



KUMPULAN GUTHRIE BERHAD
(4001-P)

EXCELLENCE FOR SUSTAINABILITY



KUMPULAN GUTHRIE BERHAD
(4001-P)

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ANNUAL REPORT 2004

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THE COVER

Beneficial plants such as *Turnera subulata* seen on the cover of this year's report have been identified as these are very useful in suppressing bagworms in oil palm plantations. This has reduced usage of chemical pesticide. Thus the propagation of these plants plays an important role for a biologically-driven sustained control of pests and is one of Guthrie's sustainable development best practices.

The plants symbolise the Guthrie Group's journey of excellence in sustaining its performance in all its business operations through emphasis on sound sustainable development practices and implementation of good corporate governance and best practice business processes which are backed by innovative R&D in science and technology.

Istana Collection, Bukit Jelutong

Annual Report 2004



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OUR VISION

The Guthrie Group aspires to become an excellent world class corporation in the core businesses of plantation and property.

OUR MISSION

We are committed to:

Exceeding CUSTOMERS' expectations through innovative and high quality products and services.

Providing career development opportunities for EMPLOYEES to realise their potential.

Continuously enhancing SHAREHOLDERS value.

Being a responsible corporate citizen towards the environment and contributing to the socio-economic development of the COUNTRIES in which we operate.

OUR VALUES

Ethical

Efficient & Effective

Quality

Caring

Trust & Cooperation

FINANCIAL CALENDAR

FINANCIAL YEAR END31 December 2004

ANNOUNCEMENT OF RESULTS

First Quarter31 May 2004
 Second Quarter.....26 August 2004
 Third Quarter24 November 2004
 Fourth Quarter.....28 February 2005

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Despatch Date20 May 2005
 ANNUAL GENERAL MEETING16 June 2005

DIVIDENDS

Interim

Declaration26 August 2004
 Record Date23 September 2004
 Payment Date14 October 2004

Final

Recommendation28 February 2005
 Record Date30 June 2005
 Payment Date29 July 2005



The origin of the Guthrie Group can be traced back to 1821 when Alexander Guthrie set up an agency in Singapore, making it the first British trading enterprise in South East Asia. Incorporated on 25 November 1960, Kumpulan Guthrie Sendirian Berhad (“KGSB”), was initially formed to serve as the local agent for Guthrie Estates Agency Limited (“GEAL”). In 1965, the Guthrie Corporation Limited (“GCL”) was formed by the merger of plantation companies which were previously under the management of GEAL. In the same year, GCL obtained a listing on the International Stock Exchange of London (“London Stock Exchange”) and embarked on a diversification programme into the trading and manufacturing sectors in the United Kingdom, Europe and United States of America.



**Kumpulan
GUTHRIE
Berhad** **184**
YEARS

In order to accelerate the Malaysianisation of GCL’s plantation interests, Malaysian parties acquired GCL on the London Stock Exchange in 1981. In 1982, GCL’s plantation and related interests were transferred to KGSB. In 1987, KGSB was converted to a public company and renamed Kumpulan Guthrie Berhad (“Guthrie”). Guthrie was listed on the Kuala Lumpur Stock Exchange [now known as Bursa Malaysia Securities Berhad (“Bursa Malaysia”)] on 29 August 1989 in what was then the largest public issue of shares in Malaysia. Two subsidiary companies of Guthrie, Highlands & Lowlands Berhad (“H&L”) and Guthrie Ropel Berhad (“Ropel”), are also listed on Bursa Malaysia. H&L is also listed on the London Stock Exchange.

The Guthrie Group today is a leading producer of palm oil with plantation operations spanning South East Asia, from Kedah to Sabah in Malaysia, and from Sumatera to Sulawesi in Indonesia. As at 31 December 2004, the Group’s land bank in Malaysia measures 105,443 hectares, while that in Indonesia measures 216,911 hectares. In March 2001, Kumpulan Guthrie Berhad acquired interests in 20 oil palm operating companies from PT Holdiko Perkasa and PT Gemahripah Pertiwi (the plantations of which are now known as Minamas Plantation), thus enhancing the size of the Group’s land bank two-fold. The Guthrie Group is today one of the largest plantation conglomerates in South East Asia.

Bukit Jelutong, Shah Alam – Guthrie's premier township project



Headquartered in Kuala Lumpur, the Guthrie Group also has operations in Thailand. Its other businesses are manufacturing (medium density fibre-board, building materials), production and sale of planting materials, agricultural consultancy, landscaping, resort development and IT services. The Group ventured into property development in 1994, establishing a second core business for the Group. The property division of the Group in Malaysia still has more than 16,000 acres of land bank in the Klang Valley, of which the Guthrie Corridor Planned Communities (Bukit Jelutong, Bukit Subang, Elmina and Bukit Lagong), account for 11,650 acres.

The property development operation is managed primarily through Guthrie Property Development Holding Berhad (“GPDH”), the developer known for the Bukit Jelutong premier township and other planned communities, covering an area of 2,200 acres and 1,900 acres of freehold land in Shah Alam respectively. Future developments will be in Elmina and Bukit Lagong, creating new urban growth centres along the Guthrie Corridor Expressway.

Bukit Jelutong which is its first and signature planned communities reflects development that emphasises low density of only four units per acre, lush greenery with numerous recreational parks, an extensive road system with multiple accesses and underground cabling utilities. Strategically located in the Klang Valley region and enjoying easy access to the New Klang Valley Expressway (NKVE), Elite Highway, Shah Alam Expressway (Kesas) and Federal Highway, Guthrie's other planned communities are further enhanced by the commencement of the 25-kilometre Guthrie Corridor Expressway's operation in mid 2005. The Group's other property developments include those in Sungai Kapar Indah (Klang) and Gurun (Kedah).

In January 2004, Dato' Abd Wahab Maskan came on board the Guthrie Group to succeed Tan Sri Dato' Abdul Khalid Ibrahim who retired as Group Chief Executive. Dato' Abd Wahab prepared the transformation intent of the Group. Consolidation, structural realignment and strengthening of corporate governance and operational efficiency commenced in 2004. The introduction of a structured initiative to drive the performance-driven culture (PDC) started with the official launch of Mission Guthrie Excellence (G-Excellence) by Guthrie Group Chairman, Tan Sri Dato' Musa Hitam, who came on board in August 2002, at the inaugural Group Managers Conference 2004. To support a sustainable PDC, a structured and substantive e-Learning and knowledge sharing driven by the e-Library and Knowledge Management culture was introduced. Principles and practices of Balanced Scorecard's key performance indicators (KPIs) were also introduced. The Group also initiated the rationalisation of its small plantation companies. This involves regrouping of estates which will form bigger and more efficient plantation companies.



1821

HISTORY of Kumpulan Guthrie Berhad



1821 – Alexander Guthrie established the Guthrie agency house in Singapore.

1896 – Guthrie began to take firm root in the Malay Peninsula by laying the foundation for Malaya to be a major rubber producer.

1924 – Guthrie introduced oil palm to the Malay Peninsula, which was to become the world's largest palm oil producer.

1960 – Kumpulan Guthrie Sdn. Berhad (“KGSB”) was incorporated on 25 November 1960. It was initially formed to serve as the local agent for Guthrie Estates Agency Limited (“GEAL”), a company incorporated in the United Kingdom (“UK”). GEAL was the agent for UK-incorporated plantation companies that owned plantations in Malaya.

1965 – The abovementioned plantation companies merged to form Guthrie Corporation Limited (“GCL”) which was listed on the London Stock Exchange in 1965.

1977 – GCL, under a reorganisation plan, transferred its plantation interests from 10 of its UK-incorporated subsidiaries (holding approximately 153,000 planted acres) to six Malaysian-incorporated subsidiary companies. Following this reorganisation, GCL further expanded its plantation interests to the Philippines, China and Africa.

1981 – On 7 September 1981, Permodalan Nasional Berhad (“PNB”) acquired the entire ordinary share capital of GCL.

1982 – GCL's plantation interests came home to Malaysia. In a reconstruction scheme effective 18 November 1982, GCL's plantation assets situated both in Malaysia and overseas (Philippines, China and Africa), together with the marketing and distribution network companies situated in the UK and United States of America (“USA”), were transferred to KGSB. A new UK company, Guthrie Holdings Limited, a wholly-owned subsidiary company of PNB, was formed to hold the share capital of GCL.

As a result of the aforesaid reconstruction scheme, Guthrie Ropel Berhad, which officially commenced its business in 1970, became a subsidiary company of KGSB.

1984 – KGSB acquired the entire issued share capital of Uniroyal Malaysian Plantations Sdn. Berhad (“Uniroyal”) from Uniroyal Incorporated, a company incorporated in the USA, for a total cash consideration of RM198,943,560. The principal assets of Uniroyal (renamed Kumpulan Jerai Sdn. Berhad) comprised five estates planted mainly with rubber then.

1985 – In January 1985, KGSB, through its wholly-owned subsidiary, Kumpulan Jelei Sdn. Berhad, entered into an agreement with Kuala Lumpur Kepong Berhad (“KLK”) to purchase KLK's 26.23% holding in Highlands & Lowlands

Berhad (“H&L”). The acquisition gave KGSB, together with PNB's 19.36% interest in H&L, 45.59% control of H&L. Following the purchase of KLK's 26.23% holding in H&L, KGSB made a cash offer to acquire all the shares of H&L not already controlled by itself or PNB. This resulted in KGSB acquiring a further 5.41% interest in H&L. Following this cash offer, PNB rationalised its interest in H&L by transferring its interest in H&L to KGSB. With the completion of this exercise, H&L became a Klang subsidiary of KGSB.

1987 – KGSB was converted to a public company, known as Kumpulan Guthrie Berhad (“Guthrie”).

1989 – Guthrie was listed on the Kuala Lumpur Stock Exchange (now renamed Bursa Malaysia Securities Berhad) on 25 August 1989 following an offer for sale by PNB of 100,000,000 ordinary shares of RM1.00 each, representing 10% of the issued and paid-up share capital of Guthrie, to the Malaysian public and Guthrie's employees at a price of RM2.10 per share.

1990 – The relevant reconstruction agreements pertaining to a reconstruction scheme (“the Scheme”), involving Guthrie, H&L and their subsidiary companies, were executed on 19 October 1990. The objective of the Scheme was to rationalise the operations of the Guthrie Group which ultimately resulted in the creation of a property development holding company, Guthrie Property Development Holding Sdn. Berhad [now known as Guthrie Property Development Holding Berhad (“GPDH”)]. GPDH, together with its group of companies, would gradually undertake all property development activities of the Guthrie Group.

1994 – The Guthrie Group strategically diversified its core businesses into plantations, property development and manufacturing. The Group commenced its property development activity in Bukit Jelutong with the sale of bungalow lots.

1995 – Guthrie, through its wholly-owned subsidiary company, Guthrie Tapis Sdn. Berhad, entered into a joint-venture agreement with PT Pecconina Baru to form a joint-venture company, PT Guthrie Pecconina Indonesia, to develop an oil palm plantation in Palembang, South Sumatra, Indonesia. The planting of oil palms commenced in 1997.

1996 – The official laying of the foundation stone for the Guthrie Pavilion – Building for the Future.

1997 – Bukit Jelutong, the Guthrie Group's maiden property project, won the Best Planned Township Award from the Institute of Town Planners.

1998 – The Guthrie Pavilion was completed. It now houses the office of GPDH, the property arm of the Guthrie Group.

1999 – Syarikat Pembangunan Hartanah Guthrie Sdn. Berhad launched the Guthrie Group's second property flagship, Sungai Kapar Indah in Klang, a 570-acre integrated township.

2000 – Guthrie Corridor Expressway Sdn. Berhad was awarded the Guthrie Corridor Expressway, a 33-year concession highway project.

2000 – Guthrie won a bid to acquire interests in companies which are substantially involved in oil palm cultivation covering approximately 265,000 hectares in seven Indonesian provinces.

2001 – Guthrie signed an agreement to issue USD395 million (RM1.5 billion) worth of Islamic bonds, the first US dollar denominated international Islamic bonds traded on the Labuan Financial Exchange, to refinance its Indonesian acquisition and operations.

2002 – Ladang Jelela Bumi's Mill Oil Extraction Rate (OER) of 24.53% in March 2002 was the highest extraction rate registered in the Malaysian palm oil industry. The achievement was endorsed by the Malaysian Palm Oil Board (MPOB).

2003 – Guthrie Property Development Holding Berhad's (GPDH) Community Living Project, Denai Alam, won the coveted Malaysian Institute of Planners' Planning Innovation Award. The concept is a combination of the traditions and refinement of a country lifestyle.

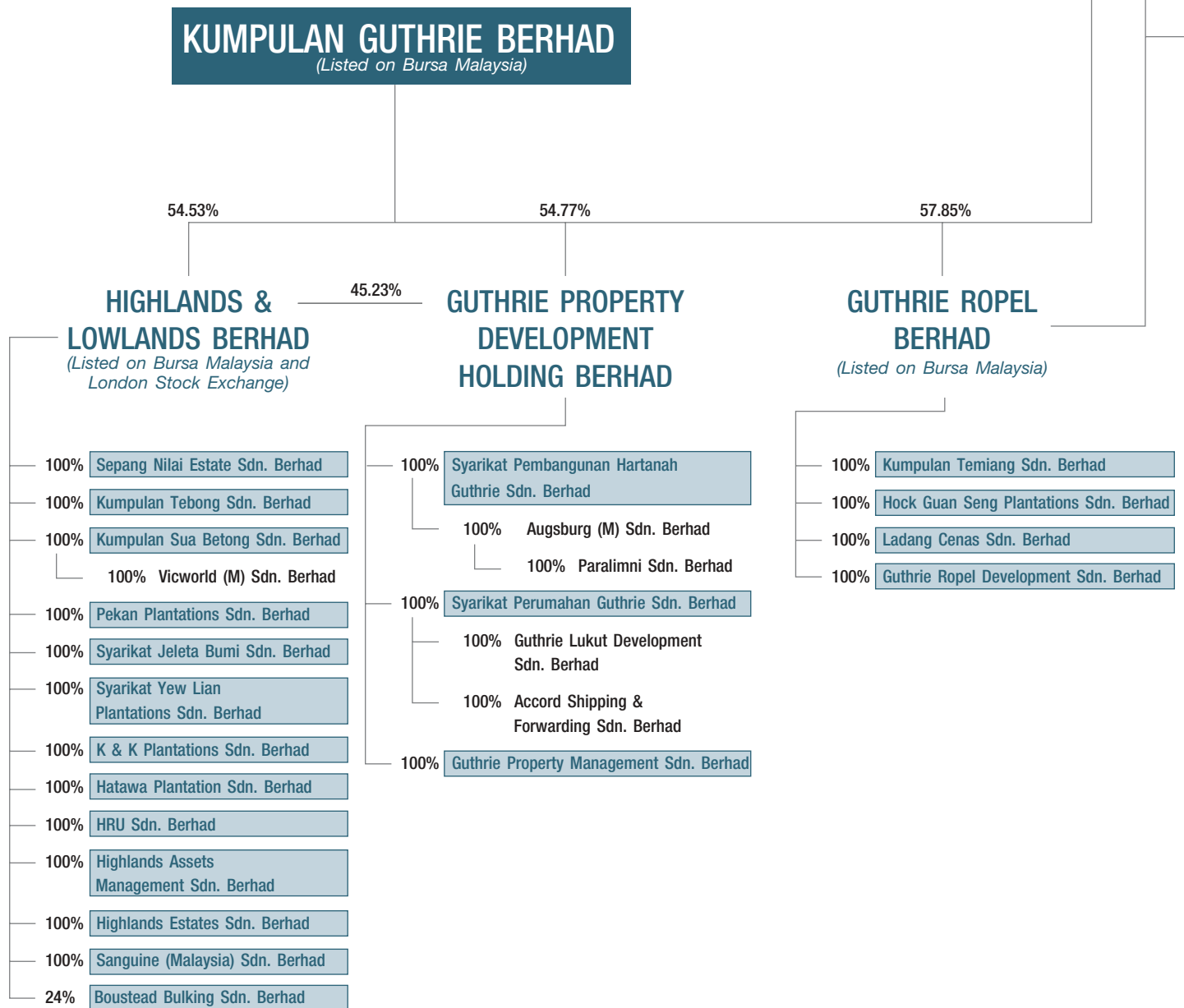
2004 –

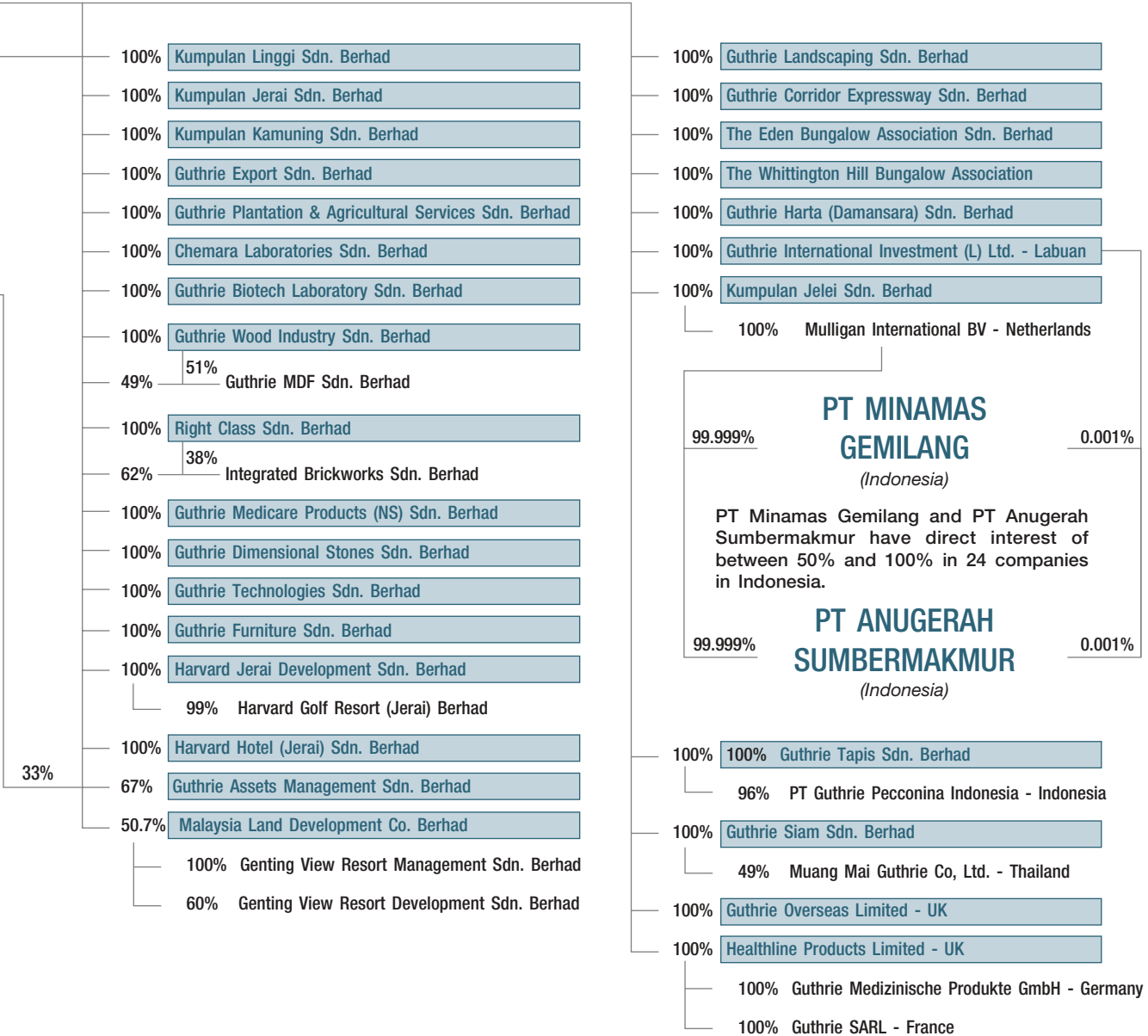
- Further Group initiatives and programmes to strengthen and enhance its efficiency and effectiveness were undertaken during the year. In the drive towards excellence, Guthrie Group-wide Mission G-Excellence was launched during a Group Managers' Conference in Langkawi from 7 to 10 October 2004. Performance Driven Culture and e-Learning and knowledge sharing driven by the e-Library and Knowledge Management were introduced.
- The rationalisation exercise to group the Group's smaller estates into bigger plantation companies was initiated.
- The Tanah Merah SOU (Strategic Operating Unit) comprising the Tanah Merah, Sua Betong and Bukit Pelandok estates was awarded the EUREPGAP (European Retailers and Producers Good Agricultural Practice) certification, a quality standard recognised by the Food and Agricultural Organisation (FAO) that certifies the Group's ability to produce best quality products.

