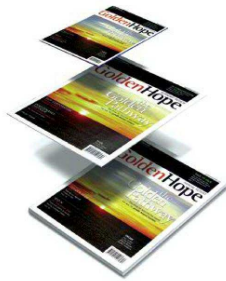


## Golden Hope Plantations Berhad > Golden Hope Annual Report 2006



Prior to its merger with Sime Darby in January 2007, Golden Hope had long been recognized as one of the strongest corporations in Malaysia. Forbes Asia named it as one of the 10 Malaysian companies among the Top 200 Under a Billion companies in the Asia Pacific region.

Catering to the client's request for an annual report that could also serve as a marketing tool, a business magazine approach was implemented, from the design format to reporting style right up to providing individual ad inserts in the report proper. The annual report successfully portrayed the client's corporate vision via headlines and topics that were given a creative, aspiring tweak.

Golden Hope Annual Report 2006

Agency: **Denney & Denney**  
Client: **Golden Hope Plantations Berhad**

My Roles: **Concept Development**  
**Copywriting**  
**Copyediting**

**Golden Hope Plantations Berhad > Golden Hope Annual Report 2006**




**build strategic solutions** **innovate beyond borders**

Our keys to success? **Mark. Plan. Execute.**

**Key strategic initiatives are our success builders.** As a company that leads in the industry of sustainable plantations, oils & fats and other commodity businesses such as rubber, food and healthcare, Golden Hope's team of strategic global planners incessantly strategise to innovate for bigger, boundless growth. This drive for success has paved the way for growth beyond borders, with a refreshingly new presence, now on 6 continents around the globe. And our thrust forward does not stop here. Let's just say 'stop' will never be part of our vocabulary.




**Golden Hope**  
www.goldenhope.com



**forward thinking** **looking beyond**

**Each step we take is filled with hope, aspiration and above all – BELIEF.** Belief – in the quality of our products and their capacity to reach a global market; the mapped strategies and master plans; the people; the Golden Hope stakeholders and in our partners. This strong belief makes us think forward and go beyond the norm.

With each positive step, we know the best way forward is ahead and beyond.



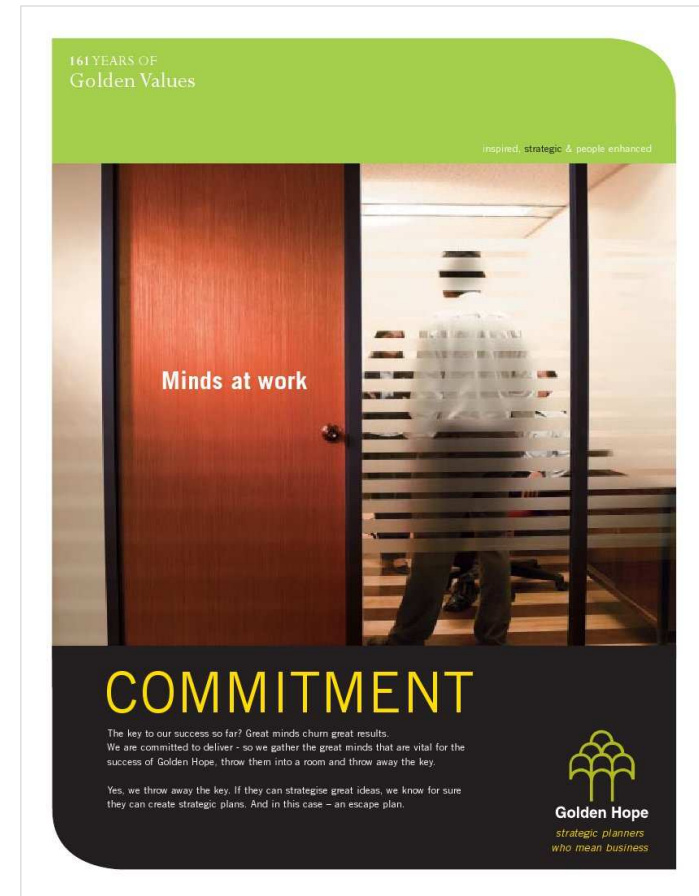
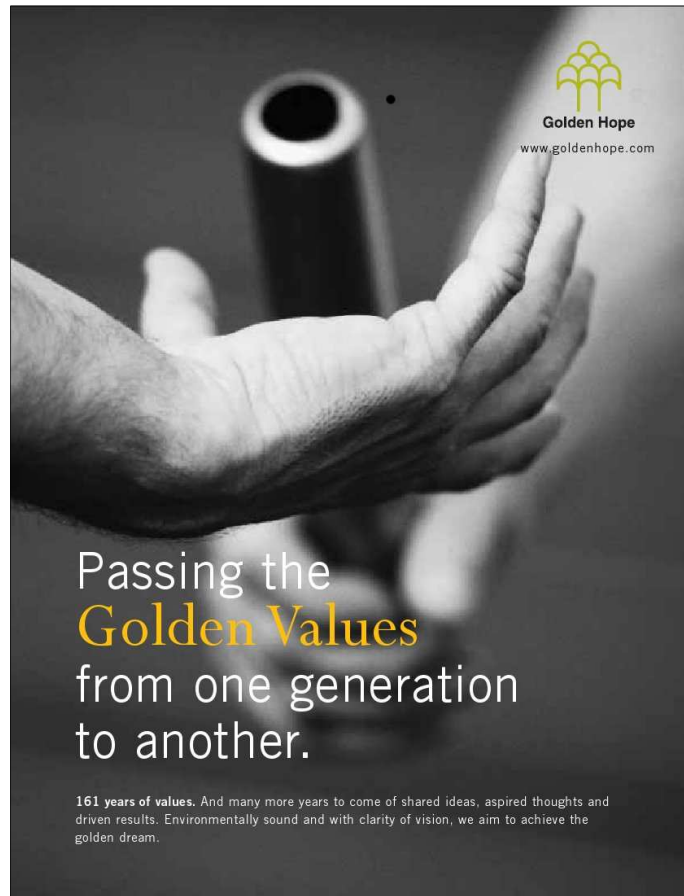
**Golden Hope**  
www.goldenhope.com

