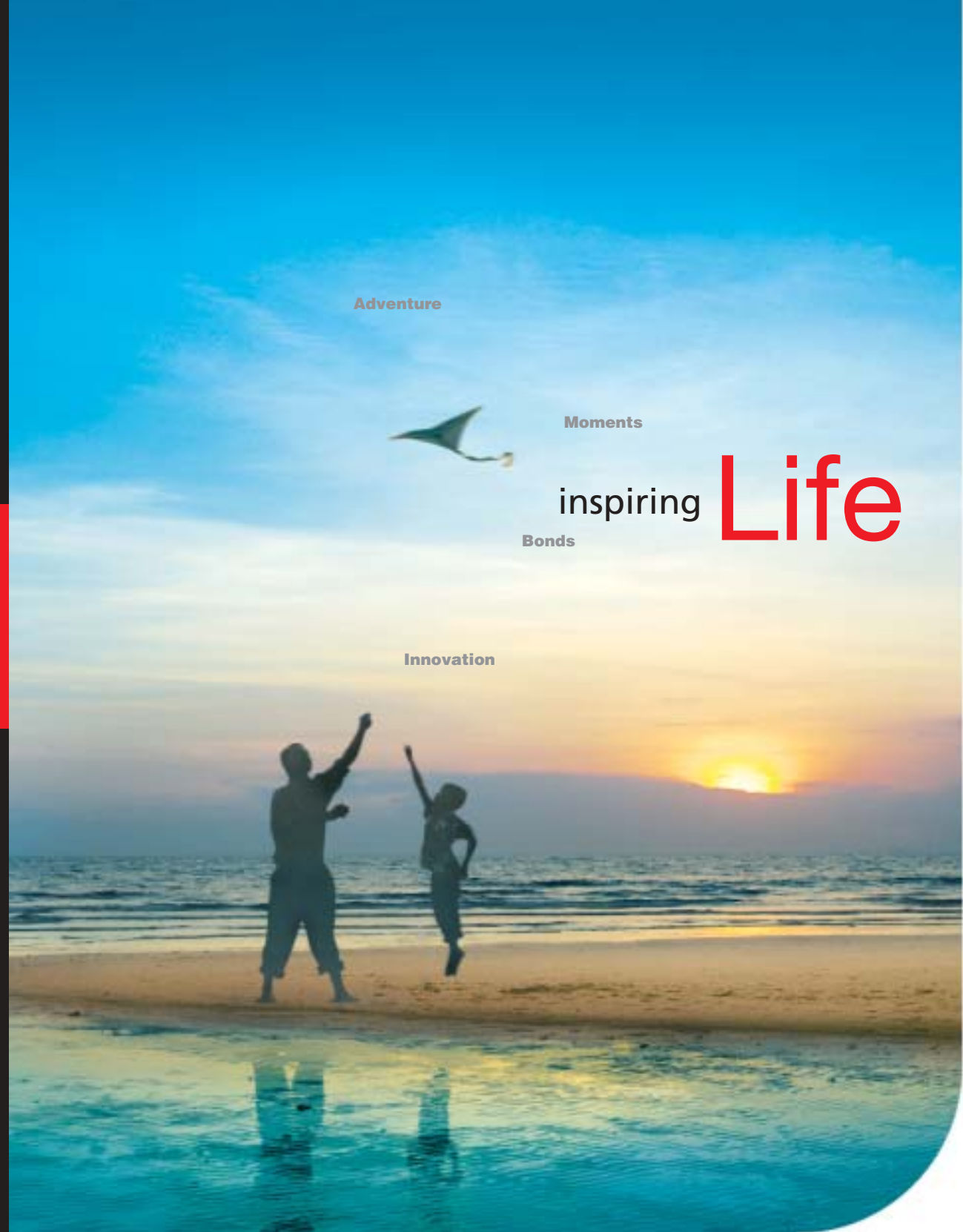


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CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

2005

A n n u a l R e p o r t



Adventure

Moments

inspiring **Life**

Bonds

Innovation



CHEMICAL COMPANY
OF MALAYSIA BERHAD
(5136-T)

Annual Report **2005**

VISION

A dynamic and responsible company, committed to enhancing quality of life by providing innovative science and technology based solutions.