With this certification, Guthrie is the first plantation company in the world to be granted EUREPGAP certification.

2004

GROUP STRUCTURE





Note: Companies listed above are in respect of those in active operations as at 20 May 2005.

The list of the companies in the Group is available in Note 5 to the Financial Statements on pages 141 to 148.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF KUMPULAN GUTHRIE BERHAD WILL BE HELD AT THE BALLROOM, MEZZANINE FLOOR, HOTEL EQUATORIAL, JALAN SULTAN ISMAIL, 50250 KUALA LUMPUR, MALAYSIA ON THURSDAY, 16 JUNE 2005 AT 10.30 A.M. FOR THE FOLLOWING PURPOSES:

ORDINARY BUSINESS:

1. To receive and adopt the Report of the Directors and the audited Financial Statements for the year ended 31 December 2004 and the Auditors' Report thereon.
2. To approve the payment of a final dividend of 5% (5 sen per RM1.00 share) less 28% Malaysian income tax.
3. To approve the Directors' fees and remuneration as disclosed in the audited Financial Statements for the year ended 31 December 2004.
4. To re-elect the following Directors who retire by rotation in accordance with Article 102 of the Company's Articles of Association:
 - YBhg. Datuk Khoo Eng Choo
 - Encik Sreesanthan s/o Eliathamby
5. To elect YBhg. Dato' Abd Wahab Maskan who, being appointed on 30 June 2004, retires in accordance with Article 108 of the Company's Articles of Association.
6. To consider and if thought fit, to pass the following Resolutions:
 - "That pursuant to Section 129(6) of the Companies Act, 1965, YBhg. Tan Sri Dato' Musa Hitam be reappointed as Director of the Company to hold office until the next Annual General Meeting."
 - "That pursuant to Section 129(6) of the Companies Act, 1965, Y.M. Raja Tan Sri Muhammad Alias Raja Muhammad Ali be reappointed as Director of the Company to hold office until the next Annual General Meeting."

7. To reappoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

8. AS SPECIAL BUSINESS:

To consider and, if thought fit, to pass the following Ordinary Resolution:-

AUTHORITY TO ISSUE AND ALLOT SHARES

"That, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per cent (10%) of the issued share capital of the Company for the time being."

9. To consider any other ordinary business of the Company of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that the final dividend of 5% (5 sen per RM1.00 share) less Malaysian income tax of 28%, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 29 July 2005 to shareholders whose names appear in the Register of Members (for those exempted from mandatory deposit) and the Record of Depositors on 30 June 2005.



Shareholders registering for
2004 AGM

FURTHER NOTICE IS HEREBY GIVEN that a Depositor shall qualify for dividend entitlement only in respect of:

- Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 28 June 2005 in respect of shares which are exempted from mandatory deposit;
- Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 June 2005 in respect of ordinary transfers; and
- Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

MORIAMI MOHD (MAICSA 7031470)

MEGAT NAZIRUDIN MEGAT SHAMSUDDIN (LS 00139)

Joint Secretaries

20 May 2005

Kuala Lumpur, Malaysia

Explanatory Notes on Special Business

The Ordinary Resolution proposed under item 8 of the Agenda, if passed, will empower the Directors to issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company, subject to compliance with regulatory requirements. The approval is sought to avoid any delay and cost in convening a general meeting for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting.

Note on Appointment of Proxy:

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. The instrument appointing the proxy must be deposited with the Company's Share Registrar, Symphony Share Registrars Sendirian Berhad, Level 26, Menara Multi-Purpose, Capital Square, No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. A Proxy Form is enclosed in this Annual Report. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the meeting should they subsequently wish to do so.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

A total of thirteen (13) Board of Directors' Meetings were held during the financial year ended 31 December 2004.

The Directors who are standing for re-election, election and reappointment and details of their attendance at the Board Meetings are as follows:

- YBhg. Datuk Khoo Eng Choo, who is standing for re-election, attended ten (10) of the thirteen (13) Board Meetings held in 2004.
- Encik Sreesanthan s/o Eliathamby, who is standing for re-election, attended ten (10) of the thirteen (13) Board Meetings held in 2004.
- YBhg. Dato' Abd Wahab Maskan, who is standing for election, attended all the seven (7) Board Meetings held in 2004 since his appointment.
- YBhg. Tan Sri Dato' Musa Hitam, who is offering himself for reappointment, attended twelve (12) of the thirteen (13) Board Meetings held in 2004.
- Y.M. Raja Tan Sri Muhammad Alias Raja Muhammad Ali, who is offering himself for reappointment, attended all the thirteen (13) Board Meetings held in 2004.

Further details of Directors, who are standing for re-election, election and re-appointment, are set out in their respective profiles on pages 32 to 37 of this Annual Report.

CORPORATE HIGHLIGHTS

JANUARY04

- 1 Dato' Abd Wahab Maskan was appointed Guthrie's Group Chief Executive on 1 January. This appointment makes him the fourth CEO of the Group.
- 2 Guthrie MDF was awarded the Best Environmental Kept Industry by the Department of Environment, Kedah Darul Aman in the Wood Industry Category. This award recognises the environmental conservation efforts undertaken by Guthrie MDF.
- 2 In response to the growing sensitivity of a number of environmental issues, namely in relation to nutrition, food, safety and health, Kumpulan Guthrie Berhad, on 5 January became the first in the plantation industry to implement two new systems. These systems, based on the ISO 14000 standard, are the Good Agricultural Practice (GAP) and Hazard Analysis and Critical Control Point (HACCP). GAP and HACCP were implemented at all Guthrie estates and mills.

1



2



3

FEBRUARY04

- 3 Guthrie Chairman Tan Sri Dato' Musa bin Hitam visited Minamas Estates in Teluk Siak in Sumatera on 8 February. He was joined by the Group Chief Executive and Group's Plantation senior management.

MARCH04

- 4 122 staff including 38 retirees of the Guthrie Group received long service appreciation awards at a special dinner held on 27 March. Employees who had served the company for 15 to 30 years were honoured at the annual event. This is in line with the Group's mission of being a caring corporate organisation.
- 5 On 19 March, Guthrie Property Development Holding Berhad (GPDH) issued Mudharabah Medium Term Notes valued at RM400 million. This financing exercise was undertaken to finance the development at GPDH.

4



5



6



APRIL04

- 6 Guthrie participated in the Minggu Saham Amanah Malaysia (MSAM) in Kepala Batas. This was the fifth consecutive time Guthrie had participated in the MSAM. Guthrie was the event partner for the MSAM together with Golden Hope Plantations, MIDF, NCB Holdings, Takaful Ikhlas and Takaful Nasional.
- 7 The management and staff of Minamas Plantation joined hands to put together the Work Collaboration Agreement (Perjanjian Kerja Bersama) on 1 April.
- Guthrie hosted the Sixth Guthrie Classic from 29 April to 1 May at the Harvard Golf & Country Club, Kedah.

7



8

MAY04

- 8 Guthrie Property, banking on the success of their well planned community living concept, manifested in their flagship Bukit Jelutong Planned Community, sold an overwhelming 99% of the much-awaited 22'x75' Green Lane collection double storey homes. A total of 207 units were offered for sale with prices starting at RM383,000 for a standard intermediate unit. Over 1,000 house buyers queued up at the sales office for the balloting exercise.

9

JUNE04

- Kumpulan Guthrie Berhad received a Merit Award at the Malaysian Business Corporate Governance Awards 2003 from Malaysian Business magazine. Deputy Prime Minister Dato' Sri Najib Tun Abdul Razak presented the award for good corporate governance practice and adherence to the Malaysian code of Corporate Governance at a special ceremony held in Kuala Lumpur on June 25.
- 9 The Annual General Meeting (AGM), which reviewed the overall performance of Kumpulan Guthrie Berhad in 2003, was concluded smoothly. Shareholders left satisfied with the performance of the company and its future direction.



10



11



JULY04

- 10** Guthrie Property recorded an impressive 50% sales turnover during the first 48 hours of its Tropika collection launch which commenced on 24 July.

AUGUST04

- 11** Upon successful completion of their training, 20 trainees of the 21st Rakan Jaya Diri programme, received certificates from Dato' Abd Wahab Maskan on 17 August at Wisma Guthrie.
- The Kumpulan Guthrie team which participated in the National Day Celebration in Kuantan won second place in the National Day Celebration Parade Competition. The team comprised staff and workers of our estates in the vicinity of Kuantan.

12



SEPTEMBER04

- 12** A group of Rabobank International analysts from countries including Australia, Brazil, China, Indonesia, India, the Netherlands and Singapore visited Ulu Remis Estate on 24 September to gain an insight into oil palm cultivation. The group was brought on a field visit and toured palm oil mills.
- A seven-member delegation from the People's Republic of China's Labour and Social Safety Ministry led by Deputy Minister Bu Zhanfa visited Tanah Merah Estate on September 20. They were accompanied by the Director and officials of Malaysia's Department of Human Resource.
- 13** Group Plantation Malaysia Division executives once again converged at the 2004 Plantation Business Executive Seminar (PBES) which was officiated by Dato' Abd Wahab Maskan to share and discuss new ideas on improving estate and mill operations. Ladang Sabak Bernam was awarded the Best Estate for the second consecutive year at the PBES.
- Kumpulan Guthrie Berhad obtained a RM350 million Short Term Loan Facility from Ambank Bank Berhad and signed the agreement on 16 September. The loan was channelled to the Guthrie Corridor Expressway.



13





14

OCTOBER04

- Guthrie entered into a Share Sales Agreement with Matang Manufacturing Sdn Bhd on 5 October to dispose of its entire equity interest in Guthrie Medicare Products (NS) Sdn Berhad (GMP) and Healthline Products Limited (HPL).
- 14 Guthrie is set to soar to greater heights after the launch of the Mission G-Excellence campaign by Group Chairman Tan Sri Dato' Musa Hitam at the 2004 Group Managers' Conference in Langkawi. Guthrie's e-Library was also launched at the conference.

NOVEMBER04

- The Palm Oil Mill Technology Centre (POMTEC) was officially launched by Dato' Seri Utama Haji Mohamad Haji Hasan, Menteri Besar of Negeri Sembilan on 30 November. The mill, a smart partnership between the Group and Malaysian Palm Oil Board (MPOB), aims to take the Malaysian palm oil industry to greater heights.



15



DECEMBER04

- 15 On 30 December, Minamas Plantation organised a Plantation Award Ceremony to acknowledge the best performing Strategic Operating Unit (SOU) team in Minamas. The event was held in Banjarmasin, Kalimantan in conjunction with the official opening of the Regional Office there.
- Guthrie Property Development Holdings Berhad (GPDH) added to its list of achievements and enhanced its status in the property industry when it was awarded the Corporate, Social and Environmental Responsibilities (CSR) award by the Bahrain Malaysia International Trade & Investment Bureau.
- 16 Bukit Jelutong celebrated a 10 year anniversary of development on 6 December. A carnival held at Guthrie Pavilion to celebrate this milestone attracted thousands who joined in the celebrations.



16

CORPORATE SOCIAL RESPONSIBILITY

Dato' Abd Wahab Maskan presenting a bicycle to a student, a tsunami victim in Kuala Muda, Kedah



The world will always have dark memories of 26 December 2004 when the deadly tsunami hit the South East Asia region and the shorelines of the Indian Ocean. Over 200,000 lives were lost in countries like Indonesia, Thailand, India and Sri Lanka, and to a smaller extent, Malaysia. Banda Aceh in Sumatera, Indonesia suffered the worst, with over one hundred thousand lives lost.

The disaster separated children from their parents, tore down buildings and shelter and left behind a hideous trail of destruction. The world reacted spontaneously by sending aid to the disaster-hit areas. Volunteers risked their lives to help the victims of the tsunami.

In Malaysia, the northern part of the Peninsular was hit by this killer wave. Guthrie played its role as a caring corporate citizen by launching the Guthrie Tsunami Disaster Fund in order to help disaster victims. Guthrie received numerous contributions from staff consisting of money, clothes, food and products for daily use. Staff contributions amounting to RM40,000 were donated to the Indonesian victims in Aceh through the Indonesian Ambassador, KPH Rusdiharjo, at Ladang Tanah Merah, Negeri Sembilan. Guthrie also donated electrical items and bicycles to the tsunami victims of Kuala Muda, Kedah.



Haji Abu Hanipah (left) presenting mock-cheque to Indonesian Ambassador

As a caring and socially responsible corporate citizen in the host country, Indonesia, Guthrie contributed to the Indonesian Red Cross Foundation in a brief ceremony at the Vice Presidential Palace on 8 December 2004. Guthrie, with five other Malaysian corporations, also joined hands to help the foundation in the amnesty programme for Indonesian workers.

Neighbourly commitment – Guthrie contribution to the amnesty programme



Guthrie donated RM5,000 to “Projek Rumah Bakti” organised by Jabatan Penjara Malaysia, to help Puan Bedah Yaakob build a new house to replace her former one which was not safe to live in.

Rakan Jaya Diri Guthrie (RJD), a self-reliance programme, enrolled 21 students who finished their training at the Akademi Binaan Malaysia. This programme reflects Guthrie’s commitment to support Malaysian youth by endowing them with skills that they can use in their future careers.

Guthrie continues to organise and host the Guthrie Classic, an annual golf tournament, which is today a much-awaited event in the Malaysian Professional Golf Association’s (MPGA) calendar. The Sixth Guthrie Classic was held on 29 April to 1 May 2004 at the Harvard Golf & Country Club in Jerai, Kedah. The annual golf tournament is organised to promote the development of sports, particularly professional golf.

“Bersama Seiring Menghadapi Globalisasi” (Together Towards Globalisation) was the theme for this year’s National Labour Day Celebration, held on 8 May 2004 at the Bukit Jalil Stadium. Guthrie, as a good corporate citizen, did not miss the opportunity to participate in the annual celebration alongside many of its corporate counterparts.

S. Murthy (right) won the 6th Guthrie Classic title



Guthrie contingent at the National Labour Day Celebration

Guthrie contingent participating in National Day Parade



In the spirit of national unity, Guthrie participated in the National Day Celebration in Kuantan. The contingent won second place in the National Day Parade Competition organised in conjunction with the celebration. The Guthrie contingent comprised staff and workers from various estates on the outskirts of Kuantan.

Throughout 2004, the Guthrie Group through Badan Amalan Islam Kumpulan Guthrie (BAIK) and the Human Resource Department, continued to organise donation drives and provided financial aid to staff who had lost their loved ones.

The Guthrie Group’s CSR efforts and its commitment to the community are driven by the “Guthrie Cares” spirit that encourages the culture of lending a hand to support those in need.



