest expense	(7,037)	(7,448)	(7,594)	(7,813)
Exceptional item	(300)	(14,485)	5,606	18,418
	70,471	57,117	99,657	62,405



plantation statistics

MALAYSIA

		2004	2003	2002	2001	2000
Oil Palm						
FFB Production						
Processed by own mills	(tonnes)	481,314	485,482	468,083	446,063	481,884
Sold to others	(tonnes)	84,720	120,527	91,810	82,096	60,213
	(tonnes)	566,034	606,069	559,893	528,159	542,097
Total FFB processed	(tonnes)	699,845	708,902	661,505	646,054	682,685
Yield per mature hectare		22.79	26.91	23.06	22.67	23.51
Average selling price						
Crude palm oil (RM per tonne locally delivered)		1,676	1,544	1,155	899	1,122
Palm kernel (RM per tonne ex-mill)		1,069	732	604	448	745
Rubber						
Production	(kg)	329,703	394,074	435,319	278,073	606,996
Yield per mature hectare	(kg)	1,273	1,522	1,509	1,397	1,513
Average selling price						
Processed rubber	(sen per kg ex-factory)	438	353	370	347	351
Production						
Crude palm oil						
from group estates	(tonnes)	87,694	90,680	88,986	84,634	89,824
from purchased crops	(tonnes)	47,577	42,003	36,962	36,663	36,517
	(tonnes)	135,271	132,683	125,948	121,297	126,341
Palm kernel						
from group estates	(tonnes)	23,501	29,100	26,826	26,678	28,556
from purchased crops	(tonnes)	15,317	10,114	10,892	10,078	10,093
	(tonnes)	38,818	39,214	37,718	36,756	38,649
Rubber (mainly premium grades)						
from group estates	(kg)	329,703	394,074	435,319	278,073	606,996
from purchase crops	(kg)	–	–	488,593	2,188,042	3,193,387
	(kg)	329,703	394,074	923,912	2,466,115	3,800,383
Area Statement (in hectares)						
Planted area						
Oil palm						
mature		24,840	22,520	24,279	23,300	23,058
immature		5,320	6,764	5,051	6,347	5,150
Rubber						
mature		351	351	401	401	401
immature		–	–	–	–	–
Fruits						
mature		124*	176*	274*	365*	295*
immature		142*	133*	–	176*	98*
Other crops						
mature		6	6	6	7	7
		30,517	29,641	29,737	30,055	28,616
Reserve land, building sites etc.		872	1,544	1,379	1,562	2,894
Titled area		31,389	31,185	31,116	31,617	31,510

(*) Inter-row planting with oil palm

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plantation statistics

PAPUA NEW GUINEA

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		2004	2003	2002	2001	2000
Oil Palm						
FFB Production						
Own FFB		602,333	552,283	492,499	498,529	556,035
Purchased FFB		301,506	264,568	269,179	265,500	279,960
Processed by own mills	(tonnes)	903,839	816,851	761,678	764,029	835,995
Yield per mature hectare	(tonnes FFB)	24.15	22.73	21.97	22.72	26.66
Average selling price						
Crude palm oil	(K/tonne FOB)	1,228	1,234	1,285	791	806
Crude palm kernel oil	(K/tonne FOB)	1,920	1,404	1,443	895	1,300
Palm kernel expeller	(K/tonne FOB)	147	175	93	65	44
Seeds	(K/seed FOB)	1.29	1.20	0.60	0.91	1.30
Oil Palm Production						
Crude palm oil						
from group estates	(tonnes)	135,690	125,695	111,226	108,558	120,648
from purchased crops	(tonnes)	67,922	60,061	59,881	57,886	60,307
	(tonnes)	203,612	185,756	171,117	166,444	180,955
Palm kernel						
from group estates	(tonnes)	35,209	31,011	31,010	29,240	33,686
from purchased crops	(tonnes)	17,625	14,815	13,290	15,591	16,838
	(tonnes)	52,834	45,826	44,300	44,831	50,524
Kernel products						
Crude palm kernel oil	(tonnes)	21,527	12,618	18,026	18,644	20,078
Palm kernel expeller	(tonnes)	27,917	6,028	23,375	23,365	26,583
	(tonnes)	49,444	18,646	41,401	42,009	46,661
Oil palm seeds ('000)	(no. seeds)	10,814	6,053	5,630	2,900	4,682
Area Statement (in hectares)						
Planted area						
Oil palm						
mature		24,954	24,288	23,456	21,947	20,848
immature		5,552	5,012	3,454	3,358	3,348
		30,506	29,300	26,910	25,305	24,196
Reserve land, building sites etc.		14,250	7,255	9,645	5,823	12,574
Titled area		44,756	36,555	36,555	31,128	36,770