Enhancing Quality Of Life

MISSION

To be a leading company in the Region in chosen Business sectors. We will focus our efforts on:

- Delivering attractive shareholder value
- Achieving growth and market leadership
- Providing innovative solutions that will delight customers
- Creating a highly satisfied and motivated team of employees
- Being a responsible corporate citizen

inspiring Life

Embrace life to the fullest.

Only then can you truly soar.
It is the integral essence of our belief.

We inspire to constantly be at the forefront of
our industry, delivering innovative science and
technological based solutions.

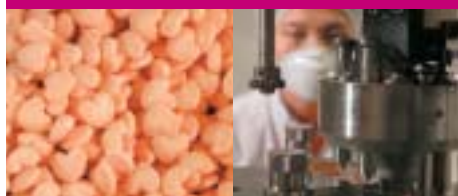
It is a platform for us to achieve one singular
goal - for you to experience all you can
in life.



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Inspiring Adventure

Reach out.

Be a thrill seeker.

See what life has to offer.

That's our approach to our business.

You have to dare before you can excel.



CORPORATE review



01

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MOVING FORWARD INTO NEW MARKETS TO ACHIEVE OUR BUSINESS OBJECTIVES



FERTILIZERS division

50.1% CCM Fertilizers Sdn Bhd



CHEMICALS division

80% CCM Chemicals Sdn Bhd



PHARMACEUTICALS division

73.4% Duopharma Biotech Bhd

100% CCM Pharmaceuticals Sdn Bhd
(formerly known as UPHA Corpn (M) Sdn Bhd)

100% Prima Health Pharmacy (Retail) Sdn Bhd

100% UPHA Pharmaceutical Mfg (M) Sdn Bhd

corporateINFORMATION

GROUP COMPANY SECRETARY

Ms. Rama Devi Nair (MIA No. 5664)

REGISTERED OFFICE

9th Floor, Wisma Sime Darby
14 Jalan Raja Laut, 50350 Kuala Lumpur
Tel : 03-2612 3888
Fax : 03-2691 9901

WORKS

Shah Alam, Pasir Gudang, Bangi, Petaling Jaya
Subang Jaya, Klang

REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

AUDITORS

KPMG, Wisma KPMG, Jalan Dungun
Damansara Heights, 50490 Kuala Lumpur

BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad

SOLICITORS

Raja, Darryl & Loh
18th Floor Wisma Sime Darby
14, Jalan Raja Laut, 50350 Kuala Lumpur

Salleh & Haq Associates
Lot 33 & 35, Level 4
Jalan Medan Tunku
50300 Kuala Lumpur

BOARD of directors

Tan Sri

AB. RAHMAN

bin Omar

NON-INDEPENDENT
NON-EXECUTIVE
CHAIRMAN



Dr. **MOHAMAD HASHIM**

bin Ahmad Tajudin

GROUP
MANAGING
DIRECTOR



Tan Sri Ab. Rahman, aged 60, a Malaysian, was appointed to the Board on 27 May 2004 and then after as Non-Independent Non-Executive Chairman since 19 August 2004. He attended all the eight (8) Board Meetings held in the financial year under review.

He is the Chairman of the Nomination & Remuneration Committee and the Government-Linked Companies Transformation Committee.

Tan Sri is presently also an Executive Director of DRB-Hicom Berhad and sits on the board of Wah Seong Corporation Berhad, Perusahaan Sadur Timah Malaysia (Perstima) Berhad and Edaran Otomobil Nasional Berhad.