BAIK representative (left) presenting staff contribution to daughter of deceased employee

01

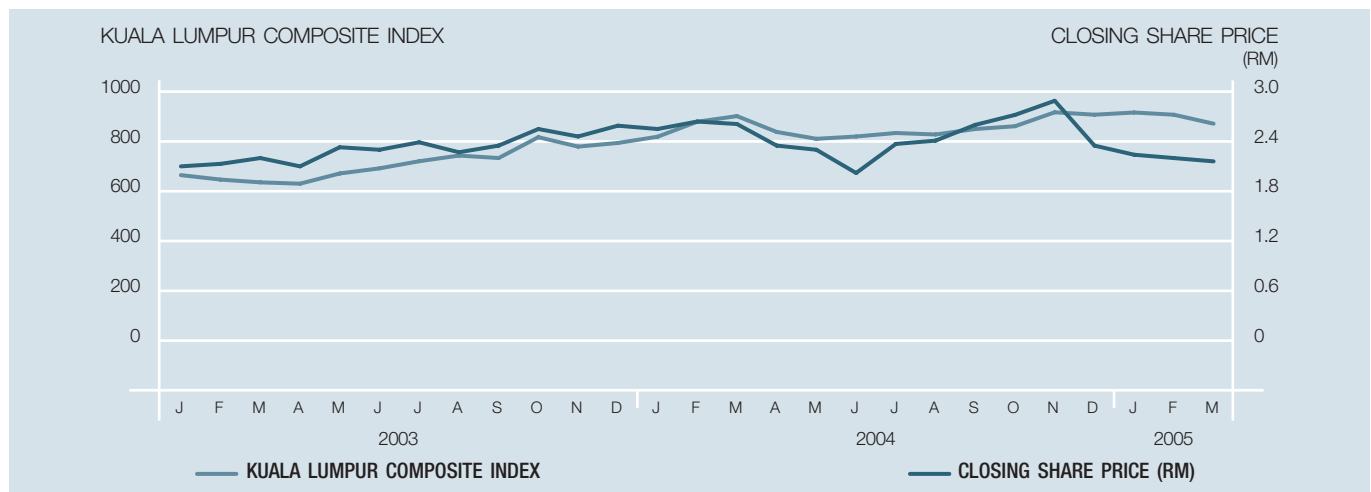
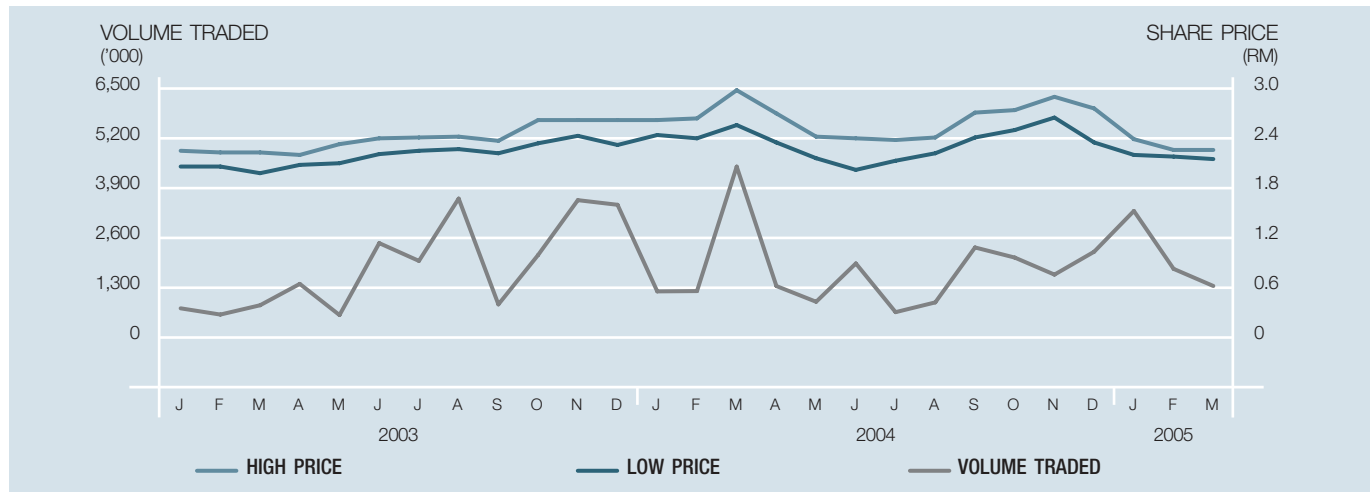
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SHARE PRICE AND VOLUME TRADED

BURSA MALAYSIA SECURITIES BERHAD – JANUARY 2003 TO MARCH 2005

	Jan-Mar 2005	2004	2003
Share Prices (RM)			
– Closing	2.16	2.35	2.59
– High	2.26	2.76	2.62
– Low	2.15	2.35	2.32
Volume traded ('000)	6,441	20,987	22,349
Dividend yield (%)	4.46	4.02	3.49
Price-earnings ratio (times)	13.49	14.68	18.67



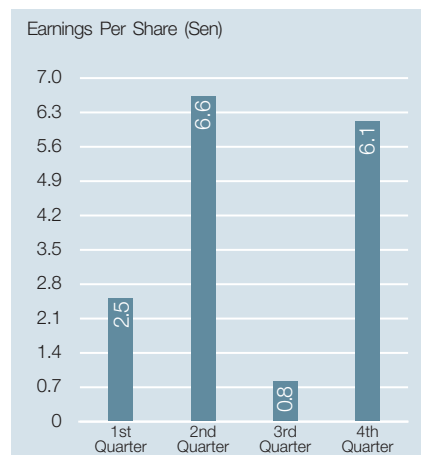
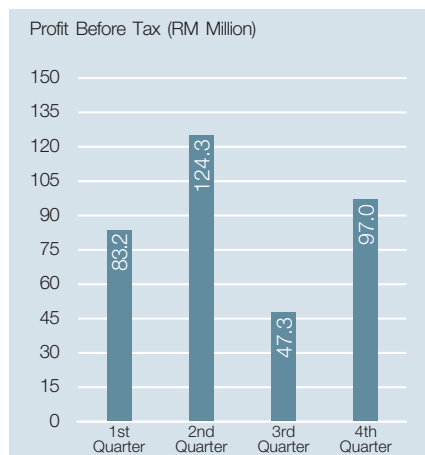
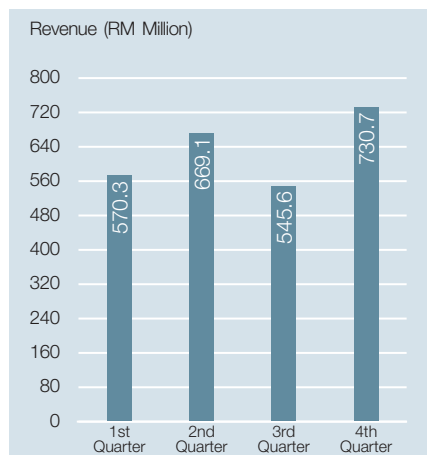
GROUP PERFORMANCE HIGHLIGHTS

	2004	2003	% +/-
FINANCIAL PERFORMANCE			
Revenue (RM'000)	2,515,607	3,046,927	(17.4)
Operating profit (RM'000)	438,775	564,556	(22.3)
Profit before taxation (RM'000)	351,710	468,702	(25.0)
Profit attributable to shareholders (RM'000)	160,442	138,834	15.6
Total assets (RM'000)	9,234,396	9,111,548	1.3
Total borrowings (RM'000)	3,319,452	2,766,940	20.0
Shareholders' equity (RM'000)	2,949,549	3,072,217	(4.0)
Operating profit on revenue (%)	17.4	18.5	(5.9)
Pre-tax profit on total assets (%)	3.8	5.1	(25.5)
Pre-tax profit on average shareholders' equity (%)	11.7	16.0	(26.9)
Profit attributable to shareholders on average shareholders' equity (%)	5.3	4.7	12.8
Total borrowings on average shareholders' equity (%)	110.2	94.2	17.0
Earnings per share (sen)	16.0	13.9	15.1
Dividend per share – gross (sen)	10.0	8.0	25.0
Dividend cover (number of times)	2.2	2.1	4.8
Debt to equity ratio (number of times)	1.1	0.9	22.2
Net tangible assets per share (RM)	2.66	2.77	(4.0)
Revenue per RM of employment cost (RM)	6.4	7.7	(16.9)
Value added per RM of employment cost (RM)	2.5	2.7	(7.4)
PLANTATION PERFORMANCE			
Oil Palm – Malaysia			
Crop – FFB (tonnes) – own	1,428,825	1,434,211	(0.4)
– outside	460,760	343,297	34.2
Yield per mature hectare (tonnes FFB)	17.7	19.6	(9.7)
Mill production (tonnes) – palm oil	380,929	348,210	9.4
– palm kernel	105,317	100,561	4.7
Extraction rates (%) – palm oil	20.5	20.1	2.0
– palm kernel	5.7	5.8	(1.7)
Average selling prices (RM per tonne ex-mill) – palm oil	1,595	1,526	4.5
– palm kernel	1,013	711	42.5
Profit per mature hectare (RM)	2,757	2,673	3.1
Oil Palm – Indonesia			
Crop – FFB (tonnes) – own	2,076,703	1,667,888	24.5
– outside	191,859	190,036	1.0
Yield per mature hectare (tonnes FFB)	13.2	11.0	20.0
Mill production (tonnes) – palm oil	473,472	374,987	26.3
– palm kernel	81,321	68,569	18.6
Extraction rates (%) – palm oil	23.2	23.0	0.9
– palm kernel	4.0	4.2	(4.8)
Average selling prices (RM per tonne ex-mill) – palm oil	1,473	1,460	0.9
– palm kernel	824	568	45.1
Profit per mature hectare (RM)	1,555	1,037	50.0

GROUP QUARTERLY PERFORMANCE

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year 2004
FINANCIAL PERFORMANCE					
Revenue (RM'000)	570,260	669,084	545,601	730,662	2,515,607
Operating profit (RM'000)	103,823	138,397	68,631	127,924	438,775
Profit before taxation (RM'000)	83,155	124,284	47,315	96,956	351,710
Profit attributable to shareholders (RM'000)	25,321	66,428	8,018	60,675	160,442
Earnings per share (sen)	2.5	6.6	0.8	6.1	16.0
Dividend per share – gross (sen)	—	5	—	5	10
PLANTATION PRODUCTION					
Oil Palm – Malaysia					
Crop – FFB (tonnes) – own	280,194	358,614	418,935	371,082	1,428,825
– outside	88,771	112,356	135,400	124,233	460,760
Mill production (tonnes) – palm oil	74,034	93,219	112,759	100,917	380,929
– palm kernel	21,571	25,423	30,283	28,040	105,317
Oil Palm – Indonesia					
Crop – FFB (tonnes) – own	566,337	551,468	477,774	481,124	2,076,703
– outside	39,592	51,504	46,659	54,104	191,859
Mill production (tonnes) – palm oil	123,045	131,234	106,631	112,562	473,472
– palm kernel	21,761	22,715	17,769	19,076	81,321

GROUP QUARTERLY PERFORMANCE HIGHLIGHTS

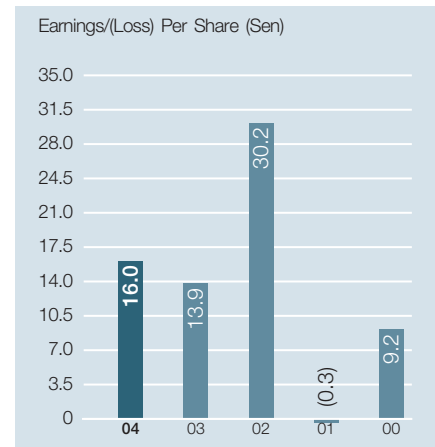
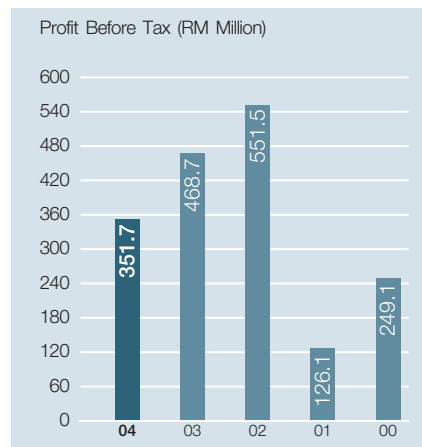
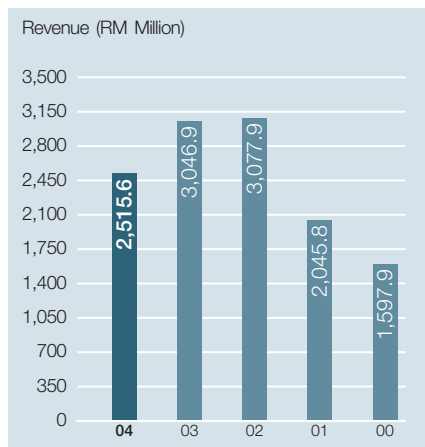


GROUP FIVE-YEAR FINANCIAL REVIEW

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
REVENUE					
Plantation	1,547,298	1,324,112	1,033,008	593,415	469,128
Agricultural services	22,143	17,696	14,832	11,104	19,087
Property development	563,550	393,200	348,507	338,122	299,198
Land held for property development	—	269,128	534,307	203,292	178,832
Manufacturing	121,886	131,965	130,430	119,818	124,078
General trading	227,199	854,809	967,412	758,142	476,873
Others	33,531	56,017	49,367	21,930	30,664
	2,515,607	3,046,927	3,077,863	2,045,823	1,597,860
RESULTS					
Plantation	256,246	289,553	218,967	(43,785)	53,893
Agricultural services	14,098	9,018	8,005	4,345	10,603
Property development	173,196	86,797	73,053	93,699	81,100
Land held for property development	—	221,739	432,168	194,878	148,788
Manufacturing	(8,992)	(22,259)	(6,719)	(10,746)	(4,769)
General trading	4,030	(33,480)	(3,806)	1,641	1,641
Others	197	13,188	(14,834)	(20,665)	(8,224)
Operating profit	438,775	564,556	706,834	219,367	283,032
Profit before tax	351,710	468,702	551,537	126,115	249,087
Profit after tax	289,727	302,128	367,034	89,902	170,694
Profit/(Loss) attributable to shareholders	160,442	138,834	302,488	(3,445)	91,762
ASSETS EMPLOYED					
Property, plant and equipment	5,583,147	5,874,598	5,545,555	5,262,840	3,245,373
Land held for property development	343,790	321,859	382,348	477,364	444,477
Associated companies	14,141	11,261	9,628	176,047	12,172
Concession asset	657,193	451,276	157,349	28,937	11,400
Other investments	2,550	2,550	4,550	4,550	4,550
Long-term trade receivables	61,968	123,936	50,166	97,208	94,083
Advances for plasma plantation projects	18,552	23,679	23,070	22,499	—
Advances for KKPA projects	16,659	14,045	10,562	—	—
Deferred exchange differences	—	—	—	—	5,791
Deferred tax assets	219,616	180,882	219,816	222,886	227,952
Goodwill on consolidation	276,696	296,149	325,586	366,310	—
Net current assets/(liabilities)	570,736	468,456	329,037	(368,536)	1,755,821
	7,765,048	7,768,691	7,057,667	6,290,105	5,801,619

	2004 RM'000	2003 RM'000	2002 RM'000	2001 RM'000	2000 RM'000
CAPITAL EMPLOYED					
Share capital	1,005,419	1,001,207	1,001,125	1,000,292	1,000,292
Reserves	1,944,130	2,071,010	1,801,497	1,452,769	1,530,474
Shareholders' equity	2,949,549	3,072,217	2,802,622	2,453,061	2,530,766
Minority interests	1,541,987	1,610,683	1,524,765	1,444,724	1,246,912
Long-term borrowings	2,502,855	2,061,729	1,977,972	1,760,682	1,770,246
Long-term payable	—	287,392	127,263	14,467	—
Deferred tax liabilities	750,797	711,189	615,415	600,363	236,753
Deferred income	9,922	15,748	1,498	10,099	9,483
Retirement benefits	9,938	9,733	8,132	6,709	7,459
	7,765,048	7,768,691	7,057,667	6,290,105	5,801,619
PER SHARE STATISTICS					
Earnings/(Loss) – net (sen)	16.01	13.87	30.21	(0.34)	9.17
Dividend – gross (sen)	10.00	8.00	8.00	8.00	11.00
Dividend cover (number of times)	2.22	2.10	5.25	(0.06)	1.05
Net tangible assets (RM)	2.66	2.77	2.47	2.09	2.53

GROUP FIVE-YEAR FINANCIAL HIGHLIGHTS

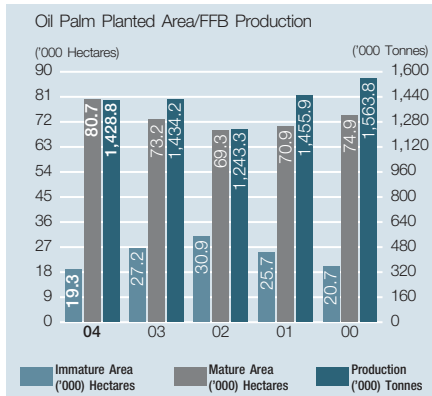


GROUP FIVE-YEAR PLANTATION REVIEW

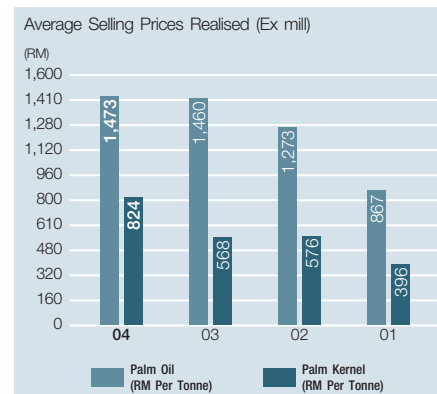
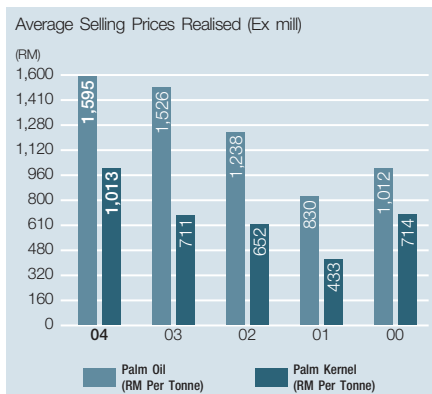
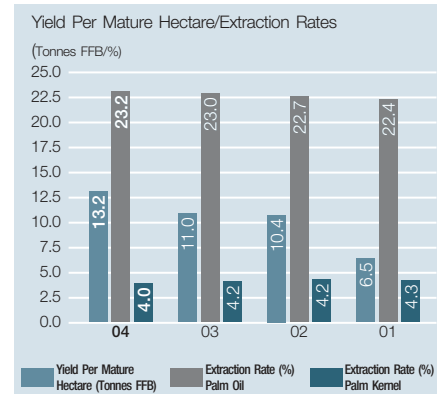
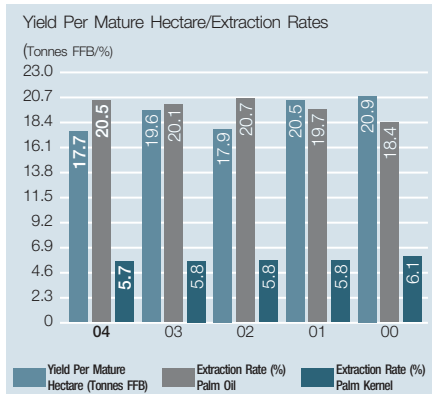
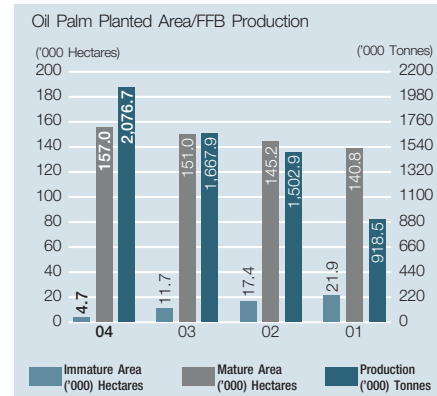
	2004	2003	2002	2001	2000
OIL PALM – MALAYSIA					
Crop – FFB (tonnes) – own	1,428,825	1,434,211	1,243,344	1,455,903	1,563,847
– outside	460,760	343,297	230,017	224,531	266,616
Mature hectares	80,717	73,214	69,313	70,928	74,932
Immature hectares	19,346	27,237	30,937	25,722	20,677
Total planted hectares	100,063	100,451	100,250	96,650	95,609
Yield per mature hectare (tonnes FFB)	17.7	19.6	17.9	20.5	20.9
Mill production (tonnes)					
– Palm oil	380,929	348,210	303,683	327,542	323,231
– Palm kernel	105,317	100,561	84,868	96,218	107,113
Extraction rates (%)					
– Palm oil	20.5	20.1	20.7	19.7	18.4
– Palm kernel	5.7	5.8	5.8	5.8	6.1
Average selling prices (RM per tonne ex-mill)					
– Palm oil	1,595	1,526	1,238	830	1,012
– Palm kernel	1,013	711	652	433	714
Profit/(Loss) per mature hectare (RM)	2,757	2,673	1,226	(73)	641
OIL PALM – INDONESIA					
Crop – FFB (tonnes) – own	2,076,703	1,667,888	1,502,899	918,525	—
– outside	191,859	190,036	144,811	93,608	—
Mature hectares	156,983	151,024	145,168	140,801	—
Immature hectares	4,677	11,728	17,372	21,875	—
Total planted hectares	161,660	162,752	162,540	162,676	—
Yield per mature hectare (tonnes FFB)	13.2	11.0	10.4	6.5	—
Mill production (tonnes)					
– Palm oil	473,472	374,987	329,524	208,572	—
– Palm kernel	81,321	68,569	60,465	39,737	—
Extraction rates (%)					
– Palm oil	23.2	23.0	22.7	22.4	—
– Palm kernel	4.0	4.2	4.2	4.3	—
Average selling prices (RM per tonne ex-mill)					
– Palm oil	1,473	1,460	1,273	867	—
– Palm kernel	824	568	576	396	—
Profit per mature hectare (RM)	1,555	1,037	778	198	—

