Connecting Opportunities

Annual Report 2015

Developing
Sustainable Futures

Sime Darby Berhad
(Company No. 752404-U)

About This Report

As part of our on-going efforts to improve corporate reporting, the Group has focused on developing transparency and effectiveness in its second year into Integrated Reporting. In line with our adoption of best practices and our commitment towards sustainability, this Report is our sincere acknowledgement of the symbiotic relationship that exists between the need to protect and preserve the environment, the impetus for economic development and the need to balance the rights of humankind.

This Report therefore, aims to disclose where we want to be and how we plan to achieve our targets. We have provided an insight into how our core values drive our strategic objectives and in turn, how this is translated into value creation - both for us and our various stakeholders.

CONNECTING OPPORTUNITIES

Sime Darby optimises opportunities to create value by pursuing an innovative, integrated and inter-connected strategy across our portfolio. We focus on Group investments and activities that link our sector and geographical business operations with an aim to deploy our capital more efficiently – ultimately delivering group-wide synergies.

INSTITUTE A PERFORMANCE AND VALUE DRIVEN CULTURE

Our people are motivated to drive the business forward whilst upholding the highest ethical values in all business interactions and decisions. Anchored by our values of respect & responsibility, integrity, excellence and enterprise, we work together to achieve higher organisational performance. Sime Darby nurtures teamwork, unity and capabilities to its core values.

PURSUE STRATEGIC PORTFOLIO GROWTH

We optimise opportunities to grow our businesses while being guided by the principles of sustainable development. We are focused on generating and cultivating opportunities to expand into new growth markets, supported by our sound knowledge and experience from our well-established and diverse portfolio.

REALISE FULL POTENTIAL OF CORE BUSINESSES

We capitalise on synergies across our operations to realise the full potential of our portfolio of businesses. We achieve operational excellence by leveraging on our strategic relationships and our sustainability commitments.

STRIVE FOR LEADERSHIP POSITION

Our ambition is to be a sustainable, leading player and a thought leader in all the markets in which we operate. We secure and reinforce our leadership position by leveraging on our strengths and competitive advantages which in turn create further value for our stakeholders.

ABOUT SIME DARBY

Sime Darby is a diversified multinational and a key player in the Malaysian economy, with businesses in key growth sectors, namely, plantation, industrial equipment, motors, property and energy & utilities with operations in 26 countries and 4 territories.

Committed to developing a sustainable future, Sime Darby strives to maintain an equitable balance between increasing value for shareholders and responsible development that brings value to society and safeguards the environment. Sime Darby is one of the largest companies listed on Bursa Malaysia and has a market capitalisation of RM52.9 billion (USD14.0 billion) as at 30 June 2015.

OUR VISION

To be a leading multinational corporation delivering sustainable value to all stakeholders

OUR MISSION

- Sime Darby is committed to developing a winning portfolio of sustainable businesses
- We subscribe to good corporate governance and high ethical values
- We continuously strive to deliver superior financial returns through operational excellence and high performance standards
- We provide an environment for our people to realise their full potential

OUR VALUES

At Sime Darby, the core values that we live up to throughout our operations and businesses worldwide are Integrity, Respect & Responsibility, Excellence and Enterprise

Integrity

- Uphold high levels of personal and professional values in all our business interactions and decisions

Respect & Responsibility

- Respect for the individuals we interact with and the environment that we operate in (internally and externally) and committing to being responsible in all our actions

Excellence

- Stretch the horizons of growth for ourselves and our businesses through our unwavering ambition to achieve outstanding personal and business results

Enterprise

- Seek and seize opportunities with speed and agility, challenging set boundaries

CONTENTS

STRATEGIC REPORT

8 Group Highlights
10 Group Overview
12 Chairman's Message
16 President & Group Chief Executive's Review
20 Global Trends and Market Outlook
22 Managing Our Material Issues
24 Group Business Model
26 Group Strategy
28 Strategy in Action
34 Board of Directors
36 Management Team
42 Group Performance Overview
i. Group Financial Review
ii. People
iii. Environment
iv. Sustainable Thought Leadership
70 Divisional Operations Review

CORPORATE GOVERNANCE

123 Statement on Corporate Governance
127 Directors' Profiles
132 Management Team Profiles
159 Governance & Audit Committee Report
165 Nomination & Remuneration Committee Report
170 Sustainability Committee Report
174 Risk Management Committee Report
177 Statement on Risk Management and Internal Controls
185 Our Management of Risk

FINANCIAL REPORTS

193 Statement of Directors' Responsibilities
195 Directors' Report
200 Statement by Directors
201 Statutory Declaration
202 Independent Auditors' Report
204 Statements of Profit or Loss
205 Statements of Comprehensive Income
206 Statements of Financial Position
208 Statements of Changes in Equity
211 Statements of Cash Flows
215 Notes to the Financial Statements
385 Supplementary Information

OTHER INFORMATION

386 Notice of Annual General Meeting
392 Analysis of Shareholdings
395 Additional Compliance Information
398 Share Price Movement & Financial Calendar
399 Properties of the Group
418 Notice to Shareholders Under the Personal Data Protection Act 2010
420 Compliance with the Principles and Recommendation of the Malaysian Code on Corporate Governance 2012
422 United Nations Global Compact (UNGC) Communication on Progress
423 Global Reporting Initiative (GRI)
426 Independent Assurance Report
Form of Proxy

Visit our website for more information on the businesses, including:

- Investor presentations
- Shareprice
- Press releases
- Sustainability report

www.simedarby.com
Developing Sustainable Futures

CORPORATE INFORMATION

AS AT 21 SEPTEMBER 2015

BOARD OF DIRECTORS

Tan Sri Dato' Abdul Ghani Othman
Independent Non-Executive Chairman

Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah
Non-Independent Non-Executive Deputy Chairman

Tan Sri Samsudin Osman
Non-Independent Non-Executive Director

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
Non-Independent Non-Executive Director
(To retire upon conclusion of the 9th AGM on 23 November 2015)

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
Independent Non-Executive Director
(To retire upon conclusion of the 9th AGM on 23 November 2015)

Tan Sri Datuk Dr Yusof Basiran
Non-Independent Non-Executive Director

Dato' Henry Sackville Barlow
Senior Independent Non-Executive Director
(To retire upon conclusion of the 9th AGM on 23 November 2015)

Datuk Zaiton Mohd Hassan
Non-Independent Non-Executive Director

Dato Sri Lim Haw Kuang
Independent Non-Executive Director

Dato' Azmi Mohd Ali
Non-Independent Non-Executive Director

Dato' Rohana Tan Sri Mahmood
Independent Non-Executive Director

Ir Dr Muhamad Fuad Abdullah
Independent Non-Executive Director

Tan Sri Dato' Seri Mohd Bakke Salleh
Executive Director

PRESIDENT & GROUP CHIEF EXECUTIVE

Tan Sri Dato' Seri Mohd Bakke Salleh

SECRETARY

Puan Norzilah Megawati Abdul Rahman
(LS 0009247)

REGISTERED OFFICE

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Website : www.simedarby.com

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Telephone : +(603) 2783 9299
Facsimile : +(603) 2783 9222
Email : is.enquiry@my.tricorglobal.com

AUDITORS

PricewaterhouseCoopers (AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
50706 Kuala Lumpur, Malaysia

Telephone : +(603) 2173 1188
Facsimile : +(603) 2173 1288

FORM OF LEGAL ENTITY

Incorporated on 7 November 2006 as a private company limited by shares under the Companies Act, 1965 and converted into a public company limited by shares on 5 April 2007

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad since 30 November 2007

Stock Code : 4197
Stock Name : SIME

PLACE OF INCORPORATION AND DOMICILE

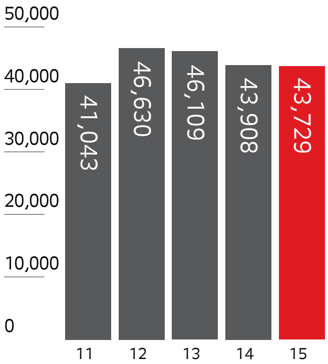
Malaysia

GROUP HIGHLIGHTS

Our results reflect a year of resilient performance amidst challenging economic conditions.

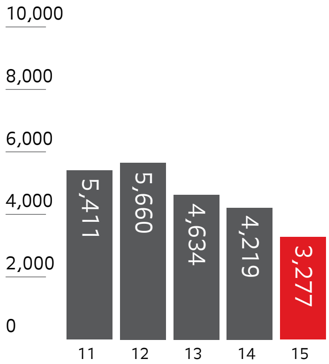
Revenue (RMm)

43,729



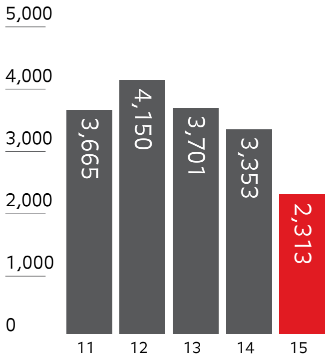
Profit Before Interest and Tax (RMm)

3,277



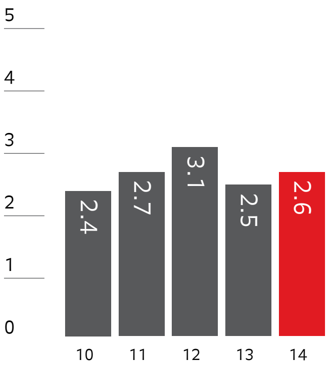
Net Earnings (RMm)

2,313



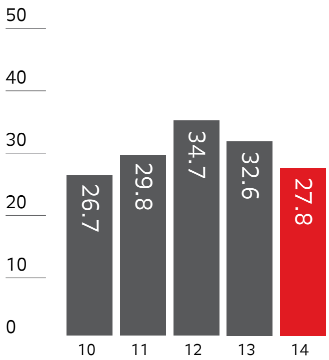
Carbon Emissions* (million tonnes CO_2-e)

2.6



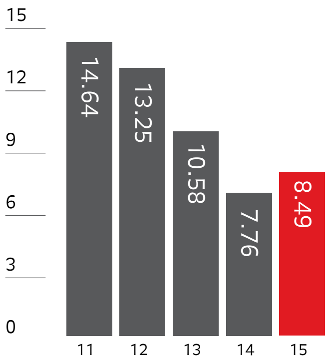
Total Energy Consumption* (million GJ)

27.8



Lost Time Injury Frequency Rate (Incidents per million man-hours worked)

8.49



* Based on calendar year

OPERATIONAL HIGHLIGHTS

Our value driven culture, strong focus on research and innovation and shared synergies within our businesses has enabled us to retain our market leading positions. In our pursuit of operational excellence, we have achieved a sustainable business performance which positions us for growth in the long-term.

Plantation

FFB production (million MT)

9.64
2014: 9.42

CPO extraction rate (%)

21.71
2014: 21.86

FFB yield (MT/ha)

20.39
2014: 20.44

Industrial

Order book (RMbn)

1.9
2014: 2.9

Motors

Units sold

91,278
2014: 92,112

Property

Gross Sales Value (RMm)

2,134
2014: 2,750

Units sold

1,659
2014: 3,049

Energy & Utilities

Port throughput (million MT)

36.3
2014: 31.2

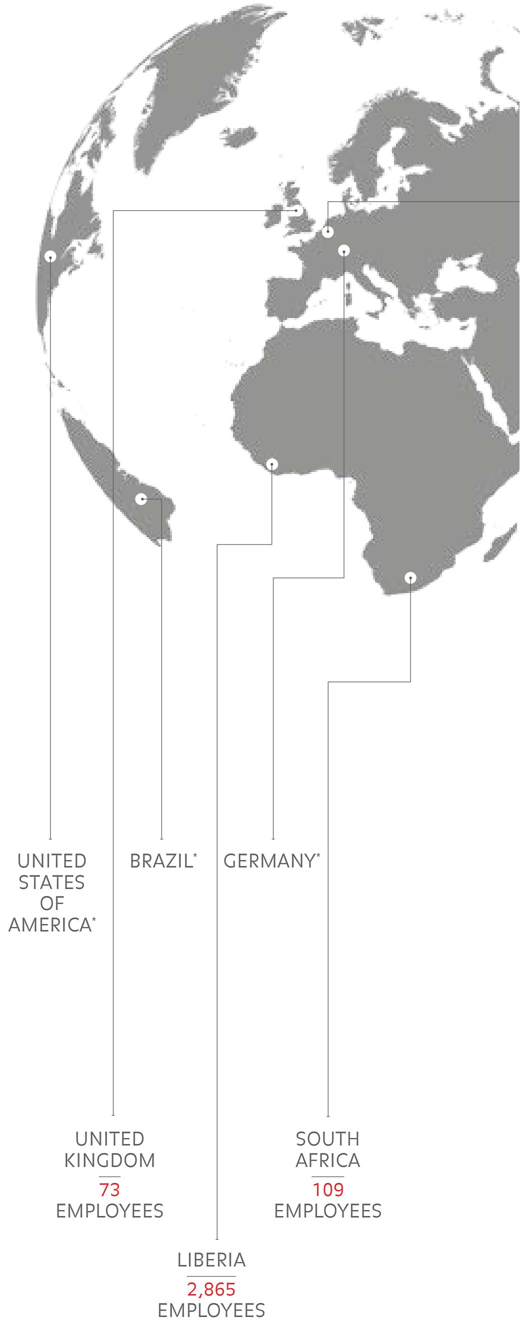
For more on our divisional performance, see pages 70 to 121.

GROUP OVERVIEW

A CONNECTED AND DIVERSE GLOBAL PORTFOLIO

We are a global business with operations in 26 countries and four territories and over 130,000 employees globally. We have large, established market positions in key growth sectors namely plantation, industrial equipment, motors, property and energy & utilities. Our connected and diverse global portfolio positions us to create positive benefits for our stakeholders, the environment and the economy wherever we operate.

DIVISION		REVENUE CONTRIBUTION	PROFIT CONTRIBUTION#
Page 70	**Sime Darby Plantation** Fully integrated player in the oil palm value chain. The world's largest producer of Certified Sustainable Palm Oil.	23%	37%
Page 84	**Sime Darby Industrial** Offers a comprehensive range of heavy equipment and services, from the sales of new machines, engines and used equipment for rental through its chain of Cat Rental Stores.	24%	17%
Page 92	**Sime Darby Motors** Involved in the assembly, import, distribution and retail businesses. A major player in the Asia Pacific automotive industry with presence in ten countries and territories.	43%	15%
Page 100	**Sime Darby Property** Leading property developer, its core businesses are property development and property investment. Currently Malaysia's largest property developer in terms of landbank and active developments.	8%	28%
Page 110	**Sime Darby Energy & Utilities** Involved in trading, engineering & technical services, ports & logistics and water management across four countries.	2%	4%

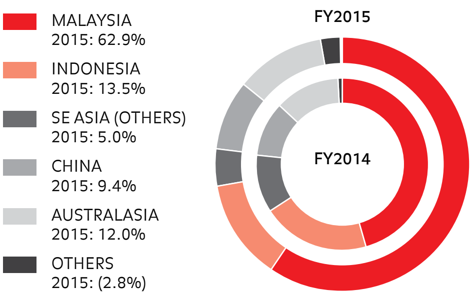


Partnering with some of the world's leading players, Sime Darby is also involved in healthcare, insurance and retail.

* Countries where the Group has representatives/investments or where Emery Oleochemicals, a joint venture of the Group, has operations in.

\# Based on contribution to Segment Results. Percentage exceeds 100% as the contribution from other businesses is not shown.

Profit before Interest and Tax by Geographical Segment



CHAIRMAN'S MESSAGE

Tan Sri Dato' Abdul Ghani Othman
Chairman

"The diversified portfolio of Sime Darby's businesses has been an essential part of your Company's growth, particularly during challenging times."

Dear Shareholders,

On behalf of the Board of Directors, it gives me great pleasure to present to you the Sime Darby Annual Report for the financial year ended 30th June 2015 (FY2015).

This is the second year we have embarked on the Integrated Reporting journey and we hope to build upon the adaptation of the "integrated thinking" process with more cohesiveness and efficiency in reporting. The theme for this year's edition is "Connecting Opportunities", which is based on the underlying concepts of the Company's four key strategic thrusts and strategic synergies, namely:

- Realising the full potential of the core businesses;
- Striving for leadership position;
- Pursuit of strategic portfolio growth;
- Institutionalisation of a performance and value-driven culture.

The diversified portfolio of Sime Darby's businesses has been an essential part of your Company's growth, particularly during challenging times. The period under review presented tough operating conditions and the Company had to contend with a slowdown in economic conditions, bearish commodity prices and softening consumer sentiments. In addressing these issues, your Company has laid important foundations for the future. The Group has successfully executed its strategy of focusing on its core markets while aggressively carrying out efficiency improvements and reduction of operating costs. With a strong operating cash flow and a growing pipeline of opportunities, the Board believes the Group is well-positioned to make the right "connections" and achieve progress over the medium-to-long term.

FINANCIAL RESULTS

The Group registered a net profit of RM2.3 billion, a decline of 31 percent compared with the previous financial year. The Group's Net Earnings fell short of its FY2015 Key Performance Indicator (KPI) target of RM2.5 billion by 7.5 percent while the Return on Average Shareholders' Equity (ROE) of 7.8 percent was lower by 8.2 percent compared with the ROE KPI target of 8.5 percent.

A detailed discussion of the Group's financial performance can be found in the Group Financial Review on page 42.

DIVIDEND

The Board recommends the payment of a final dividend of 19 sen per share for FY2015. Combined with the earlier interim dividend of six sen per share, the full year dividend amounts to 25 sen per share. This brings the total payout for the period under review to RM1.55 billion, or a net dividend payout ratio of 67%.

CORPORATE GOVERNANCE

Our aim of delivering sustainable value is guided by our continued focus on corporate governance. The Board is mindful that these efforts are critical to ensure your Company's success and this year, we have taken steps to improve our processes further. The Board has approved the Board Composition Policy which outlines the Board's approach with regard to its composition, with emphasis on diversity and higher performance. The Board will actively work towards women representing 30% of the Board by the end of 2016.

Read more about the Group's approach to Corporate Governance in the Governance section on page 123.

RISK MANAGEMENT AND INTERNAL CONTROLS

In discharging its responsibilities, the Board is fully committed to maintaining sound risk management and internal control systems and reviewing its adequacy, integrity and effectiveness to safeguard shareholders' investments and the Group's assets. The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This is embedded in the Group's Risk Management Framework and internal control system that is further described in the Statement on Risk Management and Internal Control. The Board has delegated the oversight of the risk management and governance functions to the Risk Management Committee (RMC) and the Governance & Audit Committee (GAC) respectively. One of the main outcomes arising from the preceding processes is the identification of the principal risks faced by the Group, as detailed in the Statement on Risk Management and Internal Control of this report. During the year, both the RMC and the GAC have used these risks to guide the areas they focused on during their deliberations, including audit vigilance over internal controls. This has resulted in Management placing a greater emphasis on, for example, operational excellence, in response to the increasingly challenging market conditions.

The Group Compliance Office (GCO) has also embarked on a programme in FY2015 to assist our joint-venture (JV) companies, which are non-wholly owned subsidiaries, to adopt, as far as practicable, the business conduct and practices laid out in the Group's Code of Business Conduct (COBC). One of the key milestones achieved is the development of the JV COBC Framework which acts as a best practice guide for the management of JVs to enhance their respective COBC. In further enhancing the adoption of COBC across the Group, a refreshed COBC training course is also being rolled out across the Group.

GCO has also completed upgrading the whistleblowing database to a new platform, providing enhanced reporting capability and data security.

For more information on the principal risks faced by the Group, see the Governance section on page 185.

INNOVATION

The Sime Darby Group has a heritage built on innovation. The Company's foundation was its plantation business, where it pioneered a replanting technique without burning in the 1980s and in the nineties developed natural ways to deal with pests and diseases. Over the years, the Company grew to become a multinational by building leading positions in four more core businesses.

However, Sime Darby today is facing a challenging global economic and business landscape which has become increasingly unpredictable. Commodity prices, foreign exchange volatility and uncertain policy changes as well as rapidly changing government policies and legislations, continue to add to business uncertainty. This new global "norm" will require Sime Darby to be more agile and adaptable. Adopting innovative practices that promote the creation of unconventional, creative business solutions and processes that allow businesses to implement these solutions quickly, are an imperative tool to manage this growing risk.

The rate of disruptive technology or business innovation entering the market is picking up. Modified vegetable oil, innovations in building materials and additive manufacturing and innovative channels of distribution are some of the imminent innovation threats we face in our businesses today. The threat of new entrants or businesses that completely redefine the industry is much higher. Business cycles will be more volatile and uncertain going forward. This means that existing opportunities will become increasingly scarce for our core businesses.

As the Group continues to scale up its traditional business areas, innovation will help break Sime Darby's traditional approach to growth in order to sustainably create new value propositions. This, coupled with greater focus on customer centricity will enable the Company to be ahead of the curve in discovering new market opportunities across the Divisional businesses.

SUSTAINABILITY

In Sime Darby, sustainability is pursued in a holistic way, balancing the needs of People and Planet with economic Prosperity. The Group seeks to operate in a way that contributes to a better society, minimises environmental harm and delivers sustainable business, whilst balancing the interests of a diverse range of stakeholders.

Occupational health and safety remains a top focus area for our people, where the imperative is to ensure a safe working environment for all employees.

The Group has moved towards monitoring leading indicators which is a paradigm shift in line with the development of a positive safety culture. For the period under review, there has been an increase of near-miss reporting from the previous financial year and moving forward, the Group will continue to implement measures to improves awareness.

In addressing our sustainability commitment to the Planet, we have embarked on the High Carbon Stock (HCS) study, a collective initiative between Sime Darby Plantation and several key stakeholders in the palm oil industry. The study will define HCS forests to enable oil palms to be grown more sustainably, taking into account the rights and livelihoods of local communities and indigenous peoples. The study is being carried out by scientific experts, led by environmentalist Sir Jonathon Porritt, Sustainability Advisor to Sime Darby and eminent forest ecologist Dr John Raison. The HCS Study is a key commitment in the Sustainable Palm Oil Manifesto of which Sime Darby Plantation is a signatory. The Manifesto aims to build upon the signatories' existing sustainability commitments to the RSPO Principles and Criteria.

Sime Darby also became one of the signatories of the New York Declaration on Forests on 23 September 2014 at the United Nations Climate Summit 2014. Sime Darby, alongside over 150 countries, sub-national governments, companies, indigenous peoples' organisations and non-governmental organisations, came together and committed to restore over 150 million hectares of forests and halve deforestation by 2020. During the same event, we also saw the launch of the United Nations Global Compact Food and Agriculture Business Principles (FABPs). Sime Darby has been instrumental in originating the idea of the FABPs, co-sponsoring the process and was part of the Steering Committee and Core Advisory Group that developed it.

In terms of economic Prosperity, the Group continues to embed a culture of continuous improvement throughout the organisation and has notably accumulated Lean Six Sigma (LSS) benefits totalling RM360.4 million since the inception of the LSS Blueprint in FY2013.

OUR PEOPLE

Building organisational capabilities and capacity is key to delivering the current and future strategic objectives of the Company as well as to accelerate the development of our internal talent to enhance the leadership pipeline.

The Group's continuous efforts under the 5-year HR Transformation Programme which started in 2010 has been showing results and is being recognised. Sime Darby became the first Malaysian company to win the 2014 Global Aon Hewitt Top Company for Leaders Award. This global recognition attests to the importance we place on developing high performing leaders to drive operational excellence. The Group also clinched the South East Asia Aon Hewitt Top Company for Leaders Award for 2014.

The year under review also witnessed the enhancement of the Human Resources' Business Partner role through the implementation of strategic HR initiatives to support the growth of the Group and the Divisions.

The Annual Global Employee Engagement Survey (GEES) which started in FY2011 entered its third year and has provided the Group with information critical to building an engaged workforce that is essential for successful implementation of business initiatives. Subsequent group-wide engagement events were held to address specific engagement issues highlighted by the GEES results.

Moving forward, we will continue to place emphasis on the four identified HR Transformation focus areas namely developing capable and engaged leaders, inculcating an innovative culture, driving operational excellence and focusing on organisation and individual high performance and growth.

For more information on our HR focus for FY2016, see our People section on page 48.

PROSPECTS

The year ahead will remain challenging due to uncertainties in the business environment, particularly in the respective markets where the Group operates. Softening commodity prices, potential interest rate hikes and volatile foreign exchange rates continue to be the major headwinds that the Group will be facing.

The Plantation Division continues to operate in a period of high volatility in CPO and rubber prices. CPO prices, in particular are currently facing downward pressure due to slower global economic growth as well as declining crude oil and other edible oil prices. However, the long-term demand-supply dynamics for palm oil remain strong, driven by a growing world population that is expected to reach 8.1 billion by 2025. Rising affluence and living standards will also serve as a catalyst in the growing demand for healthier and sustainably produced palm products, thus increasing global consumption of palm oil. The Division's expansion plans remain on track although the biggest challenge is still having access to suitable arable land for expansion at reasonable premiums and to adhere to sustainability requirements. Nonetheless, its recent acquisition of New Britain Palm Oil Limited (NBPOL) is expected to contribute more in the coming years as the Division accelerates its plans to realise the potential synergies and leverage on the growth in Papua New Guinea and Solomon Islands. With this acquisition, the Division has also reinforced its downstream presence in Europe and strengthened its capabilities to supply certified sustainable palm oil products in the high value add markets globally. More importantly, the current business environment provides an opportunity for the Division to continue to drive greater cost efficiency and enhance productivity, including more aggressive replanting programmes to increase yield and oil extraction rate. Going forward, the Division is also committed to enhancing value creation from its investments in waste to wealth technology projects via Sime Darby Renewables.

The Industrial Division maintained leadership in a contracting market. The Division focused on streamlining its cost base to increase efficiency in the challenging environment, underlined by lower mineral prices and the slowdown in economic growth, particularly in China. Mining companies continue to suspend the expansion of new mines and deferring the purchase of new equipment. In this trying business environment, the main emphasis will be on securing improved market share and controlling activities and costs, with particular focus on the rebalancing of resources. The Division will also be driving productivity on the back of the Business Transformation Project (BTP) that will facilitate the deployment of Business Intelligence and Analytics to deliver customer satisfaction at lower cost. Opportunities for aligned business acquisitions at the bottom of this cycle will also be actively pursued.

The Motors Division operations in Malaysia are expected to face headwinds in the form of softening market conditions and tighter lending policies. In China, the government's austerity policies and increasing competition are expected to impact the luxury vehicle segment. However, the newly acquired luxury segment dealerships in Australia and Vietnam are projected to contribute positively to the Division's profits. Singapore operations may benefit from the introduction of new small engine models which would spur renewed interest among consumers. The Division will strive to penetrate into new markets by leveraging on the existing and new partnerships for potential opportunities. Continuous monitoring of changes in requirements and ensuring compliance will remain top priorities in addressing developments in government regulations.

The property market in Malaysia is expected to remain subdued due to cautious consumer sentiment and stricter lending rules. Pressure on the residential market might continue in the near-to-medium term, attributed to inflationary factors and cooling measures. However, the Property Division continues to sustain demand for its landed properties in prime areas such as City of Elmina, Denai Alam, Bandar Bukit Raja, Nilai Impian and Bandar Ainsdale. The Division will focus on value creation and enhancement for its property development projects through integrated, niche and Transit-Oriented developments together with strategic partnerships. New township developments with the right product mix will be launched taking into account prevailing demand and market sentiment. On the international front, construction works for Phases 1 and 2 of the Battersea Power Station Development Project are currently on-going while future phases are in the planning stages. The renewed economic slowdown coupled with restrictive mortgage lending policies present the biggest risks in the UK housing sector.

The slowdown in economic activities in China and stringent government legislations are expected to impact the Energy & Utilities Division's ports and water operations in the Shandong province. The prime focus will be to continue with on-going expansion plans for the Weifang port to handle larger capacity vessels by increasing its berthing volume and expanding its cargo range.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to record my appreciation to all our valued stakeholders for their continued trust and loyalty and for growing the Group with us. I would also like to thank my fellow Main Board and Flagship Subsidiary Board members for their commitment and immense contribution to the Group.On behalf of my fellow Directors, I would like to take this opportunity to accord our sincere thanks and appreciation to the former Deputy Chairman of the Board, Tan Sri Dato' Sri Hamad Kama Piah Che Othman, Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo and Dato' Henry Sackville Barlow for their contribution during their respective tenure on the Main Board. Tan Sri Hamad has been succeeded by Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah.

My heartfelt gratitude to the management team and staff for their unwavering dedication to the Group, particularly during this challenging period. The team and all the employees have been instrumental in delivering our strategic vision to become one of the leading conglomerates in the region. The Company is certainly positioned to achieve many more milestones and we look forward to our journey ahead.

Tan Sri Dato' Abdul Ghani Othman
Chairman

PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

Tan Sri Dato' Seri Mohd Bakke Salleh
President & Group Chief Executive

"The Group continues to leverage on new opportunities to secure and strengthen leadership positions and to maintain competitive advantage."

Dear Shareholders,

The financial year under review has been challenging for all our operations across the Group. We were confronted with demanding operating environments, where volatility and uncertainty were recurring themes. Nonetheless, our people have risen to the challenge and continued to deliver value to all our stakeholders.

The Group was operating against the backdrop of a sluggish global economy despite stronger economic growth in the US, while emerging markets continued to enjoy modest growth. Developing nations have had to moderate growth forecasts due to subdued prospects. Downward pressure on commodity prices, uncertainty over monetary policies and volatile equity and currency markets have resulted in tough operating conditions. Furthermore, fiscal consolidations and changes to government policies have also impacted demand across the Group's businesses and operating geographies.

The Group posted Net Earnings of RM2.3 billion in the financial year under review - 7.5% lower than the headline Key Performance Indicator (KPI) target of RM2.5 billion and a Return on Average Shareholders' Equity (ROE) of 7.8% compared with the targeted 8.5%.

KEY STRATEGIC ACHIEVEMENTS

Notwithstanding the weaker financial performance, the Group has made good progress in achieving its strategic and operational objectives, guided by the Five-Year Strategy Blueprint, now in its final year. This will help us weather the current challenges and prepare the Group for an upturn in the business cycle.

Details of the Strategy Blueprint are outlined on page 25 of this Annual Report.

Realise the Full Potential of the Core Business

The Group has achieved operational excellence by capitalising on synergies through several initiatives. At the Divisional level, the Plantation team has implemented improved agro-management practices and enhanced mechanisation in 94% of potential implementation areas. The Plantation Division's replanting programme across its operations remained at the rate of 4% of total planted area for the period under review. To improve and achieve the desired age profile for our oil palm plantations, the Division will implement an accelerated replanting programme across our Malaysian and Indonesian operations which would increase the replanting rate to an average of 5% of total planted area. In the Industrial Division, the implementation of the Business Transformation Project (BTP) is currently on track and is targeted to be completed by January 2016.

This initiative has been rolled out in several regions and is expected to be a catalyst in driving process efficiency for the Division. The Motors Division, in leveraging its long-term partnership with the Land Rover brand, has entered into a joint-venture (JV) with SISMA Auto. This deal secured exclusive distributorship of Jaguar and Land Rover vehicles in Malaysia. Finally, the Energy & Utilities Division, via our Weifang Sime Darby Port Co. Ltd., entered into a joint-venture with Weifang Port Co. Ltd. and Shandong High-Speed Transportation and Logistics Investment Co. Ltd. to manage the construction and maintenance of Weifang Port's key shared infrastructure. This is expected to accelerate the development of Weifang Port's capabilities and improve its competitiveness.

Strive for Leadership Position

The Group continues to leverage on new opportunities to secure and strengthen leadership positions and to maintain competitive advantage. At the Plantation Division, the acquisition of New Britain Palm Oil Limited (NBPOL) has bolstered Sime Darby Plantation's position as the world's largest producer of Certified Sustainable Palm Oil (CSPO) with 2.6 million MT in production per annum, which accounts for 22% of current global CSPO output. Sime Darby Industrial on the other hand, secured Malaysia's first lifecycle contract with Westports Malaysia Sdn Bhd through its joint-venture with Terberg Group, for the supply of new terminal tractors, inclusive of service and maintenance for the next seven years. The Property Division continues to be the leading integrated township developer in Malaysia, with large freehold landbank at strategic and highly sought after locations. The new themed townships that are in the pipeline for development include Kota Elmina (1,500 acres) and Lagong (1,800 acres) in the state of Selangor along with Kulai (5,000 acres) in the southern state of Johor. In addition to this, the other significant upcoming projects are Bandar Bukit Raja 2 & 3 (2,700 acres) and Serenia City (2,300 acres) in Selangor. The Energy & Utilities Division continues its expansion of the Weifang Sime Darby Port, which will see eight additional 30,000 – 50,000 deadweight tonnage (DWT) berths added to the port to handle new dry bulk, liquid bulk and general cargoes.

Pursue Strategic Portfolio Growth

During the year in review, the Divisions executed several initiatives to spur further growth and maximise returns for the Group. Through the acquisition of NBPOL, Sime Darby Plantation has added 135,673 hectares of land in Papua New Guinea to its existing landbank, of which 82,067 hectares have already been planted. The acquisition has also enabled access to NBPOL's research facility which will enhance Sime Darby Plantation's own industry-leading and ground-breaking research & development (R&D) activities through collaborations and joint programmes. Meanwhile, in October 2014, the Property Division successfully launched Phase 3a of the Battersea Power Station development. Phase 3a, which consists of 539 units, was designed by world-renowned architects Gehry Partners and Foster + Partners. The Division also unlocked more value through the monetisation of its shareholding in Sime Darby Sunsuria Development Sdn. Bhd., a joint-venture with Sunsuria Berhad. Sime Darby Property divested its 50% equity stake in the joint-venture, in line with the objective to streamline its portfolio to optimise the use of capital. Meanwhile, Sime Darby Motors continued its pursuit of strategic portfolio growth through the acquisition of new marques in existing geographical regions, as well as the introduction of existing marques in new regions. The Division established new facilities in China (Nanjing & Chongqing), Australia (Brisbane) and Taiwan (2 in Taipei), together with the addition of the Ferrari brand in Brisbane.

Institute a Performance and Value-Driven Culture

The Group has built robust leadership and succession plans to ensure sustainability of strong and effective leadership. As part of the organisational and individual high performance and growth enhancement strategy, rewards are differentiated and refined according to talent segment and employee category.

As we head into the tail-end of the Five-Year Strategy Blueprint, we will focus on several action plans and priorities based on the four key strategic thrusts. This includes enhancing the Divisional business operational metrics, improving productivity and cost efficiency, scaling up to pursue pole positions in markets with growth potential and focusing investment on regional and adjacent business lines.

SUSTAINABILITY & QUALITY MANAGEMENT

The Group remains steadfast in our commitment to sustainable development. During the year in review, we continued to drive our sustainability strategy, with a key focus on value creation through sustainability, improving safety & health performance, achieving optimum efficiency via Lean Six Sigma, addressing contributions to climate change and advancing sustainability practices.

We are pleased to introduce Dr. Simon Lord, Sime Darby's Group Chief Sustainability Officer, who joins us from NBPOL. Simon was previously NBPOL's Group Director for Sustainability and brings with him over 30 years of management experience in the agricultural and oil palm sector.

We are saddened by the seven fatalities in our Group during this financial year and have worked to strengthen controls to eliminate these safety risks. We recognise that an uncompromising safety & health culture is imperative for us to achieve our ultimate goal of zero harm. This year, we rolled-out a FELT Leadership Programme for the Sime Darby Group's Management Team, to ensure that this culture is modelled and driven from the very top.

In the year under review, our Lean Six Sigma (LSS) programme delivered RM208.99 million in cost savings. Since the programme was launched in FY2013, the Group has achieved RM360.48 million in cumulative cost savings, placing us on-track to achieve our target of RM775 million cumulative cost savings from FY2013-FY2017. Our successes are a reflection of the exceptional people that we have within the Group. This year we are proud that the American Society of Quality (ASQ) chose to recognise Encik Azman Shah Mohamed Noor, the Group's Head of Quality and LSS, by awarding him the Edwards Award for 2015 for his leadership in transforming the quality and continuous improvement culture in Sime Darby.

In recent years, there has been a heated debate on deforestation and the tools responsible palm oil companies should employ to identify conservation areas, in particular High Carbon Stock (HCS) forests. In September 2014, Sime Darby committed to a moratorium to halt new oil palm developments, while an independent scientific study develops guidance on the methods to identify HCS forests, and how best to accommodate the rights and development needs of impoverished communities. In short, this will bring forth a new integrated approach to sustainable land-use planning, which the Group is committed to test once completed.

CHARTING FRONTIERS IN INNOVATION

Innovation is a catalyst for competitive advantage, and one of the key enablers in the Group's growth. As organisations seek to establish themselves in the global business marketplace, the concept of customer centric innovation continues to evolve. This too, will be one of the Group's immediate priorities. To take the Group forward into a different world business frontier, we will ensure that our internal process improvements, strategic acquisitions and licensing of new products and collaborations all seek to create an innovative culture in the Group. To drive the Innovation Agenda, the Group appointed Mr Hari Nair as the new Group Chief Strategy & Innovation Officer on 6 August 2015. Prior to his new role, Hari was the Global Managing Director of Kimberly Clark's Global Innovation Centre in Seoul. He has spent nearly half of his 20-year professional career living and working in emerging markets and has worked under the leadership of the world's preeminent innovation guru, Clayton Christensen.

Innovation Key Performance Indicators (KPIs) are being formulated to ensure that real consequences and rewards drive the right behaviours. Roles, capabilities and KPIs of employees will be defined clearly to reflect this. Cross-divisional synergies and external partnerships will be emphasised in order to drive new innovations and further business growth. In the meantime, work will continue on key initiatives such as the genetic marker and trait selection for high yielding oil palm seeds, as well as other agri-technology and bio-technology projects. Other ongoing initiatives include the incorporation of sustainable designs in property development and the enhancement of the customer experience through technology.

MOVING AHEAD

The Group has withstood a challenging FY2015 and we expect a similarly demanding environment in the year ahead. Bearish commodity prices coupled with austerity measures in key operating markets and rising interest rates will be some of the headwinds the Group expects to face. Fiscal tightening in these markets will certainly impact a customer's ability to obtain financing while the higher cost of living will reduce affordability, thus resulting in reduced customer demand.

Management has taken steps to protect and improve the Group's position by executing key measures, supported by financial prudence and discipline. At the same time, we will draw on our renewed focus on sustainability and innovation to steer us through these volatile and uncertain times.

We remain committed to sustainable shareholder returns. As we reflect on the future, I am confident we have the right strategy, vision and great people in place to achieve our aspirations. We will continue to place greater emphasis on operational efficiency and productivity improvements, whilst identifying opportunities to strengthen profit pools, seek investment opportunities and maintain capital discipline.

ACKNOWLEDGEMENT

I have never been more excited for our Company's future. I am confident that Sime Darby has a bright future ahead of it, not only because of the leading positions we have developed and the bold steps we are taking, but also because of the loyalty and support of our shareholders who have stood by us through thick and thin. The Company has a strong pool of leaders and truly talented workforce of approximately 132,000 people around the world.

On behalf of the Management team, I would like to express our sincere appreciation to the Board members and our shareholders for your confidence and support. I would also like to thank the former Deputy Chairman of the Board, Tan Sri Dato' Sri Hamad Kama Piah Che Othman and the other Board members, Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo and Dato' Henry Sackville Barlow for their invaluable contributions over the years. We will continue to deliver and sustain long-term growth as we remain committed to all our stakeholders.

Tan Sri Dato' Seri Mohd Bakke Salleh
President & Group Chief Executive

GLOBAL TRENDS AND MARKET OUTLOOK

UNDERSTANDING OUR OPERATING CHALLENGES

Megatrends are large, transformative global forces that have a profound impact on business, the economy, society, culture and the future. We proactively adapt our strategies to harness the opportunities and mitigate the threats that arise from these drivers of future change.

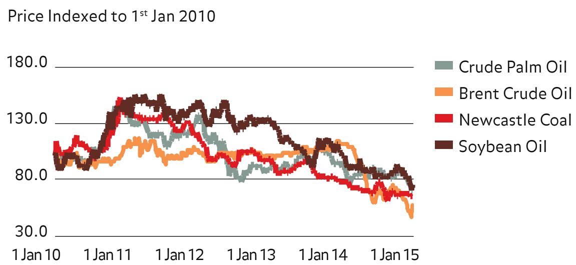
Group-Level Megatrends

Increasing in Uncertainty of Market Conditions

Description of Trend

- Economic growth rates have become less predictable, with increasing volatility in commodity prices and foreign exchange rates as markets become more interconnected. Businesses can no longer expect organic revenue growth to be driven primarily by the steady expansion of its existing operating markets.

Volatility of Commodity Prices



Source: Bloomberg, September 2015

Sime Darby's Key Actions

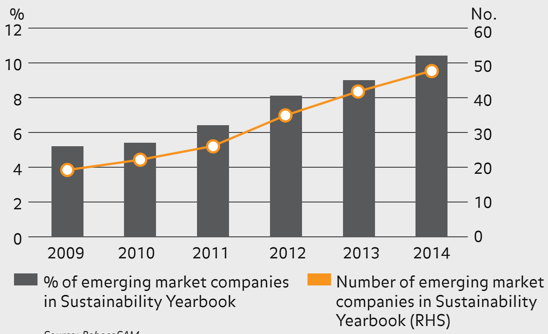
- Embark on strategic partnerships for expansion into new growth markets to capitalise on synergies and leverage on technical expertise, skills and local relationships.
- Diversify the Group's portfolio to be less reliant on commodity-based industries to mitigate the exposure of downtrends in crude palm oil and coal price cycles.
- Explore new growth markets within existing geographies to diversify current business exposure.
- Develop robust systems and processes for more effective execution of productivity improvement and operational excellence initiatives.

Increasing Sustainability Awareness

Description of Trend

- Scrutiny of sustainability commitments and business practices is increasing and attracting the interest of a wide range of stakeholders.
- Extreme weather conditions have affected the environment and ecosystems and thus the way we do our business.
- Businesses are facing stronger demand to meet the needs and concerns of their employees, local communities and the societies where they operate.

Sustainability Awareness in Emerging Markets



Source: RobecoSAM

Sime Darby's Key Actions

- Pursue sustainability goals in a way that creates value for the Group, e.g. developing a range of sustainable products, implementing energy efficiency programmes and green technology projects.
- Create a safe and healthy workplace for our employees and ensure we respect the rights of our workers and local communities.
- Instil a performance culture to drive improvement in operational efficiency through research & development initiatives, innovation & Lean Six Sigma applications.
- Secure and strengthen our position as a leader in sustainability through thought leadership and effective internal and external reporting.

TECHNOLOGY DEVELOPMENTS HAVE FORCED COMPANIES TO INSTIL A **DYNAMIC, PROACTIVE AND INNOVATIVE CULTURE**

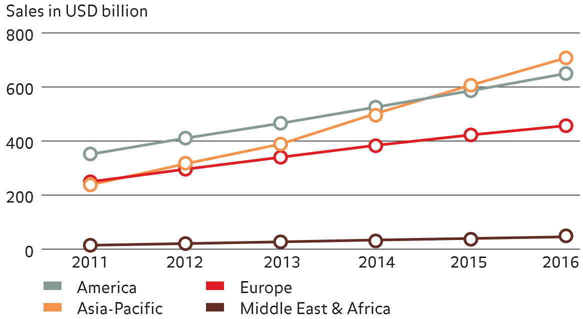
Group-Level Megatrends

Technological Advancements

Description of Trend

- Bargaining power of buyers rise as they become more tech savvy and have greater access to information.
- Changing technological landscape in the retail and services sectors has significant impact on Business to Consumer (B2C) businesses i.e. the Property and Motors Divisions.
- Breakthrough in technology in developing new products and services have forced companies to instil a dynamic, proactive and innovative culture.

Worldwide Growth in Online Retail Sales



Source: eMarketer, June 2013

Sime Darby's Key Actions

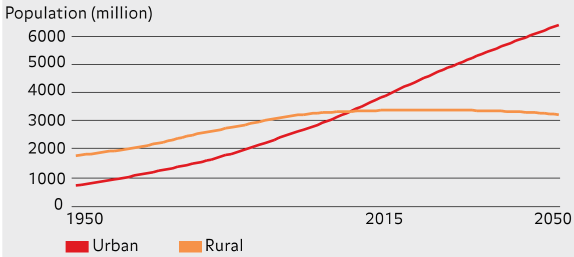
- Utilise technology to improve systems and processes across the Group and to solve sustainability issues to create value for the Group.
- Design and establish systems and processes which will encourage innovation across the Group to maintain market leadership.
- Diversify portfolio from traditional supply-driven business models to a "customer-centric model" via application of technology i.e. collaboration with technology providers to increase the integration of technology to offer both products and services as a one-stop solution to meet consumer needs.

Population Growth and Urbanisation

Description of Trend

- Population growth and urbanisation rates continue to rise in emerging markets and drive economic growth (e.g. China, India and ASEAN countries).

Urban and Rural Population Growth (1950-2050)



Source: United Nations Department of Economics & Social Affairs 2014

Sime Darby's Key Actions

- Develop long-term strategies that capitalise on the underlying growth trajectory of emerging market populations and urbanisation rates.
- Grow the portfolio by expanding into frontier markets with high potential for population growth and urbanisation via current business lines (e.g. Vietnam for Motors, China for Healthcare).
- Lifestyle businesses (Property, Motors and Healthcare) are focused towards areas with high urbanisation growth rates.

MANAGING OUR MATERIAL ISSUES

MATERIAL ISSUES AND STAKEHOLDER ENGAGEMENT

At Sime Darby, we understand that a positive relationship with our stakeholders; individuals or groups who impact or are impacted by our business, is the cornerstone to business success. It is imperative that we continue to understand and address the various concerns of our stakeholder groups, as therein lies the opportunity for us to build a business that creates long-term value.

Investors

How we engage

- Active correspondence to address queries
- Non-deal roadshows and regional investor conferences
- Group and one-on-one meetings
- Annual general meeting and analyst briefing sessions
- Operational site visits
- Corporate website

Key material issues discussed

- Macroeconomic Conditions – impact on business and strategy
- Operational Performance – productivity improvements, demand-supply dynamics
- Sustainability Focus – risks and opportunities arising from sustainability efforts
- Environmental Performance – carbon emissions, environmental damage, peat land management
- Social Performance – socially-responsible landbank expansion, sustainable product portfolio
- Capital Constraints – credit ratings, gearing
- Governance – structure, compliance with new regulations
- Business Strategy – key strategic priorities

How we are addressing these issues

- Information on the Group's business model and strategies and how the Group responds to megatrends can be found on pages 20 to 25
- Updates on our Investor Relations activities is available at www.simedarby.com

Customers

How we engage

- Consistent dialogue and engagements
- Tradeshows & exhibitions
- Corporate website

Key material issues discussed

- Sustainable Products – RSPO certification, traceability
- Environmental Performance – carbon emissions, biodiversity
- Governance – ethics and values
- Human Rights

How we are addressing these issues

- Information on the Group's products and services can be found in the Divisional Operations Review on pages 70 to 121
- Regular engagement provides opportunities to communicate strategies and initiatives

Suppliers / Business Partners

How we engage

- Dialogue and maintaining good relationships with Principals
- Vendor Development Programme

Key material issues discussed

- Operational Performance – performance targets, volume growth
- Governance – ethics and values
- Sustainable Products – advocacy of sustainability practices

How we are addressing these issues

- Procurement governance is discussed on our website at www.simedarby.com

The Group is committed to ensure that communications regarding its business, operations and financial performance are accurate, timely, factual, informative, consistent, broadly disseminated and is in accordance with applicable legal and regulatory requirements. To that end, a policy on Stakeholder Engagement, stipulating the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to, is set out in the Sime Darby Group Policies and Authorities. More information on our Stakeholder Engagement policy is on pages 157 to 158.

The Group identifies material issues from feedback received from the various stakeholder engagements. The topics discussed in these engagements are prioritised based on their relative importance to stakeholders and their impact on the Group. The table below sets out the material issues identified by stakeholder groups and where the Group's response to those issues are discussed in the Annual Report.

Employees	Society / Communities	Government / Authorities / Regulators
How we engage • Engagement surveys, Townhalls, events and activities • Focus group discussions on targeted issues • Briefings, career fairs and talks • Newsletters • Enterprise portal	**How we engage** • Community outreach and development programmes • Consistent dialogue and engagement • Strategic partnerships	**How we engage** • Regular engagement, communication and dialogue • Site visits • Consultation on regulatory matters
Key material issues discussed • Macroeconomic Conditions – impact on strategies • Operational Performance – employee productivity • Human Capital Development – talent management, leadership development, performance management • Employee Wellbeing – fundamental rights (e.g. diversity), collective agreement and remuneration matters, safety & health • Governance – compliance, whistleblowing policies, advisory and guidance on regulatory requirements	**Key material issues discussed** • Environmental Performance – deforestation, climate change, carbon emissions, haze • Social Performance – community related issues, corporate responsibility developments, disaster relief, nation-building efforts	**Key material issues discussed** • Social Performance – social issues, land rights, local communities • Governance – compliance with statutes and regulations • Environmental Performance – sustainable development, climate change, carbon emissions, haze prevention
How we are addressing these issues • We are on a five-year Roadmap to transform ourselves into the Employer of Choice. Read more about it on pages 48 to 50	**How we are addressing these issues** • We constantly seek new solutions to improve the socio economic well-being of the communities in which we operate. Our activities for the year are laid out on pages 54 to 58	**How we are addressing these issues** • We comply and in some cases go beyond regulatory requirements for our operations. Read more about this in our Statement on Corporate Governance on page 123 to 176

GROUP BUSINESS MODEL

A CONNECTED AND RESILIENT BUSINESS MODEL

Our Conglomerate Advantage

Robust capital management
Stable and healthy financial position

Innovation focus
Systems to drive innovation across the enterprise

Trusted and credible
Strong brand, leadership and governance track record

Market leaders
Leading in our key markets and sustainable practices

Diversity
Diverse portfolio of talent, experience and regional exposure

Strong stakeholder engagement
Long history of understanding and balancing the needs of our diverse stakeholders

Our Key Resources	What We Do To Connect Our Divisions
Access to capital	Managing capital and optimising portfolio performance – Disciplined approach towards capital allocation based on new growth, industry leadership, returns and industry outlook
Established brand and industry specific knowledge	Driving the quality and competencies of our corporate centre, reinforcing the value of our reputation and shared resources – Strong brand developed from more than 100 years of heritage – Deep industry knowledge that enables businesses to be market leaders
Focus on sustainability, strong governance and risk management	Proactively managing sustainability, risk and governance frameworks and driving it through our businesses – Two-tier board structure – Establish Board Sustainability Committee – Sustainable Palm Oil Manifesto and High Carbon Stock Study
Experienced leadership and high-performing employees	Developing our employees and leaders through training and focusing on safety & health of our employees through our Human Resources (HR) policies – Group HR's five-year strategy and roadmap – Establish Sime Darby Leadership Centre
Strong stakeholder relationships	Solidifying our stakeholder relationships through regular engagement – Stakeholder Engagement Policy – Participation in Global Thought Leadership Platforms

Underpinned by Integrity, Respect & Responsibility, Excellence and Enterprise

We create sustainable value from our diversified conglomerate business model which enables our Divisions to operate autonomously whilst being supported by strong governance, risk frameworks and shared capabilities. Our unique structure allows divisional management teams to be close to their markets and customers and agile in decision-making within limits of authority as approved by the Board to deliver innovative customer value propositions. Guided by our Group's Strategy Blueprint, our experienced and strong management teams lead the Group to long-term sustainable growth.

How We Create Value

Create

Optimal capital structure that provides lower cost of financing and ensures our businesses are adequately capitalised

USD 1.5bn Sukuk Programme

A3,A,A- Credit ratings by Moody's, Fitch & Standard & Poor's, respectively

Establish

Production systems for our businesses to leverage on our brand and shared resources to deliver commercially viable, margin accretive innovations

8 R&D centres in our Plantation Division

2 brand awards from our Property and Motors Divisions

Leverage

Internal controls and processes that protect the value creation process of our businesses

5 sustainability awards and recognitions

3 corporate governance, business conduct and corporate responsibility awards in FY2015

Nurture

Safe and conducive working environment for our employees, enabling Sime Darby to attract and retain talent

Occupational Health & Safety Assessment Series (OHSAS) 18001 certification for key facilities

5 awards for our CEO, CFO and management team

Build

Strong reputation and trust which connects our businesses to opportunities

Asiamoney's Best Managed Company (Large Cap) in Malaysia 2015

406 NGOs and community groups

How We Share The Value We Create

Investors
We continue to be a trusted and stable investment proposition for capital providers that is driven by consistent performance and protected by our strong sustainability, governance and risk focus. Our track record and disciplined investment strategy provide greater access to growth opportunities, translating to sustainable shareholder returns.

Customers
We offer added value from differentiated and innovative products and services from a highly regarded brand that they can rely on.

Environment
Through our considered approach of ensuring that we deliver value in a sustainable manner, we aim to minimise the impact of our businesses on the environment.

Employees
Safe and conducive working environment led by our cohesive and effective management team, enabling our people to achieve their career aspirations which makes the Group an employer of choice.

Governments and Society
Sime Darby is an exemplary corporate citizen which operates responsibly, to deliver growth and long term value to the economy and society.

Suppliers and Business Partners
We believe in developing long-term relationships with our principals, suppliers and business partners, in order to create greater value from the sharing of our capabilities and resources to achieve a common goal.

GROUP STRATEGY

Increase in uncertainty of market conditions | Increasing sustainability awareness | Technological advancement | Population growth and urbanisation

Strategic Thrust	Objectives	Market Trends	Material Issues
Realise Full Potential of Core Business 	• Achieve operational excellence and capitalise on synergies • Strengthen relationships with strategic business partners • Actively leverage on the sustainability agenda to create value for the Group • Strengthen the execution of strategic projects and innovation initiatives across the Group		• Macroeconomic Conditions • Operational Performance • Environmental Performance • Social Performance
Strive for Leadership Position 	• Secure and strengthen leadership positions in key markets • Leverage on strengths and competitive advantage – technology, partnerships and integration • Develop sustainability thought leadership • Effective internal and external sustainability reporting		• Macroeconomic Conditions • Sustainable Products • Capital Constraints • Governance
Pursue Strategic Portfolio Growth 	• Expand into related businesses • Enter new growth markets • Streamline portfolio to optimise use of capital • Create margin accretive innovation		• Macroeconomic Conditions • Capital Constraints • Governance
Institute a Performance and Value Driven Culture 	• Instil good corporate governance and high ethical values • Strengthen performance and rewards practice • Leverage on talent capacity and capabilities		• Operational Performance • Human Capital Development • Employee Wellbeing • Governance

OUR BLUEPRINT FOR GROWTH

We connect opportunities to create value by pursuing an innovative, integrated and interconnected strategy across our portfolio. We focus on Group investments and activities that link our sector and geographical business operations to deploy capital more efficiently – ultimately delivering group-wide synergies that deliver above-market stakeholder value.

Progress Highlights	Priorities for FY2016	Performance Data
• The Plantation Division has expanded the use of mechanisation for Fresh Fruit Bunch (FFB) evacuation and leveraged new technologies to improve work supervision • Implementation of the Business Transformation Project and rationalisation of manpower costs for the Industrial Division • Sime Darby (SD) Motors and SISMA Auto entered into a joint venture to be the exclusive importer for Jaguar and Land Rover in Malaysia • Weifang SD Port formed a JV with the Weifang Port Co. Ltd. and Shandong High-Speed Transportation and Logistics Investment Co. for the construction and maintenance of the port's key shared infrastructure • Lean Six Sigma (LSS) energy efficiency programmes and green technology projects are underway at various stages	• Focus on enhancing business operational efficiency metrics • Focus on improving productivity and aligning costs to reflect the current economic situation • Develop robust systems to execute innovation initiatives • Establish a strong customer base and supply lines for Certified Sustainable Palm Oil (CSPO) products • Refine the workforce model to drive employee productivity and cost efficiencies	**20.39 MT/ha** Plantation FFB Yield **RM1.9bn** Industrial Order Book as at 30 June 2015 **RM2.1bn** Property Gross Sales Value **36.3mil MT** E&U China Port Throughput **RM209mil** Benefits achieved from LSS initiatives in FY2015
• The Plantation Division strengthened its position as the world's largest producer of CSPO with the acquisition of New Britain Palm Oil Limited (NBPOL) • SD Motors maintained its position as one of the three largest BMW dealers in the world • Expansion of the new Dry Bulk, Multipurpose and Liquid Terminals for Weifang SD Port are on track • SD Industrial JV with Terberg Group secures Malaysia's first lifecycle contract with Westports • The Property Division strengthened its position as the leading integrated township developer in Malaysia through upcoming themed township developments totaling 13,285 acres • Adopted US Sustainable Food and Agriculture Business Principles	• Invest resources to maintain long-term leadership in core business lines • Scale up to pursue pole position in markets with growth potential • Develop a clear strategy to drive the Group's innovation agenda • Further involvement in national and global sustainability platforms • Improve non-financial sustainability disclosures and expand scope of verification	**2.3mil MT** Plantation CSPO Production **99%** Plantation RSPO Certification **SD Industrial** Maintained leadership for equipment and product support sectors across its territories **91,278 units** Motors Sales Volume **88%** Increase in E&U Ports Container Throughput compared to FY2014
• Acquisition of NBPOL added 135,673 ha of Plantation landbank in Papua New Guinea & Solomon Islands • SD Industrial formed a JV with Marine Control Automation Electric Co-Ltd to offer diesel-electric solutions and control systems in the China's marine sector • SD Property launched Phase 3A of the Battersea Power Station Property Development in London and monetised its equity stake in Sime Darby Sunsuria Development Sdn. Bhd. to unlock more value • The Motors Division entered new growth markets via new or existing marques in new or current regions	• Investment focus on regional and adjacent business lines to reduce dependency on resource-based industries • Cautious approach to new or global business opportunities, balancing higher growth with regional diversification • Improve profitability through margin accretive innovation initiatives	**1 mil ha** Plantation Landbank **5 new markets** SD Motors signed on new marques and entered new markets over the past 3 years **4,950 acres** SD Property and Penang Development Corporation signed MOU to develop SME High-Tech Industrial Park
• Build strong and robust leadership and succession pipelines • Refine differentiated rewards by talent segment or employee category based on defined performance • Institutionalise LSS and implement the Zero Harm programme • Monitor leading indicators for Occupational Safety and Health (OSH) and rollout of Felt Leadership programme	• Develop leaders who are agile, adaptable and flexible to manage a diverse workforce • Develop Human Resource analytics capabilities to track and monitor performance • Enhance and standardise quality management frameworks • Further rollout of LSS and OSH roadmap to meet targeted benefits	**2%** Increase in Global Employee Engagement Survey Score from FY2014 **79%** Critical Positions with Successors Identified **25** New LSS Blackbelts by FY2016

Strategy in Action

CONNECTING OPPORTUNITIES

ACQUIRING ONE OF THE WORLD'S LEADING SUSTAINABLE PLANTATION COMPANIES

Sime Darby Plantation (SDP) has completed the acquisition of New Britain Palm Oil Limited (NBPOL), a key milestone in achieving the strategic objectives of growing its capabilities along the value chain and expanding its market reach in accordance with its five-year Strategy Blueprint.

Realise Full Potential of the Core Business

The acquisition will create tremendous synergies with SDP, given both companies' high standards of agro-management practices and their commitment to developing best-in-class standards across the value chain. NBPOL's Dami Research facility will complement SDP's own industry-leading and groundbreaking research through the cross-sharing of R&D capabilities and technology.

Strive for leadership position

The purchase of NBPOL will strengthen SDP's position as the leader in sustainability with 99% of its operations being RSPO certified, making it the world's largest producer of CSPO at 2.6* mil MT per annum, which accounts for almost 22% of global CSPO output. NBPOL will also provide access to seed production capabilities of 30 million seeds per annum and strengthen SDP's midstream/downstream capabilities with additional refining capacity of 440,000 MT per annum.

* Includes NBPOL's CSPO production from July 2014 to June 2015

Pursue Strategic Portfolio Growth

With the addition of NBPOL's 135,673 hectares of highly fertile, productive land in Papua New Guinea and the Solomon Islands, SDP has expanded its total landbank to 1 million hectares. This acquisition has not only broadened the array of sustainably-produced palm products but has also provided access to new markets in Europe through collaboration between Sime Darby Unimills and NBPOL's Liverpool refineries. Through this geographical diversification, SDP now has market presence in 18 countries including its downstream markets and the potential for further growth.

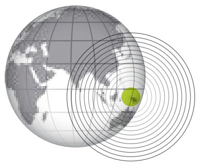
Institute a Performance and Value Driven Culture

The acquisition of NBPOL, a 100% RSPO certified company, reflects SDP's commitment towards sustainability, in line with its vision to become the world's largest sustainable integrated palm oil player.

Strategic Drivers

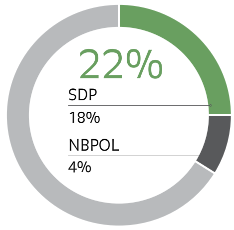
- Realise full potential of the core businesses
- Strive for leadership position
- Pursue strategic portfolio growth
- Institute a performance and value driven culture

Hectares Added
135,673

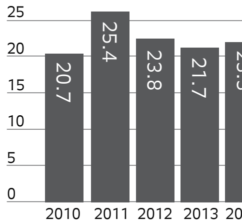


New Britain Palm Oil Limited
– Papua New Guinea
– Solomon Islands

Percentage of Global CSPO Output



NBPOL FFB Yields
23.0 MT/ha*



*5-Year average FFB yield per mature ha

Strategy in Action

CONNECTING OPPORTUNITIES

BUSINESS EXPANSION IN THE ASIA PACIFIC REGION

Sime Darby Motors (SDM) has expanded its business presence across the Asia Pacific region and along the value chain.

This expansion has brought geographical diversification, additional marques and an increase in the market share of its operating countries.

Realise Full Potential of the Core Business

With over 40 years of experience, SDM has evolved from a domestic automotive player to a multi-geography, multi-marque automotive giant within the Asia Pacific region. The expansion marks the strong and long-standing relationships between SDM and the various car manufacturers. In addition to establishing solid relationships with its Principals, other key enablers critical to the Division's success include providing excellent customer service and having a strong management team. Along the value chain, the Division continues to focus on after-sales service and the expansion of its used car business. This makes SDM one of the best-in-class players in the region.

Strive for Leadership Position

SDM has an established presence in ten countries in the Asia Pacific region with 30 marques. SDM is involved in various parts of the value chain, namely the import, assembly, distribution, retail and rental of vehicles. SDM is the third largest BMW dealer in the world.

In 2010, 2011 and 2012, BMW became the best selling brand car in Singapore (replacing Toyota) and HK & Macau in the luxury/premium segment. SDM currently carries eight reputable marques in Malaysia. SDM is also a leading commercial vehicle distributor in New Zealand.

Pursue Strategic Portfolio Growth

A key strategic theme for the Division is to harness the growing demand for automobiles in key emerging markets in the Asia Pacific region, which includes expansion via organic growth as well as growth into new markets. In FY2014, SDM gained additional footholds in two new markets – Vietnam and Taiwan, bringing the Division's presence to a total of ten countries. With the new market entry into Taiwan, the Division also added Kia to its brand portfolio.

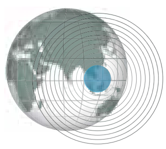
Institute a Performance and Value Driven Culture

SDM will drive stronger sales growth and enhance employee productivity of its business operations in new markets by leveraging on its performance-related rewards practices that have effectively enabled consistent profit growth in its traditional markets.

Strategic Drivers

- Realise full potential of the core businesses
- Strive for leadership position
- Pursue strategic portfolio growth
- Institute a performance and value driven culture

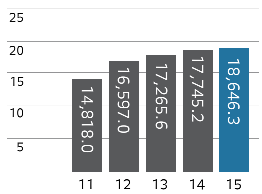
SDM's Presence in Asia Pacific



-Australia
-China
-Hong Kong
-Macau
-Malaysia
-New Zealand
-Singapore
-Taiwan
-Thailand
-Vietnam

Revenue Growth for SDM Over the Past Five Years (RMm)

Revenue (RMm)
18,646.3



Entry Into New Markets and New Marques Over the Past Three Years

Strategy in Action

CONNECTING OPPORTUNITIES

COLLABORATING THROUGH LEAN SIX SIGMA

Over the past three years, the Sime Darby Group has delivered a cumulative savings of RM360 million from its Lean Six Sigma (LSS) Business Management Strategy. By FY2017, this LSS initiative targets to add another RM415 million in benefits to the Group.

Realise Full Potential of the Core Business

The LSS Business Management Strategy was implemented in FY2013 to achieve operational excellence and capitalise on cross-divisional synergies. A main part of achieving these objectives has been focused on internal collaborations in order to achieve continuous improvements in business performance.

Strive for Leadership Position

In setting its five-year LSS benefits target of RM775 million by FY2017, Sime Darby strives to be within the ranks of the Fortune 500 in terms of LSS benefits created as a proportion of company revenue. In May 2015, Sime Darby gained international recognition when its Head of LSS and Quality Management became the first Southeast Asian recipient of the Edwards Medal by the American Society of Quality (ASQ).

Institute a Performance and Value Driven Culture

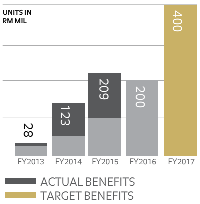
Since its inception, LSS in Sime Darby has moved beyond just being a tactical improvement tool to one that focuses on a strategic and cultural approach to operations. To date, there has been a rapid increase in LSS awareness and the number of participants for White Belt, Green Belt and Black Belt certifications. Customised training modules and the recognition of LSS achievements have assisted in embedding the culture of continuous improvement across the Group.

Strategic Drivers

- Realise full potential of the core businesses
- Strive for leadership position
- Institute a performance and value driven culture

Cumulative LSS Benefits since FY2013 (RMm)

360



LSS Practitioners Across the Group

11	Black Belts certified by ASQ
5	Master Black Belts under training
25	Black Belts under training
350	Green Belts trained
400	White Belts trained

Sime Darby's LSS Roadmap

1. **PHASE 1** Establishing Fundamentals
2. **PHASE 2** Initiating Capacity Building
3. **PHASE 3** Deployment of Skills
4. **PHASE 4** Sustaining Growth

BOARD OF DIRECTORS

SEATED (FROM LEFT)

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, Tan Sri Samsudin Osman,
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah, Tan Sri Dato' Abdul Ghani Othman,
Datuk Zaiton Mohd Hassan

Balance of independent and non-independent directors

6	5	1	1
INDEPENDENT DIRECTORS	NOMINEE DIRECTORS Permodalan Nasional Berhad	NOMINEE DIRECTOR Employees Provident Fund Board	EXECUTIVE DIRECTOR

Note: Tan Sri Dato' Sri Hamad Kama Piah Che Othman, a Nominee Director of Permodalan Nasional Berhad, resigned from the Board on 31 July 2015.

STANDING (FROM LEFT)

Tan Sri Datuk Amar (Dr) Tommy Bugo @Hamid Bugo, Ir Dr Muhamad Fuad Abdullah, Dato Sri Lim Haw Kuang, Dato' Rohana Tan Sri Mahmood, Dato' Azmi Mohd Ali, Tan Sri Dato' Seri Mohd Bakke Salleh, Dato' Henry Sackville Barlow, Tan Sri Datuk Dr Yusof Basiran, Norzilah Megawati Abdul Rahman (Group Secretary)

Length of tenure

7-9 YEARS	15%
4-6 YEARS	54%
0-3 YEARS	31%

MANAGEMENT TEAM

FROM LEFT

TAN SRI DATO' SERI MOHD BAKKE SALLEH
President & Group Chief Executive

TAN SRI DATO' SERI (DR) ABD WAHAB MASKAN
Group Chief Operating Officer, Sime Darby Berhad and Managing Director, Property Division

ZULKIFLI ZAINAL ABIDIN
Group Chief Human Resources Officer, Sime Darby Berhad

SCOTT WILLIAM CAMERON
Managing Director, Industrial Division

FROM LEFT

DATO' LAWRENCE LEE CHEOW HOCK
Managing Director, Motors Division

DATUK TONG POH KEOW
Group Chief Financial Officer, Sime Darby Berhad

DATUK FRANKI ANTHONY DASS
Managing Director, Plantation Division

HARI NAIR
Group Chief Strategy & Innovation Officer, Sime Darby Berhad

FROM LEFT

ALAN HAMZAH SENDUT
Managing Director, Energy & Utilities Division Non-China Operations

DR SIMON LORD
Group Chief Sustainability Officer, Sime Darby Berhad

TIMOTHY LEE CHI TIM
Managing Director, Energy & Utilities Division China Operations

JOHN EDWARD ARKOSI, OBE
Group Head, Group Compliance Office and Group Corporate Assurance, Sime Darby Berhad

NORZILAH MEGAWATI ABDUL RAHMAN
Group Secretary, Sime Darby Berhad

FROM LEFT

GLENN CHARLES DALY
Group Head, Risk Management, Sime Darby Berhad

PHILIP KUNJAPPY
Group Chief Trading & Procurement Officer, Sime Darby Berhad

LEELA BARROCK
Group Head, Communications, Sime Darby Berhad

CHOO SUIT MAE
Group General Counsel, Sime Darby Berhad

DATO' IR JAUHARI HAMIDI
Acting Managing Director, Property Division

Group Performance Overview

GROUP FINANCIAL REVIEW

"Our results reflect a year of uncertainty in the global economic outlook, the slowdown of economic growth in China and its contagion effects, bearish commodity prices, volatile foreign exchange rates and cautious consumer spending."