Golden Hope Annual Report 2006—Corporate Ads

Agency **Denney & Denney**  
 Client **Golden Hope Plantations Berhad**

My Roles **Concept Development**  
**Copywriting**  
**Copyediting**

## Golden Hope Plantations Berhad > Golden Hope Annual Report 2006



Golden Hope Annual Report 2006—Corporate Ads

Agency **Denney & Denney**  
Client **Golden Hope Plantations Berhad**

My Roles **Concept Development**  
**Copywriting**  
**Copyediting**

## Golden Hope Plantations Berhad > Golden Hope Annual Report 2006

IN CONVERSATION

# WITH THE GROUP CEO

Our performance throughout the year

**How has Golden Hope fared for the 2005/2006 fiscal year?**

The year saw us carry forth our pursuit to transcend beyond boundaries and achieve greater profitability and global market reach. We continue to build our Group, establishing our presence as the sustainable plantations company across the globe.

A few areas for Group growth have come to our attention. Global demand for biodiesel is increasing by the day, thus creating a need for improved palm oil production or CPO. Subsequently, we need to also balance palm oil supply for food and non-food uses. On the plantation front, plans to increase Indonesian landbanks to 100,000 hectares within the next few years are also going according to plan. The Group is fervently pursuing efforts to achieve Vision 30-25 – 30 tonnes Fresh Fruit Bunches to 25% Oil Extraction Rate through a more focused plantations management drive, increased R&D efforts and ICT-enhanced oil mills production surveillance through Golden Hope Oil Mill Integrated System (GHOMIS).

The year's financial performance is comparatively lower than the one recorded last financial year especially in certain aspects of the business. How does the Group rationalise the situation?

Granted the figures posted are not as high as the previous year's. Our plantations arm is our main contributor for profits. Plantation profit before tax was relatively lower, around 18% down compared to last year's.

Dato' Sabri Ahmad  
GROUP CHIEF EXECUTIVE

posted a substantial increase – 25% from our subsidiary companies. In addition, the volatile petroleum market is also creating pathways for green fuel. So, our timing for biodiesel production is apt to say the least. The Property Division is also gradually booming with increased demand in well-planned residential housing.