GROUP FIVE-YEAR PLANTATION HIGHLIGHTS

MALAYSIA



INDONESIA



STATEMENT OF VALUE ADDED

	2004 RM'000	2003 RM'000
VALUE ADDED		
Revenue	2,515,607	3,046,927
Purchase of goods and services	(1,455,946)	(1,890,914)
Value added by the Group	1,059,661	1,156,013
Investment income	1,350	1,042
Finance income	30,312	25,477
Finance expense	(121,627)	(123,206)
Share of results of associated companies	2,900	833
Value added available for distribution	972,596	1,060,159
DISTRIBUTION		
To Employees		
Employment cost	390,696	393,514
To Government		
Taxation	61,983	166,574
To Shareholders		
Dividends	72,267	66,076
Minority interests	129,285	163,294
Retained for re-investment and future growth		
Depreciation/Amortisation	230,190	197,943
Retained profit	88,175	72,758
	972,596	1,060,159

DISTRIBUTION OF VALUE ADDED (RM'000)

2004



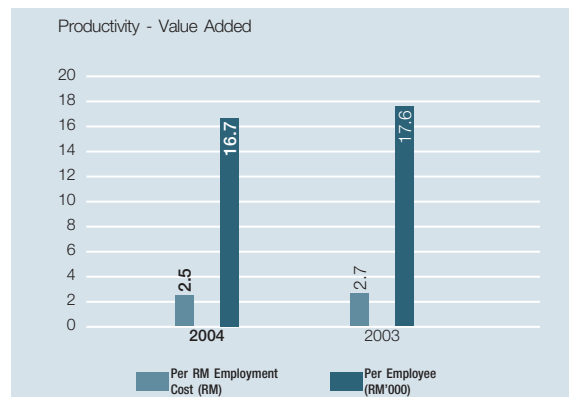
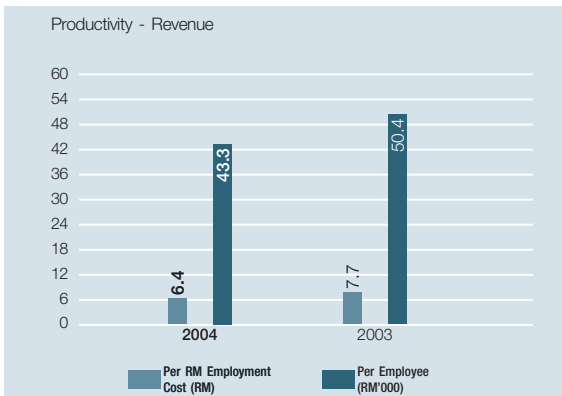
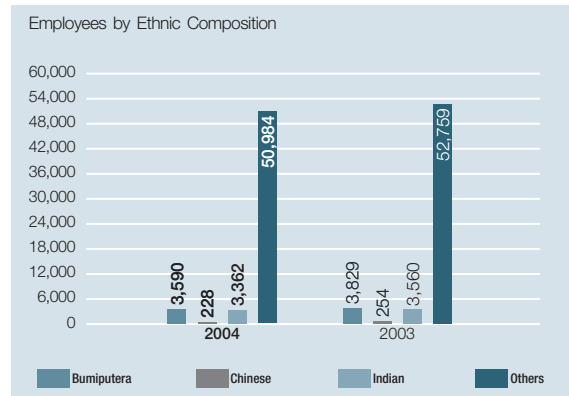
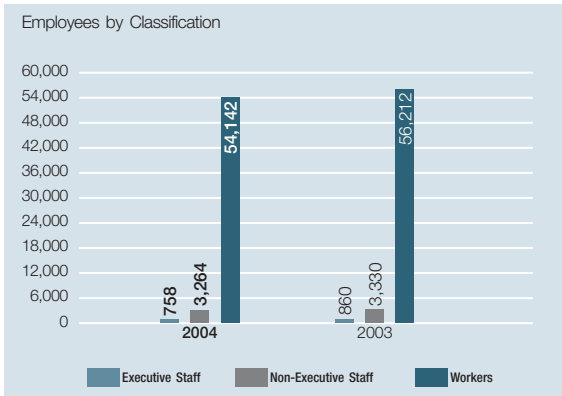
To Employees - Employment cost 390,696
 To Government - Taxation 61,983
 To Shareholders - Dividends and Minority Interests 201,552
 Retained for re-investment and future growth - Depreciation/Amortisation and Retained Profit 318,365

2003



To Employees - Employment cost 393,514
 To Government - Taxation 166,574
 To Shareholders - Dividends and Minority Interests 229,370
 Retained for re-investment and future growth - Depreciation/Amortisation and Retained Profit 270,701

EMPLOYEES AND PRODUCTIVITY





02

CORPORATE FRAMEWORK

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CORPORATE INFORMATION

BOARD OF DIRECTORS**CHAIRMAN**

Tan Sri Dato' Musa Hitam

DIRECTORS

Dato' Abd Wahab Maskan (Group Chief Executive)

Raja Tan Sri Muhammad Alias Raja Muhammad Ali

Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin

Datuk Nik Mohamed Affandi Nik Yusoff

Datuk Mohamed Adnan Ali

Datuk Alladin Hashim

Datuk Khoo Eng Choo*

Dato' Muhammad Nawawi Arshad*

Sreesanthan s/o Eliathamby*

* Independent Directors

BOARD COMMITTEES**Executive Committee**

Tan Sri Dato' Musa Hitam (Chairman)

Raja Tan Sri Muhammad Alias Raja Muhammad Ali

Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin

Datuk Mohamed Adnan Ali

Dato' Abd Wahab Maskan

Audit Committee

Datuk Khoo Eng Choo (Chairman)

Datuk Mohamed Adnan Ali

Dato' Muhammad Nawawi Arshad

Sreesanthan s/o Eliathamby

Finance & Tender Committee

Datuk Mohamed Adnan Ali (Chairman)

Datuk Nik Mohamed Affandi Nik Yusoff

Dato' Muhammad Nawawi Arshad

Dato' Abd Wahab Maskan

Sreesanthan s/o Eliathamby

Remuneration Committee

Raja Tan Sri Muhammad Alias Raja Muhammad Ali (Chairman)

Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin

Datuk Khoo Eng Choo

Datuk Alladin Hashim

Nomination Committee

Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin (Chairman)

Datuk Khoo Eng Choo

Datuk Alladin Hashim

ESOS* Committee

Datuk Nik Mohamed Affandi Nik Yusoff (Chairman)

Datuk Alladin Hashim

Sreesanthan s/o Eliathamby

*(Employees' Share Option Scheme)

COMPANY SECRETARIES

Moriami Mohd (MAICSA 7031470)
Megat Nazirudin Megat Shamsuddin (LS 00139)

REGISTERED OFFICE

Wisma Guthrie
21 Jalan Gelenggang
Damansara Heights
50490 Kuala Lumpur, Malaysia
Telephone : 603-2094 1644
Facsimile : 603-2095 7934
Website : www.guthrie.com.my

SHARE REGISTRAR

Symphony Share Registrars Sdn. Berhad
Level 26, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia
Telephone : 603-2721 2222
Facsimile : 603-2721 2530
603-2721 2531

AUDITORS

Ernst & Young
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia
Telephone : 603-2087 7000
Facsimile : 603-2095 5333

PRINCIPAL BANKERS

Malayan Banking Berhad
Bumiputra-Commerce Bank Berhad
RHB Bank Berhad
HSBC Bank Malaysia Berhad

FORM OF LEGAL ENTITY

Incorporated on 25 November 1960 as a private limited company under the Companies Act, 1965. Converted to a public company on 2 December 1987.

PLACE OF INCORPORATION AND DOMICILE

Malaysia

STOCK EXCHANGE LISTING

Listed on the Main Board of Bursa Malaysia Securities Berhad on 25 August 1989.

PROFILE OF DIRECTORS

**TAN SRI DATO' MUSA HITAM** – Chairman

YBhg. Tan Sri Dato' Musa Hitam, aged 71, Malaysian, has been a Non-Independent Non-Executive Director and Chairman since 12 August 2002. He is Chairman of the Executive Committee of the Board of Kumpulan Guthrie Berhad. He attended twelve (12) of the thirteen (13) Board Meetings held in the financial year under review.

He is also Chairman of Lion Industries Corporation Berhad.

Tan Sri Musa received his Bachelor of Arts degree from the University of Malaya and Masters degree in International Relations from the University of Sussex, United Kingdom. He has since been awarded with various honours, including Honorary Doctorates from the University of Sussex, United Kingdom and Universiti Malaysia Sabah, and fellowships from the Malaysian Institute of Management and the Centre for International Affairs, Harvard University, USA. He served briefly as Senior Lecturer at the University of Malaya.

Before becoming Malaysia's fifth Deputy Prime Minister and Minister of Home Affairs from 1981 to 1986, Tan Sri Musa held various key government posts, including that of Chairman of Federal Land Development Authority (FELDA), Deputy Minister of Trade & Industry, Minister of Primary Industries (1974 – 1978) and Minister of Education (1978 – 1981). Between 1990 and 1991, he was Malaysia's Special Envoy to the United Nations and from 1995 to 2002 he was the Prime Minister's Special Envoy to the Commonwealth Ministerial Action Group. Tan Sri Musa also led the Malaysian delegation to the UN Commission on Human Rights from 1993 to 1998 and was elected Chairman of the 52nd Session of the Commission in 1995.

Tan Sri Musa has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, except by virtue of being a nominee Director of Permodalan Nasional Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad.

DATO' ABD WAHAB MASKAN

YBhg. Dato' Abd Wahab Maskan, aged 54, Malaysian, was appointed as a Non-Independent Executive Director on 30 June 2004. He is a member of the Executive Committee and the Finance & Tender Committee of the Board of Kumpulan Guthrie Berhad. He attended all the seven (7) Board Meetings held during the financial year under review since his appointment.

He was appointed the Group Chief Executive of Kumpulan Guthrie Berhad on 1 January 2004 and, subsequently, was appointed a Director of its subsidiary companies, Highlands & Lowlands Berhad, Guthrie Ropel Berhad and Guthrie Property Development Holding Berhad. Other public companies in which he is a Director are Pelaburan Hartanah Nasional Berhad and Pengurusan Danaharta Nasional Berhad. Dato' Abd Wahab was appointed as member of the Financial Reporting Foundation of Ministry of Finance effective 28 January 2005.

Dato' Abd Wahab has held positions as Group Chief Executive Officer of Golden Hope Plantations Berhad, Managing Director and Chief Executive Officer of Negara Properties (M) Berhad, General Manager of Island & Peninsular Berhad and Director of Development in Urban Development Authority (UDA).

He has held directorship in Malaysian and overseas companies in the European Union and Asia, both listed and non-listed companies. His directorship and leadership experience covers property development and investment, engineering and construction, oil refinery and oleochemical, estates and processing management, trading and marketing, manufacturing and retailing, resorts and leisure, in both the public and private sectors.

Dato' Abd Wahab obtained his Bachelor of Science degree in Management (Real Estate), England. He is a Fellow of the Institution of Surveyors (Malaysia) and a Fellow of the Royal Institution of Chartered Surveyors (England and UK).

Dato' Abd Wahab has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad and does not have any conflict of interest with Kumpulan Guthrie Berhad, except by virtue of being the Group Chief Executive of Kumpulan Guthrie Berhad. He does not hold any share in Kumpulan Guthrie Berhad, Guthrie Ropel Berhad and Highlands & Lowlands Berhad.





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3 RAJA TAN SRI MUHAMMAD ALIAS RAJA MUHAMMAD ALI

Y.M. Raja Tan Sri Muhammad Alias Raja Muhammad Ali, aged 72, Malaysian, has been a Non-Independent Non-Executive Director since 20 May 2002. He is Chairman of the Remuneration Committee and a member of the Executive Committee of the Board of Kumpulan Guthrie Berhad. He attended all the thirteen (13) Board Meetings held in the financial year under review.

He is Chairman of Highlands & Lowlands Berhad, a subsidiary company of Kumpulan Guthrie Berhad. Other public companies in which he is a director are Malayan Banking Berhad, Kuala Lumpur Kepong Berhad, Batu Kawan Berhad, Sime Darby Berhad, Mayban Fortis Holdings Berhad and Cerebos Pacific Limited (Singapore). He is also Chairman of Felda-Johore Bulkiers Sdn. Berhad and Consolidated Plantations Berhad.

Raja Tan Sri Muhammad Alias obtained his Bachelor of Arts (Honours) degree in Geography from the University of Malaya, Singapore, and a Certificate in Public Administration from the Royal Institute of Public Administration, London. He also attended the Advanced Management Program at Harvard Business School, Boston, USA.

Raja Tan Sri Muhammad Alias held various posts while in the Malaysian Government service, among which, were as District Officer, Principal Assistant Secretary with the Ministry of Defence, State Development Officer, Pahang with the Ministry of National & Rural Development and Director General of the Federal Land Development Authority (FELDA). His last post, prior to retirement in June 2001, was as Group Chairman of FELDA.

Raja Tan Sri Muhammad Alias has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, except by virtue of being a nominee Director of Permodalan Nasional Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad.

4 TAN SRI DATO' DR. WAN MOHD. ZAHID MOHD. NOORDIN

YBhg. Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd Noordin, aged 65, Malaysian, is a Non-Independent Non-Executive Director since 20 May 2002. He is Chairman of the Nomination Committee and a member of the Executive Committee and Remuneration Committee of the Board of Kumpulan Guthrie Berhad. He attended all the thirteen (13) Board Meetings held in the financial year under review.

He is the Non-Executive Chairman of Guthrie Property Development Holding Berhad and Director of Guthrie Ropel Berhad, both of which are subsidiary companies of Kumpulan Guthrie Berhad.

Other companies and institutions in which Tan Sri Wan Mohd. Zahid is Chairman are University Teknologi Mara (UiTM), Federal Power Sdn. Berhad, Furukawa Sdn. Berhad and Kolej Universiti Teknologi dan Pengurusan Malaysia. He is also a director of Permodalan Nasional Berhad, Amanah Saham Nasional Berhad, Yayasan Felcra Berhad, Perbadanan Usahawan Nasional Berhad and Universiti Tun Abdul Razak.

Tan Sri Wan Mohd. Zahid obtained his Bachelor of Arts (Honours) degree in Sociology and Anthropology from University of Malaya, Masters in Development Education from Stanford University, California, USA and Doctorate (Ph.D) in Sociology of Education from University of California, Berkeley, California, USA. He also attended the Advanced Management Program at Harvard Business School, Boston, USA.

Tan Sri Wan Mohd. Zahid had served as a teacher, School Principal and held various positions with the Ministry of Education, including as Planning Officer and Deputy Director, Educational Planning & Research Division, Chief Inspectorate of Schools, Director of Curriculum and Deputy Director-General. He had also served as Director of Education of Negeri Sembilan and Kelantan. His last post prior to retirement in December 1997 was as Director-General of Education of Malaysia.

Tan Sri Wan Mohd. Zahid has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, except by virtue of being a nominee Director of Permodalan Nasional Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad.



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5 DATUK KHOO ENG CHOO

YBhg. Datuk Khoo Eng Choo, aged 62, Malaysian, has been an Independent Non-Executive Director since 4 June 2002. He is Chairman of the Audit Committee, and member of the Nomination Committee and Remuneration Committee of the Board of Kumpulan Guthrie Berhad. He attended ten (10) of the thirteen (13) Board Meetings held in the financial year under review.

He is also a Non-Executive Director of Highlands & Lowlands Berhad and Guthrie Property Development Holding Berhad, subsidiary companies of Kumpulan Guthrie Berhad.

Other public companies in which he is an independent non-executive director are Kontena Nasional Berhad, MNI Holdings Berhad and Ranhill Berhad. He was formerly the Chairman of Tanjong Public Limited Company and a director of Powertek Berhad.

He is currently the Chairman of Malaysian Institute of Management. Datuk Khoo is a Chartered Accountant. For over a decade prior to 2002, Datuk Khoo had served in key leadership positions in Pricewaterhouse and PricewaterhouseCoopers in Malaysia, Asia and its world's firm. He also held significant appointments that were made by the Malaysian Government. He served in senior capacities in councils of professional and management bodies in Malaysia and Asia, and was Chairman of the Asian Association of Management Organisations. He is the Chairman of eckhoo Associates Sdn. Berhad.

Datuk Khoo has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad. Datuk Khoo holds 2,000 ordinary shares in the Company.