DATUK TONG POH KEOW
Group Chief Financial Officer

FINANCIAL PERFORMANCE OVERVIEW

The weak crude oil and commodity prices, coupled with the uncertainty of interest rate hikes and the volatile foreign exchange rates have resulted in continued tough operating conditions in the respective markets where the Group has businesses. Amidst these difficult market conditions, the Group fell short of its FY2015 announced Key Financial Performance Indicators (KPIs) for the first time since FY2010.

Key Financial Performance Indicators

The Group has selected as its key financial performance indicators – Revenue, Profit before Interest and Tax (PBIT), Net Earnings and Return on Average Shareholders' Equity (ROE). These indicators are regularly reviewed by the Board and senior management in managing the business and measuring the Group's performance against targets.

The Net Earnings and ROE targets are also announced each year as a transparent performance management practice.

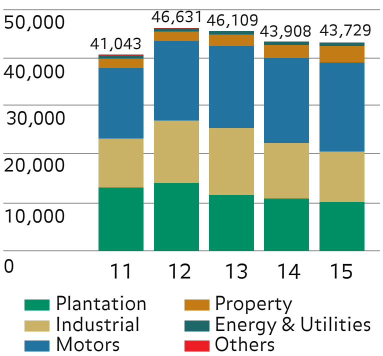
Capital Management

Against the backdrop of low crude palm oil (CPO) and coal prices and tight lending conditions which have affected all segments of the consumer market, the Group has implemented strict controls on capital management, including the following:

- Strict review on capital expenditure spending, focusing on areas of key priority and revenue generation.
- Tight monitoring on inventory and debtor management.
- Cost containment measures, focusing on enhancing operational efficiencies.
- Optimising use of capital in pursuing strategic growth.

The Group is mindful that the economic uncertainties and difficult market conditions are expected to prevail into the new financial year in our major operating markets. The Group will continue with aggressive cost containment measures and roll-out more innovative approaches in its operations, processes and technologies to drive greater cost efficiency and productivity.

Revenue (RMm)
43,729

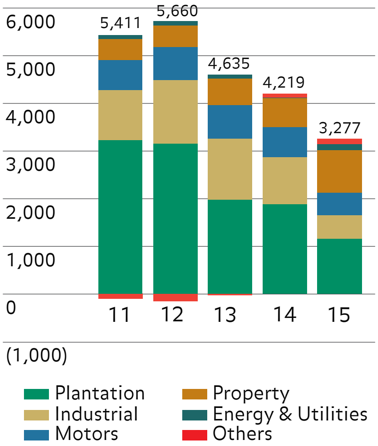


Group revenue declined marginally by 0.4%. The decline in revenue of the Plantation and Industrial Divisions were due to lower CPO prices and lower equipment delivery and product support sales, respectively. The decline was largely offset by higher revenue from Property attributable to revenue from catalytic land sale.

The acquisition of New Britain Palm Oil Limited (NBPOL), completed in March 2015, contributed revenue of RM723 million while the Australia and Vietnam motor operations contributed revenue of RM1,220 million for the full-year of FY2015 against RM392 million for between 3-7 months in FY2014.

PBIT (RMm)

3,277



Group PBIT registered a larger percentage decline of 22.3%, due to the impact of fixed overheads and lower margins on account of lower CPO prices, unfavourable foreign exchange rates in certain businesses and intense competition both in the Motors and Industrial Divisions which have caused margins to be squeezed or eroded.

The Plantation Division's profit declined by 39% from RM1,874.6 million to RM1,148.1 million mainly due to the lower CPO price realised of RM2,193 per MT against RM2,451 per MT in FY2014.

The Industrial Division's profit declined by almost half, from RM1,011.8 million to RM521.2 million largely due to lower equipment and product support sales to the mining sector in Australia following the slump in coal prices and also the economic slowdown which has affected the construction, power and marine sectors.

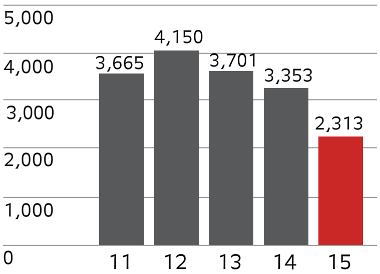
The Motors Division's profit declined by 25.4% from RM634.5 million to RM473.6 million principally due to lower sales and margins in most markets due to weak consumer sentiment and economic slowdown in key markets. In Malaysia, the situation was further compounded by the introduction of the Goods and Services Tax (GST) and tighter lending rules.

The Property Division's profit increased 48.3% from RM599.7 million to RM889.4 million mainly contributed by gains from disposals totaling RM390 million (Sunsuria joint venture (JV) – RM157 million, 9.9% equity stake in E&O - RM56 million and strategic land sales of RM177 million).

Further explanation of each of the Divisions' financial performance is provided in the Divisional Operations Reviews from pages 70 to 121.

Net Earnings (RMm)

2,313

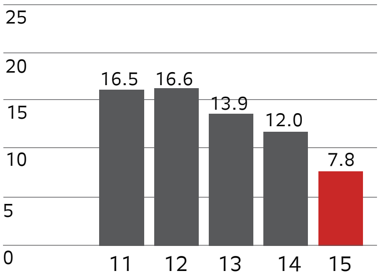


Net Earnings declined by 31.0% as a result of the lower PBIT, higher interest expense and contribution from discontinued operations (the power business) in FY2014 of RM239.9 million. Excluding the discontinued operations, the Net Earnings decline would have been 25.7%.

The Net Earnings was 7.5% below the announced KPI of RM2,500 million.

ROE (%)

7.8



As a result of the lower Net Earnings and higher Average Shareholders' Equity (RM29,587.6 million in FY2015 against RM27,842.5 million in FY2014), the ROE declined from 12.0% to 7.8%.

Finance Costs

Total finance costs (including interest capitalised of RM111 million) increased by RM140 million to RM581.6 million mainly attributable to increase in borrowings of RM6,888 million (from RM11,175 million as at 30 June 2014 to RM18,063 million as at 30 June 2015) principally to fund the acquisition of NBPOL. The Group's weighted average interest rate on borrowings however declined from 3.95% in FY2014 to 3.45% in FY2015 mainly due to the lower interest rates on the USD830 million raised during the year for the acquisition of NBPOL.

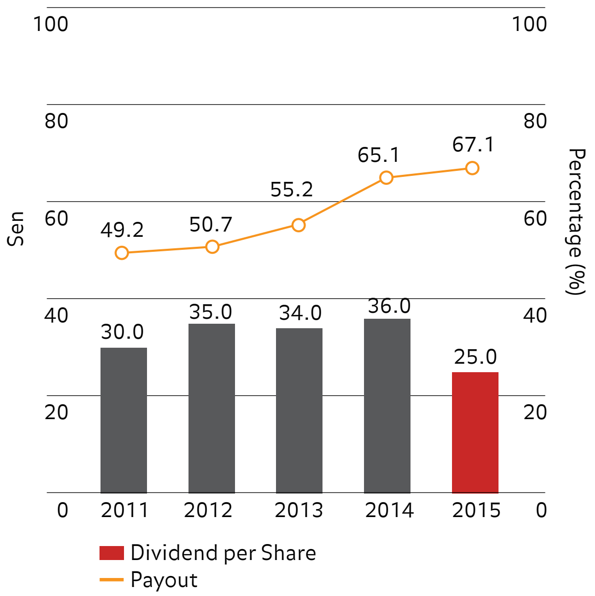
Tax Expense

The Group's effective tax rate remains low at 18.1% due to the effects of previously unrecognised tax assets and change in tax base applicable to unrealised profit following changes to the land use. Excluding these and previous year taxes, the effective tax rate of the Group would have been 25.5%.

DIVIDENDS

The total dividend for the financial year of 25 sen per share represents a dividend payout ratio on Net Earnings of 67%. Due to the lower Net Earnings, dividend per share fell 31% from 36 sen in the previous year.

It is also recommended that Shareholders continue to be given the option to reinvest the final dividend in new ordinary shares of the Company under the Dividend Reinvestment Plan.



CASH FLOWS

Operating cash flows after interest at RM2,613.9 million was higher than that of FY2014 by RM44.7 million despite the substantially lower funds from operations by about 32%. This was largely due to the significant reduction in inventory and rental assets, particularly for equipment, motor vehicles and spare parts, net of the higher cash outflow incurred for property development costs for new townships such as the City of Elmina and the increase in receivables.

Free cash flow, before the NBPOL acquisition, was slightly higher than the previous year, largely due to prudent and strict control towards capital expenditure spending which was about RM287 million lower than FY2014. However, post NBPOL acquisition, free cash flow was negative RM4,833 million.

The other major capital expenditure during the year was the additional capital contribution of £56 million (RM300 million) to the Battersea joint-venture to fund the development of the first 3 phases. Proceeds from disposals include RM318 million from the disposal of 9.9% interest in E&O, RM139.5 million from the disposal of Subang Avenue and RM15.7 million, with the balance receivable in FY2016, from the disposal of the Sunsuria JV of RM173.4 million.

RM million	FY2015	FY2014
Profit after tax	2,435.7	3,257.1
Depreciation and amortisation	1,259.7	1,195.2
Other non-cash items	(795.4)	(184.5)
Funds from operations	**2,900.0**	**4,267.8**
Working capital changes	(286.1)	(1,911.2)
Operating cash flows of discontinued operations	-	212.6
Operating cash flows after interest	**2,613.9**	**2,569.2**
Capital expenditure outflows	(2,288.0)	(2,574.5)
Proceeds from disposals	839.4	1,127.1
Free cash flow before NBPOL acquisition	**1,165.3**	**1,121.8**
Acquisition of NBPOL	(5,998.4)	-
Free cash flow	**(4,833.1)**	**1,121.8**

NET DEBT AND FUNDING

RM million	FY2015	FY2014
Borrowings	18,063.0	11,174.8
Cash (including cash in HDA)	4,201.0	4,896.0
Net Borrowings	13,862.0	6,278.8
Equity	31,611.0	29,465.3
Borrowings / Equity (%)	57.1	37.9
Net Borrowings / Equity (%)	43.9	21.3
Funds from operations (FFO) / Borrowings (%)	16.1	38.2

HDA - Housing Development Accounts

The Group's borrowings increased by RM6.9 billion mainly due to the borrowings raised for the NBPOL acquisition, as follows:

- USD500 million (RM1,873 million) unsecured term loan repayable over 9 semi-annual installments from February 2018
- USD330 million (RM1,242 million) revolving credit repayable in February 2018
- RM2 billion short term facilities

The significant increase in borrowings resulted in the Borrowings/Equity ratio increasing to 57.1%. The higher borrowings coupled with weaker operating performance (represented by FFO) have resulted in the downgrade of the Company's credit rating by Standard & Poors Ratings Services (S&P) in May 2015 from A to A- with a negative outlook while Moody's Investors Services Limited downgraded the Company's credit rating outlook from Stable to Negative while maintaining the A3 credit rating. The ratings by Fitch Ratings remain at A with a negative outlook. The Group is actively exploring options to strengthen its financial position.

The Group continues to comply with debt covenants and regulatory requirements in countries where the Group operates. The financial covenant imposed under the Ringgit Islamic MTN/CP Programme is a Debt to Equity ratio of 1.75:1 and the programme maintained its MARC-1_{ID}/AAA_{ID} rating by the Malaysian Rating Corporation Berhad.

Interest Rate Risk

Interest rate exposure which arises from the Group's long-term borrowings is managed through the use of fixed rate debt and derivatives. Approximately 62% of the Group's long-term borrowings (or 45% of total borrowings) are at fixed rates or covered by interest rate hedges. It is the Group's policy to target at least 70% of long-term borrowings to be on fixed rate or swapped to fixed; unless it is with justification that floating rate is retained temporarily to manage the Group's overall borrowing cost.

Liquidity Risk

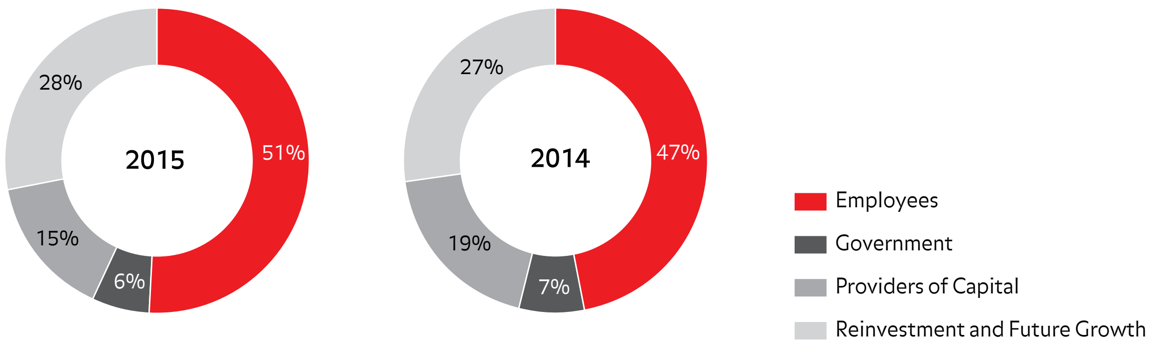
Liquidity risk is managed through the Group's companies performing quarterly twelve month rolling cash flow projections to ensure that requirements are identified as early as possible and the Group has sufficient cash to meet operational needs. Such projections take into consideration the Group's financing plans and is also used for monitoring of covenant compliance and credit metrics. The Group also maintains sufficient stand-by credit facilities to provide ample liquidity.

Foreign Currency Risk

Foreign currency risk on borrowings is managed by sourcing funding in the functional currency of the borrower. Approximately 72% or RM13.1 billion of the Group's borrowings are in the borrowers' functional currency whilst the remaining RM5.0 billion are mostly in USD but not in the functional currency of the borrowers. Of this, USD311 million (RM1.2 billion) has been swapped into the functional currency of the borrower while USD830 million (RM3.1 billion) acts as a hedge against a USD net investment.

STATEMENT OF VALUE ADDED

Value Distributed



RM million	FY2015	FY2014
VALUE ADDED/DISTRIBUTED		
Employees		
Employee costs	4,886.7	4,966.1
Government		
Corporate tax	567.0	707.5
Providers of Capital		
Dividends	877.3	1,503.9
Finance costs	470.6	415.0
Non-controlling interests	122.9	144.3
Reinvestment and future growth		
Depreciation and amortisation	1,259.7	1,195.2
Retained earnings	1,435.5	1,608.9
Total	9,619.7	10,540.9

5 - YEAR FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 30 JUNE (RM MILLION)	2011	2012	2013	2014	2015
FINANCIAL RESULTS					
Revenue	41,043.0	46,630.5	46,109.0	43,908.0	**43,728.7**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	6,284.2	6,777.2	5,733.2	5,313.8	**4,658.7**
Profit before interest and tax	5,410.6	5,659.9	4,634.5	4,218.8	**3,277.0**
Profit before tax	5,258.7	5,451.5	4,314.0	3,964.6	**3,002.7**
Profit after tax	3,847.9	4,346.4	3,831.6	3,520.5	**2,435.7**
Non-controlling interests	(183.4)	(196.2)	(131.0)	(167.8)	**(122.9)**
Profit attributable to owners of the Company	3,664.5	4,150.2	3,700.6	3,352.7	**2,312.8**
FINANCIAL POSITION					
Share capital	3,004.7	3,004.7	3,004.7	3,032.1	**3,105.6**
Reserves	21,025.6	23,011.4	24,091.6	25,556.5	**27,481.0**
Shareholders' equity	24,030.3	26,016.1	27,096.3	28,588.6	**30,586.6**
Non-controlling interests	787.2	873.8	884.8	876.7	**1,024.4**
Total equity	24,817.5	26,889.9	27,981.1	29,465.3	**31,611.0**
Borrowings	7,105.4	9,832.6	10,139.9	11,174.8	**18,063.0**
Other liabilities	10,943.3	11,428.7	10,337.1	10,296.1	**12,134.0**
Total Equity and Liabilities	42,866.2	48,151.2	48,458.1	50,936.2	**61,808.0**
Non-current assets	19,631.2	23,096.3	25,257.3	26,151.2	**35,776.4**
Other assets excluding Cash and Housing Development Accounts (HDA)	17,707.3	19,949.3	18,547.0	19,889.0	**21,830.6**
Cash (including HDA)	5,527.7	5,105.6	4,653.8	4,896.0	**4,201.0**
Total Assets	42,866.2	48,151.2	48,458.1	50,936.2	**61,808.0**
FINANCIAL RATIOS					
Operating margin (%)	12.9	12.1	9.7	9.4	**7.8**
Return on average shareholders' equity (%)	16.5	16.6	13.9	12.0	**7.8**
Return on average total assets (%)	9.1	9.1	7.7	6.7	**4.1**
Debt/Equity (%)	28.6	36.6	36.2	37.9	**57.1**
Debt/EBITDA (times)	1.1	1.5	1.8	2.1	**3.9**
SHARE STATISTICS					
Basic earnings per share (sen)[1]	60.89	68.96	61.49	55.50	**37.68**
Net dividend per share (sen)	30.00	35.00	34.00	36.00	**25.00**
Net assets per share attributable to owners of the Company (RM)	4.00	4.33	4.51	4.71	**4.92**

Notes:

The financial results have been restated to exclude the discontinued operations

[1] Basic earnings per share has been restated for the effects of the Dividend Reinvestment Plan

PEOPLE

Sime Darby is committed to contributing to a better society and delivering sustainable development in all areas of our operations. The Group strives to meet the needs, positively impact and protect the rights of our diverse range of stakeholders, which amongst others include our employees and the local communities where we operate. Sime Darby provides employment in a socially responsible manner, contributes towards raising the standard of living and assists communities with their needs and concerns. The Group is committed to improving and upholding the rights of all including children and women, improving working conditions, housing and amenities, wages, safety and security, reproductive health and child care as well as preventing gender-based discrimination, sexual harassment and domestic violence.

HUMAN RESOURCE MANAGEMENT

At Sime Darby, we recognise that our employees are our most valuable asset. Hence, our Human Resources strategy and initiatives are focused on making Sime Darby an "Employer of Choice". In line with the Group's strategic growth plans, we have embarked on a five-year journey to holistically transform the Human Resources (HR) function in Sime Darby through a series of initiatives set out in a Board-approved HR Roadmap. This initiative began in 2010 and the three primary objectives of this transformation journey, as set out below, are aligned with the Group's Strategy Blueprint:

(i) to foster strong individual and organisational performance;

(ii) to focus on talent and leadership development; and

(iii) to effectively identify, attract and retain talent.

	Our Target	Our Progress
Phase 1 2010 – 2012	Focused on building the foundation for strategic HR to drive change and improve performance	Completed all the necessary infrastructure and frameworks
Phase 2 2012 – 2014	Institutionalising and enhancing the respective strategic HR frameworks	Rolled out a new performance management and competency framework themed Ensuring Performance Sustainability (EPS) New rewards philosophy aimed at attracting and retaining top talent Structured learning and customised development programmes for different levels of the workforce that are aligned with the Group's business direction. The development programmes cover leadership, technical and personal effectiveness based programmes
Phase 3 2014 onwards	Enhance the HR's Business Partner role through the implementation of strategic HR practices to support the projected growth of the Group and the Divisions.	Ongoing

Group Performance

For the year under review, the Group continued to see improvements in the Global Employee Engagement Survey (GEES) results and has achieved steady progress on its goals under the HR Roadmap.

Our Focus for FY2015	Our Performance for FY2015
Continuous Improvement of Global Employee Engagement Survey (GEES) Results	• The Group annually collects feedback from its employees to measure the overall level of engagement and identify its driver through the GEES. • The overall high response rate at above 90% for the Sime Darby Group in respect of the GEES conducted in 2014 and 2015 indicates high levels of employee interest and willingness to provide feedback to Management. • The Group engagement has been improving year-on-year. In 2015, the engagement level rose slightly to 61%, up 1 percentage point from 60% in 2014. • The annual GEES results have provided the Group with a deeper understanding of the drivers needed to be enhanced to drive improvements in the engagement of employees.
Employee Productivity	• The Group has started to embed workforce analytics in FY2015 for optimisation of its manpower management and planning. Apart from measuring employee contribution against the impact of HR investment, HR metrics are also being used to monitor talent management initiatives such as learning and development programmes and for succession planning and retention purposes.
Succession Planning of Key Positions	• The succession management for L1 (direct reports to the President & Group Chief Executive) and L2 (those reporting to L1) positions was further strengthened in FY2015. 79% of L1 and L2 critical positions have at least one (either ready now or ready near term) successor identified as compared to 66% in FY2014. Identified intervention programmes for succession candidates were implemented as planned to close the gap in successor readiness.
Talent Development and Retention Programmes	• Talent Development and Learning Programmes have been tailored to focus on the preparation of future leaders as well as to ensure high performers and high potentials are retained and engaged. • The Group partnered with Duke Corporate Education, a leading provider in customised Executive Programmes to train high potentials under the Accelerated Leaders' Programme in 2014. Selected senior level talent joined the Programme to sharpen their strategic business and management skills. To-date, 28 senior level Executives are undergoing this customised Programme. • At the Divisional level, industry-specific skills enhancement programmes have been rolled-out to grow the talent pipeline and to increase employee retention.
Implementation of Long Term Incentive Plan (LTIP) to align long term strategic goals to rewards	• As part of the new reward philosophy, LTIP plays a role in driving employee engagement and alignment to the Group's long term strategy. To-date, two grants have been awarded to employees at different levels.

Moving Forward

Our Human Resource Strategy for the next five years supports the Group to deliver on its organisational priorities and to sustain high performance. For HR, the focus moving forward will be targeted on the following four key areas:

Four Key HR Goals

Capable and Engaged Leaders Leaders who are able to influence, motivate and inspire others to excel to their maximum potential.	1	• We will continue to build organisational capabilities and capacity and accelerating the development progress and readiness of our internal talent in order to have a strong pipeline of strategically aligned and competent leaders through various programmes such as Executive Coaching, Peer Coaching, Talent Exchange Programme, on the job experience and informal learning.
Operational Excellence Application of simplified business processes, the right systems and tools towards higher productivity and operational efficiency.	2	• We will establish a more robust HR analytics capability to support better business decisions. • We will continue to lead and coordinate the development and/or review of employment policies and initiatives in line with legislative requirements and operational priorities, ensuring that our policies and procedures are of best practice quality.
Innovative Culture Inculcating a culture that drives the generation and implementation of breakthrough ideas for new products, services, processes and work-paradigms.	3	• We will increase focus on innovation by leveraging on the respective Leadership Development Programmes and building awareness of Diversity & Inclusion (D&I) Framework amongst HR and actively promote D&I in the culture of Sime Darby.
Organisational & Individual High Performance & Growth Strong focus on achieving superior business results, outperforming expectations and attaining sustainable market leadership. People aligned and committed to achieve common goals.	4	We will: • develop framework for differentiated Rewards by Talent Segment/Employee Category • embed a culture of continuous learning • roll out development series for targeted talent segments • embed the Employment Value Proposition in all operating countries • review, re-develop & implement employment policies focusing on international labour standards

OPERATIONAL EXCELLENCE

The Group is focused on reducing its operating cost through improvement of processes and increasing efficiency and excellence within our operations. To achieve this, we employed the Lean Six Sigma (LSS) tool, a business management strategy used to increase revenue and reduce cost by improving the quality of product or services. Methods include the removal of wastages, defects and errors based on a combination of different Six Sigma and Lean tools. The strategy also involves creating groups of people within the business to carry out projects according to a structured methodology in an effort to reach specific financial milestones.

The Sime Darby Group's LSS Blueprint, endorsed by the President & Group Chief Executive (PGCE) in 2013, has a target to achieve a total of RM775 million in accumulated benefits over a period of five years. It has four main key phases:

- **Phase 1 – Establishing Fundamentals**
  Focus on establishing the governance structure, performance indicators, reporting format, training materials and the rewards and recognition plan.
- **Phase 2 – Initiating Capacity Building** Develop people power at various levels and competencies.
- **Phase 3 – Deployment of Skills**
  Deploy the right people for the right project to bring in the benefits.
- **Phase 4 – Sustaining Growth**
  Expand the deployment of LSS throughout Sime Darby and ensuring the sustainability of the LSS framework.

Key milestones achieved so far throughout Sime Darby's LSS journey include:

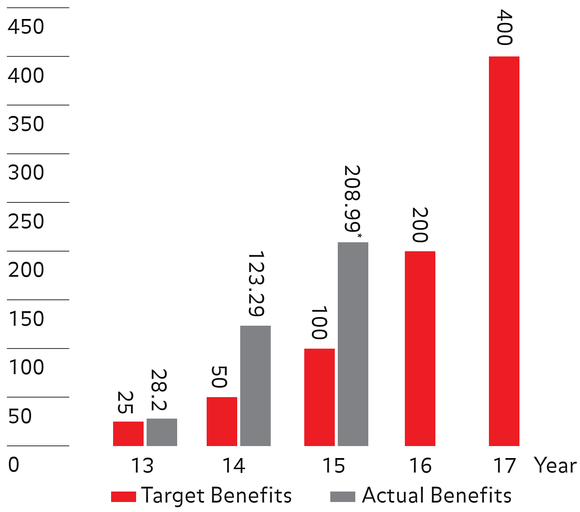
- Engagement at all levels of the organisation from senior management to operations in creating awareness and delivering results.
- Establishment of training materials and execution of capacity building plans.
- Participation in external platforms for increased exposure and recognition.

Group Performance

As of 30 June 2015, RM360.48 million of accumulated harvested benefits have been achieved since the endorsement of the Sime Darby LSS Business Management Strategy in 2013. We are currently on track to achieve our target of RM775 million in accumulated benefits over five years ending FY2017.

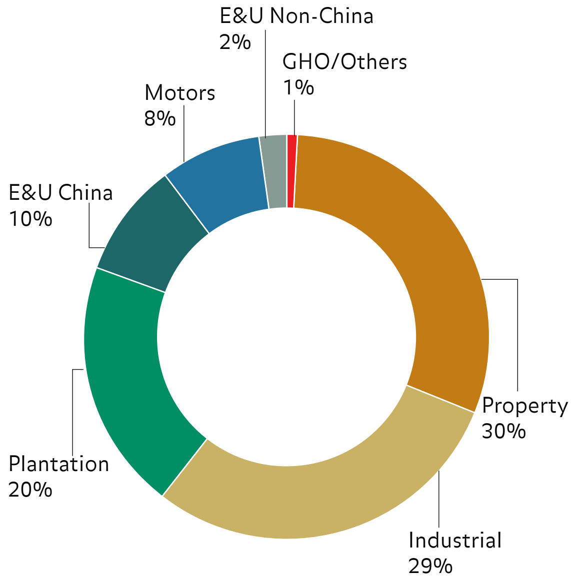
In FY2015, LSS delivered RM208.99 million in actual benefits, exceeding the target of RM100 million for the year. Property and Industrial Divisions are the biggest contributors of savings this year followed by Plantation and Motors Divisions. About 55% of the total savings are harvested from procurement improvement related projects from the Group and Divisional Procurement teams. Procurement projects include Value Engineering initiatives at property development projects, where analysis of furnishing material and function has led to reduction in development costs without compromising the quality of the products.

Actual vs Target Benefits (RMm)



** This Sime Darby LSS data has been independently audited. Read the Independent Assurance Report on page 425.*

Breakdown of Benefits by Division



Key Activities For FY2015

- Developed the Project Benefit Guidelines, a manual for the recognition of LSS Benefits. The guidelines provide a methodology to define and identify the different types of benefits in LSS projects and guidance in the calculation of benefits. The guidelines are used by LSS Champions, Black Belts, Green Belts and Continuous Improvement practitioners across the Group to identify and quantify benefits from their projects.
- 11 Black Belts were externally certified by the American Society for Quality (ASQ), while five Master Black Belts and 25 Black Belts are currently undergoing training. We have also trained over 350 Green Belts and over 400 White Belts across the Group. Introduced last year, a total of 80 Champions have also been successfully trained.

Moving Forward

As the challenges in the operating environment continue to grow, it is imperative that the Group enhances its operations to achieve continuous improvement while realising the maximum financial benefits. We have exceeded our target benefits each year since the inception of the LSS Blueprint and are looking to sustain the momentum for the years ahead. Based on the five year roadmap, we are targeting to achieve RM200 million benefits in the next financial year. Project identification and validation will be discussed at the start of the financial year and we plan to strengthen our capacity by training more Black, Green and White Belts across the Group.

SAFETY & HEALTH

Sime Darby's commitment to the safety & health of its employees, contractors and communities is reflected in the Company's Business and Sustainability Principles, where the Company is working towards its Zero Harm goal through continuous improvement of its systems, processes and culture.

Safety & health management systems are in place at the Group and Divisional levels, with external certification undertaken to comply with the Occupational Health and Safety Assessment Series (OHSAS) 18001 for key facilities identified. The Group-wide Safety Alert messaging system supports the communication and management of safety incidents and the sharing of lessons learnt throughout the business. Sime Darby adopts a risk-based approach to competency and capacity building, targeting key safety issues and promoting a safety culture through active engagement with its employees.

There is fair representation from management and workers in formal joint management-worker safety & health committees. The Group's Malaysian operations comply with the Malaysian Occupational Safety and Health Act (OSHA) requirements to establish Safety & Health Committees (SHC) for operating units with more than 40 employees. The establishment of SHC in other regions varies depending on local regulatory requirements. Topics discussed include safety & health performance, legal compliance, risk management, workplace inspections findings, internal audit (safety & health and environment) report and other safety & health related programmes. The SHC meets on a quarterly basis.

Group Performance

While key safety rate-based measures improved across the Group and the number of major accidents has reduced, the level of incidence of accidents is still unacceptably high and far from our Zero Harm goal.

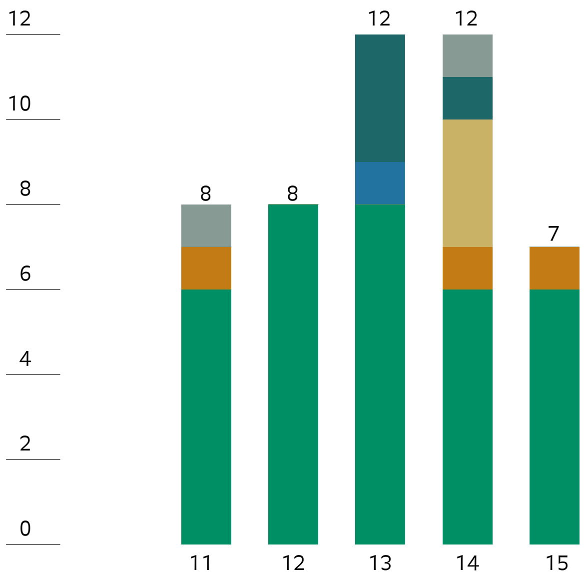
For the year under review, we recorded a total of seven fatalities and nine permanent disabilities, even though the fatality rate, number of accidents and number of lost days has decreased compared to the previous year. An analysis of the major accident cases showed that being caught in between moving objects and falling objects as well as projectile hazards have been the Group's main operational risks, unlike last year where transportation and mechanical hazards predominated. The Group continues to monitor and identify the major risk areas and put in relevant risk controls and mitigation actions for these areas.

There has been a marginal increase in the Lost Time Injury Frequency Rate in this year, which is primarily due to the improved reporting and data capture processes being implemented on the ground. The Sustainability Management System implemented enables better notification on incidents, while improved maturity and awareness on the ground has led to an increase in the number of incidents being reported, which now also include occupational related diseases.

Near miss reporting continues to be monitored and promoted across the Group. The total number of near miss incidents reported has been showing a positive trend for the past three financial years. In FY2015, 186 near miss incidents were reported, an increase of 13% compared to FY2014, but is below our target of 30% improvement. The Group will continue to implement measures to improve awareness and acceptance of near miss reporting within our operations.

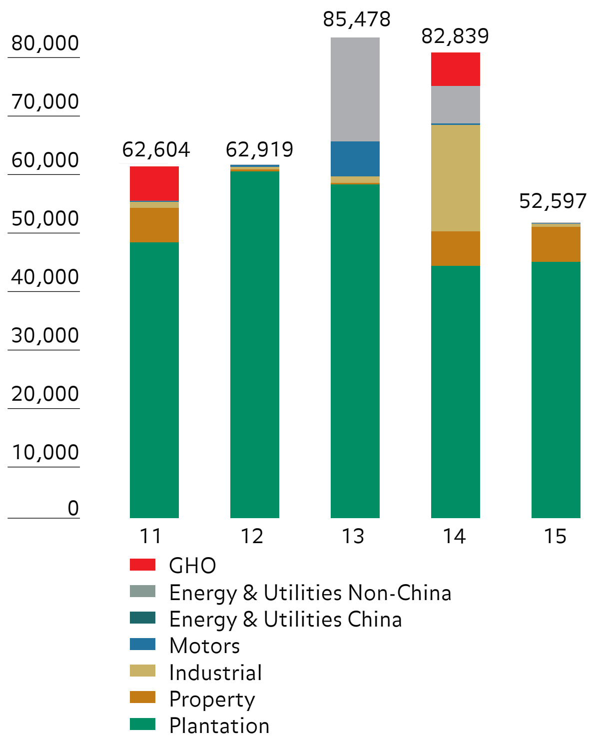
Please refer to our Divisional Operations Review on pages 70 to 121 for more information on the Safety & Health performance of our Divisions.

Number of Fatalities by Division

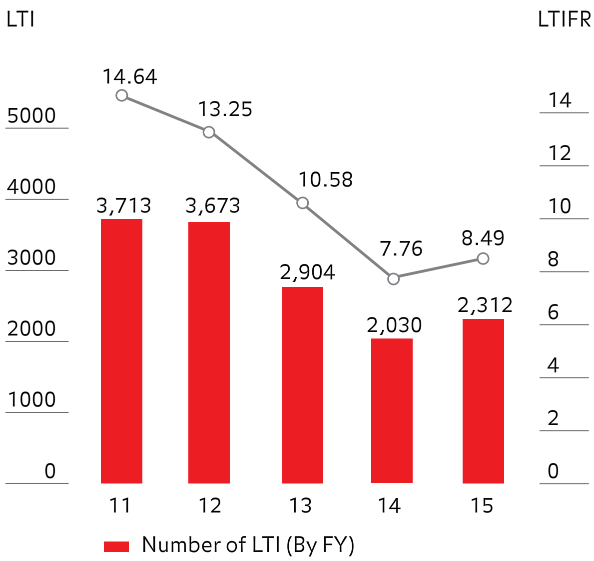


	11	12	13	14	15
E&U Non-China	1	0	0	1	0
E&U China	0	0	3	1	0
Motors	0	0	1	0	0
Industrial	0	0	0	3	0
Property	1	0	0	1	1
Plantation	6	8	8	6	6

Number of Lost Days by Division



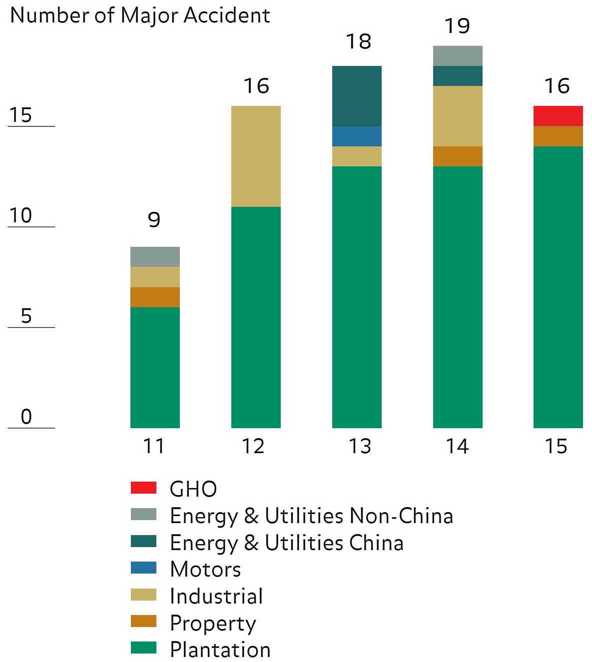
Group - LTI and LTIFR



Notes:

1. Lost Time Injury Frequency Rate (LTIFR)
   The total number of lost time injuries (fatality + lost work day cases) per 1,000,000 hours worked.

Number of Major Accidents by Division



Safety Performance Indicators	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Incident Rate (IR) Number of incidents per 1,000 employees	46.96	45.11	38.05	30.75	31.76*
Frequency Rate (FR) Number of incidents per 1,000,000 hours worked	19.32	18.90	16.17	12.78	13.07*
Severity Rate (SR) Number of lost days per 1,000,000 hours worked	246.85	226.98	311.44	316.63	193.13*
Lost Time Injury Frequency Rate (LTIFR) Number of lost time injuries per 1,000,000 hours worked	14.64	13.25	10.58	7.76	8.49
Fatal Accident Rate (FAR) Number of fatalities per 100 million hours worked	3.15	2.89	4.37	4.59	2.57

* These Sime Darby safety & health data has been independently audited. Read the Independent Assurance Report on pages 425 to 426.

Key Activities For FY2015

An independent review of the safety & health practices covering all Divisions has been carried out. Arising from the review, various action plans were identified to further improve the safety & health practices across the Group. These action plans comprised both Group-wide actions which would be implemented across all Divisions such as aligning of KPIs, safety & health related competencies and deploying a series of training programmes as well as Divisional level programmes.

During the year in review, the Group also organised several programmes, aimed at embedding a culture of safety amongst our employees, amongst them:

- Felt Leadership Programmes for senior management. The aim of the Programme was to encourage the demonstration of respect through action for the well-being of employees. The sessions were attended by the senior management from across the Divisions where, at the end of each session, each of the participants were asked to pledge their safety commitments at work and at home.
- Safety & Health Working Group Retreat, to share challenges pertaining to safety & health matters across the Group. This also serves as a platform to brainstorm and review the Safety & Health Blueprint which will then be translated into the Group's Five-Year Strategy.

Moving Forward

The Group believes that engaging all levels of employees is crucial in order to instil a culture of safety & health across the Group. After the successful deployment of the Felt Leadership Programme held this year targeted at senior management, the Group is planning to cascade the programme to middle management and other employees to raise awareness on the importance of having an effective safety & health culture. Various other training programmes are also being deployed to support this objective.

FUNDAMENTAL RIGHTS

Our respect for fundamental human rights is enshrined in our Group Policies and Authorities, which govern all of Sime Darby's operations and our Code of Business Conduct, which outlines the standard of behaviour expected of Sime Darby Directors, employees, counterparts and business partners. Our Sustainability Committee Charter, which guides our Board in fulfilling its oversight responsibilities in relation to the Group's objectives, policies and practices pertaining to sustainability, has explicitly expressed that in all our operations around the world, Sime Darby should uphold fundamental human rights and respect cultures, customs and values in dealing with employees and others who are affected by our activities.

Sime Darby has been a signatory of the United Nations Global Compact (UNGC) since November 2010. We are commited to upholding the ten principles on human rights, labour, environment and anti-corruption and also committed to embed the principles throughout our operations. We have also been a member of the Global Business Initiative (GBI) on Human Rights since 2012. Our aim is to advance the respect for human rights in the business sphere by learning from the member companies from various sectors based all over the world and by sharing examples of good human rights practices.

Equality, Diversity and Inclusion

At Sime Darby, we view equality and diversity as a business imperative and strive to foster an inclusive culture that is reflective of the richly diverse racial and ethnic backgrounds and cultures of the communities where we operate. Women employees make up more than 20% of the Group's total global workforce. For Divisions that are in traditionally male-dominated industries, the challenge of gender bias is one area in which we strive to improve and do better. The Group recognises that women bring much needed skills and experiences to the workplace and this is why we place emphasis on programmes and initiatives that seeks to eliminate biases and give equal rights to all our employees.

The equality, diversity and inclusion initiatives undertaken in FY2015 include:

- Policy on the Prevention of Sexual Harassment at the Workplace

  Recognising the importance of ensuring a safe, conducive and productive working environment, Sime Darby through its Policy on the Prevention of Sexual Harassment at the Workplace, strives to ensure that employees, irrespective of position, gender or race, are treated fairly, with dignity and free from any form of harassment, humiliation and intimidation of a sexual nature.

- Women Grievances

  Established as part of the Group's grievance mechanism, a specially formed unit has been assigned to investigate and receive grievance reports from women, giving them a safe and trusted avenue to channel their concerns.

- Gender Policy at Sime Darby Plantation (SDP)

  While women make up about 23% of employees within the Upstream Operations of our Plantation Division, we are committed to protecting their rights and providing them with equal opportunity and fair treatment, in line with Principle 6 of the Roundtable on Sustainable Palm Oil (RSPO). To that end, SDP established a Gender Policy at the Division, which includes the creation of a Gender Committee specifically to address areas of concern for women. The Gender Committee organises education and awareness programmes to prevent harassment and violence, advancement of women's rights, protection of reproductive health as well as continuous education and skills training. The Committee provides for active participation from all levels of work in all our estates and mills.

  In FY2015, the Committee developed the Gender Committee Handbook, which helped to guide the implementation of activities under the Committee. A defined structure was also introduced for the Committee, allowing it to better influence management issues. Social Worker Executives have been assigned with the responsibility to address specific welfare and social development matters with direct support from senior management. For the year in review, 22 Committees actively conducted engagement initiatives for over 150 women in SDP's estates and mills. Moving forward, the goal is to create a system that is self-sustaining in all our estates and mills in Malaysia, Indonesia and Liberia.

Several programmes were also held during the financial year to support the career development of women employees, including commemorating International Women's Day in March 2015, as a way of acknowledging the contributions of our female employees. Activities held included keynote addresses by inspiring and outstanding women leaders from various fields as well as wellness forums and workshops.

Children's Rights and Business Principles (CRBP)

We realise our businesses have an impact on children's lives through the way we operate, develop products and services and from our ability to exert influence on economic and social development. Understanding this, the Group has committed to the Sime Darby Child Protection Policy in 2010 and supports The United Nations International Children's Emergency Fund (UNICEF) Children's Rights and Business Principles (CRBP), launched in 2012. Guided by the United Nations "Protect, Respect and Remedy" Framework, the Group has conducted trainings to socialise the CRBP and assess the impacts of our business operations. This includes actions to eliminate child labour, protection and safety of children in our facilities, child safe products and services and the support for government and community advocacy efforts. A key element in the implementation process is the monitoring structure through the Child Protection Policy that ensures child rights concerns are to be reported and investigated. To date, 8,120 individuals, including 1,923 children, have been engaged in various children empowerment, protection and well-being awareness initiatives.

Moving forward, the Group envisions that both the Child Protection Policy and CRBP will be embedded throughout our business.

Collective Bargaining Arrangements

We affirm the importance of the right to collective bargaining, which is recognised as an essential element in the fundamental right of freedom of association. In FY2015, the strength of our employees covered by collective bargaining arrangements increased by 74% from FY2014, from approximately 74,000 to 98,000, following the inclusion of New Britain Palm Oil Limited into the Sime Darby Group. Our employees are represented by 48 collective bargaining agreements in nine countries, namely Malaysia, Indonesia, Australia, Singapore, Liberia, Vietnam, South Africa, the Netherlands and recently, Papua New Guinea.

Grievance and Whistle-Blowing Policy

We aim to address any grievance or complaints between the Group and an employee or third party fairly, effectively and locally. Our Grievance Policy provides a framework for non-discriminatory and fair treatment of all cases involving all parties. This includes the lowest organisational management level and/or point of origin. A whistleblowing channel is also available on our corporate website to enable employees and others to anonymously report actual, potential, or suspected wrongdoings without fearing repercussions.

Our Plantation Division has developed its own procedures in handling land disputes and social issues. These procedures are followed as the initial steps in addressing disputes before proceeding with individual issues on a case-to-case basis.

Free Prior and Informed Consent

Sime Darby is committed to gain the Free, Prior and Informed Consent (FPIC) of Project Affected Communities (PAC) and relevant local stakeholders before embarking on any new development in any of its countries of operations. Sime Darby Plantation for example, consults with the PAC, both prior to development and in conducting its activities, in order to ensure that all members of an affected community are able to participate and are given ample time to respond to. Sime Darby Plantation will not proceed with development in an area where the leaders and the community have not given their express approval. Local communities including indigenous groups and minority groups must give their consent before any kind of development or entry takes place. To ensure the consent is fully informed, such communities should be encouraged, with the help of NGOs if necessary, to enlist the help of local lawyers who can best explain the position and its implications. This will facilitate a subsequent consensus on outcomes such as compensation, benefits and legal arrangements on the proposed plantation, with the local community. A new plantation will then be established with participatory monitoring and a grievance resolution mechanism in place.

The Group's FPIC processes are periodically reviewed by independent assessors to ensure they reflect current best practices and are effective. For more information, visit Sime Darby Plantation's website at www.simedarbyplantation.com.

Sustainable Partnership Initiative (SPI)

Sime Darby also strongly believes local community engagement and partnership is fundamental to the success of our operations. In 2013, Sime Darby Plantation Liberia (SDPL), in collaboration with Green Advocates, a local NGO, launched the Sustainable Partnership Initiative (SPI), a multi-stakeholder platform involving local communities, civil society organisations, government and its agencies, international organisations and academic institutions, working together to provide SDPL and the local communities in the area of its operation with guidance on social and environmental issues. The SPI has brought together PAC leadership representatives, SDPL, civil society organisations, the Government of Liberia and international development institutions such as the World Bank, International Finance Corporation, the United Nations Mission in Liberia and the European Union delegation to Liberia. SPI's ultimate objective is to develop a new, sustainable model for large scale plantation development in Liberia.

Experience gained and lessons learn by SPI will inform the industry and Government of Liberia on what needs to be done policy-wise to make the oil palm industry in Liberia more sustainable and successful, both in terms of its profitability and the benefits that will accrue to the local communities and the country as a whole.

Social & Humanity Management Policy

In January 2015, the Managing Director of Plantation Division endorsed the Social & Humanity Management Policy which outlines Sime Darby's belief in developing our business with a sense of humanity, while ensuring that our businesses operate in a way that is socially beneficial and does not infringe on basic human rights. In fulfilling this commitment, Sime Darby Plantation shall respect and give fair treatment in accordance with the rights of employees for the mutual benefits of the company and the employees; shall prevent sexual harassment and other forms of violence against women and protect their reproductive rights;

enhance employees' work skills and competencies by providing trainings, exposure and experience; safeguard our operations from employing forced labour and child labour; ensure the attainment of free, prior and informed consent in new land development. To complement the above statements, our Operational Policies on Social, Gender and Child Protection have been established to guide our operations.

More information on the policy and Sime Darby practices within the Plantation Division can be found on the Sime Darby Plantations website at www.simedarbyplantation.com.

Moving Forward

As we continue to grow our business, we will ensure that we operate in a responsible manner, respecting the principles of human rights and ensuring prosperity is shared together with the communities affected by our operations and society at large.

Moving forward, we will be looking to enhance our practices to ensure a more holistic approach is taken around Human Rights and ensuring we shift towards being a more inclusive business with the diverse range of stakeholders that we touch throughout our operations.

SOCIAL ASSISTANCE

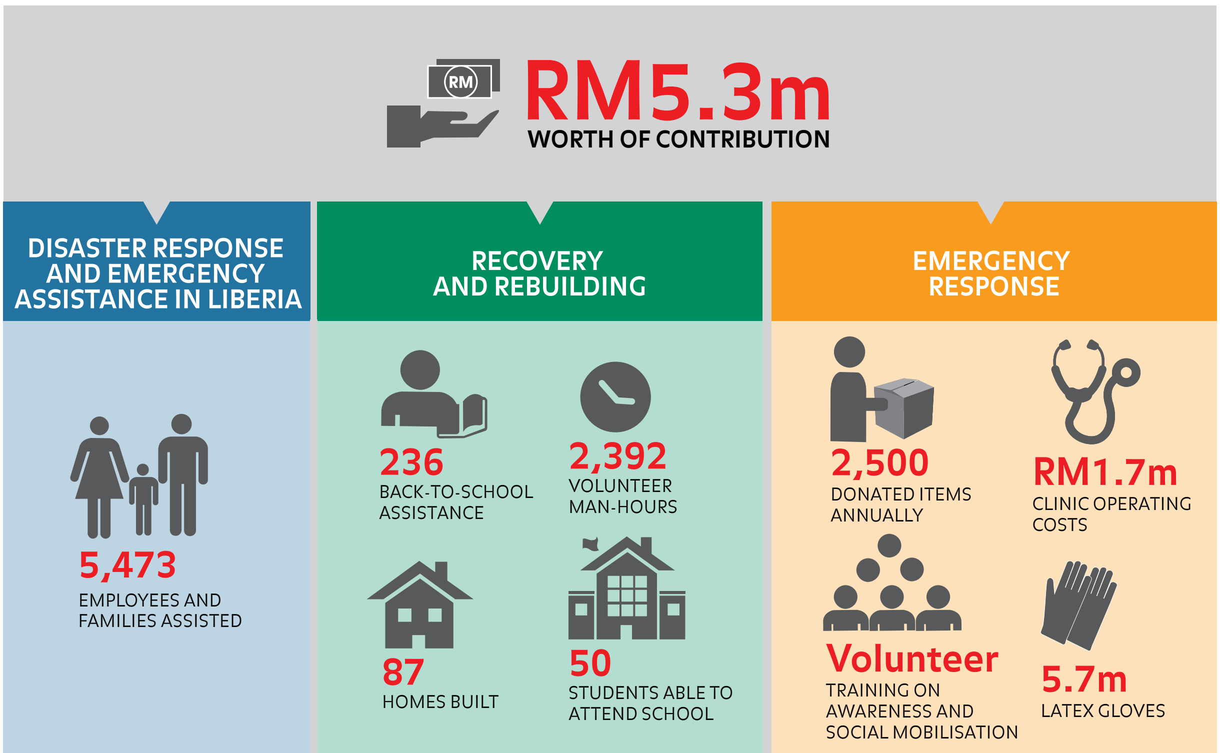
Disaster Response and Emergency Assistance

In FY2015, the Group has expanded its humanitarian assistance from Malaysia to Liberia and Nepal. The assistance was supported through the International Federation of Red Cross and Red Crescent Societies for the West Africas Ebola Outbreak and MERCY Malaysia for the Nepal Earthquake and Malaysia's East Coast floods. Over RM5.3 million was donated in the form of cash, food aid, temporary shelters, medical aid, hygiene kits and volunteer assistance.

Volunteerism

The Sime Darby Volunteers Programme (SDVP) started in 2010 with the objective to increase employees' esprit de corps, foster teamwork and enhance employee engagement. Initiatives are designed to leverage and match wherever possible, volunteers' skills and preferences with projects developed based on feedback, interests, stakeholder needs and the Sime Darby Group's areas of expertise.

This includes a wide range of volunteering effort across the globe, ranging from assisting the community, to efforts that promote the protection and conservation of the environment.



In FY2015, 21 projects were implemented with a total of 5,555 volunteer hours contributed by 899 volunteers. The volunteerism programme recorded a cumulative total of 113 projects with 19,088 hours spent by 2,784 volunteers since 2011. For more information on our volunteerism, please go to our website at www.volunteer.simedarby.com.

Social Investment and Assistance

Our work with communities involves understanding local needs and finding solutions that can address social or economic issues pertinent to our business. We aim to support the development of societies by providing them with basic necessities, local job opportunities, skills and education as well as investments in community programmes that improve living conditions.

In FY2015, we continued to find solutions to improve the socio-economic well-being of society through investments in inclusive business initiatives. Our smallholders programme in Indonesia has benefited more than 25,000 plantation farmers who receive technical assistance, advice and access to the palm oil market. In Liberia, 453 Project Affected Communities (PAC) farmers continue to receive technical assistance and seeds to set up rice, corn and vegetable plots on land adjacent to their village.

Our business presence also allows us to assist in infrastructure development and improvements in community facilities. Over 300 child care facilities and schools have been built and supported in the communities surrounding our operations. Investments in our estates are made to improve housing and basic facilities such as clinics, schools, sundry shops and recreational facilities. Houses of worship are provided to our workers, their families and surrounding communities.

Through our Foundation, we strive to assist communities in areas where we operate and collaborate with civil society to help improve living conditions. We leverage on our core business to assist societies in achieving their sustainable development goals. Some of our key achievements for FY2015 are:

- **Global Partnership for Development**
  406 NGOs and community groups.
- **Eradicating Extreme Poverty and Hunger**
  7,015 provided with food and shelter.
- **Empowering Women and Children**
  1,209 involved in trainings and workshops.
- **Access to Universal Education**
  18,467 children benefited with access to education via schools and other educational facilities within our communities.
- **Ensuring Environment Sustainability**
  10,121 initiatives to reduce environmental impact.
- **Promoting Global Health**
  13,198 organisations and individuals benefited with access.

Read more on this in our Yayasan Sime Darby Annual Report 2015 for more information.

AWARDS & ACCOLADES

As a testament to the success of our programmes, initiatives and strategy, the Group has received several recognitions for our People strategies in FY2015.

In terms of Human Resource Management, we received the following recognition:

- The 2014 Global Aon Hewitt Top Company for Leaders Award.

  The Aon Hewitt Top Companies for Leaders study evaluates and recognises what it takes to execute best-in-class leadership and talent management around the world. Winners were selected and ranked by a panel of independent judges using a number of criteria, including strength of leadership practices and culture, examples of leader development on a global scale, alignment of business and leadership strategy, business performance and company reputation.
- The South East Asia Aon Hewitt Top Company for Leaders Award for 2014.
- Best Employers Malaysia 2015 for Sime Darby Property Berhad from Aon Hewitt.
- 2014 Silver Award for Excellence in Leadership Development and 2014 Bronze for Excellence in Compensation & Benefit Strategy from the Human Resources Magazine.

We have also received recognition for our LSS initiatives, including:

- ASQ World Conference on Quality and Improvement.

  Sime Darby Biodiesel was selected as a finalist. The team was the only finalist from Malaysia among 40 finalists from 13 countries competing for the ASQ Gold, Silver and Bronze level awards. The presenting team presented their Six Sigma project on the reduction of methanol consumption for the transesterification process in the plant.

- Permodalan Nasional Berhad (PNB) Quality Award Competition 2014 .

  Sime Darby emerged as the champion for the fourth year in a row. The winning project this year is Kilang Kelapa Sawit Sungai Dingin which achieved a reduction of empty fruit bunch (EFB) press oil loss. This initiative has been successfully replicated at the Chersonese Oil Mill and can be further replicated at all Oil Mills across Sime Darby Plantation.

For Safety & Health, our Plantation Division received two Gold awards from the Malaysia Society of Safety and Health (MSOSH) 2014. MSOSH performance awards are intended to recognise members that have achieved commendable safety & health records and/or have shown improvement in occupational safety & health processes through sound safety & health management systems. We aim to achieve more awards for our OUs next year with higher categories; namely Platinum, Grand and Gold Merit.

The year also saw some of our talent's achievement being broadly recognised in a wide variety of fields. Among these talent achievements are:

Tan Sri Dato' Seri Abd Wahab Maskan Property Division's Managing Director and Group Chief Operating Officer,	• Malaysia's Real Estate Personality of the Year at the South East Asia Property Awards (SEAPA) held in August 2014.
Datuk Tong Poh Keow Group Chief Financial Officer	• Best CFO in Malaysia for the third consecutive year by Hong Kong-based magazine Alpha Southeast Asia on 1 July 2015. • Best CFO for Investor Relations (Large Capital) at the MIRA Awards 2014.
Ms Choo Suit Mae Group General Counsel	• Named by The Asian Lawyers as In-House Counsel of Distinction, Emerging Markets 2014. • Asian Legal Business Southeast Asia In-House Lawyer of the Year award in 2014.
Sime Darby Group Legal Team	• Malaysia In-House Team of the Year Award at the 2015 Asian Legal Business Law Awards. • Listed as one of the top 25 in-house legal teams in Asia by the Asian Legal Business magazine. • Commended in the Financial Times Asia Pacific Innovative Lawyers Report (in-house legal team category) in 2015.
Mr Benjamin Poh Chee Fong Vice President of Investor Relations	• Best Investor Relations Professional Award for the second time at the Malaysian Investor Relations Awards (MIRA) 2015.
Mr Azman Shah Mohamed Noor Head of Quality & Lean Six Sigma, Group Sustainability & Quality Management	• The prestigious Edwards Medal by the American Society for Quality at the organisation's Annual World Conference on Quality & Improvement held in Tennessee, United States of America in May 2015.

ENVIRONMENT

GROUP CARBON MANAGEMENT REVIEW

Introduction

As part of our overall sustainability goals to minimise our environmental harm, we recognise the increasing global focus on carbon emissions from the sectors in which Sime Darby participates in, particularly emissions from the agriculture sector. Our environmental impact has been identified as one of the material issues faced by the organisation and we believe that all our businesses have a role in identifying opportunities to create value, reduce emissions and address how their operations contribute to minimising climate change.

The ongoing measurement and monitoring of the Group's carbon footprint since 2012 enables the Group to manage our emissions, towards our goals in limiting the environmental risk posed by our operations and in meeting the expectations of our wide range of stakeholders. Sime Darby's carbon inventory is prepared on a calendar year basis, so its most current data included in this Report is for the period 1 January – 31 December 2014.

Our Plantation Division contributes towards the majority of the Group's carbon emissions and our carbon strategy at this point in time focuses on reducing the carbon emission intensity of the Division. The Group has a primary target of achieving 40% reduction of our Plantation Upstream emissions intensity by 2020 against our 2009 baseline.

The Sustainability Management System (SMS) continues to be the platform for data collection, data consolidation and report generation for Sime Darby carbon management. This year, further integration between the SMS and Plantation Division's management systems have progressed, where once completed, actual Palm Oil Mill Effluent (POME) and Chemical Oxygen Demand (COD) values will be used, which will improve accuracy of the carbon data. Monitoring and measurement of the actual values of carbon emissions from the majority of sale operations in Motors Division have also begun this year which led to increased accuracy of the Division's emissions.

The carbon emissions calculation currently do not include emissions from land use conversion and carbon sequestration from growth of oil palm trees as the methodology around this area is still under evaluation. However, once they are included, the total emissions of the Group may differ significantly and will require a re-statement of the carbon baseline. Sime Darby plans to include the calculations in its public reporting once evaluations on the appropriate methodology to be adopted have been finalised.

Group Performance

In 2014[1], the Group emitted 2.60 million* tonnes of carbon dioxide equivalent (tCO_2-e); 2.30 million tCO_2-e of Scope One emissions and 0.30 million tCO_2-e of Scope Two emissions[2]. The Group's total carbon emissions increased 2.6% from the previous year, mainly due to the organic growth of the organisation.

The disposal of the Power Business in our Energy & Utilities Division in FY2015 resulted in a restatement of our Group's baseline inventory from 2009, which brought about a 1.08 million tCO_2-e reduction as emissions from power generation contributed to 29.7% of overall Group's emissions in the previous year. Following the restatement, our Plantation Division now contributes 92.8% of total Group emissions in 2014 as compared to 64.3% in 2013. The Plantation Division's overall emissions have slightly increased this year. However, the increase in mainly due to the increased accuracy of the calculations of the emissions from the wastewater treatment.

Total energy consumption within the Group in 2014 was 27.81 million GJ, which is a decrease of 14.7% as compared to 2013, mainly contributed by the reduction in demand for steam generation in the boilers using biomass. The production of steam in boilers, which are mainly located at all mills across our Plantation Division, remain as the main energy requirement for the Group which accounted for 81.4% of total energy consumption. However, the Group continues to source the majority (95.1%) of energy required for these boilers from renewable sources, i.e. biomass (palm kernel shell and fibre). It is estimated that an additional 1.77 million tCO_2-e would be emitted if diesel was used in the boilers instead.

40% reduction target of Plantation Upstream emissions intensity by 2020, achieved 6% reduction as of 2014

2.60mil* tonnes of CO2-e in 2014 as compared to 2.54 million tonnes in 2013

81.4% of total Group energy consumption from renewable sources in calendar year 2014

* This carbon data has been independently verified. Read the Independent Assurance Report on page 425.

Activities This Year

Given the significance of methane from POME treatment to the overall emissions (64.0% of total Group emissions), the Plantation Division is focusing efforts on methane capture through biogas projects and methane avoidance through composting initiatives. The Plantation Division has continued to operate a methane capture plant at the Tennamaram Oil Mill to capture methane released from POME treatment. Works on methane capture and biogas power plants at nine other mills across Malaysia and Indonesia are at various stages of development and they will be implemented progressively to achieve our carbon reduction target.

POME and Empty Fruit Bunches (EFB) are also utilised to produce organic fertiliser for the oil palm estates at our 22 composting plants across Malaysia which has enabled the Group to avoid 0.18 million tCO_2-e from being emitted to the atmosphere in 2014.

Refineries in the Plantation Division have begun to use purchased electricity and cleaner fuel sources such as natural gas instead of medium fuel oil (MFO) as an energy source for boilers. Such an initiative has been implemented across certain refineries including the Nuri Palm Oil Refinery in Port Klang and it has contributed to the reduction of the carbon emission from boilers for the downstream operations.

<u>High Carbon Stock Study</u>

The High Carbon Stock (HCS) study, is a key commitment in the Sustainable Palm Oil Manifesto, of which Sime Darby Plantation is a signatory. It aims to clearly define what constitutes HCS forest and establish HCS thresholds that takes into account not only environmental concerns, but also socio-economic in developing and emerging economies. The study will take a wide-ranging and practical approach, using robust scientific methods to examine four key areas, namely biomass, soil carbon, remote sensing and socio economic factors. 50 scientific experts have been appointed to undertake the study, which aims to provide:

- A definition of HCS forests that is based on the level of net GHG emissions from biomass and soils resulting from their conversion to oil palm plantations;
- A practical method for identifying and delineating (mapping) these HCS forests on the ground; and
- Guidance on how to accommodate the rights and livelihoods of local communities and indigenous peoples when implementing a future HCS approach to land use planning.

A draft Synthesis Report was made available for public consultation in June 2015. All comments received on the draft are being considered in revising the final Synthesis Report, which will be publicly available in December 2015.

More details can be found in the website www.carbonstockstudy.com

<u>Conservation Efforts</u>

As part of our efforts to minimise environmental harm, Sime Darby is also involved in a wide range of activities around tree planting and forest research throughout our operations and via our Foundation, Yayasan Sime Darby.

Yayasan Sime Darby also supports a research on Stability of Altered Forest Ecosystems (SAFE) which is led by the Royal Society Southeast Asia Rainforest Research Programme. It is one of the largest ecological experiments in the world and located in the Borneo Rainforest. It aims to make major contributions to sustainable plantation management (including oil palm) and conservation of biodiversity in agricultural landscapes.

As part of our Group-Wide Tree Planting initiative, the Group has a target of planting 1 million trees across the Group by 2020. Since June 2011, the Group has planted a total of 820, 664 trees to date, which range from Endangered, Rare and Threatened (ERT) species, to various fruit trees being planted at various townships under our development. Sime Darby also operates a nursery in Jentar Estate, Pahang since September 2013, which breeds ERT forest tree species as part of our initiative to conserve and enhance our set aside areas including river buffer zones and steep slopes, amongst others. To date, the nursery houses almost 48,000 seedlings comprising of 47 species. Out of the total, 25 species are ERT whilst another 22 are forest trees which are endemic to the adjacent Krau Wildlife Reserve in Pahang.

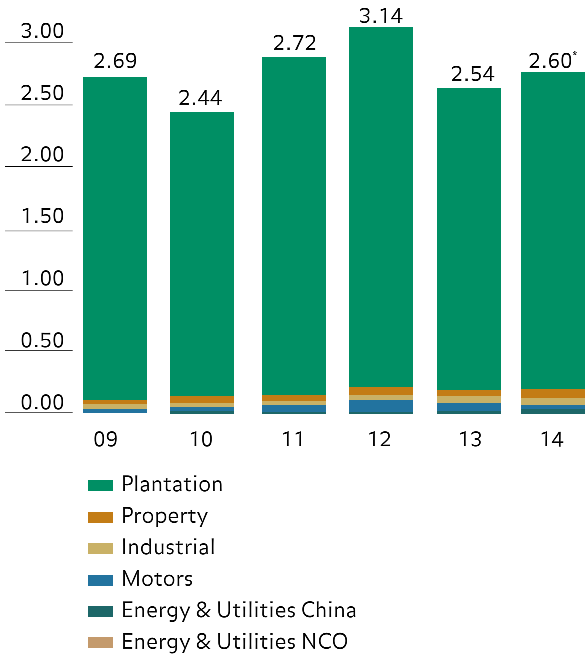
[1] Sime Darby's carbon inventory is prepared on a calendar year basis, so its most current data included in this Report is for the period 1 January – 31 December 2014.
[2] For more details on Scope One and Scope Two definition, please refer to www.ghgprotocol.org.

Moving Forward

We strive to continuously improve on the management of our carbon emissions across the Group. Moving forward, we plan to further expand the scope of our reporting by including in the beginning of next year our operations in Liberia and also to include emissions from our operations from NBPOL which was acquired in FY2015. We expect to see significant carbon reduction once the biogas plants are in operation and we are continuously looking at further opportunities for carbon emission reduction throughout our operations.

Sime Darby Group Total Carbon Emissions

(millions tCO_2-e)

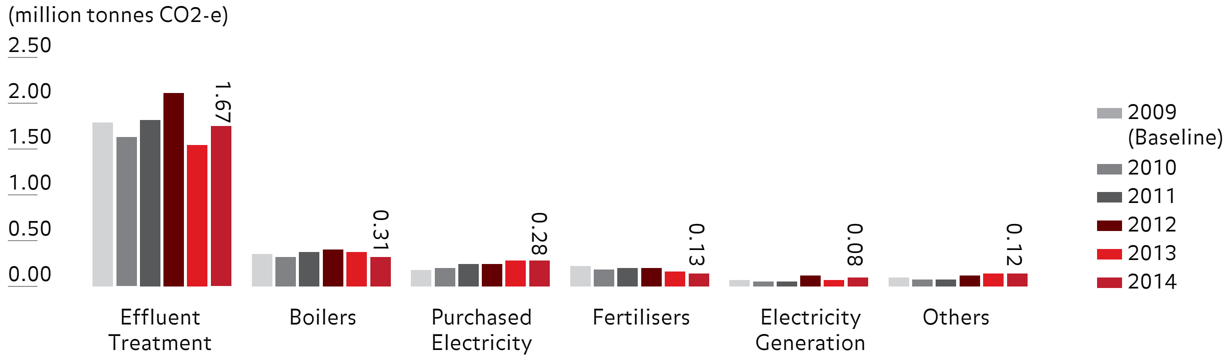


Sime Darby Group Carbon Emissions Intensities

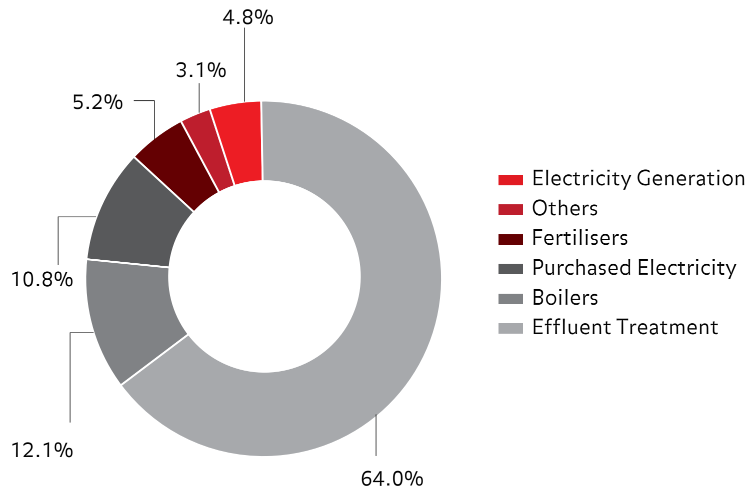
	Intensity Unit	2009 (Baseline)	2010	2011	2012	2013	2014	2020 (Target)	2020 (Target %)
Plantation Upstream	Emission intensity tCO_2-e/MT Crude Palm Oil	1.06	1.04	1.03	1.01	0.94	1.00*	0.64	40
Plantation Downstream	Emission intensity tCO_2-e/10 MT refined product	0.85	0.82	0.79	1.01	1.08	0.92	0.77	10
Property	tCO_2-e/100m^2 areas	1.38	1.64	1.12	1.64	2.14	1.62	1.27	8
Industrial	tCO_2-e/1,000 work hours	2.7	2.45	2.37	2.7	2.16	2.24	2.05	24
Motors Assembly	tCO_2-e/unit vehicles assembled	0.47	0.37	0.51	0.45	0.55	0.66	Incremental reduction[3]	
Energy & Utilities China	To be restated[4]								
Energy & Utilities NCO									

* This carbon data has been independently verified. Read the Independent Assurance Report on page 425.

Sime Darby Group Top 5 Emission Sources



Sime Darby Group Top 5 Emission Sources in 2014 (in million tonnes CO_2-e)

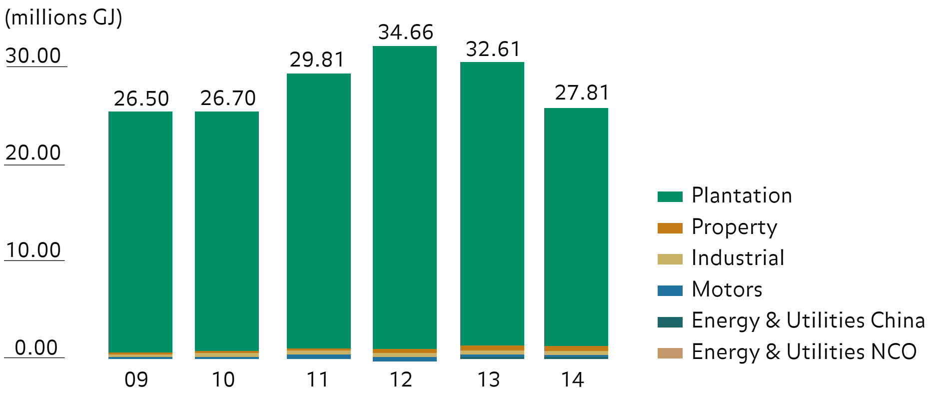


* This carbon data has been independently verified. Read the Independent Assurance Report on page 425.