After obtaining his Bachelor of Economics (Hon) from Universiti Malaya, Tan Sri started his career in the Administration and Diplomatic Services in the Statistic Department, Ministry of Commerce & Industry and the Ministry of Primary Industry from 1970 to 1973. He then joined the Pineapple Cannery Malaysia Sdn Bhd (PCM) as the Finance and Admin Manager in 1973 and was appointed as a Director in April 1980.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad.

Dr. Mohamad Hashim, aged 52, a Malaysian, is the Group Managing Director. He was appointed to the Board on 27 May 2004. He attended all the eight (8) Board Meetings held in the financial year under review.

Besides being a Director of Impian Golf Resort Berhad, Dr. Mohamad Hashim is also a member of several professional bodies and societies. He is the Council Member of MARDI Science Council, Chairman of Planters Editorial Committee for the Incorporated Society of Planters, a member of the strategic R&D Directorate of the National Biotechnology Council, Council Member of Federation of Malaysian Manufacturers and Committee Member of Biotechnology, Pharmaceutical and Healthcare Clusters Working Group (CWG) to Jawatankuasa Penasihat Pensyarikatan Bumiputera (JPPB) Implementation Coordination Unit, Jabatan Perdana Menteri.

Prior to his appointment in CCM, he was a Senior Director in the Oils & Fats Division of Golden Hope Plantations Berhad. He held various positions during his 26 years career stint in Golden Hope. Among others were as a Director in the Research and Development Division from 1998 to 2003 and as an Executive Director of Golden Hope Research Sdn Bhd and Golden Hope Agrotech Consultancy Sdn Bhd.

He was the Adjunct Professor of the Agricultural Faculty, Universiti Putra Malaysia and MPOB Programme Advisory Committee Member.

Dr. Mohamad Hashim holds a PhD in Soil Fertility and Management from Universiti Putra Malaysia and has also attended the Advanced Management Program at INSEAD, France and the Harvard Premier Business Management Programme.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad.

Dato' N Sadasivan, aged 66, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 1 March 1995. He attended seven (7) of the eight (8) Board Meetings held in the financial year under review.

He is the Chairman of the Audit Committee and member of the Nomination & Remuneration Committee.

Dato' N Sadasivan also sits on the board of Bank Negara Malaysia, Petronas Gas Berhad, Leader Universal Holdings Berhad, APM Automotive Holdings Berhad, Malaysia Airline System Berhad, Malaysian Industrial Development Finance Berhad, and Yeo Hiap Seng (Malaysia) Berhad.

Dato' N Sadasivan graduated from the Universiti Malaya in 1963 with a Bachelor of Arts (Hons) in Economics. He then began his career as an Economist with the Economic Development Board of Singapore and was later promoted to the position of Chief of the Industrial Facilities Division in 1965. He then pursued his career with the Malaysian Industrial Development Authority (MIDA) for 27 years where he last served as a Director General from 1984 to 1995.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad. His securities holdings in the company and its subsidiaries are disclosed on pages 140 and 143 of the Annual Report.

Tan Sri Dato' David Chiu, aged 52, a British citizen, was appointed to the Board as a Non-Independent Non-Executive Director on 11 May 2000. He attended three (3) of the eight (8) Board Meetings held in the financial year under review.

He is a member of the Finance and Investment Committee and Government-Linked Companies Transformation Committee.

Tan Sri Dato' David Chiu is currently the Deputy Chairman & CEO of Far East Consortium International Ltd (FECIL) in Hong Kong and Vice Chairman of Malaysia Land Properties Sdn Bhd.

Tan Sri Dato' David Chiu has more than 20 years of management and entrepreneurial experience in the property and property-related industry. He joined FECIL as a Project Manager in 1976. From 1977 to 1994, he had held the positions of Director and General Manager (Property Development) and Managing Director.

He is a graduate with a Bachelor of Science in Business Administration and Economics.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad. His securities holdings in the company and its subsidiaries are disclosed on page 140 of the Annual Report.