6 DATUK NIK MOHAMED AFFANDI NIK YUSOFF

YBhg. Datuk Nik Mohamed Affandi Nik Yusoff, aged 61, Malaysian, has been a Non-Independent Non-Executive Director since 20 May 2002. He is the Chairman of the Employees' Share Option Scheme (ESOS) Committee and a member of the Finance & Tender Committee of the Board of Kumpulan Guthrie Berhad. He attended all the thirteen (13) Board Meetings held in the financial year under review.

Datuk Nik Mohamed Affandi obtained his Bachelor of Arts (Honours) degree in History (International Relations) from University of Malaya, Diploma in Public Administration from University of Malaya and a Masters in Public Policy and Administration from University of Wisconsin, USA.

He held various posts while in the Malaysian Government Service, among which, were as Director of State Economic Planning Unit, Pahang State Government, Deputy Director of Supply and Contracts Division, Ministry of Finance, Secretary, Foreign Investment Committee in the Prime Minister's Department, Secretary, Capital Issues Committee and Director, Government Sector Companies Monitoring Division in the Ministry of Finance. He was also Deputy Managing Director of Khazanah Nasional Berhad. His last post prior to retirement in February 1999 was as Director-General of Majlis Amanah Rakyat (MARA).

Datuk Nik Mohamed Affandi has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, except by virtue of being a nominee Director of Permodalan Nasional Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad.



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7 DATUK MOHAMED ADNAN ALI

YBhg. Datuk Mohamed Adnan Ali, aged 62, Malaysian, has been a Non-Independent Non-Executive Director since 31 May 2002. He is Chairman of the Finance & Tender Committee and a member of the Executive Committee and Audit Committee of the Board of Kumpulan Guthrie Berhad. He attended all the thirteen (13) Board Meetings held in the financial year under review.

He is also a Director of Highlands & Lowlands Berhad, a subsidiary company of Kumpulan Guthrie Berhad. Other companies in which he is a director are Bintulu Port Holdings Berhad, Pos Malaysia & Services Holdings Berhad, Ladang Tabung Haji Sdn. Berhad, Amanah Raya Asset Management Sdn. Berhad, Timah Langkat Holdings Sdn. Berhad and Transmile Group Berhad.

Datuk Mohamed Adnan is a Fellow, Chartered Institute of Management Accountants, U.K.. He was formerly Accountant-General, Malaysia. He had served as Accountant with various ministries in Government Department such as Ministry of Trade and Industry, and Ministry of Energy and Public Works. He was also a Senior Manager, Investment with Employees Provident Fund, Malaysia; Treasurer, Universiti Islam Antarabangsa Malaysia and Bursar, Universiti Teknologi Malaysia.

Datuk Mohamed Adnan has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, except by virtue of being a nominee Director of Permodalan Nasional Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad.

8 DATUK ALLADIN HASHIM

YBhg. Datuk Alladin Hashim, aged 66, Malaysian, has been a Non-Independent Non-Executive Director since 25 November 2002. He is a member of the Nomination Committee, Remuneration Committee and Employees' Share Option Scheme (ESOS) Committee of the Board of Kumpulan Guthrie Berhad. He attended all the thirteen (13) Board Meetings held in the financial year under review.

He is the Non-Executive Chairman of Guthrie Ropel Berhad, a subsidiary company of Kumpulan Guthrie Berhad. Other public companies in which he is a Director are PK Resources Berhad, UAC Berhad and Timberwell Berhad.

Datuk Alladin obtained his Bachelor of Agricultural Science from the University of Malaya and Masters of Science in Agricultural Economics from the University of Massachusetts, USA. He attended the executive development program of the Harvard Business School. He is a Fellow of the Academy of Sciences Malaysia.

He had served Federal Land Development Authority (FELDA) from 1964 in various capacities, and was the Director-General from 1979 to 1989. He had also served as Chairman of the Malaysian Rubber Board.

Datuk Alladin Hashim has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad, except by virtue of being a nominee Director of Permodalan Nasional Berhad, and does not have any conflict of interest with Kumpulan Guthrie Berhad.



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9 DATO' MUHAMMAD NAWAWI ARSHAD

YBhg. Dato' Muhammad Nawawi Arshad, aged 66, Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 31 May 2002. He is a member of the Finance & Tender Committee and Audit Committee of the Board of Kumpulan Guthrie Berhad. He attended all the thirteen (13) Board Meetings held in the financial year under review.

He is a Non-Executive Director of Guthrie Ropel Berhad, Guthrie Property Development Holding Berhad and Guthrie Corridor Expressway Sdn. Berhad (GCESB). He is also Chairman of GCESB.

Dato' Muhammad Nawawi is Chairman of M. Nawawi & Co. Sdn. Berhad, DTZ Debenham Tie Leung (M) Sdn. Berhad and DTZ Nawawi Tie Leung Sdn. Berhad, and was Director of JKP Sdn. Berhad. He had served as a Committee Member of International Assets Valuation Standards Committee and Committee Member and President of Institution of Surveyors Malaysia, President of International Real Estate Federation (FIABCI) Malaysia, and Deputy World President of FIABCI. He had also served as Vice President of the Asean Valuers Association. Dato' Muhammad Nawawi is a Chartered Surveyor from College of Estate Management, London and Fellow, Institution of Surveyors, Malaysia. He was formerly the Director-General, Valuation, Ministry of Finance, Malaysia and Director of CH Williams, Talhar & Wong Sdn. Berhad.

Dato' Muhammad Nawawi has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad. He does not have any conflict of interest with Kumpulan Guthrie Berhad.

10 SREESANTHAN S/O ELIATHAMBY

Encik Sreesanthan s/o Eliathamby, aged 44, Malaysian, has been an Independent Non-Executive Director since 31 May 2002. He is a Member of the Finance & Tender Committee, Audit Committee and Employees' Share Option Scheme (ESOS) Committee of the Board of Kumpulan Guthrie Berhad. He attended ten (10) of the thirteen (13) Board Meetings held in the financial year under review.

He is a Director of Guthrie Corridor Expressway Sdn. Berhad, the wholly-owned subsidiary company of Kumpulan Guthrie Berhad and also a Director of Chemical Company of Malaysia Berhad.

Encik Sreesanthan is an Advocate & Solicitor and a Partner with the legal firm of Messrs. Kadir, Andri & Partners. He was formerly a Legal Assistant and later a Partner with the legal firm of Messrs. Zain & Co.. Subsequent to that, he was a partner in the legal firm of Messrs. Zul Rafique & Partners.

Encik Sreesanthan obtained his degree in law from the University of Malaya and a Masters in Law from the University of Oxford, U.K.. He is a Member of the Investment Committee, Amanah Saham Wawasan 2020. He is also an accredited mediator of the Malaysian Mediation Centre, and a member of the Malaysian Central Depository Advisory Committee and Investigating Tribunal Panel of the Advocates & Solicitors' Disciplinary Board.

Encik Sreesanthan has no family relationship with and is not related to any director and/or major shareholder of Kumpulan Guthrie Berhad and does not have any conflict of interest with Kumpulan Guthrie Berhad.

AUDIT COMMITTEE



YBhg. Datuk Khoo Eng Choo* – Chairman
 YBhg. Datuk Mohamed Adnan Ali
 YBhg. Dato' Muhammad Nawawi Arshad*
 Encik Sreesanthan s/o Eliathamby*

* Independent Non-Executive Directors

COMPOSITION

The Audit Committee of Kumpulan Guthrie Berhad (“Audit Committee”) presently comprises four (4) Directors of the Board of Kumpulan Guthrie Berhad (“Board”), the majority of whom, including the Chairman, are Independent Non-Executive Directors.

PRIMARY PURPOSES

The Audit Committee shall:

- Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and reporting practices of Kumpulan Guthrie Berhad and its subsidiary companies (“Group”).
- Maintain, through regularly scheduled meetings, a direct line of communication between the Board and the Internal Auditors as well as the External Auditors.
- Avail to the Internal Auditors and External Auditors private confidential audience at any time the Internal Auditors and External Auditors desire and request through the Chairman, with or without the prior knowledge of Management.
- Act upon the Board’s request to investigate and report on any issues or concerns with regard to the Group.

FUNCTIONS

The functions of the Audit Committee include the functions set out below and such other functions as may be determined by the Board from time to time.

The Audit Committee shall review, appraise, report and make appropriate recommendations to the Board on:

- The quality and effectiveness of the entire accounting and internal control system of the Group.
- The adequacy of the annual audit programme by both the Internal Auditors and the External Auditors and the reports of the Internal Auditors and External Auditors relating thereto.
- The adequacy of the scope, functions and resources of the Internal Auditors and whether they have the necessary authority to carry out their work.
- The assistance given by the employees of the Group to the External Auditors.
- The propriety of accounting policies adopted by Management and accepted by the External Auditors, where alternatives are also acceptable.
- The effects of any change in accounting principles or of any development emanating from the accounting profession or any statutory authority.
- The adequacy of the disclosure of information essential for a fair and full presentation of the financial affairs of the Group.
- The quarterly results and year-end financial statements, prior to the approval by the Board, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events; and
 - compliance with accounting standards and other legal requirements.
- Material issues arising from the reports of the Internal Auditors and External Auditors and whether appropriate action is being or has been taken based on the recommendations of the Internal Auditors and External Auditors.
- Any significant difficulties encountered or material discoveries and findings made by the Internal Auditors or External Auditors.
- Any related party transaction and conflict of interest situation that may arise including any transaction, procedure or course of conduct that raises questions of management integrity.
- The firm of External Auditors retained by the Group and the fees payable to the External Auditors and any change in their fees, and recommendation, if any, to retain or replace such firm in the ensuing year.



MEETINGS

The Audit Committee held eleven (11) meetings during the financial year ended 31 December 2004. The Chief Finance Officer and the Group Controller, Internal Audit, Kumpulan Guthrie Berhad, together with the Company Secretary were in attendance at the eleven (11) meetings. YBhg. Datuk Mohamed Adnan Ali and YBhg. Dato' Muhammad Nawawi Arshad attended all the meetings whilst Encik Sreesanthan s/o Eliathamby attended nine (9) and YBhg Datuk Khoo Eng Choo attended eight (8) of the eleven (11) meetings of the Audit Committee held in 2004.

Representatives of the External Auditors and other officers of the Company were also invited to brief the Audit Committee on specific issues.

At the conclusion of each meeting, recommendations were made for the Management to improve on internal controls, procedures and systems of the Group, wherever appropriate.

ACTIVITIES

A summary of the activities of the Audit Committee in the discharge of their functions and duties during the year under review is as follows:

- Reviewed the quarterly financial statements of the Group and ensured compliance with approved accounting standards and adherence to other legal and regulatory requirements.
- Evaluated the audit planning strategy of the Internal and External Auditors to confirm the groundwork for the annual audit of the Group.
- Assessed the risk management activities of the Group.
- Reviewed the significant issues and audit findings arising from the annual audit of the Group by the External Auditors.
- Reviewed and appraised the audit reports by the Internal Auditors.
- Reviewed the allocation of option shares pursuant to the Employees' Share Option Scheme of the Company.
- Reviewed the various internal control systems of the Group.
- Reviewed the Internal audit planning memorandum and budget for year 2005.

REPORTS/MINUTES

Detailed audit reports by the Internal Auditors, together with responses by Management, were circulated to the Group Chief Executive and Heads of the respective Business Units, Divisions/Departments of the Company. Minutes of meetings of the Audit Committee were circulated to all members of the Board, and significant issues were discussed at Board Meetings.

INTERNAL AUDITORS

In the discharge of its duties, the Audit Committee is strongly supported by the Internal Auditors of the Company. The Internal Auditors' role is to evaluate and report on the adequacy, integrity and effectiveness of the Group's overall system of internal control.

The Internal Auditors also carried out audit programmes which focused on the management of the Group's significant corporate risks and executed audit plans approved by the Audit Committee. In conducting their independent audit, the Internal Auditors placed emphasis on a risk-based auditing approach which forms an integral part of the audit plans. The audit findings and recommendations, which also highlighted areas of non-compliance with the Group's policies, procedures and guidelines, were submitted to the Audit Committee for review.

Due to the nature of their functions, the Internal Auditors are well placed to undertake investigations on any suspicion of fraud or operational failures reported to them within the Group, on behalf of the Audit Committee. Such regular monitoring is essential to ensure the integrity and effectiveness of the Group's system of internal control.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME (ESOS)

The Audit Committee hereby verifies that during the financial year under review, the actual allocation of option shares pursuant to the Second ESOS of Kumpulan Guthrie Berhad ("Scheme") to eligible employees had been made in accordance with the criteria of allocation of option shares as set out in the By-Laws governing the Scheme and the guidelines of the Scheme.

STATEMENT ON CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS OF KUMPULAN GUTHRIE BERHAD (“GUTHRIE” OR “THE COMPANY”) IS PLEASED TO REPORT TO SHAREHOLDERS THAT THROUGHOUT THE FINANCIAL YEAR ENDED 31 DECEMBER 2004, THE BOARD HAD CONTINUED TO PRACTISE GOOD CORPORATE GOVERNANCE IN DIRECTING AND MANAGING THE BUSINESS AND AFFAIRS OF THE COMPANY AND ITS SUBSIDIARY COMPANIES (“KUMPULAN GUTHRIE GROUP” OR “THE GROUP”) AND, THUS, DISCHARGING ITS PRINCIPAL RESPONSIBILITY TOWARDS PROTECTING AND ENHANCING LONG-TERM SHAREHOLDERS’ VALUE AND INVESTORS’ INTERESTS CONSISTENT WITH THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (“CODE”).

Composition of the Board

The Board believes that effective corporate governance is premised on three (3) underlying principles namely, independence, accountability and transparency.

Based on these premises, the Board is of the opinion that an effective Board is determined by its composition. The Board has a well-balanced composition in which the substantial shareholders are adequately represented, whilst the interests of the minority shareholders are protected by the independent directors.

The Board presently comprises ten (10) members, three (3) of whom are independent Directors and, thus, the Company is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) for the financial year under review. The profiles of each member of the Board are set out on pages 32 to 37 of this Annual Report.

The Directors of the Company are professionals from diverse backgrounds with expertise and experience in various fields such as economics and investment, finance, public services, education, international relations, accounting, legal, plantation management and property development, which enable them to bring broader perspectives and depth in any Board discussion and deliberation.

The presence of three (3) independent Directors on the Board, namely YBhg. Datuk Khoo Eng Choo, YBhg. Dato’ Muhammad Nawawi Arshad and Encik Sreesanthan s/o Eliathamby, confers a strong

independent element on the Board. The independent Directors play an important role in objectively assessing the feasibility of business proposals and strategies, and examining the impact of such proposals on the Company’s stakeholders.

Chairman and Group Chief Executive

As a matter of good governance, the Chairman, who is a Non-Independent Non-Executive Director, has separate and distinct duties and responsibilities from the Group Chief Executive.

The Chairman of the Company plays a pivotal role in ensuring that Directors are properly briefed on issues arising at Board meetings in order to make effective contributions as Board members. As part of good governance, the Chairman encourages healthy debate on issues on the agenda and provides a reasonable time for discussion on issues raised at meetings.

The Group Chief Executive is responsible for the day-to-day operations of the Group’s business, which include implementing the policies and strategies adopted by the Board and clarifying matters relating to the Kumpulan Guthrie Group’s business to the Board. The Group Chief Executive’s in-depth knowledge of the Group’s affairs contribute significantly towards managing the direction of the Group to achieve its goals and objectives.

This separation of powers, combined with the presence of three (3) independent Directors, ensures a balance of power and authority and provides a safeguard against the exercise of unfettered power in decision-making.



Senior Independent Non-Executive Director

YBhg. Dato' Muhammad Nawawi Arshad is the senior independent Non-Executive Director of the Board to whom the Shareholders can convey their concerns on issues affecting the Company and the Group, other than through the Chairman.

Re-election of Directors

Article 102 of the Company's Articles of Association provides that at least one-third of the Directors (including the Managing Director, if any) for the time being, is required to retire at every Annual General Meeting ("AGM") and be subject to re-election, at least once in every three years.

Directors who are over seventy (70) years of age are required to submit themselves for reappointment annually, in accordance with Section 129(6) of the Companies Act, 1965. Presently, there are two (2) Directors of the Company who are subject to such reappointment.

Number of Directorship in Other Companies

Each of the Directors of the Company holds not more than ten (10) directorships in public listed companies and not more than fifteen (15) in other companies (other than listed companies). This ensures the Directors' commitment, resources and time are focused for an effective input to the Board. The directorships of each Director are set out in the Profile of Directors.

Continual Training of Directors

The Directors of the Company have attended and completed the Mandatory Accreditation Programme conducted by Bursa Malaysia Training Sdn. Berhad. They have also been attending the Continuing Education Programmes (CEP) which are necessary to ensure that Directors are kept abreast on various issues having relevance to the constantly changing environment within which the business of the Group operates.

Directors were also informed and encouraged to attend various professional programmes conducted by various professional bodies.

The Board took note of the recent amendments to the Listing Requirements of Bursa Malaysia via a letter dated 7 October 2004 ("CEP Amendments") which stated that from the year 2005 onwards, the board of directors of listed companies will assume the onus of determining or overseeing the training needs of their directors.

Principal Duties and Responsibilities of the Board

The Board plays a primary role in corporate governance. Guided by the Code, the Board is of the opinion that it is able to lead and control the Company and the Group through the discharge of the following responsibilities:

- Determine the Strategic Plan for the Group;
- Oversee the conduct of the Group's businesses;
- Identify and manage risks affecting the Group;
- Review adequacy and integrity of the Group's internal control systems;
- Implement succession planning for timely succession of management within the Group; and
- Maintain effective communication with shareholders and investors.

Fiduciary Duties of Directors

The relationship between a Director and the Company is one based on fiduciaries. The fiduciary duties owed by Directors to the Company require them to act bona fide in the best interests of the Company, as a whole. In this respect, the Directors of the Company exercise their powers on behalf, and for the benefit, of all shareholders rather than the majority on whose vote they are ostensibly appointed to the Board. These fiduciary obligations are owed by the Directors to the Company on an individual basis.

The Board ensures that all its Directors declare their interests in any situation which could put the Directors in a position of conflict of interest with the Company. These include interests, whether direct or indirect, in contracts or proposed contracts with the Company or any of its subsidiary companies, related or associated companies, as soon as practicable after the relevant facts have come to his knowledge. The Director(s) concerned will abstain from any decision-making process in which they are interested party. Transactions involving Directors which are deemed related party transactions are disclosed in the Annual Report.