plantation statistics

INDONESIA

	2004	2003	2002	2001	2000
Oil Palm					
FFB production					
Processed by own mills (tonnes)	97,997	—	—	—	—
Sold to others (tonnes)	48,150	80,845	74,955	44,045	27,588
(tonnes)	146,147	80,845	74,955	44,045	27,588
Total FFB processed (tonnes)	138,106				
Yield per mature hectare	9.33	9.12	8.45	4.95	3.99
Average selling prices					
FFB (RP/tonnes)	579,523	430,622	361,479	277,540	275,485
Crude palm oil (RM per tonne locally delivered)	1,638				
Palm kernel (RM per tonne ex-mill)	1,043				
Production					
Crude palm oil					
from Group estates (tonnes)	18,629	—	—	—	—
from Purchase crops (tonnes)	7,625	—	—	—	—
(tonnes)	26,254	—	—	—	—
Palm kernel					
from Group estates (tonnes)	4,754	—	—	—	—
from Purchase crops (tonnes)	1,945	—	—	—	—
(tonnes)	6,699	—	—	—	—
Area Statement (in hectares)					
Planted area					
Oil palm					
mature	15,672	8,856	8,867	8,892	6,911
immature	9,202	2,518	1,738	1,534	3,596
	24,874	11,374	10,605	10,426	10,506
Undeveloped, reserve land, building sites etc	72,356	7,189	7,958	8,138	8,057
Titled area	97,230	18,563	18,563	18,569	18,564

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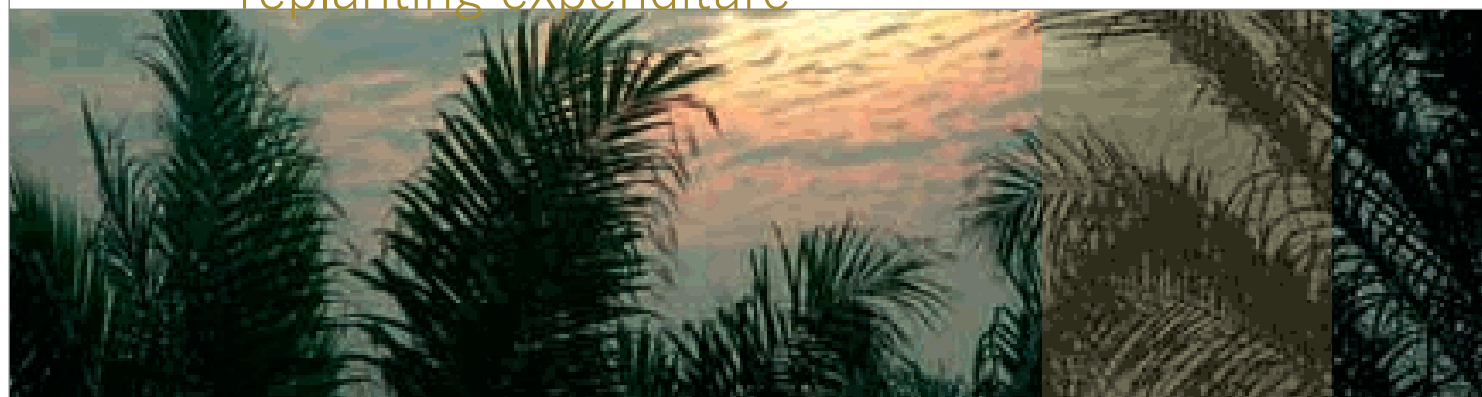
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group financial highlights