Dato' **N SADASIVAN**
INDEPENDENT
NON-EXECUTIVE
DIRECTOR

Tan Sri Dato'
DAVID CHIU
NON-INDEPENDENT
NON-EXECUTIVE
DIRECTOR



Tan Sri Dato' Dr.
MOHAMED YUSOF
bin Hashim
INDEPENDENT
NON-EXECUTIVE
DIRECTOR



Dato' Seri
MOHD HUSSAINI
bin Haji Abdul Jamil
NON-INDEPENDENT
NON-EXECUTIVE
DIRECTOR



Tan Sri Dato' Dr. Mohamed Yusof, aged 68, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 21 August 2002. He attended seven (7) of the eight (8) Board Meetings held in the financial year under review.

He is a member of the Audit Committee and Nomination & Remuneration Committee.

Tan Sri Dato' Dr. Mohamed Yusof is currently the Chairman of Abric Berhad and Executive Chairman of SAAG Oil and Gas Sdn Bhd.

He was a lecturer at the Faculty of Agriculture, Universiti Malaya between 1970-1973 before joining the Malaysian Agriculture Research and Development Institute (MARDI) as a research officer. Between 1984 and 2000, he served on the Boards of various organizations, including the

Australian Council of International Agricultural Research in Canberra, International Service for National Agricultural Research in Hague, Holland, Asia-Pacific Association of Agricultural Research Institutions, Food and Agricultural Organisation of Bangkok, Universiti Kebangsaan Malaysia and Universiti Putra Malaysia. He was also the CEO of the Malaysian Palm Oil Promotion Council from 1994 to 2000.

Tan Sri Dato' Dr. Mohamed Yusof holds a PhD in Agricultural Science and a Fellow of the Academy of Science.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad.

Dato' Seri Mohd Hussaini, aged 70, a Malaysian, was appointed to the Board as a Non-Independent Non-Executive Director on 29 August 2003. He attended five (5) of the eight (8) Board Meetings held in the financial year under review.

He is the Chairman of the Finance and Investment Committee and a member of the Government-Linked Companies Transformation Committee.

Dato' Seri Mohd Hussaini holds several Chairman position in companies such as Streetspace Asia Pacific Sdn Bhd, Lingkaran Luar Butterworth (Penang) Sdn Bhd, Renown Consult Sdn Bhd, Inter Majestic Sdn Bhd, Rayston Consortium Sdn Bhd, Sistem Hospital Awasan Taraf Sdn Bhd and also holds directorship in ICI Paints (Malaysia) Sdn Bhd and Pelaburan Hartanah Nasional Berhad. He is the President of Immobiliaria Cidmex S A, Mexico.

He joined the Malaysian Home and Foreign Administrative office in 1961. In his 30 years in government service, he had served in the Prime Minister's Department, the Ministry of Home Affairs, Kuala Lumpur City Hall and the Ministry of Finance before retiring in September 1991 as the Secretary General of the Ministry of Health.

Dato' Seri Mohd Hussaini holds a Bachelor of Arts (Hons) from Universiti Malaya and a Diploma in DP from London.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad.

Mr E Sreesanathan, aged 46, a Malaysian, was appointed to the Board as a Non-Independent Non-Executive Director on 11 September 2003. He attended seven (7) of the eight (8) Board Meetings held in the financial year under review.

He is a member of the Finance and Investment Committee and Government-Linked Companies Transformation Committee.

Mr E Sreesanathan holds Directorships in Kumpulan Guthrie Berhad and Malaysia Land Development Company Berhad.

An advocate and solicitor, Mr E Sreesanathan is a partner at Messrs Kadir, Andri and Partners. He sits on the Investment Committee of the Amanah Saham Wawasan 2020 and also an accredited

mediator of the Malaysian Mediation Centre, a member of the Bursa Malaysia Central Depository Advisory Committee and Investigating Tribunal Panel of the Advocates and Solicitors' Disciplinary Board.