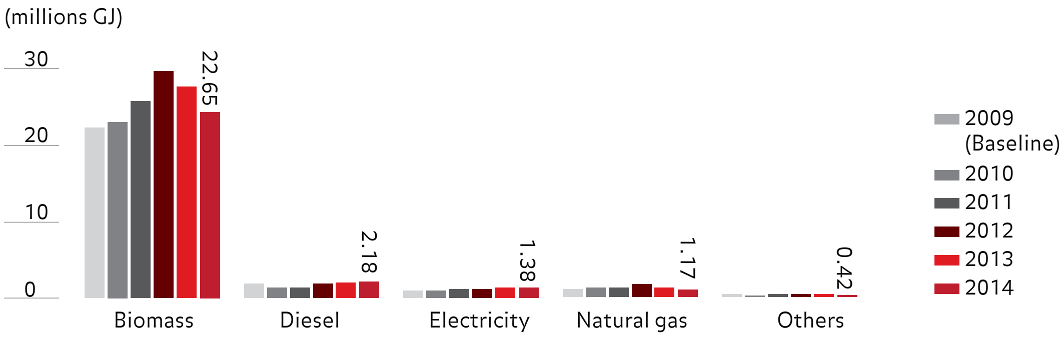
[3] Incremental carbon reduction targets set for Motors is due to the nature of their operations and their current intensities, which have been found to have limited opportunities for reduction at this point in time. Sime Darby's carbon reduction strategy currently focuses on its Plantation Division which contributes the majority of the Group's carbon emissions.

[4] Emissions intensity baseline and reduction target for Energy & Utilities will be restated due to disposal of its Power Business Unit.

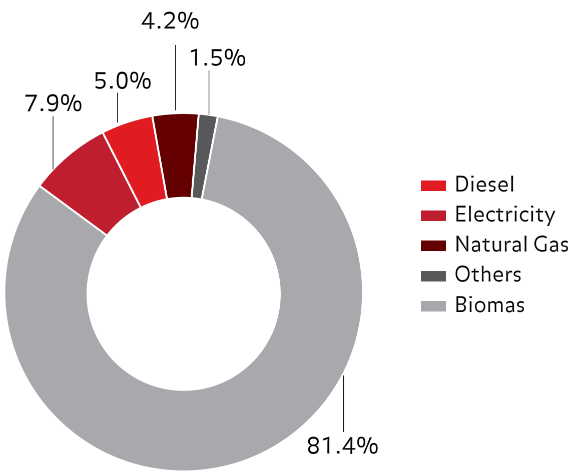
Sime Darby Group Total Energy Consumption



Sime Darby Group Breakdown of Energy Consumption by Fuel Type



Sime Darby Group Breakdown of Energy Consumption by Fuel Type (in million GJ)



SUSTAINABLE THOUGHT LEADERSHIP

SUSTAINABLE THOUGHT LEADERSHIP

Sustainability issues are complex, inter-connected and continually evolving. Each passing year results in the incremental unraveling of the causes and impacts of these issues and the subsequent improvements in actions to deal with them. Sime Darby contributes to this process of continuous improvement by learning and sharing sector expertise in multi-stakeholder platforms, as well as, innovating new approaches.

KEY HIGHLIGHTS THIS YEAR

In September 2014, Sime Darby, alongside over 150 countries, sub-national governments, companies, indigenous people's organisations and non-governmental organisations, signed the New York Declaration on Forests during the United Nations Climate Summit 2014. Sime Darby is the only Malaysian entity to endorse this global timeline to cut natural forest loss in half by 2020 and strive to end it by 2030. The New York Declaration on Forests is a non-legally binding political declaration that grew out of dialogue among governments, companies and civil society.

As a signatory to the New York Declaration on Forests, Sime Darby reaffirms its commitment to curb forest loss. This resonates strongly with practices employed by the Group on the ground and current initiatives to strengthen the tools for the responsible development of agricultural land. In particular, the High Carbon Stock (HCS) Study, which aims to develop a practical method to identify forests that have the potential to release significant amounts of greenhouse gas emissions during conversion. The HCS Study also seeks to provide guidance on how to accommodate the rights and livelihoods of local communities and indigenous peoples when incorporating HCS in land use planning. The methods proposed in the HCS Study are to be used in conjunction with other established tools, such as High Conservation Value assessments and Free, Prior and Informed Consent, which seek to protect rare, threatened and endangered species, important ecological landscapes, critical ecosystem services, areas needed for community livelihoods and cultural identity and native customary rights to land.

The HCS Study is expected to be completed by the end of 2015. More information can be found at www.carbonstockstudy.com.

The UN Climate Summit 2014 also saw the launch of the UN Food and Agriculture Business Principles (FABP). The FABP is a voluntary framework that companies in the food and agriculture industry can adopt to meet food security and sustainability challenges more effectively. Sime Darby was a Core Advisory and Steering Group member of the United Nations Global Compact's (UNGC) "Voluntary Business Principles for Sustainable Agriculture" process, which developed the FABP.

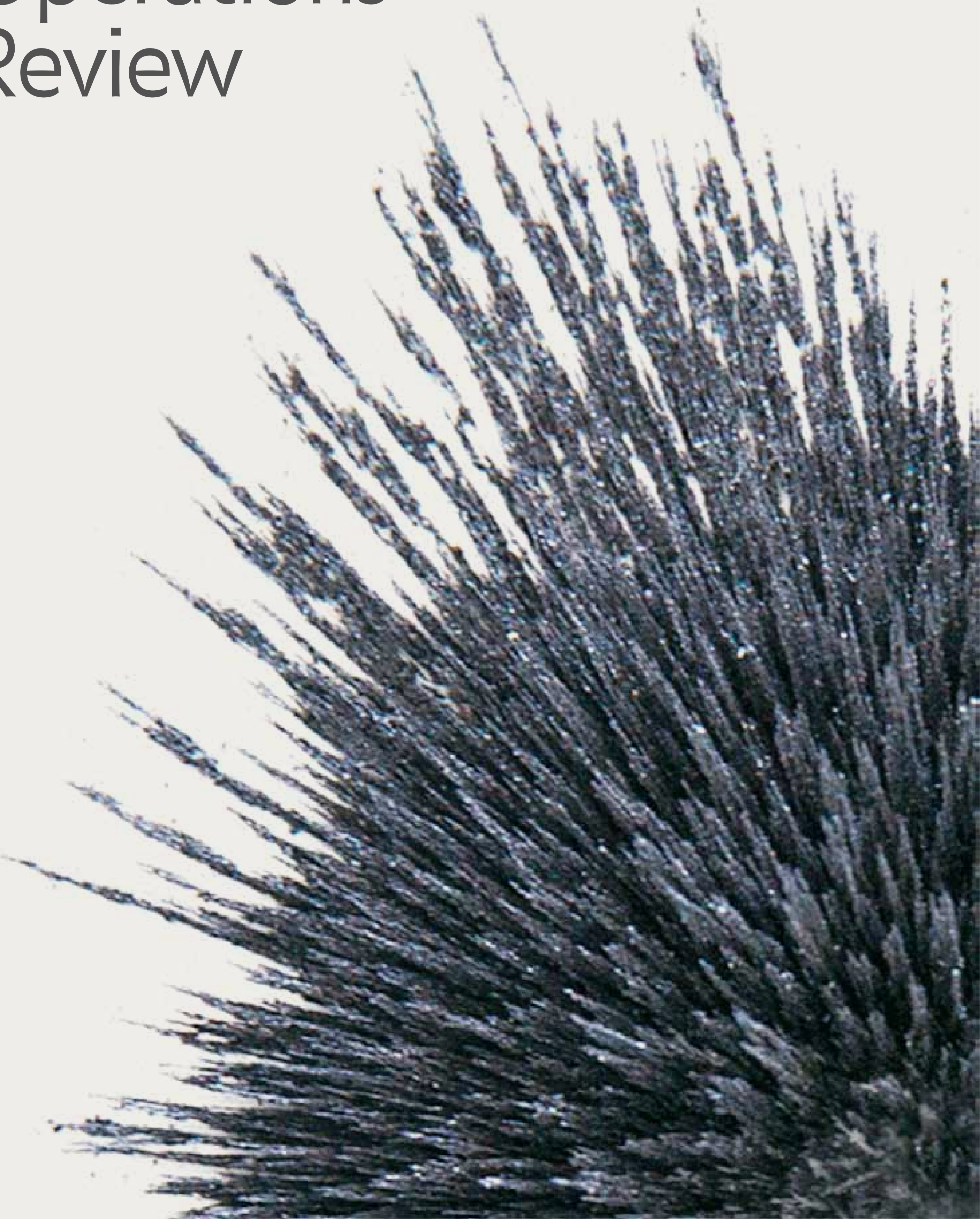
Sime Darby is an active member of the following global organisations:

Association	Membership Status	Progress For FY2015
Roundtable on Sustainable Palm Oil (RSPO)	• Founding member (Ordinary member) • Relinquished Executive Board seat (representing the Malaysian Palm Oil Association)	• Participated in various Standing Committees, Working Groups and Task Forces: – Member and Secretariat for the taskforce to undertake the Malaysian National Interpretation (MYNI) review of the RSPO Principles and Criteria – Steering Committee member for the Liberian RSPO National Technical Working Group – RSPO Complaints and Grievance Panel – Dispute Settlement Facility Panel – Human Rights Working Group – Communications and Claims Standing Committee – FFB Traceability and Legality Working Group – Emission Reduction Working Group – Biodiversity and High Conservation Value (HCV) Working Group Compensation Task Force – Certified Sustainable Palm Kernel Oil (CSPKO) Working Group for Etrace – RSPO Innovation Laboratory
High Carbon Stock (HCS) Study and Sustainable Palm Oil Manifesto	• Signatory of the Sustainable Palm Oil Manifesto and Steering Committee member of the High Carbon Stock Study	• Sime Darby halted all new oil palm development, in September 2014 until the HSC study is completed • A draft Synthesis Report was released for public consultation in June 2015
World Economic Forum	• Partner of the World Economic Forum since 2015	• Participated in the World Economic Forum Africa 2015 and Grow Africa Forum in Cape Town, South Africa in June 2015 • Participated in the Regional Business Council in Africa in June 2015
World Business Council for Sustainable Development (WBCSD)	• Member of the Executive Committee of the Business Council for Sustainability & Responsibility Malaysia (BCSRM), the Malaysian network partner of the WBCSD	• Participated in WBCSD Liaison Delegate meeting in April 2015, Switzerland and involved in the WBCSD's Ecosystems & Landscape Management Cluster • Participated in the Energy Efficiency in Buildings (EEB) Laboratory's Kick-off Meeting in January 2015, Singapore
New York Declaration of Forests	• Signatory	• Sime Darby adopts HCV assesment for all new oil palm development • Partnered with several other palm oil companies to commission a HCS study • Sime Darby halted all new oil palm development, in September 2014 until the HSC study is completed
United Nations Global Compact	• Core Advisory and Steering Group member of the "Voluntary Business Principles for Sustainable Agriculture Process"	• The Food and Agriculture Business Principles was completed and launched by UNGC in September 2014 • Sime Darby's first communication on progress on translating FABs into actions was published in Sime Darby Plantation Sustainability Report 2014

Association	Membership Status	Progress For FY2015
United Nations Children's Fund (UNICEF)	• Member of the Working Group on Children Rights and Business Principles Toolkit	• Participated in UNICEF Executive Board's Country Report for Malaysia
Global Business Initiative (GBI) on Human Rights	• Steering Committee member • Member of the Steering Committee for "Deep Dive Project: Tracking Human Rights Performance"	• Participated in the Conference and Business Roundtable Dialogue held in November 2014 in Jakarta: – "Understanding and Implementing Respect for Human Rights in a Business Context" – A Conference for Leaders – Business Roundtable Dialogue on "Developing a road-map for enhanced business commitment and practice related to human rights and our society" • Participated in the GBI Member Meeting held in April 2015, Washington D.C
Smallholder Acceleration and REDD+ Programme (SHARP)	• Founding member and currently serving on the Executive Board	• Participated in the Consultative Workshop co-organised by SHARP and GROW in June 2014 in Monrovia, Liberia, on Outgrower Models for Liberia Oil Palm Sector
Malaysian Sustainable Palm Oil (MSPO) Standard	• Member of the Technical Working Committee for the development and drafting of the MSPO standards and guidance	• MSPO Standard published

For the full list of corporate memberships please refer to www.simedarby.com.

Divisional Operations Review



PLANTATION

"We are focused on our growth strategies, which has strengthened our position as the world's largest producer of sustainable palm oil. At the same time, we are working towards higher productivity throughout our value chain."

DATUK FRANKI ANTHONY DASS
Managing Director, Plantation Division

Who We Are

The Plantation Division is the largest division in terms of profit contribution in the Sime Darby Group. It is the leading integrated global plantation company with a presence in 18 countries. In March 2015, Sime Darby Plantation strengthened its business presence across the full spectrum of the oil palm value chain through the addition of New Britain Palm Oil Limited (NBPOL) to its portfolio of sustainable palm oil businesses.

Today, the company has a total of one million hectares of landbank strategically spread across a total of five countries. Its Upstream operations involve the cultivation of oil palm, rubber and sugarcane, as well as cattle rearing. It is the largest plantation company in the world in terms of total planted area, with 620,666 hectares in Malaysia, Indonesia, Liberia, Papua New Guinea and Solomon Islands.

Further along the value chain, its Downstream operations are spread across Europe, the Americas and the Asia Pacific region. Its business activities comprise production of oils and fats, oleochemicals, biodiesel, other palm oil derivatives and renewables as well as the sales and marketing of these products. With the recent inclusion of NBPOL, Sime Darby Plantation's total annual refining capacity has increased by 440,000 MT to four million MT.

The Division is also involved in the Midstream segment of the value chain covering trading, marketing and logistics services.

Sime Darby Plantation is the leading producer of Certified Sustainable Palm Oil (CSPO). The company currently contributes 20% of total Global CSPO production. As at FY2015, 98% of its Upstream strategic operating units (comprising feeder estates and mills) are RSPO certified. Sime Darby Plantation also has the capability to supply segregated certified sustainable palm products via three of its refineries located in the United Kingdom, the Netherlands and Malaysia.

The Division is also investing aggressively in Research & Development (R&D) and innovation. With over 250 scientists and researchers, as well as more than 600 supporting staff, the Division is geared towards making significant breakthroughs and innovations that will benefit the industry as a whole.

Our Vision

To be a leading integrated global plantation company

Our Key Markets

China
India
Indonesia
Malaysia
Pakistan
South Africa
Thailand
The Netherlands
United Kingdom
Vietnam

Principal Activities :

- Cultivation of oil palm, rubber, sugarcane and other crops, as well as cattle rearing.
- Production as well as sales and marketing of edible oils and fats , biodiesel and oleochemicals.
- Research and Development with key focus on improved planting materials.

108,630 employees

2014:79,888 employees

The broad green landscape of our Elphil Estate in Perak, Malaysia, which presents a mixture of young palms grown alongside more mature palm trees, is a scenic manifestation of our continuous productivity, high replanting standards, as well as our enduring commitment to sustainability.

Our Key Focus

During the year under review, the Division continued its focus on core growth strategies, leading to the acquisition of NBPOL as part of its expansion plans while focusing on operational excellence throughout its value chain.

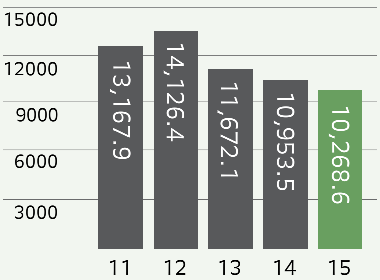
Return on Average Invested Capital (ROAIC) (%)

6.0

2014: 13.3

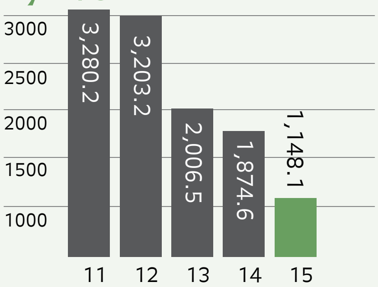
Revenue (RMm)

10,268.6

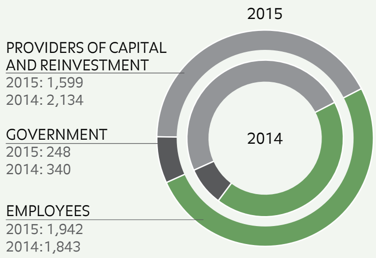


Profit before Interest and Tax (RMm)

1,148.1

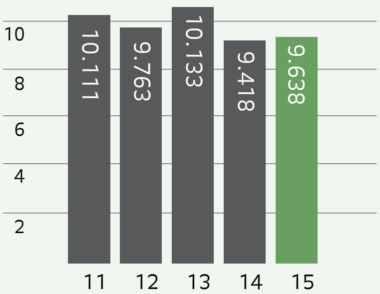


Value Distribution



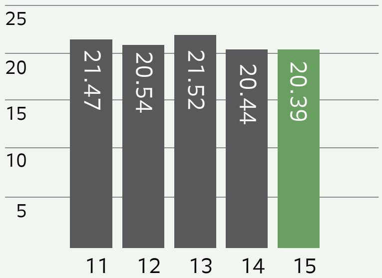
Fresh Fruit Bunch (FFB) Production (mMT)

9.638



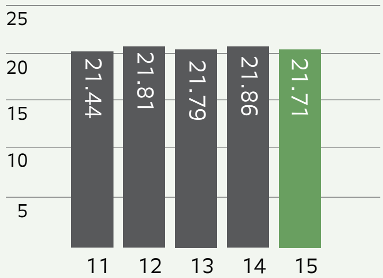
FFB Yield (MT/ha)

20.39



Oil Extraction Rate (OER) (%)

21.71



WEAK PALM OIL PRICE **CONTINUED TO CHALLENGE THE DIVISION'S BUSINESSES**

MARKET & INDUSTRY OVERVIEW

Macroeconomics

The results for FY2015 were achieved under challenging market conditions amidst a bearish global economic landscape that affected all commodity-related business.

Weak palm oil price has continued to challenge the Division's businesses.

The economic slowdown in China has cooled the demands for commodities both domestically and internationally. This along with a global surplus of output in many commodity markets continue to underpin the current market weakness and drive prices down.

FY2015 was a tough year; price volatility in palm oil and rubber, rising production costs, extremes of weather conditions affecting crop production, labour restrictions, regulatory constraints and market pessimism have impacted the Division. These challenges continue to test our resilience as we continuously strive to improve our productivity and operational efficiencies in an innovative manner.

Palm Oil Industry

Crude Palm Oil (CPO) selling prices have been on a downward trend since March 2014, from a peak of RM2,922/MT to levels of around RM2,300/MT by June 2015.

Prices have been impacted by the following:

- Expansion of palm oil inventories:
    - (i) According to the US Department of Agriculture (USDA), global palm oil output is expected to rise 3.2% to 61.45 million MT in the 2014-15 marketing year ending September (59.56 million MT in 2013-14) .
    - (ii) As at June 2015, Malaysia's palm oil stock stood at 2.15 million MT, an increase of 30% against June 2014 (1.66 million MT)
- Bullish supply of Soybean Oil– according to USDA, global soybean production is projected at 319.36 million MT for the current year 2014-15 (September-August), an increase of 36.1 million MT from 2013-14 (283.25 million MT).
- Falling crude oil prices which were hovering around USD50/bbl reduced the viability of biodiesel as an alternative fuel.
- Slow implementation of biodiesel mandates in South East Asia.

There have also been changes to the industry landscape including:

- Revisions in the palm product export tax regime in Indonesia (effective July 2015), which changes the way export taxes are calculated for CPO and other palm products.
- Introduction of the CPO Supporting Fund in Indonesia (effective 16 July 2015), which imposes export levies to fund biodiesel subsidies, replanting and R&D.
- Increase in biodiesel mandates in Indonesia (from 10% to 15%), Malaysia (from 7% to 10% -proposed for implementation by October 2015) and in Thailand (from 5% to 7%) as a way to reduce stockpiles and lend support to CPO prices.
- Sime Darby Plantation, together with several stakeholders in the palm oil industry, have come together to spearhead a comprehensive and independent study on High Carbon Stock (HCS) thresholds and the practical considerations for implementing such thresholds, especially in developing and emerging countries.
    - Updates on the ongoing HCS study (to be finalised by end of 2015) may have a bearing on the Division's expansion developments in the future.The socio-economic impact is still being studied and more of these plans will come to light when the HCS Study report is completed.
- Implementation of Goods and Services Tax in Malaysia (6%) effective 1 April 2015.

The pride and joy of Sime Darby Plantation – Fresh fruit bunches from our oil palm trees, grown and harvested through the best agricultural and sustainable practices.

BUSINESS MODEL

Flexibility in the business model allows the Division to be agile and better withstand an ever-changing business landscape, towards maximising returns.

Our Competitive Advantage

Strong presence
Proven track record with over 100 years of experience in the plantation industry

Leadership position
Taking a leadership position in sustainability, R&D, innovation and best agro-management practices

Value chain integration
Fully integrated operations across the value chain with economies of scale

Capacity to expand
Capacity to increase planted areas to optimise our own landbanks

Our Key Resources

Invested Capital (30 June 2015) - RM 23,762 million

Landbanks spread across strategic geographical locations

Experience, knowledge and expertise within the industry

Intellectual capital and assets: technologies, innovations, brand, patents, best practices and sustainability efforts

Talents

Highly skilled & experienced workforce

Continuous engagement with stakeholders

How We Create Value

Create
Superior financial returns through operational excellence and high performance standards

Innovate
On-going research initiatives resulting in improved products, processes and technologies for strategic and operational excellence

Cultivate
Cultivate skilled workforce and develop innovative work culture

Contribute
Committed in ensuring socio-economic developments, environmental and carbon management to be in-line with our growth strategy

How We Share The Value We Create

Investors
- Financial returns

Local communities
- Mutual growth and development of local communities via the provision of employment, technical training, smallholder schemes and community development projects (focused on education, healthcare, food security, water and sanitation).
- Development of a sustainable palm oil industry that contributes to national and local economic development, while balancing traditional needs and enviromental proctection.

Customers
- Preferred supplier of green palm products and quality food ingredients
- Customisation of products to fit specific needs
- Focus on value added/ differentiated products

Employees
- Continuous capability building via structured development programmes for technical/ leadership competency
- Enhance quality of life by providing a safe and conducive work/living environment

Authorities
- Develop positive relationship with authorities and local communities to gain support for business development
- Support industry's biodiesel and other green initiatives

OUR STRATEGY

Sime Darby Plantation's five-year strategy is geared towards sustaining its profitability, especially in the challenging global market condition.

Divisional Strategic Objectives	Highlights	Priorities for 2016
 Cost Effective Landbank Expansion and Utilisation	• 1 million hectares (2014: 0.86 mil ha)(Landbank increased 135,673 ha with the acquisition of NBPOL in March 2015)	• Targeted expansion of 40,000 hectares
 Operational Excellence to Maximise CSPO Production	• 2.3 million MT of CSPO (2.2 million MT in FY2014)	• Excellent replanting with high yielding planting materials to improve age profile and yields • Expansion of mechanisation initiatives and milling technologies to improve productivity and efficiency in upstream operations • Increased focus on water management to improve yield performance • Ensuring timely and complete fertiliser applications • Increasing smallholders' area under RSPO certification in Indonesia
 Increase Global Palm Product Market Share	• Market Share of 4%* (no change from last year as Global production has increased from 59.6 million MT to 61.5 million MT) **Based on actual FY2015 CPO production (inclusive of NBPOL from March –June 2015). If based on NBPOL's full year production, our combined market share is 4.4%*	• Capture the full value of our certified sustainable products • Develop strategic partnerships to grow our customer base and market reach • Optimise supply chain model to ensure seamless connectivity throughout the supply chain
 Pursue Sustainability in a Way That Creates Value	• 99% of our Upstream Strategic Operating Units are RSPO certified (vs 97% in FY2014)	• Moving towards 100% RSPO/Indonesian Sustainable Palm Oil/Malaysian Sustainable Palm Oil certification • Carbon footprint reduction • Continuous collaboration with all stakeholders to encourage dialogue and to seek continuous improvement

See page 185 for principal risk factors and mitigation measures.

REVIEW OF PERFORMANCE

Operational Performance

The Plantation Division's earnings dropped by 38.8% to RM1,148 million compared with a year ago largely due to lower average CPO price realised of RM2,193 per tonne against RM2,451 per tonne achieved in previous year and lower FFB production especially in Indonesia which declined by 11%. Besides the replanting of 20,619 hectares of oil palm fields, the weaker crop production in Malaysia and Indonesia was mainly attributable to the oil palm biological stress arising from the prolonged dry weather experienced in early 2014. The OER was marginally lower at 21.7% from 21.9%, mainly due to forced ripening as a result of heavy rainfalls at the end of the same year.

NBPOL which was acquired in March 2015 contributed a profit of RM102.6 million for the four months to 30 June 2015. NBPOL operations contributed 6.7% of the Group's FFB production in FY2015.

Contribution from midstream and downstream operations declined to RM55.7 million for the current year compared with RM152.4 million previously. The lower profit was attributable to the lower sales volume to the Asia Pacific region and Europe due to slower demand and stiff competition, as well as lower off-take of biodiesel from petroleum companies due to lower crude oil prices.

Oil Palm Upstream

In FY2015, although crop production in the Malaysian operations reduced marginally compared to the previous year due to the lower matured area, average FFB yield improved to 22.3 MT per hectare from the 22.0 MT achieved last year. The improved yield performance was the result of good agro-management practices and well managed harvesting intervals supported by adequate resources.

For the Indonesian operations, average FFB yield per hectare dropped to 16.82 MT from 18.23 MT in the previous year, largely affected by the prolonged dry weather in Kalimantan Selatan in 2012. The top five producing estates in Indonesia recorded yields between 25.48 to 22.53 MT per hectare in FY2015.

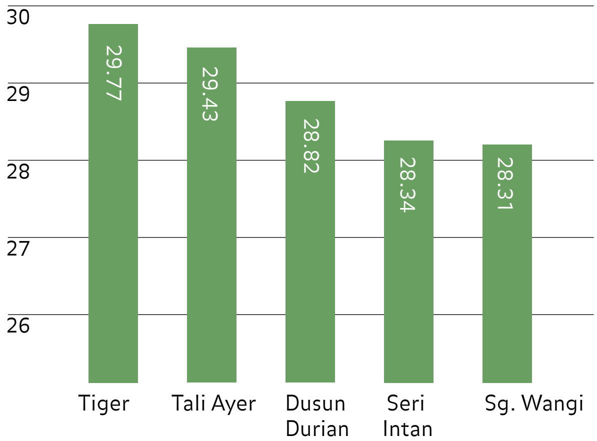
Meanwhile, the average yield for upstream PNG and Solomon Islands (NBPOL Group) for the 12 month period ended 30 June 2015 was 23.2 MT per hectare, 4.9% higher than the prior corresponding period of 22.1 MT per hectare. The top five producing estates in Papua New Guinea (PNG) and Solomon Islands achieved yields between 28.7 to 32.1 MT per hectare for the 12 month period ended 30 June 2015.

Oil Extraction Rate (OER) for Malaysia in FY2015 was 21.23% compared with 21.54% in the previous year. Merotai Mill in Sabah recorded the highest OER of 23.69%, in comparison with 23.16% in FY2014. Another mill in Sabah (KKS Binuang) also recorded OER above 23% at 23.03%. Four mills achieved OER of more than 22%, while 16 mills achieved OER of between 21% and 22%. In Indonesia, Oil Extraction Rate had increased to 22.47% from 22.38% in the previous year. Six mills in Indonesia recorded OER above 23% in FY 2015.

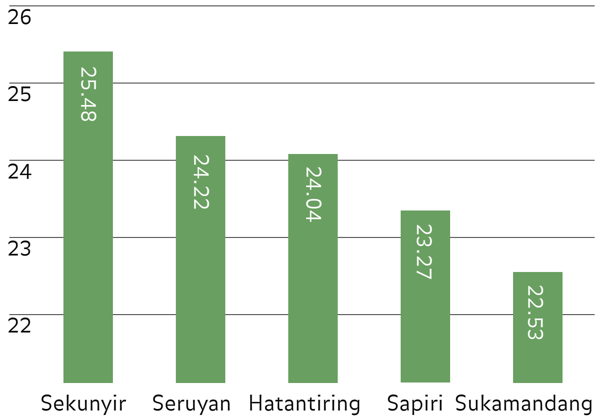
In the same 12 month period ended 30 June 2015, the OER achieved by the upstream PNG and Solomon Islands operations was 22.09%, lower than the prior corresponding period of 22.34% due to exceptionally wet weather at the main operational site in West New Britain. The Gusap Oil Mill in Ramu achieved OER of 24.20% and is the highest OER achieved in PNG and Solomon Islands in FY2015.

The focus on yield and OER improvements will always remain paramount for the Division. For the Malaysian operations, there has been greater emphasis on replanting and manuring standards in FY2015. A dedicated Taskforce has been set-up to provide support in ensuring best replanting standards and effective manuring practices are undertaken at all estates.

Yields for Top Five Producing Estates in Malaysia FY2015 (MT/ha)



Yields for Top Five Producing Estates in Indonesia FY2015 (MT/ha)



The accelerated replanting of the old and low yielding fields with high yielding materials has been ongoing with nearly 12,000 hectares being replanted this year. Over the next five years, a total of 73,500 hectares will be replanted in Malaysia.

Mechanisation of FFB evacuation in Sarawak covering 26,000 hectares has also been completed successfully. In FY2016, an additional 16,000 hectares of mature oil palm in Sabah will also be mechanised. The Division leveraged on various new digital and sensor technologies to provide real time information and improving work processes like supervision and FFB weighing.

Meanwhile, Upstream Indonesia aims to improve yield, OER and cost in FY2016 with enhancement on operational efficiency through implementation of field mechanisation and a greater control over expenses. Productivity will be improved to lower the cost of production. The accelerated replanting programme with an annual replanting rate of 7% or 14,000 ha per year is being undertaken to replant poor yielding fields and to also improve the overall oil palm age profile for Upstream Indonesia. In FY2015, a total of 8,706 hectares have been replanted in Indonesia while the new plantings completed for the year is 122 hectares. Over the next five years, a total of 69,900 hectares will be replanted in Indonesia. With Sime Darby's high yielding planting materials, the average FFB yields are expected to increase in the coming years.

Good agricultural management practices will continue to be adopted by the Division with emphasis on water conservation and management, integrated pest & disease management, use and development of superior planting materials, as well as continuous improvement in milling efficiencies.

Since the completion of the acquisition of NBPOL in March 2015, work has also commenced on the integration of upstream PNG and Solomon Islands operations into the Division's existing operations, including the identification of potential operational synergies and knowledge sharing with the aim of achieving agricultural best practices across all of the Division's plantations.

PLANTED AREA AND GRAZING PASTURE (HECTARES)

	MALAYSIA				INDONESIA	LIBERIA	PNG AND SOLOMON ISLANDS	TOTAL
	PENINSULAR	SABAH	SARAWAK	TOTAL MALAYSIA				
OIL PALM								
Immature	31,176	6,503	6,303	43,982	27,096	10,259	8,750	90,087
Mature	191,422	40,245	32,658	264,325	177,316	-	73,318	514,959
Total Planted - Oil Palm	222,598	46,748	38,961	308,307	204,412	10,259	82,068	605,046
RUBBER								
Immature	5,035	-	-	5,035	91	107	-	5,233
Mature	4,370	-	-	4,370	-	-	-	4,370
Total Planted - Rubber	9,405	-	-	9,405	91	107	-	9,603
OTHERS								
Total Planted - Sugar Cane	-	-	-	-	-	-	6,017	6,017
Grazing Pasture	-	-	-	-	-	-	9,145	9,145

Efficient tank management is critical in optimising our Downstream's operations.

Development in Liberia

Planting in Liberia has been delayed due to the Ebola outbreak from January 2014 to May 2015 and the subsequent imposition of a moratorium on new planting in September 2014. Due to the outbreak, new landbank expansion was scaled down where only 224 hectares of oil palm were planted. Despite the outbreak and the scaling down of operations, Sime Darby Plantation Liberia (SDPL) still maintained its workforce of 2,800 local workers and continued to provide them with monthly salaries and benefits such as 100kg of rice per employee.

SDPL operations resumed as normal when Liberia was declared Ebola-free on 9 May 2015 by the World Health Organisation. However, the risk of a recurrence remained high due to the on-going outbreak in neighbouring Guinea and Sierra Leone.

SDPL plans to plant another 6,000 hectares of oil palm and 4,000 hectares of rubber in FY2016.

A 30/60 MT/hour mill will be built to cater for a 15,000 ha oil palm area with a tentative operational target in August 2016. Meanwhile, an 8 MT/hour mini mill is currently being constructed to process FFB prior to the completion of the larger mill. The mini mill is expected to be completed in December 2015.

Rubber

The good rubber yield was sustained in FY2015 at 2,025 kg per hectare compared to yield of 2,036 kg per hectare recorded the previous year. The Group's average rubber yield is considered as one of the highest in the industry.

However, the average rubber selling price was much lower at RM6.3 per kg dry rubber against RM8.2 per kg last year. Accordingly, profit before replanting declined to RM8.0 million from RM25.3 million realised last year.

Rubber price remained low in the last few years mainly due to the global economic slowdown which has affected overall demand. However, rubber stocks in consuming countries have been reduced and production continued to consolidate due to low prices. The long-term demand for rubber remains positive as the world consumption for natural rubber is projected to grow at about 3% to 4% annually. Thus, plans to expand rubber areas both overseas and in Malaysia will be continued progressively to capitalise on the next bull cycle.

The conversion of marginal oil palm areas to rubber in Malaysia is advancing well with 1,500 hectares of oil palm being converted to-date while another 1,500 hectares planned to be converted to rubber in the next financial year. In Indonesia, the first planting of 90 ha of rubber was completed with another 4,000 ha to be planted in FY2016.

Plantation Downstream

In the year under review, through focusing on its destination markets, the Division has become the preferred supplier of palm oil to India and has increased its customer base in other markets.

Two new downstream facilities were commissioned in FY2015. The kernel certification from the crushing plant in Indonesia will strive to obtain RSPO Supply Chain Certification System (RSPO SCCS).

The reagent dispenser used by our R&D for high throughput genetic testing of oil palm samples can routinely conduct up to 300,000 genetic tests per day.

A soya crushing plant was established in Thailand which allows the Division to move further up the business value chain and expand its presence in the soft oil business in the Greater Mekong Subregion.

SD Kempas and SD Jomalina in Malaysia as well as the facilities in Europe and Africa are certified with the Food Safety System Certification (FSSC22000), while Indonesian facilities are certified with the RSPO Supply Chain Certification System (RSPO SCCS). Additionally, several Business Units were recognised and awarded for implementing best practices in FY2015. Nuri KCP was awarded with "Best KCP" in Malaysia by the Malaysian Palm Oil Board (MPOB) during Anugerah Industri Sawit Malaysia 2013/2014 in November 2014, while SD Austral and SD Biodiesel were awarded MSOSH OSH Gold Class I and II respectively during MSOSH Occupational Safety and Health Awards in FY2015. SD Biodiesel and Morakot were awarded 1st Place for Lean Category and 2nd Place for Six Sigma Category respectively in the 2014 PNB Group Innovation & Quality Awards. SD Biodiesel also represented Malaysia in the 2015 ASQ World Conference on Quality & Improvement International Team Excellence Competition in May 2015 and won the Best All-Round Presentation & Speaking Skills.

Moving forward, despite the current challenging market conditions, contributions from the midstream and downstream operations are expected to be higher from the increased production of differentiated products with higher margins and enhanced global supply chain operations connecting Sime Darby Plantation's entire value chain to its destination markets. The Division is focused on the ongoing strategic initiatives of ensuring physical deliveries of segregated and traceable products to its customers.

Research & Development (R&D)

In FY2015, R&D remained focused on its three key strategies of yield/productivity improvements, increasing revenue streams and developing sustainable practices. For the year under review, notable progress has been made in the following areas:

(i) To maximise oil palm yield, progress has been made towards delivering the next generation of high yielding planting materials. A high-throughput genotyping facility has been established in 2015 to enable large scale testing and selection of top potential commercial seeds for planting.

(ii) Sime Darby Plantation's key objective for genome research was to 1) directly tackle oil yield and, 2) deploy this into the selection of commercial planting materials. Sime Darby Plantation successfully conducted the first large-scale genome wide marker association study in oil palm for multiple traits and populations. Novel genetic selection algorithms that optimise total oil palm oil yield by selection of multiple contributing traits have been developed.

(iii) The Plantation Research Advisory (PRA) unit has responded to potential changes in weather patterns by initiating research on soil water conservation and rain harvesting activities to minimise the impact of water stress on FFB production.

(iv) The development of enzymatic treatment to enhance oil extraction in palm oil milling has shown very promising outcomes from the preliminary trials conducted in palm oil mills. A full scale trial is being implemented.

(v) The pilot scale trial for free fatty acid (FFA) reduction in crude palm oil to meet the Premium Quality (PQ) and Special Quality (SQ) crude palm oil that will fetch more attractive margins has also been completed.

(vi) Globally, 32 new products have been developed and launched which resulted in a record volume of new products sold to customers. For example, high quality palm oil for use in infant nutrition products can command greater margins in a fast growing market.

In addition, the Division's R&D was awarded the President Award under the corporate sector by Institut Kimia Malaysia (IKM). It is the highest and most prestigious award given by IKM and represents a nomination for the best laboratory in the country.

In FY2016, further progress on the following initiatives can be expected:

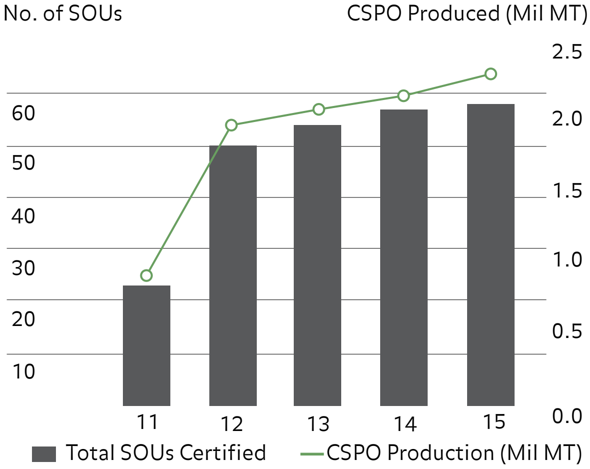
(i) The first commercial field planting of Genome Select materials.

(ii) Commercialisation of a patent pending technology for the enhancement of high quality CPO (low Free Fatty Acid) oil production.

(iii) Redesigned refining processes to produce more sustainable and better quality products. The initial products from this effort will be first rolled out in Europe, followed by a phased roll-out in Asia and Africa.

LEADING IN SUSTAINABILITY

No. of Strategic Operating Units (SOUs) Certified by RSPO & Total CSPO Produced (Mil MT) (Malaysia & Indonesia)



Sustainable Palm Oil Certification Status

As at the end of FY2015, 2.3 million MT of CPO and 0.5 million MT of kernel produced by the Division have been certified sustainable. To date, 100% of the Division's Malaysian Upstream units and 96% of its Indonesian Upstream units have been RSPO-certified. Additionally, all of the Division's Downstream business units in Malaysia and 77% in Indonesia have also received the RSPO Supply Chain Certification.The integration of NBPOL, a 100% RSPO certified company, with upstream operations in PNG and Solomon Islands and Downstream unit in Liverpool, United Kingdom, further strengthened Sime Darby Plantation's position as the world's largest producer of Certified Sustainable Palm Oil (CSPO).

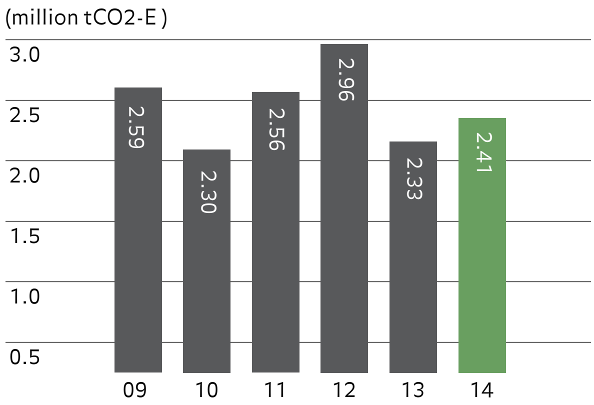
Other Certifications:

- **Indonesian Sustainable Palm Oil (ISPO) Certification**
  As at FY2015, 20% of our SOUs in Indonesia have been certified with ISPO.
- **Malaysian Sustainable Palm Oil (MSPO) Development**
  SDP has embarked on obtaining MSPO certification.

Carbon Reduction Strategy

Methane-rich biogas captured from anaerobic treatment ponds within our mill operations is a key element in our carbon reduction strategy. The Division had earmarked several biogas projects to be implemented. Once operational these projects will contribute significantly to the Division's target of reducing 40% operational carbon emissions by 2020. This year, a 7% reduction of carbon emissions was reported in the methane avoidance projects at the 22 composting plants.

Carbon Emissions Breakdown



Sustainability-Oriented Development

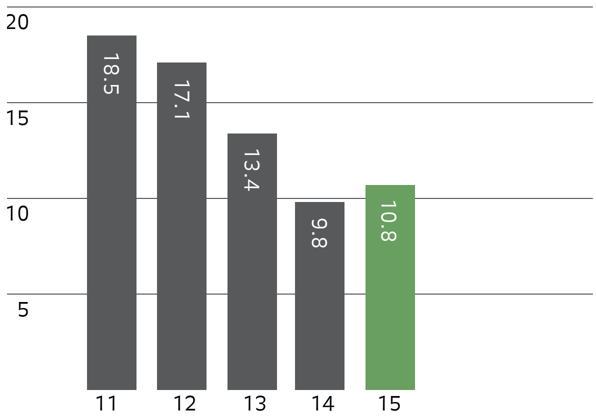
As a founding member of the RSPO, Sime Darby Plantation has adopted the industry's best practices in its Upstream and Downstream operations, throughout the entire supply chain. With this focus, the Division is committed to ensuring strict compliance to the RSPO Principles & Criteria; Free, Prior and Informed Consent (FPIC) processes; Social & Environmental Impact Assessments (SEIA) standards and avoidance of High Conservation Value (HCV) areas in pursuing the development of any potential area for its plantation.

Sime Darby Plantation strictly implemented a Zero Burning policy throughout its operations since 1985. All the Division's replanting and new planting activities in FY2015 continued to strictly adhere to this policy. As part of its commitment in preventing forest fires and haze, the Division also ensured that its operations were constantly monitored for hotspots via a Satellite-based Fire Dashboard Monitoring System, as well as through the use of fire towers in its estates. While ensuring that its own operations are well prepared to put out any occurrence of fires in and around its operations, the Division also collaborates with surrounding local communities to educate and assist neighbouring farmers and villages to stop any slash and burn practices through the `Masyarakat Peduli Api Programme' (Community Fire Fighting Teams). In FY2015, PT Bhumireksa Nusa Sejati, one of the Division's subsidiaries in Indonesia, began a collaboration with the University of Riau to educate and empower surrounding local communities via a `Fire Prevention Through Sustainable Farming Practises' programme. The programme commenced in March 2015 and is expected to be completed in April 2016.

The Division has also developed close to 43,000 hectares of land for KKPA*/Plasma schemes in Indonesia to provide local communities with the means to make a living and raise the quality of life for more than 25,000 families. As at the end FY2015, the total RSPO certified area for its smallholders' KKPA plantation scheme has increased to around 19,000 hectares (from 16,000 hectares previous year) with a production capacity of over 360,000 MT of FFB. The Division aims to support the RSPO certification for all estates under its outgrower schemes in Indonesia by 2019.

* Kredit Koperasi Primer Anggota (Members' Primary Credit Co-operative)

Lost Time Incident Frequency Rate (Incidents per million manhours worked)



Environment, Safety and Health (ESH)

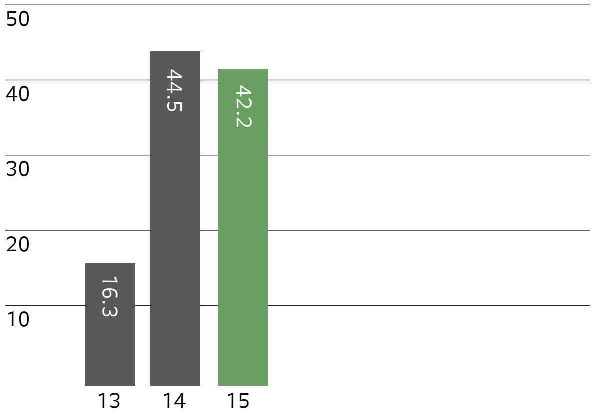
Performance and key initiatives in FY2015:

(i) The Plantation Division recorded a Fatal Accident Rate (FAR) of 2.9 for every 100 million hours worked – 6% lower compared with the same period in the last FY. Data shows a 13% reduction in fatal cases in Upstream Malaysia and a similar reduction in Upstream Indonesia.

(ii) Lost Time Injury Frequency Rate (LTIFR) recorded 10.8 cases per million hours worked - a 10% increase compared with the previous financial year. The trend is due to the increase in Class IV (1 – 4 lost days - > 100% increase) reporting in Upstream Malaysia operations.

(iii) MSOSH Awards 2014
For the year under review, 27 operating units in Sime Darby Plantation (2 Downstream, 2 R&D and 23 Upstream) won the MSOSH Awards. This was an increase from 17 awards won in the year 2013, ten in 2012 and seven in 2011.

Lean Six Sigma Benefits (RMm)



Sustainable Palm Oil Manifesto

The HCS Study officially began on 1 November 2014 and will be completed in December 2015. The HCS Draft Synthesis Report was released for public consultation from 19 June 2015 to 31 July 2015.

Lean Six Sigma (LSS) Capacity Building Initiatives

One of the factors that has enabled Sime Darby Plantation to produce a higher number of projects is its strong commitment to LSS capacity building. In FY2015 alone, 230 White Belt, 90 Green Belt and 17 Black Belts have been trained. An additional six of its Black Belts have become members of the American Society for Quality (ASQ) Certified Six Sigma Black Belt (CSSBB). The total number of ASQ's CSSBB currently stands at 11. On top of providing LSS training and certification for its personnel, Sime Darby Plantation also recognises its qualified business unit/operating unit as 5S certified establishments. In July 2014, Sime Darby Plantation introduced its very own 5S certification programme where 13 out of 35 of its 5S certified establishments were certified internally. Additionally, Sime Darby Plantation also participated in various prestigious competitions.

Below are the achievements in FY2015:

PNB Innovation and Quality Award	ASQ International Team Excellence Award
Sungai Dingin Palm Oil Mill (Champion) (Malaysia)	Sime Darby Biodiesel (Best All Around Presentation and Speaking Skills) (Malaysia)
Morakot Industries Public Limited (2nd Place) (Thailand)	

Social & Environment - Tree Planting Project

Sime Darby's "Plant-A-Tree" Programme, which was initiated in 2008, aims to increase biodiversity value in its plantations with a target of planting one million trees by the year 2020. To date, a total of 330,000 trees comprising 276 species have been planted in its estates. Currently, the Division is focused on reforesting a 160 ha Conservation Set-A-Side in Jentar Estate, Pahang with ERT tree species. A nursery with a capacity of 50,000 seedlings was established in September 2013 for this project. The first field planting commenced in January 2014 and by the end of FY2015, a total of 57,897 trees comprising 52 species would have been planted, 32 of which are ERT species.

Social & Environment – Gender Committee Handbook Launching

The Gender Committee Handbook was launched on 6th November 2014. Guided by the Gender Policy, the Gender Committee is a platform that allows female workers to channel their concerns and grievances.

The seedlings of various tree species at our nursery in Jentar Estate, Pahang, Malaysia.

LONG TERM DEMAND FUNDAMENTALS FOR PALM OIL **EXPECTED TO BE STRONG**

OUTLOOK & FUTURE FOCUS

Outlook

Long term demand fundamentals for palm oil remain intact and are expected to be strong. The world population is expected to reach 8.1 billion by 2025 and 9.7 billion by 2050. Improvements in affluence and living standards serve as a catalyst in the growing demand for healthier products thus increasing global consumption of palm oil. Global vegetable oil demand is expected to grow at a Compounded Annual Growth Rate (CAGR) of 3% to over 200 million MT by 2025. Palm oil market share (currently at 35%) is expected to grow, largely driven by consumption in the Asia Pacific region.

In the short to medium term, the industry is expected to be operating in a tough environment. In the near term, CPO prices are expected to remain volatile and face downward pressure due to slow global economic growth as well as declining crude oil and other edible oil prices. Securing suitable land for expansion at reasonable premiums and adhering to sustainability requirements remain a big challenge for the Division.

Stronger demand for sustainable and traceable Palm Oil products is a major market driver.

Future Focus

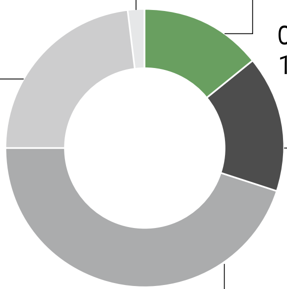
Our five-year Strategy Blueprint is geared towards sustaining our profitability despite low CPO prices and challenging global market conditions.

Moving forward, SDP will continue to search for suitable areas and grow its landbank despite the challenging industry landscape. Meanwhile, increasing our productivity whilst obtaining full value from our sustainable products will also be our key priorities.

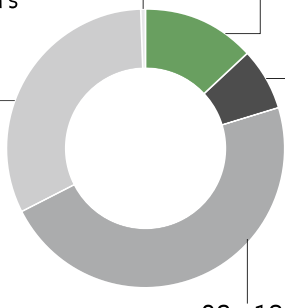
In terms of Sime Darby Plantation's sustainability agenda, with the HCS study, the Division is looking at an integrated approach for sustainable development in all areas of operation. More of these plans will come to light when the HCS Study report is completed at the end of 2015.

OIL PALM AGE PROFILE

MALAYSIA

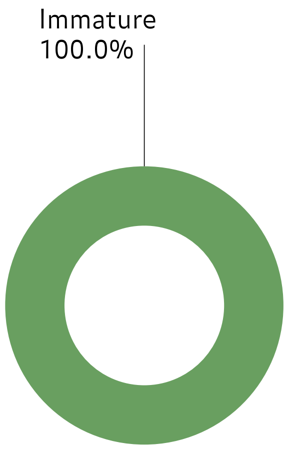


INDONESIA

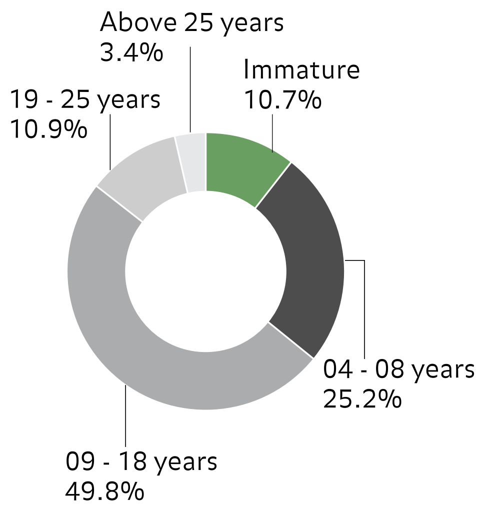


	FY 2012/ 2013			
	MALAYSIA	INDONESIA	LIBERIA	TOTAL
OIL PALM				
Crop Production - FFB (in MT)	6,186,517	3,946,123	-	10,132,640
FFB Processed - FFB (in MT)				
- Own	6,183,741	3,830,171	-	10,013,912
- Outside	448,641	857,160	-	1,305,801
- Total	6,632,382	4,687,331	-	11,319,713
Hectarage (in Hectares)				
Mature hectares	274,855	191,994		466,849
Immature hectares	37,940	12,511	8,025	58,476
Total planted hectares	312,795	204,505	8,025	525,325
FFB Yield per mature hectare (MT)	22.45	20.21	-	21.52
Mill production (in MT)				
- Palm Oil (CPO)	1,413,057	1,053,311	-	2,466,368
- Palm Kernel (PK)	336,617	220,168	-	556,785
CPO Extraction Rate (%)	21.31	22.47	-	21.79
PK Extraction Rate (%)	5.08	4.70	-	4.92
Average selling prices (RM per tonne)				
- Palm Oil (before sales tax)	2,504	2,064	-	2,317
- Palm Kernel (before sales tax)	1,248	837	-	1,087
RUBBER				
Planted Area (hectares)	7,811	-	-	7,811
Rubber production ('000kg)	9,957	-	-	9,957
Yield per mature hectare (kg)	1,975	-	-	1,975
Average selling price (RM per kg)	9.53	-	-	9.53

LIBERIA



PAPUA NEW GUINEA AND SOLOMON ISLANDS



FY 2013/ 2014				FY 2014/ 2015				
MALAYSIA	INDONESIA	LIBERIA	TOTAL	MALAYSIA	INDONESIA	LIBERIA	PNG AND SOLOMON ISLANDS	TOTAL
5,994,240	3,424,080	-	9,418,320	5,936,613	3,050,823	-	650,113	9,637,549
			9,376,504					
5,992,338	3,384,166	-	1,147,031	5,929,814	3,050,236	-	650,113	9,630,163
385,497	761,534	-		284,856	714,470	-	222,881	1,222,207
6,377,835	4,145,700	-	10,523,535	6,214,670	3,764,706	-	872,994	10,852,370
270,148	185,408	-	455,556	264,325	177,316	-	73,318	514,959
40,641	19,058	10,035	69,734	43,982	27,096	10,259	8,750	90,087
310,789	204,466	10,035	525,290	308,307	204,412	10,259	82,068	605,046
22.00	18.23	-	20.44	22.28	16.82	-	8.83	20.39
1,373,007	927,803	-	2,300,810	1,319,370	845,957	-	190,320	2,355,647
328,563	193,567	-	522,130	317,902	178,303	-	50,800	547,005
21.53	22.38	-	21.86	21.23	22.47	0.00	21.80	21.71
5.15	4.67	-	4.96	5.12	4.74	0.00	5.82	5.04
2,509	2,364	-	2,451	2,222	2,113	-	2,387	2,193
1,692	1,302	-	1,553	1,474	1,182	-	-	1,382
8,642	-	107	8,749	9,405	91	107	-	9,603
9,764	-	-	9,764	9,113	-	-	-	9,113
2,036	-	-	2,036	2,025	-	-	-	2,025
8.20	-	-	8.20	6.28	-	-	-	6.28

INDUSTRIAL

"Sime Darby Industrial Division continued to outperform competition in the face of soft commodity prices and challenging markets. The division focused its efforts on productivity and managing its cost base to stay competitive."

SCOTT CAMERON
Managing Director, Industrial Division

Who We Are

Sime Darby Industrial is a market leader, selling and renting both new and used Caterpillar equipment as well as providing after-sales services. Its key market include ten countries spanning across the Asia Pacific region.

The Division represents Caterpillar (CAT) and a range of Allied brands, enabling it to offer a complete value chain of heavy equipment products and services. It strives to bring value added integration to its stakeholders via proactive engagements in the business and social community.

Our Vision

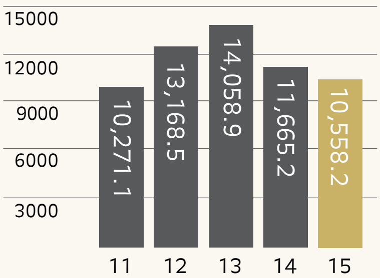
To be a high performance distributor of Caterpillar products and related solutions that deliver sustainable shareholder value through enterprise and initiative.

Our Key Markets

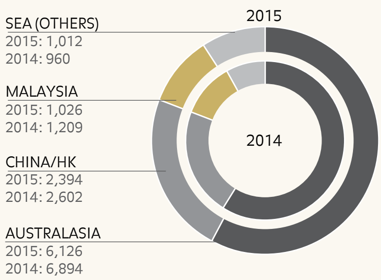
- Australia (Queensland and Northern Territory)
- Brunei
- China (Xinjiang, Fujian, Guangdong, Guangxi, Hainan, Hunan, Jiangxi, Hong Kong and Macau)
- Christmas Island (Indian Ocean)
- Malaysia
- New Caledonia
- Papua New Guinea
- Singapore
- Solomon Islands
- Vietnam

Revenue (RMm)

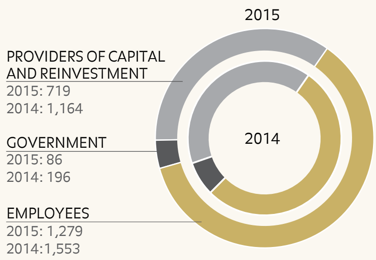
10,558.2



Revenue by Region (RMm)

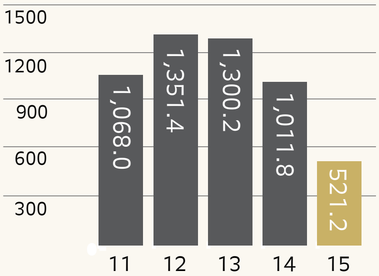


Value Distribution (RMm)

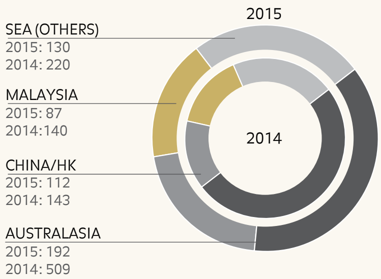


Profit before Interest and Tax (RMm)

521.2

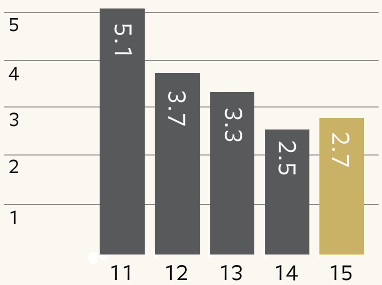


PBIT by Region (RMm)



Lost Time Injury Frequency Rate (Incidents/million hours worked)

2.7



CAT 980K Wheel Loader delivers performance and efficiency while promoting safety and productivity.

Our Key Focus

The Division's focus during the year under review was centred on innovation and efficiency. With the Business Transformation Project (BTP) taking centre stage in the internal information system reforms, the Division focused on driving down its cost-base to remain competitive and leverage on improvement in processes to generate savings.

Innovation - SITECH: Revolutionising construction workflow

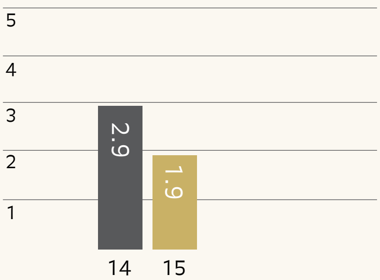
- Complete portfolio of construction technology products, services and solutions, leverages on software and machine control technologies that allows for accurate jobsite progress aimed at improving the productivity potential of construction companies.

Caterpillar Equipment Management Solutions - Hybrid enhancement of business

- A system enabling equipment management and condition monitoring, which allows the optimisation of customers' business. It provides solutions to manage their equipment and subsequently provide repair recommendation.

Division Order Book (RMb)

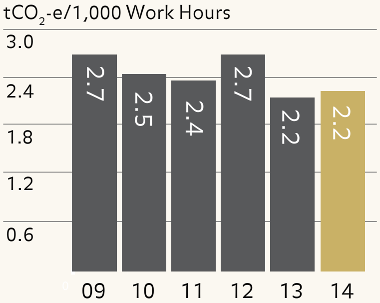
1.9



Overall Carbon Intensity*

2.2

tCO_2-e/1,000 Work Hours



*Based on calendar year

Our Principal Activities

- Machine Sales
- Product Support
- Total Solutions
- Technology Applications and Mobile Solutions
- Rental

One of the
largest
Caterpillar dealers in the world

7,714 employees
2014: 8,834

Return on Average Invested Capital (ROAIC) (%)
6.9
2014: 13.2

DESPITE CHALLENGING CONDITIONS, THE MARKETS WE OPERATE IN **REMAIN ATTRACTIVE**

MARKET & INDUSTRY OVERVIEW

Australia & Pacific Islands

Coal exports in Queensland were up 5% from 2013 - 2014 which reflects the continuing production gains by customers driving lower unit costs. Whilst private residential construction is currently robust and roads expenditure is tipped to grow, this is insufficient to offset the reduced demand for equipment and services from the mining sector. The government of Queensland's expenditure is likely to remain subdued for the near future due to the fall in commodity royalties and the inability to sell state assets to fund new infrastructure.

Australian miners received relief from diesel fuel cost reductions and AUD depreciation against USD. However, most savings were passed on to customers to maintain market share and achieve competitiveness via high utilisation rates and output. Global oversupply of metallurgical coal has exacerbated the fall in prices with producers continuing cost cutting measures while major players move to consolidate coal assets.

Softer gold prices affected expansion in gold mining with several projects in Papua New Guinea (PNG) in the early stages of development awaiting an improved gold price outlook. The general volatility of metal prices and international economic instability has impacted large mining and ancillary equipment sales with renewed efforts focused on improving customer's equipment utilisation and productivity levels.

China

In China, the government continues to rectify structural imbalances through reform measures with actual results expected to materialise over the longer term. Growth will remain moderate but supportive government policies will limit risks. This change has slowed the rate of urbanisation, hitting the China excavator market as its primary application in China is earth moving in general construction. Despite the stagnant market, this market structure reform will assist in normalising the over investment in the construction and equipment markets in previous years. Coal mining activities continue to be subdued due to low coal prices rendering low volume of mining equipment and parts sales while sentiment on infrastructure investment remains cautious.

Malaysia

The 11th Malaysia Plan tabled in May 2015 announced the creation of the Malaysian Vision Valley project in Negeri Sembilan which is expected to see a positive effect on equipment demand. In the construction/industrial machine sector, the urban transportation infrastructure development in Klang Valley continues to offer some opportunities for smaller Caterpillar and Allied equipment.

The Caterpillar fleet at Penjom gold mine in Pahang is being redeployed overseas resulting in reduced demand in after sales services. The forestry sector in Sarawak remain dynamic as the Division explores new methods in ensuring the continued feasibility of the business.

Singapore

Lower oil prices and ensuing budget cuts by oil exploration companies have reduced overall activity levels and seen pressure to cut costs and reduce investments in new offshore drilling rigs. Singaporean rig-builders and shipyards have secured fewer orders leading to reduced purchase of engines for power generation.

Growth in the construction sector was driven by public sector activities to support the population, but this is limited by the shortage of workers and associated higher labour costs. The Singapore Changi Airport Terminal 5 and Tuas projects are monitored closely as equipment requirements remain high. However, pricing pressure caused by strengthening of the USD versus SGD and currencies such as JPY and EUR led to further widening of the premium gap against competitor brands.

BUSINESS MODEL

Sime Darby Industrial aims to deliver high quality world class heavy equipment and related solutions to the Asia Pacific region using knowledge and experience acquired through more than 85 years in the industry. It leverages on its position as a member of a conglomerate as well as its relationship with international principals in delivering value creation to its stakeholders.

Our Competitive Advantage

Conglomerate advantage
Access to capital

Innovative capabilities
Application of technology for operational improvements

Tailored innovations to fit customers' requirements

System optimisation
Comprehensive enterprise resource planning

Industry recognition
Recognised by CAT: CAT certified training facilities

Market reach
Wide network in the Asia Pacific region

Our Key Resources

- Invested Capital - RM7,496 million (30 June 2015)
- Experience and knowledge in the heavy equipment industry
- Business platform and operating systems
- World class training centres
- Safe work environment
- Continuous engagement with stakeholders

How We Create Value

Performance
Superior financial returns through operational excellence and high performance standards

Quality
High quality manufactured equipment

Efficient
Common division-wide operating system

Skilled
Highly skilled workforce operating in a zero-harm environment

Synergise
Achieve further synergy with principals while delivering customer satisfaction

How We Share The Value We Create

Investors
- Develop a winning portfolio of sustainable businesses.
- Growth through expansion further up the value chain.

Customers
- Reliable products and services that meet stringent quality standards of our principals are delivered to customers.

Vendors
- Increased brand value resulting in potential growth partnerships.
- Increased partners' confidence.
- Attract additional associates.

Employees
- Developed competencies and skills that increases job efficiency and effectiveness resulting in higher productivity in a safe workplace.

Regulatory bodies
- Compliance with rules and regulations set by relevant authorities in the best interest of all stakeholders.

OUR STRATEGY

Sime Darby Industrial aims to be a high performance distributor of Caterpillar products and Allied solutions that deliver sustainable shareholder value through enterprise and initiative. It remains consistent with its strategy to achieve this vision while making periodical assessments in order to ensure that its goals are still relevant in this dynamic econo

Divisional Strategic Objectives	Highlights	Priorities for 2016
 Achieve growth target in all markets and products for five years to 2020	• Maintained PINs leadership in Australia, China, Malaysia and Singapore. • Percentage of Parts Sales (POPS-C) growth in Australia, China and Malaysia increased while Singapore maintained its previous achievement	• Grow market leadership for products, after sales support and solutions and execute CAT Across the Table (ATT) segmental growth plans • Market leadership in Expanded Mining Product equipment sales and after sales support • Expand rental and used equipment capability in Asia
 Build a highly engaged workforce capable of delivering superior customer outcomes and create value through strategic innovation and continuous improvement	• Continuous engagement initiatives for employees and annual Global Employee Engagement Survey (GEES) • Continuous training initiatives available for employees e.g. Technical Training Programmes, Sales Training and Caterpillar Customer Experience Programme	• Strategic Human Resources plan capable of supporting growth initiatives • High performing teams through continued in-house and external communication and development programmes
 Achieve top quartile performance against similar businesses	• Commendable financial performance in challenging markets • Constant business reviews to determine needs-based corporate right-sizing • Maintained top quartile position	• Enhance CAT and Allied products businesses with a focus on streamlining the business and productivity improvements
 Achieve growth through mergers and acquisitions	• Increased equity in ApacEnergy • Finalised joint-venture agreement with Marine Control Automation Electric Co. Limited (MCA) • Secured the franchise for FlexEnergy • Collaboration with Mine Energy Solutions	• Develop businesses in Asia Pacific to broaden the Division's value chain • Engage with principals to seek additional opportunities
 Redesign existing business platforms and systems for the future	• BTP is on track at 80% of the targeted implementation • Utilisation of Caterpillar's EMSolutions in all regions	• Deploy technology as a competitive differentiator towards enhancing customer experience • Capitalise on BTP infrastructure to facilitate deployment of Business Intelligence and Analytics to deliver customer satisfaction and lower costs
 Develop products and services to capitalise on emerging sustainable business opportunities, realise cost savings through energy efficiency and enhance the parent brand through sustainable business practices	• Roll out of effective safety leadership training and the establishment of 10 Lifesaving Rules • Related savings in operations - Division contributed LSS benefits of RM60.3 million in FY2015.	• Class leading Health, Safety and Environment (HSE) guidelines and practices • World class productivity on the back of Caterpillar Production System (CPS) and BTP

See page 185 for principal risk factors and mitigation measures

REVIEW OF PERFORMANCE

Operational Performance

Sime Darby Industrial strives to maintain strong relationships with all stakeholders, especially those directly involved in the value chain to ensure a solid business model. Despite continuous operational improvement focusing on cost saving initiatives, the Division faces numerous challenges in ensuring a commendable financial performance given the subdued economic conditions. The Division has won numerous awards related to various sections of the business process signifying its success in executing value added activities which increases the Division's performance amid shrinking profitability against soft coal prices that are affecting the Australasian and China businesses.

The Industrial Division registered a sharp decline in profit by 48.5% from RM1,011.8 million to RM521.2 million, principally due to the weak results in the Australasia region. This reflected lower equipment delivery and product support sales with lower margin realisation to the mining sector. The mining sector remained subdued due to the slump in coal prices and major mining companies slashing capital expenditure and deferring scheduled maintenance. The operations in Malaysia and Singapore were affected by lower equipment deliveries to the mining, construction and plantation sectors owing to weak market conditions, whilst the China/Hong Kong operations faced a slowdown in the construction and mining sectors as well as deferment of infrastructure works.

Given the weak economic fundamentals, management is adhering to the four core focuses in Australia – Accelerated Sales, Organisation Effectiveness, Process Simplification and Cost Controls while closely monitoring the operations, customers' inclinations and markets for signs of improvement or deterioration in other regions.

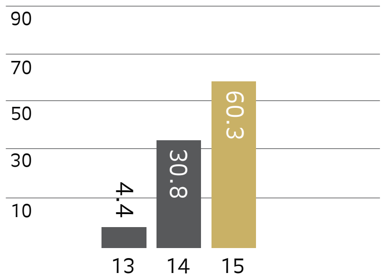
As at June FY2015, the BTP is on track and has reached 68% of its "Test and Deploy" phase resulting in 80% of the targeted completion. In Tractors Singapore Limited, the "Go Live" stage was executed in February 2015 while China Engineers Limited, Tractors Malaysia and Hastings Deering (Australia) Limited are expected to undergo this stage in the first half of FY2016. New systems are expected to be fully implemented by end FY2016.

Industrial Division has been realigning its business processes in order to mitigate the challenging market environment. The Division also maintains a close relationship with its principals to ensure up to date information on available products and solutions which is invaluable in enhancing its services to customers. Technology related improvements proposed by principals are taken into consideration and implemented when deemed to be beneficial to the Division; examples being the Equipment Management Solutions (EMSolutions), Across the Table (ATT) and BTP; all of which are aimed to assist in the streamlining process of the businesses.

The Division consistently embarks on cost saving ventures and is a proud proponent of Lean Six Sigma (LSS). Additional emphasis is placed on managing the cost base to ensure the business remains viable.