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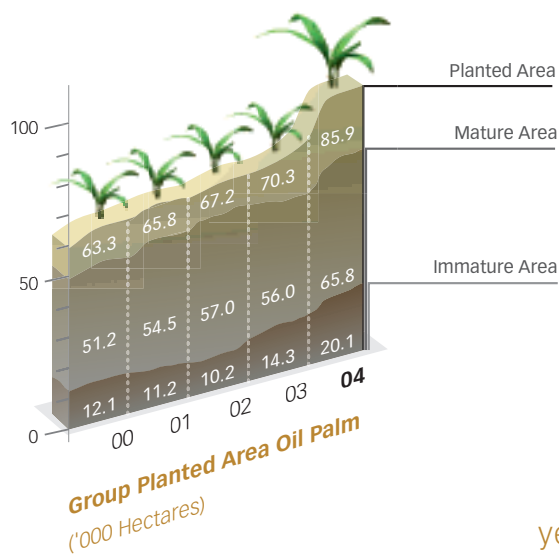
	2004	2003	2002	2001	2000
1. turnover					
RM (Million)	1,454.7	1,028.2	900.8	702.6	868.2
2. profit before tax					
RM (Million)	284.9	198.7	182.6	12.7	(0.78)
3. total assets employed					
RM (Million)	3,749.1	3,511.1	3,398.2	3,428.8	3,588.4

group new planting & replanting expenditure



Oil Palm	New Planting RM'000	Replanting RM'000	Total RM'000
2004			
Malaysia	—	11,303	11,303
Papua New Guinea	12,731	12,876	25,607
Indonesia	20,613	—	20,613
2003			
Malaysia	—	10,996	10,996
Papua New Guinea	14,928	8,063	22,991
Indonesia	4,451	—	4,451

group plantation highlights



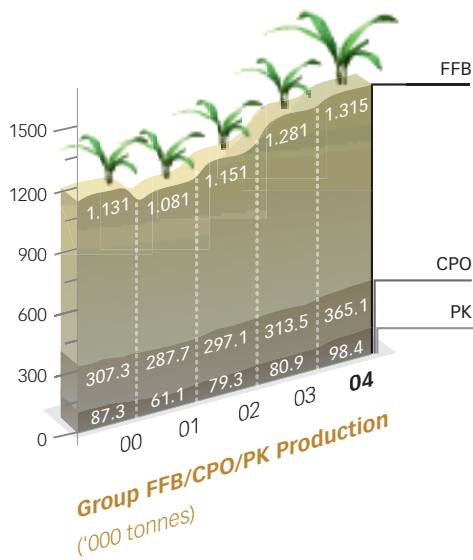
year ended 31 Dec

group planted area oil palm

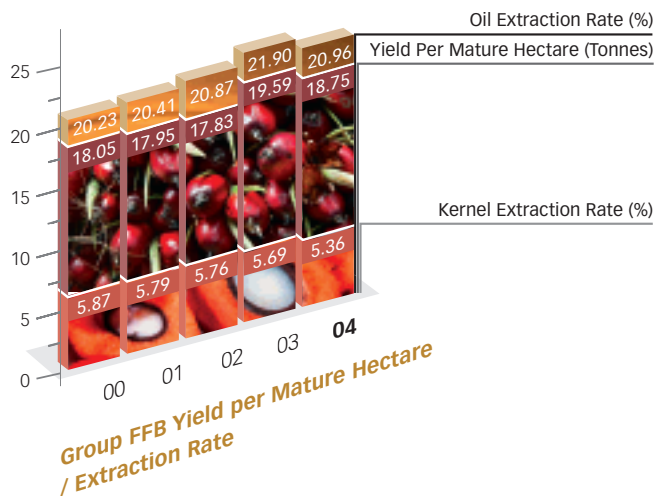
	2004	2003	2002	2001	2000
Hectares					
Group Planted Area	85,897	70,315	67,248	65,786	63,319
Group Mature Area	65,823	56,021	57,005	54,547	51,225
Group Immature Area	20,074	14,294	10,243	11,239	12,094

group FFB/CPO/PK production

Tonnes	1,314,514	1,280,749	1,150,509	1,080,652	1,130,731
FFB					
CPO	365,137	313,486	297,065	287,739	307,296
PK	98,351	80,852	79,326	61,083	87,280



group plantation highlights cont'd



group FFB yield/extraction

	2004	2003	2002	2001	2000
Yield Per Mature Hectare (Tonnes)	18.75	19.59	17.83	17.95	18.05
Oil Extraction Rate %	20.96	21.90	20.87	20.41	20.23
Kernel Extraction Rate %	5.36	5.69	5.76	5.79	5.87