We are also progressing on with our poor rationalisation. We have completed Phase 1 of our collaborative agreement between the Group and AFIA International Co (formerly known as Savola Edible Oils Co. Ltd.). The agreement involves the sale of 40% of the Group's shares in Golden Hope International Investments. Through this working relationship, optimistic oils & fats growth in Vietnam is likely to take flight.

Would you say the slight decrease in overall financial performance is instead part of a 'bigger picture', one in which initiatives such as acquisitions and JVs play major roles in?

Oh yes. From these initiatives, our recent foray into biodiesel and the entry into the Dutch Food Valley via NIZO Food Research B.V are just some of our anticipated highs. The working relationship with Unimills is also showing spitting progress, especially with the formulation

On a high note, profit before tax of rubber products skyrocketed to 160.9%. There is a growing global demand for rubber, with China's automotive industry being the lead commodity user. Our Oils & Fats Division also

of a healthier, low in saturated fat ice cream. We are excited about this discovery and hope its unveiling in September will mark another strong global consumer market entry for the Group. Our new entries into the local market, Delico cooking oil and Go Fresh pink guava concentrate are also gaining prominence on local market shelves and will soon venture into neighbouring countries by year end.

**Golden Hope's Corporate Key Strategies "move the business". How true is this notion?**

Without a doubt, key strategies map our future. To instill and maintain a unified Group focus, we have put forth papers on the Group's strategies at both regional and peninsular levels. Our 2006 Managers Conference, are our crucial medium for ironing out strategies and to help chart Golden Hope's future direction. Furthermore, our post rationalisation exercises as well as the strategic expansion initiatives are our best examples of corporate strategies. Tapping into the biodiesel market, capitalising on a bigger piece of the oleochemicals action via Cognis Oleochemicals (M) Sdn Bhd. (COM), increasing our downstream activities and entering into the Food Valley via NIZO Food – these best mirror our efforts for stronger profits and global presence.

With the advent of BIO-N, the Group's biodiesel brand, Golden Hope has mapped a few initiatives for the growth of the biodiesel arm. How will biodiesel benefit the Group and its shareholders in the long run?

The fluctuating global oil price is becoming a major international worry. Think about it. It costs more to drive in the city now than it did a couple of years back. Now is the time for alternative green fuel. We have the resources to address the growing demand. Potential for parback is also looking good with market research indicating high returns based on stable prices and increased demands. Malaysia will be the first Asian

two companies. This will help us become a better 'one theme team', strengthening us as a global player in the long run.

**How do you see the outlook for Group growth in the ensuing years?**

J. Harold Wilkins once said, 'The world of achievement has always belonged to the optimist.' This quote expresses our vision. I have never believed in resting on our laurels. We need to constantly move to the tune of progress. As a global Group, we must always

**“ On the plantations front, plans to increase our land banks in Indonesia to 100,000 hectares within the next few years are also going according to plan ”**

think ahead. The statements made about our ambitions are not far fetched. I believe in the possibilities of Golden Hope, in the exponential growth of our people as a whole. It takes belief to create something, to establish a mark on the global map. We believe in our capabilities. From that one belief, anything is possible.

**GLOBAL partners & affiliates**

Bangladesh	Bangladesh Edible Oils
Germany	Cognis Deutschland GmbH
Vietnam	Golden Hope-Nhabe Edible Oils
South Africa	Hudson & Knight
The Netherlands	NIZO Food Research B.V. Unimills B.V.
Saudi Arabia	AFIA International Co.
Japan	Sumitomo Corporation

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### Golden Hope Annual Report 2006—Group CEO Report (Interview & Copyediting)

Agency **Denney & Denney**  
Client **Golden Hope Plantations Berhad**

My Roles **Concept Development**  
**Copywriting**  
**Copyediting**

## Golden Hope Plantations Berhad > Golden Hope Annual Report 2006

### BUSINESS MANAGEMENT

# R&D

## INNOVATION BEYOND BORDERS

**Khairudin Hashim**, Director, R&D

*Inventions and innovations are the driving force behind Golden Hope Research. Our Director of R&D shares the department's achievements throughout 2005 / 2006.*

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As a dynamic integrated plantation company, Golden Hope is counting on R&D to put us on the right track in achieving our vision of becoming a "Global Leader In Sustainable Plantations, Commodities And Oils & Fats Businesses".