Lean Six Sigma (LSS) Benefits (RMm)

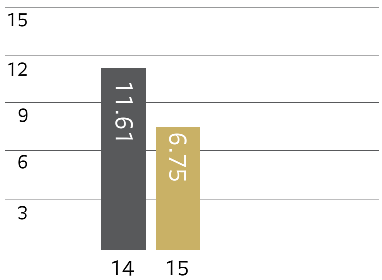
60.3



Sime Darby Industrial's safety & health measures including Total Recordable Injury Frequency Rate (TRIFR) have improved while Lost Time Injury Frequency Rate (LTIFR) has remained steady.

Total Recordable Injury Frequency Rates (TRIFR)

6.75



The improvement in key safety metrics for the Division can be attributed to Training, Education and Development programmes which include:

Australia	Asia
Visible Felt Leadership including Switch On & Safety Essentials	Visible Felt Leadership training programmes being socialised with senior management
Establishment of lead indicator KPIs	Establishment of lead indicator KPIs linked to five year regional Strategic Plans
Safety interactions increased from approx. 4,000 to 21,000 between FY2014 and FY2015	Introduction of procedures for Incident Reporting and Injury Classification with associated documents including Incident Notification Severity Matrix
Corrective Actions increased from 4,600 to 14,000 between FY2014 and FY2015	Increased usage of the SQMS incident computer system – regions monitored for compliance
Health and injury management resources with injury prevention training packages deployed	Socialisation of Life Saving Commitments completed, implementation commencing Q1 FY2016

Australia & Pacific Islands

With the continued and significant downturn in the coal mining sector, 2015 has been a year of consolidation for the Division's Australian operations.

The Division's main focus was on maximising the productive operation of equipment fleets whilst leaning out the organisation's capital and operating expenses in order to realign the business with current market dynamics. Of note, the Australian operations placed significant efforts on controlling its cost base to remain competitive, culminating in more than 35% reduction in total operating costs since its peak in 2013. Operationally, the Caterpillar Production System was deployed across much of the Australian operations with efficiency improvements and significant bottom line benefits achieved in the last two years.

The Division's Australian operations was recognised with Caterpillar's Global Dealer Excellence Award, Caterpillar Asia Pacific Distribution Services (APDS) President's Award – People's Choice for Six Sigma and Caterpillar APDS President's Gold Award for Six Sigma.

The Pacific Islands operations succeeded in recording targeted results due to better margin realisation from equipment deliveries coupled with cost accruals write back from completed projects.

China

The Division's China operations' financial performance has been affected by the contracting market in the construction and mining sectors due to various economic and political considerations. In prevailing market conditions, the rental business moves to the front line as customers search for a cheaper alternative to purchasing equipment.

In the year in review, the Division's China operations finalised the establishment of a joint venture agreement with Marine Control Automation Electric Co Limited (MCA), a company specialising in marine electrical integration and automatic solutions which will enable a move into a higher value-add business.

The operations in China was conferred with Caterpillar's Global Dealer Excellence Award and Caterpillar Power Excellence Award (Marine). It has also been awarded with "The Best Companies to Work for 2015" – an award jointly organised by HR Asia and Mercer Consulting which was bestowed upon 20 out of 137 participating companies in Hong Kong and Asia.

Malaysia

The Malaysian operations achieved admirable results despite the challenging economic situation. Equipment deliveries to the mining, construction and plantation sectors were most affected by the tough market. In order to balance income and expenses, Malaysia embarked on a cost savings programme to ensure long term sustainability of the operations.

In April, Terberg Tractors Malaysia Sdn Bhd (TTM), a joint venture between Terberg Group and Sime Darby Industrial, won a RM58 million contract from Westports Malaysia to supply new terminal tractors. The contract comprises 104 units of the YT220 MKII Terberg terminal tractors, inclusive of service and maintenance over the next seven years.

The Division's Malaysian operations won the Caterpillar Bronze Award – Global Warranty Excellence Award, Caterpillar Service Training Excellence Accreditation Award, Caterpillar Global Dealer Excellence Award, CAT Rental Business: 4-Star Rating and Going the Extra Mile (GEM) Award.

Singapore

Singapore managed to record positive figures despite the sluggish construction sector as a result of project delays which forced customers to defer deliveries. The intensified competition with current soft market conditions has affected the trading margin of the business.

The Singapore operations' Equipment Division sold its biggest deal to-date of almost 60 CAT machines for work on the Changi Airport Terminal 5 project. In addition, it was the first to take delivery of the CAT 745C articulated truck in Asia. The Division's Singapore operations also appointed a Second Level Distributor for CAT heavy equipment in the Republic Of Maldives, Maldives Transport and Contracting Company.

The Division's Singapore operations celebrated some successes in FY2015 including the Caterpillar Global Dealer Excellence Award from Caterpillar, in recognition of the significant achievement among Caterpillar's worldwide dealer distribution.

THE OUTLOOK OF KEY INDUSTRIES THAT DRIVE **OUR PERFORMANCE IS POSITIVE**

OUTLOOK & FUTURE FOCUS

Australia & Pacific Islands

Prices of metallurgical coal are expected to recover modestly from 2017 in part due to the planned relocation of steel mills from the north of China (close to Chinese coal mines) to the south which would use imported coal due to freight savings. It is expected that quality, low cost Queensland coal will substantially benefit from this new demand scenario. Production is also anticipated to increase modestly at the expense of other coal producers including the ongoing withdrawal of high cost US coal. Constraints in customers' capital expenditure are expected to continue, impacting new equipment sales. However, operating expenditure for maintenance parts, services and operational/productivity improvements should be funded and the Division's Australian operations is well placed to capitalise from this.

Mining in the Pacific Islands remains promising with some raw materials showing better prospects than others and operations are poised to seize the opportunity when it arises. New Caledonia will continue to benefit while Indonesia maintains its export ban on nickel concentrate.

China

The construction market in China continues to show growth as the government strives to bring its infrastructure on par with other emerging and developed countries. Investments in the construction industry are on the rise with more than half of the major infrastructure projects approved by the Chinese government relating to railways thus driving large investments into the entire earthmoving equipment market in China.

Demand for construction machinery in China is expected to rise despite uncertain trends in the Chinese stock market. The dominant segment comprising hydraulic excavators will continue to be the most dependable line of business, along with equipment related to the infrastructure segment. The Central-East region will remain the largest market, while the Northwest region will grow the fastest.

Malaysia

Malaysia emerged as an unexpected beneficiary of Indonesia's ban on iron ore exports introduced in January 2014 as mining companies from its larger Southeast Asian neighbour pump cash into local deposits to meet demand from China. In 2Q FY2015, at least five Indonesian miners invested in iron ore extraction in Pahang and Kelantan.

In the construction sector, phase one of the Pan Borneo Highway project is ongoing leading to phase two in October 2015 and phase three in 2018 with expected completion by 2020. There are also plans for the expansion of the 40km Kuala Lumpur - Klang elevated dedicated lane for the Bus Rapid Transit (BRT) system linking Central Market in Kuala Lumpur to Klang in Selangor. These infrastructure projects will potentially be playing a major role in underpinning a promising construction sector in Malaysia.

Singapore

In Singapore, crude oil prices are likely to remain below USD$70/barrel for the rest of the year as global crude supply is expected to continue to exceed demand, with the easing of restrictions on the export of crude oil in the Middle East. The main offshore and marine industry sentiment is that the industry would likely to continue to face headwinds, with fewer new orders and lower charter and utilisation rates.

For the construction industry, demand is expected to remain robust. The Building and Construction Authority has predicted that S$29 billion to S$36 billion worth of contracts will be awarded in 2015, with strong construction demand over the next five years. However the continued shortage of manpower and higher cost conditions would persist.

Future Focus

Given the prevailing economic outlook and slow growth in markets the Division is in, it plans to embark on further cost saving measures in an effort to maintain its profitability while pursuing potential additions to its current business portfolio.

MOTORS

"We operate in a dynamic and challenging environment. In the face of challenges, we continue to improve on operational efficiencies while seeking new investment opportunities. The Division will forge ahead and will strive to deliver its objectives of generating strategic growth in the coming years."

DATO' LAWRENCE LEE CHEOW HOCK
Managing Director, Motors Division

Who We Are

Sime Darby Motors is an automotive group in the Asia Pacific region. Sime Darby Motors represents several automotive manufacturers, from luxury brands such as BMW, Jaguar Land Rover and Porsche, to broad-appeal market brands including Ford and Hyundai. We are active in all facets of the motor value chain, from assembly and distribution, through to retail and rental.

Our Key Markets

- Australia
- China
- Hong Kong
- Macau
- Malaysia
- New Zealand
- Singapore
- Taiwan
- Thailand
- Vietnam

Our Vision

To be a leading automotive player in the Asia Pacific region

Unit Sales :
91,278 units
2014 : 92,112 units

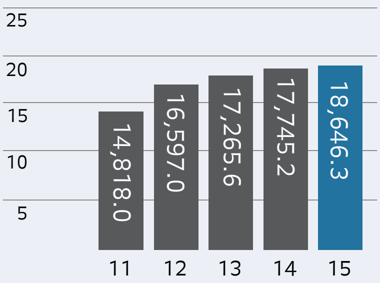
10,310 employees
2014: 9,787 employees

Highly experienced management team with in-depth industry knowledge

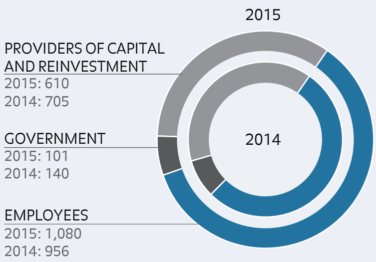
Return on Average Invested Capital (ROAIC) (%)
7.6
2014: 12.5

Revenue (RMm)

18,646.3

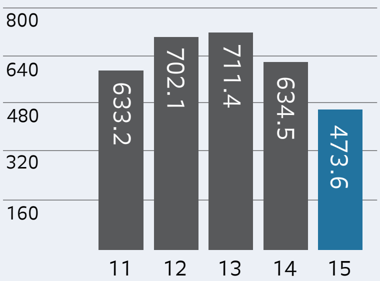


Value Distribution (RMm)

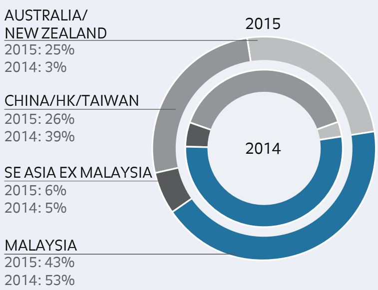


Profit before Interest and Tax (RMm)

473.6



Profit by Region (%)



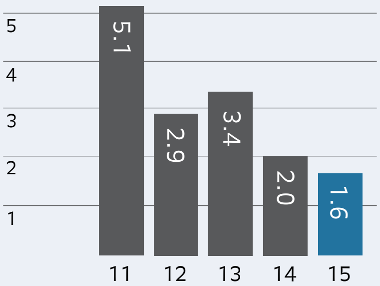
The most progressive sportscar. The BMW i8.

Our Key Focus

The Division remains focused on enhancing operational efficiency along the value chain while seeking new investment opportunities via organic growth in existing markets, as well as growth into new markets. The Division strives to deliver its objectives of generating strategic growth and sustainable profits in the coming years.

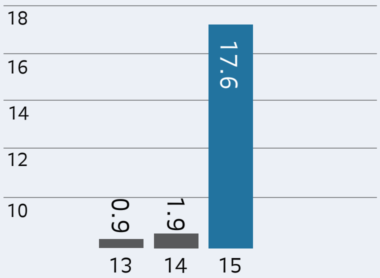
Lost Time Injury Frequency Rate (Incidents per million manhours worked)

1.6



Lean Six Sigma (LSS) Benefits (RMm)

17.6



Health and Safety Measures

- Fatality Accident Rate (FAR) = 0.00
- Total Lost Days = 148 days (FY14: 283 days)

Our Principal Activities

- Importation
- Assembly
- Distribution
- Retail

Strong presence in major Asia Pacific markets with a

diversified portfolio

of leading brands

Long standing and proven relationships with key

world class

automotive manufacturers

Porsche Macan. Life, intensified.

THE AUTOMOTIVE INDUSTRY WAS INFLUENCED BY **VARIOUS POLITICAL, REGULATORY AND ECONOMIC FORCES**

MARKET & INDUSTRY OVERVIEW

The automotive industry was influenced by various political, regulatory and economic forces this year that impacted the Motors Division's operations:

Malaysia

The implementation of Goods and Services Tax (GST) and the tightening of loan application requirements led to softer consumer sentiment.

Singapore

The increase in Certificate of Entitlement (COE) premiums and lower quotas negatively impacted the automotive retail sector.

Thailand

Continued challenging operating environment due to ongoing political unrest and uncertainties as well as weak economic sentiment.

China

Luxury brands continued to endure challenging market conditions attributable to price competition and the Government imposing curbs on luxury spending.

Australia

Luxury vehicles continued to perform strongly with double digit growth over the prior year although the downturn of the mining sector in Australia persists.

New Zealand

New vehicle sales in New Zealand surged to a record high in 2014, aided by a buoyant economy and strong local currency.

Vietnam

Automotive sales hit an all-time record to reach 157,810 vehicles in 2014, up 43% compared with 2013 on the back of a booming economy. The luxury segment reported steady increase in line with the industry growth.

Land Rover Discovery Sport. The most versatile compact SUV.

Ford Ranger. Built to take on your world.

Hong Kong

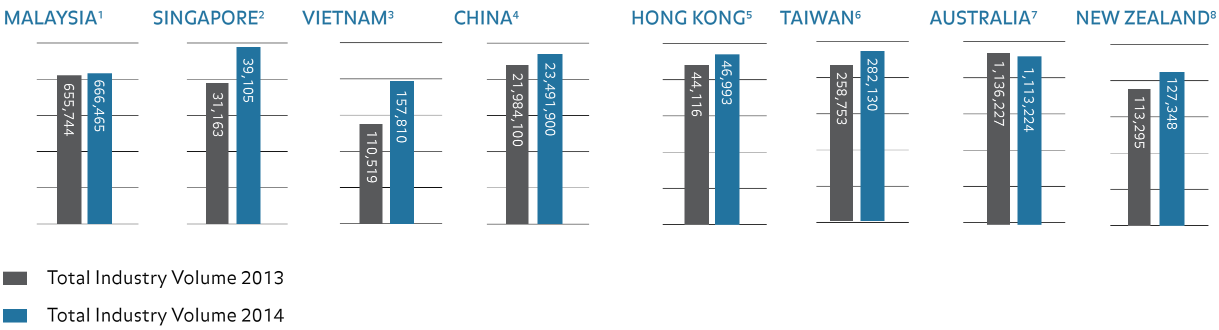
The Hong Kong economy moderated due to weaker growth in Mainland China while the Occupy Central Incident in Hong Kong affected the retail market. The premium cars segment, however, has been resilient and maintained growth momentum despite challenging market condition.

Macau

In Macau, luxury car sales softened due to the slowdown in the gaming industry.

Taiwan

The economy grew robustly in 2014 on the back of increasing private consumption while auto sales showed steady growth. However, Complete Knocked Down (CKD) cars in Taiwan faced competition from Complete Built Up (CBU) vehicles as the weaker Yen and Euro against the New Taiwan Dollar in 2014/early 2015 benefited Japanese CBU models.



Sources

[1] Malaysian Automotive Association

[2] Business Monitor International

[3] MarkLines

[4] China Association of Automobile Manufacturers

[5] Business Monitor International

[6] Taiwan Transportation Vehicle Manufacturers Association

[7] Australia Federal Chamber of Automotive Industries

[8] Motor Industry of New Zealand

All figures are inclusive of Passenger Vehicles (PV) and Commercial Vehicles (CV) and represent unit sales.

BUSINESS MODEL

We have a vertically integrated business model across all stages of the value chain including importation, assembly, distribution, retail of new and used cars, after-sales service and rental. In Malaysia, we operate an assembly facility in Kulim where we assemble CKD vehicles. We are also the sole assembler for certain Kia CKD passenger vehicles in Taiwan. Our assembly capacity and expertise allow us to create a strong relationships with the car manufacturers and our CKD products are priced competitively in the retail market. We believe the strategic location of our outlets enables us to capture demand and achieve greater scale within the markets we operate, boost operational efficiencies and generate better returns.
Our after-sales service includes maintenance and repair services, retail of spare parts and sale of merchandise. With a higher volume of cars under our brand portfolio sold in the market, we expect the demand for after-sales services to increase. Our dealership network differentiates us from our competitors with comprehensive customer care capability and broad geographic coverage. Our used car segment cultivates brand loyalty, expands our customer base and increases our new car sales.

Our Competitive Advantage

Conglomerate advantage
Access to capital

Strong presence
Diversified portfolio of leading brands in strategic location across major Asia Pacific markets

Strong network
Long standing and proven relationships with key world class automotive manufacturers

Value chain control
Vertically integrated across all stages including importation, assembly, distribution, retail of new and used cars, after-sales service and rental

Our Key Resources

Invested capital RM6,430 million

Assembly capacity and expertise

Intellectual capital : Business processes, brands, dealership, outlet approvals and designs, licenses

Talents
10,310 employees as at 30 June 2015
Highly experienced management team with in-depth industry knowledge

Conducive work environment

Continuous engagement with stakeholders

How We Create Value

Create
Superior financial returns through operational excellence and high performance standards

Diversify
Wide range of brand coverage : 30 marques ranging from mass market brands to luxury brands

Synergise
Strong relationships with car manufacturers enhances growth potential

Cultivate
Develop capabilities in assembly expertise and comprehensive after-sales services

How We Share The Value We Create

Investors
- Develop a winning portfolio of sustainable businesses.
- Growth through geographical expansion.

Business Partners
- Increase brand value and enhance brand loyalty resulting in potential growth.
- Increased confidence in partnerships.

Customers
- Easily accessible outlets and comprehensive after-sales service provide customers with convenience and reliability.

Employees
- Develop competencies and skills which increase job efficiency and effectiveness resulting in improved quality and a safe workplace.

Authorities
- Develop positive relationships with authorities.

Hyundai Sonata. Precision in driving.

OUR STRATEGY

Sime Darby Motors aspires to be a leading automotive player in the Asia Pacific Region. The Division's direction and business performance have been driven by an existing five-year strategy blueprint which was outlined in 2011. A key strategic theme for the Division is to harness the growing demand for automobiles in key emerging markets in the Asia Pacific region, which includes expansion via organic growth as well as growth into new markets. Along the value chain, the Division continues to focus on after-sales and expanding the used car businesses.

Divisional Strategic Objectives	Highlights	Priorities for 2016
 Expansion in key emerging markets  Expansion of used cars and after-sales business	• During the year under review, Sime Darby Motors established five additional facilities located in China (Nanjing & Chongqing), Australia (Brisbane) and Taiwan (two in Taipei) • Added a new brand (Ferrari) in Brisbane, Australia • In Malaysia, all Used Car businesses are being consolidated under one entity, ie. Sime Darby Auto Selection, where customers will have more choices to purchase when visiting our used cars outlets • Increase in used car and after-sales revenue by 12% over the previous year	• Focus on optimisation of resources, improve operational efficiencies and realise synergies between the facilities.

See page 185 for principal risk factors and mitigation measures

REVIEW OF PERFORMANCE

The Motors Division encountered severe challenges across many of its markets, but despite the gathering storm clouds, managed to generate fair earnings for the year under review. In FY2015, the Division registered a PBIT of RM473.6 million, which was 25% lower than the previous financial year, mainly attributable to adverse market conditions in China, Malaysia, Singapore and Thailand. Restructuring and right sizing such as integration of certain facilities/operations and improving working capital management are amongst the ongoing measures that continue to be taken to realise cost efficiencies and meet the demands of the challenging environment.

Malaysia

The Malaysian retail and wholesale businesses were confronted by soft market sentiment and reduced consumer spending resulting from a 'perfect storm' of external socio-economic issues, namely lower crude oil and commodity prices, a subdued economy, a weakening Ringgit, credit controls and the implementation of GST. The Porsche business benefited from the launch of the Macan and the opening of a new 3S facility in Sungai Besi, Kuala Lumpur. Likewise, Auto Bavaria was the main contributor to a record sales year for BMW in 2014.

At the same time, the decision to assemble a wider range of BMW models at the assembly facility in Kulim saw Inokom further expand its portfolio of products and continued to build a broader base for the future. Despite the downturn, Ford, Hyundai and Jaguar Land Rover have continued to enhance their network and facilities, leaving them primed to capitalise on more favourable market conditions.

The Division has commenced the construction of a state-of-the-art "Automotive Complex" in Ara Damansara, Selangor, a prime real estate in a highly accessible location. It will retail a number of luxury and premium brands and offer after-sales services for various vehicle brands all under one roof. This will further strengthen our brand and presence in Malaysia, optimise operational costs and improve the customer experience. It is expected to be completed in FY2017.

Australia

The Australian operations achieved its targets, underpinned by the first full year results and record profits from the BMW dealership in Brisbane, acquired in April 2014. The turnaround of the Peugeot Citroen distribution business also contributed positively, helping to offset the losses from Corefleet, whose mining rental business could not escape the malaise surrounding the downturn in the Australian mining industry. The retail growth strategy for Australia remained in focus with the acquisition and expansion of land and buildings for a full-fledged Porsche dealership in Sydney and securing the Ferrari brand in Brisbane.

New Zealand

New Zealand delivered another stellar performance fuelled by record growth in the commercial vehicle operations. The restructuring of the retail operations included the approval for a new state of the art facility for BMW in Auckland which is slated for completion in 2016 and the closure of non performing operations, with a view to sustain growth going forward.

China

The Chinese automotive industry is facing a slowdown in view of tougher Government policies to curb luxury spending and reduce road congestion. The China operations will continue to focus on streamlining the cost base and improving operational efficiency to meet the challenges ahead.

Hong Kong/Macau

The Hong Kong luxury car operations performed well despite a challenging trading environment. The operation is expecting higher deliveries with new product launches in the coming year. A drive to realise synergies from both Hong Kong and Macau operations to improve efficiencies is in place and will be enhanced.

Singapore

In Singapore, all retail operations suffered from higher COE premiums and reduced quotas, which intensified competition. The Ford and Peugeot brands managed to hold their own within their segments while the changing market dynamics were optimised by the Hertz rental business. The BMW operations were affected by the lack of a small engine variants (COE category A), which represents over 40% of the market. This has been addressed by the manufacturer, together with the introduction of a slew of new products such as the BMW i Series, BMW 4 Series Grand Coupe and variants of the BMW 2 Series. When considered alongside the significant increase in COE quotas and savings from the restructuring actions taken in FY2015, the Singapore operations are geared for an improved performance in FY2016.

Thailand

Despite continuing to improve operational efficiencies across all facets of the business, the Thailand operations still struggled in the face of the ongoing political conflict and weak economy and market sentiment. However, we remain confident that our business structure can optimise the market upswing after the elections.

New Markets

In FY2014, the Division gained a foothold in two new markets, namely Vietnam and Taiwan. The recently acquired BMW importer operation in Vietnam delivered a record profit in its first full year, bolstered by strong premium segment growth and the harnessing of Sime Darby's corporate culture and governance with local management and dynamism. This working relationship provides an excellent platform for continued growth which will be complemented with plans for network expansion in the future.

In Taiwan, the Division has set up two 3S facilities in Taipei and expanded its network to a total of 14 dealerships in major cities such as Taipei, Taoyuan, Tainan and Kaoshiung. The operation plans to extend its reach to more cities in Taiwan.

Operational Improvements Initiatives

To mitigate the impact of the challenging business conditions, the Division continued to focus on operational improvements through LSS and Business Process Improvement initiatives. The Division realised benefits of RM17.6 million in FY2015, bringing the cumulative benefits since FY2013 to RM20.4 million. Benefits were mainly derived from optimising assembly facilities, centralised warehousing, procurement savings and back-end synergies.

Sustainable Products

The Division continued to facilitate consumers' environmental related concerns by making available products which are environmentally friendly upon release by the manufacturers such as BMW i3 and i8 electric vehicles.

The Motors' sales teams are trained to understand the comparable benefits of available and emerging automotive technology and to educate customers to respond to their interests in environmentally-friendly choices.

Our employees completed Customer Service Excellence training this year and efforts were rewarded with an improved score for the Customer Service Index benchmarks (which are developed internally), as well as against the Principals' standards.

Safety & Health

The Division continues to place emphasis on improving safety & health practices. In the Division's assembly operations at Inokom, intensive training is provided to all employees performing their respective tasks to ensure they know how to identify hazards that may be present in the workplace and mitigate them. In addition, all contractors are expected to attend safety rules and regulations briefings before work can be carried out. Personal protective equipment is also made compulsory for all contractors.

FOCUSED ON ENHANCING **OPERATIONAL EFFICIENCY**

OUTLOOK & FUTURE FOCUS

The Division expects the difficult business conditions to persist in the near future. The Malaysian operations expect new upcoming models to boost sales in the coming year, but the business is forecast to continue to be impacted by soft market sentiment, tighter lending policies and the weakening Ringgit against the US Dollar and other major currencies.

The stock market correction and continued Government austerity policy in China will continue to affect demand for luxury brands of motor vehicles. The China car industry is bracing itself for a "new normal" of slower economic growth.

In Singapore, the increasing COE supply is expected to result in higher demand for our products. This could potentially lead to higher sales and an improved market share.

Vehicle sales growth in Vietnam is expected to continue on a positive momentum with the economy projected to expand by 6.5% in 2015 with continued monetary easing providing a strong pillar for sustainable economic expansion.

In Australia, the passenger vehicle sales are expected to slow down in view of low consumer confidence against the backdrop of high household debt levels and slow wage growth. For New Zealand, the continuous growth in the construction industry will boost our commercial vehicle sales.

The Division remains focused on enhancing operational efficiency along the value chain, in both sales and after-sales operations. With organic growth initiatives as well as the execution of strategic projects in the pipeline, the Division is well positioned to continue delivering sustainable profits in the coming years.

PROPERTY

"Sime Darby Property is dedicated to developing sustainable communities, enriching lives for all. We will deliver products and services to shape a more prosperous future for generations."

TAN SRI DATO' SERI (DR) ABD WAHAB MASKAN
Managing Director, Property Division

Who We Are

Sime Darby Property is a multiple award winning and leading integrated township developer in Malaysia with a global reach that encompasses operations and also assets in Australia, Singapore, Vietnam and the United Kingdom. The Division is involved in property development, property investment & asset management, hospitality and leisure.

The Property Division's history reflects the commitment to meet the ever-evolving property needs of a developing nation.

On the back of a successful 40-year track record of building sustainable communities, Sime Darby Property has to-date built 21 townships/ developments and has approximately 30,000 acres of land bank in four main corridors spanning from Selangor to Johor, which includes 10,900 acres earmarked for future development.

From a tradition of developing townships and commercial centres, Sime Darby Property is on a journey of innovation and creativity in spearheading various initiatives including niche developments, transit-oriented developments, business centres and retail malls. In addition to property development, the Division also operates several of Malaysia's commercial and hospitality assets for recurring revenue, including the Kuala Lumpur Golf and Country Club.

Our Vision

To be the leader in building sustainable communities.

Our Key Markets

Australia
Malaysia
Singapore
United Kingdom
Vietnam

Sime Darby Property Sustainability Index (SUSDEX)

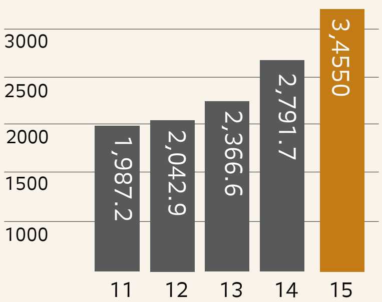
9 townships involved in SUSDEX assessments: Bukit Jelutong, Denai Alam, Bandar Bukit Raja, Putra Heights, USJ Heights, Planters' Haven, Ara Damansara, Melawati & Nilai Impian.

Our Principal Activities

- Property Development
- Property Investment & Asset Management

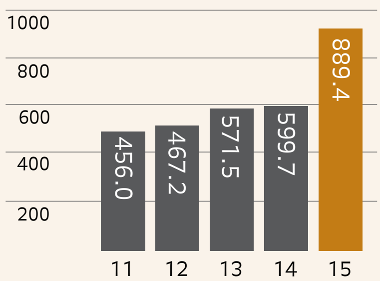
Revenue (RMm)

3,455.0

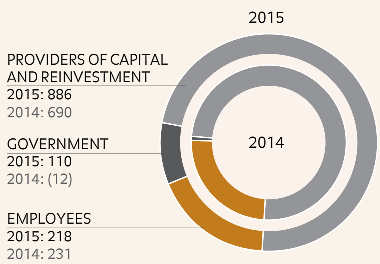


Profit before Interest and Tax (RMm)

889.4



Value Distribution (RMm)



Our Key Focus

Sime Darby Property is committed to transforming spaces into sustainable communities to last for generations. To live sustainably, we create communities that are socially inclusive, economically vibrant, safe and environmentally enriching. Sustainability is a mind-set that we actively cultivate to deliver on these promises.

Awards

- Putra Brand Awards – Gold (6th year running)
- Top 3 Property Developer in the country – The Edge 'Top Property Developers Awards' (since 2009) - Ranked #2
- Best Employers Malaysia 2015- Aon Hewitt Best Employers Award
- BCI Asia Awards – Top 10 Developers Awards in Malaysia (5th year running)
- Malaysia Excellence Award- 2015 Frost & Sullivan Malaysia Building Construction New Product Innovation Award
- Top 10 Developer - Property Insight: Prestigious Developer Awards
- Best Residential Interior Design in the South East Asia (Malaysia) Property Awards 2014 – The Vèo
- Best Mid-Range Condo Development in the South East Asia Property (Malaysia) 2014 – The Vèo

Units Sold

1,659 units

2014 : 3,049 units

Gross Sales Value (RMm)

2,134 million

2014: 2,750 million

1,789 employees

2014: 1,680 employees

Return on Average Invested Capital (ROAIC) (%)

10.5

2014: 8.0

Key Operational Highlights

- Newly approved themed townships: Kota Elmina (1,500 acres) and Lagong (1,800 acres) in Selangor, Kulai (5,000 acres) in Johor.
- Significant project approval by authorities: Bandar Bukit Raja 2&3 (2,700 acres) and Serenia City (2,300 acres).
- Sime Darby Property and Penang Development Corporation (PDC) signed an Memorandum of Understanding (MOU) to collaborate on the development of Byram Estate at Seberang Perai Selatan, Pulau Pinang into Malaysia's premier Small Medium Enterprise (SME) High-Tech Industrial Park.
- Launched a total of 5,801 units of affordable housing across all our active townships since FY2008.
- The unveiling of the Malaysia Vision Valley (MVV) in the 11th Malaysia Plan is positive for the Sime Darby Group. MVV which is located in the west of Negeri Sembilan covering Nilai, Seremban and Port Dickson spanning 108,000 ha, is envisaged to become a new economic growth area encompassing several strategic clusters to complement the developments in the Klang Valley. This will unlock the value of development potential in Sime Darby's landbank located within the MVV area.

Value Enhancement:

- Safe City initiative: A collaborative effort with residents, Royal Malaysian Police, Malaysian Crime Prevention Foundation and the Government to reduce crime while enriching the spirit of the Malaysian community
- Lifestyle Collection, to enhance brand awareness and market presence via vigorous media outreach and innovative marketing
- PRIME, a customer loyalty programme for Sime Darby Property owners, which includes discounts on future purchases, cash rewards, priority invitations and privileges and rewards of the Lifestyle Collection.

Artist's impression of Clusia, City of Elmina.

OVERCOMING CHALLENGES AND LEVERAGING ON **ACTIVE DEMAND FOR AFFORDABLE HOUSING**

MARKET & INDUSTRY OVERVIEW

The Malaysian economy grew at 6.0% in 2014 and is expected to remain on a steady growth path of 4.5%-5.5% in 2015 with domestic demand the key driver.

Overall, the residential property market continues to soften with declining loan approvals and the Malaysia House Price Index (MHPI) trending downward due to inflationary pressure and cooling measures. Demand for affordable housing of up to RM700,000 remained active in sought after locations, while developers are cautious on high-end products with large deferrals.

Oversupply of office space led to lower occupancy of 80% and continued downward pressure on rents, while new green-certified offices with good connectivity continued to be attractive. The retail market remains competitive, as incoming supply of 6.7 million sq. ft. of new retail space by end of 2015 will put pressure on occupancy and rents. The industrial market is likely to remain positive in Selangor and Johor, while demand is improving in Negeri Sembilan, with preference for integrated logistic facilities for industrial players and small businesses.

Despite the challenges in the market, the Division's product mix with good location and connectivity that cater to every market segment remained reasonably attractive in FY2015.

BUSINESS MODEL

Building on its experience and reputation in developing townships and commercial centres, the Division is expanding its footprint to include themed-township developments, integrated and niche developments, transit-oriented developments, managed industrial business parks and retail malls. In addition to property development, the Division also operates several commercial and hospitality assets for recurring income.

Our Competitive Advantage

Conglomerate advantage
Access to capital

Strong presence
Strong brand positioning with development in highly sought after locations

Innovative capabilities
Sustainability embedded and market-driven design

Strategic partnerships
Value-adding strategic alliances and business partnerships

Our Key Resources

Invested capital RM9,188 million

Large freehold landbank in good locations and connectivity

Intellectual capital : Brand, reputation and designs

Talents

1,789 employees as at 30 June 2015

Highly experienced management team with in-depth industry knowledge

Strong relationships with key stakeholders

How We Create Value

Value Proposition
Superior financial returns through innovative, sustainable product portfolio and differentiation

Positioning
Multi award-winning and leading integrated township developer in Malaysia, with overseas presence

Business Synergy
Leveraging on core competencies of partners to improve market intelligence

Innovate
Successful 40-year track record of building sustainable communities and delivering innovative products to meet the ever-evolving needs of our customers

How We Share The Value We Create

Investors
- Develop a winning portfolio of sustainable businesses.
- Improved financial returns.

Business Partners
- Realisation of business synergy.
- Catalytic developments enhance brand positioning.

Customers
- Delivering innovative products and sustainable communities built by a reliable, award winning developer.
- Innovative product mix that caters to every market segment.

Employees
- Engaged and skilled workforce with career growth opportunities to spearhead future innovative initiatives.

Authorities
- Contribute towards the socio-economic development of the various localities we operate in.

OUR STRATEGY

The Property Division aims to meet its objectives through on-going business innovation, continuous improvement and differentiation. Value creation will be accelerated through the following activities:

Divisional Strategic Objectives	Highlights	Priorities for 2016
 Enhance Brand Equity via: • Sustainability Practices (business driven best practices and green/ sustainable products and services) • Innovation and customer service excellence	• Putra Brand Awards - Gold (6th year running) • Top 3 property developers at The Edge Malaysia's 'Property Excellence Awards' 2014 • 2015 Frost & Sullivan Malaysia New Product Innovation Award • Average Quality Assessment System in Construction (QLASSIC) Score is at 78% (19 Phases) FY2015 • Establishment of SD Property Innovation Committee	• To achieve three major industry awards • To complete Brand Audit measurement exercise • Average QLASSIC Score of 85% • Green Index : SUSDEX Gold Green-rated in two new Townships • Championing an innovative culture
 Enhance returns on invested capital via: • Innovative, sustainable product portfolio and differentiation • Strategic Business Partnerships and Development • Judicious monetisation of real estate investments	• Monetisation of shareholding in SD Sunsuria Development • Optimising strategic alliance with partners, i.e, Brunsfield, CapitaMalls Asia, Tunas Selatan, UEM Sunrise, SP Setia and EPF • Divestment of low yield assets	• Formation of strategic catalytic development alliances in selected townships • Improve market intelligence to ensure products are catered to the on-going needs of the consumer • Divestment of low yield assets • Secure alliance with strategic partners in Property Investment and international expansion • Accelerate engagement for strategic and smart partnerships with leading property players, content providers and Public–Private Partnerships (PPP)
 Enhance profitability and opperational efficiency via: • Developing an optimal pipeline of landbank projects and real estate investments	• Lean Six Sigma (LSS) Benefit for FY2015 of RM62.7 million • Signed MOU with PDC to develop the Master Plan of Byram Estate • The unveiling of the MVV is positive for the Group. MVV's planning is in the early stages and is currently being led by the state government • Significant project approval by authorities: Bandar Bukit Raja 2 & 3 and Serenia City • Newly approved themed townships: Kota Elmira and Lagong in Selangor, Kulai in Johor	• Drive opperational efficiency initiatives • Achieve higher asset turnover through shorter lead time to market from acquisition to product launch

Divisional Strategic Objectives		Highlights	Priorities for 2016
	Leading Regional Township Developer in Malaysia and International Property Player in selected destinations	• Exploring expansion in key markets • The Battersea Power Station regeneration project launched Phase 2 in May 2014 and Phase 3 in October 2014	• Engagement with potential strategic partners for regional and international expansion • Achieve Battersea Power Station project progress as planned
	Building Yield Accretive Assets under Property Investment portfolio	• Divestment of non-core/low yield assets	• Redeployment of capital into yield accretive Real Estate Investments
	Promote diversity, inclusiveness and internationalisation through human resource initiatives	• Optimal competency and capability to support expansion and growth trajectory • Knowledge transfer from the Battersea Power Station development project to build capability in international developments	• Enhance skillsets and competencies in Asset Management, Project Management & Construction Management • Inculcate coaching capabilities to develop high performance culture • Strategic alliance with best-in-class companies locally & overseas

See page 185 for principal risk factors and mitigation measures

Artist's impression of Bandar Universiti Pagoh, the first education themed development in Malaysia.

REVIEW OF PERFORMANCE

The Property Division's PBIT jumped 48.3% from RM599.7 million in FY2014 to RM889.4 million in FY2015. The increase was on the back of accelerated contribution from locked-in sales and progress of completion, strategic divestment of equity and catalytic land, as well as effective cost management measures.

The residential market remained challenging in FY2015, of which the Property Development segment of the Division attained a Gross Sales Value (GSV) of RM2.1 billion on the back of 1,659 total units sold, compared with GSV of RM2.7 billion and 3,049 units sold in FY2014. The lower units sold in FY2015 was mainly due to the softening in the residential property market, attributed to inflationary factors and cooling measures.

As part of the strategic review on our landbank, joint ventures (JVs) and investments, several initiatives were undertaken in FY2015, which included the divestment of the 50% equity in Sime Darby Sunsuria Development Sdn Bhd, disposal of low yield assets under Property Investment as well as the strategic collaboration in the City of Elmina.

Malaysia

In FY2015, the Property Division reinforced its leadership position by accelerating themed-township developments and offering a distinguished portfolio of sustainable-living products.

Existing townships such as Elmina East, Bandar Ainsdale and Bandar Universiti Pagoh are progressing as planned. In line with the Five-Year Strategy Blueprint, three new townships, Kota Elmina, Lagong and Kulai, will be the new additions to Sime Darby Property's themed township development.

The collaboration with PDC on the Byram Estate development (933 acres own by the Group and 4,017 acres of state government land) also involves sharing the cost for main infrastructure for the proposed developments. Development on the respective lands will be undertaken independently by the Division and PDC.

United Kingdom

The Battersea Power Station regeneration project—the Property Division's biggest international development to date—launched Phase 2 of the development in May 2014, which will create 18 acres of new public space including a 6-acre public park, office space to accommodate 5,000 people, up to 200 shops and restaurants, leisure and recreation facilities as well as a 2,000-seat auditorium.

In October 2014, Phase 3, involving the construction of more than 1,300 homes of various sizes and styles as well as a 160-room hotel, retail spaces, restaurants and leisure facilities, was launched. A global tour to 13 cities in 11 countries to market the prestigious Battersea Power Station project was conducted with the aim to build awareness, brand positioning and sourcing top United Kingdom and global brands and businesses to bring life into London's largest iconic development.

This project, in which Sime Darby Property has a 40% stake, enhances the Division's position as a leading player in the regeneration of the venerable London landmark.

Sustainability

Sustainability remains at the core of the Property Division's business practices and strategy and a key component of its design and management approach. In 2015, for the fifth consecutive year, Sime Darby Property was honoured as one of the Top Ten Developers in the Building and Construction Information (BCI) Asia Awards. The Division's success

Artist's impression of Central Park at Battersea Power Station. The park will play a key role in the development's place-making strategy.

in securing its fifth BCI award was measured on the sustainability of its projects and green building ratings.

The Property Division also maintained its brand positioning and recognition by being the recipient of the Best Employers Malaysia 2015 award from Aon Hewitt and 2015 Frost & Sullivan Malaysia Building Construction New Product Innovation Award.

The Division subjects its business assets and township developments to the rigorously assessed SUSDEX, which focuses on social, environmental and economic sustainability pillars – or referred to internally as People, Planet and Prosperity.

SUSDEX guides and measures the Division's sustainability performance at the township level as well as its Property Investment and Asset Management segment.

In terms of quality, the Property Division's internal measures complement external assessments focusing on product quality conducted by the Construction Industry Development Board (CIDB) through its QLASSIC. It assesses and evaluates the quality of workmanship of building projects after the issuance of the Certificate of Practical Completion (CPC).

In ensuring that the Division delivers quality products, the following were carried out:

- 25%-75% Structural Stage Inspection.
- Product Quality Assessment System (PQAS) for mock-up units.
- 100% Pre-CPC inspection.
- QLASSIC Inspection by CIDB after CPC issuance.

The Division is also benchmarked according to CIDB's Safety & Health Assessment in Construction (SHASSIC), which ensures best practices in safety and health by contractors at work sites. Sime Darby Property is actively involved in ensuring that all phases of developments undergo the assessment. A total of 17 development phases participated in the assessment in FY2015, with seven achieving the highest rating of Five Stars.

Developments are also subjected to other regulatory requirements such as environmental compliance. The Division undertakes Environmental Impact Assessments (EIA) or Detailed Environmental Impact Assessments (DEIA) in accordance with the requirements of the Environmental Quality Act 1974 (EQA) and subsidiary regulations prior to any development. The EIA has been conducted at almost all of the Division's townships, with recent assessments performed at Elmina West and Serenia City.

The Property Division's own Environmental Management Plans (EMP) minimise environmental and socio-economic impact of its operations and is developed to ensure that environmental impacts are identified and mitigated. The EMP includes the management of river, air, noise and waste and the Environmental Emergency Response Plan to react effectively to flooding, spillage, landslide and other emergencies.

The Division's continued strong performance is the outcome of a conducive Sime Darby Property culture which has its foundation in the dedication, passion and drive of its employees towards the three sustainability pillars of People, Planet and Prosperity.

Innovation

Sime Darby Property is recognised in the industry for innovation, sustainability and proactive customer service. The Division constantly innovates by improving processes and product quality. This includes reduction in design and construction timeframe such as The Véo in KL East, which features a construction cycle of 10 days per floor, along with embedding sustainable elements and efficiency features, which comprised of modular design, low volatile organic compound paints, rainwater harvesting and roof insulation, among others. All these features are presently incorporated in the Division's developments at Denai Alam, Putra Heights and Bandar Ainsdale.

The Division continues to embrace IT platforms as an approach to interact with its customers. In FY2015, an online customer portal was launched featuring, among others, a defect reporting channel and a homeowner's manual which includes lists of suppliers, sub-contractors, renovation guidelines, operation manual for smart systems, guides to surrounding amenities and other useful information. It also provides information on future Sime Darby Property activities and developments.

Sime Darby Property extends the customer ownership experience well beyond their homes, by providing connectivity such as telecommunications, pedestrian/cycling routes, vehicular roads and infrastructure. The objective is to create an enhanced lifestyle by implementing 'placemaking' as the heart of the development in promoting family and community based activities, with the provision of vast activity-based common spaces, improved streetscape and green landscaped areas.

Artist's impression of KL East, a 160-acre integrated transit adjacent development within the established Melawati area.

Artist's impression of Chemara Hills, Seremban.

DESPITE THE CHALLENGING MARKET OUTLOOK **FY2016 PLANS ARE ON TRACK**

OUTLOOK & FUTURE FOCUS

Despite the prevailing challenging outlook for the property market, the demand in prime areas and for affordable landed properties remains active, supported by buoyant middle class and upgrader segments.This is coupled with right-pricing and innovative marketing strategies.

The Property Division's commitment towards complete inclusiveness means that it strives to build for all market segments of the population. Sales of residential properties below RM1 million is expected to be positive within the sought-after locations, which includes the City of Elmina, Denai Alam, Bandar Bukit Raja, Nilai Impian and Bandar Ainsdale. The launches of commercial and industrial properties are in demand, especially to cater to the growing businesses in Greater KL.

The Division's more than 30,000 acres of remaining landbank in four main corridors spanning from Selangor to Johor currently have an estimated Gross Development Value (GDV) of RM140 billion. Taking into consideration the economic uncertainties, the Division will be more sensitive towards economic sentiment as we continue to accelerate our developments. The Division will focus on value creation, strategic partnerships and enhancement of its core business activities in the coming year.

ENERGY & UTILITIES (NON-CHINA)

"The outlook appears challenging given depressed commodity prices and lower activity levels in most sectors. Nevertheless, the Division remains optimistic of several new growth opportunities in the areas of green technologies, engineering services and trading businesses."

ALAN HAMZAH SENDUT
Managing Director, Energy & Utilities Non-China Operations

Who We Are

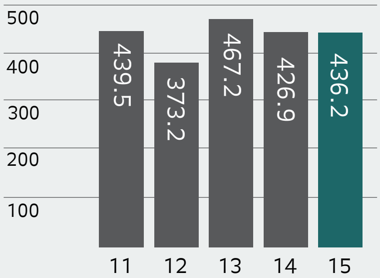
The Energy & Utilities (E&U) Non-China Division is the provider and partner of choice for engineering solutions, with specialised and dedicated teams across our key markets and business units.

Our Vision

To be the preferred integrated engineering solutions provider in the region.

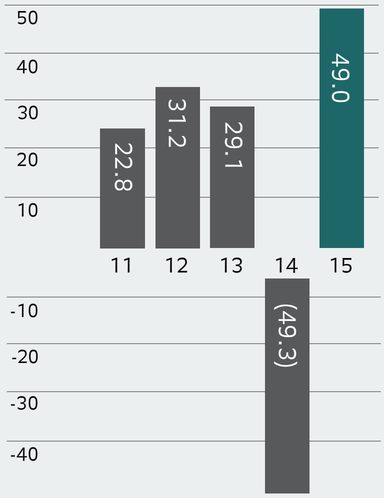
Revenue (RMm)

436.2



Profit before Interest and Tax (RMm)

49.0



719 employees
2014: 793 employees

One-stop
engineering solutions centre for built environment

Integrator
of Biogas and Bio-CNG solutions

Our Key Markets

Malaysia
Singapore
Thailand

Our Principal Activities

- Providing comprehensive engineering solutions for built environment
- Ensure integration of processes within facilities and built environment for the efficient development and maintenace of agreed services
- Supplying total Bio-Compressed Natural Gas (Bio-CNG) solutions

Our Products And Services

- Metering, fuel gas
- Heating, ventilation and air conditioning (HVAC) solutions
- Electrical systems, distribution and components
- Intelligent carpark management systems
- Heat exchangers
- Compressor and pump skids
- Bio-CNG, cogeneration (gas turbines) and natural gas vehicle (NGV) stations
- Navigational charts and nautical instruments

Sime Darby Offshore Engineering (SDOE) was the lead technology provider for the first biogas plant in Malaysia to produce Bio-CNG.

COMMITTED TO BUILD CORE BUSINESSES **GEARED FOR THE FUTURE**

MARKET & INDUSTRY OVERVIEW

Trading

The Division's Trading business operates in Malaysia, Singapore and Thailand. In Malaysia, the business supplies and services equipment for commercial and office buildings as well as transportation and infrastructure-related facilities. During the period under review, the Trading business experienced a slowdown in infrastructure spending by its customers.

In Singapore, the Trading business supplies pumps and compressors used in the oil and gas industry, particularly in the construction of oil rigs. However, the decline in crude oil prices had adversely reduced orders for new rigs in Singapore.

The focus of the business in Thailand, is in the electrical and electronics sector, which is closely dependent on the economic growth of the country. The uncertainties surrounding the political landscape and lackluster external sector growth continues to adversely impact growth in this area.

Engineering & Technical Services (ETS)

The process equipment, heat exchanger and radiator businesses are dependent on the offshore rig industry in China. Business has been stable in 2015 as the Chinese oil majors maintained capital expenditure despite the decline in oil prices.

The business also provides comprehensive engineering solutions for skids and electrical systems in the oil and gas sector in Malaysia. The Division mitigated the downturn in the sector by providing integrated engineering solutions to on-shore projects.

BUSINESS MODEL

The Division's strength is in providing integrated solutions across value chains in commercial and industrial buildings, as well as Bio-CNG plants. The Division continues to strengthen its core businesses by renewing and expanding its offering in these sectors.

Our Competitive Advantage

Conglomerate advantage
Access to capital

Comprehensive customer solutions
- One-stop engineering solution and integration of processes for built environment
- Integrator of Biogas and Bio-CNG solutions

Strong network
Amicable relationships and winning strategies with principals and partners

Our Key Resources

Capital

Experience, technical expertise and knowledge

Talents
- Competitive workforce
- Experienced & capable management team with deep knowledge

Conducive work environment

Continuous engagement with stakeholders

How We Create Value

Strengthen
Continuously enhancing competitiveness and growth of existing expertise

Synergise
Strategic alliance to leverage on expertise to be the leading integrated engineering solutions provider

Thrust
To be the leading player in the Bio-CNG business as well as an integrated solutions provider in the Biogas market

How We Share The Value We Create

Investors
- Develop a winning portfolio of sustainable businesses
- Improved financial returns

Business Partners
- Long-lasting relationships with principals and partners
- Increased partnership confidence

Customers
- Good market knowledge strengthens relationships with customers
- Key engineering solutions teams stationed in Malaysia, Singapore and Thailand providing easy access to customers

Employees
Develop competencies and skills that increases competencies and efficiency resulting in improved quality of service and a safe workplace

Authorities
Develop positive relationships with authorities and gain support for business development

SDOE's joint venture with Gas Malaysia Berhad will provide end users with a direct supply of Bio-CNG which is a sustainable and eco-friendly alternative energy source.

OUR STRATEGY

The Division continuously strives for leadership positions in key sectors by bringing together domain expertise, valuable engineering skills and proven technology to customers. In our pursuit to further strengthen our core businesses, the Division actively seeks out strategic partnerships and investments aimed at broadening revenue streams and driving long-term sustainable growth.

Divisional strategic objectives	Highlights	Priorities for 2016
 To continuously enhance the competitiveness and growth of the trading and engineering solutions business	• Secured additional partnerships: - Hitachi - KSK Security Scanning - Pennwalt Decanter - Hydro-Dyne - Schneider Electric	• Grow key accounts by at least 10%
 Grow the Integrated Facilities Management (IFM) business by providing services related to smart built environment or smart automation	• Identification of potential business	• Pursue inorganic growth in the IFM business
 To be the leading player in the Bio-CNG business as well as an integrated solutions provider in Biogas market	• Strategic alliance with Gas Malaysia Berhad for the trading of Bio-CNG	• Operationalise at least three upstream Bio-CNG projects

See page 185 for principal risk factors and mitigation measures

A process equipment designed and manufactured by Sime Darby Joy Industries under E&U's ETS core business.

REVIEW OF PERFORMANCE

The Division's financial performance improved from a loss before interest of RM49.3 million in FY2014 to a profit before interest and tax (PBIT) of RM49.0 million in FY2015, due to the net reversal of provisions relating to disposed or discontinued operations.

Trading

The Trading business unit recorded a decline in profit due to overall weaker demands for its products and services.

Nevertheless, Mecomb Singapore secured higher PBIT compared to previous year despite a slowdown in orders from two of its top customers, i.e. Jurong Shipyard and KeppelFels and the discontinuation of its industrial fan and Amston products.

Mecomb Malaysia experienced lower revenue due to weaker infrastructure spending, while Mecomb Thailand's performance was affected by the slow recovery of domestic demand and delays in government spending on in construction.

Engineering & Technical Services (ETS)

The ETS business unit recorded higher revenue due to income from its Cogeneration and Bio-CNG projects. Sime Darby Joy (SD Joy) recorded higher profits as a result of increased revenue and project savings, while Chubb Malaysia generated higher profitability due to better contribution margin of the electronics segment.

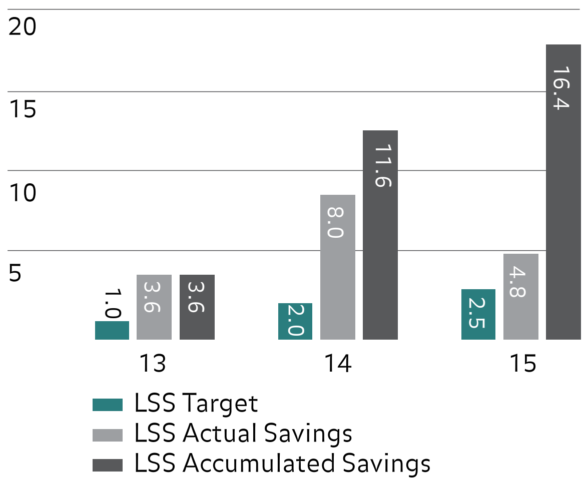
Safety & Health

For the year under review, the Division achieved zero fatality and recorded one Lost Time Injury (LTI) as a result of the continuous Occupational Safety & Health (OSH) awareness programmes implemented within the Division, following the Safety & Health roadmap.

Process Improvement

In FY2015, the Division achieved benefits of RM4.8 million from Lean Six Sigma (LSS) projects. The LSS savings were derived from improvements in procurement.

Lean Six Sigma (LSS) Benefits (RMm)



OPTIMISTIC OF GROWTH OPPORTUNITIES **DESPITE ADVERSE MARKET CONDITIONS**

OUTLOOK & FUTURE FOCUS

Trading

The 11th Malaysia Plan (2016-2020) tabled in May 2015 includes major infrastructure projects that will boost the construction sector and increase demand for engineering products. This augurs well for Mecomb Malaysia as there will be opportunities to participate in the major infrastructure projects announced in the plan.

To mitigate the decline in the sale of pumps and compressors in the oil & gas and ship building sectors, Mecomb Singapore is placing greater emphasis on widening its pool of customers for mechanical, electrical (mainly generator set packaging suppliers), engineering and system integrator products. New suppliers continue to be sought to enable the offering of package solutions to customers in the marine and offshore sectors, while the business continues to secure new projects from manufacturers, engineering companies and main contractors.

Mecomb Thailand is looking forward to strengthing its relationship with key customers in the electrical and parking system businesses amidst the uncertainty in the political environment in Thailand.

Engineering & Technical Services (ETS)

SD Joy is facing a slowdown in the oil and gas sector that has affected the China market due to the decline in crude oil prices. SD Joy is thus pursuing other markets such as Indonesia for further growth.

Similarly, Sime Darby Offshore Engineering (SDOE) is also facing a slowdown in the demand for electrical equipment, especially in the oil and gas sector. SDOE will shift its focus on growing the Bio-CNG business.

Emerging Opportunities

The Biogas and Bio-CNG businesses are expected to support the growth of the Division following the joint-venture agreement with Gas Malaysia Berhad for the trading of Bio-CNG. There may be further opportunities in this sector with more interest by plantation companies to install full biogas capture and methane avoidance facilities at palm oil mills.

The Division has also identified Integrated Facilities Management (IFM) as a potential business with strong growth and synergies with the other Divisions in the Group.

ENERGY & UTILITIES (CHINA)

"The Division's business in China remains resilient despite the challenging environment. We are confident that our pragmatic approach in our expansion and diversification strategy will help to enhance and sustain our niche in a highly competitive market place."

TIMOTHY LEE CHI TIM
Managing Director, Energy & Utilities China Operations

Who We Are

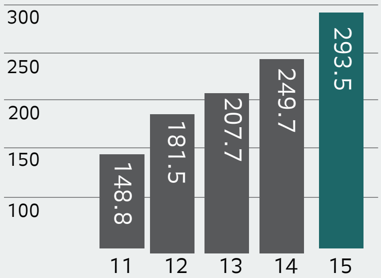
The Energy & Utilities (E&U) China Division is involved in ports & logistics and water management with a sea port and two water treatment plants in Weifang and three river ports located in Jining, Shandong province, China.

Our vision

To be a leading comprehensive ports & logistics and water business operator in Shandong province, China.

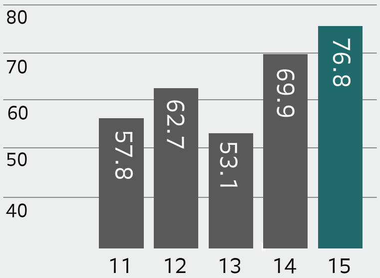
Revenue (RMm)

293.5



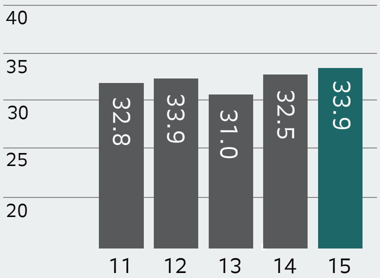
Profit before Interest and Tax (RMm)

76.8



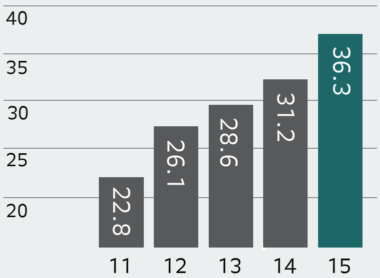
Water Volume (m cu m)

33.9



Port Throughput (Including container operations) (m tonnes)

36.3



Our Key Market

Bohai bay, Shandong province, China

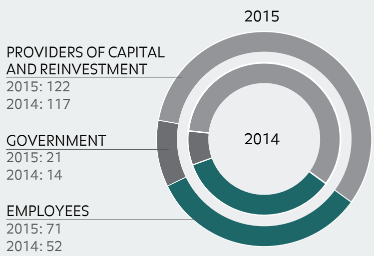
Our Principal Activities

- Handling a wide range of cargos such as dry bulk, break bulk, liquid bulk and containers.
- Clear water and water-related services to residential, commercial and industrial users.

First container port operator within Shandong's Yellow River Delta

1,041 employees
2014: 1,089 employees

Value Distribution (RMm)



THE DIVISION'S LONG-TERM **FUNDAMENTALS REMAIN SOLID**

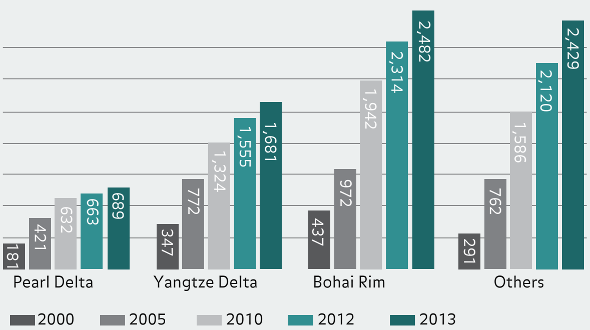
MARKET & INDUSTRY OVERVIEW

Despite the downward pressure on the Chinese economy, the country is embracing a new phase of slower but more resilient growth with emphasis on high quality growth that relies more on domestic consumption, the services industry and innovation. Despite the shift in focus, output from the industrial and agricultural sectors are still expected to grow by a compounded annual growth rate of 3.4% to 25.2 billion tonnes by 2040 (from the projected 10.9 billion tonnes in 2015), while total port throughput is expected to increase to 15.5 billion tonnes by 2040. (from projected 5.6 billion in 2015).

(Source: China Statistical Yearbook, China Port Yearbook, China Port Conference 2014 and Roland Berger Strategy Consultants' Analysis)

Source: China Statistical Abstract 2013

Total Cargo Throughput (m MT)



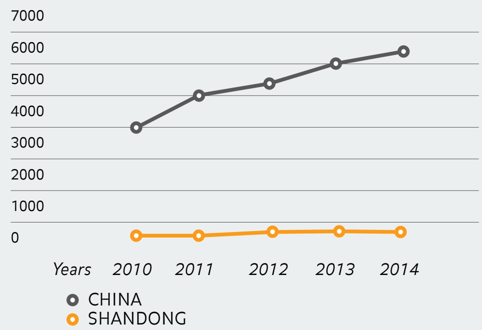
Source: China Statistical Year Book 2014

The Division's operations are located in Shandong province, the 2nd most populous province and 2nd largest consumer market in China. Shandong's GDP growth in the first half of 2015 was 9.6%, 2% higher than the national average of 7.6%.

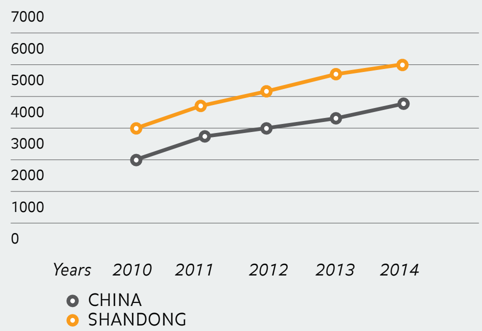
Our Port operations in China rely predominantly on the economic performance of Shandong and the provinces within the Bohai Rim which serve as the immediate and regional hinterland to the Weifang and Jining Ports. The close proximity to coal, iron ore and sand mining activities, the wide-spectrum of manufacturing industries in the region, Shandong's huge petrochemical industry (consistently topping China's output over 20 years) and Shandong's complete oil industry chain, all augur well for Weifang Port's long-term development as a multi-purpose port.

The Division aims to capitalise on this by increasing its port capacity to become a major port operator in the Bohai Rim.

China's Past 5-Year GDP - RMB Billion



China's Past 5-Year GDP Per Capita - RMB per capita



BUSINESS MODEL

The Ports & Logistics business involves the operations of port infrastructure and facilities in Weifang and Jining, in the Shandong province. The ports share common capabilities in handling a diverse range of dry and break bulk cargo, while Weifang Port is capable of handling container and liquid bulk cargo. The Water Management business of the Division is focused on the operations of two water treatment plants, as well as the laying of distribution networks in Weifang's Binhai Economic-Technological Development Area (BEDA), which is approximately 20km away from Weifang Port. The Division's performance is dependent not only on the upgrading of its handling capabilities and its expanding its client portfolio, but also on the dynamic economic activities in Shandong and its neighbouring provinces.

Our Competitive Advantage

Conglomerate Advantage
Acces s to capital

Strategic Location
Close proximity to immediate and regional hinterland with increased demand

Strong Network
Long-standing relationship developed with business partners, suppliers, local authorities and regulators

Our Key Resources

Invested capital RM1,899 million (as at 30 June 2015)

Multi-purpose port with 15 berths/terminals able to handle vessel sizes ranging from 3,000 to 20,000 deadweight tonnes (DWT)

Bulk/coal ports with 14 berths/ terminals

Water treatment facilities

51.1 million cubic metres per annum

Talents

1,041 employees as at 30 June 2015

Business processes, licenses and government approvals

How We Create Value

Create
Stable returns on investment

Enhance
Catalyst to spur local economy

Grow
Largest integrated port network in Jining

Develop
Create employment for local people

Network
Long-term partnership with different stakeholders

How We Share The Value We Create

Investors
- Improving Return on Average Invested Capital
- Targetting double digits over the long-term

Customers
- Provides customers with reliable service, backed by proven track record in efficiency and productivity
- Over 30 million MT and 190,000 twenty foot equivalent units (TEU) of container throughput handled
- Over 33 million m3 of water treated and sold
- One of the most efficient river port networks in Shandong province

People
- Develop a pool of talent for the local industry

Authorities
- Develop positive relationship with authorities and gain support for business development

OUR STRATEGY

The Division's 5-Year strategic direction:

1. To expand and diversify the annual capacity and capability of Weifang Port to handle bigger vessels and more cargo types to become a major multi-purpose port in the Bohai Rim. This will be achieved via the construction of 6 x 30,000 dead weight tonne (DWT) multi-purpose and bulk terminals and 2 x 50,000 DWT liquid berths. The new berths are expected to be operational in FY2017, upon which the Port's throughput and domestic and international cargo mix is expected to improve significantly.
2. Diversify cargo mix and develop logistics support at the Jining Ports. Construction of Jining Sime Darby Longgong Port (Longgong Port) phase 2 is expected to commence in FY2016 and will be a key component to fulfill the objective. This capital expenditure allows Longgong Port to handle a diversified cargo mix to fulfill its role as a multi-purpose port within the Division's Jining Ports' cluster. In addition, this also enables the three Jining Ports to remain as the largest sustainable port network operator with captive market in Jining, Shandong province.
3. Diversify and strengthen market share of the Water Management business by expanding in tandem with demand and/or the Government's development plans. The business unit will continue to coordinate with the BEDA authority on its network coverage and work closely with potential investors or developers to capture new demand and services.

Divisional Strategic Objectives	Highlights	Priorities for 2016
 Expand and diversify the capacity and capability of Weifang Port to maximise its full potential	• Construction of 6 x 30,000 DWT multi-purpose & bulk terminals and 2 x 50,000 DWT liquid terminals	• Completion of 8 new terminals
 Diversify cargo and develop logistics support at the Jining Ports	• Commence construction on permit approval for Jining Sime Darby Longgong Port (phase2)	• Construction of Jining Sime Darby Longgong Port (phase 2)
 Strengthen market share by expanding in tandem with demand and/or the Government's development plans	• Expand current water infrastructure to meet demand in a timely manner • Integrated water services provider in BEDA, Weifang	

See page 185 for principal risk factors and mitigation measures

REVIEW OF PERFORMANCE

The Division's revenue increased 17.5% from RM249.7 million to RM293.5 million as a result of higher port and water throughput, as well as higher average tariff. However, profit before interest and tax (PBIT) only increased 10% from RM69.9 million to RM76.8 million as the FY2015 results included a net loss on disposal of assets of RM4.7 million, while the previous year's results include a net gain on disposal of assets of RM17.8 million. Excluding the disposal of assets, the Division's PBIT would have increased by 56.4%.

Ports & Logistics

Overall Port operations reported an improvement in general and container cargo throughput in FY2015 on the back of stiff competition from land and rail transportation amidst a slowing China economy. General cargo throughput was 11.7% higher than FY2014 (32.5 million vs 29.1 million tonnes) with Weifang and Jining Ports recording a 9.5% and 13.9% jump in volume respectively.

As a result of strategic collaboration with other port operators, Weifang Sime Darby Port received higher bauxite volume during the year, offsetting the drop in other traditional products such as iron ore, soda, clay and liquid products. The increased in Jining Ports' general cargo throughput was mainly due to higher demand for coal in the Jining region and the recovery of some throughput from Jining Sime Darby Guozhuang Port which ceased operation in June 2014, as well as the ramp up of Jining Sime Darby Taiping Port's operations following its full operationalisation late 2013.

E&U China's Jining Ports is one of the most efficient river port networks in Shandong province.

In FY2015, container operations handled 193,340 TEU of containers, almost double (87.6%) the volume in the previous year and close to 80% of the port's container handling capacity. The growth in container handling throughput comes as a result of the Division's strategy to capture the increasing demand in the immediate and surrounding hinterland. Today, Weifang Sime Darby Port's container berth handles a diversified range of products such as raw materials for ceramic, papers, non-metallic ores, fertilizer, industrial salt and food products.

Approximately 18km of wave-breakers was disposed to a joint venture company, Weifang Port Services Co. Ltd., which is responsible for developing, managing and maintaining major port infrastructures, including the wave-breakers and main channel (public interests), whilst operators like Sime Darby will concentrate fully on running the terminals and commercial interests. The pooling of resources in the joint venture will accelerate the development of Weifang Sime Darby Port's capabilities and enhance its competitiveness, further enabling Weifang Sime Darby Port to achieve its strategic goal of becoming a major regional port.

During FY2015, the construction of 3 multi-purpose terminals, 3 bulk terminals and 2 liquid terminals which are part of the RMB2.8 billion master expansion plan, progressed well with overall completion status exceeding 70%. The new terminals are scheduled to be fully completed by end of 2016.

Water Management

During the year under review, the performance of Weifang Sime Darby Water Management Co. Ltd. remained resilient in the face of competition and slower economic growth. Despite the challenges, the operations registered an increase of 4.3% in volume from 32.5 million to 33.9 million cubic metres. The improvement in volume was attributed to the recovery of business from several major customers.

Occupational Health & Safety

The E&U China operations recorded zero casualty and zero major accidents in FY2015. In FY2014, the Division recorded 1 fatality. The Division will continue to emphasise heavily on safety & health practices through various initiatives; including the publication of E&U China's monthly Environment, Safety and Health (ESH) newsletter and the introduction of the Sustainability Management System which coordinates risk assessment, data collection and reporting efforts. For the year under review, over 17 ESH training programmes were successfully conducted with a total attendance of 1,391 employees.

Weifang Sime Darby Port's 3 x 20,000 DWT container berths.

TREADING CAUTIOUSLY **AMID SHORT-TERM VOLATILITY**

OUTLOOK & FUTURE FOCUS

The short-term operating environment remains volatile amidst uncertain oil prices and foreign exchange rates, as well as increased competition. From neighbouring ports, railway operations and land transportation (as a result of lower petrol prices). To mitigate these challenges, the Division will increase efforts to expand product types and customer base which may entail the extension of our marketing efforts to reach further inland and intensify our business collaborations with other port operators which share complementing shipping routes and market segments.

Weifang Sime Darby Port's RMB2.8 billion master expansion plan is expected to reach its final construction stages by the end of FY2016 and be operational in the first half of FY2017.

The expansion plan includes 8 x 30,000 – 50,000 DWT berths capable of handling dry bulk, liquid bulk and general cargos. Meanwhile, the main channel of Weifang Sime Darby Port is expected to be dredged up to 35,000 DWT class by end of FY2016, in tandem with the Port's expansion plan. In addition, Weifang Sime Darby Port is expected to embark on the construction of the first phase of warehouses in FY2016 to kick-start the development of its logistics park.