OER (%)

Malaysia	19.33	18.72	19.04	18.78	18.51
PNG	22.53	22.73	22.47	21.78	21.65
Indonesia	19.01	0	0	0	0

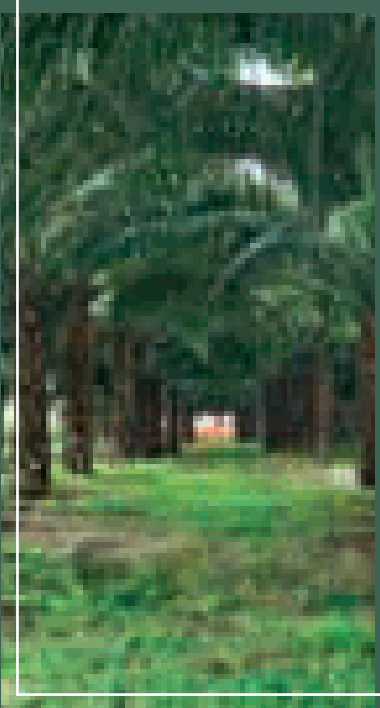
KER (%)

Malaysia	5.55	5.53	5.70	5.69	5.66
PNG	5.85	5.61	5.82	5.87	6.04
Indonesia	4.85	0	0	0	0

group corporate structure

KULIM (MALAYSIA) BERHAD

Plantation



100%	Kulim Plantations (Malaysia) Sdn Bhd	
100%	PT. Padang Bolak Jaya	
100%	PT. Multirada Multi Maju	
100%	Ulu Tiram Manufacturing Company (Malaysia) Sdn Bhd	
51%	EPA Futures Sdn Bhd	
100%	Mahamurni Plantations Sdn Bhd	
100%	Pembangunan Mahamurni Sdn Bhd	
100%	United Malayan Agricultural Corporation Berhad	
100%	Selai Sdn Bhd	
100%	EPA Management Sdn Bhd	
100%	Edaran Badang Sdn Bhd	
100%	Panquest Ventures Limited	
100%	PT. Salonok Ladang Mas	72%
95%	PT. Sumber MahardhikaGraha	
90%	PT. Graha Cakra Mulia	
85%	PT. Harapan Hibrida Kalbar	
49%	EPA Futures Sdn Bhd	
93%	Kumpulan Bertam Plantations Berhad	
75%	New Britain Palm Oil Limited	
100%	Dami Australia Pty Ltd	
100%	Capital Stock Brokers Limited	
100%	New Britain Nominees Limited	100%
	Capital Nominees Limited	

Manufacturing



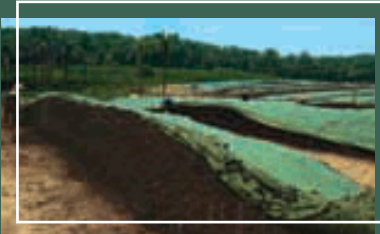
100%	Kulim TopPlant Sdn Bhd (Formerly known as Flovent Sdn Bhd)	
91%	Natural Oleochemicals Sdn Bhd	
100%	Natural Soaps Sdn Bhd	
55%	Dubois-Natural Esters Sdn Bhd	
100%	Skellerup Industries (Malaysia) Sdn Bhd	
100%	Skellerup Foam Products (Malaysia) Sdn Bhd	
100%	Skellerup Latex Products (M) Sdn Bhd	

Significant Investment



41%	Johor Land Berhad	35%	Saint Gobain Terreal (M) Sdn Bhd
		30%	Revertex (Malaysia) Sdn Bhd
30%	Asia Green Environmental Sdn Bhd		
50%	KMC Packaging Sdn Bhd		

Other



100%	Kulim Limited
51%	Pristine Bay Sdn Bhd

	Malaysia
	Papua New Guinea
	Indonesia
	Others