**Innovating change increases the productivity, profitability and expansion of a corporation. As a vital part of the 'one theme team', we mean business - always seeking for ways to establish Golden Hope as a reputable global sustainable plantations corporation.**

**Guava by any other name would not taste as sweet.**

**INGREDIENTS:**  
On May 18, 2006 Prime Minister, Datuk Seri Abdullah Ahmad Badawi launched our new pink guava clone, the PL1, an improved Sungkai Beaumont. The clone has vigorous, high yielding characteristics with good colour and brix value parure. It also produces a larger fruit variety with a yellow pinkish core.

PL1, GUAVA CLONE NUTRI FACTS			
Serving Size: Better yield, better parure			
Beaumont Variety:	PL1 Clone	vs	Sungkai
Yield/ha per yr	73.0 MT		60.0 MT
Yield/tree per yr	100 kg		83.3 kg
Average fruit wt (g)	300 g		230 g
<b>Quality parameters</b>			
Brix* (TSS)	8.8		8.3
<b>Colour</b>			
Red	8.1		6.6
Yellow	7.0		7.0
Blue	1.0		1.0

**Net Weight:**  
\* Brix is the measure of percentage of sugar in a given sample. Often used in the agriculture industry to test the quality of fruits and vegetables.

**Best keep:**  
Higher brix levels are indicators of better taste and longer shelf life.

**Manufactured by:** Golden Hope Plantations Berhad.

**Source:** www.circle-one.com/brix.html

**The beginning of a herbal revolution**

**GOLDEN-HERBS SERVICES:** Formed in June 2005, The Golden Hope Herbal Team sets out to develop a herbal business, based on a partnering strategy, in three directions:

After almost a year of strategising, networking and planning, Golden Herbs Services (www.goldenherbs.com.my) was launched by the Prime Minister on May 18, 2006.

**DID YOU KNOW?**

**Nutraceutical** is a portmanteau of "nutritional" and "pharmaceutical" and refers to foods thought to have beneficial effects on human health.

source: www.wikipedia.com

**Herbal MOUs**

On May 18, 2006, the Prime Minister witnessed the MOU signing between Golden Hope Research Sdn. Bhd. and four other Malaysian herbal-related companies.

Partners	Objectives
Innovas Sdn. Bhd.	R&D collaboration on possible herbal, oil palm and guava phytonutrients products
Organic Gain Sdn. Bhd.	Mengkudu supply
Tropical Botanic Sdn. Bhd.	Dried medicinal plants and botanicals supply
Best Cosmetics Laboratories Sdn. Bhd.	Partnership to commercialise herbal formulations for psoriasis, menopause, human vitality, intimate care, personal and body care, paracetamol and cough lozenges substitutes

**Oil Palm: Breeding intensifies**

The key strategies in the oil palm breeding programme are focused on improving Fresh Fruit Bunch (FFB) and oil yields. Strategies to increase the levels of unsaturated fatty acids, tocotrienols and carotene have recently been incorporated into this programme.

**New Release! GH 500 series**

- produced from elite parentage of advanced Deli dharcrossed with 2nd generation BM119 (AVROS) piñafaz.
- well known for its uniformity and high oil yields
- has yield potential of above 40 tonnes FFB ha/yr with oil-to-bunch ratio exceeding 31%.
- 4,200 ha have been planted with GH500 at the current replanting rate of 5% per annum, the remaining 3,500 ha planted with the older GH 200 series will soon be replaced with GH 500 series materials.

**Expected Performance**  
Progressive increase in FFB and palm oil yield

To cater to increased demands for GH 500 series in East Malaysia, the oil palm planting material has started being produced at newly established oil palm seed production areas in Sabah.