The construction of phase 2 of the Jining Sime Darby Longgong Port is expected to commence in FY2016 and be operational by the second half of FY2017.

Despite the economic uncertainty in the near term, the Division is optimistic on the long term viability of its China operations. The enhancement of its port handling capacity and capability will elevate the operations' competitiveness while fulfilling its aspirations to be a leading multi-purpose port operator.

Corporate Governance

STATEMENT ON CORPORATE GOVERNANCE

"At Sime Darby Berhad, governance is not just about adherence to a set of recommendations. It is a way of doing business and is at the heart of everything we do."

TAN SRI DATO' ABDUL GHANI OTHMAN
Chairman

Structure of the Statement

This statement sets out how the Sime Darby Group is governed and the key activities of the Board in promoting effective governance in the financial year (FY) 2015.

Further information on Sime Darby Group's compliance with the Malaysian Code on Corporate Governance 2012 is set out on page 420.

Outline

Outline	Page
Chairman's Overview	123
Corporate Governance Framework	125
Profiles	127
Board of Directors	138
Authority and Delegation	141
Board Activities	144
Board Effectiveness	147
Stakeholder Engagement	157
Board Committees	159
Other Disclosures and Compliance	176

CHAIRMAN'S OVERVIEW

The Board and I are committed to the highest standards of corporate governance which I believe are critical to business integrity and performance and in maintaining shareholder confidence. At Sime Darby Berhad (SDB), governance is not just about adherence to a set of recommendations. It is a way of doing business and is at the heart of everything we do. This culture, supported by a diverse and complementary range of expertise and perspectives, will support the Board in delivering its shorter-term milestones and building a long-term, sustainable and successful Sime Darby Group.

I am pleased to report that we are fully compliant with the Malaysian Code on Corporate Governance 2012.

Strategy

As a Board, we set the direction and provide oversight of Management in the day-to-day running of the Company. As Chairman, I seek to ensure that adequate time is set aside at Board meetings for the open and collective discussion and debate of significant issues, most importantly, strategy.

The Board spent considerable time in FY2015 debating the strategic priorities for the Sime Darby Group over the next five years. There were several meetings which focused particularly on the Group's strategy, including a three-day off-site retreat. During the first half of the financial year, the Board and I also spent time actively supporting both the President & Group Chief Executive and the Managing Director, Plantation Division ahead of the acquisition of New Britain Palm Oil Limited. The Board's primary task now is to ensure that the post-merger integration phase continues to be executed diligently and thoroughly and proceeds smoothly.

Diversity

Diversity in the Boardroom is very important to me. This year has seen good progress amongst many companies, including Sime Darby, in their drive to improve gender diversity. We are actively working towards meeting the Government of Malaysia's call of having 30% women representation in the Board. The recent adoption of the Board Composition Policy provides clear composition targets, including diversity in gender and age, which the Board and I are committed to work towards. We have highlighted our targets on page 148.

Retirement And Future Appointment

The year has seen Tan Sri Hamad Kama Piah Che Othman announcing his retirement from the Board. Tan Sri Hamad Kama Piah has served on the Board with distinction for over four years and has helped guide the Group through one of the most challenging periods in its history and steered it to recovery. Tan Sri's dedication has left the Group on a strong footing. Tan Sri Wan Abdul Aziz Wan Abdullah was appointed the new Deputy Chairman with effect from 31 July 2015 and I am confident that he is well placed to continue Tan Sri Hamad Kama Piah's good work.

It is also with a heavy heart that I have to inform that three (3) of our distinguished Directors, Tan Sri Wan Mohd Zahid Mohd Noordin, Tan Sri Hamid Bugo and Dato' Henry Barlow have expressed their intention not to seek re-appointment at the 2015 Annual General Meeting. I appreciate having had the wonderful opportunity of serving with them on the Board.

The Board and the Nomination & Remuneration Committee are already actively identifying and assessing suitable candidates for appointment to the Board.

Reporting

I am aware that annual reports are an important part of our communication with stakeholders. The Group is evolving its corporate reporting to follow integrated reporting standards. The Board Committees have also been keen to oversee the implementation of many of the changes and have each held an additional meeting devoted to the content and form of this Annual Report.

I would like to thank the Chairmen and members of the Board Committees for their commitment and devoting their time to our reporting this year.

In this corporate governance statement, we aim to provide an insight into the workings of the Board and its Committees over the last financial year and the Corporate Governance Framework. We are determined to ensure the highest integrity and standards as we strive to maintain an equitable balance between increasing value for you, our valued shareholders and being a responsible corporate citizen to society and the environment.

The Board and I are looking forward to meeting you at the 2015 Annual General Meeting. Finally, I thank the Board, Management and our employees for their support and commitment in what has been a challenging year.

TAN SRI DATO' ABDUL GHANI OTHMAN
Chairman

CORPORATE GOVERNANCE FRAMEWORK

The Corporate Governance Framework of the Sime Darby Group has been designed with the following key aims:

- Promotion of transparency, accountability and a responsive attitude.
- Provision of operating autonomy to the various core business Divisions and Sime Darby Group companies towards the achievement of business objectives while maintaining adequate checks and balance.
- Cultivation of ethical business conduct and desired behaviours based on the Group's core values and business principles, which are also set out in the Code of Business Conduct (COBC).

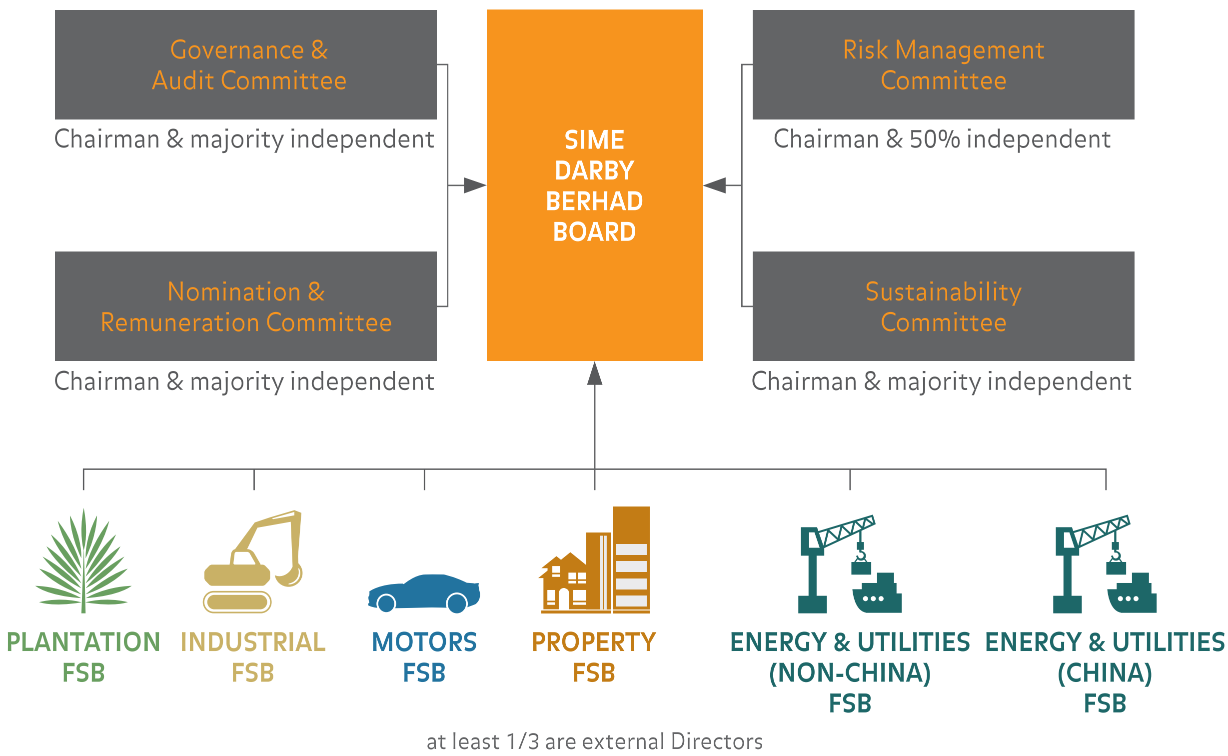
The Framework is the means by which the Board of SDB delegates functions and powers to the Flagship Subsidiary Boards (FSB) of the respective Divisions and facilitates the delegation of day-to-day management to operating personnel.

Two-Tier Board Structure

The hallmark of SDB's Corporate Governance Framework is the two-tier board structure, headed by the SDB Board, also known as the Main Board and supported by Divisional FSBs. Each Divisional FSB is charged with operational oversight of its Division but remains subject to the direction and counsel of the Main Board, particularly on matters of strategy and policy. In addition, the Main Board has delegated certain responsibilities to Board Committees to assist in carrying out its functions and to ensure independent oversight of internal control and risk management.

The structure is modular and Divisional FSBs can be added or removed as and when businesses are acquired or disposed of. Terms of Reference (TOR) have been established to ensure the Divisional FSBs remain focused on all aspects of Divisional operations. This allows the Main Board to take a broader perspective, looking at enterprise issues such as strategy, risk management and governance.

TWO-TIER BOARD STRUCTURE

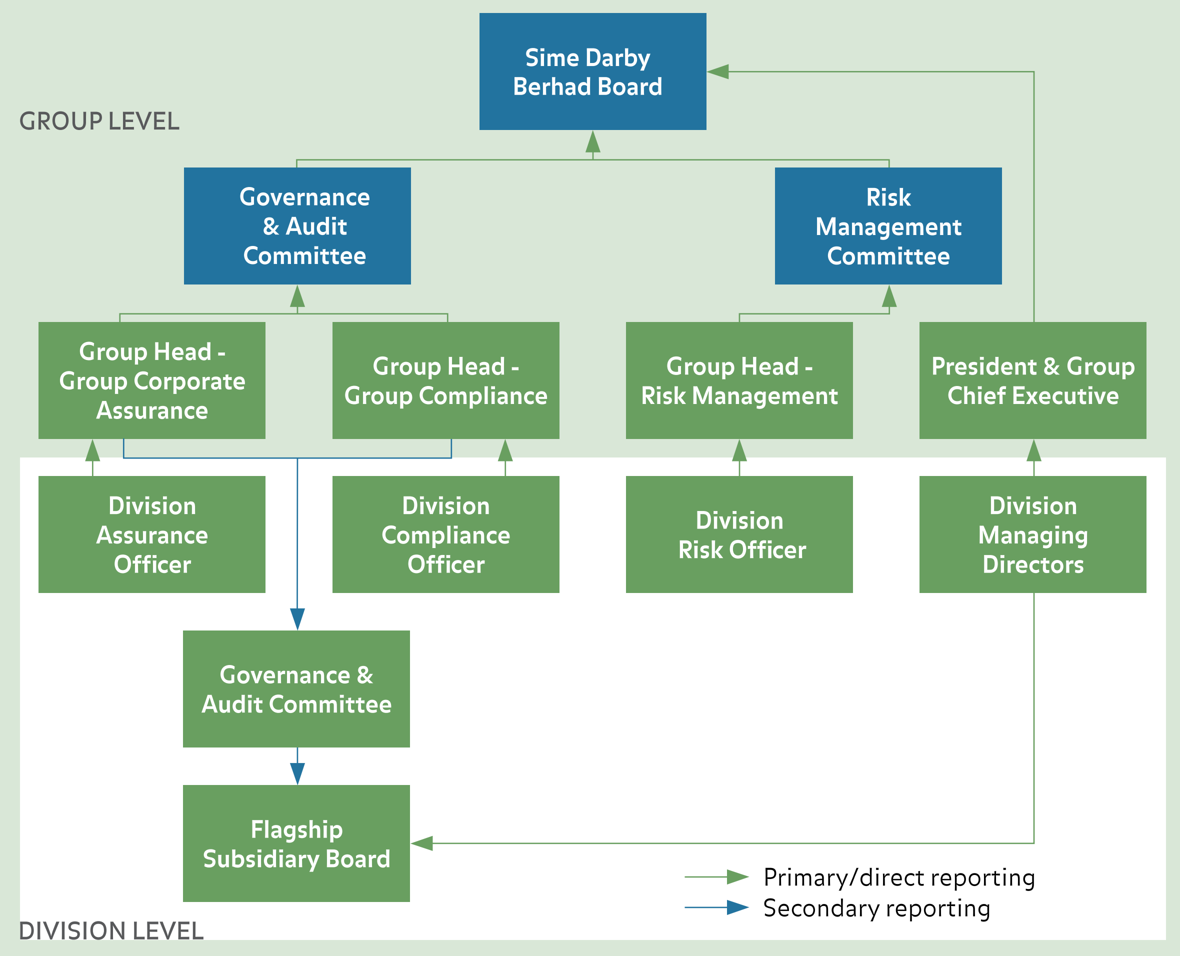


Assurance, Compliance and Risk

The three (3) key gatekeepers of good corporate governance in the Sime Darby Group are the Assurance, Compliance and Risk Management functions. Direct reporting lines to the Governance & Audit Committee and the Risk Management Committee enable these functions to operate with a high degree of impartiality and independence from the rest of the organisation, emphasising the Group's commitment for high standards of governance. The Group Secretary serves as a key advisor to the Board on matters of corporate governance.

Additional information on the Group's risk management and internal control systems can be found in the Statement on Risk Management and Internal Control on page 177.

REPORTING STRUCTURE FOR ASSURANCE, COMPLIANCE AND RISK



Note:

Group Head - Group Corporate Assurance, Group Head - Group Compliance and Group Head - Risk Management have administrative reporting lines to the President & Group Chief Executive.

DIRECTORS' PROFILES

Tan Sri Dato' Abdul Ghani Othman
(Malaysian, age 68)
Chairman, Independent Non-Executive Director
Date of Appointment: 1 July 2013
Chairman of Nomination & Remuneration Committee
Areas of Expertise:
Public Administration and Economics.
Relevant Experience:
Began his career with the Faculty of Economics, University of Malaya and has held various positions in the Malaysian Government including Deputy Minister of Energy, Telecommunications and Post, Deputy Minister of Finance, Minister of Youth and Sports and Chief Minister of Johor. Former Chairman of Johor Corporation. Current member of the Board of Trustees of the World Islamic Economic Forum (WIEF) Foundation and an Advisor of City University College of Science & Technology.
Directorship of Public Companies:
Sime Darby Property Berhad.

Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah
(Malaysian, age 63)
Deputy Chairman, Non-Independent Non-Executive Director
Date of Appointment: 10 December 2012
Member of Nomination & Remuneration Committee and Risk Management Committee
Areas of Expertise:
Public Administration and Economics.
Relevant Experience:
Held various senior positions in the Economic Planning Unit in the Prime Minister's Department including Director of Energy Section and Deputy Director General (Macro) and was the Deputy Secretary in the Economics and International Division, Deputy Secretary General of Treasury (Policy), Federal Treasury and Secretary General of Treasury in the Ministry of Finance. Former Alternate Executive Director of World Bank Group, representing the South East Asia Group and former Executive Director of the Islamic Development Bank and Islamic Trade Finance Corporation. Presently a Director of the Sabah Economic Development and Investment Authority (SEDIA).
Directorship of Public Companies:
Malaysia Airports Holdings Berhad, Bank Pembangunan Malaysia Berhad, Permodalan Nasional Berhad, RAM Holdings Berhad and Pembinaan BLT Sdn Bhd.

Tan Sri Samsudin Osman
(Malaysian, age 68)
Non-Independent Non-Executive Director
Date of Appointment: 19 December 2008
Areas of Expertise:
Public Administration and Fund Management.
Relevant Experience:
Held various senior positions in the Malaysian Government including Secretary General, Ministry of Home Affairs and Ministry of Domestic Trade and Consumer Affairs and Chief Secretary to the Government of Malaysia. Former President of Perbadanan Putrajaya. Current Chairman of the Employees Provident Fund Board, Universiti Utara Malaysia and National Unity Consultative Council.
Directorship of Public Companies:
BIMB Holdings Berhad.

Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
(Malaysian, age 75)
Non-Independent Non-Executive Director
Date of Appointment: 14 September 2007
Areas of Expertise:
Public Administration and Education.
Relevant Experience:
Held various senior positions in the Ministry of Education including Director-General of Education. Former Chairman of Berger International Ltd and Universiti Teknologi MARA. Former Deputy Chairman of International Bank Malaysia Berhad. Current Chairman of Management and Science University.
Directorship of Public Companies:
S P Setia Berhad, Amanah Saham Nasional Berhad, Amanah Mutual Berhad, Perbadanan Usahawan Nasional Berhad, Yayasan Sime Darby and Securities Industry Development Corporation.

Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
(Malaysian, age 70)
Independent Non-Executive Director
Date of Appointment: 26 August 2010
Chairman of Risk Management Committee
Member of Governance & Audit Committee and Nomination & Remuneration Committee
Areas of Expertise:
Public Administration.
Relevant Experience:
Held various positions in the State Government of Sarawak including Permanent Secretary of the Ministry of Resource Planning and State Secretary. Represented the State Government of Sarawak on various Boards including Malaysian Airline System Berhad, Employees Provident Fund, Malaysia LNG Sdn Bhd, Amanah Saham Sarawak Berhad and Universiti Putra Malaysia. Current Chairman of the Operations Review Panel of the Malaysian Anti-Corruption Commission and Sarawak State Library Management Board as well as a Council Member of the Malaysian Institute of Integrity.
Directorship of Public Companies:
Sarawak Consolidated Industries Berhad, Sapura Resources Berhad, SapuraKencana Petroleum Berhad, Sime Darby Property Berhad and Yayasan Kemajuan Insan Sarawak.

Tan Sri Datuk Dr Yusof Basiran
(Malaysian, age 67)
Non-Independent Non-Executive Director
Date of Appointment: 16 November 2010
Member of Sustainability Committee
Areas of Expertise:
Plantation and Research & Development.
Relevant Experience:
Former Director-General of the Malaysian Palm Oil Board and Palm Oil Research Institute of Malaysia. Past President of the Academy of Sciences Malaysia. Current Chief Executive Officer of the Malaysian Palm Oil Council and Director of Bank Negara Malaysia. Senior Fellow of the Academy of Sciences Malaysia and Fellow of the Malaysian Oil Scientists' and Technologists' Association and the Incorporated Society of Planters.
Directorship of Public Companies:
CB Industrial Product Holding Berhad.

Dato' Henry Sackville Barlow
(British, age 71)
Senior Independent Non-Executive Director
Date of Appointment: 29 September 2007
(Appointed as a Senior Independent Non-Executive Director of Sime Darby Berhad on 16 November 2010)
Chairman of Governance & Audit Committee and Sustainability Committee
Member of Nomination & Remuneration Committee
Areas of Expertise:
Finance and Plantation.
Relevant Experience:
Over 35 years of experience in the Plantation Industry including Finance Director of Barlow Boustead Estates Agency Sdn Berhad and Joint Managing Director of Highlands & Lowlands Berhad. Former Council Member of the Incorporated Society of Planters. Served as a Board member of HSBC Bank Malaysia Berhad for more than 20 years. Trustee of the Merdeka Award Trust and Fellow of the Institute of Chartered Accountants in England and Wales.
Directorship of Public Companies:
The International and Commonwealth University of Malaysia Berhad.

Datuk Zaiton Mohd Hassan
(Malaysian, age 59)
Non-Independent Non-Executive Director
Date of Appointment: 16 November 2010
Member of Governance & Audit Committee and Nomination & Remuneration Committee
Areas of Expertise:
Banking and Finance.
Relevant Experience:
Has working experience in PricewaterhouseCoopers, Bank Pembangunan (M) Bhd and Bapema Corporation Sdn Bhd. Had served 12 years with Maybank in various senior positions including as General Manager, Group Strategic Planning. Former President/Executive Director of Malaysian Rating Corporation Berhad. Current Chairman of the Private Pension Administrator Malaysia, Vice President of the Malaysian Institute of Accountants and Managing Director of Capital Intelligence Advisors Sdn Bhd.
Directorship of Public Companies:
BIMB Holdings Berhad, Bank Islam Malaysia Berhad and Dolphin International Berhad.

Dato Sri Lim Haw Kuang
(Malaysian, age 61)
Independent Non-Executive Director
Date of Appointment: 26 August 2010
Member of Risk Management Committee
Areas of Expertise:
Oil & Gas and Power & Water Utilities.
Relevant Experience:
Served 34 years with Shell in various senior positions including Executive Chairman of Shell Companies in China, Vice President of Corporate Planning & Strategy, Royal Dutch Shell, President of Oil Products for Asia Pacific and Middle East, Chairman of Shell Companies in Malaysia and Managing Director of Shell Malaysia Exploration & Production. Served as a Board Director of the China Business Council for Sustainable Development and Special Adviser to the President and Executive Committee of the World Business Council for Sustainable Development. Former President of the Business Council for Sustainable Development Malaysia. Currently, an International council member of the China Council for International Cooperation on Environment and Development, Director of BG Group Plc, ENN Energy Holdings Limited and Bank Negara Malaysia.
Directorship of Public Companies:
Ranhill Holdings Berhad.

Dato' Azmi Mohd Ali
(Malaysian, age 55)
Non-Independent Non-Executive Director
Date of Appointment: 16 November 2010
Member of Risk Management Committee
Areas of Expertise:
Legal, Business and Regulatory Affairs.
Relevant Experience:
Corporate and commercial lawyer with over 30 years of experience. Began his legal career with Petroliam Nasional Berhad and later served as an Advocate & Solicitor in T. Tharu & Associates. Former Partner in Hisham, Sobri & Kadir. Presently, Senior Partner of Azmi & Associates, Director of the South East Asia Leadership Academy, a member of the Board of Trustees of Universiti Teknologi Malaysia Endowment Fund and an Adjunct Professor at the Universiti Kebangsaan Malaysia Law School.
Directorship of Public Companies:
Cliq Energy Berhad, Chemical Company of Malaysia Berhad, Perbadanan Nasional Berhad and Financial Reporting Foundation.

Dato' Rohana Tan Sri Mahmood
(Malaysian, age 61)
Independent Non-Executive Director
Date of Appointment: 24 June 2014
Member of Sustainability Committee
Areas of Expertise:
Economics and Fund Management.
Relevant Experience:
Former Assistant Secretary of the Planning Division of the Ministry of Foreign Affairs Malaysia. Former Chairman of Tropicana Corporation Berhad and former Chairman and co-founder of Ethos Capital. Presently, Chairman and Founder of RM Capital Partners & Associates Sdn Bhd and Chairman of the Advisory Council and Founding Member of the Kuala Lumpur Business Club. Member of the APEC Business Advisory Council, Global Council of the Asia Society, New York, Advisory Board of ACE Limited International, New York and the Malaysian Committee of the Council for Security Cooperation in the Asia Pacific as well as a Board Member of the Pacific Basin Economic Council, Hong Kong. Distinguished Fellow and Board member of the Institute of Strategic and International Studies Malaysia and a Trustee of the Malaysian Youth Orchestra Foundation.
Directorship of Public Companies:
AMMB Holdings Berhad, AmInvestment Bank Berhad and Paramount Corporation Berhad.

Ir Dr Muhamad Fuad Abdullah
(Malaysian, age 62)
Independent Non-Executive Director
Date of Appointment: 4 February 2013
Member of Governance & Audit Committee and Sustainability Committee
Areas of Expertise:
Engineering, Project Management and Shariah Advisory in Islamic Finance and Islamic Capital Market
Relevant Experience:
Began his career with the Malaysian Public Works Department. Former Chief Executive Officer of Kausar Corporation Sdn Bhd and Managing Director of Five-H Associates Sdn Bhd. Presently, Chairman of the Shariah Committee for the Malaysian Industrial Development Finance Berhad Group of Companies and Shariah Advisory Committee for MNRB Retakaful Bhd as well as a member of the Shariah Advisory Committee for BIMB Securities Sdn Bhd. Adjunct Professor of Universiti Teknikal Malaysia Melaka.
Directorship of Public Companies:
Institut Kefahaman Islam Malaysia, Malaysian Industrial Development Finance Berhad, MIDF Property Berhad, Mesiniaga Berhad and Sime Darby Property Berhad.

Tan Sri Dato' Seri Mohd Bakke Salleh
(Malaysian, age 61)
President & Group Chief Executive
Date of Appointment: 16 November 2010

Areas of Expertise:
Economics, Finance and Management.

Relevant Experience:
Former Group President & Chief Executive Officer of Felda Global Ventures Holdings Berhad, Group Managing Director of Felda Holdings Berhad and Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji. Former Director, Property Division of Pengurusan Danaharta Nasional Berhad and has held various senior positions within the Permodalan Nasional Berhad Group including the Managing Director of Federal Power Sdn Bhd, Managing Director of Syarikat Perumahan Pegawai Kerajaan Sdn Bhd and Group General Manager of Island & Peninsular Group. Presently, Director of Malaysian Industry-Government Group for High Technology, an organisation under the Prime Minister's Department and Council Member for the Northern Corridor Implementation Authority and Global Science & Innovation Advisory Council. Fellow of the Institute of Chartered Accountants in England and Wales.

Directorship of Public Companies:
Eastern & Oriental Berhad, Sime Darby Property Berhad and Yayasan Sime Darby.

Additional Information

1. Save as disclosed below, none of the Directors has any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad, nor has any personal interest in any business arrangement involving the Company:

   i. Tan Sri Samsudin Osman is a nominee Director of the Employees Provident Fund Board.

   ii. The nominee Directors of Permodalan Nasional Berhad are as follows:
      - Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah;
      - Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin;
      - Tan Sri Datuk Dr Yusof Basiran;
      - Datuk Zaiton Mohd Hassan; and
      - Dato' Azmi Mohd Ali.

2. None of the Directors has any conflict of interest with Sime Darby Berhad or been convicted for offences within the past 10 years other than traffic offences, if any.

3. The details of Directors' attendance at Board Meetings held in the financial year ended 30 June 2015 are set out in the Statement on Corporate Governance on page 145 of this Annual Report.

4. The full profiles of the Directors are available online at www.simedarby.com

MANAGEMENT TEAM PROFILES

TAN SRI DATO' SERI (DR) ABD WAHAB MASKAN
(Malaysian, age 64)
Group Chief Operating Officer (GCOO), Sime Darby Berhad and Managing Director (MD), Property Division
Date of Appointment: 24 June 2008 – GCOO, Sime Darby Berhad
1 June 2011 – MD, Property Division
Skills and Experience:
Former Group Chief Executive of Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad. Held various management and Board positions in companies in various sectors in Malaysia, Europe and Asia, covering plantation, property, construction, manufacturing and services as well as various Board positions in government and government-linked companies. Instrumental in steering Sime Darby Berhad in the Malaysian-led consortium to redevelop Battersea Power Station, one of the best known landmarks in London.

DATUK TONG POH KEOW
(Malaysian, age 60)
Group Chief Financial Officer
Date of Appointment: 24 June 2008
Skills and Experience:
Held various senior leadership positions in Kumpulan Guthrie Berhad including the General Manager of Accounting and Financial Reporting, Group General Manager of Finance (Group Accounting and Financial Reporting) and Chief Finance Officer. Former Chief Financial Officer of the Plantation Division of Sime Darby Berhad.

HARI NAIR
(American, age 44)
Group Chief Strategy & Innovation Officer
Date of Appointment: 6 August 2015
Skills and Experience:
Held various senior leadership positions including the Global Managing Director for Kimberly Clark's Global Innovation Center and Partner as well as Vice President of Emerging Markets for Innosight LLC. Spent 14 years with Procter & Gamble, where he held various leadership roles in Research & Development both in the United States of America and China.Current Chairman Emeritus of the Edison Awards and serves on several non-profit Boards.

ZULKIFLI ZAINAL ABIDIN
(Malaysian, age 54)
Group Chief Human Resources Officer
Date of Appointment: 1 July 2011
Skills and Experience:
More than 20 years of experience across the full spectrum of the human resources discipline. Held various senior positions including the General Manager, Human Resources (Golden Hope Plantations Berhad), Head of Human Resource, Plantation & Agri-business Division and Group Head, Group Human Resources (Sime Darby Berhad).

PHILIP KUNJAPPY
(Malaysian, age 58)
Group Chief Trading & Procurement Officer
Date of Appointment: 1 October 2010
Skills and Experience:
Began his career with Attlee, Edge & Lambert in Birmingham, United Kingdom and subsequently joined PriceWaterhouse, Kuala Lumpur. Held various senior leadership roles including the Finance Manager in Kuala Lumpur Kepong Bhd, Finance Director in Island & Peninsular Bhd and Senior Executive Director, Oil & Fats Subsidiaries in Felda Holdings Bhd.

DR SIMON LORD
(British, age 58)
Group Chief Sustainability Officer
Date of Appointment: 1 April 2015
Skills and Experience:
Held various senior leadership positions in New Britain Palm Oil Limited (NBPOL) Group including the Group Director of Sustainability, Executive Director for New Britain Plantation Services (Singapore), Director of NBPOL Foundations, Head of Research and Head of Technical Services. Has over 30 years of management experience in the agricultural and oil palm sector. Former member of the World Economic Forum's Global Agenda Council on Natural Capital and Biodiversity. Currently a Director of Global Sustainability Associates and Trustee of Orang-utan Land Trust.

DATUK FRANKI ANTHONY DASS
(Malaysian, age 59)
Managing Director, Plantation Division
Date of Appointment: 1 December 2010
Skills and Experience:
Has over 20 years of plantation experience. Began his career with Kumpulan Guthrie Berhad and has held senior leadership roles in PT Minamas Gemilang (Indonesia) including the General Manager, Chief Operating Officer and Chief Executive Officer. Former Head of Operations, Sime Darby Plantation Sdn Bhd. Presently a member of Plantation Advisory Council of Malaysian Palm Oil Board.

SCOTT WILLIAM CAMERON
(Australian, age 57)
Managing Director, Industrial Division
Date of Appointment: 1 October 2007
Skills and Experience:
Began his career with PriceWaterhouse in Brisbane, Sydney and New York. Former Finance Director of Hastings Deering (Australia) Limited. Currently the Dealer Principal of the Hastings Deering Group.

DATO' LAWRENCE LEE CHEOW HOCK
(Singaporean, age 61)
Managing Director, Motors Division
Date of Appointment: 1 January 2008
Skills and Experience:
Held various leadership positions in Kumpulan Sime Darby Berhad's (KSDB) Motors Division including Divisional Director and Managing Director of the subsidiaries within the Hyundai Group. Has also held senior managerial roles in KSDB's Motors Division in Singapore, Australia, New Zealand and the People's Republic of China, including Hong Kong and Macau.

ALAN HAMZAH SENDUT
(Malaysian, age 55)
Managing Director, Energy & Utilities Division Non-China Operations
Date of Appointment: 1 April 2015
Skills and Experience:
Began his career with PriceWaterhouse, London and has worked with several multinational companies in Malaysia. Held various senior financial positions in the Kumpulan Sime Darby Berhad Group including the Finance Director of Tractors Malaysia Holdings Berhad and Consolidated Plantations Berhad. Former Global Operations Manager, Payment Services of BHP Billiton Malaysia and Executive Vice President – Group Strategy & Innovation, Sime Darby Berhad.

TIMOTHY LEE CHI TIM
(Chinese (HKSAR) and Canadian, age 50)
Managing Director, Energy & Utilities Division China Operations
Date of Appointment: 15 December 2011
Skills and Experience:
Over 20 years of operational experience in the ports and container terminal management industry in Hong Kong, one of the world's busiest ports. Served as the Operations Manager – Hong Kong Business Unit for Modern Terminals Limited, the second largest port operator in Hong Kong. Former Chairman of the Sea Cargo Customer Liaison Group, a committee organised by the Hong Kong Customs & Excise Department to gather industry expertise to improve port competitiveness.

DATO' IR JAUHARI HAMIDI
(Malaysian, age 56)
Acting Managing Director, Property Division
Date of Appointment: 1 April 2015
Skills and Experience:
Served in various capacities within the Sime Darby Berhad Group including Director of the Special Projects portfolio, Executive Vice President of the Utilities Division, Managing Director of Sime UEP Properties Berhad and Executive Vice President, Energy & Utilities Division (Non-China).

NORZILAH MEGAWATI ABDUL RAHMAN
(Malaysian, age 55)
Group Secretary
Date of Appointment: 29 September 2007
Skills and Experience:
Held various senior leadership positions in Kumpulan Guthrie Berhad including Manager in the Group Chief Executive's Office, Controller of Corporate Business Development and Monitoring, Director of Corporate Business Development and Human Resource and Head of Group Legal & Compliance. Served as an Executive in many areas, among others, investment analysis, money market trading, corporate secretarial and legal as well as a Manager in the Group Chief Executive's Office in Permodalan Nasional Berhad. Admitted to the Malaysian Bar and is a licensed Company Secretary.

GLENN CHARLES DALY
(Australian, age 52)
Group Head, Risk Management
Date of Appointment: 1 March 2011
Skills and Experience:
Over 25 years of professional experience in the Asia Pacific region specialising in risk management and internal audit of the professional services industry. Held various senior leadership positions at Deloitte, Brisbane in Australia and Ernst & Young in Singapore and Sydney, Australia. Has extensive experience in providing services to a range of clients in the mining, manufacturing, engineering, oil & gas, logistics, property, telecommunications, agribusiness and the public sectors. Served in the Departments of Defence and Finance and as a Financial Controller of an engineering facility in Australian Defence Industries.

JOHN EDWARD ARKOSI, OBE
(Australian, age 59)
Group Head, Group Compliance Office (GCO) and Group Corporate Assurance (GCA)
Date of Appointment: 1 February 2011 - Group Head, GCO
1 July 2012 - Group Head, GCA
Skills and Experience:
Over 32 years of experience in a wide range of industries and government linked entities including over 12 years in Papua New Guinea before moving into commerce and industry assuming various senior and general management positions, audit and consultancy roles. Held various senior positions in the Sime Darby Berhad Group including the Regional Audit Manager for Australia, New Zealand and the Pacific operations and heading the GCA function in the Group Head Office and various other Divisions including Industrial, Motors and Plantation. Awarded the Order of the British Empire (OBE) by Her Majesty the Queen for services to business and the community.

CHOO SUIT MAE
(Malaysian, age 54)
Group General Counsel
Date of Appointment: 20 August 2010
Skills and Experience:
Over 25 years of experience as a corporate/commercial lawyer. Began her career in private practice in Malaysia and has also worked as a lawyer in Hong Kong with Reed Smith Richards Butler, Denton Wilde Sapte and Victor Chu & Co. One of the founding partners of Zul Rafique & Partners and a partner in Skrine, one of the largest law firms in Malaysia. Admitted to the Malaysian Bar, the Law Society of Hong Kong and the Solicitors Roll of England & Wales. Practice focus included mergers & acquisitions, capital markets, structured finance/ asset securitisations, cross-border joint ventures, corporate finance and corporate/debt restructuring.

LEELA BARROCK
(Malaysian, age 48)
Group Head, Communications
Date of Appointment: 21 January 2009
Skills and Experience:
Former Associate Editor of The Edge business weekly covering capital markets and the corporate sector. Former Group Head of Corporate Responsibility in Sime Darby Berhad. Admitted to the Bar of England and Wales (1992). Heads the functions of Group Communications, Corporate Affairs and Group Investor Relations as well as the Secretariat for the High Carbon Stock Study of the Sustainable Palm Oil Manifesto.

Note:

The full profiles of the Management Team are available online at www.simedarby.com.

BOARD OF DIRECTORS

Board Charter

The Board Charter sets out the Board's strategic intent and outlines the roles and powers that the Board specifically reserves for itself and those which it delegates to Management and in so doing, also sets the tone of the various Board Committees and FSBs.

The Board Charter serves as a constitution for the Board and assists the Board in the assessment of its own performance. The Charter addresses the following pertinent matters:

- The purpose, review process and continuous education of the Board.
- The structure and composition of the Board
- Authority of the Board, including the right to obtain advice, to have access to personnel of the Group and to convene meetings as required.
- The roles and responsibilities of the Board including the Board's oversight role and succession planning.
- The conduct of Board meetings.

The Board Charter was revisited by the Board in November 2014 to align with amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements) and in response to new regulations that may have an impact on the discharge of the Board's responsibilities. An update to the Board Charter was made in February 2015 to strengthen the Group's commitment towards environment, safety and health. The Board Charter is reviewed periodically.

The Board Charter is available online at www.simedarby.com.

Roles and Responsibilities of the Board

The Main Board recognises its duty and privilege as the apex governing body of the Group. The Board is cognisant of the need to promote and protect the interests of shareholders and stakeholders of the Group. The Main Board also shoulders the ultimate responsibility of determining the direction of the Group, assisting in the fine-tuning of corporate strategies and ensuring effective execution of these strategies.

The key objectives of the Main Board are to:

- oversee the conduct of the Group's businesses, including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management.
- approve and monitor the progress of major capital expenditure, fund-raising, acquisitions and divestitures.
- fulfil statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of the Group.
- ensure compliance with environment, safety and health legislation by understanding the operations being carried out by the employees as well as the hazards and risks associated with the Group's operations.
- review the efficiency and quality of the Group's financial reporting process and systems of accounting and internal controls.
- ascertain the independence of the external auditor and Group Corporate Assurance (GCA) function.
- monitor compliance with established policies and procedures.
- evaluate the performance of the Main Board, FSBs and the various Board Committees.

The Main Board not only sets the strategic direction but also oversees and ensures that the conduct of businesses of the Group is in compliance with laws and ethical values.

Overview of the Roles on the Board

Role	Responsibilities
Chairman	The Chairman of the Board's primary role is to preside over meetings of Directors and ensure the smooth functioning of the Board in the interest of good corporate governance. The duties of the Chairman include the following: • managing Board meetings to ensure robust decision-making. • building a high performing Board by taking a leading role in establishing an effective corporate governance system, arranging regular evaluation of the Board's performance and ensuring that Board and senior executive succession planning is considered on an on-going basis. • managing Board-Management interface by acting as the conduit between Management and the Board, developing a positive relationship with the President & Group Chief Executive (PGCE) and facilitating the selection and appointment of a successor to the current PGCE. • being the public face by acting as a spokesperson for the Board and representing SDB at shareholders' meetings and on other occasions when actions are taken or statements are made in the name of the Group, both domestically and/or abroad.
President & Group Chief Executive	The PGCE assumes overall responsibilities for the execution of the Group's strategies in line with the Board's direction, oversees the operations of the Flagship Subsidiary Companies and drives the Group's businesses and performance towards achieving its vision and goals. The key roles of the PGCE include, among others: • displaying ethical behaviour while overseeing the day-to-day business operations, implementing Board policies and strategies and making operational decisions. • serving as the conduit between the Board and Management in ensuring the success of the Group's governance and management functions. • ensuring that all Board decisions reflect its sustainability intentions as articulated in the sustainability statement. • ensuring effective relationships and communication with Management and between the Board, shareholders and relevant stakeholders. • providing strong leadership by effectively communicating the Group's vision, management philosophy, business strategy and sustainability policy to employees. • keeping the Board informed of salient aspects and issues concerning the Group's operations.
Senior Independent Non-Executive Director	The Senior Independent Non-Executive Director acts as a point of contact for shareholders and other stakeholders with concerns which have not been resolved or those deemed inappropriate to be communicated through the normal channels.
Non-Executive Director	Non-Executive Directors (both Independent and Non-Independent) monitor and supervise Management's conduct in running the business while bringing their external perspective and wisdom to bear on the decision making process. These Directors: • advise and direct Management in the development and evaluation of strategy. • monitor Management's strategy implementation and operational performance. • satisfy themselves that financial information is accurate and that risk management systems are robust and defensible. • determine appropriate levels of remuneration for Executive Directors and appoint, evaluate and (in some cases) remove Senior Management.

Relationship between the Chairman and PGCE

The Board supports the principle that separate individuals for the Chairman and Chief Executive Officer positions is beneficial to the effective functioning of the Board and facilitates a powerful check and balance mechanism.

There is a separation of roles and responsibilities of the Chairman and the PGCE as set out in the Board Charter. The Chairman leads the Board in setting the Group's key policies and direction, ensures effective operation of the Board and is the spokesperson for the Board. He principally ensures that the Board fulfils its obligations under the Board Charter and as required under the relevant legislations. The PGCE ensures effective implementation of the Board's policies, achieves strategic vision and performance targets, exercises high level of business judgement and manages the relationship with stakeholders and the interface with the public.

Board Committees

Four (4) Board Committees are established to assist the Main Board in the discharge of its statutory and fiduciary responsibilities. The Board Committees and their roles are as follows:

Board Committee	Role
Governance & Audit Committee (GAC) Chairman: Dato' Henry Sackville Barlow	Oversees the Company's financial reporting process and practices, reviews the Group's business process and system of internal controls, ensures implementation of an effective ethics programme across the Group, monitors compliance with established policies and procedures and ascertains the independence of both external auditors and internal audit function. Refer to report on page 159 for more details on key activities.
Nomination & Remuneration Committee (NRC) Chairman: Tan Sri Dato' Abdul Ghani Othman	Manages the nomination and remuneration process of the Board, Board Committees, FSBs and other pivotal management positions within the Sime Darby Group. Administers the Long Term Incentive Plan function including any incentive plan (whether by way of a cash scheme or a share scheme) implemented or to be implemented by the Sime Darby Group. Refer to report on page 165 for more details on key activities.
Sustainability Committee (SC) Chairman: Dato' Henry Sackville Barlow	Assists and supports the Board's responsibility in overseeing the Group's objectives, policies and practices pertaining to sustainability, more particularly the "People, Planet and Prosperity" elements covering environment, community relations and safety & health. Refer to report on page 170 for more details on key activities.
Risk Management Committee (RMC) Chairman: Tan Sri Datuk Amar (Dr) Hamid Bugo	Oversees the risk management activities of the Sime Darby Group. The Committee supports the Board in fulfilling its responsibility in identifying significant risks and ensuring the implementation of appropriate systems to manage the overall risk exposure of the Group. Refer to report on page 174 for more details on key activities.

Flagship Subsidiary Boards

In view of the size of the Sime Darby Group, FSBs were established to exercise oversight over each core division within the Group. Each FSB is structured to ensure a balanced composition, with members drawn from the Main Board, Senior Management and independent external industry experts. All nominations to the Board and Divisional FSBs are reviewed by the NRC.

Each FSB has up to three (3) representatives from the Main Board to facilitate clear and unambiguous line of oversight from the Board to the Divisions. There are also three (3) representatives from Management and at least three (3) external parties. The external Directors who are subject matter experts form a valuable resource for strategic planning providing insight into trends and forecasts, creating a more conducive environment for informed decision making.

The role of the FSB is to oversee the operations of the respective Divisions, subject always to the direction and counsel of the Main Board and in compliance with any policy and delegated authority limits set by the Main Board. Broadly, the FSB's key roles are to:

- oversee the operations of the respective Divisions, which include but are not limited to overseeing their business strategy and performance, human capital management, corporate governance and risk management practices.
- fulfil its statutory and fiduciary responsibilities of monitoring management and financial risk processes and accounting and financial reporting practices of the Division.
- review the Division's business efficiency and the quality of the Division's accounting function, financial reporting processes and system of internal controls.
- enhance the independence of both the external and internal audit functions by providing direction to and exercising oversight of, these functions.
- ensure the implementation of an effective ethics programme across the Division and monitor compliance with established policies and procedures.

The TOR of the FSBs have been enhanced to include provisions on safety & health oversight responsibilities consistent with the amendments made to the Board Charter.

Each FSB has the discretion to establish its own Board Committee to facilitate the discharge of its duties and responsibilities. The FSB of the Plantation Division has established its own GAC to assist in monitoring the financial risk processes, monitoring accounting and financial reporting practices, considering the reports and recommendations by the internal and external auditors and reviewing the overall results of the companies within the Division. The TOR of the GAC of the FSB of Plantation Division were reviewed during the financial year to align with the TOR of the GAC of the Main Board.

The composition of each FSB is available in the respective websites of the Divisions. The salient TOR of the FSB are available online at www.simedarby.com.

AUTHORITY AND DELEGATION

Authority of the Board

Every year the Board has a forward programme of key items to consider. The Board reserves full decision making powers on the following matters:

- Group and Divisional strategy, corporate plans and annual budget.
- Acquisitions, disposals and transactions exceeding the authority limits of the FSBs.
- Changes to Heads of the Divisions/Managing Directors of Flagship Subsidiary Companies and Senior Management at Group Head Office.
- Changes in the key policies, procedures and delegated authority limits of the Group.

The Board, together with the FSBs, also perform the following roles as set out by the Malaysian Code on Corporate Governance 2012:

- Review and adopt a strategic plan for the Company.
- Oversee the conduct of the Company's business to ensure that the business is managed properly.
- Identify principal risks and ensure the implementation of appropriate internal controls and mitigation measures to manage these risks.
- Manage the succession planning process, including appointing, training, determining compensation of and where appropriate, replacing Senior Management.
- Oversee the development and implementation of a shareholders' communication policy for the Company.
- Review the adequacy and the integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Delegated Executive Authority

As the Board does not manage every aspect of the Group, the Executive Management team is given certain powers to execute transactions as defined and formalised in the Group Policies and Authorities, specifically the limits of authority. The Board, however, is aware that delegation does not absolve responsibility as the Directors remain responsible for the exercise of power by the delegatee as if such power had been exercised by the Directors themselves.

In terms of day-to-day management, the Company has established a number of high level committees as follows:

Management Committee	Role
Group Management Committee (GMC) Chairman: President & Group Chief Executive	Has overall responsibility for management policies, day-to-day operations of the Group, the deployment and implementation of Board resolutions and oversees the achievement of objectives and results. The GMC has no executive powers. Proposals by Management are discussed at the meeting where views are sought from members. The respective Managing Directors approve the proposals in accordance with the authority limits in the Group Policies and Authorities. Its members include the Group Chief Operating Officer, Group Chief Financial Officer, Managing Directors of the Divisions and Executive Vice Presidents of Group Head Office. The Group Head - Group Compliance & Group Corporate Assurance, Group Head - Risk Management, Group General Counsel, Group Head - Communications and the Acting Managing Director - Property attend the meetings of the GMC as regular invitees. The Group Secretary acts as the Secretary to the GMC. The GMC meets on a bi-monthly basis and when deemed necessary.The Committee met 5 times in the financial year.
Management Sustainability Committee Chairman: Group Chief Operating Officer	Oversees sustainability operations within the Group including recommending Group sustainability policies and standards & procedures, reviewing and monitoring business sustainability practices and targets, tracking global sustainability trends and incorporating new developments into the Group sustainability management framework and addressing sustainability risks, communications and stakeholder management. The Committee met 3 times in the financial year.
Group Investment Committee Chairman: Group Chief Operating Officer	Reviews and recommends for approval major investment decisions to the PGCE and the relevant FSBs and/or the Main Board. The Committee met 14 times in the financial year.
Group Tender Committee Chairman: President & Group Chief Executive or Group Chief Operating Officer	Review tenders valued at RM100 million and above before deliberation by the relevant FSB or the Main Board. The Committee has no mandate to approve the tenders that it reviews. The Committee met 5 times in the financial year.

Role of the Group Secretary

The Group Secretary is responsible for advising the Board and providing good information flow and comprehensive practical support to Directors, both as individuals and collectively, with particular emphasis on supporting the Non-Executive Directors in maintaining the highest standards of probity and corporate governance. All Directors have unrestricted access to the advice and services of the Group Secretary to facilitate the discharge of their duties.

The Group Secretary's position is subject to a fixed tenure. The renewal of the contract, together with the performance of the Group Secretary is tabled to the NRC and the Main Board for recommendation and approval respectively.

The profile of the Group Secretary, Puan Norzilah Megawati Abdul Rahman, can be found on page 136 in the Management Team Profiles section. The detailed roles of the Group Secretary is available online at www.simedarby.com.

Code of Business Conduct and Compliance

The Group's COBC has been established to guide the Group towards achieving the highest standards of behaviour in our business dealings. The COBC has been approved by the Main Board and provides guidance on various activities and is in line with the Group's Core Values and Business Principles. The areas covered in the COBC include conflicts of interest, bribery and corruption, gifts, entertainment and travel and dealing with counterparts and business partners. The COBC also covers areas on guidance resource and on raising concerns or reporting a violation. Compliance with the provisions in the COBC is mandatory for all Directors and employees of the Group and where applicable, counterparts and business partners. Business counterparts, especially vendors, are made aware of the expected behaviours during the vendor registration stage. Understanding and acceptance of the expected behaviours is also obtained through a signed Vendor's Letter of Declaration.

Recognising the diverse nature, size and location of the Group's business operations, the COBC is made available in nine (9) different languages (which represents the Group's key overseas operational areas), downloadable from both the Company website (www.simedarby.com) and the Group's Employee Portal. The COBC is also distributed to all Business Units in booklet form, especially in locations where access to the Group's Employee Portal is limited. The Group ensures that the COBC booklet is available and accessible to these employees. The COBC has also been transcribed into Braille for the use of the Group's visually impaired staff. Violations of the COBC may result in disciplinary action and dismissal. Violations of the COBC that are related to criminal acts may result in prosecution after referral to the appropriate authorities.

To support the Group's commitment in conducting its business with honesty and integrity and as a check and balance mechanism, the Group has implemented the Whistleblowing Policy which forms part of the Group Policies and Authorities. The policy is reviewed and revised by the Chairman of the GAC every two years to ensure continued efficacy and provides guidance on, amongst others, the Management oversight and reporting responsibility, no retaliation principle and protection afforded to whistleblowers for reports that are made in good faith. The Group is committed to preserving the confidentiality of the whistleblower to the fullest extent possible, unless disclosure is required by law. Any proven retaliation is subjected to disciplinary action. However, the Group does not afford protection to those who make a report maliciously, recklessly or in knowledge of the report to be false.

The Whistleblowing Policy also prescribes in detail the various reporting channels that are available to employees internally. These include the normal escalation process through normal reporting lines to relevant Division and/or Functional Heads (including Group Compliance and Group Corporate Assurance), Group Chief Operating Officer and the PGCE. A copy of the Whistleblowing Policy is downloadable by employees via the Group's Employee Portal.

A separate secure whistleblowing channel that is managed by the Group Compliance Office is also provided to employees, which comprises various reporting mechanisms such as whistleblowing e-forms, dedicated email address to the Senior Independent Director or the Whistleblowing Unit, hotlines, fax and a mailbox address to which the whistleblower can address his concerns. A similar whistleblowing reporting channel is also provided to external parties and stakeholders to allow them to raise concerns and report any potential wrongdoing to the Group. Details in relation to the whistleblowing channels available to external parties and stakeholders are available online at *www.simedarby.com/whistleblowing.aspx.*

Contact details of the Senior Independent Director are available on page 176.

Key activities in relation to the COBC, which include training and communication programmes that have been conducted across the Group are reported to the GAC on a quarterly basis. COBC activities carried out for the financial year can be seen in the Statement on Risk Management and Internal Control on page 177.

Non-compliance with the COBC is reported to Management and the GAC as part of Group Corporate Assurance internal audit reporting process. Reports received via the whistleblowing channels are investigated and results of the investigation are shared with the Chairman of GAC, who is also the Senior Independent Director of the Board via an online system. The GAC reviews the results of completed investigations on a quarterly basis. A summary trending and analysis report is also presented to the Main Board for noting.

BOARD ACTIVITIES

What the Board has achieved in FY2015	Key focus areas for FY2016
Deliberated and approved the acquisition of New Britain Palm Oil Limited (NBPOL)	Growth and innovation strategy
Endorsed the amended Board Charter	Succession planning
Approved the enhanced Sustainability Strategy for the Group. Details of the Sustainability Strategy are provided in the Sustainability Committee Report on page 170	Integration of NBPOL into the Sime Darby Group
Endorsed the five year Group Strategy and Portfolio Blueprint of the Group	Impact of the volatile market conditions on the Group's performance
	Leveraging on sustainability to continually create value for the organisation

In June of each year, the Board meets to set the tone for the Group's overall long-term strategy blueprint and to discuss and challenge the Group's business strategy and plan, Group Budget and the Human Resources Blueprint. The meeting is attended by members of both the Board and GMC to facilitate effective and detailed discussions.

Board and Management Retreats are held annually to discuss, among others, the strategic direction of the Company and Group. The retreat also provides an opportunity for the Board to interact with members of Senior Management from the Group Head Office and Divisions in an informal setting for more relaxed discussions. An off-site retreat was held in January 2015 in Bangkok, Thailand. The retreat included operations visits to the packaging factory of Morakot Industries Public Company Limited and BMW Centre in Charansanitwong, Bangkok where the Directors were able to see first-hand the packaging processes of oil products and the sales operations at the BMW Centre.

Board and Management Retreat to Bangkok
Tan Sri Dato' Abdul Ghani Othman and Mr Asanee Mallamphut, Managing Director of Morakot Industries Public Company Limited, at the Marokot packaging factory.

Meeting Attendance

In FY2015, the Main Board had nine (9) Board meetings, seven (7) of which were scheduled and two (2) unscheduled. The unscheduled Board meetings were called at short notice to discuss matters that could not wait until the next scheduled Main Board meeting. Directors who were unable to attend a meeting were encouraged to give the Chairman their views and comments on matters to be discussed in advance.

All Directors attended more than 50% or five (5) of the Board Meetings held during the financial year and have complied with the Listing Requirements in terms of attendance. This reflects Board members' commitment and dedication in fulfilling their duties and responsibilities.

The breakdown of Directors' attendance at the nine (9) Board meetings and the Annual General Meeting (AGM) is set out below:

Director	Scheduled meetings	Unscheduled meetings*	Annual General Meeting
Tan Sri Dato' Abdul Ghani Othman	●●●●●●●	●●	●
Tan Sri Dato' Sri Hamad Kama Piah Che Othman	●●●●○●○	●●	●
Tan Sri Samsudin Osman	●●●●●●●	●○	●
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	●●●●●●●	●●	●
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin	●●●●○●●	●●	●
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	●●●●●○●	●●	●
Tan Sri Datuk Dr Yusof Basiran	●●●●●○●	●●	●
Datuk Zaiton Mohd Hassan	●●●●●●●	●●	●
Dato Sri Lim Haw Kuang	●●●●●○●	●●	●
Dato' Henry Sackville Barlow	●●●●●●●	●●	●
Dato' Azmi Mohd Ali	●●●●●●●	●●	●
Dato' Rohana Tan Sri Mahmood	●●●●●●●	●○	●
Ir Dr Muhamad Fuad Abdullah	●●●●●●●	●●	●
Tan Sri Dato' Seri Mohd Bakke Salleh	●●●●●●●	●●	●

Notes:

● Attended meeting.

○ Unable to attend meeting owing to prior business commitments or other obligations.

* In addition to scheduled meetings, the Main Board also held two unscheduled meetings during the financial year to discuss the acquisition of NBPOL.

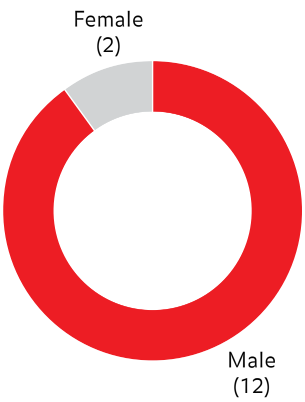
Details of Board Committee attendance are set out within the relevant Committee reports from pages 159 to175. The attendance of the members at the respective FSB meetings is available online at www.simedarby.com.

Board Diversity
as at 30 June 2015

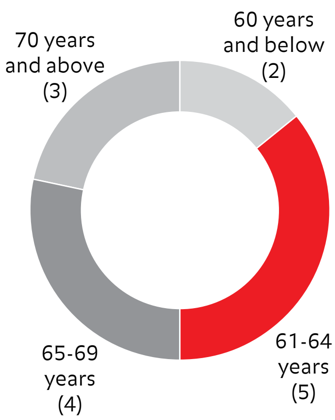
Balance of non-executive and executive Directors

1	1	12
Independent Chairman	Executive Director	Non-Executive Director

Board gender balance



Board age diversity



Length of service of non-executive directors
as at 30 June 2015

Director	Date of appointment	Length of service
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin	14 September 2007	7 years 9 months
Dato' Henry Sackville Barlow	29 September 2007	7 years 9 months
Tan Sri Samsudin Osman	19 December 2008	6 years 6 months
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	26 August 2010	4 years 10 months
Dato Sri Lim Haw Kuang	26 August 2010	4 years 10 months
Tan Sri Dato' Sri Hamad Kama Piah Che Othman	16 November 2010	4 years 7 months
Tan Sri Datuk Dr Yusof Basiran	16 November 2010	4 years 7 months
Datuk Zaiton Mohd Hassan	16 November 2010	4 years 7 months
Dato' Azmi Mohd Ali	16 November 2010	4 years 7 months
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	10 December 2012	2 years 6 months
Ir Dr Muhamad Fuad Abdullah	4 February 2013	2 years 4 months
Tan Sri Dato' Abdul Ghani Othman	1 July 2013	1 year 11 months
Dato' Rohana Tan Sri Mahmood	24 June 2014	1 year 0 month

Note: Tan Sri Dato' Sri Hamad Kama Piah Che Othman resigned from the Board on 31 July 2015.

BOARD EFFECTIVENESS

Balance and Diversity

A Balanced Board

The Company continues to have a strong, committed and dynamic Board with the right mix of skills and balance to contribute to the achievement of the Company's goals. The Board consists of qualified individuals with a diverse range of backgrounds and specialisations, collectively bringing considerable knowledge, judgement and experience to the Board. The Board has a good mix of governmental, technical and commercial experience with industry specific knowledge. These include, among others, economics, finance, accounting, engineering and legal with industry knowledge covering plantation, property development, oil & gas, banking and fund management.

The Chairman of the Main Board is an Independent Non-Executive Director. A strong and able non-executive element is a key feature of the Board and all Board members, with the exception of the PGCE, are Non-Executive Directors. The Non-Executive Directors come from broad industry and professional backgrounds, with varied experience and expertise aligned to the needs of the Group's businesses.

Six (6) of the Directors are independent, exceeding the minimum one-third (1/3) requirement as set out in the Listing Requirements. The Company will continue to be in compliance with the requirements following the upcoming retirement of Tan Sri Hamid Bugo and Dato' Henry Sackville Barlow from the Board.

Currently, none of the Independent Directors have served on the Board for more than nine (9) years. The Board is also aware that tenure is not the absolute indicator of a Director's independence. The test is whether the Director is able to exercise independent judgement and act in the best interests of the Company. In this regard, the Board, through the NRC, actively seeks to maintain a strong independent element on the Board by undertaking the following during FY2015:

- Conducted independent assessments of all Independent Directors following the criteria guided by the definition of "independent director" as prescribed by the Listing Requirements. The assessment applies to Independent Directors prior to appointment, annually and when a new interest or relationship develops.
- Independent Directors are required to submit an annual declaration of independence.
- In instances where an Independent Non-Executive Director is to be retained beyond nine (9) years, the NRC shall conduct an assessment of the Independent Non-Executive Director(s) and recommend to the Board whether they shall remain Independent or be re-designated as a Non-Independent Non-Executive Director.

Six (6) of the Non-Independent Non-Executive Directors are nominee Directors of Permodalan Nasional Berhad (PNB). Another Non-Independent Non-Executive Director, the Chairman of the Employees Provident Fund Board (EPF), represents EPF on the Main Board. Both PNB and EPF are major shareholders of the Company.

The Board is of the view that its size and composition is appropriate and commensurate with the complexity and scale of the Group's operations. Short biographies of the Directors, their independence status and details of the relevant skills and experience they each bring to the Board are set out from pages 127 to 131. An explanation of the main roles on the Board is set out on page 139.

Promoting Diversity

The Board's overriding objective in any new appointment is to select the best candidate with a view to achieving a high-performing Board. Appointments to the Board are based on merit against objective criteria with consideration being given to the intrinsic capabilities of the individual. The NRC recommends to the Board new appointments as Directors of SDB and the Group based on clear selection criteria. The selection criteria and process is provided in the NRC Report on page 165.

The Board recognises that diversity is one of the key drivers to enhance board effectiveness as diversity broadens the debate within the Board and averts narrow 'group think'. An effective Board leads the Company, both now and for the future and looks at the current environment and future risks and opportunities to build a sustainable business. In August 2015, the Board approved the Board Composition Policy, being one of the actionable improvement plans under the Board Effectiveness Assessment for 2014. The Policy provides that diversity in terms of skills, background, knowledge, international and industry experience, culture, independence, age and gender, among many other factors, will be taken into consideration when seeking to appoint a new Director to the Board so as to bring relevant perspectives to Board discussions.

The Board will also continuously enhance the Board's composition in line with the evolving circumstances and needs of the Group given its size, business diversity and geography. The Policy aims to maintain at least two (2) women Directors on the Board and actively work towards the minimum of 30% women as members of the Board by the end of 2016. The Board also embraces age diversity to encourage diversity in perspectives and balance the Board's insight, experience and approach to decision making. The Board targets to have a composition where at least 50% of its Directors are less than 60 years of age by 2017.

The salient features of the Board Composition Policy is available online at www.simedarby.com.

Fostering Commitment

The Board's meeting and agenda schedules to be discussed for the next calendar year are prepared and circulated to all the Directors during the first quarter of each financial year to provide notice well in advance to each Director allowing him/her to prepare adequately for the meetings. The schedules include meetings of Board Committees and general meetings of shareholders and maps out the flow of key items of business to ensure that sufficient time is being set aside for strategic discussions.

A detailed agenda and, to the extent feasible, board papers and supporting documents will be provided to the Directors approximately one week prior to each Board meeting.

To ensure that there is sufficient time for the Board to discuss substantive matters, key agenda items requiring the Board's consideration are usually discussed at the beginning of Board meetings to allow for adequate time for thorough discussion.

In view of the size, complexity and operations of the Group spanning across 26 countries and 4 territories, it is not uncommon for Non-Executive Directors to devote a substantial amount of time prior to and during Board meetings. Time spent by Directors includes not only formal Board meetings but also commitments of the Board Committees and FSBs, off site programmes, discussions with Management, professional development and education and Company functions. This time commitment means that Board nomination goes through a rigorous selection process, through the NRC, to ensure Directors are able to commit their time as members of the Board, Board Committees and as members of FSBs. In their acceptance letters as a Director on the Main Board, the Directors undertake to devote sufficient time to carry out their responsibilities as a Director of the Company.

In addition, the Board had, in November 2014, approved the protocol for members of the Main Board accepting directorships on the Boards of companies outside of the Sime Darby Group. The protocol requires members of the SDB Board to discuss with the Chairman prior to their acceptance of any directorship on companies outside of the Sime Darby Group to ensure that the appointment is not in conflict with the Sime Darby Group's business and does not materially interfere with his/her performance as a Director on the SDB Board.

Directors are required to declare their directorships and/or interests in other public and private companies upon appointment and on an annual basis. The Directors also notify the Company of any subsequent change in their directorships and/or interests in public and private companies. The Company will subsequently notify the other Directors upon receiving notice of such changes.

None of the Directors of the Company hold more than five (5) directorships in public listed companies, in compliance with the Listing Requirements. Non-Executive Directors may be expected to relinquish other appointments to ensure that they can meet the time commitment required of their role.

Directors' Remuneration

The objective of the Company's policy on Directors' remuneration is to attract and retain Directors of the calibre needed to direct the Group successfully.

The Directors' remuneration policy is reviewed regularly to ensure that the compensation of the Chairman and Directors of the Main Board and FSBs are aligned to at least around the 75th percentile and the 50th percentile of appropriate peer groups respectively. The remuneration of the Non-Executive Directors are reviewed once in every three years and there has been no change to the remuneration of the Non-Executive Directors and members of the Board Committees since February 2014.

The following are salient elements of the Directors' remuneration policy:

Non-Executive Directors	Executive Director
Paid fixed annual Director fees as members of the Board and Board Committees.	The NRC considers and recommends to the Board for approval the framework for the Executive Director's remuneration and the final remuneration package.
Level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Director concerned. The Company also reimburses reasonable expenses incurred by these Directors in the course of their duties.	Components of the remuneration are structured to link rewards to corporate and individual performance. Performance is measured against profits and other targets set in accordance with the Company's annual budget and plans.
The remuneration package comprises fees, benefits-in-kind and other emoluments.	

Remuneration for the Non-Executive Directors of the Board and as members of the Board Committees in the form of fees is as follows:

Board/Board Committee	Chairman (RM/Year)	Deputy Chairman (RM/Year)	Member (RM/Year)
Board	600,000	250,000	180,000 [1] 360,000 [2]
Governance & Audit Committee	40,000	Not Applicable	30,000
Nomination & Remuneration Committee	40,000		30,000
Sustainability Committee	40,000		30,000
Risk Management Committee	40,000		30,000

Notes:

[1] Fee for Resident Director

[2] Fee for Non-Resident Director

Details of Directors' remuneration (including benefits-in-kind) and the aggregate remuneration of Directors in respective bands of RM50,000 for FY2015 are as follows:

	Salary & Other Remuneration[2] (RM'000)	Directors' Fees & Other Remuneration (RM'000)		Benefits-in-kind[3] (RM'000)	PBESS[4] (RM'000)	Total (RM'000)	Range of Remuneration (RM'000)[5]
		By SDB	By the Subsidiaries				
Executive Director							
Tan Sri Dato' Seri Mohd Bakke Salleh	6,747	-	-	32	(22)[6]	6,757	6,750 - 6,800
Non-Executive Directors							
Tan Sri Dato' Abdul Ghani Othman	N/A[1]	640	150	32	N/A[1]	822	800 - 850
Dato Sri Lim Haw Kuang		390	300	60		750	700 - 750
Dato' Henry Sackville Barlow		297	225	25		547	500 - 550
Tan Sri Datuk Dr Yusof Basiran		215	248	25		488	450 - 500
Datuk Zaiton Mohd Hassan		244	200	25		469	
Tan Sri Dato' Sri Hamad Kama Piah Che Othman		280	150	25		455	
Dato' Azmi Mohd Ali		217	200	25		442	400 - 450
Dato' Rohana Tan Sri Mahmood		205	200	23		428	
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo		295	100	25		420	
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin		213	150	25		388	350 - 400
Ir Dr Muhamad Fuad Abdullah		245	115	25		385	
Tan Sri Samsudin Osman		180	150	25		355	
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah		210	100	25		335	300 - 350

Notes:

[1] N/A - Not Applicable

[2] Paid by the Sime Darby Group

[3] Comprises Company Car and Driver, where relevant

[4] Performance-Based Employee Share Scheme

[5] The following successive range of remuneration bands of RM50,000 is not applicable:
Below RM300,000
RM550,001 to RM700,000
RM750,001 to RM800,000
RM850,001 to RM6,750,000

[6] Comprises the provision for second grant of PBESS and reversal of provision made in respect of the first grant of PBESS.

A summary of the Executive Director's remuneration package comprises the following:

FIXED REMUNERATION		VARIABLE REMUNERATION		
Basic Salary + Benefits-in-kind Recommended by NRC (Consideration - perfomance, consumer price index, similar position in companies)	+	**Short Term** Bonus scheme Recommended by NRC (Consideration - performance outcome of the Group and individual performance) Retirement provisions + **Long Term** Performance-Based Employee Share Scheme (PBESS)	=	TOTAL REMUNERATION

Independence and Conflicts of Interest

All Directors of the Company and its subsidiaries must avoid any situation which might give rise to a conflict between their personal interests and those of the Group. Prior to appointment, potential conflicts of interest are disclosed and assessed to ensure that there are no matters which would prevent that person from taking on the role.

Directors are responsible for notifying the Chairman and/or the Group Secretary as soon as they become aware of actual or potential conflict situations.

If any potential conflict arises, the Articles of Association stipulate that interested Directors shall not participate in discussions nor vote in respect of contracts that they are interested in, or be counted as part of the quorum at a meeting when considering a motion concerning any such contract. In the event a corporate proposal is required to be approved by shareholders, interested Directors will further undertake to ensure that persons connected to them similarly abstain from voting on the resolutions. This will be recorded in the minutes of the meetings.

During FY2015, Tan Sri Wan Abdul Aziz declared his directorship on the Board of Felda Global Ventures Holdings Berhad, a bidder for the stake of Kulim (Malaysia) Berhad in NBPOL. Tan Sri Wan Abdul Aziz has excused himself from meetings during discussions on the acquisition of NBPOL and abstained from deliberating and voting on the relevant resolutions.

Information and Professional Development

Information

Board materials and information (agenda, Board papers, minutes etc.) are provided in advance of meetings so that Directors have sufficient time to read and understand the information and obtain further information, clarification or explanation, where necessary. Papers deemed urgent may still be submitted to the Group Secretary for tabling at Board meetings, subject to the approval of both the Chairman and the PGCE. Meeting agendas are also sequenced in such a way taking into consideration the complexity of the proposals and whether they are items for approval or noting by the Board in order for Board meetings to be more effective and to enable in-depth deliberation of matters.

Board materials are also disseminated electronically using a document management system which provides Directors with secured access to meeting papers globally. The system allows Directors to access board materials before receiving the hardcopies, while travelling and has made conference calls more effective.

In relation to the minutes of previous Board meetings, any Board member may seek clarification of the minutes or request for correction before the minutes are confirmed as correct. Issues raised, discussions, deliberations, decisions and conclusions including dissenting views made at Board meetings with required actions to be taken by responsible parties are recorded in the minutes.

All the Directors have direct access to the advice and services of the Group Secretary whether as the full Board or in their individual capacity, in the furtherance of their duties.

Heads of operations and/or Senior Management personnel may be required to make presentations on proposal papers and brief/update the Board on operational issues to further facilitate the Board's decision-making process.

From time to time and where necessary, the Board may seek independent professional advice at the Company's/relevant subsidiary's expense. The services of independent professional advisors or experts are typically sought to confirm or dispel concerns raised by the Directors. The Board nevertheless affirms that reliance on an independent advisor or expert does not abrogate the Board's individual or collective responsibility for the final decision.

The protocol for the Board and Directors to seek independent professional advice is set out in the Directors' Manual.