Mr E Sreesanathan obtained his LLB (Hons) degree from Universiti Malaya and B.C.L. from the University of Oxford, UK.

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad.

E SREESANTHAN
NON-INDEPENDENT
NON-EXECUTIVE
DIRECTOR

Dato' Kalsom, aged 58, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 27 May 2004. She attended five (5) of the eight (8) Board Meetings held in the financial year under review.

She is a member of the Finance and Investment Committee and Government-Linked Companies Transformation Committee.

Dato' Kalsom is the Chairperson of the Small and Medium Industries Development Corporation (SMIDEC) and also the Chairperson of the Executive Committee of Invest-in-Penang Berhad. She is also a Director of Malaysian Industrial Development Finance Berhad, Malaysian International Shipping Corporation Berhad, Hyundai Berjaya Corporation

Berhad, Lion Forest Industries Berhad, BSL Corporation Berhad and SIMEX Aircraft Tyre Company Sdn Bhd.

She had served in various capacities in the Ministry of International Trade and Industry both in Headquarters and overseas offices.

Dato' Kalsom obtained her Bachelor of Economics (Hons) degree from Universiti Malaya and Masters degree in Business Administration (Finance) from the University of Oregon, the United States of America.

She has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. She does not have any conflict of interest with CCM Berhad.

Dato'
KALSOM
binti Abdul Rahman
INDEPENDENT
NON-EXECUTIVE
DIRECTOR



JAMIAH

binti Abdul Hamid

NON-INDEPENDENT
NON-EXECUTIVE
DIRECTOR



ABDUL RAHIM

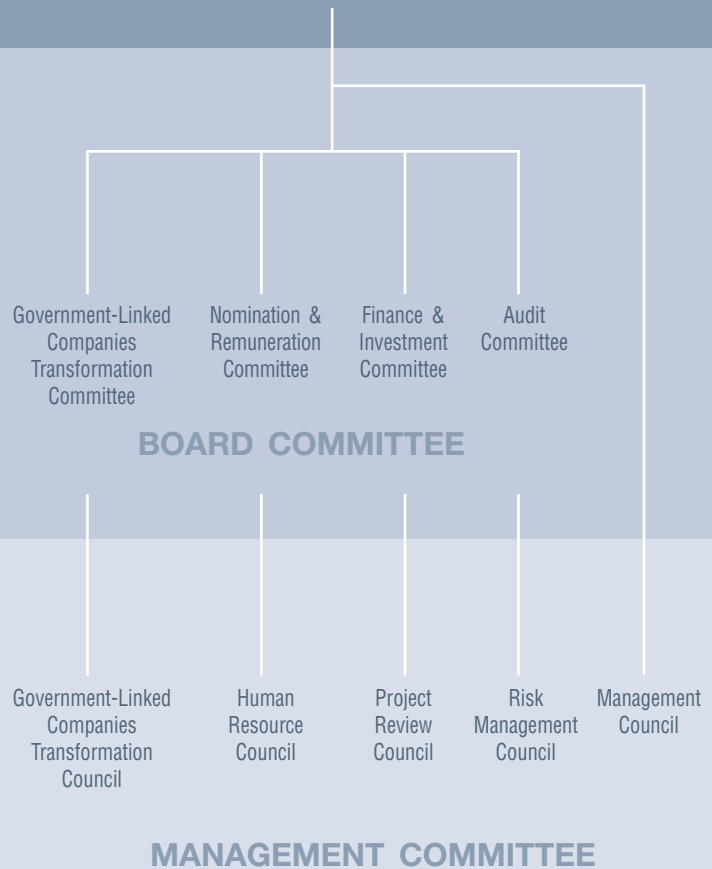
bin Abdul Hamid

INDEPENDENT
NON-EXECUTIVE
DIRECTOR



BOARDstructure

Board of Directors



Puan Jamiah, aged 51, a Malaysian, was appointed to the Board as a Non-Independent Non-Executive Director on 3 April 2006, thereby status of attendance at board meetings held in the financial year under review is not applicable.