Board Meetings

The Board meets on a scheduled basis, at least four (4) times a year. During the financial year ended 31 December 2004, there were thirteen (13) Board Meetings held and all the Directors in office attended more than 50% of the Board Meetings for the full financial year. The attendance of the Directors at the Board Meetings in 2004 is set out in the Profile of the respective Directors on pages 32 to 37 of this Annual Report.

All matters arising, deliberations and conclusions of the meetings of the Board are clearly and accurately recorded in minutes of meetings by the Company Secretary, confirmed by the Board and signed as a correct record by the Chairman.

At each regularly scheduled Board meeting, the Board deliberates on a formal schedule of matters reserved specifically for the Board's deliberations and approval. This ensures that the Board retains full and effective control over the Company.

The Board approves the Group's financial statements for the period ended for each quarter and reviews the performance of the Group's businesses as against their budgets and targets. The Board also reviews policies and strategic issues affecting the Group's businesses and approves acquisition and disposals of assets of the Company and its subsidiaries that are material to the Group. At appropriate times, presentations on business developments/proposals are also made to the Board by Management and/or consultants/advisers.

The consideration and approval of the annual Group Budget is a significant annual exercise by the Board in establishing the goals of the Group for the following year which involves an assessment of the projected performance of the Group's businesses. The Group Budget is revised quarterly based on the actual performance of the preceding quarters and expectations in performance for the subsequent quarters.

At appropriate times, the Board also considers the principal risks affecting the business of the Group and the measures that could be taken to mitigate such risks. A yearly audit planning memorandum submitted by the External Auditors of the Group to the Audit Committee sets out the Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis for the Group which identifies and highlights the possible options that can be implemented to mitigate the impact of any business risk. The External Auditors, also on annual basis, issue a Management Letter raising issues on risks affecting the operations of the Group. The Board, through its various committees, addresses and monitors the risks and concerns affecting the Group.





Access to information and advice

The Board has full and unrestricted access to all information pertaining to the Group's businesses and affairs, whether as a full Board or in their individual capacity.

The Board recognises the enhanced role of the Company Secretary in ensuring good corporate governance. The Company Secretary is the liaison between the Board, the Management and individual Directors. All Directors have full access to the advice and services of the Joint Company Secretaries of the Group who advise the Board on the Company's policies and procedures, Directors' responsibilities under the respective legislations and regulations, and the Company's compliance with the relevant laws, regulations and regulatory requirements.

The Directors may, if necessary, obtain independent professional advice in the furtherance of their duties from external consultants, at the Company's expense.

The Board also believes in adopting a hands-on approach to the Group's business activities, as part of the Board's assessment of its effectiveness as the decision-making body of the Group. When necessary, the Directors also visit locations of business units that provide an insight on operational matters which would assist the Board to make effective decisions relating to the Group.

REMUNERATION OF DIRECTORS

Remuneration Policy

The Board of Directors of Kumpulan Guthrie Berhad, has established a Remuneration Committee, which is responsible for making recommendations on the framework, policy and procedures to determine and review the specific remuneration packages of the Executive Directors and senior executives of the Kumpulan Guthrie Group.

The objectives of the remuneration policy are:

- to ensure that individual rewards and incentives fairly relate to the performance of the individual, the Company and the interests of shareholders; and
- to attract and retain the most qualified and experienced Executive Directors and senior executives with the necessary abilities to effectively run the businesses of the Kumpulan Guthrie Group which, in turn, maximise performance of the Group for the benefit of shareholders.

The Remuneration Committee seeks independent professional advice, where appropriate, and has information on compensation and salary levels of other companies in similar industry of comparable size, for executives with similar skills, qualifications and experience for the purpose of reviewing the salaries and benefits of staff of the Kumpulan Guthrie Group.

Level and Determination of Remuneration

In setting individual remuneration packages for Executive Directors and senior executives, consideration is given to appropriate basic salary, benefits-in-kind, performance related bonuses, participation in the Company's Employees' Share Option Scheme and long-term incentive plan which commensurate with their responsibilities, whilst taking into account corporate and individual performances.

The level of remuneration of the Non-Executive Directors had taken into consideration their increased duties and responsibilities under the Code, the Listing Requirements of Bursa Malaysia and under the Companies Act, 1965.

Amount of remuneration

The fees allocated to each Non-Executive Director, which was approved by the shareholders of the Company at its AGM held on 18 June 2003, is RM40,000 per annum for each Director. The fees for the non-executive Chairman of the Company, however, remains at RM60,000 per annum. In addition to these fees, the Chairman and the members (who are Non-Executive Directors) of each Committee of the Board are also entitled for a fee of RM10,000 and RM8,000 per annum (for each member) respectively.

The shareholders of the Company had also in the aforesaid AGM, approved a meeting allowance of RM500 for each Director for attendance at each meeting of the Board and the respective Committees of the Board, and the provision of medical benefits for each of the Non-Executive Directors similar to those provided to executives of Kumpulan Guthrie Berhad.

During the financial year ended 31 December 2004, the appropriate components of the Directors' remuneration paid or otherwise made available from the Group are in the following manner:-

- a) Aggregate remuneration of Directors categorised into appropriate components:

	Executive Director RM'000	Non-Executive Directors RM'000
Fees	—	1,054
Salaries & Allowances	406	188
Bonus	—	—
Benefits-in-kinds	35	28
Other Emoluments	—	—
TOTAL	441	1,270

- b) The number of Directors of the Company whose total remuneration falls within the following bands is as follows:

	Number of Directors	
	Executive Director	Non-Executive Directors
RM50,000 and below	—	10*
RM50,001 to RM100,000	—	—
RM100,001 to RM200,000	—	—
RM200,001 to RM450,000	—	—
RM450,001 to RM500,000	—	—
RM500,001 to RM850,000	1	—
RM850,001 to RM950,000	—	—
RM950,001 and above	—	—

* This includes YBhg. Tan Sri Dato' Abdul Khalid Ibrahim who had resigned on 17 June 2004.

BOARD COMMITTEES

The Board has delegated specific responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference. The Board Committees are the Executive Committee, Finance & Tender Committee, Audit Committee, Nomination Committee, Remuneration Committee and Employees' Share Option Scheme (ESOS) Committee. Ad-hoc Board Committees are being established, as and when necessary, to address on specific issues.

The Committees of the Board comprise members of the Board, and each Board Committee holds separate meetings throughout the financial year. Meetings of Board Committees provide an avenue for members of the respective Committees to focus on specific issues and enable full and in-depth discussions of business operations of the Kumpulan Guthrie Group. Reviews, recommendations, findings and decisions reached at these Committee Meetings are reported directly to the Board for its deliberations, approvals and/or endorsements. The members of the various Committees are set out on page 30 of this Annual Report.

Executive Committee

The Executive Committee which meets, at least every quarter in a year, examines in depth strategic matters, policies and business risks which may affect the Group. The Executive Committee recommends to the Board the strategic direction for the Group's business and reviews the results of the direction taken by the Group.

Finance & Tender Committee

The Finance & Tender Committee ("F&T Committee") meets at least every quarter in a year. The F&T Committee considers and makes recommendations to the Board on the impact of any financial issues affecting the Group. It also reviews the monthly performance of the Group, the Group's borrowings and cash flow position.

Audit Committee

The composition and functions of the Audit Committee are laid down on pages 38 to 39 of this Annual Report.

Nomination Committee

The Nomination Committee of the Board provides a formal and transparent procedure for the appointment of new Directors to the Board of Kumpulan Guthrie Berhad and its subsidiary companies. The Nomination Committee meets as and when required but shall hold at least one (1) meeting a year.

Scope of Responsibilities

The Nomination Committee's responsibilities include the following and such other responsibilities as may be determined by the Board from time to time:

- To consider and make recommendations to the Board on the suitability of candidates nominated for appointment on the Board, including that of the Group Chief Executive/Managing Director and Executive Directors, and also for appointment of Directors on the Boards of Directors of the active subsidiary companies, including those of the two public-listed subsidiary companies, namely Guthrie Ropel Berhad and Highlands & Lowlands Berhad;
- To consider and make recommendation to the Board, Directors to fill the seats on Board Committees; and
- To review and make recommendations to the Board, on an annual basis, the required mix of skills and experience and other qualities, including core competencies of the non-executive Directors.



Remuneration Committee

The Remuneration Committee, whose members comprises non-executive Directors, meets on a need basis, to review and recommend to the Board the framework of executives' remuneration and its costs and, the remuneration packages of Executive Directors and Heads of Divisions of the Group, in all its forms. As the Executive Directors are not members of the Committee, they do not play any part in the decisions of their own remuneration. Notwithstanding that, the remuneration of both the Non-Executive and Executive Directors is the ultimate responsibility of the entire Board.

Employees' Share Option Scheme (ESOS) Committee

The Company believes that people are its greatest assets. The ESOS was established with the objective to provide an opportunity for eligible employees of the Company and of the Group and, Executive Directors of the Company to participate in the equity of the Company. The objectives of ESOS are, among others, to motivate employees of the Group to excel and strive towards better performance for greater career achievement, increase the level of commitment, dedication and loyalty amongst employees, attract prospective employees to fill key positions and, reward and retain key employees whose services are vital to the overall business operations and continued growth of the Kumpulan Guthrie Group.

Following the expiration of the First ESOS of Kumpulan Guthrie Berhad on 15 November 2002, the Company established the Second ESOS ("the Scheme"), which had been approved by the shareholders of the Company at its Extraordinary General Meeting (EGM) held on 18 June 2003. The Second ESOS, which came into effect on 30 July 2003, will be in force for a period of five (5) years, until 29 July 2008 and can be extended or renewed for another maximum period of five (5) years, as prescribed in the Bye-Laws of the Scheme.

The Scheme is governed by the Bye-Laws which are administered by an ESOS Committee appointed by the Board. The ESOS Committee, comprising three (3) members of the Board, meets at least every quarter during the relevant financial year.

Primary purpose

The responsibilities of the ESOS Committee are as follows:

- To administer the Scheme in accordance with the Bye-Laws of the Second ESOS and, in such manner, as it shall in its discretion deem fit and within such powers and duties as conferred upon it by the Board.
- To review and recommend to the Board at any time and, from time to time, any provision of the Second ESOS' Bye-Laws, provided that the amendments are not prejudicial to the eligible employees and with prior approval of shareholders of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF AUDITED FINANCIAL STATEMENTS

Company Law requires Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group together with the profit or loss of the Company and of the Group.

In preparing those financial statements, the Directors have:

- a) adopted suitable accounting policies and applied them consistently;
- b) made judgements and estimates that are reasonable and prudent;
- c) ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group, to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for taking reasonable steps to safeguard the assets of the Company and the Group and, in that context to have proper regard to the establishment of appropriate systems of internal control with a view to prevent and detect fraud and other irregularities.

STATEMENT ON GOING CONCERN

The Board, having reviewed the budgets and long-term business plans of the Company and of the Group, has a reasonable expectation that the Company and the Group have adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements of the Company and the Group have been prepared on a going concern basis.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced, clear and comprehensive assessment of the Company's and the Group's performance and prospects by ensuring quality financial reporting to its shareholders, investors and regulatory authorities.

Shareholders, investors and regulatory authorities are kept abreast of the Company's and the Group's performance during the financial year, through the timely announcement of the Company's and the Group's quarterly financial results and publication of the same in leading newspapers, and timely distribution of the Company's Annual Report.

The Chairman's Statement and the Operations Review of the Group, contained in this Annual Report, also provide an insight into the performance of the Group throughout the financial year and on the Group's future prospects.

Quarterly financial results and annual financial statements are reviewed and deliberated upon by the Audit Committee of the Board to ensure the accuracy and adequacy of such information, prior to submission to the Board for its approval. Such information is released to the public upon approval by the Board.

Relationship with Auditors

The Board maintains an active, transparent and professional relationship with the Group's Auditors, through the Audit Committee, which has been conferred with the authority to interface directly with both the external and internal auditors of the Group.

During the financial year, the Group's External Auditors, conducted an audit of the Company and its subsidiary companies, to obtain information and explanation so as to provide reasonable assurance that the financial statements present a true and fair view of the Group's performance. After the completion of the audit, a Management Letter was presented by the Auditors to the Board raising significant issues arising from the audit of the Group. The Board, through the Audit Committee, also seeks the External Auditors' professional advice in ensuring compliance with the appropriate accounting standards in Malaysia and the provisions of the Companies Act, 1965. The functions of the Audit Committee and its relations with the Auditors are set out on pages 38 to 39 of this Annual Report.

The activities of the Internal Auditors relating to the operation of the Group during the financial year are set out on page 39 of this Annual Report.

Relationship of the Board to Management

Whilst the Board retains overall responsibility for and control of the Group, it also effectively monitors Management. Management of the Group's businesses is conducted by the Chief Executive Officer and Senior Management of the various divisions and departments which implement the policies and strategies adopted by the Board within the limits of authority laid down by the Board. The Board also ensures the smooth running of the Company's and the Group's operations by establishing a succession plan for top Management.

The Board measures Management's performance against the Group's objectives and most importantly ensure that any implementation of policies and strategies are in the best interests of the shareholders of the Company.



RELATIONSHIP WITH INVESTORS AND SHAREHOLDERS

The Board believes that disclosure is at the heart of good governance as it ensures that market credibility and investors' confidence are maintained. In discharging the obligations imposed by the Listing Requirements of Bursa Malaysia on listed companies, the Company discloses material information in a timely, complete, clear and accurate manner which enables shareholders and investors to make informed investment decisions, and assist investors and the market in the evaluation of the Company's securities.

Directors are also continuously updated and advised of any new regulations or directives issued by Bursa Malaysia, Securities Commission and other regulatory authorities which must be adhered to by the Company.

The Annual Report, including the Financial Statements sections of the Annual Report, is printed in English as well as in Bahasa Malaysia to reach out to a wider audience of investors.

Briefing to Analysts and Institutional Shareholders

The Management of Kumpulan Guthrie Berhad conducts, on annual basis, dialogues and briefings with financial analysts, brokers and institutional fund managers, and investors on the Kumpulan Guthrie Group's financial results, performance and potential of new developments/business. This is to ensure that the investing community receives a balanced and complete view of the Kumpulan Guthrie Group's performance and the current issues faced by the business in the regional and global economic climate.

Information relating to the Company and the Group could also be viewed via the Company's website at www.guthrie.com.my.

The Annual General Meeting

The Annual General Meeting (AGM) is the principal forum in which the Board reports on its stewardship to shareholders and account for the performance of the Company and of the Group.

The AGM provides the opportunity for interaction among shareholders, Directors and Management, where issues pertaining to the Annual Report, interim and quarterly reports, announcements to Bursa Malaysia and Circulars to Shareholders could be raised and explained.

At each AGM, the Directors welcome the opportunity to gather the views of minority shareholders, who represent the largest proportion of shareholders attending the AGM. Shareholders (and proxies) may enquire, among others, on the resolutions being proposed at the AGM, business operations of the Group, the Group's past performance, its results and intended future performance. The Board provides adequate time for the shareholders' question-and-answer session, which the Board believes is paramount to the proper and efficient operation of the AGM.

Representatives of the Management are also present at each AGM to answer questions on the business operations of the Group. This ensures a high level of accountability, transparency and identification with the Group's business operations, strategies and goals.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

The Kumpulan Guthrie Group was substantially in compliance with the principles of corporate governance and best practices in corporate governance throughout the financial year ended 31 December 2004.

OTHER INFORMATION

Material Contracts

The Company and/or its subsidiary companies had not entered into any material contract which involved Directors' and/or major shareholders' interests, either still subsisting at the end of the financial year, or which were entered into since the end of the previous financial year.

Material Contracts Related to Loan

During the financial year under review, there were no material contracts related to loans, entered into by the Company and/or its subsidiary companies which involved Directors' and/or major shareholders' interests.

Options, Warrants or Convertible Securities

As at 31 December 2004, 5,212,000 option shares were exercised under the Second ESOS.

The Directors had obtained a relief under Section 169A (1) of the Companies Act, 1965 exempting the Company from having to disclose the names of option holders granted less than 50,000 option shares each during the year in the Annual Report. This exemption is subject to a yearly renewal. All information regarding the allocation and exercise of the said option shares are registered in the Company's Register of Options.

The names of option holders who were granted with 50,000 or more option shares under the Second ESOS as at 31 December 2004 are as set out in the Directors' Report – Second Employees' Share Option Scheme, on page 117 of this Annual Report.

Proposed Provision of Financial Assistance Mandate

At the last Extraordinary General Meeting (EGM) held on 17 June 2004, the Company had obtained the Financial Assistance Mandate from its shareholders to enable the financial assistance transactions to be effected between the Kumpulan Guthrie Group and Highlands & Lowlands Berhad (H&L) and Guthrie Ropel Berhad (Ropel), via a centralised treasury management system for an estimated net amount of RM40 million and RM10 million respectively, subject to it not exceeding the 5% benchmark under the Listing Requirements of Bursa Malaysia.

Pursuant to the Management Agreements entered into by the Company with H&L and Ropel, the treasury functions for all the plantation companies within the Guthrie Group, are centralised and the services include remittances to the estates, mills, centralised receipt and payments, and placement of funds with financial

institutions. As this centralised treasury system entails the provision of financial assistance between the Kumpulan Guthrie Group, H&L and Ropel, the Board, thus, proposes to seek renewal of the Financial Assistance Mandate at the forthcoming EGM of the Company.

Share Buy-Back

During the financial year under review, the Company has not exercised any share buy-back permitted by Section 67A of the Companies Act, 1965 of which mandate was given by the shareholders at the last EGM of the Company held on 17 June 2004.

Non-Audit Fee

During the financial year ended 31 December 2004, apart from the annual audit fees, the Group had paid non-audit fees to the External Auditors amounting to RM489,000/- for other services undertaken by the Auditors for and on behalf of the Group, during the financial year.

Profit Estimation, Forecast or Projection

There was no profit estimation, forecast or projection made or released by the Company during the financial year under review.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year under review.

Revaluation Policy of Landed Properties

The revaluation policy of the Group in relation to its landed properties is set out in Note 3(d) of the Notes to the Financial Statements on page 130 of this Annual Report.

Imposition of Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company and/or its subsidiary companies, Directors or Management arising from any significant breach of rules/guidelines/legislation by the relevant regulatory bodies.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

i. Renewal of General Mandate

At the last EGM held on 17 June 2004, the shareholders of the Company had approved the renewal of the mandate to allow the Company and/or its subsidiary companies, in their normal course of business, to enter into recurrent transactions of a revenue or trading nature with related parties ("RRPT Mandate"), which are necessary for its day-to-day operations on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.