Professional Development

The Board is aware of the importance of continuing professional development for its Directors to ensure they are equipped with the necessary skills and knowledge to meet the challenges of the Board.

On appointment, each new Director of the Main Board and FSBs will undergo an on-boarding exercise. This will expedite the familiarisation process for new Directors with the environment that the Group operates in, the business operations of the various Divisions including their range of products or services, the Group organisation structure and Management's roles and responsibilities. Management will also arrange for site visits to key operating units for new Directors. This is to give each new Director a visual perspective of the Group's operations. The site visits will include briefings from the Management of operational units to provide further depth and appreciation of the key drivers behind the Group's core businesses.

All the Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Malaysia Securities Berhad.

Life-long learning, training programmes, conferences and seminars which are relevant to the Group's businesses to sustain active participation in Board deliberations are identified on an on-going basis and the Company allocates a dedicated training budget to support the continuous development of the Directors. In addition, each Director identifies the areas of training that he or she may require for further personal development as a Director or Board Committee member. The Group Secretary arranges for the Directors' attendance at these training programmes.

The Company also organises in-house education programmes by inviting experts to speak on specific topics of interest either during Board meetings or at separate sessions. In-house education programmes conducted during the financial year include Global Business and Economic Outlook - Where Do We Go From Here?, FELT Leadership Training Programme and Briefing on Goods & Services Tax.

During the Retreat in Bangkok, the Company invited industry experts to speak on the following topics:

(i) Down to a simmer: Prospects for Asia in 2015 and beyond.

(ii) Competitive Advantage through Innovation.

(iii) Sustainable & Generative Health.

All Directors attended training programmes, conferences, seminars, courses and/or workshops during the financial year. A brief description of some of the external training that Directors attended during FY2015 is set out below:

Month/Year	Topics	Presenter/Organiser
July 2014	• Advocacy Sessions on Corporate Disclosure for Directors	• Bursa Malaysia Berhad
August 2014	• 2014 Malaysian Accounting Standards Board (MASB) Roundtable on Financial Reporting	• MASB
	• Audit Committee Breakfast Series - "Enhancing Internal Audit Practice"	• Mr Andrew D Chambers/The Institute of Internal Auditors Malaysia/Bursa Malaysia Berhad
	• Nominating Committee Programme 2: Board Effectiveness and Succession Planning	• Ms Mira Gajraj Mohan, Mr Lim Chin Han and Mr Stuart James/ The Iclif Leadership & Governance Centre (Iclif)/Bursa Malaysia Berhad
	• Financial Institutions Directors' Education (FIDE) Forum Event: "Risk: From Whereof?"	• Tan Sri Andrew Sheng/FIDE
	• Corporate Board Leadership Symposium 2014 - Harnessing Board Energy and Diversity	• Malaysian Institute of Accountants
September 2014	• Malaysia Palm Oil Council (MPOC) Palm Oil Industry Leadership Forum	• MPOC
	• Employees Provident Fund (EPF) International Seminar - Demographic Changes: Recognising the Challenges and Opportunities	• EPF
	• The Malaysian Private Equity Forum: Private Equity as a Growth Catalyst in Malaysia	• Ekuiti Nasional Berhad/EPF
	• Climate Summit 2014	• United Nations Headquarters, New York
	• International Malaysia Law Conference Seminar 2014	• The Malaysian Bar
	• Khazanah Megatrends Forum 2014	• Khazanah Nasional Berhad
October 2014	• Private Equity Course - Private Equity	• LGT Capital Partners (U.K.) Ltd
	• PNB Investment Series "Great Companies Deserve Great Boards & Great Boards Leading the Way for Highly Innovative Companies"	• Permodalan Nasional Berhad (PNB)/PNB Investment Institute Sdn Berhad (PNBi)
	• Risk Management & Internal Control: "An Integrated Assurance on Risk Management and Internal Control - Is Our Line of Defence Adequate and Effective?"	• Mr Wee Hock Kee and Mr Alan Simmonds/Bursa Malaysia Berhad
	• 2014 Risk Management Conference "Risk Management; Better Decisions, Better Outcomes"	• Malaysia Airports Holdings Berhad (MAHB)
	• Talk on "Corporate Finance Valuation and Issues" by YBhg Dato' Yusof Annuar Yaacob, Chief Executive Officer (CEO), Deutsche Bank	• Dato' Yusof Annuar Yaacob/Azmi & Associates

Month/Year	Topics	Presenter/Organiser
November 2014	• EPF Investment Seminar – Embracing Turbulent & Changing Times • Executive Briefing on "Business Succession & Legal Planning" • Board Chairman Series: The Role of the Chairman • An Exclusive afternoon by YABhg Tun Daim Zainuddin • APEC CEO Summit 2014 • The Jersey Finance Asia Roadshow • International Centre for Settlement of Investment Dispute Practice & Current Trends in Investment Arbitrators • The Boston Consulting Group (BCG) Leaders Forum • 10th Indonesian Palm Oil Conference and 2015 Price Outlook "Transforming Palm Oil Industry, Enhancing Competitiveness"	• BNP Paribas/EPF • Azmi & Associates • Bursa Malaysia Berhad • Malaysian Industrial Development Finance Berhad • China Council for the Promotion of International Trade • Centillion Group Limited • Kuala Lumpur Regional Centre for Arbitration • BCG • Indonesian Palm Oil Association
December 2014	• 8th International Petroleum Technology Conference "Innovation and Collaboration: Keys to Affordable Energy" • Senior Management Luncheon Talk on Health • Knowledge Sharing Session - In Conjunction With Majlis Pelancaran Buku Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan	• Petroliam Nasional Berhad/Shell/ Schlumberger • PNB • Ministry of Finance Malaysia/ Malaysian Directors Academy
January 2015	• The World Economic Forum 2015	• World Economic Forum
February 2015	• Financial Services in Turbulent Times - A Dialogue by Tan Sri Dato' Dr Lin See Yan • Founder's Mentality: The Journey North • The 11th Khazanah Annual Review Briefing	• Tan Sri Dato' Dr Lin See Yan/FIDE • Mr Chris Zook/Bain & Company • Khazanah Nasional Berhad
March 2015	• Quality - Safety, Health and Environment Conference • World Islamic Economic Forum (WIEF) Foundation Córdoba Roundtable 2015 • Current Trends in Shareholders' Activism & Predicting Financial Crime-Detection, Prevention & Remediation by Professor Didier Cossin, International Institute for Management Development (IMD) Switzerland	• MAHB • Córdoba Provincial Government/ WIEF/Fundación Agrópolis de Córdoba • Professor Didier Cossin/PNBi

Month/Year	Topics	Presenter/Organiser
April 2015	• Strategy Workshop - Special Knowledge Sharing Session	• EPF
	• 2015 Risk Management Conference	• MAHB
	• The Business of Innovation 2015	• London Speaker Bureau
	• IMD Kuala Lumpur Business Forum on Digital Transformation - Roadmap for Business	• Professor Donald A. Marchand/ IMD
May 2015	• PNB Disaster Recovery Awareness Session 2015	• PNB
	• The 30% Club Malaysia (PEMANDU)	• PEMANDU (Performance Management & Delivery Unit, Prime Minister's Department) and Bursa Malaysia Berhad, in collaboration with the Ministry of Women, Family and Community Development
	• International Social Security Conference - Sustainable Social Security Ecosystem within an Aging Society	• EPF
	• WIEF-AFF Roundtable 2015	• WIEF and Alliance Forum Foundation (AFF)
	• ASEAN SME Showcase & Conference 2015	• SME Corporation Malaysia
June 2015	• Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001: Compliance & The Law (Risk Based Approach) for Board of Directors & Senior Management of PNB Group	• Mr Vijayaraj K Kanniah/PNB
	• Impact of the New Accounting Standard on Banks - What Directors should be aware of	• Mr Darrel Scott/FIDE
	• 7th Annual Corporate Governance Summit	• Asian World Summit Sdn Bhd
	• 8th International Planters Conference 2015: Addressing the Triple Bottom Line: Changing Dynamics of the Oil Palm Industry	• The Incorporated Society of Planters
	• Capital Market Programme	• PNB

Notes:

The list of external trainings are attended on individual basis.
More detailed information on the Directors' Training and Continuous Education Programme is available online at www.simedarby.com.

Board Evaluation

Board Evaluations are conducted annually to provide opportunities to consider ways of identifying greater efficiencies, maximising strengths and highlighting areas for improvement. A comprehensive Board Effectiveness Assessment and Individual Directors' Evaluation conducted in 2014 facilitated by independent external facilitators covered the following areas:

Evaluation	Assessment Criteria
Board of Directors	Board contribution, composition, information/pre-reading materials, agendas and meetings, dynamics, board/management relationship, leadership and processes.
Board Committees	Board Committees' structure, appointment process, meetings and communication.
Individual Directors	Individual Director's strengths, contributions and areas of focus and improvement.

The 2014 Board Effectiveness Assessment and Individual Directors' Evaluation was performed through a series of interview sessions between Directors and facilitators. The assessment revealed that SDB had a very good Board that has made major contributions to the Company. Key strengths identified from the evaluation included the successful implementation of the FSB governance model, open tenor of Board discussions, leveraging functional expertise in Board composition and the dynamic relationship between the Board and Management.

A Board Working Session was held in October 2014. An action plan highlighting the key areas for enhancement was agreed upon, to be used as a roadmap by the Board over the succeeding year in its journey to drive a high performing Board. The Chairman had a follow up discussion with the external facilitators in April 2015 to track the status of actionable improvements agreed upon at the Board Working Session.

For 2015, the Board Effectiveness Assessment focused on the areas of enhancement highlighted during the Board Working Session and sought other recommendations from Directors.

The focus areas and actions taken to enhance Board effectiveness are as follows:

Focus Area	Actions Taken
Board succession planning	• All Board appointments are made on merit, in the context of the diversity required for an effective Board, including diversity of skills, experience, background, age and gender. The Board Composition Policy will guide the Board in making new appointments with the aim of achieving a high performing Board and encouraging positive Boardroom dynamics. • The Board and the NRC have been actively identifying and assessing the suitability of potential candidates to be appointed to the Board. The Board acknowledges that succession planning for the Board is a continuous and ongoing process.
PGCE succession planning	• The Board is identifiying potential successors for the PGCE position and is developing clear selection criteria for the successor to the position of the PGCE.

Focus Area	Actions Taken
Refining the Board and Board Committee papers	• Refinement of the executive summary which outlines the salient key points of matters to be deliberated in Board papers as a preface to proposals by Management. • The PGCE has briefed and discussed methods to improve the delivery, balance and conciseness of information provided in Board papers during the GMC meeting. • The Terms of Reference of each Board Committee has been updated with improvements to the circulation period for meeting agenda and relevant documents and information • Board papers are made available electronically through secured means to Board members for timely and ease of access, especially when travelling.
Refocusing the Board agenda	• Proposals by Management are discussed at the beginning of meetings. The Chairman of the meeting is also able to decide on the sequence of the agenda items to be discussed. • Reporting by the Chairman of each Board Committee to the Main Board has shifted focus from "minute driven" to "here's what we decided to do and why".
Improving the delivery of the on-boarding exercise for newly appointed Directors	• On-boarding sessions will be staged over the course of the Director's first year of service. Opportunities will also be provided for newly appointed Directors to participate in orientations of FSBs which they do not serve.

STAKEHOLDER ENGAGEMENT

Timely and Quality Disclosure

The Board is committed to ensuring that communications to the investing public regarding the business, operations and financial performance of the Group are accurate, timely, factual, informative, consistent, broadly disseminated and where necessary, filed with regulators in accordance with applicable legal and regulatory requirements.

The Board has developed and adopted, in its Group Policies and Authorities, a policy on Stakeholder Engagement, stipulating the authorised channels and personnel through which/whom certain information of the Group shall be approved and disclosed to internal and external stakeholders.

The Policy regulates the review and release of information to regulatory authorities, facilitating timely and accurate disclosure of the Company's affairs and includes internal and external corporate communications and investor relations activities.

To further enhance the level and quality of disclosure, the Board adopted the Group Corporate Disclosure Guidelines in August 2015. The Guidelines gives specific guidance on the disclosure of material information, maintenance of the confidentiality of information, dissemination of information and communications including that which is transmitted electronically.

Technology has also been utilised to increase the effectiveness and timeliness of information dissemination. The Company's website is a key communication channel for the Company to reach its shareholders, the Investment Community and the general public. Up-to-date information on Group activities, financial results and major strategic developments are provided in the website. The Company website further outlines the Company's business principles, Corporate Governance Framework, COBC, whistleblowing guidelines and various corporate governance initiatives.

The financial results, annual reports, announcements to Bursa Malaysia Securities Berhad, corporate presentations and other information on the Company is available online at www.simedarby.com.

Engaging Shareholders

Annual General Meeting

The AGM is an opportunity for further shareholder engagement and for the Chairman to explain the Company's progress and, along with other members of the Board, to answer any question. All Directors attend, unless unforeseen circumstances or pressing commitments prevent them. Attendance of the Directors at the 2014 AGM is provided on page 145 and details of the 2015 AGM are set out on page 386.

The Company's AGM, scheduled in November of each year, is the primary platform for communication with the widest range of shareholders. Some of the measures to encourage greater shareholder attendance and participation include the following:

- Shareholders who are unable to attend are allowed to appoint a proxy/ies to attend and vote on their behalf. The proxy need not be a shareholder.
- The venue of the AGM is at a central and easily accessible location providing ample parking space for shareholders.
- The Sime Darby website (www.simedarby.com) contains a number of references to and notices about the AGM.
- Members of the Board, Senior Management as well as the external auditors of the Company are present at the AGM to address any question or concern that shareholders may have.
- The PGCE presents the Strategy Positioning for the Long Term Growth of the Sime Darby Group at AGMs and shareholders queries are answered and their views obtained.

The Chairman, at the commencement of a general meeting, informs shareholders of their right to vote by poll. This is in line with the Company's Articles of Association. Poll voting on Related Party Transactions has been made mandatory by the Listing Requirements. Regardless of the regulatory requirement, the Company prepares polling slips in the event shareholders request for poll voting on any resolution tabled at the general meeting.

Investor Relations

The Board recognises the importance of an effective communication channel between the Company, its shareholders and the general public. Pertinent matters that may affect stakeholders include strategic developments, financial results and material business matters affecting the Company and Group.

The Company has an Investor Relations Unit that facilitates communication between the Company and the Investment Community. Senior Management of the Company actively engages with the Investment Community and the Board is periodically briefed on these interactions and feedback from the Investment Community.

The Investor Relations Unit has an extensive programme that involves the holding of regular meetings, conference calls and site visits, all intended to keep the Investment Community abreast of the Company's strategic developments and financial performance. In addition, investment road shows and conferences are held to engage with shareholders and potential investors across the globe.

Twice a year, the Head of Investor Relations & Business Intelligence provides reports to the Board on investor relation activities, recommendation by analysts, comments from the Investment Community as well as commentary on share price information. The Board also receives a report at each quarterly meeting on the shareholding structure, including any change to the holdings of substantial shareholders, of the Company.

The timely release of financial results on a quarterly basis provides the Investment Community with an up-to-date view of the Group's performance and operations. A press conference and an analysts' briefing are held concurrently with the release of the quarterly financial results to Bursa Malaysia Securities Berhad. To widen the reach to stakeholders, summaries of the financial results are advertised in selected daily newspapers while copies of the full announcement can be supplied to shareholders and members of the public upon request.

Shareholders are welcome to raise queries by contacting the Company at any time throughout the year and need not wait for the AGM for such an opportunity. The contact information is available on page 176 and at the Company's website www.simedarby.com.

Details of the Group's engagement with other stakeholders can be found on page 22.

GOVERNANCE & AUDIT COMMITTEE REPORT

"The Chairman of the GAC helms the role of being directly accessible to whistleblowers."

DATO' HENRY SACKVILLE BARLOW
Chairman of the Governance & Audit Committee

INTRODUCTION

The Audit Committee was established on 29 September 2007. With effect from 25 November 2010, the Committee was renamed as the Governance & Audit Committee (GAC) to reflect more accurately the powers delegated to the Committee with regard to oversight over governance matters.

CHAIRMAN'S OVERVIEW

The Chairman of the GAC regularly meets the Group Head of Group Compliance & Group Corporate Assurance on matters arising from internal audit and investigations and also helms the role of being directly accessible to whistleblowers through Sime Darby Berhad's (Sime Darby) whistleblowing channels. My role as the Senior Independent Director of the Main Board (SID) highlights significant assurance of Sime Darby's governance in action.

The Chairman of the GAC and as SID oversees investigations of all whistleblowing cases, from receipt of cases via an online system or otherwise, through investigation to closure. On a quarterly basis, the GAC reviews the results of completed investigations. Additionally, a summary trending and analysis report is presented to the Board for notation. Where required, a Special GAC meeting is called to address whistleblowing concerns. Whistleblowing policies are reviewed by the Chairman every two years to ensure continued efficacy.

DATO' HENRY SACKVILLE BARLOW
Chairman of the Governance & Audit Committee

COMPOSITION OF THE COMMITTEE

Members*	Membership	Appointment	Tenure on the GAC	Attendance
Dato' Henry Sackville Barlow	Chairman/Senior Independent Non-Executive Director	29 September 2007	8 years	6/6
Tan Sri Datuk Amar (Dr) Hamid Bugo	Member/Independent Non-Executive Director	29 September 2011	4 years	6/6
Datuk Zaiton Mohd Hassan	Member/Non-Independent Non-Executive Director	16 November 2010	4 years 10 months	6/6
Ir Dr Muhamad Fuad Abdullah	Member/Independent Non-Executive Director	4 February 2013	2 years 7 months	6/6

Note:

* For the Members' profiles see pages 127 to 131 of the Directors' Profiles.

The Chairman of the GAC, Dato' Henry Sackville Barlow, is a Fellow of the Institute of Chartered Accountants in England and Wales while Datuk Zaiton Mohd Hassan is a Fellow of the Association of Chartered Certified Accountants, the Vice President of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. The GAC, therefore, meets the requirements of paragraph 15.09(1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements).

The President & Group Chief Executive (PGCE), Group Chief Operating Officer, Group Chief Financial Officer (GCFO), Group Head - Group Compliance & Group Corporate Assurance and Group Head - Risk Management attend the GAC meetings to brief and provide clarification to the Committee on their areas of responsibility. Other members of Senior Management are also invited for specific agenda items to support detailed discussions during the Committee's meetings.

The external auditors also attend and brief the Committee on matters relating to external audit. During the financial year, the external auditors attended five (5) GAC meetings to provide a high level review of the financial position of the Group. Time was also set aside for the external auditors to have private discussions with the Committee in the absence of Management, except for the Group Secretary. During the financial year, four (4) private sessions were held between the GAC and the external auditors.

Similarly, the Group Head - Group Compliance & Group Corporate Assurance also met privately with the Committee at all quarterly meetings of the GAC.

ROLES OF THE COMMITTEE

The GAC is responsible for:

- Assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring the Sime Darby Group of companies' management of financial risk processes and accounting and financial reporting practices.
- Reviewing the Sime Darby Group's business process, the quality of the Group accounting function, financial reporting and the system of internal controls.
- Enhancing the independence of both the external and internal audit functions by providing direction to and oversight of these functions on behalf of the Board.
- Assisting the Board in ensuring that an effective ethics programme is implemented across the Group and monitors compliance with established policies and procedures.

Detailed Terms of Reference for the GAC can be found at www.simedarby.com.

WHAT HAS THE GAC DONE DURING THE FINANCIAL YEAR?

During the year, the GAC's key activities included:

1. Financial Reporting

- Reviewing the quarterly unaudited financial results and the related press statements for recommendation to the Board for approval before release to Bursa Malaysia Securities Berhad.
- Reviewing the consolidated audited financial statements of the Company and the Group and ensuring that the statements comply with the Financial Reporting Standards for recommendation to the Board for approval.
- Reviewing the Group Financial and Foreign Currency Exposures.
- Reviewing the status and performance of the Group's major ongoing and completed investments and key ongoing property development projects.

Ensuring that financial statements comply with applicable financial reporting standards

Accurate and reliable financial statements are a key outcome of a sound system of internal control and towards this end, the GAC considered the following on a regular basis:

- Changes in accounting policies and practices and implementation thereof.
- Significant adjustments arising from the external audit process.
- Going concern assumption.
- Adequacy and appropriateness of disclosure.

The GAC also met with the external auditors without the presence of Management except for the Group Secretary. This is the forum at which the external auditors highlight, among other matters, any concern they may have on the compliance aspect of the financial statements.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.

The GCFO updates the GAC regularly on the Group's financial performance and highlights key issues in connection with the preparation of the results, including the adoption of new accounting standards/policies. The GCFO is responsible for ensuring that the Group is aware of impending changes to the accounting standards and also the relevant regulatory requirements, recognises the implication of those changes and complies with the requirements. In order to achieve this, the Group places great emphasis on two key areas, which are the development of a pool of skilled and knowledgeable accounting and finance staff and the development of a robust and efficient financial reporting system.

The Group has a wide range of internal training programmes covering both technical and non-technical areas specially designed to fit the needs of the Group with the objective of enhancing the level of competencies of its accounting and finance staff. Accounting and finance staff are also required to attend external training to enrich their knowledge, keep abreast of the development in the accounting standards and drive for high quality financial reporting. The GCFO and key finance personnel also actively engage with the Malaysian Accounting Standards Board (MASB) on accounting matters through participation in MASB's working groups formed to debate on significant and emerging issues within the accounting profession.

2. **Internal and External Audit**
   - Reviewing the Group Corporate Assurance Department's (GCAD) scope of work and audit plan which includes conducting regular and risk based systematic audits or reviews at the Group and Division levels. The Divisions' audit strategies have been similarly reviewed at their respective Flagship Subsidiary Boards.
   - Reviewing the external auditors' Audit Plan, which summarises the responsibilities and the scope of work for the financial year ended 30 June 2015. The Audit Plan includes the audit approach for 2015, focusing on the areas of emphasis, reporting and audit timetable.
   - Reviewing the adequacy of GCAD's resources and financial budget to meet the planned audit activities across the Group.
   - Considering the major findings and key significant external/internal audit matters raised by the external auditors and GCAD and Management's response and follow-up actions thereto.
   - Considering together with Management the global audit fees of the external auditors for recommendation to the Board for approval.
   - Reviewing reports on violations of the Code of Business Conduct (COBC) and whistleblowing issues to ensure all reported violations are properly investigated and actions are taken in response to all concerns raised.
   - Meeting quarterly with the external auditors/ Group Head - Group Compliance & Group Corporate Assurance without the presence of Management except for the Group Secretary.
   - Reviewing minutes of Board Meetings of selected joint venture companies and Audit Committees of the Flagship Subsidiary Board and subsidiary companies of the Group.
   - Reviewing and approving the Group Corporate Assurance Revised Charter and refinements to the methodology in rendering an audit opinion rating.
   - Overseeing the internal controls framework.
   - Reviewing progress updates on major projects and acquisitions.
   - Reviewing and recommending enhancements to the Group's governance and audit processes.

Suitability and Independence of External Auditors

The GAC considered the suitability and independence of the external auditor during the discussion of the Group Audit Plan for the financial year ended 30 June 2015. The GAC considered several factors including the adequacy of experience and resources of the firm and professional staff assigned to the audit and the level of non-audit services to be rendered by the external auditors to the Group for the financial year under review.

The Board is aware of the potential conflict of interest situation that may arise if the Company's external auditors are engaged to provide non-audit services to the Group. In order to mitigate this risk, a paper on "Appointments of Financial Advisors for Non-Audit Assignments" is tabled to the GAC on a quarterly basis for review.

Further, the GAC procures a written confirmation from the external auditors that they are and have been, independent throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements and in accordance with the external auditors' internal policy. The external auditors also provide a written confirmation that they have reviewed the non-audit services provided to the Group during the year and that to the best of their knowledge, the non-audit services did not impair their independence.

The Company also discloses fees received by the external auditor for non-audit work on page 395.

3. **Related Party Transactions**
   - Reviewing significant related party transactions entered into/to be entered into by the Company and the Group and the disclosure of such transactions in the Annual Report.
   - Reviewing the Circular to Shareholders with regard to the proposed renewal of shareholders' mandate for existing recurrent related party transactions and proposed new shareholders' mandate for additional recurrent related party transactions of a revenue or trading nature for recommendation to the Board for approval.
   - Reviewing the related party transaction on the sale of Subang Avenue Shopping Complex, which was announced to Bursa Malaysia Securities Berhad pursuant to the Listing Requirements upon the Board's approval. The Committee is of the opinion that the transaction is in the best interests of the Group, is fair, reasonable and on normal commercial terms and is not detrimental to the interest of the minority shareholders of Sime Darby.
   - Reviewing the processes and procedures on related party transactions/recurrent related party transactions in the Group Policies and Authorities (GPA) to ensure that related parties are appropriately identified and that related party transactions are declared, approved and reported appropriately.
   - Reviewing the compliance of related party disclosures to the Malaysian Financial Reporting Standard 124, Companies Act, 1965, Listing Requirements and internal guidelines on a quarterly basis.
   - Approving the revised Internal Guidelines on Related Party Transactions following amendments on the Listing Requirements and Practice Notes of Bursa Malaysia Securities Berhad.

4. **Performance-Based Employee Share Scheme**
   - Endorsing the second grant allocation of shares to selected employees of the Sime Darby Group under the Performance-Based Employee Share Scheme (PBESS). The second grant was offered to the selected employees on 20 October 2014. The GAC was satisfied that the allocation of the second grant was in compliance with the criteria set out in the By-Laws for the PBESS.
   - Reviewing the likelihood of the Group meeting the Long Term Incentive Plan trigger in respect of the first grant.

5. **Governance**
   - The GAC Chairman updated the Board on principal matters deliberated at GAC meetings and the activities undertaken by the GAC at each quarterly Board meeting. Minutes of the GAC meeting were tabled for confirmation at the following GAC meeting and circulated to the Board for noting at the next most practicable Board meeting.
   - Reviewing the Statement on Corporate Governance, GAC Report and Statement on Risk Management and Internal Control prior to their inclusion in the Company's Annual Report for the Board's approval.
   - Performing a self-assessment to assess its effectiveness in carrying out the duties as set out in Terms of Reference of the GAC.
   - Reviewing and endorsing the revised Terms of Reference of the GAC in view of the latest updates to the Listing Requirements.
   - Reviewing the Directors' Manual incorporating changes to the Listing Requirements for the Board's approval.

6. **Other activities**
   - Considering and reviewing the interim and proposed final dividends for recommendation to the Board for consideration. The Dividend Reinvestment Plan was applied to the entire final single tier dividend and Shareholders have been given the option to reinvest their final dividend in the new Sime Darby shares to be issued pursuant to the Dividend Reinvestment Plan.
   - Reviewing the report on the activities carried out by Group Compliance Office (GCO) during the financial year. The functions and activities of the GCO can be found on pages 182 to 183.

- Reviewing and recommending approval revisions to the GPA following amendments to laws and regulations, changes in the Management Structure and enhancement of procedures and processes for the Board's.
- Reviewing the Group Information Technology (IT) Roadmap which comprises the IT Strategy, Risk and Security and key IT initiatives.
- Reviewing the Group's Global Trading & Marketing position on outstanding trades performed on Bursa Malaysia Derivatives Berhad, forward sales of crude palm oil, crude palm oil and palm kernel expeller sales contracted and sales of certified palm oil.
- Reviewing the appointments of financial advisors for non-audit assignments and issuance of Letters of Financial Support.
- Reviewing the implementation of the Goods and Services Tax (GST) Readiness Project, the key tax issues of the Group, the developments in the global tax landscape and how the Group is addressing the issues.
- Performing the annual assessment of the performance of the Group Head - Group Compliance & Group Corporate Assurance
- Performing the annual assessment of the audit opinion rating score for the PGCE's performance scorecard.
- Conducting special review on specific areas of operations.

Governance initiatives

Enhancing independence and objectivity

As an effort to improve governance and enhance the GAC's independence and objectivity, from August 2014 GAC members are required to declare any potential conflict of interest with any of the agenda items at the onset of meetings.

Gearing up towards the Goods and Services Tax

Before the GST was implemented on 1 April 2015, the GAC received progress reports on the key milestones of the Group's GST implementation project. The project covered the IT Systems, project costs and had three phases, namely reviewing and assessing the GST impact, validating the GST Implementation Plan and executing the GST Implementation Plan.

Strengthening security and protection of information

In the era of digital information, the confidentiality, availability and integrity of corporate information assets and intellectual properties are vital for an organisation's sustainability and competitive edge. The GAC had looked into preventive strategies to protect the Board from security breaches. The GAC reviewed and the Board approved on 21 May 2015, the use of the Group's enterprise email solutions with enhanced authentication features for secured correspondence and access to the Company's confidential information.

PERFORMANCE REVIEW OF THE COMMITTEE

During the financial year, the Board reviewed the term of office and assessed the performance of the GAC with the recommendation by the Nomination & Remuneration Committee. The term of office and performance of the GAC are reviewed at least once every 3 years pursuant to the Listing Requirements. The Board is satisfied that the GAC has discharged its duties in accordance with the Terms of Reference.

INTERNAL AUDIT

Overview

The Group has an in-house internal audit function which is carried out by GCAD and is headed by Mr John Edward Arkosi. The GCAD reports directly to the GAC and its principal responsibility is to undertake regular and systematic reviews of the internal control systems so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group.

All internal audit functions during the financial year were conducted by GCAD. Nevertheless, where required, GCAD has engaged and co-sourced with external audit firms or subject matter experts in specific technical areas including forensic and legal advisory. During the financial year ended 30 June 2015, the total cost incurred for the internal audit function was RM44.2 million (2014: RM44.1 million) which includes external consultancy cost amounting to RM363,000.

Functions

GCAD is guided by its Group Corporate Assurance Charter which specifies that GCAD reports functionally to GAC and administratively to the PGCE to allow an appropriate degree of independence from the operations of the Group. GCAD has been organised as a centralised department with divisional Corporate Assurance Departments and has direct control and supervision for audit services across the Group. GCAD is also responsible for the conduct of regular and systematic reviews of environmental, safety and health issues in the Company and the Group.

The Group Head of Corporate Assurance attends the meetings of the Flagship Subsidiary Boards (FSB) on a quarterly basis to brief the FSB on audit results and significant matters raised in the detailed GCA reports undertaken in the respective divisions.

There are a total of 200 internal auditors, excluding Management Trainees and Interns, across the Group headed by Mr Arkosi and supported by Divisional Heads in Malaysia and regional offices in Australia, China and Indonesia. All internal auditors have tertiary qualifications and the level of expertise and professional background within GCAD for the financial year ended 30 June 2015 is as follows:

Expertise Category	Percentage of Total Auditors
Finance	43%
IT/MIS	12%
Network/Engineering	12%
General/Others	33%

Professional Category	Percentage of Total Auditors
Professional Certification	
ICAEW, CPA, ACCA, CA, MIA	23%
Certified Internal Auditor (CIA)	7%
Certified IS Auditor (CISA)	4%
Institute of Internal Auditors Membership	40%
Others	10%
Postgraduate	
MBA and Masters	16%

Activities

The attainment of the above objectives involves key activities being carried out by GCAD. The key activities are detailed out in the Statement on Risk Management and Internal Controls on pages 181 to 182.

GROUP COMPLIANCE OFFICE

The GCO was established as an independent function with the objective of assisting the Board, GAC and Management in coordinating compliance risk management activities and to provide reasonable assurance to the Board and Management that the Group's operations and activities are conducted in line with all applicable legal and regulatory requirements, internal policies and procedures, COBC and standards of good practice applicable to the Group's operations. GCO's function, including its activities are guided by its Charter and the GPA.

The GCO reports functionally to the GAC and administratively to the PGCE to allow an appropriate degree of independence from the operations of the Group. The GCO has full and unrestricted access to the PGCE, Chairman of the Board, GAC members and if necessary, the Board members. GCO shares a similar organisation structure as GCAD where it is organised as a centralised department with divisional GCO teams where compliance activities are coordinated, supervised and monitored across the Group. GCO comprises 17 compliance officers headed by Mr Arkosi, who is supported by Divisional Heads.

The key activities undertaken by GCO for the financial year ended 30 June 2015 are highlighted in the Statement on Risk Management and Internal Controls section on pages 182 to 183.

This report is made in accordance with a resolution of the Board of Directors dated 17 September 2015.

NOMINATION & REMUNERATION COMMITTEE REPORT

"For the financial year 2016, the Committee will focus on succession planning and will support the Board in the achievement of diversity within the Board."

TAN SRI DATO' ABDUL GHANI OTHMAN
Chairman of the Nomination & Remuneration Committee

INTRODUCTION

The Nomination Committee and the Remuneration Committee were established on 29 September 2007. Subsequently, on 16 November 2010, the Nomination and Remuneration Committees were merged to become the Nomination & Remuneration Committee (NRC). On 28 August 2014, the NRC assumed the functions of the Long Term Incentive Plan Committee so as to ensure a holistic remuneration framework for employees of the Group.

CHAIRMAN'S OVERVIEW

The Nomination & Remuneration Committee has been established with the primary objectives of managing the Board nomination process, reviewing the Group's remuneration process and overseeing administration of the Performance-Based Employee Share Scheme (Share Scheme) and other related incentive plans that may be implemented by the Company.

A key role of the NRC is to assist the Board in continuously enhancing its effectiveness. This includes making recommendations on new members of the Board and Board Committees so as to ensure a wide range of skills, knowledge and experience, assisting in the Board's annual assessment of the Independent Directors of the Board, overseeing Board effectiveness assessments and recommending the re-appointment and/or re-election of Directors on the Board for approval of shareholders.

In relation to the independent element on the Board, the NRC ensures that the Board has the appropriate number of independent Directors so as to be able to leverage upon their wide experience and the different perspectives that they bring to Board discussions. All Board Committees of Sime Darby Berhad (Sime Darby) are chaired by Independent Directors. Following an assessment of the Independent Directors, the Board is of the view that the Independent Directors had maintained their independence during the financial year 2015.

As reported last year, the Board had undertaken a detailed assessment of its effectiveness for FY2014. A Board Working Session was held in October 2014 to formulate an action plan to address potential areas for enhancement. A follow up assessment has been undertaken to see whether the gaps identified earlier have been addressed.

Another key role of the NRC is to oversee the development of the remuneration framework and policies of the Group. The objectives of Sime Darby's remuneration for its Non-Executive Directors is to attract the right talent, retain high performing Directors and align Directors' interest with that of shareholders. The NRC recommends the remuneration of the Non-Executive Directors to the Board to be put to a vote by the shareholders of the Company at the Annual General Meeting (AGM).

The total remuneration for employees of the Group comprises Base Pay, Benefits, Bonus and the Long Term Incentive Plan. Executive remuneration continues to be driven by performance and employees are rewarded based on their contribution to the Group. Scorecards have been put in place at the Group, Division and unit levels to measure performance and determine reward. The objective is for the Group to pay competitive remuneration while at the same time manage employment costs.

For the financial year 2016, the Committee will focus on succession planning and will support the Board in the achievement of diversity within the Board.

TAN SRI DATO' ABDUL GHANI OTHMAN
Chairman of the Nomination & Remuneration Committee

COMPOSITION OF THE COMMITTEE

Members*	Membership	Appointment	Attendance
Tan Sri Dato' Abdul Ghani Othman	Chairman/Independent Non-Executive Director	28 August 2012	7/7
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	Member/Non-Independent Non-Executive Director	31 July 2015	N/A +
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	Member/Independent Non-Executive Director	28 August 2012	6/7
Datuk Zaiton Mohd Hassan	Member/Non-Independent Non-Executive Director	28 August 2014	5/6 #
Dato' Henry Sackville Barlow	Member/Senior Independent Non-Executive Director	4 February 2013	6/7
Tan Sri Dato' Sri Hamad Kama Piah Che Othman	Member/Non-Independent Non-Executive Director	28 August 2012	4/7 ^

Notes:

* For the Members' profiles see pages 127 to 131 of the Directors' Profiles.

\+ Appointed as a Member of the NRC with effect from 31 July 2015.

\# Reflects the number of meetings held during the period Datuk Zaiton Mohd Hassan held office.

^ Resigned as a Member of the NRC with effect from 31 July 2015.

The Nomination & Remuneration Committee (NRC) comprises Non-Executive Directors with the majority being Independent Directors. The Committee is chaired by the Chairman of the Board and includes the Senior Independent Director as its member. The composition of the NRC complies with both requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Listing Requirements) and the Malaysian Code on Corporate Governance 2012.

On 10 July 2015, the NRC recommended the re-designation of Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah as the Deputy Chairman of the Company and the appointment of Tan Sri Dato' Sri Dr Wan Abdul Aziz as a Member of the NRC with effect from 31 July 2015 in place of Tan Sri Dato' Sri Hamad Kama Piah Che Othman who resigned on the same day.

Meetings of the NRC are attended by the President & Group Chief Executive (PGCE). Other members of Senior Management are invited to meetings of the NRC, when necessary, to support detailed discussions.

ROLES OF THE COMMITTEE

The Committee is established by the Board with the following primary objectives:

- To assist the Board in reviewing the appropriate size and balance of the Board including having the required mix of skills, experience and knowledge. The NRC also ensures that there is sufficient succession planning and human capital development focus in the SDB Group.
- To recommend to the Board the remuneration framework for Non-Executive Directors, Executive Directors, the PGCE, key pivotal positions and employees of the Group.
- To administer the Performance-Based Employee Share Scheme in accordance with the By-Laws as approved by the shareholders.

Functions and Duties

Specific functions and duties of the NRC are as follows:

<u>Nomination Functions and Duties</u>

- Assessing the Board's composition including establishing a policy formalising the Group's approach to boardroom diversity, reviewing the Board's size and mix of skills, experience, core competencies and other qualities and overseeing succession planning of the Board.
- Managing the recruitment process for new Directors of the Sime Darby Group.
- Overseeing the retirement, re-appointment and re-election process of Directors.
- Recommending suitable orientation and training programmes for Directors.

- Undertaking annual performance assessments.
- Recommending to the Board the appointment, evaluation and termination of the PGCE position.
- Overseeing the recruitment, evaluation, promotion and termination of key pivotal positions of the Group.
- Ensuring that an appropriate succession planning framework, talent management and human capital development programmes are in place for the PGCE and key pivotal positions.

Remuneration Functions and Duties

- Reviewing and recommending to the Board a formal and transparent remuneration policy and framework for Non-Executive Directors of the Sime Darby Group.
- Reviewing the remuneration and terms and conditions of service of the PGCE position and key pivotal positions.
- Reviewing and recommending the extension of service and the compensation and benefits packages for Executive Vice Presidents and other key pivotal positions of the Group who have reached the age of retirement.
- Reviewing the annual salary increment and bonus framework of the Group.

Long Term Incentive Plan Functions and Duties

- Overseeing the administration of the Share Scheme and the shares granted under it, subject to the By-Laws.
- Determining the Group's performance measures and targets associated with each Offer.

The revised Terms of Reference (TOR) of the NRC was reviewed and endorsed by the Board on 29 September 2014. The detailed TOR of the NRC is available online at www.simedarby.com.

NOMINATION AND RECRUITMENT PROCESS

One of the NRC's key roles is to drive the recruitment process for new Directors. In considering candidates as potential Directors, the NRC takes into account the following criteria:

- Skills, knowledge, expertise and experience.
- Time commitment, character, professionalism and integrity.
- Perceived ability to work cohesively with other members of the Board.
- Specialist knowledge or technical skills in line with the Group's strategy.
- Diversity in age, gender and experience/ background.
- Number of directorships in companies outside the Group.

A pre-screening of candidates is also undertaken by a third party. The Chairman of the NRC will report on the discussion with the third party at the meeting of the NRC, prior to recommendation of the individual to the Board.

In FY2015, the Board approved appointments on the Board of Sime Darby Industrial Holdings Sdn Bhd, Boards of Commissioners and Audit Committees of PT Minamas Gemilang and PT Anugerah Sumbermakmur and Nominee Directors of Sime Darby Plantation Sdn Bhd on the Board of New Britain Palm Oil Limited.

The Group Secretary ensures that all appointments are properly made, that all necessary information is obtained from the Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Listing Requirements or other regulatory requirements.

The recruitment process concludes with an on-boarding exercise and related training programmes to train and equip the Director with the required knowledge and understanding of the Group's businesses and operations. Additional details on the structure of the on-boarding exercise and the Directors' professional development are set out on page 152.

RE-APPOINTMENT OR RE-ELECTION OF DIRECTORS

The NRC ensures that the Directors retire and are re-appointed/re-elected in accordance with the relevant laws and regulations and the Articles of Association of the Company.

Directors over seventy (70) years of age are required to submit themselves for re-appointment by shareholders annually in accordance with Section 129(6) of the Companies Act, 1965. The Directors of the Company who have reached over 70 years of age namely, Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo and Dato' Henry Sackville Barlow have notified the Company of their intentions not to seek re-appointment at the Company's forthcoming AGM.

The Company's Articles of Association provides that at least one-third (1/3) of the remaining Directors are required to retire by rotation at each AGM and all Directors shall retire from office at least once in every three (3) years. A retiring Director is eligible for re-election.

The Directors seeking re-election at the AGM are listed in the Notice of AGM and are recommended by the NRC and the Board.

TENURE AND INDEPENDENCE

None of the six (6) Independent Directors has served on the Board for more than nine (9) years.

The NRC has facilitated the annual assessment of the Independent Directors in May 2015. The criteria used in FY2015 to assess the independence of the Independent Directors include the Directors' tenure on the Board and whether the Director was independent in character and judgement and that there were no relationships or circumstances which could affect, or appear to affect, the Director's judgement. The Board, upon reviewing the outcome of the assessment, was satisfied that the Independent Directors had maintained their independence in FY2015.

BOARD COMPOSITION AND DIVERSITY

The NRC assists the Board to periodically examine the effectiveness of its size and composition and whether the current number of Board members is conducive for efficient deliberation at Board meetings and facilitates effective decision making. The NRC also endeavours to balance the requirement for professional knowledge, business expertise, varied industry knowledge and diversity to maintain the effectiveness of the Board.

In August 2015, the NRC recommended for approval by the Board the Policy on Board Composition. The policy aims to have an appropriate level of diversity in the Boardroom to reflect the diverse nature of the Company's operations and to support the achievement of the Company's strategic objectives as well as sets out the targets to be delivered by the Company in terms of gender and age diversity.

The targets set out in the policy is provided in pages 147 and 148 and the salient features of the policy is available online at www.simedarby.com.

The NRC is responsible for the implementation of this policy and for monitoring progress towards the achievement of the Board's objectives. The NRC will review this policy annually and will recommend to the Board changes, if any, to ensure that the policy is in line with the requirements of the Board.

BOARD EFFECTIVENESS ASSESSMENT

The NRC oversees Board effectiveness assessments. As a follow up to the Board Effectiveness Assessment 2014, in April 2015, the Chairman of the NRC had a discussion with the external facilitators to track the status of actionable improvements identified through the 2014 evaluation. This is to ensure that appropriate actions are taken based on the results of the annual assessment.

For 2015, the assessment focused on whether gaps identified earlier were satisfactorily resolved and other areas for enhancement by the Board.

More detailed information on the Board Effectiveness Assessment can be found on page 156.

WHAT HAS THE COMMITTEE DONE DURING THE FINANCIAL YEAR?

During FY2015, the Committee's key activities included:

1. **Nomination Function**

   In relation to the Board of Sime Darby and the Flagship Subsidiary Boards:

   - Reviewing the Board Charter and the Terms of Reference of the Board Committees and recommending the revised Charter and TOR to the Board.
   - Recommending the protocol for Directors accepting new Directorships on companies outside of the Group.
   - Reviewing the TOR of the Flagship Subsidiary Boards and recommending the revised TORs to the Board.
   - Evaluating and recommending suitable candidates for appointment to the Boards/ Board Committees of Sime Darby, Flagship Subsidiary Companies and major subsidiaries of Sime Darby.
   - Reviewing the Board Committees of Sime Darby leading to the following:
     - Disbandment of the Litigation Committee.
     - Revision to the composition of the NRC and Sustainability Committee.
     - The adoption of the functions of the Long Term Incentive Plan Committee by the NRC.
   - Reviewing compliance of Board Committees with their respective TORs.
   - Reviewing the term of office and performance of the Governance & Audit Committee.
   - Monitoring the conduct of a Board Effectiveness Workshop following the Board Effectiveness Assessment 2014.
   - Overseeing the annual assessment of Directors.

   In relation to Management:

   - Reviewing the scorecard of the PGCE for FY2016 and recommending the scorecard to the Board.
   - Reviewing the Bumiputera Empowerment Agenda Key Performance Indicators (KPI) 2014 achievement and the 2015 targets for the PGCE's scorecard.
   - Reviewing the organisational changes to be made at the Group and recommending the changes to the Board.

- Reviewing the Group's Executive Succession Plan for Direct Reports of the PGCE and for critical positions.
- Recommending the appointments of Executive Vice Presidents.

2. Remuneration Function

In relation to the Board:

- Recommending appropriate levels of remuneration for Non-Executive Directors of the Sime Darby Group for the financial year 2015.

In relation to employees of the Group:

- Evaluating the performance of the PGCE and recommending the performance rating, salary increment and bonus for the PGCE.
- Recommending the salary increment proposals and guidelines for employees of the Sime Darby Group for FY2016 and the bonus payout for FY2015, taking into consideration market data, the Group's performance and the individual's experience and performance.
- Reviewing and recommending the renewal of fixed term contracts of Senior Management.

3. Long Term Incentive Plan Function

- Approving the 2nd Long Term Incentive Plan (LTIP) Grant Offer and matters related to the Offer.
- Reviewing the accounting provisions for the 1st LTIP Grant and recommending revisions to the Board.
- Reviewing the Report on the LTIP Targets Achievement.
- Reviewing the Register of Complaints cum Enquiries/Issues Log.

ANNUAL PERFORMANCE ASSESSMENT

The NRC shall perform a self-assessment annually to assess its effectiveness in carrying out the duties as set out in the TOR. The Self-Assessment for FY2015 showed that the NRC had effectively discharged its functions as set out in its TOR.

SUSTAINABILITY COMMITTEE REPORT

"Sustainability is a journey, for a better Sime Darby, a better us."

DATO' HENRY SACKVILLE BARLOW
Chairman of the Sustainability Committee

INTRODUCTION

The Sustainability Committee was established on 28 August 2012 and has oversight responsibilities in relation to the Sime Darby Group's objectives, policies and practices pertaining to sustainability, more particularly on People, Planet and Prosperity.

CHAIRMAN'S OVERVIEW

The Sustainability Committee and I are committed to ensuring that the Group embraces sustainability in a holistic way, by operating in an economically, socially and environmentally sustainable manner. It is imperative that we demonstrate leadership in sustainability by contributing to a better society, minimising environmental harm and delivering sustainable development, whilst balancing the interests of a diverse range of stakeholders. Sustainability needs to be pursued in a way that creates value to the Group and it is vital for everyone to understand that alignment of the Group's strategic imperative with sustainability is absolutely crucial for Sime Darby's long-term viability.

The Occupational Safety & Health performance of the Group remains a critical area of focus for discussion during the Sustainability Committee meetings, as protecting our employees by ensuring a safe working environment is imperative for us as a responsible corporate organisation. Even though there are improvements in areas of our operations, there are still large areas of improvement needed and we are committed to ensure that we move towards our ultimate goal of Zero Harm. Unfortunately, we have still recorded 7 fatalities this year which is unacceptable and we will work with Management to ensure our employees are able to return from work safely every day to their respective families.

On a more positive note, our continuous improvement programme throughout the Group has continued to empower our employees to achieve outstanding results this Financial Year. A total of RM360.48 million of benefits has been achieved since the establishment of the Lean Six Sigma (LSS) Blueprint in 2013, exceeding our targets set since then. Sime Darby has also been recognised internationally at the American Society of Quality (ASQ) World Conference International Team Excellence Award and locally, where Sime Darby has emerged as champions for the 4th year running for the PNB Quality Award.

The acquisition of New Britain Palm Oil Limited this year also serves to enhance our sustainability practices and credentials for our Plantation Division. Dr Simon Lord, who was previously their Director of Sustainability has been appointed as our Group Chief Sustainability Officer and the Sustainability Committee and I look forward to working with him to take sustainability to the next level across the Sime Darby Group.

Getting an external perspective by engaging our stakeholders is also critical for us to ensure we address material issues that impact our business in a way that is inclusive with the needs of our wide range of stakeholders. Therefore, Sir Jonathon Porritt has been reappointed for a three-year term as the Sustainability Advisor to Sime Darby.

On behalf of the Sustainability Committee, I would like to thank everyone who has contributed to sustainability within Sime Darby for all their efforts and commitment so far. Sustainability is a journey, for a better Sime Darby, a better us.

DATO' HENRY SACKVILLE BARLOW
Chairman of the Sustainability Committee

COMPOSITION OF THE COMMITTEE

Members*	Membership	Appointment	Attendance
Dato' Henry Sackville Barlow	Chairman/Senior Independent Non-Executive Director	28 August 2012	4/4
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	Member/Independent Non-Executive Director	28 August 2012	1/1 #
Tan Sri Datuk Dr Yusof Basiran	Member/Non-Independent Non-Executive Director	28 August 2012	4/4
Dato' Rohana Tan Sri Mahmood	Member/Independent Non-Executive Director	28 August 2014	3/3 ^
Ir Dr Muhamad Fuad Abdullah	Member/Independent Non-Executive Director	4 February 2013	4/4
Ex Officio Member	**Membership**	**Appointment**	**Attendance**
Sir Jonathon Espie Porritt	Sustainability Advisor	10 May 2012	3/4

Notes:

* For the Members' profiles see pages 127 to 131 of the Directors' Profiles.

\# Reflects the number of meetings held during the time Tan Sri Datuk Amar (Dr) Hamid Bugo held office.

^ Reflects the number of meetings held during the time Dato' Rohana Tan Sri Mahmood held office.

Changes to the Composition of the Sustainability Committee

On 28 August 2014, Dato' Rohana Tan Sri Mahmood was appointed as a member of the Committee in place of Tan Sri Datuk Amar (Dr) Hamid Bugo. The Committee comprised Non-Executive Directors and is supported by Sir Jonathon Porritt, Sustainability Advisor. Sir Jonathon assists the Committee by identifying emerging sustainability trends and their implications to Sime Darby Berhad (Sime Darby), reviewing and updating the Group Sustainability Principles and plans, assessing Sime Darby's progress towards achieving sustainable outcomes as defined by the principles and providing advice on sustainability reporting, including assurance methods.

Changes to Key Management Team

Dr Simon Lord has been appointed as Group Chief Sustainability Officer on 1 April 2015 and brings with him 30 years of management experience in the agricultural and oil palm sector. Dr Lord's profile can be found on page 133 in the Management Team Profiles section.

Meetings of the Committee are attended by the President & Group Chief Executive, Group Chief Operating Officer, Group Chief Financial Officer, Group Chief Sustainability Officer, together with other members of Senior Management to support detailed discussions.

ROLES OF THE COMMITTEE

The Committee has oversight responsibilities in relation to the Sime Darby Group's objectives, policies and practices pertaining to sustainability, more particularly around contributing to a better society, minimizing environmental harm and delivering sustainable development. It is responsible for:

- Reviewing the effectiveness of the Sime Darby Group's strategies, policies, principles and practices relating to sustainability and corporate social responsibility on a world-wide basis, including whether these strategies, policies, procedures and processes support the Group's sustainability agenda. In doing so, the Committee also supervises the Management Sustainability Committee.
- Advising on the Group's Sustainability Reporting.
- Oversight on independent audits and assurance reports.
- Steering the stakeholder dialogue process with regard to the strategic sustainability goals. This includes key concerns/allegations that are raised by stakeholders, evolving public sentiments and government regulations.

Detailed Terms of Reference for the Committee can be found at www.simedarby.com.

WHAT HAS THE COMMITTEE DONE DURING THE FINANCIAL YEAR?

During the year, the Committee's key activities included:

1. Sustainability Roadmap
   a. Reviewing the Group Sustainability Roadmap which tracks the progress of initiatives that contribute towards achieving Sime Darby's sustainability goals.
2. Occupational Health and Safety performance
   a. Reviewing and deliberating the overall Group Safety and Health Performance, the overall Improvement Plan and status of key critical action plans around Safety and Health across the Group.
   b. Reviewing the reports from the Independent Safety & Health Review on the safety and health trends across the Plantation, Industrial, Motors and Property Divisions and associated observations and recommendations to improve safety and health practices across the Group.
3. Continuous Improvement
   a. Reviewing the implementation of the Group LSS roadmap and monitoring the benefits achieved against the 5 year targets.
4. Climate Change
   a. Reviewing the risks around water management and of rising sea levels and its potential impact on Plantation Division's estates and the mitigating actions taken and planned.
   b. Deliberating on reporting options for Land Use, Land Use Change and Forestry emissions and sequestration in the carbon inventory of the Sime Darby Group.
   c. Deliberating on the contents of the interim report from the High Carbon Stock Study Steering Committee.
5. Plantation Sustainability
   a. Reviewing highlights/key issues from Plantation Division including the Sustainable Palm Oil Manifesto, social issues in Indonesia and Liberia, management of the Ebola Outbreak in Liberia and Photovoltaic Projects.
6. Sustainability Advisory Work Programme
   a. Reviewing and deliberating the Sustainability Advisory Work Programme which covers projects around the areas of stakeholder engagement and climate risk at the Plantation Division, future townships, sustainability consumer research and sustainability ratings at the Property Division and horizon scanning with Group Strategy & Innovation.
7. Assurance and Governance around Sustainability
   a. Reviewing and deliberating the independent third party limited assurance report on the annual verification of key sustainability indicators around Safety & Health, LSS benefits and Carbon Emissions to ensure the robustness of the data being reported around those areas.
   b. Endorsing the revised Terms of Reference of the Committee to enhance the focus on safety and health.
8. Participation on Global Sustainability Platforms
   a. Deliberating the participation of Sime Darby in the New York Declaration on Forests at the United Nations Climate Summit 2014. The declaration is a shared vision of slowing, halting and reversing global forest loss while simultaneously enhancing food security for all. A collective commitment in the declaration includes a global timeline to cut natural forest loss in half by 2020 and strive to end it by 2030.

ANNUAL PERFORMANCE ASSESSMENT

The Sustainability Committee performs an annual assessment to assess its effectiveness in carrying its duties as set out in the Terms of Reference. The Self Assessment for FY2015 showed that the Sustainability Committee had effectively discharged its functions as set out in its Terms of Reference.

Sustainability in Action

The Board recognises that the Sime Darby Group's strategies must promote sustainability. Across the Group, we are united in our focus on the Group's strategic sustainability goals that drive our activities across the Group. The Committee and the Board had, in May and June 2015 respectively, approved the sustainability strategy for the Group. The sustainability strategy covers the structures that must be in place to deliver sustainability performance at a higher level with the purpose of ensuring that the Group contributes to a better society, minimises environmental harm and delivers sustainable development. Having approved the sustainability strategy, progress on sustainability will be linked to the Senior Management's key performance indicators.

RISK MANAGEMENT COMMITTEE REPORT

"The Committee continued to strengthen the Group risk framework during the year to ensure that material risk exposures were identified, mitigated and monitored."

TAN SRI DATUK AMAR (DR) TOMMY BUGO @ HAMID BUGO
Chairman of the Risk Management Committee

INTRODUCTION

The Risk Management Committee (RMC) was established on 29 September 2007 and is responsible for ensuring the implementation of appropriate systems to manage the overall risk exposures of the Sime Darby Berhad Group.

CHAIRMAN'S OVERVIEW

The RMC and I are committed to maintaining a sound risk management framework and reviewing its effectiveness to safeguard stakeholders' interests. On a quarterly basis, the RMC reviews the risk management reports presented by the Group Head of Risk Management, which includes the principal risk factors described in the Our Management of Risk section of this report. It also reviews investment proposals presented by Management to ensure robust risk management.

Where appropriate, improvements to the risk management framework are made as outlined in the Statement on Risk Management and Internal Control.

TAN SRI DATUK AMAR (DR) TOMMY BUGO @ HAMID BUGO
Chairman of the Risk Management Committee

COMPOSITION OF THE COMMITTEE

The RMC comprises Non-Executive Directors and is supported by the Group Risk Management (GRM) Department in discharging its responsibilities. The RMC Chairman reports to the Board on key matters deliberated at RMC meetings.

Members*	Membership	Appointment	Attendance
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	Chairman/Independent Non-Executive Director	16 November 2010	5/5
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah	Member/Non-Independent Non-Executive Director	8 November 2012	5/5
Dato Sri Lim Haw Kuang	Member/Independent Non-Executive Director	16 November 2010	5/5
Dato' Azmi Mohd Ali	Member/Non-Independent Non-Executive Director	16 November 2010	5/5

Note:

* For the Members' profiles see pages 127 to 131 of the Directors' Profiles.

Meetings of the Committee are attended by the President & Group Chief Executive, Group Chief Operating Officer, Group Chief Financial Officer, Group Head – Risk Management, Group Head – Group Compliance and Group Corporate Assurance. In addition, other members of Senior Management attend meetings to support detailed discussions.

ROLES OF THE COMMITTEE

The primary objective of the Committee is to assist the Board in the discharge of its statutory and fiduciary responsibilities by identifying significant risks and ensuring that the Group Risk Management Framework (RMF) includes the necessary policies and mechanisms to manage the overall risk exposures of the Group. Specific duties of the Committee are as follows:

- Review the adequacy of the scope, functions, authority, competency and resources of the GRM department.
- Provide oversight, direction and counsel to the risk management process, specifically to:
    - (i) Ensure that appropriate risk management policies, guidelines and processes are implemented.
    - (ii) Consider whether response strategies (and contingency plans) to manage or mitigate material risks are appropriate and effective given the nature of the identifiable risks.
    - (iii) Evaluate the risk profile and risk tolerance of the Group.
- Review investment proposals that are significant from a risk perspective and monitor the execution of risk mitigation strategies for such proposals. Follow up on post-investment risk mitigation strategies to ensure that these strategies are implemented after Board approval.

Detailed Terms of Reference for the Committee can be found at www.simedarby.com.

WHAT HAS THE COMMITTEE DONE DURING THE FINANCIAL YEAR?

During the year, the Committee's key activities included the following:

- Reviewed and recommended for the Board's approval the Group risk management policies, strategies, guidelines, key risk indicators and risk tolerance levels and any proposed changes thereto.
- Evaluated the effectiveness of the GRM structure, risk management processes and support system to identify, assess, monitor and manage the Group's key risks.
- Evaluated opportunities to improve the Group's RMF with action to be taken by Management to improve the robustness of its risk monitoring activities.
- Monitored the Group's key risks against the changing economic backdrop and Board approved strategic objectives. The RMC determined that the principal risks to the Group remained largely unchanged and continued to provide oversight to Management's actions in respect of these risks.
- Reviewed all major investment proposals and project business cases, with a focus on the risk analysis, in accordance with established thresholds in the approved Group Limits of Authority.
- Received updates on major investment proposals and project business cases.
- Received updates on the following risk mitigation initiatives:
    - (i) Implementation status of group-wide and divisional action plans arising from an independent review of the Group's safety & health practices.
    - (ii) Periodic update on the initiatives being undertaken to mitigate cyber-security risks.
    - (iii) Periodic update on the Ebola crisis affecting the Group's operations in Liberia.
    - (iv) Update on mitigating actions being undertaken by Plantation Division to manage the risk of rising sea levels affecting some of the operating units.
- Provided oversight of the Business Continuity Plan process to ensure robust plans are available to protect the interests of all stakeholders thereby enabling the Group to respond and recover from significant unexpected events. In addition, received updates on a quarterly basis on the Business Continuity Plans adopted by major Joint Ventures.

A description of the RMF, the key risk management activities undertaken by GRM and the monitoring performed to evaluate the effectiveness of the RMF, are outlined in the Statement on Risk Management and Internal Control on pages 177 to 184.

ANNUAL PERFORMANCE ASSESSMENT

The RMC performs an annual assessment to assess its effectiveness in carrying out its duties as set out in the Terms of Reference. The Self-Assessment for FY2015 showed that the RMC had effectively discharged its functions as set out in its Terms of Reference.

OTHER DISCLOSURES AND COMPLIANCE

Any query regarding the Sime Darby Group may be conveyed to the following persons:

NORZILAH MEGAWATI ABDUL RAHMAN
Group Secretary

Telephone number: +6 03 2691 4122 extension 2370
Facsimile number : +6 03 2719 0044
Email address : norzilah.megawati@simedarby.com

LEELA BARROCK
Group Head, Communications

Telephone number: +6 03 2691 4122 extension 2341
Facsimile number : +6 03 2698 0645
Email address : leela.barrock@simedarby.com

The Senior Independent Director of the Board, to whom concerns relating to the Sime Darby Group may be conveyed by Directors, shareholders and other stakeholders, may be contacted at:

DATO' HENRY SACKVILLE BARLOW
Senior Independent Non-Executive Director

Telephone number: +6 03 2691 0948
Telephone (toll free): 1 800 88 8880 (Local)
800 8008 8000 (International)
Facsimile number : +6 03 2698 6629
Email address : henry.s.barlow@simedarby.com

The Company's website is **www.simedarby.com.**

Statement of Compliance

Pursuant to Paragraph 15.25 of the Listing Requirements, the Board is pleased to report that this Statement outlines the corporate governance practices of SDB. SDB has fully complied with the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012.

The table highlighting SDB's compliance with the Principles and Recommendations of the Malaysian Code on Corporate Governance 2012 is set out on page 420.

This statement is made in accordance with a resolution of the Board of Directors duly passed on 17 September 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In accordance with Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), the Board of Directors of listed companies is required to include in their annual report, a "statement about the state of internal control of the listed issuer as a group". In addition, the revised Malaysian Code on Corporate Governance 2012 issued by Securities Commission Malaysia requires the Board to establish a sound risk management framework and internal control system. The Board of Directors is pleased to provide the following statement that is prepared in accordance with the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" endorsed by Bursa Securities which outlines the nature and scope of the risk management and internal control of the Group during the financial year under review.

RESPONSIBILITY

As highlighted in the Chairman's Statement, the Board of Directors (Board) is committed to conform to the highest standards of risk management and internal control.

The Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group. This is embedded in the Group's Risk Management Framework (RMF) and internal control system. These are reviewed on a periodic basis to ensure its continued effectiveness, adequacy and integrity. Enhancements are made in line with the Board's commitment to improve the Group's governance, risk management and internal control framework and enhance a strong control culture and environment for the proper control of the Group's business operations.

The system of risk management and internal control by its nature is designed to manage key risks that may impede the achievement of the Group's business objectives within an acceptable risk profile. Accordingly, it can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

There are two committees at the Board level that have primary risk management and internal control oversight responsibilities:

- Risk Management Committee (RMC).
- Governance and Audit Committee (GAC).

They are supported by Divisional Flagship Boards and other relevant Board Committees.

Management is responsible for implementing the Board's framework, policies and procedures on risk management and internal control.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board acknowledges that the risk management and internal control systems are designed to manage, rather than eliminate risks that hinder the Group from achieving its goals and objectives. The risk management and internal control systems are intertwined with the Group's operating activities and exist for fundamental business reasons. The key elements of the risk management and internal control systems adopted by the Group are overseen by the two Board committees. The key roles and responsibilities as well as activities undertaken by the RMC and GAC are described in the respective committee reports.

The two Board committees are assisted by three supporting functional units:

Group Risk Management Department

The Group Risk Management (GRM) Department assists the Board and RMC in discharging their risk management responsibilities. GRM is structured to ensure that sufficient support is provided at both the Group Head Office (GHO) and divisional level. This structure reflects the types of key risks identified at the Group and divisional level in that some risks are divisional specific and some are common across the Group requiring a coordinated approach.

GRM is mainly responsible for the following:

- assessing, improving and monitoring the Group RMF including risk policy and standards;
- maintaining an inventory or register of risks for the Group;
- providing guidance to the Divisions in the development of appropriate and effective response strategies and contingency plans to manage or mitigate material risks that are in line with the nature of the identifiable risks;
- evaluating and monitoring the overall risk profile and risk tolerance of the Group;
- issuance of risk reports to Senior Management, Divisional Flagship Subsidiary Boards (FSBs) and the RMC;
- reviewing key corporate activities that are considered significant from a Group risk perspective; and
- overseeing the Group's Business Continuity Management (BCM) strategy.

Each operating and functional business support unit in the Divisions and at GHO has appointed Risk Champions to spearhead the coordination of risk management activities. The appointment of the Risk Champions reflects the fact that the Group is a diverse and geographically spread business requiring input from many operating departments and supporting functions. These Risk Champions are responsible for ensuring the timely updating of risks, controls, issues and action plans within their own units. Their updates are then independently validated by GRM.

The risks arising from GRM's work provide guidance to other functions such as Group Corporate Assurance Department (GCAD) and the Group Compliance Office (GCO) thereby facilitating assurance and compliance activities being focused on the most critical areas of the business.

Group Corporate Assurance Department

The GCAD which is an integral part of the Group's internal control systems, reports directly to the GAC. GCAD's primary role is to provide independent, reasonable and objective assurance in addition to consulting services designed to add value and improve the operations in the Group. It assists the Group to achieve its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The annual audit plan, established on a risk-based approach, is reviewed and approved by the GAC annually. The audit plan is aligned with the Group's objectives and strategies as articulated in the Strategy Blueprint and GCAD conducts internal audit engagements accordingly. In order to ensure a more responsive and effective audit coverage, GCAD conducts periodic assessment of business emerging risks and actively monitors and responds to adverse indicators and key risks. Adjustments are made to the audit coverage as required including scope extension and/or undertaking special reviews.

In the course of performing its duties, GCAD has unrestricted access to all functions, records, documents, personnel, or any other resource or information, at all levels throughout the Group. Audits are performed on all units or areas in the audit population, the frequency of which is determined by the level of risk assessed, to provide an independent and objective report on operational and management activities in the Group.

The results of the audits are communicated and reported periodically to Management, external auditors, the appropriate Divisional FSBs and the GAC.

Group Compliance Office

GCO partners with Management to ensure the compliance risks and obligations faced are proactively and effectively managed on a timely basis, where the culture of compliance is embedded across all business activities of the Group. GCO ensures its activities are delivered consistently across the Group and tailored to meet the specific needs and requirements of each of the Divisions and/or business units. Each implementation programme adheres to standards and processes as set out in the Compliance Management Framework. The Compliance Management Framework is driven by specific key processes such as compliance governance structure, compliance risk management, systems tools and policies (related to compliance processes), communication, training and reporting. Each compliance programme falls within one or more of the key processes as articulated in the Compliance Management Framework. All programmes and activities that are carried out by GCO are in accordance with the scope and mandate provided by the GAC from time to time.

The activities undertaken by GCO and the results of the activities are communicated and reported periodically to Management, appropriate Divisional FSBs and the GAC.

ACTIVITIES THAT SUPPORT THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Group Risk Management Framework

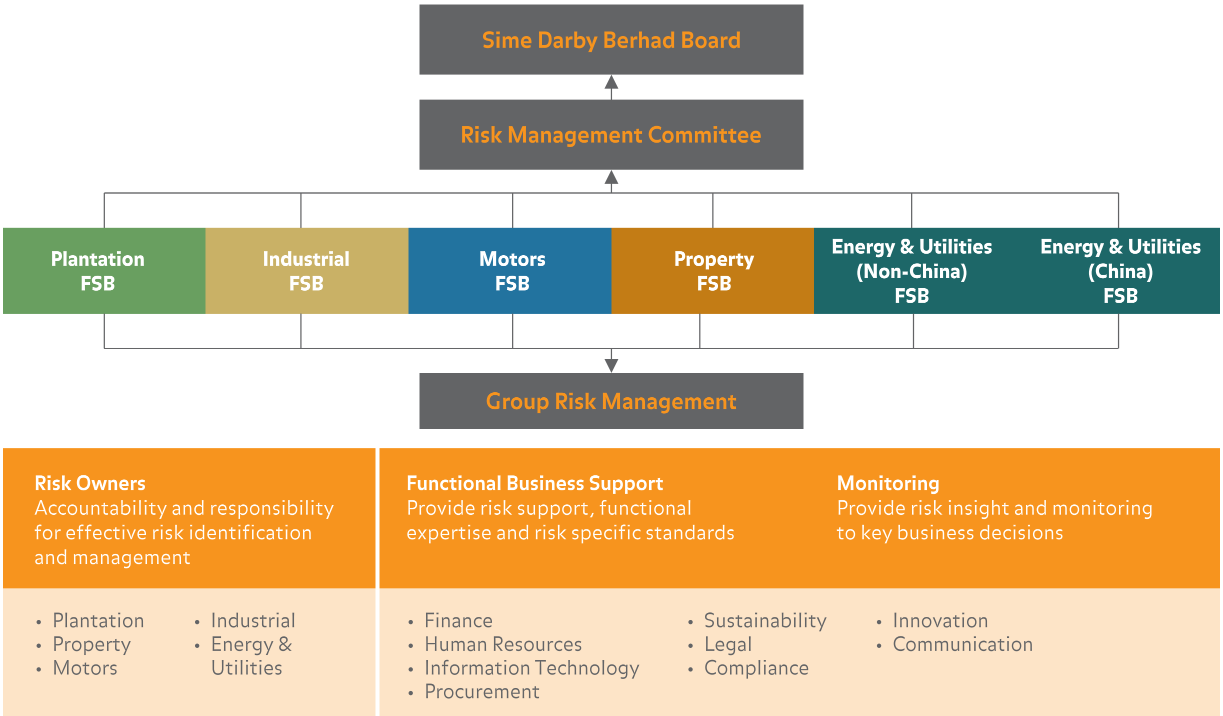
The principal aim of the Group's risk management governance structure is to identify, evaluate and manage risks with a view of enhancing the value of shareholders' investments and safeguarding assets. The Board is responsible for ensuring that this process is in place and is effective and adequate.