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### Golden Hope Annual Report 2006—R&D Report Section

Agency: Denney & Denney  
Client: Golden Hope Plantations Berhad

My Roles: Concept Development  
Copywriting  
Copyediting

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## Golden Hope Plantations Berhad > Golden Hope Annual Report 2006

**BUSINESS MANAGEMENT**

# ECOHOPE

THE GOLDEN ECO EXPEDITION



**Khairudin Hashim**, responsible for the Group's TQEM.  
*Being a strong advocate of sustainable plantation practices, the Group's Total Quality & Environmental Management is responsible in ensuring that the company's environmental practises are checked.*

**JCC Roles Rule**  
Golden Hope's Joint Consultation Committee (JCC) has made a tremendous impact on enhancing product processing and production quality for the Group. JCC has also helped establish an ongoing incremental change amongst its members and has assisted business units to positively improve their business performance.

**1**

Translate the Group's vision into actionable, measurable strategies

**2**

Internalise agreed strategies for further team building & 'one team' action throughout the Group

**3**

Acts as the positive force to ensure that strategies are practised and goals met

**4**

Sniff out root causes of workshop issues and act out to eliminate possible errors

**Sustainable development is not an easy feat to accomplish. It does not involve only one individual or one single enterprise.**

It is a responsibility that is embedded within each and everyone in Golden Hope. We do not practice trade-off business development with environmental capital. Instead, we ensure the entire Group's integrated strategic plans for economic growth does not draw-down our environmental capital. This has been a part of the revolutionary change in the way we do business.

► Bam oil provides cost-effective and environmental friendly biological control against rats.




**OUT & ABOUT: FOLLOW IN OUR PEOPLE'S FOOTSTEPS IN THIS ISSUE**



▲ Improving and sustaining crop ground covers using legumes.

**1. TQEM:** Our quality, environment and sustainable development action plans

Part of the revolutionary change involves incorporating the right plans for sustainable development into the internal business processes. As the golden arm of the Group, the Plantations division sets the tone for Total Quality Environmental Management (TQEM). The Plantations

division was the first to initiate and establish the integrated quality, OSH and environmental management systems (GHQCS). To ensure that the system works and achieves its targets, we



▲ Beneficial insect controls leaf defoliation pests.

**2. ENMRO-POLICY:** A vital part of Golden Hope's Corporate Philosophy

**Golden Hope's ENVIRONMENTAL POLICY:**  
As Golden Hope, we are committed to protecting the environment. Sustaining the environment is a prime consideration in all aspects and stages of our business. To protect the environment, we shall:

- Establish and maintain an Environmental Management System
- Eliminate any potential adverse environmental impacts arising from our business activities
- Comply with the customer, statutory and regulatory requirements
- Train our employees and contractors to conduct all their activities in an environmentally responsible manner

**ZERO THAT'S A HERO**

**Superzero 1:** Zero burning = cleaner environment  
120,000 hectares of plantation land has been replanted using the zero burning technique since 1989.

**Superzero 2:** Managing safety, manages lives  
Pursuing our mission to turn accident levels down to zero.

**3. GreenImpact: Golden Hope & GHQCS**  
GHQCS is Golden Hope's integrated quality, OSH and environmental management system (GHQCS). In 2005/2006, six estates and three oil mills received the internal GHQCS in June 2006.

Main elements of ISO 14001 have been adopted into our GHQCS internal scheme. This is to ensure our operating units comply with standard regulatory requirements and implement continuous improvement for good environmental performances.

The elements include:

- Environmental Objectives
- Environmental Management Programme
- Environmental Aspect & Impact Identification & Evaluation
- Environmental Regulatory Requirements

**An Environmentally Sound Golden Pathway**  
We continue to put to practice what we promise – putting into place solid environmental management system leading towards sustainable development. Centres certified with ISO 14001 are:

Unimills, B.V. Netherlands	May 21, 96
Selangor Oil Mill	July 21, 97
East Oil Mill	June 26, 00
West Oil Mill	Nov 10, 00
Cognis Oleochemicals Malaysia	
Sdn. Bhd.	Sept 26, 01
Havik Rubber Industries Sdn. Bhd.	Aug 2, 02
Giram Oil Mill	Jan 8, 04

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### Golden Hope Annual Report 2006—Environmental Report Section

Agency  
Client

Denney & Denney  
Golden Hope Plantations Berhad

My Roles

Concept Development  
Copywriting  
Copyediting

## Golden Hope Plantations Berhad > Golden Hope Annual Report 2006

**SPECIAL REPORT**

BIO-N, OUR NEW

# GREEN FUEL

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### Plans & efforts to be the leading biodiesel player

The nation is abuzz with news on biodiesel and its global potential. We share this enthusiasm.