The Kumpulan Guthrie Group proposes to continue entering into recurrent related party transactions with its related parties, and, thus, proposes to seek renewal of the RRPT Mandate in the forthcoming EGM of the Company. This RRPT Mandate, if approved by shareholders, will be valid until the conclusion of the next AGM of the Company.

ii. Aggregate value of RRPT

The aggregate value of the recurrent transactions of a revenue or trading nature conducted for the year under review between the Company and/or its subsidiary companies with related parties are set out below:

Company	Relationship	Nature of Transactions	Aggregate Value of Transactions during the year under review RM'000
Highlands & Lowlands Berhad and Highlands & Lowlands Group	<ul style="list-style-type: none"> As at 31 December 2004, Kumpulan Guthrie Berhad ("Guthrie") held 54.53% of the issued and paid-up share capital of Highlands & Lowlands Berhad ("Highlands & Lowlands"). Guthrie is the holding company and Managing Agent of Highlands & Lowlands. Y.M. Raja Tan Sri Muhammad Alias Raja Muhammad Ali is a Director and Chairman of Highlands & Lowlands. He is also a Director of Guthrie. YBhg. Datuk Mohamed Adnan Ali is a Director of Highlands & Lowlands and Guthrie. YBhg. Datuk Khoo Eng Choo is a Director of Highlands & Lowlands and Guthrie. YBhg. Tan Sri Dato' Abdul Khalid Ibrahim is a Director of Highlands & Lowlands and Guthrie until 10 June 2004 and 17 June 2004 respectively. He is also a shareholder of Guthrie. 	a. Provision of Managing Agent's Services by Guthrie to the Highlands & Lowlands Group.	9,561
		b. Provision of Marketing Agent's Services by Guthrie to the Highlands & Lowlands Group.	7,059

Company	Relationship	Nature of Transactions	Aggregate Value of Transactions during the year under review RM'000
Guthrie Ropel Berhad and Guthrie Ropel Group	<ul style="list-style-type: none"> As at 31 December 2004, Guthrie, the holding company and Managing Agent of Guthrie Ropel Berhad ("Ropel"), held 57.85% of the issued and paid-up share capital of Ropel. YBhg. Datuk Alladin Hashim, is a Director and Chairman of Ropel. He is also a Director of Guthrie. YBhg. Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin is a Director of Ropel and Guthrie. YBhg. Dato' Muhammad Nawawi Arshad is a Director of Ropel and Guthrie. YBhg. Tan Sri Dato' Abdul Khalid Ibrahim is a Director of Guthrie and Ropel until 17 June 2004 and 31 December 2004 respectively. He is also a shareholder of Guthrie. 	<p>a. Provision of Managing Agent's Services by Guthrie to the Ropel Group.</p> <p>b. Provision of Marketing Agent's Services by Guthrie to the Ropel Group.</p>	<p>4,204</p> <p>2,941</p>
Guthrie Assets Management Sdn. Bhd. ("GAMSB")	<ul style="list-style-type: none"> GAMSB is a 67%-owned subsidiary company of Guthrie and a 33%-owned associated company of Guthrie Ropel. Madam Tong Poh Keow and Encik Helmy Othman Basha, Directors of GAMSMB, are also Directors of companies in the Guthrie Ropel Group. 	Lease of plant and machinery to the Guthrie Ropel Group.	3,374
Guthrie Property Development Holding Berhad (GPDH) and GPDH Group	<ul style="list-style-type: none"> GPDH is a 54.77%-owned subsidiary company of Guthrie and a 45.23%-owned associated company of Highlands & Lowlands. YBhg. Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin is the Chairman of GPDH. He is also a Director of Guthrie. YBhg. Dato' Muhammad Nawawi Arshad is a Director of GPDH and Guthrie. YBhg. Datuk Khoo Eng Choo is a Director of GPDH and Guthrie. YBhg. Dato' Abd Wahab Maskan, the Group Chief Executive of Guthrie, is also a Director of GPDH (w.e.f. 16 January 2004). 	Provision of Management's Services by Guthrie to GPDH Group.	3,308
Guthrie Landscaping Sdn. Berhad (GLSB)	<ul style="list-style-type: none"> GLSB is a wholly-owned subsidiary of Guthrie. Madam Tong Poh Keow and Encik Helmy Othman Basha, Directors of GLSB, are also Directors of the companies in the Highlands & Lowlands Group and Ropel Group. 	Provision of Landscaping Services and civil works by GLSB to GPDH Group.	23,439

Statement on INTERNAL CONTROL

Pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad

INTRODUCTION

The Malaysian Code on Corporate Governance places the onus for Internal Control on the Board. It states: “The Board should maintain a sound system of internal control to safeguard shareholders’ investment and the company’s assets”.

The Board of Directors of Kumpulan Guthrie Berhad (“Board”) is committed to maintaining a sound system of internal control in the Group and is pleased to provide hereinafter the annual update and disclosure statement in respect of the state of internal control in Kumpulan Guthrie Berhad as a Group.

ACKNOWLEDGEMENT OF RESPONSIBILITIES

The Board affirms its responsibility for maintaining a sound system of internal control. It recognises that reviewing the Group’s system of internal control is a concerted and continuing process. However, it should be noted that these systems are designed to manage rather than to eliminate the risks of failure to achieve business objectives and as such, could only provide reasonable but not absolute assurance against material misstatement or loss.

The Board has reviewed and confirmed that the system of internal control within the internal control framework was in place during the financial year under review and continues to take measures to strengthen the internal control framework. The Board also confirms that there were no material losses incurred during the financial year as a result of weaknesses in internal control.

KEY ELEMENTS OF INTERNAL CONTROL FRAMEWORK

The current system of internal control currently applied in the Group has the following key elements:-

Standard of Business Ethics

All employees are required to sign and adhere to the Standard of Business Ethics, which emphasises corporate values and ethical code of conduct. The Standard of Business Ethics represents the employees’ undertaking to adhere to the Group’s minimum standard of behaviour and ethical conduct.

Enterprise-wide Risk Management

The Board views Structured Enterprise-wide Risk Management (ERM) as the logical step in the pursuit of its corporate governance agenda and the fulfilment of its long-term corporate objectives towards protecting shareholders’ investment and safeguarding organisational assets.

The ERM program provides sufficient documentation and groundwork for the implementation of risk based audit approach. The Internal Auditors besides performing audit on the adequacy and integrity of internal controls also provide assurance on how effective the risks are being managed through the risk based audit approach. The risk based audit approach is currently being implemented on certain units in Malaysia and will be expanded to include other subsidiaries including overseas subsidiary companies.

Human Resource Management

A systematic Performance Management and Development (PMD) system which is linked to and guided by established Key Performance Indicators (KPI's) and Key Result Area's (KRA's) has been implemented. The PMD system is now being driven by the Balanced Score Card system (BSC) to support its delivery. The BSC provides a framework to translate strategy into operational terms and is being used as a performance measurement tool.

The PMD system has been implemented on personnel at the executive and managerial level and will be expanded to include the clerical level.

Training and Development

Emphasis is placed on enhancing the quality and ability of employees through continuous training and development. Through the PMD system, employees' competencies are being properly addressed and suitable training programmes or schemes will be identified to expand on the competencies.

Policies, Procedures and Financial Authority Limit

Delegation of authority including authorisation limits at various levels of management and those requiring the Board's approval are clearly defined and set out in written policies and procedures to ensure accountability and proper segregation of duties.

Regular Monthly Reporting

Monthly meetings of the Group Management Committee are conducted to review and monitor matters pertaining to the business operations based on performance reports which provide comprehensive information on financial performance and other key non-financial indicators.

Tender Award System

A policy on awarding of tender has been revised to enhance coordination and control on the purchase of goods and services. The policy serves to gain efficiency and place assurance on the effectiveness of the system of internal control embedded in the process of awarding tenders.

Insurance & Physical Safeguard

Adequate insurance on major assets i.e. buildings and machineries in major operating subsidiary companies is in place to ensure that assets of the Guthrie Group are sufficiently covered against any mishap that will result in material losses to the Group and/or its subsidiary companies.

Strategic Business Planning, Budgeting and Reporting

The annual budget is linked to the Group Strategic Business Plan. The Group Strategic Business Plan was approved in December of the year under review. The Group Strategic Business Plan is the basis upon which the budget will be reviewed and tracked periodically during the budget year.

Management Information System

Critical information of the Group such as financial data, human resource data, land ownership records and debtors record are captured within the various information systems that have been developed to keep track of the Group's operations.

Group Internal Audit

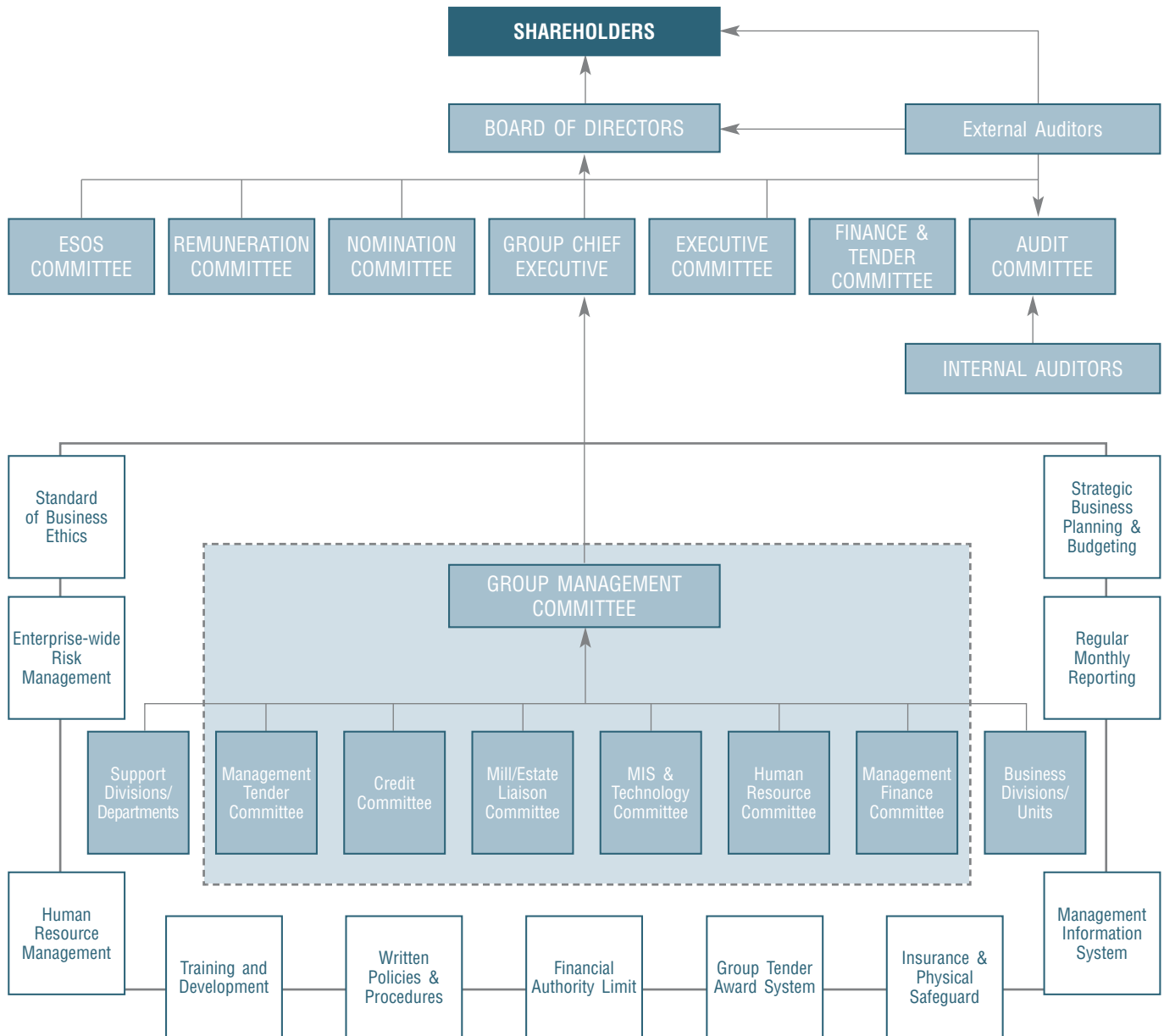
The Internal Audit function, which reports directly to the Audit Committee provide assurance on the effectiveness of the system of internal control within the Group. Independent reviews based on the annual internal audit plan are conducted to identify and report risks in units under the Group's major core activities.

MONITORING AND REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL CONTROL

The processes adopted to monitor and review the effectiveness of the system include:

- Issues highlighted by the Group Internal Auditors and the corrective actions taken by management are discussed and monitored by the respective operating units in its monthly meetings.
- Quarterly reports to the Audit Committee are formatted such that all corrective actions taken on issues highlighted by the Internal Auditors are tracked according to the progress of completion.

INTERNAL CONTROL FRAMEWORK & ENVIRONMENT



The Group's internal control framework shown above signifies the accountability and reporting relationship between the Shareholders, the Board, the Audit Committee, Auditors and Management

- Organisational Structure
- Key Internal Control Element
- Management Committee

Enterprise-wide RISK MANAGEMENT

THR GUTHRIE GROUP HAS ESTABLISHED ITSELF TO BE A MAJOR PLAYER IN THE GLOBAL PALM OIL MARKET. ITS PLANTATION OPERATIONS TODAY SPAN ACROSS INTERNATIONAL BORDERS INTO INDONESIA. BESIDES ITS PLANTATION BUSINESS, THE GUTHRIE GROUP'S OTHER CORE BUSINESSES INCLUDE PROPERTY DEVELOPMENT AND MANUFACTURING. AS A RESULT OF ITS INTERNATIONAL GROWTH AND PROFIT TARGETS, THE GROUP IS CONTINUOUSLY CONFRONTED WITH A VARIETY OF GLOBAL AND LOCAL BUSINESS RISK FACTORS. THESE RISKS CAN BE INTERNAL OR EXTERNAL AND IF NOT APPROPRIATELY MANAGED, MAY NEGATIVELY INFLUENCE THE GROUP'S GOALS AND STRATEGIC OBJECTIVES.

TO ADDRESS THESE RISKS, THE GROUP HAS ESTABLISHED A COMPREHENSIVE ENTERPRISE-WIDE RISK MANAGEMENT ("ERM") FRAMEWORK WHOSE MAJOR ELEMENTS INCLUDE THE IDENTIFICATION, ANALYSIS, REPORTING AND COMMUNICATION OF RISKS.

INHERENT BUSINESS RISKS

Besides the exposure to general business risks, the Guthrie Group is particularly exposed to certain risks inherent in the palm oil sector.

The oil palm plantation business will generally be affected by the global, regional and national economy. The state of Malaysian economy, entry of new players, fluctuations in commodity prices and foreign exchange rates, changes in weather conditions, outbreak of pests and diseases, constraints in labour supply, escalating production costs and threat of substitutes for palm products will also have an impact on the oil palm plantation business.

The Group seeks to limit these risks through effective risk management practice amongst others, close supervision of oil palm plantations through periodic review of its risk profile, effective resource management and cost control policy.

In the property development sector, the Group will be subjected to certain risks inherent such as the general state of the Malaysian economy, competition by other developers, changes in government legislation and policies, sustainability of projects' income, changes in property buyers' demand, financing costs to undertake property development projects, and shortages of resources such as labour and building materials.

The Group has within its management team qualified and experienced personnel from diverse discipline, who are able to plan, mitigate and minimise the business risks inherent in this sector. In the coming years, the Group will focus predominantly on the residential market located strategically in the Klang Valley which would be resilient to the effects of any downturn in the economy.

RISK CONSIDERATION

Clonal palm production through proven tissue culture technology offers the Group great opportunity to develop an efficient and commercially reliable clonal palm production system. This was made possible through our wholly-owned subsidiary, Guthrie Biotech Laboratory Sdn. Berhad (GBLSB) which had acquired this proven technology. Recent biotechnological advances recorded high success rates at the callogenesis and embryogenesis stages of the clonal palm production. All potential risks and threats to failures had been identified, assessed and catalogued.

In managing this risk, the subsidiary is implementing a dedicated tracking system called 'GETS Biotech' (Guthrie Electronic Tracking System for Biotech Material). The system enables a computerised audit trail and bar coding for monitoring, recording and tracking of oil palm tissue culture materials. This will eliminate manual data entries which are prone to errors, are tedious and time consuming.

In respect of the current business outlook, no immediate risks have been identified which could jeopardise the Group's ongoing business. The Group's equity capitalisation and earnings base form a sound basis for future business development. We have taken the appropriate precautions against typical business risks that could negatively affect our financial standing and profitability situation through adopting the risk management philosophy and the ERM Framework, elaborated below.

RISK MANAGEMENT PHILOSOPHY

Risks are a part of business and the Group's focus is to balance risk awareness and control with the need to create and exploit opportunities.

Consistent with this, the Guthrie Group embraces ERM as a strategic response to its Corporate Governance agenda. Corporate Governance should be an implicit expectation, like good character, a set of principles that are simply inherent and understood.