She holds Directorship in PNB Nomura Jafco Management Sdn Bhd, Singapore Unit Trust Ltd, Unilever (M) Holdings Sdn Bhd, Kim Fashion Knitwear (Malaysia) Sdn Bhd, Selesa GmbH, Pernec Corporation Berhad and Pelangi Berhad.

Puan Jamiah had an extensive and illustrious career spanning 28 years. She began her career working as an Administrative Assistant in the Mara Institute of Technology before joining Permodalan Nasional Berhad (PNB). In PNB, Puan Jamiah was a Trainee Analyst in the Research Department and soon rose from her position to assume several posts such as Senior Investment Manager for PNB's Investment Operations Department to her current position as Executive Vice President II for the Corporate Finance, Communications & International Division in 2005.

Puan Jamiah has a Diploma in Public Administration from the Mara Institute of Technology (1978), a Bachelor of Science (Finance) from the Northern Illinois University (1980) and a Master of Business Administration from Universiti Kebangsaan Malaysia (1982).

She has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. She does not have any conflict of interest with CCM Berhad.

En Abdul Rahim, aged 56, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 3 April 2006, thereby status of attendance at board meetings held in the financial year under review is not applicable.

He holds Directorship in Pelangi Berhad and MIMOS Berhad besides being the President of MIA and member of several professional and business organizations such as ACCA, MICPA, MySen, MyNos and MIMOS.

En Abdul Rahim is a qualified certified Accountant and joined Coopers & Lybrand as its Audit Assistant in 1971. He begun his climb up the company's corporate ladder and became the Managing Partner/Chief Executive in 1993. In 1998, he assumed the responsibility as Deputy Executive Chairman of PricewaterhouseCoopers and retired in 2004.

En Abdul Rahim is a graduate of Mara Institute of Technology and has attended several leadership training courses that include the Australian National Audit Supervisors' Course (Melbourne), the Coopers & Lybrand International New Partners Conference (Cambridge) and Mastering Peak Performance (Guam).

He has no family relationship with and is not related to any director and/or major shareholder of CCM Berhad. He does not have any conflict of interest with CCM Berhad.

Note: None of the Directors has been convicted for offences for the past 10 years (other than traffic offences, if any).



**DATO' HAJI MIZANUR
RAHMAN GHANI**

Managing Director of
Duopharma Biotech Bhd

MR. YEOH KEAT CHYE

Managing Director of
CCM Chemicals Sdn Bhd

MR. Y C LEE

Managing Director of
CCM Pharmaceuticals Group of
Companies

SENIORmanagement

DATO' HAJI MIZANUR RAHMAN GHANI

Age 59, Dato' Haji Mizanur joined the Malaysian Industrial Development Authority (MIDA) in 1968 and subsequently was appointed as a Director before leaving in 1976 to join the ICI/CCM Group. Since 1993, he has been the Managing Director of CCM Fertilizers Sdn Bhd and Chairman of Tioxide (Malaysia) Sdn Bhd. He was appointed as the Managing Director of Duopharma Biotech Berhad on 28 November 2005. Dato' Haji Mizanur holds a Bachelor of Arts (Honours) Degree from Universiti Malaya and has undertaken post-graduate courses in Business Administration at the University of Leuven in Belgium and Marketing Management at Harvard Business School, USA, and Ashridge Management College in the United Kingdom.

He is also the Director of Usaha Kimia Sdn Bhd.

MR. YEOH KEAT CHYE

Age 56, Mr. Yeoh has over 31 years of experience in ICI/CCM and is the Managing Director of CCM Chemicals since 1995. He began his illustrious career as a trainee Plant Manager in October 1974 and has been seconded to ICI UK in 1979 and ICI Singapore in 1989. He has worked in various capacities in Production, Projects, Human Resources as well as Sales & Marketing before becoming the Managing Director of CCM Chemicals in 1995.