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**The future & BIO-N**

BIO-N, Golden Hope's biodiesel brand was launched by Prime Minister Datuk Seri Abdullah Ahmad Badawi on April 20, 2006. The green fuel, which is currently produced from refined palm oil, offers dependability and burns like fossil diesel but is less polluting. BIO-N is blended with fossil diesel and gives clean power from renewable resources at competitive cost. Biodiesel is becoming an increasingly valuable contributor to the world's drive to reduce greenhouse gas emissions.



▲ BIO-N production plant at Rehabat Sdn. Bhd. in Teluk Panglima Garang, Klang.

Interest in BIO-N is strong in the Far East and in the USA apart from the established European market. The first plant in Banting, Selangor is currently being commissioned and the virgin shipment of BIO-N is expected early in the next financial year. Our green fuel will make its way to Europe, Japan and the United States.

**the power of four (4)**

**2nd plant**  
Golden Hope in partnership with the Malaysian Palm Oil Board (MPOB) will be setting up another biodiesel plant in Carey Island, Klang.

**3rd plant**  
To be set up in Rotterdam under Golden Hope's wholly owned subsidiary, Clean Energy B.V.. Expected capacity – 200,000 tonnes a year.

**4th plant**  
In the planning stages, likely to be sited in East Malaysia.

Under our BIO-N brand, we aim to produce close to 400,000 tonnes of biodiesel a year by early 2008, which will contribute significantly to our bottom line, US\$40 million (RM147 million) based on a net profit projection of US\$100 (RM368) for every tonne of biodiesel produced. The Group plans to invest more than RM200 million to set-up four biodiesel plants, three locally and one in Rotterdam, Netherlands.

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**SPECIAL REPORT**

GOLDEN HOPE GOES

# RETAIL

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### Making our regional presence felt

The Golden Hope retail brands

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As part of our aspiration to expand the Golden Hope brand beyond Malaysian shores, we have taken various steps to establish our brand on a more global scale.

One such step, in tandem with our strategy to venture into downstream Oils & Fats activities, was the acquisition of two major South African brands – **Crispa**, a premium industrial frying oil and **Holsun**, a steam-based white frying fat. Acquired from Unilever South Africa Foods, through our South African subsidiary, Hudson & Knight, the two popular regional brand buys have been lauded by many for their potential in new markets access into Africa and the neighbouring countries.

Another refreshing hope is the launch of **Delico** cooking oil into the local market. **Delico**, a brand under our Unimills subsidiary, has been in the Saudi Arabia market for over 50 years.

Previously sold as vegetable ghee, it has now been given a new set of clothes – uplifted and remarketed to tap into the



▲ Our ready-to-drink pink guava juice has hit the retail market.

**Tri.E with a golden new look**

Tri.E, our unique natural palm Vitamin E, has received a facelift. The package rebathed Tri.E, is now set to rejuvenate local market shelves.



cooking oil market. We are hopeful **Delico** can reach a production target of around 500 metric tonnes per month.

Our pink guava juice concentrate **Go Fresh**, will also hit local market shelves this year. The brand name was launched at the Minggu Saham Amanah Malaysia in Kuala Terengganu on 29 April 2006 by the Deputy Prime Minister Datuk Seri Mohd Najib Tun Abdul Razak. The products under the brand **Go Fresh** include pink guava juice concentrate in 1-litre bottles and the ready-to-drink variant in UHT packaging. The **Go Fresh** brand will also be used on the ready-to-drink pink guava juice supplied to Malaysia Airlines. Under a distributorship agreement signed with Texchem Consumer Sdn. Bhd., we are optimistic of its local market reach, as the collaboration would make **Go Fresh** easily available to customers. Texchem has a strong distributorship network throughout Malaysia and it is expected to hit the shelves before the end of this year.

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### Golden Hope Annual Report 2006—Special Product Reports

Agency  
Client  
My Roles

Denney & Denney  
Golden Hope Plantations Berhad

Concept Development  
Copywriting  
Copyediting