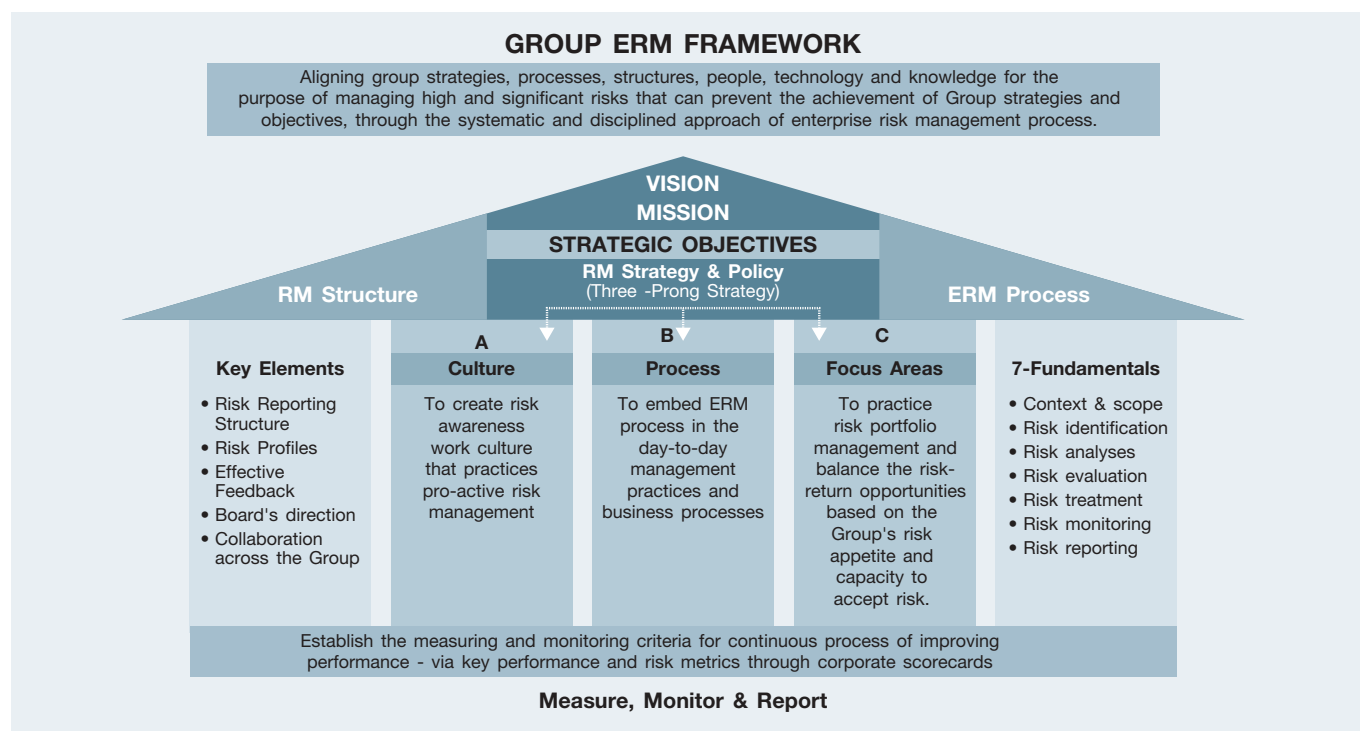
To the Group, ERM offers a systematic and disciplined approach to align strategy, processes, people, technology and knowledge with the purpose of identifying, evaluating and managing the uncertainties and risks faced by the Group. By understanding and managing risks, the Group will be in a better position to provide greater certainty and assurance to its stakeholders when pursuing growth and value-creation.

The Guthrie Group practices ERM because it offers a consolidated view of all types of risks and opportunities across the organisation, management processes and business activities. This strategic stance enables the Group to apply a risk-centric management approach that is essential for the establishment of a sound system of risk management and internal controls.

For the period under review, the Group has implemented an ongoing process for identifying, evaluating and managing the significant risks faced by the respective business and support units.

The Group is well positioned to integrate the fundamentals of risk management into the day-to-day management processes.

ERM FRAMEWORK



The ERM Framework is flexible and designed to fit into the work culture and management style of the Group. The ERM Framework seeks to promote an enterprise risk management practice that;

- (i) will periodically be on the Board's agenda and that the Board and Senior Management are made aware and trained on the principal and major risks.
- (ii) all business units and divisions are responsible for managing risk with appropriate advisory guidelines from centralised enterprise risk management function.
- (iii) link risk that matters to business and operational planning and include risk assessment in the evaluation of new projects.
- (iv) create a risk-awareness work culture that practices pro-active risk management.

Measured against the components of best-practice Risk Management Maturity Framework, the Group has accomplished several initiatives as part of its strategy to strengthen its risk management practices and these are set out below, as follows;

RISK MANAGEMENT STRATEGY AND POLICY

The Guthrie Group is committed to the practice of enterprise risk management. The Group provides training and education to ensure that its employees have the necessary knowledge and skills to practice risk management. The Group believes that effective risk management is much about a culture shift through change management which encourages best ethics and values in each of its employees.

Principally, the Group's risk strategy is an integral component of the overall strategy that is set within the context of its business operations. The scope of its risk management programme and efforts are aligned to corporate resources and integrated within its strategic and organisational structure, management processes and business activities.

RISK MANAGEMENT PORTFOLIO AND RISK OPTIMISATION

The Group integrates the ERM process into the framework of the Group's strategic and annual budget planning processes. High and significant risk matters are duly reported to Management and Board and these are in conformance to regulatory requirements.

- **Risk-based Strategic Planning process**

The Group practices a rolling three-year strategic planning process where key value drivers are identified and strategic business goals and objectives are reviewed, updated and presented in standardised balanced scorecard perspectives. Potential risks and threats to the achievements of the business objectives are assessed, evaluated and prioritised based on measured business impacts.

This involves the environmental scanning for anticipated changes in both the internal and external risk-opportunity factors and to analyse each of the business unit's and division's strengths, weaknesses, opportunities and threats. The existing risk controls are assessed to determine its control adequacy and effectiveness. New targeted risk tolerance levels are set to be in line with enhanced business objectives and risk appetite consistent with Group's growth perspectives.

- **2005 Budget Planning and Business Plans**

Risk-based information gathered during the strategic planning process is used as part of the 2005 budget planning process and initiatives. Risk control strategies are planned and incorporated within the 2005 Budget and Business Plans in order to mitigate the risk exposures established during the strategic planning process above. The risk levels will be periodically monitored during the Budget year based on the key performance and leading indicators for corrective actions.

The risk-based Budget and Business Plans are then presented to the Board for its attention and due process of review and approval.

- **Research & Development and Major Projects areas**

For the period under review, the Group has extended and incorporated the principles of risk management in project evaluation of major Group projects including research and development undertakings. Key project criteria are preset and project risks are identified, prioritised and benchmarked against future outcomes. These will be closely monitored during the project life-cycle.

The benefit of managing project risks is the avoidance of unexpected time delay and costs overruns and consequently would result in fewer integration problems.

RISK ORGANISATIONAL STRUCTURE

Risks are classified and prioritised based on its potential impacts to the business. These are further sub-categorised into risk types based on the risk nature and characteristics. During the period under review, the Group relied on the following structures to manage its risks;

- **First line of Defense – day-to-day risk management**

Day-to-day risk management resides with the respective operating centre.

The Management of each operating centre is accountable for the comprehensiveness of the risks identified, their assessment, as well as the bottom-up reporting to the Group Management Committee (“GMC”).

- **Second line of Defense – strategic risk and overall risk oversight**

For the period under review the GMC, chaired by the Group Chief Executive provides on-line risk oversight through regular monthly reviews of the business and corporate unit’s performance and its associated risk profiles. The GMC also provides guidance on the risk appetite and capacity which, when exceeded will trigger obligatory reporting to the Board.

In addition, there is a Management Finance Committee (“MFC”) which reviews regularly business issues and risks of the Group.

The Executive Committee, Audit Committee and Finance & Tender Committee provide additional layer of defense and risk oversight especially on risks that are not easily predicted and monitored through systematic operational procedures but nevertheless, carry significant impacts on the Group’s business activities and decision-making.

- **Third line of Defense – overall risk management responsibility**

The Board retains the overall risk management responsibility of identifying principal risks and ensuring the implementation of appropriate systems of internal controls with the Group Chief Executive being accountable to the Board for the effective and efficient risk management practice within the Guthrie Group.

- **Group Risk Facilitator**

The Guthrie Group has nominated a senior officer responsible for the establishment and maintenance of the Group's enterprise risk management system. The senior officer acts as a central contact and provides the lead, training and guidance for all the ERM issues within the Group.

RISK CONTROL ASSURANCE

- **Audit Committee**

The Audit Committee receives regular reports from both internal and external Auditors on internal control standards and matters.

- **Internal Audit**

The Internal Audit Department is an independent, unbiased function and reports directly to the Audit Committee. The Internal Audit Department is involved in validating the results of the ERM processes and contributes by means of auditing and provision of consultancy to the independent assessment of the Group's risk situation and the adequacy and effectiveness of its internal control system.

MEASUREMENT AND MONITORING PERFORMANCE

The Group uses a wide range of key performance indicators ("KPIs") and reports to track and monitor performance of each operating centre. Each reporting centre reports monthly, through the Performance Review Report, to the GMC. The group-wide and business units KPIs and risk indicators function as early warning mechanisms upon which the Group's risk appetite and capacity are communicated.

ERM GOALS AND LONG-TERM OBJECTIVES

The key goals and long-term objectives of the Group risk management program include the following;

- **Clearly documented risk communication program**

Promote risk glossary to streamline the communication process. This will encourage the use of consistent terminology aimed at increasing the effectiveness of exchanging information about risks across the enterprise. The Group undertook the publication of a Risk Awareness handbook in year 2004, written in simple language to assist better understanding of the risk management subject, its concept, impact on business processes and management practices.

- **ERM Policy and Framework Guideline**

Establish the Group's ERM Framework to be embodied in the Group Policy and Procedural Manual with which the management of each business and corporate support unit is required to comply.

- **Risk awareness training and continuing education**

Risk awareness program was fully extended to the Group's estates. Each estate has its own local risk register and risk profile. The Estates Risk Management Program with its risk mitigation plans for 2005 is already in place. The Estates ERM Program will be monitored on a quarterly basis to assess the control effectiveness and levels of risk exposures.

- **Risk management as a core management competency requirement**

In order to develop a risk intelligent workforce, employees of the Group are expected to practice risk management within their own work areas as part of the Group's management competency standard and this will be monitored through the employees' performance appraisal process.

For the Guthrie Group, practicing risk management is not designed to stop employees from taking risks but rather to create value by enhancing the chances of achieving corporate success and enabling managers and shareholders to understand the level of risks undertaken and to manage the risk-reward profile accordingly.

MANAGEMENT TEAM

**DATO' ABD WAHAB MASKAN**
GROUP CHIEF EXECUTIVE

YBhg. Dato' Abd Wahab Maskan, 54, has been the Group Chief Executive of Kumpulan Guthrie Berhad (KGB) since 1 January 2004. He was subsequently appointed a Director of KGB, Highlands & Lowlands Berhad, Guthrie Ropel Berhad, Guthrie Property Development Holding Berhad and other subsidiaries of KGB. Other public companies in which he is a Director are Pelaburan Hartanah Nasional Berhad and Pengurusan Danaharta Nasional Berhad. Dato' Abd Wahab has been appointed a member of the Financial Reporting Foundation of the Ministry of Finance effective 28 January 2005.

Dato' Abd Wahab has held positions as Group Chief Executive of Golden Hope Plantations Berhad, Managing Director and Chief Executive Officer of Negara Properties (M) Berhad, General Manager of Island & Peninsular Berhad and Director of Development in Urban Development Authority (UDA).

He has held directorships in Malaysian and overseas companies in Europe and Asia, both listed and non-listed companies. His directorship and leadership experience covers property development and investment, engineering and construction, plantations and processing management, refining and olechemicals, trading and marketing, manufacturing and retailing, resort and hospitality, in both the public and private sectors.

Dato' Abd Wahab obtained his Bachelor of Science degree in Management (Real Estate), England. He is a Fellow of the Institution of Surveyors (Malaysia) and a Fellow of the Royal Institution of Chartered Surveyors (England and UK).



RUSLI UJANG

– Head, Plantation Malaysia

Encik Rusli Ujang, aged 49, has been Head, Plantation Malaysia since 1 February 2005. A graduate of Universiti Pertanian Malaysia, Serdang (UPM) (now known as Universiti Putra Malaysia) in Agriculture Science, he joined the Group on 16 April 1978 as an Assistant Estate Manager and was then promoted to Senior Assistant Manager (from 1984-1990). Subsequently, he served as an Estate Manager in various estates within the Group from 1991 to 2000.

Encik Rusli was a member of the Task Force Management of Minamas Plantation in 2001 before being promoted to General Manager, Estates in Kalimantan, Indonesia in 2002, and subsequently Head for Kalimantan Selatan & Sulawesi in 2003. He has attended the Management Development Programme at the Asian Institute of Management in Manila, Philippines.

MD TAHIR MOHAMMED

– Head, Plantation Indonesia

Encik Md Tahir Mohammed, aged 50, joined the Group as Group Head, Plantation Indonesia on 1 November 2004. He is based in Jakarta as President Director of PT Minamas Gemilang and PT Anugerah Sumbermakmur.

A graduate in Plantation Management from Institute Teknologi Mara (now known as Universiti Teknologi Mara), he served as Director, Plantation for Island & Peninsular Berhad. He has been in the plantation industry for more than 28 years, serving various capacities with other plantation companies such as Plantation Agencies, Asiatic Development Berhad and Kuala Lumpur Kepong Berhad.



TENGGU AB. AZIZ TENGGU MAHMUD

– Head, Property and Chief Executive Officer, Guthrie Property Development Holding Berhad

Y.M. Tengku Ab. Aziz Tengku Mahmud, aged 47, joined Kumpulan Guthrie Berhad as Head, Property and the Chief Executive Officer, Guthrie Property Development Holding Berhad on 1 April 2005. He graduated from Loughborough University of Technology, UK with a Bachelor of Science (Hons) in Civil Engineering in 1980. He obtained his Masters in Business Administration from Cranfield Institute of Technology, UK in 1991 and a Diploma in Management with Merit from Malaysian Institute of Management (MIM) Kuala Lumpur in 1984.

Y.M. Tengku Ab. Aziz Tengku Mahmud is a registered member of the Institution of Engineers Malaysia (MIEM), the American Society of Civil Engineers (MASCE) and the Malaysian Institute of Management (MMIM). Prior to joining the Group he was the Managing Director of Kumpulan Hartanah Selangor Berhad. He also served on board Selangor State Government related companies for 10 years (SAP Holding Berhad and Worldwide Holdings Berhad). Prior to that he also served with Pernas Hotel Chains Holding Sdn. Bhd., Malaysian Mining Corporation Berhad, Jabatan Kerja Raya Malaysia, Island & Peninsular Berhad and Trimula Sdn. Bhd. in a senior management capacity.

TONG POH KEOW

– Chief Finance Officer, Finance & Corporate Services

Madam Tong Poh Keow, aged 51, has been the Group's Chief Finance Officer, Finance & Corporate Services since April 2003. She joined the Group in 1983 as the Accountant-cum-Assistant Company Secretary for Highlands & Lowlands Berhad, and was subsequently promoted to General Manager, Accounting & Financial Reporting in 1997 and Group General Manager, Finance (Group Accounting & Financial Reporting) in 2001.

Madam Tong is a member of the Malaysian Institute of Accountants, a Fellow of the Association of Chartered Certified Accountants, UK and a member of the Institute of Chartered Secretaries & Administrators, UK. Prior to joining the Group, she was an Accountant cum Company Secretary with Shapadu Holdings Sdn. Berhad and Assistant Manager, Secretarial and Management Services at Messrs. Heng & Monteiro.



HELMY OTHMAN BASHA

– Head, Corporate Planning & Strategic Development

Encik Helmy Othman Basha, aged 38, has been Head, Corporate Planning & Strategic Development since 1 July 2004. He joined the Group in 1997 as Finance & Administration Manager of the Group's Property Division. He also served as General Manager, Guthrie Landscaping Sdn Bhd and General Manager, Finance, Property Division of the Group. Encik Helmy was promoted to Group General Manager, Finance in 2001 in charge of Group Treasury and Minamas Plantation, Indonesia (Finance). Subsequently he was promoted to Head, Marketing, Plantation in November 2003.

A Fellow of the Association of Chartered Certified Accountants, UK (FCCA) and a member of the Malaysian Institute of Accountants, he began his career as a Trainee Accountant with Wellers Accountancy, Oxford, UK in 1988. He then joined Shell Malaysia as Head of Accounts for Shell Refining Company in Port Dickson in 1991 and went on to various other postings. His last position was as Advisor in the Corporate Finance Department of Shell Malaysia Limited, Kuala Lumpur, where he was in charge of Indirect Taxation for all Shell companies in Malaysia.

ONG SEE BOON

– Head, Engineering & Mill Services

Mr. Ong See Boon, aged 54, has been Head, Engineering & Mill Services since 1 April 2003. He joined the Group in 1995 as Controller, Engineering Services and was subsequently promoted to Group Controller, Process & Engineering in 2001 and Group General Manager, Process & Engineering in 2002. He obtained his Bachelor of Engineering (Mechanical) degree from University of Malaya in 1976 and his Masters in Business Administration from University of Hull, UK in 1993.

Mr. Ong began his career as Project Processing Officer at Malaysian Industrial Development Authority (MIDA) in 1976. He then joined Harisson & Crossfield (later known as Golden Hope Plantations Berhad) in 1977 as Trainee Engineer and became a Mill Design and Visiting Engineer in 1988. He left Golden Hope Plantations Berhad in 1992 to join Perkebunan Sinar Mas II as Head of Engineering Department in Indonesia until mid-1995. He is a Member of The Institute of Engineers, Malaysia and is registered with the Board of Engineers, Malaysia as a Professional Engineer.





ABU SAMAH SAMSURI

– Head, Marketing

Encik Abu Samah bin Haji Samsuri aged 45, joined the Group as Head, Marketing on 15 October 2004. He holds a Bachelor of Science (Honours) with a major in Chemistry and a minor in Management from Universiti Sains Malaysia, Penang in 1985. He was an Executive at Eastern Plantation Agency (J) Sdn Bhd from 1985 to 1989. From 1989 to 1991, he was a Marketing Manager at Plantation Agency Sdn Bhd, Penang. He subsequently joined East Asiatic Company Bhd which is now known as Hap Seng Consolidated Bhd as its Manager, Commodities Trading in 1991. His last position in Hap Seng Consolidated Bhd was General Manager, Commodities Trading, a position which he held since his promotion in 2000.

SAADIAH HAJI HUSSIN

– Head, Human Resource

Puan Saadiah Haji Hussin, aged 52, has been Head, Human Resource since 1 October 2004. Puan Saadiah joined the Group in 1998 as Group General Manager, Human Resource.

A graduate of University of Malaya in Economics, she served with Rothmans of Pall Mall (M) Berhad (now known as British American Tobacco) as Manager, Compensation/Benefits, Human Resource Department. Prior to that, she worked for Perbadanan Kemajuan Negeri Selangor in the areas of investment, supply and procurement, and training and development.



NORZILAH MEGAWATI DATO' ABDUL RAHMAN

– Head, Legal & Compliance

Puan Norzilah Megawati Dato' Abdul Rahman, aged 45, has been Head, Legal & Compliance since 1 March 2004. She joined the Group in 1994 as Manager, Group Chief Executive's Office. She was subsequently promoted to Controller, Corporate Business Development & Monitoring in 1996 and Director, Corporate Business Development & Human Resource in 2001. She obtained her degree in Law (Honours) from the University of Malaya and served as Executive in the areas of investment analysis, money market trading, corporate secretarial and legal work with Permodalan Nasional Berhad (PNB) and as Manager, Group Chief Executive's Office at PNB.