The Board has delegated the oversight of risk management to RMC, although the Board retains overall accountability for the Group's risk profile.

In addition, divisional risk oversight is under the purview of the FSBs that support the Sime Darby Berhad Board in providing direction, oversight and control of their divisional affairs in a responsible and effective manner.

The Group Risk Management Framework encapsulates the governance arrangements described above as well as assigns responsibility to relevant levels of management and operations. The implementation of the Framework is ultimately the responsibility of the President & Group Chief Executive and members of the Sime Darby Group Management Committee. An overview of the

Group's overall risk management framework is provided in the diagram below:



Supplementing the above framework, relevant Board Committees at the Group level also exist to be responsible for oversight of specific areas. The Sustainability Committee has responsibility for oversight of such areas as health and safety, a key risk area at the Group level and in some of the Divisions. The Nomination and Remuneration Committee has oversight over remuneration, a key prerequisite to having effective people in the Group at both Board and Executive levels, again a key risk area identified at the Group level.

Relevant Executive level Committees assisting this process include: the Group Management Committee (GMC), which meets on a bi-monthly basis and reviews the operational results of each Division and the Group overall; the Group Investment Committee which reviews significant Investment / Capital Expenditure (CAPEX) proposals; the Group Talent Council which reviews the pipeline of candidates for succession planning purposes; and within each Division, a Management Committee reviews operations on a monthly basis.

Risk Policy

The Group recognises that risk is an integral and unavoidable component of its business and is characterised by threats and opportunities. The Group fosters a risk-aware corporate culture in all decision making. Through application of integrated risk analysis and management, the Group exploits risk in order to enhance opportunities, reduce threats and sustain competitive advantage.

The Group is committed to managing risks in a proactive and effective manner. This requires comprehensive risk analysis to support management decisions at all levels within the Group.

Risk Management Approach

The Group has adopted a formal and structured approach to risk management.

RISK ASSESSMENT UPDATING

CONTEXT	TIMING	MANAGEMENT INVOLVEMENT	
Strategies/ Objectives	Annual Review	**Top Down** (as part of the Annual Strategic Updating process)	To ensure a top-down review of risks is conducted on an annual basis as part of the annual strategic planning update which ensures the risk implications of any changes in strategy are identified, assessed and documented.
Business Unit/ Operation Unit/ Project	Quarterly Update	**Bottom Up** (as part of the periodic monthly management review process)	To ensure updating of risks occurs on a quarterly basis by appropriate risk management personnel who are in a position to know about changes in risks and are able to identify, assess, document and escalate key risks.
Major Projects (CAPEX/ Improvements/ Customer)	Monthly Review/ Adhoc Update	**Project Team** (as part of the routine project management review process)	To ensure appropriate risk management activities occur on an as required basis for major projects/proposals by appropriate project staff cognisant of the projects' lifecycle stage.
Major Proposals (Investment/ Improvements/ Bids)	As Required	**Proposal Team** (as part of the project evaluation process)	

In undertaking the above risk management practices, a detailed approach and process has been developed and deployed which is consistent with the ISO 31000 Risk Management Standard. In addition, several policies and guidelines were developed to aid relevant personnel in undertaking their risk management responsibilities. These policies, procedures and guidelines are supplemented by detailed training packs and Quick Reference Guides covering risk management methodology and the use of the risk management software. The practices mentioned above assist with encouraging and supporting a risk aware culture amongst all employees when making every day operational decisions.

Risk Reporting

The Group's risk management framework provides for regular review and reporting. The reports include an assessment of risk, an evaluation of the effectiveness of the controls in place and the requirements for further controls when mitigated residual risks are unacceptable.

Key Risk Management Activities for FY2015

Key activities pertaining to risk management that were undertaken for the financial year under review are as follows:

- A top-down review of enterprise level risks was conducted as part of the annual strategic planning update to ensure that the risk implications of any changes in strategy were identified, assessed and documented. The outcome of this review was the identification of some new risks and the reassessment of some others.

- Quarterly risk assessments were undertaken for each Division and Head Office function to identify and/or update enterprise level and operational level risks. The results of these assessments were incorporated in the quarterly reporting to the RMC and divisional FSBs. Given some of the risks identified at Divisional level can change quickly, progressive updating during the quarter also occurs where appropriate.
- Given the Group's growth strategy, a number of major projects are being embarked upon. Group Risk in conjunction with Group/ Divisional Strategy performed formal risk analysis on a number of key investment proposals during the financial year. This is particularly important as the Group moves further into new market segments. Risk assessments are also performed throughout the implementation phase of all major projects. This is an important aspect given the management of major projects is identified as a key risk at the Group level (as outlined in the Principal Risk Factors section of the 2015 Annual Report on page 185).
- Group Risk Management has been increasingly involved in assisting with the development of policies, standards and/or guidelines. This provides the opportunity to embed "risk" at a working level, moving it from a generic theoretical concept to something more practical. Recently, Group Risk Management has been involved in the development of the following risk standards; Business Continuity, Environmental, Safety & Health, Travel and Requirements Planning. Group Risk Management has also been involved in developing a Group Corporate Travel Policy and Group Corporate Disclosure Guidelines. The development of these types of policies, standards and guidelines reflects to some extent the types of risks faced by the Divisions and the Group overall (as outlined in the Principal Risk Factors section of the 2015 Annual Report on page185). The anticipated outcomes in terms of managing these risks are more robust controls and risk aware people.
- Introduction and commencement of the Risk Management Education and Training Programme for Risk Champions aimed at providing our employees a series of modules to enhance their risk management knowledge and skills. This programme can be completed individually by module or as a complete programme and is a prerequisite for any employee nominated as Risk Champion with formal responsibilities for risk management in a particular area of the Group. It also enables employee awareness of the policies, standards and guidelines mentioned previously.
- To support the Group in being able to respond and recover from significant unexpected events, review of its BCM plans has occurred to facilitate robust plans being available to protect the interests of all stakeholders. Evidence of the effectiveness of our BCM plans can be seen in our response to the Ebola outbreak in Liberia. Relevant staff were evacuated to a neighbouring country allowing the business to continue operating to some extent.

Key Corporate Assurance Activities for FY2015

- The attainment of GCAD objectives involves the following activities being carried out during the financial year which focus on the Group's governance, risk management and internal controls:
- Evaluating risk exposure relating to achievement of the Group's strategic objectives.
- Reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Group at reasonable cost.
- Evaluating the systems established to ensure compliance with those laws, regulations, policies, plans and procedures which could have a significant impact on the Group.
- Evaluating the means of safeguarding assets and as appropriate, verifying the existence of such assets.
- Evaluating the reliability and integrity of information and the means used to identify, measure, classify and report such information.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Carrying out environmental, safety and health audits on the Group.
- Carrying out analysis to determine the efficiency of businesses carried out by the Group.
- Carrying out audit work in liaison with the external auditors to achieve effective usage of resources and coverage of key risk areas.
- Undertaking special reviews and investigations including whistleblowing as may be identified by GCAD or requested by its stakeholders, including conducting or assisting in the investigation of suspected fraudulent activities within the Group.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the Group.

- Evaluating operations, programmes and processes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.

Key Compliance Activities for FY2015

Key activities pertaining to compliance that were undertaken for the financial year under review were as follows:

Code of Business Conduct

The Group's values and the behaviours expected from employees and various external stakeholders that interact with the Group are clearly articulated in the Code of Business Conduct (COBC). The Group expects employees to be in full compliance to the COBC, where any breach is actionable through disciplinary proceeding. The Group also reserves the right to take any legal actions and seek all remedies available including reporting the matter to the appropriate authorities.

GCO had in January 2015 developed and rolled out a refreshed COBC training programme across the Group. The refreshed COBC training course will supplement the induction COBC training that employees have undertaken previously. The refreshed training incorporates an interactive module with participants via solving case studies involving expected behaviors. Feedback from participants to keep the COBC relevant and effective is also incorporated into the programme. An updated compliance pledge is also obtained as part of the refresher training as the initial compliance pledge was obtained three years ago. As of June 2015, the refreshed COBC training course have reached out to the Group's operations in Malaysia, Hong Kong, Thailand and Singapore. GCO plans to continue the roll out to other operational areas in FY2016.

GCO continues to assist the Group and the Divisions with various COBC training sessions during the financial year under review. Examples of trainings conducted include the Country and Global Induction Programme, Supervisory Enhancement Programme, Corporate On-Boarding, Manager Milestones, Skim Latihan 1 Malaysia, Management Trainee Programmes, etc. The Group continues to emphasise its zero-tolerance policy on corruption where the message is reinforced as part of COBC training sessions.

GCO, working with Human Resource Department also requires all new employees to complete the COBC e-learning within 2 months of joining the Group. Employees are also encouraged to seek advice from GCO if they are uncertain as to the interpretation or application of the COBC via a dedicated email channel set up for this purpose.

Joint Venture COBC

GCO embarked on the Joint Venture Code of Business Conduct (JV COBC) programme to assist our counterparts, i.e. JV companies to adopt, as far as practical, the business conduct and practices as laid out in the COBC. The programmes involve, amongst others, engagement with the management of the JV Company and/or JV partner in their development or enhancement of the JV Company COBC. One of the key milestones achieved from the programme is the development of a JV COBC Framework which acts as a best practice guide for JV management in their development and/or enhancement of their current JV company's COBC. The JV COBC framework has been shared with certain JV companies and JV partners. GCO has also provided feedback to JV management during their development of the COBC or during their COBC enhancement process. With the Group's Division and Management assistance, GCO is expected to reach out other JV partners in due time.

Guidelines and Manuals

GCO is working collaboratively with various internal stakeholders, having completed the development of various Group guidelines and manuals. These guidelines and manuals are designed to assist and guide operations to implement various requirements as prescribed by legislation and /or Group Policies and Authorities (GPAs) and/or considered good practices. The guidelines provide additional details, prescribe work steps and templates, where applicable while maintaining enough flexibility for operations to tailor the requirements to fit their respective operation areas. The Group guidelines and manuals completed during the financial year are Personal Data Protection Act Manual, Records Management Guidelines and Notification and Reporting Framework.

Regulatory Compliance Identification and Assessment Programme

GCO continues to assist Management to roll out various programmes and initiatives under the Regulatory Compliance Identification and Assessment Programme. The programmes and initiatives are currently undertaken by various Divisions such as Plantation, Property, Industrial, Energy & Utilities (Non China) and Energy & Utilities (China). The results of the programme roll out are communicated and reported to Management and the GAC on a periodic basis.

Whistleblowing

The policy on whistleblowing as set out in the GPA is available in the Sime Darby Enterprise Portal. An overview of the whistleblowing policy is described in the Group's website. The policy encourages employees to report any wrongdoing by any person in the Group to the proper authorities so that appropriate action can be taken immediately. Additionally, it also provides for any complaint or report to be directly submitted to the Senior Independent Director (SID) of the Board, should the whistleblower believe that the Group is better served if the report was addressed to levels higher than Management. The SID is Dato' Henry Sackville Barlow who is contactable through the whistleblowing channels of reporting as provided in the official Sime Darby website.

All concerns raised via the whistleblowing channels will be treated fairly and properly. The Policy on Whistleblowing also includes provisions to safeguard the confidentiality of the whistleblower, ensure no retaliation against the whistleblower if he or she has acted in good faith and measures to avoid abuse of the policy for purposes of making false or malicious allegations. As part of its continuous improvement process, GCO has completed the upgrade of whistleblowing database to a new platform in 2015. The new platform will provide enhanced reporting capability and data security. As for any changes and upgrades to the system and work process, training to relevant internal stakeholders was conducted to ensure the sustainability of the new system.

Dedicated Email Channel (helpline)

GCO manages dedicated email channels at both the Group and Divisional level which were set up to provide an avenue for employees to reach out for advice as to the interpretation or application of the COBC and the GPA.

Dialogue with Malaysian Anti-Corruption Commission and Transparency Malaysia

GCO continues to maintain active dialogue with Malaysian Anti-Corruption Commission and Transparency International Malaysia during the financial year.

Khazanah White Book – Regulatory Management Circle

GCO represents the Group in the Khazanah White Book – Regulatory Management Circle Committee. The Regulatory Management Circle which has 20 representatives from 20 Government Linked Companies (GLCs) in Malaysia is part of the GLC transformation programme. The working committee aims to innovate and encourage continuous learning through the sharing of best practices in regulatory management.

GCO as the Group's representative, hosted the 3rd Regulatory Management Circle Committee meeting in 2015.

EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The processes adopted to monitor the effectiveness of the RMF and internal control systems are:

- A Risk Management Key Performance Indicator (KPI) index has been developed to measure the effectiveness of the RMF. This is calculated on a quarterly basis by GRM and highlights the strengths and weaknesses of different aspects of the RMF. The index represented one component of the Divisional heads scorecards and was also incorporated into the scorecards of Risk Champions. It is included in the quarterly risk reports prepared by GRM. Where the outcome indicates an area for improvement, appropriate management action is taken.
- As part of the quarterly risk report preparation process, significant consultation occurs with Management namely the Divisional Heads and their respective Chief Financial Officers (CFOs), along with the Group Head of Risk Management and the respective Divisional Coordinators, signing off that the RMF of each Division has operated adequately and effectively, in all material respects during the quarter.
- The risk reports prepared on a quarterly basis are then reviewed by the President and Group Chief Executive (PGCE) and presented to the GMC, Divisional FSBs and RMC for approval. The outcome of the reviews and the reports being presented can lead to changes to the risks identified and how they are assessed.

- During the financial year, the respective Divisions in the Group continue to identify new business functional areas to roll out Control Self-Assessment (CSA) that uses a questionnaire approach. CSA allows employees in the Group to identify the risk within their business environment and evaluate the adequacy and effectiveness of the controls in place. The roll out of CSA is coordinated and monitored by GCO. The results of the CSA process will be validated during GCAD audits and exceptions will be reported in the audit reports and GCO's reporting to the GAC.
- Periodic examination by GCAD of business processes and the state of internal control including controls over quality, environmental, safety and health issues and compliance with applicable laws, regulations, policies, procedures and contracts. Reports on the audits carried out by GCAD are issued on a regular basis to the Management, Divisional FSBs and the GAC.
- Management's response on audit recommendations and action plans therein, are regularly followed up by GCAD and reported to the GMC, Divisional FSBs and GAC.
- GCAD conducted an independent audit of the risk management process undertaken by the Group as well as each business division. This was to provide the Board and Management an independent assurance that the process was working as intended. The outcome of the review during the financial year on the Risk Management process indicated it was functioning effectively.
- The monitoring, review and reporting arrangements in place give reasonable assurance that the structure of controls and its operations are appropriate to the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, nonetheless, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees and others.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide (RPG) 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

CONCLUSION

For the financial year under review and up to the date of issuance of the financial statements, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control to safeguard shareholders' investments and Group's assets. The Board has received assurance from the PGCE and Group Chief Financial Officer that the Group's risk management and internal control systems, in all material aspects, are operating adequately and effectively. There will be continual focus on measures to protect and enhance shareholder value and business sustainability.

This statement is made in accordance with a resolution of the Board dated 17 September 2015.

OUR MANAGEMENT OF RISK

APPROACH TO RISK MANAGEMENT

We believe the identification and management of risk is critical to achieving our strategic objectives which is central to achieving our corporate mission and creating long term shareholder value. Risk can present itself in many forms, has the potential to impact us in many different ways and thereby the achievement of our corporate mission.

By understanding and managing risk, we provide greater certainty and confidence for all our stakeholders. Successful risk management can be a source of competitive advantage.

Our risks are viewed and managed on a Group wide basis. The diversification in our portfolio of businesses is a key element in our risk management approach.

Risk Management is embedded in our critical business activities, functions and processes. Our appetite for risk is a key consideration in our decision making.

Our risk appetite reflects the scale of risk on a broad level, which the Group is prepared to take in pursuit of its strategic objectives. The amount of risk the Group accepts reflects the unique circumstances faced by the Group, including factors such as the external environment, strategy, people, business, systems and policies. The risk appetite of the Group also acknowledges that risk appetites vary across different business units and risk types. Key features of the Group's risk appetite cover strategic, operational, financial and regulatory parameters. They guide the Group as to how it can manage its risks. Specific aspects of the Group's risk appetite relating to the principal risk factors include:

Strategic

- Investing in specific regions and countries and diversifying where possible within Board approved strategy blueprint parameters.
- Managing situations that could have a negative impact on its reputation and brands.
- Fostering an innovative culture.

Operational

- Proactively addressing sustainability challenges including effectively managing safety and health risks (zero appetite/tolerance to any accidents occurring in the workplace), proactively seeing continuous improvement and operational efficiencies and respecting fundamental human rights, without sacrificing long-term economic value creation.
- Exhibiting low tolerance towards the retention of non performing resources and rewarding & building high performing talent pools.

Financial

- Only approving new investments which meet or exceed approved returns on investment targets.
- Not exceeding Board approved debt/ equity ratio thresholds.

Regulatory

- Ensuring adherence to all relevant regulatory requirements and global standards.

In regard to the principal risk factors, they are identified, assessed and evaluated according to the risk management governance approach detailed in the Statement of Risk Management and Internal Control.

The following are the principal risk factors of the Group. These factors have a significant impact on the Group in terms of its results and strategic objectives, after considering likelihood and impact of the factor from both a financial and/or non-financial perspective. Also outlined is our approach to managing these risk factors.

Principal Risk Factors

REALISE FULL POTENTIAL OF THE CORE BUSINESSES

Principle Risk Types & Factors	Description & Impact	Risk Trend	Key Mitigation Measures
STRATEGIC: Global, regional and/or local economic volatility impacts sales and pricing of our products.	Commodity prices and demand are volatile and strongly influenced by world economic conditions. For example, the price we obtain for Crude Palm Oil (CPO) is subject to the level of demand and supply and this can vary significantly subject to the economic climate. The sales and support services of industrial equipment and motor vehicles can be significantly impacted by the state of specific sectors. For example, the state of the mining sector has a large impact on our Industrial Division. Given the long lifecycle of our property development projects, market conditions can change from inception of a project to completion resulting in inability to sell products as planned. The slowdown in the Chinese economy and in the mining sector may also result in lower throughput at our ports due to lower trade activities undertaken by customers.	Increasing	The diversification of our portfolio of businesses and geographies is a key strategy for reducing the effects of economic volatility. Specific strategies are employed in individual businesses to also mitigate the impact. For example, growing and further expanding differentiated and specialty products in Plantation Division to insulate it from commodity price volatility. Innovative sales, marketing & promotional strategies to respond to market conditions is a key strategy in our Property, Industrial and Motors Divisions along with emphasis on customer relationship building activities. Diversification of our cargo mix to be less reliant on specific commodities is a key risk mitigation strategy in our Energy & Utilities (E&U) China Division.
OPERATIONAL: Significant change in climate impacts operations and longer term demand for our products.	The physical impacts of climate change may negatively affect us in many ways in the short and longer term. Specific changes in cropping patterns in our Plantation Division due to weather conditions leads to monthly distribution of Fresh Fruit Bunch (FFB) production being adversely affected. In the longer term, rising sea waters may threaten some of our estates. Also, as renewable energy increasingly displaces fossil fuel based energy sources leading to reduced demand for mining equipment from customers in the fossil fuels industries and reduced demand for specific Caterpillar (CAT) products that are fossil fuel based (eg. power generator sets), this will result in significant loss of sales and profitability.	Increasing	Through a comprehensive and strategic approach to strategic planning, we work with a broad range of scenarios including consideration of a broad range of potential policy responses to and impacts from climate change. Via our sustainability programme, we strive to ensure climate change issues are identified, understood and effectively managed and monitored. To mitigate specific impacts such as those in Plantation Division, we employ robust strategies to address the risk. To mitigate the impact, we closely monitor daily harvesting intervals and delivery of FFB to mills for processing. Pre-emptive water management initiatives is also part of our strategy to mitigate the impact of climate change. The acquisition of New Britain Palm Oil Limited (NBPOL) promotes diversity in managing geographical risks and variations in seasonal cropping patterns. To address the longer term risk, we have developed preventative strategies to address rising sea waters at Carey Island. In relation to Industrial Division, the Division's involvement in other industries such as construction provides some mitigation to the risk. In the near to medium term, it is anticipated fossil fuels will continue to be relied upon as an energy source to some extent.

Likelihood and/or impact is increasing

Likelihood and/or impact is stable

REALISE FULL POTENTIAL OF THE CORE BUSINESSES

Principle Risk Types & Factors	Description & Impact	Risk Trend	Key Mitigation Measures
OPERATIONAL: Operating inefficiencies impact profitability.	With the increased level of economic volatility impacting our businesses, opportunities exist to focus on improving efficiency. Given the significance of the Plantation business, optimising efficiency obviously becomes more important during a period of suppressed commodity prices. Plantation upstream efficiency is heavily dependent upon having optimal agro-management practices. It also involves high levels of manual labour. Sub-optimal practices and labour productivity can significantly adversely impact profitability. As demand for our products reduces and competition intensifies, the need to restructure and realign resources in Division's such as Industrial, Motors and Property becomes more important.	↑	Reviewing and realigning our resources and their productivity is a key mitigating strategy across the Group. Where feasible, capital expenditure is to be deferred. In our Plantation Division, continuous implementation of best agro management practices is a key strategy. The acquisition of NBPOL provides the opportunity to cross-share best practices. Implementation of Plantation Micro Macro Programme (PMMP) & SEMUA 2.0 is occurring to enhance supervision and improve efficiency. Efforts to leverage mechanisation to facilitate improved efficiency are continuing. Both Industrial and Motors Divisions continue to review their operations and structure to ensure optimal efficiency.
OPERATIONAL: Inadequate project management of major initiatives.	Although we devote significant time and resources to our project planning, approval and review process and have established robust project risk management, we may underestimate the cost or time required to complete a project. In addition, we may fail to manage projects as effectively as we anticipate and unforeseen challenges may emerge. Any of these may result in increased capital costs and schedule delays, adversely affecting our projects and impacting anticipated financial returns.	↑	Major programmes being subject to Board approval and oversight and establishing experienced project management teams to monitor projects is a key risk mitigating strategy. Reputable consultants are engaged to provide expertise where appropriate. Regular identification of risks throughout the projects life cycle, monitoring and reporting on the status of major projects to senior management and relevant boards facilitates robust oversight.
STRATEGIC: Resource Scarcity.	Scarcity of land creates difficulties for operations to exist and expand. Availability of land for our plantation operations is challenging given oil palm can only be grown in certain countries. There is intense competition for the limited tracts of land that are still available.	↔	Development of relationships with Governments and relevant authorities is a key strategy aimed at identifying and capitalising upon large scale landbank opportunities. Another key strategy is expanding our landbank through strategic partnerships. During the year, a significant acquisition (NBPOL)was made expanding our landbank by 135,000 Ha. Supplementing these initiatives, we continue to develop land in other countries such as the 10,142 Ha of planted land in Liberia.

STRIVE FOR LEADERSHIP POSITION

Principle Risk Types & Factors	Description & Impact	Risk Trend	Key Mitigation Measures
STRATEGIC: Increasing competition reduces market share or limits growth.	Some of the markets we operate in are highly competitive. For example motor vehicles, due to continual innovation by competitors and increasing competitive activities. This can erode sales and market share. Given the decline in the mining sector which has affected demand for industrial equipment, there has been a related increase in competition for the decreased market share especially from Chinese players and other Original Equipment Manufacturers (OEMs). In our E&U China Division, we face increased competition arising from the potential opening of new ports near our ports.	↑	The diversification of businesses and geographies in the Group is a key strategy. Close monitoring of competitor strategies, activities and practices occurs to mitigate this risk. Focusing on being responsive to our customers and improving the quality and delivery of our products and services is also key. In our Motors Division, premium positioning through branding is a key feature of our strategy. Through diversification of the brands represented, the impact of the cyclical nature of individual brand performance is partially mitigated.
STRATEGIC: Loss of key distributorships due to poor management of relationship and/or other factors (e.g. performance).	Our Industrial, Motors and E&U China businesses involve selling and servicing equipment and motor vehicles manufactured by a principal who strikes an agreement with us to be their distributor. In the event of this agreement being terminated, this can have a very large impact on our operations. For example, our distributorship agreements with Caterpillar and BMW account for a significant portion of our sales and profitability in the Industrial and Motors divisions.	↔	We continually engage and maintain close relationships with all our principals. We also align our performance indicators with distributor guidelines and benchmarks. Exploration of new franchise opportunities is a key risk mitigation strategy.
STRATEGIC: Changes in government policy undermining investment.	We have operations in a number of countries around the globe, where new and/or changes in existing government policies and regulations can have an impact on our profitability. Changes in regulations relating to the environment, property industry cooling measures and motor vehicle ownership can adversely affect our Plantation, Property, Industrial and Motors Divisions' operations in terms of decreased sales, increased costs, litigation or in extreme cases the viability of an operation. Changes in regulations relating to motor vehicle financing and ownership can adversely affect our operations in terms of decreased sales, increased costs or in extreme cases the viability of an operation. Examples of regulatory changes that have affected us in the recent past include the introduction of Goods and Service Tax (GST) in Malaysia and changed financing regulations in Singapore.	↔	We regularly engage and communicate with Governments, regulators and authorities to ensure the potential adverse impacts of proposed regulatory changes are understood and where possible mitigated. Continual monitoring of changes in requirements and ensuring adherence is a key feature of our approach. Sourcing of credible local partners to meet local ownership regulatory requirements occurs as well as continuous lobbying through industry associations/ bodies and leveraging on Government to Government (G2G) relationships.

PURSUE STRATEGIC PORTFOLIO GROWTH

Principle Risk Types & Factors	Description & Impact	Risk Trend	Key Mitigation Measures
STRATEGIC: Inappropriate governance and oversight of partner selection and/or management.	The Group is increasingly operating its businesses via partnership with other entities in the form of Joint Ventures especially in the Property & Utility sectors. Inappropriate governance over the selection and management of our partners may result in Sime Darby's interests not being protected.	↔	Utilisation of partner selection criteria and guidelines including appropriate governance arrangements is a key risk mitigation strategy. During the life of any Joint Venture (JV) partnership, continual engagement and dialogue with partners to facilitate alignment of objectives occurs.
STRATEGIC: Merger and Acquisition activity to capitalise on market opportunities occurs without effective planning and integration.	The increased economic volatility leads to the need to diversify further. Reliance on products closely related to commodities has made the Group vulnerable to some extent to an economic downturn leading to adverse impact on profitability. In order to modulate the situation, the Group's decision to pursue increased diversification (for example in Industrial Division) may result in acquisitions which do not add significant value to current lines of business. In view of the incentives offered by the Government in relation to encouraging local car assembly, the Motor's Division's Inokom facility has significant opportunities to expand assembly model line up and increase production with existing and new manufacturers. With the sale of the Power business, the E&U Non-China Division is currently evaluating inorganic growth opportunities.	↑	Pursuing merger and acquisition opportunities to diversify the business is a key risk mitigation strategy with a focus on industries that are different but complementary. We are also aggressively pursuing the opportunities presented by the increased demand for localisation of car assembly.
FINANCIAL: Growth initiatives give rise to significant Capital Expenditure (CAPEX) and cashflow requirements.	The Group's ability to fund planned expenditure such as capital growth, mergers & acquisitions and its other obligations may falter if its cash position proves inadequate. This is particularly the case where the Group is on a growth trajectory requiring significant capital funding. The acquisition of NBPOL has further lent credence to this risk.	↑	Strategy Blueprint and Portfolio review takes into account inter-temporal analysis of portfolio returns and cash requirements. We also have Group Policies which guide investment and financing activities and access to a diverse range of funding sources. Regular review of cash projections and funding plans occurs. We also ensure maintenance of sufficient credit facilities and enforce stringent working capital measures.
OPERATIONAL: Sustainability challenges arising from Non-Governmental Organisations (NGOs)/ social community opposition because of real or perceived concerns.	Some of the Group's current and potential operations are located in or near communities that may regard these operations as being detrimental to them. Community expectations are typically complex with the potential for multiple inconsistent stakeholder views that may be difficult to resolve. Stakeholder opinion and community acceptance can be subject to many influences, for example, related industries, operations of other groups, or local, regional or national events in other places where we operate. These disputes can disrupt our operations and may increase our costs, thereby potentially impacting our revenue and profitability.	↔	We believe the best way to manage these concerns is to adhere to the principals of open dialogue and cooperation. In doing so, we engage with local communities to demonstrate our operations', contribution to socio-economic development and seek to ensure that appropriate measures are taken to prevent or mitigate possible adverse impact on the community. During the year, we subscribed to the High Carbon Stock (HCS) study as part of Sime Darby's commitment to Sustainable Palm Oil Manifesto. We continue to regularly and proactively engage and communicate with key stakeholders such as legislators, local communities, NGOs, etc. Corporate Social Responsibility (CSR) related activities also feature as part of our community engagement strategy.

INSTITUTE A PERFORMANCE AND VALUE DRIVEN CULTURE

Principle Risk Types & Factors	Description & Impact	Risk Trend	Key Mitigation Measures
OPERATIONAL: People related capabilities do not keep pace with the growth of the business.	The Group's ability to maintain its competitive position and grow its businesses is dependent on the services of a wide range of highly skilled and experienced personnel available in the locations where they are needed. Failure to recruit and retain key staff and the inability to deploy staff worldwide, where they are most needed could affect the Group's business.	↔	Management of people is a high priority. The Group has established a comprehensive Recruitment, Talent and Performance Management & Succession Planning Framework. Structured employee training and development programmes are also in place along with mobility programmes designed to enhance employee capability.
OPERATIONAL: Major accident occurs to employees/ contractors / customers.	The nature of some of the industries in which we operate means that our employees, contractors and customers can be exposed to hazardous events. Our upstream plantation operations are significantly manually intensive and are geographically dispersed across Malaysia, Indonesia, Liberia and Papua New Guinea making adherence to safe work practices all the time inherently challenging. We have port operations in an emerging markets such as China where the safety & health culture may not be as mature as other more developed markets. The nature of some of the businesses, in particular our vehicle manufacturing/ assembly activities, in which we operate means that our employees and contractors can be exposed to hazardous events. We have port operations in an emerging market specifically China where the safety & health culture may not be as mature as other more developed markets. Our Inokom business involves the assembly of motor vehicles. Given this environment, any manufacturing fault at our motor assembly plant could potentially lead to a major defect in vehicles resulting in motor-vehicle accidents causing fatalities. Given the strategic intent to increase production volume across different brands at Inokom, the potential for this risk is heightened.	↔	Comprehensive health and safety policies and procedures have been developed, supplemented by regular safety training dialogues and roadshows. A dedicated Occupational, Safety & Health (OSH) department supported by OSH committees has been established to oversight health and safety practices. Improvement initiatives arising from external reviews have been introduced to strengthen health and safety culture and process. Close monitoring of competitor strategies, activities and practices occurs to mitigate this risk. We constantly endeavor to improve the customer sales and after-sales experience. Premium positioning through branding and customer loyalty programmes is a key feature of our strategy. Through diversification of the brands represented, the impact of the cyclical nature of individual brand performance is partially mitigated. A strong emphasis is placed on quality control incorporating various operational quality controls at our Inokom plant. Stringent checks by Quality Control team post assembly facilitate quality of the end product. Customer feedback channels have been established to ensure escalation of any manufacturing faults.
OPERATIONAL: Significant events occur across the Group leading to significant operational disruption.	The Group operates in a number of geographic locations. Our operations may be subject to unexpected natural catastrophes such as flood, typhoons etc. They may also be subject to the threat of disease outbreak and/or pests either not being identified in a timely manner or not being mitigated effectively. This could potentially result in significant tracts of estates being affected and/or being wiped out. During the financial year, the Ebola outbreak in West Africa had a significant impact on our Liberian operations. Harsh weather conditions at the ports (e.g. strong winds, ice-up, storms) can interrupt port activities resulting in the worst case, shut down of port operations.	↑	Preparation for significant events is a key mitigation strategy. We continue with efforts to develop Business Continuity Management planning documentation with specific readiness procedures being prepared for likely or unfolding events such as Ebola. In relation to a disease outbreak, breeding & utilisation of disease tolerant planting materials is in place along with ongoing monitoring and control activities aimed at managing pest and disease outbreaks at estates.

EMERGING RISK FACTORS AFFECTING STRATEGIC THEMES

Principle Risk Types & Factors	Description & Impact	Risk Trend	Key Mitigation Measures
OPERATIONAL: Cyber attack occurs leading to financial and confidential data loss adversely impacting operations and reputation.	Increased cyber security vulnerabilities, threats and more sophisticated and targeted computer crime could pose a risk to our systems, networks, products, solutions, services and data. It could also pose a threat to our customers, partners, suppliers and third party service providers. Whilst we attempt to mitigate these risks, we remain potentially vulnerable to additional known or unknown threats. We also may have access to sensitive confidential or personal data in some of our businesses that is subject to privacy and security laws.	⬆	We attempt to mitigate these risks by employing a number of measures including employee training, monitoring and testing and maintenance of protective systems and contingency plans.
FINANCIAL: Foreign exchange movements occur potentially impacting our balance sheet or profit and loss statement.	Our assets, earnings and cash flows are influenced by a wide variety of currencies due to the geographic diversity of the countries in which we operate. Fluctuations in exchange rates of those currencies can have a significant impact on our financial results. The US Dollar against the Ringgit is a key exchange rate that has significant impact. The Ringgit has recently been depreciating significantly against the US Dollar.	⬆	A Group Treasury policy has been developed which sets out the guiding principals for hedging transactions that are exposed to foreign exchange rate risk. The Group does not engage in any speculative hedging as this is not seen as value adding for shareholders.
STRATEGIC: Evolving technologies lead to business innovations that threaten existing business models.	The pace of technology change is occurring at an unprecedented rate. This will allow innovations to occur that potentially threaten traditional business models including our own. These threats also present significant opportunities for the Group if it can capitalise on them. This is dependent upon the Group having an innovative culture and strategy something which organisations like our own can find challenging. Specific risks identified at the Divisional level relating to technology include: Substitutes to palm oil such as synthetic oil are emerging as technology evolves threatening the traditional business model. Introduction of "smart cities" as technology evolves leads to threats from competitors who can capitalise on this opportunity. Disintermediation whereby new competitors and/or new technologies comes between the manufacturer and the customer as a preferred alternative to the Sime Darby CAT dealerships undermining the existing business model. Replacement of traditional Principals with new technology linked companies producing innovative forms of transportation e.g. self-driving vehicles may threaten the existing business model. Technological shift towards lighter materials/ products and cheaper manufacturing costs leads to increasing use of air freight in lieu of sea freight undermining in the longer term the port business model. Inability to capitalise on technology driven initiatives (eg sales and maintenance of sensors, robotics etc) resulting in foregone business opportunities	⬆	Innovation is a key aspect considered when the Group develops its strategy blueprints for each Division and for the Group overall. Recently, the Group Strategy and Business Development department within Group Head Office has been renamed Group Strategy and Innovation with a newly appointed leader who has a strong background in Innovation. Plans are being developed to identify and nurture innovative business opportunities flowing from technology related trends.

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

The Directors are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Sime Darby Berhad Group. As required by the Companies Act, 1965 (Act) and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements for the financial year ended 30 June 2015, as presented on page 204 to 384, have been prepared in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Act.

The Directors consider that in preparing the financial statements, the Group and the Company have used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors are satisfied that the information contained in the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and the cash flows of the Group and the Company for the financial year.

The Directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group and the Company to enable the Directors to ensure that the financial statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 17 September 2015.

Board Approval of Financial Statements

The annual financial statements for the financial year ended 30 June 2015 are set out on page 204 to 384. The preparation thereof was supervised by the Group Chief Financial Officer and approved by the Board of Directors on 17 September 2015.

Reports and Financial Statements

For the financial year ended 30 June 2015

195 Directors' Report

200 Statement by Directors

201 Statutory Declaration

202 Independent Auditors' Report

Financial Statements

204 Statements of Profit or Loss

205 Statements of Comprehensive Income

206 Statements of Financial Position

208 Statements of Changes in Equity

211 Statements of Cash Flows

215 Notes to the Financial Statements

385 Supplementary Information

DIRECTORS' REPORT

For the financial year ended 30 June 2015

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

Principal Activities

The Company is principally an investment holding company. The principal activities of the subsidiaries, joint ventures and associates are set out in Note 57 to the financial statements.

The principal activities of the Group are divided into five segments namely, Plantation, Industrial, Motors, Property and Energy & Utilities.

There has been no significant change in the principal activities of the Group and of the Company during the financial year.

Financial Results

The results of the Group and of the Company for the financial year ended 30 June 2015 were as follows:

	Group RM million	Company RM million
Profit before tax	3,002.7	1,280.7
Taxation	(567.0)	0.5
Profit for the financial year	2,435.7	1,281.2
Profit attributable to owners of:		
- the Company	2,312.8	1,281.2
- non-controlling interests	122.9	–
Profit for the financial year	2,435.7	1,281.2

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except for the acquisition of New Britain Palm Oil Limited as disclosed in Note 50(a) to the financial statements.

Dividends

Since the end of the previous financial year, the Company had paid the following dividends:

	RM million
a. In respect of the financial year ended 30 June 2014, a final single tier dividend of 30.0 sen per share, paid on 5 January 2015; and	1,819.2
b. In respect of the financial year ended 30 June 2015, an interim single tier dividend of 6.0 sen per share, paid on 8 May 2015	372.7
	2,191.9

Dividends (continued)

The final dividend for the financial year ended 30 June 2014 of RM1,819.2 million was paid by way of cash of RM504.6 million and by the issuance of 147,051,477 new ordinary shares of RM0.50 each in the Company (new Sime Darby Shares) at the issue price of RM8.94 per share, amounting to RM1,314.6 million following the election made by shareholders of the Company under the Dividend Reinvestment Plan (DRP).

At the forthcoming Annual General Meeting (AGM), a final single tier dividend of 19.0 sen per ordinary share of RM0.50 each amounting to RM1,180.1 million (Final Dividend) in respect of the financial year ended 30 June 2015, will be proposed for shareholders approval. Subject to the relevant regulatory approvals being obtained and shareholders' approval at the forthcoming AGM for the renewal of the authority to allot and issue new Sime Darby Shares for the purpose of the implementation of the DRP, shareholders of the Company will be given an option pursuant to the DRP to reinvest up to their entire Final Dividend into new Sime Darby Shares at an issue price to be determined and announced at a later date.

Reserves and Provisions

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

Share Capital and Debentures

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM3,032,053,404 to RM3,105,579,143 by way of issuance of 147,051,477 new ordinary shares of RM0.50 each at an issue price of RM8.94 per share. The new ordinary shares were issued pursuant to the DRP of the Company and ranked pari passu in all respects with the existing ordinary shares of the Company.

There were no issuances of debentures during the financial year.

Performance-Based Employee Share Scheme

The Company's Performance-Based Employee Share Scheme (PBESS) is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 8 November 2012. Under the PBESS, ordinary shares of RM0.50 each in the Company are granted to eligible employees and executive directors of the Group. The PBESS was effected on 15 January 2013 (effective date) following the submission of the By-Laws for the PBESS to Bursa Malaysia Securities Berhad, the receipt of all required approvals and the compliance with the requirements pertaining to the PBESS. The PBESS is in force for a maximum period of ten (10) years from the effective date and is administered by the Nomination & Remuneration Committee (NRC).

The grants under the PBESS comprise the Group Performance Share (GPS), the Division Performance Share (DPS) and the General Employee Share (GES).

Performance-Based Employee Share Scheme (continued)

The number of shares granted under PBESS during the financial year and the number of shares outstanding at the end of the financial year are as follows:

Type of grant	At 1 July 2014	Granted	Forfeited	At 30 June 2015
	'000	'000	'000	'000
First grant on 7 October 2013				
GPS	3,852	–	(303)	3,549
DPS	5,195	–	(427)	4,768
GES	4,942	–	(280)	4,662
Second grant on 20 October 2014				
GPS	–	3,899	(197)	3,702
DPS	–	5,260	(276)	4,984
GES	–	5,423	(211)	5,212

The PBESS is based on 3-year cliff vesting and is subject to performance metrics. The salient features of the PBESS and the vesting conditions are disclosed in Note 38 to the financial statements.

Directors

The Directors who held office since the date of the last Report are as follows:

Tan Sri Dato' Abdul Ghani Othman (Chairman)
Tan Sri Dato' Sri Dr Wan Abdul Aziz Wan Abdullah (Deputy Chairman)
Tan Sri Samsudin Osman
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
Tan Sri Datuk Dr Yusof Basiran
Tan Sri Dato' Seri Mohd Bakke Salleh
Datuk Zaiton Mohd Hassan
Dato Sri Lim Haw Kuang
Dato' Henry Sackville Barlow
Dato' Azmi Mohd Ali
Dato' Rohana Tan Sri Mahmood
Ir Dr Muhamad Fuad Abdullah
Tan Sri Dato' Sri Hamad Kama Piah Che Othman (Resigned on 31 July 2015)

Directors' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate other than those arising from the PBESS as disclosed in Directors' Interests in Shares.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Directors' remuneration and benefits-in-kind in Notes 6(a) and 6(c) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest except for any benefits which may be deemed to have arisen from the transactions disclosed in Note 53 to the financial statements.

Directors' Interests in Shares

According to the Register of Directors' Shareholdings, the interests of Directors in office at the end of the financial year in shares, or debentures of the Company are as follows:

	Grant date	Type of grant	Number of ordinary shares of RM0.50 each granted under PBESS At 1 July 2014	Granted	Forfeited	At 30 June 2015
Tan Sri Dato' Seri Mohd Bakke Salleh	7 October 2013	GPS	82,200	–	–	82,200
		DPS	65,300	–	–	65,300
	20 October 2014	GPS	–	82,200	–	82,200
		DPS	–	65,300	–	65,300

The shares granted to Tan Sri Dato' Seri Mohd Bakke Salleh were made in accordance with the resolution passed by shareholders of the Company during the Extraordinary General Meeting held on 8 November 2012, which authorises the Board of Directors to, at any time and from time to time while the PBESS is in force, cause/procure the offering and allocation to him, of up to 3,000,000 shares in the Company and to procure the transfer of such number of shares to him, all in accordance with the By-Laws.

The GPS and DPS will be vested only upon fulfillment of vesting conditions which include achievement of service period and performance targets. Depending on the level of achievement of the performance targets as determined by the NRC, the total number of shares which will be vested may be lower or higher than the total number of shares granted and is subject to a limit of up to 3,000,000 shares over the duration of the PBESS.

The details of the shares granted under the PBESS and its vesting conditions are disclosed in Note 38 to the financial statements.

Statutory Information on the Financial Statements

a. Before the statements of profit or loss, comprehensive income and financial position of the Group and of the Company were made out, the Directors took reasonable steps:

   i. to ascertain that proper action had been taken in relation to the writing off of bad debts and the impairment for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate impairment had been made for doubtful debts; and

   ii. to ensure that any current assets, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, have been written down to amounts which they might be expected to realise.

b. At the date of this Report, the Directors are not aware of any circumstances:

   i. which would render the amount written off for bad debts or the amount of impairment for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   ii. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   iii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Statutory Information on the Financial Statements (continued)

c. As at the date of this Report:

   i. there are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liability of any other person; and

   ii. there are no contingent liabilities in the Group and in the Company which have arisen since the end of the financial year other than those arising in the ordinary course of business.

d. At the date of this Report, the Directors are not aware of any circumstances not otherwise dealt with in the Report or financial statements which would render any amount stated in the financial statements misleading.

e. In the opinion of the Directors:

   i. no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and

   ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this Report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

Immediate and Ultimate Holding Companies

The Directors regard Permodalan Nasional Berhad as its immediate holding company and Yayasan Pelaburan Bumiputra as its ultimate holding company. Both companies are incorporated in Malaysia.

Auditors

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

Signed in accordance with a resolution of the Board of Directors dated 17 September 2015

Tan Sri Dato' Abdul Ghani Othman
Chairman

Tan Sri Dato' Seri Mohd Bakke Salleh
President & Group Chief Executive/
Executive Director

Kuala Lumpur
17 September 2015

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Abdul Ghani Othman and Tan Sri Dato' Seri Mohd Bakke Salleh, two of the Directors of Sime Darby Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 204 to 384 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2015 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date, in accordance with the Financial Reporting Standards issued by the Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965.

The supplementary information set out in Note 59 on page 385 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed in accordance with a resolution of the Board of Directors dated 17 September 2015

Tan Sri Dato' Abdul Ghani Othman
Chairman

Tan Sri Dato' Seri Mohd Bakke Salleh
President & Group Chief Executive/
Executive Director

Kuala Lumpur
17 September 2015

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

I, Datuk Tong Poh Keow, the officer primarily responsible for the financial management of Sime Darby Berhad, do solemnly and sincerely declare that the financial statements set out on pages 204 to 384 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Datuk Tong Poh Keow
(MIA 4625)
Group Chief Financial Officer

SUBSCRIBED AND SOLEMNLY DECLARED by the abovenamed Datuk Tong Poh Keow, at Kuala Lumpur, Malaysia on 17 September 2015.

Before me,

PESURUHJAYA SUMPAH
W. 697
S. IDERAJU
MALAYSIA

S. Ideraju
Commissioner for Oaths (No. W697)
Kuala Lumpur

Suite 5.1A, 5th Flr. Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIME DARBY BERHAD
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sime Darby Berhad on pages 204 to 384, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss, comprehensive income, changes in equity and cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 58.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIME DARBY BERHAD (CONTINUED)
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 (the Act) in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 57 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 59 on page 385 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad (Bursa Malaysia) and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Listing Requirements, as issued by the Malaysian Institute of Accountants (MIA Guidance) and the directive of Bursa Malaysia. In our opinion, the supplementary information is prepared in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

DATO' MOHAMMAD FAIZ BIN MOHAMMAD AZMI
(No. 2025/03/16 (J))
Chartered Accountant

Kuala Lumpur
17 September 2015

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 30 June 2015
Amounts in RM million unless otherwise stated

	Note	Group 2015	Group 2014	Company 2015	Company 2014
Revenue	5	**43,728.7**	43,908.0	**1,254.0**	1,955.6
Operating expenses	6	**(41,607.4)**	(40,747.6)	**(17.2)**	(13.0)
Other operating income	7	**988.3**	951.5	**22.5**	–
Other gains and losses	8	**289.4**	6.7	**2.5**	(0.9)
Operating profit		**3,399.0**	4,118.6	**1,261.8**	1,941.7
Share of results of joint ventures	9	**(100.6)**	(39.1)	**–**	–
Share of results of associates	10	**(21.4)**	139.3	**–**	–
Profit before interest and tax		**3,277.0**	4,218.8	**1,261.8**	1,941.7
Finance income	11	**196.3**	160.8	**187.9**	200.3
Finance costs	12	**(470.6)**	(415.0)	**(169.0)**	(191.0)
Profit before tax		**3,002.7**	3,964.6	**1,280.7**	1,951.0
Taxation	13	**(567.0)**	(707.5)	**0.5**	0.6
Profit from continuing operations		**2,435.7**	3,257.1	**1,281.2**	1,951.6
Profit from discontinued operations (net of tax)	14	**–**	263.4	**–**	–
Profit for the financial year		**2,435.7**	3,520.5	**1,281.2**	1,951.6
Profit for the financial year attributable to owners of:					
- the Company					
from continuing operations		**2,312.8**	3,112.8	**1,281.2**	1,951.6
from discontinued operations		**–**	239.9	**–**	–
		2,312.8	3,352.7	**1,281.2**	1,951.6
- non-controlling interests		**122.9**	167.8	**–**	–
		2,435.7	3,520.5	**1,281.2**	1,951.6

	Note	Group 2015 Sen	Group 2014 Sen
Earnings per share attributable to owners of the Company:	15		
Basic			
- from continuing operations		**37.68**	51.53
- from discontinued operations		**–**	3.97
		37.68	55.50
Diluted			
- from continuing operations		**37.67**	51.53
- from discontinued operations		**–**	3.97
		37.67	55.50

The notes on pages 215 to 384 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2015
Amounts in RM million unless otherwise stated

	Note	Group 2015	Group 2014	Company 2015	Company 2014
Profit for the financial year		**2,435.7**	3,520.5	**1,281.2**	1,951.6
Other comprehensive income/(loss)					
Items that will be reclassified subsequently to profit or loss					
Currency translation differences - subsidiaries		**751.5**	(437.1)	**–**	–
Net change in fair value of:					
- investments	**24**	**(22.1)**	11.9	**–**	–
- cash flow hedges		**194.4**	17.7	**–**	–
Share of other comprehensive income/(loss) of:					
- joint ventures		**113.7**	66.1	**–**	–
- associates		**18.2**	(1.2)	**–**	–
Taxation		**(66.7)**	(5.7)	**–**	–
		989.0	(348.3)	**–**	–
Reclassified to profit or loss:					
- currency translation differences on:					
- repayment of net investments		**(151.5)**	(113.4)	**–**	–
- disposal of a subsidiary		**0.5**	–	**–**	–
- changes in fair value on disposal of investments		**–**	(0.1)	**–**	–
- changes in fair value of cash flow hedges as adjustment to revenue and other gains and losses		**(250.5)**	19.7	**–**	–
Reclassified changes in fair value of cash flow hedges to inventories		**(20.9)**	49.5	**–**	–
Taxation		**83.6**	(20.9)	**–**	–
		650.2	(413.5)	**–**	–
Items that will not be reclassified subsequently to profit or loss					
Actuarial losses on defined benefit pension plans	**45**	**(6.6)**	(19.1)	**–**	–
Share of other comprehensive (loss)/income of a joint venture		**(20.9)**	17.6	**–**	–
Taxation		**1.7**	(0.2)	**–**	–
		(25.8)	(1.7)	**–**	–
Total other comprehensive income/(loss) from continuing operations	**17**	**624.4**	(415.2)	**–**	–
Total other comprehensive income from discontinued operations	**14**	**–**	8.0	**–**	–
		624.4	(407.2)	**–**	–
Total comprehensive income for the financial year		**3,060.1**	3,113.3	**1,281.2**	1,951.6
Total comprehensive income for the financial year attributable to owners of:					
- the Company					
from continuing operations		**2,880.8**	2,760.0	**1,281.2**	1,951.6
from discontinued operations		**–**	247.9	**–**	–
		2,880.8	3,007.9	**1,281.2**	1,951.6
- non-controlling interests		**179.3**	105.4	**–**	–
		3,060.1	3,113.3	**1,281.2**	1,951.6

The notes on pages 215 to 384 form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2015
Amounts in RM million unless otherwise stated

		Group		Company	
	Note	2015	2014	2015	2014
NON-CURRENT ASSETS					
Property, plant and equipment	18	**16,564.5**	14,346.7	**–**	–
Biological assets	19	**5,940.2**	2,534.1	**–**	–
Prepaid lease rentals	20	**923.8**	868.8	**–**	–
Investment properties	21	**571.8**	656.2	**–**	–
Land held for property development	22	**810.4**	927.7	**–**	–
Subsidiaries	23	**–**	–	**7,514.5**	6,915.0
Joint ventures	9	**2,237.7**	1,590.3	**–**	–
Associates	10	**1,582.2**	1,521.0	**–**	–
Investments	24	**140.1**	171.6	**–**	–
Intangible assets	25	**3,994.0**	1,233.5	**–**	–
Deferred tax assets	26	**1,139.2**	988.6	**–**	–
Tax recoverable	27	**478.6**	396.5	**–**	–
Derivative assets	28	**214.8**	68.2	**–**	–
Receivables	29	**527.9**	587.6	**1,700.0**	4,268.8
Amounts due from customers on construction contracts	30	**651.2**	260.4	**–**	–
		35,776.4	26,151.2	**9,214.5**	11,183.8
CURRENT ASSETS					
Inventories	31	**9,660.7**	9,510.9	**–**	–
Biological assets	19	**142.0**	–	**–**	–
Property development costs	32	**2,604.6**	1,917.2	**–**	–
Receivables	29	**7,273.3**	6,526.0	**9,244.8**	7,020.2
Accrued billings and others	33	**1,630.7**	1,284.3	**–**	–
Tax recoverable	27	**310.7**	215.4	**1.1**	–
Derivative assets	28	**79.9**	43.0	**–**	–
Cash held under Housing Development Accounts	34	**556.1**	514.2	**–**	–
Bank balances, deposits and cash	35	**3,644.9**	4,381.8	**204.8**	340.0
		25,902.9	24,392.8	**9,450.7**	7,360.2
Non-current assets held for sale	36	**128.7**	392.2	**–**	–
TOTAL ASSETS		**61,808.0**	50,936.2	**18,665.2**	18,544.0

	Note	Group 2015	Group 2014	Company 2015	Company 2014
EQUITY					
Share capital	**37**	**3,105.6**	3,032.1	**3,105.6**	3,032.1
Share premium		**1,795.6**	555.0	**1,795.6**	555.0
Reserves	**39**	**7,636.0**	7,053.1	**5,762.1**	5,764.2
Retained profits		**18,049.4**	17,948.4	**3,018.6**	3,929.3
ATTRIBUTABLE TO OWNERS OF THE COMPANY		**30,586.6**	28,588.6	**13,681.9**	13,280.6
Non-controlling interests	**40**	**1,024.4**	876.7	**–**	–
TOTAL EQUITY		**31,611.0**	29,465.3	**13,681.9**	13,280.6
NON-CURRENT LIABILITIES					
Borrowings	**41**	**11,745.4**	8,109.2	**1,700.0**	1,700.0
Finance lease obligation	**42**	**139.2**	145.9	**–**	–
Payables	**43**	**–**	–	**–**	2,558.1
Provisions	**44**	**17.2**	49.3	**–**	–
Retirement benefits	**45**	**167.4**	141.5	**–**	–
Deferred income	**46**	**407.5**	375.7	**–**	–
Deferred tax liabilities	**26**	**2,116.5**	493.4	**2.1**	2.6
Derivative liabilities	**28**	**19.0**	2.4	**–**	–
		14,612.2	9,317.4	**1,702.1**	4,260.7
CURRENT LIABILITIES					
Payables	**43**	**8,324.3**	8,105.2	**3,073.5**	90.9
Progress billings and others	**47**	**194.9**	208.7	**–**	–
Borrowings	**41**	**6,317.6**	3,065.6	**207.7**	911.8
Finance lease obligation	**42**	**6.8**	6.6	**–**	–
Provisions	**44**	**215.4**	283.4	**–**	–
Deferred income	**46**	**158.8**	102.2	**–**	–
Tax payable		**222.5**	267.9	**–**	–
Derivative liabilities	**28**	**61.1**	29.7	**–**	–
		15,501.4	12,069.3	**3,281.2**	1,002.7
Liabilities associated with assets held for sale	**36**	**83.4**	84.2	**–**	–
TOTAL LIABILITIES		**30,197.0**	21,470.9	**4,983.3**	5,263.4
TOTAL EQUITY AND LIABILITIES		**61,808.0**	50,936.2	**18,665.2**	18,544.0

The notes on pages 215 to 384 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2015
Amounts in RM million unless otherwise stated

Group 2015	Note	Share capital	Share premium	Reserves	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
At 1 July 2014		3,032.1	555.0	7,053.1	17,948.4	28,588.6	876.7	29,465.3
Profit for the financial year		–	–	–	2,312.8	2,312.8	122.9	2,435.7
Other comprehensive income/(loss) for the financial year	17	–	–	593.5	(25.5)	568.0	56.4	624.4
Total comprehensive income		–	–	593.5	2,287.3	2,880.8	179.3	3,060.1
Performance-based employee share scheme	38	–	–	(2.1)	–	(2.1)	–	(2.1)
Share of capital reserve of associates	10	–	–	(2.9)	–	(2.9)	–	(2.9)
Transfer between reserves		–	–	(5.6)	5.6	–	–	–
Transactions with owners:								
- acquisition of non-wholly owned subsidiaries	50(a)	–	–	–	–	–	72.2	72.2
- issue of shares in a subsidiary		–	–	–	–	–	0.1	0.1
- capital repayment by a subsidiary		–	–	–	–	–	(7.3)	(7.3)
- dividends paid by way of:	16							
- issuance of shares pursuant to the Dividend Reinvestment Plan		73.5	1,241.1	–	(1,314.6)	–	–	–
- cash		–	–	–	(877.3)	(877.3)	(96.6)	(973.9)
Share issue expenses	37	–	(0.5)	–	–	(0.5)	–	(0.5)
At 30 June 2015		3,105.6	1,795.6	7,636.0	18,049.4	30,586.6	1,024.4	31,611.0

Group 2014	Note	Share capital	Share premium	Reserves	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
At 1 July 2013		3,004.7	100.6	7,228.9	16,762.1	27,096.3	884.8	27,981.1
Profit for the financial year		–	–	–	3,352.7	3,352.7	167.8	3,520.5
Other comprehensive loss for the financial year		–	–	(343.5)	(1.3)	(344.8)	(62.4)	(407.2)
Total comprehensive (loss)/ income		–	–	(343.5)	3,351.4	3,007.9	105.4	3,113.3
Performance-based employee share scheme	**38**	–	–	39.1	–	39.1	–	39.1
Share of capital reserve of associates	**10**	–	–	1.9	–	1.9	–	1.9
Transfer between reserves		–	–	126.7	(126.7)	–	–	–
Transactions with owners:								
- acquisition of non-wholly owned subsidiaries		–	–	–	–	–	41.7	41.7
- acquisition of non-controlling interests		–	–	–	(52.0)	(52.0)	(25.3)	(77.3)
- disposal of subsidiaries		–	–	–	–	–	(68.8)	(68.8)
- dividends paid by way of:	**16**							
- issuance of shares pursuant to the Dividend Reinvestment Plan		27.4	455.1	–	(482.5)	–	–	–
- cash		–	–	–	(1,503.9)	(1,503.9)	(61.1)	(1,565.0)
Share issue expenses		–	(0.7)	–	–	(0.7)	–	(0.7)
At 30 June 2014		3,032.1	555.0	7,053.1	17,948.4	28,588.6	876.7	29,465.3

Amounts in RM million unless otherwise stated

Company 2015	Note	Share capital	Share premium	Reserves	Retained profits	Total equity
At 1 July 2014		**3,032.1**	**555.0**	**5,764.2**	**3,929.3**	**13,280.6**
Profit for the financial year		**–**	**–**	**–**	**1,281.2**	**1,281.2**
Performance-based employee share scheme	38	**–**	**–**	**(2.1)**	**–**	**(2.1)**
Transactions with owners:						
- dividends paid by way of:	16					
- issuance of shares pursuant to the Dividend Reinvestment Plan		**73.5**	**1,241.1**	**–**	**(1,314.6)**	**–**
- cash		**–**	**–**	**–**	**(877.3)**	**(877.3)**
Share issue expenses	37	**–**	**(0.5)**	**–**	**–**	**(0.5)**
At 30 June 2015		**3,105.6**	**1,795.6**	**5,762.1**	**3,018.6**	**13,681.9**
2014						
At 1 July 2013		3,004.7	100.6	5,725.1	3,964.1	12,794.5
Profit for the financial year		–	–	–	1,951.6	1,951.6
Performance-based employee share scheme	38	–	–	39.1	–	39.1
Transactions with owners:						
- dividends paid by way of:	16					
- issuance of shares pursuant to the Dividend Reinvestment Plan		27.4	455.1	–	(482.5)	–
- cash		–	–	–	(1,503.9)	(1,503.9)
Share issue expenses		–	(0.7)	–	–	(0.7)
At 30 June 2014		3,032.1	555.0	5,764.2	3,929.3	13,280.6

An analysis of the movements in each category within reserves is set out in Note 39.

The notes on pages 215 to 384 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2015
Amounts in RM million unless otherwise stated

	Note	Group 2015	Group 2014	Company 2015	Company 2014
Cash flow from operating activities					
Profit from continuing operations		**2,435.7**	3,257.1	**1,281.2**	1,951.6
Adjustments for:					
- dividends from subsidiaries		**–**	–	**(1,254.0)**	(1,955.6)
- amortisation of prepaid lease rentals		**43.7**	42.9	**–**	–
- depreciation and amortisation		**1,216.0**	1,152.3	**–**	–
- share of results of joint ventures and associates		**122.0**	(100.2)	**–**	–
- finance income		**(196.3)**	(160.8)	**(187.9)**	(200.3)
- finance costs		**470.6**	415.0	**169.0**	191.0
- taxation		**567.0**	707.5	**(0.5)**	(0.6)
- other non-cash items [note (a)]		**(472.4)**	(109.4)	**(8.1)**	0.7
		4,186.3	5,204.4	**(0.3)**	(13.2)
Changes in working capital:					
- inventories and rental assets		**966.5**	(553.2)	**–**	–
- property development costs		**(575.2)**	(82.6)	**–**	–
- land held for property development		**(6.9)**	(31.1)	**–**	–
- receivables and others		**(474.2)**	(1,247.6)	**12.2**	(18.7)
- payables and others		**(214.7)**	44.3	**(37.8)**	(0.8)
Cash generated from/(used in) operations		**3,881.8**	3,334.2	**(25.9)**	(32.7)
Tax paid		**(957.6)**	(703.0)	**(1.1)**	(0.6)
Dividends received from:					
- subsidiaries		**–**	–	**1,254.0**	1,955.6
- joint ventures		**–**	1.7	**–**	–
- associates		**30.9**	35.5	**–**	–
Income received from investments		**66.1**	42.8	**–**	–
Operating cash flow from continuing operations		**3,021.2**	2,711.2	**1,227.0**	1,922.3
Operating cash flow from discontinued operations	14	**–**	211.9	**–**	–
Net cash from operating activities		**3,021.2**	2,923.1	**1,227.0**	1,922.3

Amounts in RM million unless otherwise stated

		Group		Company	
	Note	2015	2014	2015	2014
Cash flow from investing activities					
Finance income received		**160.1**	129.5	**166.1**	209.2
Proceeds from sale of:					
- property, plant and equipment		**305.0**	185.0	**–**	–
- investment properties		**154.3**	5.2	**–**	–
- a joint venture	**51(b)**	**15.7**	–	**–**	–
- associates	**51(c)**	**318.4**	23.0	**–**	–
- investments		**77.1**	10.3	**–**	–
Net cash inflow from disposal of subsidiaries	**51(a)**	**41.1**	232.2	**–**	–
Purchase of:					
- property, plant and equipment	**18**	**(1,344.2)**	(1,435.2)	**–**	–
- investment properties		**(2.3)**	(25.9)	**–**	–
- investments		**(58.7)**	(51.3)	**–**	–
- intangible assets		**(214.5)**	(166.3)	**–**	–
Costs incurred on biological assets		**(237.3)**	(202.1)	**–**	–
Payment for prepaid lease rentals		**(49.9)**	(105.6)	**–**	–
Acquisition of subsidiaries	**50(a)**	**(6,022.9)**	(195.1)	**–**	–
Subscription of shares in joint ventures		**(350.8)**	(267.4)	**–**	–
Acquisition and subscription of shares in associates		**(64.5)**	(93.6)	**–**	–
Advances to subsidiaries		**–**	–	**(801.8)**	(262.9)
Repayment from subsidiaries		**–**	–	**1,000.9**	147.4
Others		**4.9**	106.0	**–**	–
Investing cash flow (used in)/from continuing operations		**(7,268.5)**	(1,851.3)	**365.2**	93.7
Investing cash flow from discontinued operations	**14**	**–**	573.0	**–**	–
Net cash (used in)/from investing activities		**(7,268.5)**	(1,278.3)	**365.2**	93.7

	Note	Group 2015	Group 2014	Company 2015	Company 2014
Cash flow from financing activities					
Proceeds from shares issued to owner of non-controlling interest		**0.1**	–	**–**	–
Capital repayment by a subsidiary to owners of non-controlling interests		**(7.3)**	–	**–**	–
Purchase of additional interest in subsidiaries		**–**	(77.3)	**–**	–
Advances from a subsidiary		**–**	–	**10.7**	2.0
Share issue expenses		**(0.5)**	(0.7)	**(0.5)**	(0.7)
Finance costs paid		**(585.8)**	(443.1)	**(160.3)**	(190.9)
Long-term borrowings raised		**3,799.1**	1,536.2	**–**	–
Repayment of long-term borrowings		**(1,829.7)**	(360.8)	**(700.0)**	–
Revolving credits, trade facilities and other short-term borrowings (net)		**2,942.6**	(415.1)	**–**	(300.0)
Dividends paid		**(973.9)**	(1,554.9)	**(877.3)**	(1,503.9)
Financing cash flow from/(used in) continuing operations		**3,344.6**	(1,315.7)	**(1,727.4)**	(1,993.5)
Financing cash flow used in discontinued operations	14	**–**	(12.7)	**–**	–
Net cash from/(used in) financing activities		**3,344.6**	(1,328.4)	**(1,727.4)**	(1,993.5)
Net (decrease)/increase in cash and cash equivalents		**(902.7)**	316.4	**(135.2)**	22.5
Foreign exchange differences		**255.1**	(117.8)	**–**	–
Cash and cash equivalents at beginning of the financial year		**4,802.2**	4,603.6	**340.0**	317.5
Cash and cash equivalents at end of the financial year [note (b)]		**4,154.6**	4,802.2	**204.8**	340.0

Amounts in RM million unless otherwise stated

	Note	Group 2015	Group 2014	Company 2015	Company 2014
a. Other non-cash items:					
Income from investments		**(66.1)**	(42.8)	**–**	–
(Gain)/loss on disposal of:					
- property, plant and equipment		**(83.0)**	(104.8)	**–**	–
- prepaid lease rental		**–**	(1.8)	**–**	–
- investment properties		**(68.1)**	(3.0)	**–**	–
- subsidiaries	**51(a)**	**3.7**	(19.6)	**–**	–
- a joint venture		**(157.2)**	–	**–**	–
- associates		**(55.5)**	0.8	**–**	–
- investments		**–**	(0.1)	**–**	–
Surplus from liquidation of a subsidiary		**–**	–	**(5.6)**	–
Write offs of:					
- property, plant and equipment		**25.1**	8.1	**–**	–
- biological assets		**9.9**	14.4	**–**	–
Write-down of inventories (net)		**119.9**	61.9	**–**	–
Impairment/(reversal of impairment) of:					
- property, plant and equipment		**15.0**	(24.9)	**–**	–
- biological assets		**–**	(3.3)	**–**	–
- prepaid lease rentals		**(1.4)**	–	**–**	–
- investment properties		**4.5**	6.5	**–**	–
- intangible assets		**(1.3)**	11.8	**–**	–
- receivables		**0.7**	21.7	**–**	–
Changes in fair value of derivatives and warrants		**(282.0)**	21.5	**–**	–
Unrealised foreign currencies exchange loss/(gain)		**167.2**	5.6	**(2.5)**	0.7
Realised foreign currencies exchange gain transferred from equity		**(151.5)**	(113.4)	**–**	–
Performance-based employee share scheme and other expenses		**47.7**	52.0	**–**	–
		(472.4)	(109.4)	**(8.1)**	0.7
b. Cash and cash equivalents at end of the financial year:					
Cash held under Housing Development Accounts	**34**	**556.1**	514.2	**–**	–
Bank balances, deposits and cash	**35**	**3,644.9**	4,381.8	**204.8**	340.0
Bank overdrafts	**41**	**(46.4)**	(93.8)	**–**	–
		4,154.6	4,802.2	**204.8**	340.0

The notes on pages 215 to 384 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2015
Amounts in RM million unless otherwise stated

1 General Information

The Company is principally an investment holding company. The principal activities of the subsidiaries, joint ventures and associates are set out in Note 57.

The principal activities of the Group are divided into five segments namely, Plantation, Industrial, Motors, Property and Energy & Utilities.

There has been no significant change in the principal activities of the Group and of the Company during the financial year.

2 Basis of Preparation

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 1965 and comply with the Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board (MASB). The financial statements have been prepared under the historical cost convention except as disclosed in the summary of principal accounting policies in Note 3.

The preparation of financial statements in conformity with FRS, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's and to the Company's financial statements are disclosed in Note 4.

The Group and the Company have also considered the new accounting pronouncements in the preparation of the financial statements.

a. Accounting pronouncements that are effective and have been adopted during the financial year in preparing these financial statements

- **Amendments to FRS 1 – First-Time Adoption of FRSs**
  First-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

- **Amendments to FRS 2 – Share-Based Payment**
  The terms 'performance condition' and 'service condition' are separately defined to ensure consistent classification of conditions attached to a share-based payment.

- **Amendments to FRS 3 – Business Combinations**
  Contingent consideration obligation that meets the definition of financial instrument is classified as a financial liability or as equity by reference to FRS 132 – Financial Instruments: Presentation. Contingent consideration that is classified as an asset or liability is measured at fair value at each subsequent reporting date and changes in fair value shall be recognised in profit or loss.

  The scope exclusion of FRS 3 is extended to the formation of joint arrangement in the financial statements of the joint arrangement itself.

- **Amendments to FRS 8 – Operating Segments**
  Judgements made in applying the aggregation criteria to operating segments is to be disclosed whilst reconciliation of the total reportable segments' assets to the entity's assets is only required if that amount is regularly provided to the chief operating decision maker.

- **Amendments to FRS 10 – Consolidated Financial Statements, FRS 12 – Disclosure of Interests in Other Entities and FRS 127 – Separate Financial Statements**
  A parent that is an investment entity shall measure its investment in particular subsidiaries at fair value through profit or loss instead of consolidating them, and shall account for them in the same way in its separate financial statements.

  Additional information is to be disclosed for a parent when it becomes or ceased to be an investment entity.

2 Basis of Preparation (continued)

a. Accounting pronouncements that are effective and have been adopted during the financial year in preparing these financial statements (continued)

- **Amendments to FRS 13 – Fair Value Measurement**
  An entity is not prohibited to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

  The scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 – Financial Instruments: Recognition and Measurement or FRS 9 – Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132 – Financial Instruments: Presentation.