He holds a 1st Class Bachelor's Degree in Chemical Engineering from the University of Canterbury, Christchurch, New Zealand and is currently a member of the Institution of Chemical Engineers, a Chartered Engineer of the Council of Engineering Institution, Exco Member of the Chemical Industries Council of Malaysia (CICM) and a member of FMM's Energy Management Committee.

Mr. Yeoh was also the first Malaysian nominee for the 2nd Intergovernmental Forum on Chemical Safety (IFCS) Award of Merit in 1999 for his contributions to the Responsible Care Programme in Malaysia.

MR. Y C LEE

Age 50, Mr. Lee is the Managing Director of CCM Pharmaceuticals Group of Companies, CCM Pharma Sdn Bhd and Prima Health Pharmacy (Retail) Sdn Bhd. He was appointed the Managing Director of the CCM Pharmaceuticals Group of Companies (formerly known as UPHA Group of Companies) on 1 April 1997.

He holds a Bachelor of Science (Honours) degree in Electrical & Electronic Engineering from University of Manchester, Institute of Science & Technology, UK and a Masters of Business Administration degree from Cranfield Institute of Technology, UK. He is currently pursuing a Doctorate Degree in Business Administration (DBA) with the University of South Australia (UniSA).

Mr. Lee is also a fellow member of the Chartered Institute of Management Accountants, UK and also a Chartered Accountant of the Malaysian Institute of Accountants.

TUAN HAJI MOHD ALI SABRI

Chief Operating Officer of
CCM Fertilizers Sdn Bhd

MS. RAMA DEVI NAIR

Group Company Secretary/
General Manager of Corporate Services



TUAN HAJI MOHD ALI SABRI

Age 48, Tuan Haji Mohd Ali Sabri graduated with a Bachelor Degree in Agricultural Science from Universiti Pertanian Malaysia in 1981. He later graduated with a Master in Business Administration (MBA) from ITM-Ohio University Programme in 1988. He is currently pursuing a part-time Doctorate Programme in Business Administration at the Multimedia University, Cyberjaya. He has attended a Leadership & Advanced Management Programme at IMD, Lausanne, Switzerland.

He is currently the Chief Operating Officer of CCM Fertilizers Sdn Bhd. He started his career with Monsanto (M) Sdn Bhd, before joining CCM Group in 1989. He has held several positions during his career with CCM Fertilizers Sdn Bhd in the Sales, Marketing and Operations divisions before being promoted as a Director in 1995.

Tuan Haji Mohd Ali Sabri is also a member of several professional bodies and societies such as the Incorporated Society of Planters (ISP), the Malaysian Society of Soil Science (MSSS) and the Malaysian Agriculture Plant Protection Society (MAPPS).

MS. RAMA DEVI NAIR

Age 46, Ms. Nair joined the ICI/CCM Group as an Accountant on 1 July 1984. On 1 April 1985, she was redesignated as Works Accountant. Three years later, she was promoted to Accountant and Administrative Manager. Subsequently in April 1988, she was transferred to ICI Agriculture Sdn Bhd, performing the same role in the company. She was appointed Quality Manager of ICI Industrial Chemicals (M) Sdn Bhd/ICI Agrochemicals (M) Sdn Bhd/ICI (M) Holdings Sdn Bhd in April 1991.

In addition to her role as Quality Manager, Ms. Nair has also assumed the responsibilities of Finance Manager of ICI Industrial Chemicals (M) Sdn Bhd in July 1993. She was later appointed Finance Manager of CCM Berhad in July 1996, whilst maintaining her role as Finance Manager of CCM Chemicals Sdn Bhd. In January 1997, she was transferred to CCM Berhad as Finance Manager and was later appointed General Manager of Corporate Services in January 2004.

Ms. Nair is a fellow member of the Association of Chartered Certified Accountants and a member of MICCI (Taxation) and Federation of Public Listed Companies (FPLC) Committees.