- **Amendments to FRS 116 – Property, Plant and Equipment and FRS 138 – Intangible Assets**
  If an entity adopts the policy of restating instead of eliminating the accumulated depreciation/amortisation when an asset is revalued, the gross carrying amount of the asset is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

- **Amendments to FRS 119 – Employee Benefits**
  Contribution from employees or third parties to defined benefit plans that is independent of the number of years of service is permitted to be recognised as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

- **Amendments to FRS 124 – Related Party Disclosures**
  The definition of 'related party' is extended to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

- **Amendments to FRS 132 – Financial Instruments: Presentation**
  Additional guidance is provided on the criterion and right to offset a financial asset and a financial liability following amendments made to FRS 7 – Financial Instruments: Disclosures.

- **Amendments to FRS 136 – Impairment of Assets**
  Disclosure of the recoverable amount is narrowed to an individual asset or a cash-generating unit for which an impairment loss has been recognised or reversed during the period.

- **Amendments to FRS 139 – Financial Instruments: Recognition and Measurement**
  Relief from discontinuing hedge accounting is permitted when the novation of derivatives is to effect clearing with a central counterparty as a result of laws or regulation.

- **Amendments to FRS 140 – Investment Property**
  Acquisition of investment property is a business combination if the acquisition falls within the scope of FRS 3 – Business Combinations.

- **IC Interpretation 21 – Levies**
  Levy is recognised as a liability only when that minimum activity threshold that trigger the obligation to pay is reached.

The adoption of the above did not result in any significant changes to the Group's and Company's results and financial position.

2 Basis of Preparation (continued)

b. Accounting pronouncements that are not yet effective and have not been early adopted in preparing these financial statements

i. Effective for annual periods beginning on or after 1 January 2016:

- **FRS 14 – Regulatory Deferral Accounts**
  FRS 14 prescribes the financial reporting requirements for regulatory deferral account balances that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation.

- **Amendments to FRS 5 – Non-current Asset Held for Sale and Discontinued Operations**
  The classification, presentation and measurement requirements in FRS 5 for an asset (or disposal group) that is classified as held for sale are also applicable to an asset (or disposal group) that is classified as held for distribution to owners.

  Reclassification of an asset directly between being held for sale and being held for distribution to owners is treated as a continuation of the original plan of disposal.

- **Amendments to FRS 7 – Financial Instruments: Disclosures**
  Right to service the transferred financial asset is assessed for continuing involvement for the purposes of the disclosure requirements. An entity has continuing involvement if the income from servicing contract is dependent on future performance of the transferred financial asset.

- **Amendments to FRS 10 – Consolidated Financial Statements**
  On disposal of a subsidiary to an associate or a joint venture, and on the change in status of a subsidiary to an associate or a joint venture, the gain or loss arising therefrom is recognised in full in the parent's profit or loss. If the former subsidiary does not contain a business as defined in FRS 3 – Business Combination, the gain or loss is recognised to the extent of the unrelated investors' interests in the associate or joint venture.

  The conditions for relief from presenting consolidated financial statements is extended to parent where it's ultimate or any intermediate parent is an investment entity.

- **Amendments to FRS 11 – Joint Arrangements**
  The acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in FRS 3 – Business Combinations, shall apply all of the principles on business combinations accounting in FRS 3 and other FRSs except for those principles that conflict with the guidance in this FRS.

- **Amendments to FRS 12 – Disclosure of Interests in Other Entities**
  An investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss in accordance with FRS 10 – Consolidated Financial Statements shall comply with the disclosures requirement of FRS 12.

- **Amendments to FRS 101 – Presentation of Financial Statements**
  In applying FRS 101 and other FRSs, an entity shall decide on the extent of the information to be aggregated in the financial statements so as not to reduce the understandability by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. An entity shall also consider whether to provide additional disclosures when compliance with the specific requirements in FRS is insufficient to enable users of financial statements to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

- **Amendments to FRS 116 – Property, Plant and Equipment**
  Depreciation method that is based on revenue generated by an activity that includes the use of the asset is not appropriate as revenue generally reflects factors other than the consumption of the economic benefits of the asset.

2 Basis of Preparation (continued)

b. Accounting pronouncements that are not yet effective and have not been early adopted in preparing these financial statements (continued)

i. Effective for annual periods beginning on or after 1 January 2016: (continued)

- **Amendments to FRS 119 – Employee Benefits**
  For currencies for which there is no deep market in high quality corporate bonds, the rate used to discount post-employment benefit obligations shall be determined by reference to market yields on government bonds denominated in that currency.

- **Amendments to FRS 127 – Separate Financial Statements**
  Investor may elect to use the equity method in its separate financial statement to account for investments in subsidiaries, joint ventures and associates.

- **Amendments to FRS 128 – Investment in Associates and Joint Ventures**
  Gain or loss resulting from contribution of asset or transaction between an investor and its associate or joint venture is recognised in full when the transaction involves a business as defined in FRS 3 – Business Combinations.

  When applying the equity method, the entity that is not itself an investment entity may retain the fair value measurement applied by the associate or joint venture that is an investment entity to its interests in subsidiaries.

- **Amendments to FRS 134 – Interim Financial Reporting**
  Certain disclosure shall be given either in the interim financial statements or incorporated by cross-reference from the interim financial statements to some other statement that is available to users of the financial statements on the same terms as the interim financial statements and at the same time.

- **Amendment to FRS 138 – Intangible Assets**
  Amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate except in circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold.

ii. Effective for annual periods beginning on or after 1 January 2018:

- **FRS 9 – Financial Instruments**
  FRS 9 replaces FRS 139 – Financial Instruments: Recognition and Measurement in phases. It introduces a single model that has only two classification categories: amortised costs and fair value. All instruments are to be measured at fair value except for debt instruments that qualify for amortised cost accounting. It allows an option to present fair value changes in equity instruments in profit or loss or other comprehensive income and it is an irrevocable election on initial recognition.

  Reclassification of financial liability between fair value and amortised cost is prohibited while financial asset can only be reclassified when the entity changes its business model for managing the financial asset. Any difference between the carrying amount and fair value on reclassification is recognised in profit or loss.

  FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. The new Standard requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model is forward-looking and it eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

  The new hedge accounting model in FRS 9 represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements.

2 Basis of Preparation (continued)

c. Malaysian Financial Reporting Standards Framework

In November 2011, the MASB issued the Malaysian Financial Reporting Standards Framework (MFRS Framework) to replace the FRS Framework. MFRS Framework is a fully International Financial Reporting Standards (IFRS)-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than the Transitioning Entities (TEs), which may defer adoption in view of imminent changes which may change current accounting treatments for bearer plant and property development activities. TEs are non-private entities within the scope of MFRS 141 – Agriculture and IC Interpretation 15 – Agreements for the Construction of Real Estate, including their parent, significant investor and venturer.

On 2 September 2014, the MASB issued Agriculture: Bearer Plants (Amendments to MFRS 116 – Property, Plant and Equipment and Amendments to MFRS 141 – Agriculture) and MFRS 15 – Revenue from Contracts with Customers, which shall apply to financial statements of annual periods beginning on or after 1 January 2016 and 1 January 2017 respectively. The MASB further notifies that TEs are required to comply with MFRS Framework for annual period beginning on or after 1 January 2017.

On 8 September 2015, MASB announced that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018, following the recent press release by the International Accounting Standards Board confirming a one-year deferral of IFRS 15 – Revenue from Contracts with Customers. Consequently, the effective date for TE to apply the MFRS will also be deferred to annual period beginning on or after 1 January 2018.

The Group and the Company, being TEs, will continue to comply with FRS until the MFRS Framework is adopted, no later than from the financial period beginning on 1 July 2018.

- **MFRS 15 – Revenue from Contracts with Customers**
  The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Extensive disclosures are required to provide greater insight into both revenue that has been recognised, and revenue that is expected to be recognised in the future from existing contracts with customers.

- **MFRS 141 – Agriculture**
  MFRS 141 prescribes the accounting treatment, financial statement presentation, and disclosures related to agricultural activity, a matter not covered in FRS Framework. It requires measurement of fair value less costs to sell, from initial recognition of biological assets up to the point of harvest.

  The amendment to MFRS 141 introduces a new category for biological asset, i.e. the bearer plants. A bearer plant is seen as similar to an item of machinery as it is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce. Therefore, bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses, similar to property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell, with fair value changes recognised in profit or loss as the produce grows.

The Group is in the process of assessing the full impact of the new standards, revisions and amendments to published standards and, in particular, MFRS 141 and MFRS 15, on the financial statements of the Group and of the Company in the year of initial application.

3 Summary of Principal Accounting Policies

The following principal accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, and to all the financial years presented, unless otherwise stated.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i. Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated using the acquisition method except for those subsidiaries acquired under common control. Under the acquisition method, subsidiaries are consolidated from the date on which control is transferred to the Group and de-consolidated from the date when control ceases. The consideration is measured at the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange.

Contingent consideration is recorded at fair value as component of the purchase consideration with subsequent adjustment resulting from events after the acquisition date taken to profit or loss. Acquisition related costs are recognised as expenses when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the date of acquisition and any corresponding gain or loss is recognised in the profit or loss.

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured at their fair values, at the date of acquisition. The excess of the consideration and the fair value of previously held equity interests over the fair value of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. Any gain from bargain purchase is recognised directly in the profit or loss.

Intercompany transactions and balances are eliminated on consolidation, but unrealised losses arising therefrom are eliminated only to the extent of the cost of the asset that can be recovered, and the balance is recognised in the profit or loss as reduction in net realisable value or as impairment loss.

Non-controlling interests in the results and net assets of non-wholly owned subsidiaries are presented separately in the financial statements. Transactions with owners of non-controlling interests without a change in control are treated as equity transactions in the statement of changes in equity.

When control ceases, the disposal proceeds and the fair value of any retained investment are compared to the Group's share of the net assets disposed. The difference together with the carrying amount of allocated goodwill and the exchange reserve that relate to the subsidiary is recognised as gain or loss on disposal.

ii. Business combinations under common control

Business combinations under common control are accounted using the predecessor method of merger accounting where the profit or loss and other comprehensive income include the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if later).

The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the profit or loss.

3 Summary of Principal Accounting Policies (continued)

a. Basis of consolidation (continued)

ii. Business combinations under common control (continued)

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combinations in the Company's separate financial statements, the excess of the cost of acquisition over the aggregate carrying amounts of assets and liabilities as of the date of the combination is taken to equity.

iii. Joint ventures

Joint ventures are separate vehicles in which the Group has rights to its net assets and where it's strategic, financial and operating decisions require unanimous consent of the Group and one or more parties sharing the control.

Joint ventures are accounted using the equity method. Equity method is a method of accounting whereby the investment is recorded at cost inclusive of goodwill and adjusted thereafter for the Group's share of the post-acquisition results and other changes in the net assets of the joint ventures based on their latest audited financial statements or management accounts. Where necessary, adjustments are made to the financial statements of joint ventures used by the Group in applying the equity method to ensure consistency of accounting policies with those of the Group.

After application of the equity method, the carrying amount of the joint ventures will be assessed for impairment. Equity method is discontinued when the carrying amount of joint venture reaches zero, or reaches the limit of the obligations in the case when the Group has incurred legal or constructive obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated on the same basis but only to the extent of the costs that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment of the assets transferred are recognised in the profit or loss.

When joint control ceases, the disposal proceeds and the fair value of any retained investment are compared to the carrying amount of the joint venture. The difference together with the cumulative exchange reserve that relate to the joint venture is recognised as gain or loss on disposal. In the case of partial disposal without losing joint control, the difference between the proceeds and the carrying amount disposed, and the proportionate exchange reserve is recognised as gain or loss on disposal.

iv. Associates

Associates are entities in which the Group is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions, but not control over those policies.

Investments in associates are accounted for using the equity method, similar to Note 3(a)(iii) above.

b. Foreign currencies

i. Presentation and functional currencies

Ringgit Malaysia is the presentation currency of the Group and of the Company.

Ringgit Malaysia is also the functional currency of the Company. The functional currency is the currency of the primary economic environment in which the Company operates. The Group's foreign operations have different functional currencies.

ii. Transactions and balances

Foreign currency transactions and monetary items are translated into the functional currency using the exchange rates prevailing at the transaction dates and at the end of the reporting period, respectively. Foreign exchange differences arising therefrom and on settlement are recognised in the profit or loss.

Amounts in RM million unless otherwise stated

3 Summary of Principal Accounting Policies (continued)

b. Foreign currencies (continued)

iii. Translation of foreign currency financial statements

For consolidation purposes, foreign operations' results are translated into the Group's presentation currency at average exchange rates for the financial year whilst the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated at exchange rates ruling at the end of the reporting period. The resulting translation differences are recognised in other comprehensive income and accumulated in exchange reserve.

Intercompany loans where settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment. Translation differences arising therefrom are recognised in other comprehensive income and reclassified from equity to profit or loss upon repayment or disposal of the relevant entity.

Exchange reserve in respect of a foreign operation is recognised to profit or loss when control, joint control or significant influence over the foreign operation is lost. On partial disposal without losing control, a proportion of the exchange reserve in respect of the subsidiary is re-attributed to the non-controlling interest. The proportionate share of the cumulative translation differences is reclassified to profit or loss in respect of all other partial disposals.

iv. Principal exchange rates

	Year end rates		Average rates	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Australian dollar (AUD)	**2.90**	3.02	**2.88**	2.98
British pound (GBP)	**5.95**	5.47	**5.42**	5.27
Chinese renminbi (RMB)	**0.61**	0.52	**0.56**	0.53
European Union euro	**4.23**	4.38	**4.14**	4.40
Hong Kong dollar	**0.49**	0.41	**0.44**	0.42
Indonesian rupiah (IDR1,000)	**0.28**	0.27	**0.28**	0.29
New Zealand dollar (NZD)	**2.58**	2.81	**2.68**	2.69
Singapore dollar	**2.81**	2.57	**2.63**	2.57
Thailand baht (THB)	**0.11**	0.10	**0.11**	0.10
United States dollar (USD)	**3.78**	3.21	**3.45**	3.18

c. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of an asset. The carrying amount of the replaced part is derecognised and all repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Valuation adjustments on certain Malaysian plantation land and buildings were incorporated into the financial statements. In 1998, the Group applied the transitional provision in MASB Approved Accounting Standard IAS 16 – Property, Plant and Equipment, which allows the Group to continue carrying those land and buildings in the financial statements on the basis of their previous revaluation. Surpluses arising on previous revaluation are credited to revaluation reserve. On disposal, amounts in revaluation reserve relating to those assets are transferred to retained profits. Other than depreciation and impairment adjustments, there has been no subsequent valuation recorded on those land and buildings.

3 Summary of Principal Accounting Policies (continued)

c. Property, plant and equipment (continued)

Freehold land is not depreciated as it has indefinite life. Assets in the course of construction are shown as capital work in progress. Depreciation on these assets commences when they are ready for use. Other property, plant and equipment are depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold land	over the lease period ranging from 30 to 999 years
Buildings	2% to 25%, or the lease term if shorter
Plant and machinery	2% to 33.3%, or the lease term if shorter
Rental assets	10% to 33.3%
Vehicles, equipment and fixtures	5% to 33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

Rental assets will be transferred to inventories at their carrying amounts when they cease to be rented and become held for sale.

d. Biological assets

Biological assets comprise oil palm trees, rubber trees, growing cane and livestock.

i. <u>Oil palm and rubber trees</u>

<u>Malaysia, Liberia, Papua New Guinea and Solomon Island</u>

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised at cost and is not amortised. Replanting expenditure is charged to the profit or loss in the financial year in which the expenditure is incurred.

However, if the land on which the trees are planted is on a lease term, the capitalised costs will be amortised to the profit or loss on a straight-line basis over the last planting cycle of 22 years for oil palm trees and 24 years for rubber trees, or the remaining period of the lease, whichever is shorter.

<u>Indonesia</u>

New planting expenditure and replanting expenditure are capitalised at cost and amortised on a straight-line basis over the economic useful lives of 22 years for oil palm trees and 24 years for rubber trees, or the remaining period of the lease, whichever is shorter.

ii. <u>Growing cane</u>

Growing cane is stated at historical cost less accumulated impairment losses. Expenditure incurred on upkeep of growing cane is capitalised at cost. The carrying amount of growing cane is derecognised when harvested.

iii. <u>Livestock</u>

Livestock is stated at historical cost based on the average value at the beginning of the period plus purchases during the period. The carrying amount of livestock is derecognised when the livestock is sold.

e. Prepaid lease rentals

Prepaid lease rentals represent payment for rights to use land over a predetermined period that is accounted for as an operating lease and is stated at cost less amount amortised and accumulated impairment losses.

The prepaid lease rentals are amortised on a straight-line basis over the lease period ranging from 9 to 71 years.

3 Summary of Principal Accounting Policies (continued)

f. Investment properties

Investment properties are land and buildings held for rental income and/or capital appreciation which are not substantially occupied or intended to be occupied for use by, or in the operations of the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land and buildings under construction are not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Leasehold land	over the lease period ranging from 50 to 99 years
Buildings	2% to 5%, or the lease term if shorter

The residual values and useful lives are reviewed, and adjusted if appropriate, annually.

g. Land held for property development

Land held for property development consists of cost of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Land held for property development is classified as non-current asset and carried at cost less accumulated impairment losses, if any.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

h. Investments in subsidiaries

Investments in subsidiaries and contribution to subsidiaries are recorded at costs less accumulated impairment losses, if any, in the Company's financial statements.

Contributions to subsidiaries are amounts which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

i. Intangible assets

i. <u>Goodwill</u>

Goodwill represents the excess of the consideration and the fair value of previously held interests over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Goodwill on acquisition of joint ventures and associates is included as part of the cost of investments in joint ventures and associates. Such goodwill is tested for impairment as part of the overall net investment in each joint venture and associate.

ii. <u>Research and development costs</u>

Research costs are charged to the profit or loss in the financial year in which the expenditure is incurred.

Development costs which fulfill commercial and technical feasibility criteria are capitalised at cost less accumulated impairment losses. The development costs are amortised from the commencement of commercial production of the product to which they relate on a straight-line basis over the period of the expected benefit, not exceeding a period of 5 years. The useful life will be reviewed and adjusted if appropriate, annually. Impairment testing is performed annually on development activities which have not entered commercial production. Development activity is also tested for impairment whenever indication of impairment exists.

3 Summary of Principal Accounting Policies (continued)

i. Intangible assets (continued)

iii. Smallholder relationship
Smallholder relationship assets arose on the acquisition of subsidiaries. These assets are shown at fair value on acquisition of subsidiaries and subsequently subject to amortisation over the remaining life of the underlying assets. The smallholder relationship assets are tested for impairment whenever indication of impairment exists.

iv. Computer software
Expenditure on computer software that is not an integral part of the related hardware is treated as an intangible asset and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over their estimated useful lives. The annual amortisation rates ranges from 10% to 33.3%. Projects in progress are not amortised as these computer software are not yet available for use.

v. Other intangible assets
Other intangible assets are capitalised at cost less accumulated amortisation and accumulated impairment losses.

Distribution and dealership rights with no predetermined service period are not amortised. Trademarks and other intangible assets are amortised on a straight-line basis over their contractual periods or estimated useful lives once they are available for use. The principal annual amortisation rates ranges from 5% to 20%.

j. Non-current assets held for sale

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Depreciation ceases when an asset is classified as a non-current asset held for sale. Non-current assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

k. Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on a weighted average basis except for the following:

Heavy equipment, motor vehicles and completed development units	Specific identification basis
Replacement parts	First in first out basis

The cost of raw materials, consumable stores, replacement parts and trading inventories represents cost of purchase plus incidental costs, and in the case of other inventories, includes design costs, cost of materials, direct labour, other direct costs and related production overheads based on normal operating capacity.

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

l. Property development costs

The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in profit or loss for property under development are carried in the statements of financial position as property development costs. Revenue and expense recognised in profit or loss are determined by reference to the stage of completion of the development activity in respect of the development units sold. Any expected loss on development projects, is recognised as an expense immediately.

At end of each reporting period, the cumulative revenue recognised and progress billings made for each development unit sold are compared. Where the revenue recognised exceeds the billings to the purchaser, the net amount is shown as accrued billings. Where the billings to the purchaser exceeds revenue recognised, the net amount is shown as progress billings.

3 Summary of Principal Accounting Policies (continued)

m. Construction contracts

Construction costs include the costs attributable to a contract for the period from the date of securing the contract to the final completion of the contract.

When the outcome of the contract can be estimated reliably, the percentage of completion method is used to determine the appropriate amount of revenue and costs to be recognised in a given period. The percentage of completion is determined by referring to either the proportion of costs incurred to-date to the total estimated costs or the completion of a physical proportion of contract work to-date. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

At end of each reporting period, the cumulative costs incurred, profits or losses recognised and progress billings made for each contract work are compared. Where costs incurred and profits or losses recognised exceeds progress billings, the net amount is shown as amount due from customers on construction contracts. Where progress billings exceeds costs incurred and profits or losses recognised, the net amount is shown as amount due to customers on construction contracts.

n. Financial assets

The Group's financial assets are classified into four categories as set out in Note 54(a). The accounting policies for each of these categories, other than derivatives used for hedging as set out in Note 3(o), are as follows:

i. Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading. Derivatives are categorised as held for trading unless they are designated and are effective hedging instrument.

These financial assets are measured at fair value and transaction costs are expensed in profit or loss. Any gain or loss arising from changes in fair value are recognised in profit or loss.

ii. Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. These financial assets are recorded at fair value plus transaction costs and thereafter, they are measured at amortised cost using the effective interest method less accumulated impairment losses.

iii. Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the two preceding categories. These financial assets are recorded initially at fair value plus transaction costs and thereafter, they are measured at fair value. Except for impairment, foreign exchange differences on translation of monetary available-for-sale financial assets such as debt instruments, interest calculated using the effective interest method and dividends which are recognised in profit or loss, any gain or loss arising from changes in fair value are recognised in other comprehensive income. On derecognition, the cumulative gain or loss is reclassified from available-for-sale reserve to profit or loss.

Financial assets are classified as current assets for those having maturity dates of no more than 12 months after the end of the reporting period, and the balance is classified as non-current. For available-for-sale financial assets, the classification is based on expected date of realisation of the assets.

Regular way purchase or sale of a financial asset is recognised on the settlement date i.e. the date that an asset is delivered to or by the Group. A contract that requires or permits net settlement of the change in the value of the contract is not a regular way contract. Such contract is accounted for as a derivative in the period between the trade date and the settlement date.

3 Summary of Principal Accounting Policies (continued)

o. Derivatives and hedging activities

Derivatives are measured at fair value. A derivative that is neither designated nor an effective hedging instrument is categorised under fair value through profit or loss and changes in its fair value are recognised in profit or loss. In the case of a derivative that qualifies for cash flow hedge, the effective portion of changes in its fair value is recognised in other comprehensive income. The gain or loss is removed from equity and included in profit or loss in the same period or periods during which the hedged item affects profit or loss. In the case of a hedge of a forecast transaction which results in the recognition of a non-financial asset or a non-financial liability, the gain or loss is removed from equity and included in the carrying amount of the asset or liability.

The gain or loss is also removed from equity and included in profit or loss when a derivative expires, no longer meets the criteria for hedge accounting, or the forecasted transaction is no longer expected to occur.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivatives are classified as current asset or current liability for those having maturity dates of no more than 12 months after the end of the reporting period, and the balance is classified as non-current.

p. Impairment

Goodwill and other intangible assets that have an indefinite useful life or are not yet available for use are tested for impairment. Other non-financial assets are assessed for indication of impairment. If an indication exists, an impairment test is performed. In the case of financial assets, investment in subsidiaries and interest in joint ventures and associates, they are assessed for objective evidence of impairment.

This exercise is performed annually and whenever events or circumstances occur indicating that impairment may exist. The recognition and measurement of impairment are as follows:

i. <u>Non-financial assets</u>

An impairment loss is recognised for the amount by which the carrying amount of the non-financial asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Impairment loss on a revalued asset is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the same asset. Impairment loss on non-financial assets stated at historical costs is charged to profit or loss.

Except for goodwill, assets that were previously impaired are reviewed for possible reversal of the impairment at the end of each reporting period. Any subsequent increase in recoverable amount is recognised in the profit or loss unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve. Reversal of impairment loss is restricted by the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

An impairment loss recognised for goodwill is not reversed.

ii. <u>Subsidiaries, joint ventures and associates</u>

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and present value of the estimated future cash flows expected to be derived from the investment including the proceeds from its disposal. Any subsequent increase in recoverable amount is recognised in profit or loss.

iii. <u>Loans and receivables</u>

Loans and receivables are assessed individually and thereafter collectively for objective evidence of impairment. If evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

3 Summary of Principal Accounting Policies (continued)

p. Impairment (continued)

The recognition and measurement of impairment are as follows: (continued)

iv. Available-for-sale financial assets

A significant or prolonged decline in the fair value of the available-for-sale financial assets below its cost indicates that the assets are impaired. If such evidence exists, the decline in fair value together with the cumulative loss recognised in other comprehensive income, if any, is taken to profit or loss. An impairment loss recognised for equity instrument is not reversed. Reversal of impairment losses through profit or loss is made only if the financial asset is a debt instrument and the increase in fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

q. Share capital

Proceeds from ordinary shares issued are accounted for as equity, with the nominal value of the shares being separately disclosed as share capital. Cost directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds.

Dividends to owners of the Company and non-controlling interests are recognised in the statement of changes in equity in the period in which they are declared.

r. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, where the outflow of resources is probable and can be reliably estimated. Provisions are measured at the present value of the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

i. Warranties

The Group recognises the estimated liability to repair or replace products still under warranty at the end of the reporting period. This provision is calculated based on past history of the level of repairs and replacements.

ii. Risk sharing

The risk sharing arrangement is with a third party leasing company for financing customers' purchases of equipment from the Group whereby the Group guarantees the payment from its customers under the lease agreement up to a pre-determined amount. Provisions are recognised for the obligation that the Group has to pay to the leasing company should the customers default and the amount is estimated based on a percentage of risk sharing ratio over the total outstanding lease portfolio.

s. Deferred income

Deferred income comprises the following:

i. Maintenance income

Maintenance income is deferred and recognised by reference to the percentage of the estimated total costs for each of the machinery maintenance contracts and for vehicle service contracts, it is on a straight-line basis over the contractual period.

ii. Advance annualised licence fees

Advance annualised licence fees are deferred and recognised on a fixed annualised amount on a straight-line basis over the term of the golf club memberships.

iii. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received. Grants are treated as deferred income and allocated to profit or loss over the useful lives of the related assets or the period of operating expenditure to which the grants are intended to compensate.

3 Summary of Principal Accounting Policies (continued)

t. Employee costs

i. Short-term employee benefits
Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the services are rendered by employees.

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

The Group has various defined contribution pension plans in accordance with local conditions and practices in the countries in which it operates. The Group's contributions to defined contribution pension plans are charged to profit or loss in the financial year in which they relate.

iii. Defined benefit pension plans
A defined benefit pension plan is a pension plan that is not a defined contribution pension plan. Typically defined benefit pension plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The Group has various defined benefit pension plans, some of which are funded by payments from the relevant Group companies in various countries. The Group's defined benefit pension plans are determined based on a periodic actuarial valuation by external consultants where the amount of the benefits that eligible employees have earned in return for their services in the current and prior years are estimated.

The liabilities in respect of the defined benefit pension plans are the present values of the defined benefit obligations at the end of the reporting period, adjusted for actuarial gains and losses and past service costs, and reduced by the fair value of the plan assets. The defined benefit obligations, calculated using the Projected Unit Credit Method, are determined by independent actuaries, considering the estimated future cash outflows.

Actuarial gains or losses arising from market adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

iv. Termination benefits
Termination benefits are payable whenever an employee's employment is terminated in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of a proposal to encourage voluntary redundancy.

v. Share-based compensation
The Company operates an equity-settled, share-based compensation plan for the Group's employees.

Employee services received in exchange for the grant of the Company's shares are recognised as an expense in the profit or loss over the vesting period of the grant, with a corresponding increase in equity.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares granted.

Non-market vesting conditions are included in the assumptions to arrive at the number of shares that are expected to vest. At the end of the reporting period, the Group and the Company revise its estimates of the number of shares that are expected to vest. The impact of the revision of original estimates, if any, is recognised in the profit or loss, with a corresponding adjustment to equity.

The fair value of shares granted to employees of subsidiaries are recharged by the Company to the subsidiaries.

3 Summary of Principal Accounting Policies (continued)

u. Financial liabilities

The Group's financial liabilities are classified into four categories as set out in Note 54(a). The accounting policies for each of these categories, other than derivatives used for hedging as set out in Note 3(o), are as follows:

i. Financial liabilities at fair value through profit or loss
Financial liabilities are classified as fair value through profit or loss if they are held for trading. Derivatives are categorised as held for trading unless they are designated and are effective hedging instruments. The Group does not have any financial liabilities designated as fair value through profit or loss upon initial recognition.

ii. Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially at fair value plus transaction costs and thereafter, at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amounts initially recognised less cumulative amortisation recognised.

iii. Other financial liabilities
All other financial liabilities are recognised initially at fair value plus transaction costs and thereafter, at amortised cost using the effective interest method. Amortisation is charged to profit or loss.

Financial liabilities are classified as current liabilities for those having maturity dates of no more than 12 months after the end of the reporting period, and the balance is classified as non-current.

v. Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and cash held under Housing Development Accounts, net of bank overdrafts.

w. Revenue recognition

Revenue from sale of goods and performance of services are recognised at the fair value of the consideration received or receivable upon delivery of goods or performance of services, net of discounts, allowances, indirect taxes and liquidated ascertained damages.

Revenue from property development is recognised when it is probable that future economic benefits will flow to the Group, and by reference to the stage of completion of the development activity in respect of development units sold. The stage of completion is measured by the completion of a physical proportion of contract work to-date. Revenue from construction contracts is recognised on the percentage of completion method by reference to either the proportion of costs incurred to-date to the total estimated costs or the completion of a physical proportion of contract work to-date.

Other revenue is recognised on the following basis:

i. Interest income – recognised on an accrual basis, using the effective interest method

ii. Dividend income – recognised when the right to receive payment is established

iii. Rental income – recognised on a straight-line basis over the lease term

x. Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals on operating leases are charged to the profit or loss on a straight-line basis over the lease term.

3 Summary of Principal Accounting Policies (continued)

y. Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The assets are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments at the inception of the respective leases. The corresponding liabilities are classified as finance lease obligation.

Lease payments are allocated between the finance charges and finance lease obligation. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining finance lease obligation.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

z. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of those assets until the assets are substantially ready for their intended use or sale.

aa. Taxation

Taxation comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income. In this case, the tax is recognised in other comprehensive income.

The current income tax charge is the expected income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted at the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates (and laws) that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

ab. Commodity future and forward contracts

Commodity contracts are entered into to manage exposure to adverse movements in vegetable oil prices. Certain contracts are entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale or usage requirements. Accordingly, such contracts are deemed not to be financial instruments. Gains or losses arising from these contracts are deferred and included in the measurement of the purchase or sale transactions only upon the recognition of the anticipated transactions.

Contracts entered other than for the purpose of the receipt or delivery of physical commodity are treated as derivatives.

Amounts in RM million unless otherwise stated

3 Summary of Principal Accounting Policies (continued)

ac. Contingent liabilities

The Group does not recognise contingent liabilities but discloses their existence in the notes to the financial statements. A contingent liability is a possible obligation that arises from past events whose crystallisation will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that is not recognised because it cannot be measured reliably.

ad. Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management for the allocation of resources and assessment of its performance. These are affected predominantly by differences in the products and services provided. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group companies within a single segment. Intragroup transactions which in substance represent reallocation of non-current assets from a segment to another segment are also eliminated. Inter-segment pricing is based on similar terms as those available to external parties.

ae. Fair value estimation

Fair values shown in the financial statements are categorised into three different levels to increase consistency and comparability in fair value measurements. The levels of hierarchy are based on the input used to measure the fair value of an asset or a liability. The hierarchy based on highest to the lowest priority is as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities
Level 2 – valuation inputs (other than Level 1 input) that are observable for the asset or liability, either directly or indirectly
Level 3 – valuation inputs that are not based on observable market data

4 Critical Accounting Estimates and Judgement in Applying Accounting Policies

The preparation of financial statements in conforming with FRS requires the use of certain critical accounting estimates that involve complex and subjective judgements and the use of assumptions, some of which may be for matters that are inherently uncertain and susceptible to change. The Directors exercise their judgement in the process of applying the Group's accounting policies. Estimates and assumptions are based on the Directors' best knowledge of current events. Such estimates and judgement could change from period to period and have a material impact on the results, financial position, cash flows and other disclosures.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a. Purchase price allocation

Purchase prices related to business combinations and asset acquisitions are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires the Group to make assumptions, estimates and judgments regarding future events. The allocation process is inherently subjective and impacts the amount assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Group's reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment tests.

The acquisition accounting values recognised for intangible assets and deferred tax assets arising from the acquisition made during the financial year is presented in Note 50(a)(ii).

4 **Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)**

b. Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The impairment assessment on property, plant and equipment and intangible assets are disclosed in Notes 18 and 25 respectively.

c. Inventories write-down

Inventories write-down is provided based on their net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less cost to completion and selling expenses. The amount written down during the financial year is shown in Note 31.

d. Impairment of receivables

Impairment is made for receivables that the management considers the recoverability to be doubtful. On a regular basis, the management reviews the receivables' ageing report and repayment history for any objective evidence of impairment.

If the past due debts as shown in Note 29 were to impair by an additional 1%, the profit before tax of the Group will be negatively affected by RM21.3 million (2014: RM19.8 million) for the financial year.

e. Construction contracts and property development projects

The Group recognises contract and property development revenue based on percentage of completion method. Significant judgement is required in determining:

- the completeness and accuracy of the bids and/or budgets;
- the extent of the costs incurred;
- the estimation of the variation works that are recoverable from customers;
- the additional overheads due to meeting customers' request, weather and other delays;
- the subcontractors performance issues; and
- the changes in availability and proximity of equipment and material.

The foregoing factors as well as the stage of completion of contracts in progress and the mix of contracts at different margins may cause fluctuations in gross profit between periods. Substantial changes in cost estimates, particularly in complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the above judgement, the Group relies on past experience and work of specialists.

f. Performance-Based Employee Share Scheme

The Group recognises the cost of Performance-Based Employee Share Scheme by reference to the fair value of the shares granted, and revises the estimated number of shares that are expected to vest at end of the reporting period. Changes to the estimate would have an impact to the cost of unvested shares and the financial results. The cost of unvested shares as at 30 June 2015 is RM37.0 million (2014: RM39.1 million).

g. Taxation

The Group has recognised certain tax recoverable for which the Group believes that there is a reasonable basis for recognition. Where the final tax outcome of this matter is different from the amount that was initially recorded, such difference may cause a material adjustment to the carrying amount of the tax recoverable balance recorded in the period in which such determination is made. The Group has recognised certain tax recoverable which are non-current as shown in Note 27.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which temporary differences or unutilised tax losses and tax credits can be utilised. This involves judgement regarding future taxable profits of a particular entity in which the deferred tax asset has been recognised.

Amounts in RM million unless otherwise stated

4 Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)

h. Contingent liabilities

Recognition and measurement for contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business. The Group's contingent liabilities and material litigation are shown in Notes 48 and 49 respectively.

5 Revenue

Revenue for the Group represents sale of goods, performance of services, income from property development activities, construction contracts and rental income earned outside the Group, net of discounts, allowances and liquidated ascertained damages.

Revenue for the Company represents dividend income from investment in subsidiaries (unquoted).

	Group		Company	
	2015	**2014**	**2015**	**2014**
Sale of goods	**37,096.8**	37,786.5	**-**	–
Performance of services	**3,103.9**	3,289.9	**-**	–
Property development	**2,838.8**	2,313.2	**-**	–
Construction contracts	**620.9**	453.7	**-**	–
Rental income	**68.3**	64.7	**-**	–
Dividend income	**-**	–	**1,254.0**	1,955.6
	43,728.7	43,908.0	**1,254.0**	1,955.6

6 Operating Expenses

	Group		Company	
	2015	**2014**	**2015**	**2014**
Changes in inventories of finished goods and work in progress	**1,514.5**	858.2	**-**	–
Finished goods, work in progress and other direct overheads	**24,778.7**	26,007.6	**-**	–
Raw materials and consumables used	**5,635.6**	4,696.9	**-**	–
Employee costs (including Executive Director's emoluments) [note (a)]	**4,822.4**	4,892.5	**0.6**	0.7
Amortisation of prepaid lease rentals	**43.7**	42.9	**-**	–
Amortisation of intangible assets	**35.4**	33.3	**-**	–
Depreciation:				
- property, plant and equipment [note (b)]	**1,125.5**	1,061.6	**-**	–
- biological assets	**37.0**	39.7	**-**	–
- investment properties	**18.1**	17.7	**-**	–
Property development costs	**1,766.7**	1,411.1	**-**	–
Construction contract costs	**480.7**	296.5	**-**	–

6 Operating Expenses (continued)

	Group 2015	Group 2014	Company 2015	Company 2014
Replanting expenditure	**279.6**	240.0	**–**	–
Research expenditure [note (a)]	**118.7**	121.0	**–**	–
Provision of warranties and guarantees	**47.1**	121.1	**–**	–
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers Malaysia	**6.7**	6.6	**0.7**	0.7
- member firms of PricewaterhouseCoopers International Limited	**19.6**	16.7	**–**	–
- others	**0.3**	0.4	**–**	–
Fees for non-audit services*				
- PricewaterhouseCoopers Malaysia	**9.7**	3.8	**0.6**	–
- member firms of PricewaterhouseCoopers International Limited	**3.8**	3.4	**–**	–
- others	**3.1**	3.1	**–**	–
Non-Executive Directors' fees [note (c)]	**5.9**	5.8	**3.6**	3.7
Hire of plant and machinery	**116.7**	113.2	**2.7**	2.5
Operating lease payments for land and buildings	**264.6**	255.3	**0.1**	0.1
Loss on disposal of:				
- property, plant and equipment	**42.4**	7.4	**–**	–
- a subsidiary	**3.7**	–	**–**	–
- an associate	**–**	0.8	**–**	–
Write offs of:				
- property, plant and equipment	**25.1**	8.1	**–**	–
- biological assets	**9.9**	14.4	**–**	–
Impairment of:				
- property, plant and equipment	**16.2**	13.3	**–**	–
- investment properties	**4.5**	6.6	**–**	–
- intangible assets	**0.3**	11.8	**–**	–
- receivables	**60.8**	69.1	**–**	–
Other costs	**310.4**	367.7	**8.9**	5.3
	41,607.4	40,747.6	**17.2**	13.0

* The Governance & Audit Committee reviews on a quarterly basis, the engagement of the external auditors for non-audit services. Non-audit services can be offered by the external auditors if there are efficiency and value added benefits to the Group, without compromising auditor independence. Included in fees for non-audit services by the external auditor for the financial year are fees paid in relation to the post-acquisition integration and harmonisation of New Britain Palm Oil Limited and the corporate exercise for the Motors Division.

Amounts in RM million unless otherwise stated

6 Operating Expenses (continued)

	Group 2015	Group 2014	Company 2015	Company 2014
a. Employee costs				
Staff:				
- salaries, allowances, overtime and bonus	**4,501.7**	4,518.3	**0.6**	0.7
- defined benefit pension plans [Note 45]	**21.8**	0.5	**–**	–
- defined contribution pension plans	**260.9**	265.4	**–**	–
- performance-based employee share scheme	**(2.1)**	38.7	**–**	–
- termination benefits	**33.4**	62.5	**–**	–
	4,815.7	4,885.4	**0.6**	0.7
Executive Director of the Company:				
- salaries, allowances and bonus	**5.9**	5.9	**–**	–
- defined contribution pension plans	**0.8**	0.8	**–**	–
- performance-based employee share scheme	**–**	0.4	**–**	–
	6.7	7.1	**–**	–
Employee costs included in profit or loss	**4,822.4**	4,892.5	**0.6**	0.7
Employee costs included in research expenditure	**64.3**	73.6	**–**	–
Employee costs included in construction contracts [Note 30]	**6.3**	14.1	**–**	–
	4,893.0	4,980.2	**0.6**	0.7

During the financial year, the Group and Company have provided for the cost of the second grant of performance-based employee share scheme (PBESS) granted on 20 October 2014 but have reversed the provision made in respect of the first grant granted on 7 October 2013. The reversal was made following a review of the probability of achievement of the targets, particularly the performance targets. Details of the shares granted under the PBESS and its vesting conditions are disclosed in Note 38.

Estimated monetary value of benefits of the Executive Director amounted to RM32,200 (2014: RM32,200) for the Group.

	Group 2015	Group 2014	Company 2015	Company 2014
b. Depreciation on property, plant and equipment				
Depreciation included in profit or loss	**1,125.5**	1,061.6	**–**	–
Depreciation included in biological assets [Note 19]	**9.4**	11.9	**–**	–
Depreciation in relation to discontinued operations [Note 14]	**–**	43.2	**–**	–
	1,134.9	1,116.7	**–**	–

c. Non-Executive Directors' fees

Estimated monetary value of benefits of Non-executive Directors amounted to RM0.4 million (2014: RM0.3 million) for the Group and Company.

7 Other Operating Income

	Group		Company	
	2015	2014	2015	2014
Commission, handling fees and incentives	195.4	220.0	–	–
Income from investments (gross):				
- quoted shares in Malaysia	2.5	1.6	–	–
- unquoted shares	62.5	40.1	–	–
- unquoted debentures	0.1	0.2	–	–
- unit trust	1.0	0.9	–	–
Hire of plant and machinery	5.2	5.1	–	–
Rental income from land and buildings	28.4	22.4	–	–
Gain on disposal of:				
- property, plant and equipment	125.4	112.2	–	–
- prepaid lease rentals	–	1.8	–	–
- investment properties	68.1	3.0	–	–
- subsidiaries	–	19.6	–	–
- a joint venture [Note 51(b)]	157.2	–	–	–
- equity interest in an associate [Note 51(c)]	55.5	–	–	–
- unit trust	–	0.1	–	–
Surplus from liquidation of a subsidiary	–	–	5.6	–
Reversal of impairment losses of:				
- property, plant and equipment	1.2	38.2	–	–
- biological assets	–	3.3	–	–
- prepaid lease rental	1.4	–	–	–
- investment properties	–	0.1	–	–
- intangible assets	1.6	–	–	–
- receivables	60.1	47.4	–	–
Sale of scrap	16.6	18.0	–	–
Forfeitures, recoveries and other miscellaneous income	206.1	417.5	16.9	–
	988.3	951.5	22.5	–

8 Other Gains and Losses

	Group		Company	
	2015	2014	2015	2014
Foreign currency exchange gain:				
- realised	437.9	344.3	4.7	2.4
- unrealised	172.2	73.0	464.3	26.6
Foreign currency exchange loss:				
- realised	(263.3)	(310.5)	(4.7)	(2.6)
- unrealised	(339.4)	(78.6)	(461.8)	(27.3)
Fair value gain/(loss):				
- foreign currency exchange contracts	4.1	–	–	–
- commodity future contracts	3.8	(1.1)	–	–
- cross currency swap	257.2	(21.8)	–	–
- quoted warrants [Note 24]	12.0	–	–	–
Gain on ineffective portion of cash flow hedges				
- foreign currency exchange contracts	4.9	1.4	–	–
	289.4	6.7	2.5	(0.9)

Amounts in RM million unless otherwise stated

9 Joint Ventures

The Group's interest in joint ventures as at 30 June, their respective principal activities and countries of incorporation are set out in Note 57.

The Group's interest in joint ventures are as follows:

Group 2015	**Material joint ventures**	**Others**	**Total**
Share of results	**(71.2)**	**(29.4)**	**(100.6)**
Share of other comprehensive income	**66.2**	**26.6**	**92.8**
Share of total comprehensive loss	**(5.0)**	**(2.8)**	**(7.8)**
Unquoted shares, at costs	**1,887.4**	**358.5**	**2,245.9**
Share of post-acquisition reserves	**57.8**	**(8.5)**	**49.3**
Loan to a joint venture	**–**	**5.8**	**5.8**
Unrealised profit on transactions with joint ventures	**–**	**(56.7)**	**(56.7)**
Impairment losses	**–**	**(6.6)**	**(6.6)**
	1,945.2	**292.5**	**2,237.7**

2014			
Share of results	(47.3)	8.2	(39.1)
Share of other comprehensive income	81.6	2.1	83.7
Share of total comprehensive income	34.3	10.3	44.6
Unquoted shares, at costs	1,433.0	170.1	1,603.1
Share of post-acquisition reserves	199.0	(161.8)	37.2
Unrealised profit on transactions with joint ventures	–	(43.2)	(43.2)
Impairment losses	–	(6.8)	(6.8)
	1,632.0	(41.7)	1,590.3

The negative interest in joint ventures categorised as Others of RM41.7 million as at 30 June 2014 was due to the excess of the Group's share of losses over the cost of investment in Malaysia - China Hydro Joint Venture (MCH JV). On 11 August 2014, Sime Engineering Sdn Bhd and the other joint venturers of MCH JV entered into a Supplemental Agreement and a Settlement Agreement to agree on any claims, obligations and liabilities arising from MCH JV and the Civil Works 2 Package for the main civil works for the Bakun Hydroelectric Project. Accordingly, the amount of RM33.7 million as at 30 June 2015 is now classified under amounts due to joint ventures in Note 43.

9 Joint Ventures (continued)

a. Material joint ventures

In the opinion of the Directors, the joint ventures which are material to the Group are as follows:

Name of joint venture	Description
Emery Oleochemicals (M) Sdn Bhd group (Emery)	Emery is a joint venture between PTT Global Chemical and Sime Darby Plantation Sdn Bhd. Emery is principally engaged in the production and trading of oleochemicals and derivatives. It has its headquarter in Shah Alam, Malaysia with manufacturing facilities and sales and marketing offices located in Asia Pacific, Europe and North America. The joint venture allows cross leveraging of opportunities for upstream and downstream integration.
Ramsay Sime Darby Health Care Sdn Bhd group (RSDH)	RSDH was formed following the merger of Sime Darby Healthcare Sdn Bhd and Affinity Health Care Holdings Pty Ltd, a subsidiary of Ramsay Health Care Ltd, to build a quality portfolio of hospitals throughout Asia. The principle activities of RSDH are management of hospitals and provision of related healthcare services.
Battersea Project Holding Company Limited group (Battersea)	Battersea is a joint venture between S P Setia Berhad, Kwasa Global (Jersey) Limited and Sime Darby Property (Hong Kong) Limited, a subsidiary of Sime Darby Property Berhad. Battersea was formed to acquire and develop the Battersea Power Station site in London, United Kingdom and for the Group to expand its footprint into a key international market for property development and investment.

Summarised financial information

The summarised statements of comprehensive income of the joint ventures are as follows:

Group 2015	Emery	RSDH	Battersea	Total
Revenue	2,670.7	705.9	–	3,376.6
Depreciation and amortisation	(86.0)	(48.6)	(25.7)	(160.3)
Interest income	6.6	1.2	0.1	7.9
Interest expense	(30.7)	(11.7)	–	(42.4)
(Loss)/profit before tax	(15.2)	47.5	(166.8)	(134.5)
Taxation	(16.4)	(15.7)	(6.3)	(38.4)
(Loss)/profit for the financial year	(31.6)	31.8	(173.1)	(172.9)
Non-controlling interests	(2.7)	(1.4)	–	(4.1)
(Loss)/profit attributable to joint venturers	(34.3)	30.4	(173.1)	(177.0)
Other comprehensive (loss)/income	(31.2)	1.1	203.2	173.1
Total comprehensive (loss)/income attributable to joint venturers	(65.5)	31.5	30.1	(3.9)
Share of results of joint ventures	(17.2)	15.2	(69.2)	(71.2)
Share of other comprehensive (loss)/income of joint ventures	(15.6)	0.5	81.3	66.2
Share of total comprehensive (loss)/income of joint ventures	(32.8)	15.7	12.1	(5.0)

Amounts in RM million unless otherwise stated

9 Joint Ventures (continued)

a. Material joint ventures (continued)

Summarised financial information (continued)
The summarised statements of comprehensive income of the joint ventures are as follows: (continued)

Group 2014	Emery	RSDH	Battersea	Total
Revenue	3,234.6	642.9	–	3,877.5
Depreciation and amortisation	(73.0)	(56.3)	(3.9)	(133.2)
Interest income	4.6	1.4	0.1	6.1
Interest expense	(32.7)	(12.3)	–	(45.0)
(Loss)/profit before tax	(97.6)	29.1	(59.5)	(128.0)
Taxation	54.8	(24.1)	(4.0)	26.7
(Loss)/profit for the financial year	(42.8)	5.0	(63.5)	(101.3)
Non-controlling interests	(4.8)	(1.2)	–	(6.0)
(Loss)/profit attributable to joint venturers	(47.6)	3.8	(63.5)	(107.3)
Other comprehensive income	60.9	0.6	127.1	188.6
Total comprehensive income attributable to joint venturers	13.3	4.4	63.6	81.3
Share of results of joint ventures	(23.8)	1.9	(25.4)	(47.3)
Share of other comprehensive income of joint ventures	30.5	0.3	50.8	81.6
Share of total comprehensive income of joint ventures	6.7	2.2	25.4	34.3

9 Joint Ventures (continued)

a. Material joint ventures (continued)

Summarised financial information (continued)

The summarised statements of financial position of the joint ventures are as follows:

Group 2015	Emery	RSDH	Battersea	Total
Non-current assets	**1,138.2**	**1,156.8**	**1,395.3**	**3,690.3**
Current assets				
Cash and cash equivalents	**126.0**	**41.0**	**862.8**	**1,029.8**
Other current assets	**1,075.8**	**128.0**	**4,059.2**	**5,263.0**
	1,201.8	**169.0**	**4,922.0**	**6,292.8**
Non-current liabilities				
Financial liabilities	**(10.1)**	**(145.8)**	**(2,611.8)**	**(2,767.7)**
Other non-current liabilities	**–**	**(47.0)**	**–**	**(47.0)**
	(10.1)	**(192.8)**	**(2,611.8)**	**(2,814.7)**
Current liabilities				
Financial liabilities	**(880.9)**	**(0.1)**	**(1.4)**	**(882.4)**
Other current liabilities	**(545.2)**	**(162.8)**	**(1,431.4)**	**(2,139.4)**
	(1,426.1)	**(162.9)**	**(1,432.8)**	**(3,021.8)**
Non-controlling interests	**(56.9)**	**(8.2)**	**–**	**(65.1)**
Net assets	**846.9**	**961.9**	**2,272.7**	**4,081.5**

2014	Emery	RSDH	Battersea	Total
Non-current assets	1,091.0	1,151.2	849.0	3,091.2
Current assets				
Cash and cash equivalents	155.2	58.7	405.0	618.9
Other current assets	1,048.9	140.7	2,960.9	4,150.5
	1,204.1	199.4	3,365.9	4,769.4
Non-current liabilities				
Financial liabilities	(148.4)	(183.1)	(1,955.6)	(2,287.1)
Other non-current liabilities	(214.9)	(99.4)	–	(314.3)
	(363.3)	(282.5)	(1,955.6)	(2,601.4)
Current liabilities				
Financial liabilities	(638.8)	–	–	(638.8)
Other current liabilities	(360.3)	(129.5)	(766.2)	(1,256.0)
	(999.1)	(129.5)	(766.2)	(1,894.8)
Non-controlling interests	(56.8)	(8.2)	–	(65.0)
Net assets	875.9	930.4	1,493.1	3,299.4

Amounts in RM million unless otherwise stated

9 Joint Ventures (continued)

a. Material joint ventures (continued)

Summarised financial information (continued)
The development of the Battersea project commenced on 10 January 2013 with the launch of Phase 1. The total project Gross Development Value (GDV) is GBP8,534 million (equivalent to RM50,802 million). As at the end of the financial year, a total of three phases with total GDV of GBP5,144 million (equivalent to RM30,626 million) have been launched. The revenue and profit from the development will only be recognised upon fulfillment of the revenue recognition criteria based on the terms of the sale contract. Accordingly, the revenue and profit will only be recognised upon hand-over of the development.

The total development cost incurred as at 30 June 2015 of RM5,237.0 million (2014: RM3,564.1 million) is recognised as an asset and is measured at the lower of cost and net realisable value. Development cost includes interest expense capitalised during the financial year of RM140.9 million (2014: RM68.5 million).

The summarised statements of financial position reflects the amounts presented in the financial statements of the joint ventures adjusted for differences in accounting policies between the Group and the joint ventures as well as post-acquisition changes to the fair value adjustment at acquisition date.

The most recent available financial statements of the joint ventures are used in applying equity method of accounting with appropriate adjustments made for significant transactions occurring between that date and 30 June 2015.

Reconciliation
Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint ventures are as follows:

Group **2015**	**Emery**	**RSDH**	**Battersea**	**Total**
Net assets				
At 1 July 2014	**875.9**	**930.4**	**1,493.1**	**3,299.4**
Total comprehensive (loss)/income	**(65.5)**	**31.5**	**30.1**	**(3.9)**
Capital contribution	**36.5**	**–**	**749.5**	**786.0**
At 30 June 2015	**846.9**	**961.9**	**2,272.7**	**4,081.5**
Group's interest in the joint ventures (%)	**50.0**	**50.0**	**40.0**	
Interest in joint ventures	**423.5**	**481.0**	**909.1**	**1,813.6**
Goodwill	**–**	**131.6**	**–**	**131.6**
Carrying amount at end of the financial year	**423.5**	**612.6**	**909.1**	**1,945.2**
2014				
Net assets				
At 1 July 2013	862.6	926.0	1,009.1	2,797.7
Total comprehensive income	13.3	4.4	63.6	81.3
Capital contribution	–	–	420.4	420.4
At 30 June 2014	875.9	930.4	1,493.1	3,299.4
Group's interest in the joint ventures (%)	50.0	50.0	40.0	
Interest in joint ventures	438.0	465.2	597.2	1,500.4
Goodwill	–	131.6	–	131.6
Carrying amount at end of the financial year	438.0	596.8	597.2	1,632.0

9 Joint Ventures (continued)

b. Commitments and contingent liabilities

The Group has the following commitments in relation to its joint ventures:

i. The shareholders of Battersea are committed to provide further capital subscription to three of Battersea's subsidiaries following the issuance of Letters of Undertaking to the respective subsidiaries.

ii. Pursuant to the Shareholders' Agreement entered into by Weifang Sime Darby Port Co Ltd, Weifang Port Co Ltd and Shandong Hi-Speed Transport and Logistic Investment Co Ltd, in relation to the establishment of the joint venture, Weifang Port Services Co Ltd (WPS), the Group has injected a total of RMB333.0 million (equivalent to RM183.4 million), comprising cash of RMB111.0 million (equivalent to RM59.8 million) and its 10,000 tonne class sea channel and wave breaker for RMB222 million (equivalent to RM123.6 million).

The balance consideration of RMB37.0 million (equivalent to RM22.6 million) for the Group's 37% equity interest in WPS, is payable on 31 December 2015.

There are no contingent liabilities relating to the Group's interest in the joint ventures, other than as disclosed in Note 43(c).

10 Associates

The Group's interest in the associates as at 30 June, their respective principal activities and countries of incorporation are set out in Note 57.

The Group's interest in associates are as follows:

Group **2015**	**Material associates**	**Others**	**Total**
Share of results	**(44.0)**	**22.6**	**(21.4)**
Share of other comprehensive (loss)/income	**(0.3)**	**18.5**	**18.2**
Share of total comprehensive (loss)/income	**(44.3)**	**41.1**	**(3.2)**
Share of capital reserve	**(2.9)**	**–**	**(2.9)**
Quoted shares in Malaysia, at costs	**554.2**	**–**	**554.2**
Unquoted shares, at costs	**525.8**	**331.7**	**857.5**
Share of post-acquisition reserves	**67.8**	**246.0**	**313.8**
Loan to an associate	**–**	**7.7**	**7.7**
Unrealised profit on transactions with associates	**(142.6)**	**(1.7)**	**(144.3)**
Impairment losses	**–**	**(6.7)**	**(6.7)**
	1,005.2	**577.0**	**1,582.2**

Amounts in RM million unless otherwise stated

10 Associates (continued)

The Group's interest in associates are as follows: (continued)

Group 2014	Material associates	Others	Total
Share of results	108.4	30.9	139.3
Share of other comprehensive loss	(0.2)	(1.0)	(1.2)
Share of total comprehensive income	108.2	29.9	138.1
Share of capital reserve	1.9	–	1.9
Quoted shares in Malaysia, at costs	554.2	–	554.2
Unquoted shares, at costs	525.8	233.0	758.8
Share of post-acquisition reserves	128.5	229.6	358.1
Unrealised profit on transactions with associates	(141.8)	(1.7)	(143.5)
Impairment losses	–	(6.6)	(6.6)
	1,066.7	454.3	1,521.0

The loan to an associate is unsecured and bears interest at 7.85% per annum (2014: Nil).

a. Material associates

In the opinion of the Directors, the associates which are material to the Group are as follows:

Name of associate	Description
Eastern & Oriental Berhad group (E&O)	E&O is a company listed on the Main Market of Bursa Malaysia Securities Berhad. The stake in E&O enables the Group to extend its presence in the property development and hospitality sectors, beyond the Greater Kuala Lumpur region, specifically in Penang and Johor. The equity interest in E&O has reduced from 31.9% to 22.0% following the completion of disposal on 23 July 2014.
Tesco Stores (Malaysia) Sdn Bhd (Tesco)	Tesco was established on 29 November 2001 as a result of a strategic alliance between Tesco PLC and the Group. Tesco owns and operates over fifty (50) hypermarkets in Malaysia. The investment enables the Group to establish its footprint into the consumer retail business in Malaysia.
Seriemas Development Sdn Bhd group (Seriemas)	The Group's interest in Seriemas was following the merger with Golden Hope Plantations Bhd (GHPB) in November 2007. The equity interest of 40.0% arose from a rationalisation exercise by GHPB in November 2004 which involves the acquisition of plantation assets by GHPB and the dilution of GHPB's 100.0% interest in property development companies. Seriemas currently owns landbanks in Malaysia and is involved in property development and investment.

10 Associates (continued)

a. Material associates (continued)

Summarised financial information

The summarised statements of comprehensive income of and dividends received from the associates are as follows:

Group 2015	E&O	Tesco	Seriemas	Total
Revenue	449.5	4,596.6	108.2	5,154.3
Depreciation and amortisation	(20.8)	(205.1)	(0.5)	(226.4)
Interest income	6.2	0.3	4.0	10.5
Interest expense	(35.4)	(174.5)	(0.2)	(210.1)
Profit/(loss) before tax	153.6	(274.1)	26.6	(93.9)
Taxation	(45.5)	28.6	(5.9)	(22.8)
Profit/(loss) for the financial year	108.1	(245.5)	20.7	(116.7)
Non-controlling interests	(4.6)	–	0.1	(4.5)
Profit/(loss) attributable to owners of associates	103.5	(245.5)	20.8	(121.2)
Other comprehensive loss	(0.5)	–	(0.2)	(0.7)
Total comprehensive income/(loss) attributable to owners of associates	103.0	(245.5)	20.6	(121.9)
Share of results of associates	21.4	(73.7)	8.3	(44.0)
Share of other comprehensive loss of associates	(0.2)	–	(0.1)	(0.3)
Share of total comprehensive income/(loss) of associates	21.2	(73.7)	8.2	(44.3)
Share of capital reserve of associates	–	(2.9)	–	(2.9)
Dividends received from associates	7.3	–	7.2	14.5

Amounts in RM million unless otherwise stated

10 Associates (continued)

a. Material associates (continued)

Summarised financial information (continued)
The summarised statements of comprehensive income of and dividends received from the associates are as follows: (continued)

Group 2014	E&O	Tesco	Seriemas	Total
Revenue	497.1	4,646.8	235.3	5,379.2
Depreciation and amortisation	(23.6)	(182.9)	(0.5)	(207.0)
Interest income	9.3	0.6	–	9.9
Interest expense	(34.7)	(145.5)	(1.5)	(181.7)
Profit before tax	131.7	142.9	189.0	463.6
Taxation	(48.3)	(60.7)	(41.0)	(150.0)
Profit for the financial year	83.4	82.2	148.0	313.6
Non-controlling interests	(6.5)	–	0.5	(6.0)
Profit attributable to owners of associates	76.9	82.2	148.5	307.6
Other comprehensive (loss)/income	(1.6)	–	0.7	(0.9)
Total comprehensive income attributable to owners of associates	75.3	82.2	149.2	306.7
Share of results of associates	24.4	24.6	59.4	108.4
Share of other comprehensive (loss)/income of associates	(0.5)	–	0.3	(0.2)
Share of total comprehensive income of associates	23.9	24.6	59.7	108.2
Share of capital reserve of associates	2.4	(0.5)	–	1.9
Dividends received from associates	11.9	–	–	11.9

Strategic Report | Corporate Governance | Financial Reports | Other Information

10 Associates (continued)

a. Material associates (continued)

Summarised financial information (continued)
The summarised statements of financial position of the associates are as follows:

Group 2015	E&O	Tesco	Seriemas	Total
Non-current assets	**2,481.0**	**3,663.9**	**452.6**	**6,597.5**
Current assets				
Cash and cash equivalents	**199.6**	**59.2**	**92.0**	**350.8**
Other current assets	**1,520.3**	**646.0**	**470.1**	**2,636.4**
	1,719.9	**705.2**	**562.1**	**2,987.2**
Non-current liabilities				
Financial liabilities	**(709.6)**	**(2,836.3)**	**(4.1)**	**(3,550.0)**
Other non-current liabilities	**(82.8)**	**(277.3)**	**–**	**(360.1)**
	(792.4)	**(3,113.6)**	**(4.1)**	**(3,910.1)**
Current liabilities				
Financial liabilities	**(453.0)**	**(226.0)**	**(0.6)**	**(679.6)**
Other current liabilities	**(173.7)**	**(969.9)**	**(61.5)**	**(1,205.1)**
	(626.7)	**(1,195.9)**	**(62.1)**	**(1,884.7)**
Non-controlling interests	**(47.1)**	**–**	**1.7**	**(45.4)**
Net assets	**2,734.7**	**59.6**	**950.2**	**3,744.5**
2014				
Non-current assets	2,750.0	3,797.9	461.1	7,009.0
Current assets				
Cash and cash equivalents	277.1	83.5	90.2	450.8
Other current assets	627.7	601.2	454.0	1,682.9
	904.8	684.7	544.2	2,133.7
Non-current liabilities				
Financial liabilities	(544.0)	(2,736.3)	(4.7)	(3,285.0)
Other non-current liabilities	(76.3)	(407.5)	–	(483.8)
	(620.3)	(3,143.8)	(4.7)	(3,768.8)
Current liabilities				
Financial liabilities	(184.1)	(95.0)	–	(279.1)
Other current liabilities	(142.9)	(928.8)	(54.6)	(1,126.3)
	(327.0)	(1,023.8)	(54.6)	(1,405.4)
Non-controlling interests	(42.5)	–	1.6	(40.9)
Net assets	2,665.0	315.0	947.6	3,927.6

Amounts in RM million unless otherwise stated

10 Associates (continued)

a. Material associates (continued)

Summarised financial information (continued)
The summarised statements of financial position reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates as well as post-acquisition changes to the fair value adjustment at acquisition date.

The most recent available financial statements of the associates are used in applying equity method of accounting with appropriate adjustments made for significant transactions occurring between that date and 30 June 2015.

Reconciliation
Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associates are as follows:

Group 2015	E&O	Tesco	Seriemas	Total
Net assets				
At 1 July 2014	**2,665.0**	**315.0**	**947.6**	**3,927.6**
Total comprehensive income/(loss)	**103.0**	**(245.5)**	**20.6**	**(121.9)**
Dividends paid	**(33.3)**	**–**	**(18.0)**	**(51.3)**
Reserves movement	**–**	**(9.9)**	**–**	**(9.9)**
At 30 June 2015	**2,734.7**	**59.6**	**950.2**	**3,744.5**
Group's interest in the associates (%)	**22.0***	**30.0**	**40.0**	
Interest in associates	**601.8**	**17.9**	**380.1**	**999.8**
Goodwill	**5.4**	**–**	**–**	**5.4**
Carrying amount at end of the financial year	**607.2**	**17.9**	**380.1**	**1,005.2**
Market value at end of the financial year	**456.2**	**–**	**–**	
2014				
Net assets				
At 1 July 2013	2,616.1	234.3	798.4	3,648.8
Total comprehensive income	75.3	82.2	149.2	306.7
Dividends paid	(37.3)	–	–	(37.3)
Reserves movement	10.9	(1.5)	–	9.4
At 30 June 2014	2,665.0	315.0	947.6	3,927.6
Group's interest in the associates (%)	22.1*	30.0	40.0	
Interest in associates	587.8	94.4	379.1	1,061.3
Goodwill	5.4	–	–	5.4
Carrying amount at end of the financial year	593.2	94.4	379.1	1,066.7
Market value at end of the financial year	670.9	–	–	

* the Group's interest in E&O has diluted from 22.1% to 22.0% following the issuance of new ordinary stock units by E&O pursuant to its long-term stock incentive plan.

10 Associates (continued)

a. Material associates (continued)

Reconciliation (continued)
The market value of the Group's interest in E&O as at 30 June 2015 was RM456.2 million, which was approximately RM151.0 million below its carrying value. The Directors are of the view that the decline in E&O's share price is not prolonged nor significant, hence does not provide objective evidence of impairment.

b. Commitments and contingent liabilities

There are no commitment nor contingent liabilities relating to the Group's interest in the associates, other than as disclosed in Note 43(c).

11 Finance Income

	Group		Company	
	2015	**2014**	**2015**	**2014**
Interest income from:				
- subsidiaries	**–**	–	**167.0**	190.7
- banks and other financial institutions	**106.5**	91.4	**0.3**	0.7
- financial guarantees in respect of credit facilities granted to:				
- certain subsidiaries	**–**	–	**20.6**	8.9
- others	**0.3**	0.7	**–**	–
- other interest income	**53.9**	34.2	**–**	–
	160.7	126.3	**187.9**	200.3
Accretion of discount [Note 29(a)]	**35.6**	34.5	**–**	–
	196.3	160.8	**187.9**	200.3

12 Finance Costs

	Group		Company	
	2015	**2014**	**2015**	**2014**
Interest expense paid:				
- banks and other financial institutions	**308.0**	209.8	**8.3**	12.7
- finance lease obligation	**5.3**	5.8	**–**	–
- a subsidiary	**–**	–	**72.5**	70.8
Net change in fair value of interest rate swap contracts	**(13.8)**	–	**–**	–
Cross currency swap interest	**70.3**	44.1	**–**	–
	369.8	259.7	**80.8**	83.5
Islamic financing distribution payment:				
- Sukuk	**71.6**	65.7	**–**	–
- Medium Term Notes	**88.2**	107.5	**88.2**	107.5
- other facilities	**52.0**	8.7	**–**	–
	211.8	181.9	**88.2**	107.5

Amounts in RM million unless otherwise stated

12 Finance Costs (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
Total finance costs	**581.6**	441.6	**169.0**	191.0
Interest capitalised in:				
- property, plant and equipment [Note 18]	**(17.9)**	(7.5)	**–**	–
- biological assets [Note 19]	**(12.0)**	–	**–**	–
- intangible assets	**(9.7)**	–	**–**	–
- construction contracts cost [Note 30]	**(16.6)**	(4.6)	**–**	–
- property development costs [Note 32]	**(54.8)**	(14.5)	**–**	–
Net finance costs	**470.6**	415.0	**169.0**	191.0

13 Taxation

	Group		Company	
	2015	**2014**	**2015**	**2014**
Income tax:				
In respect of current year				
- Malaysian income tax	**321.3**	459.7	**–**	0.4
- foreign income tax	**412.1**	499.3	**–**	–
In respect of prior years				
- Malaysian income tax	**(28.0)**	(11.0)	**–**	(0.4)
- foreign income tax	**(1.6)**	(0.5)	**–**	–
Total income tax	**703.8**	947.5	**–**	–
Deferred tax:				
- origination and reversal of temporary differences	**63.8**	32.2	**(0.5)**	(0.6)
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	**(95.6)**	(2.6)	**–**	–
- effects of change in tax base applicable to unrealised profit following changes to the land use	**(105.0)**	(167.4)	**–**	–
- effects of change in tax rate	**–**	(102.2)	**–**	–
Total deferred tax	**(136.8)**	(240.0)	**(0.5)**	(0.6)
Total tax expense/(credit)	**567.0**	707.5	**(0.5)**	(0.6)

13 Taxation (continued)

Tax reconciliation

Reconciliation from tax at applicable tax rate to tax expense/(credit) is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
Profit before tax	**3,002.7**	3,964.6	**1,280.7**	1,951.0
Less: Share of results of joint ventures	**100.6**	39.1	**–**	–
Share of results of associates	**21.4**	(139.3)	**–**	–
	3,124.7	3,864.4	**1,280.7**	1,951.0
Applicable tax	**764.8**	905.1	**320.2**	487.7
Withholding tax on foreign income	**53.8**	29.8	**–**	–
Effects of tax incentives and non-taxable income:				
- single tier dividends	**(16.4)**	(10.2)	**(313.5)**	(488.9)
- foreign currency exchange gain	**(77.4)**	(45.6)	**(116.1)**	(6.6)
- gains on disposal of a joint venture and equity interest in an associate	**(53.2)**	–	**–**	–
- tax incentives and other income	**(117.6)**	(99.4)	**(10.8)**	(3.5)
Effects of non-deductible expenses:				
- foreign currency exchange loss	**41.8**	26.2	**115.4**	6.8
- depreciation and amortisation on non-qualifying assets and other expenses	**142.9**	120.0	**4.3**	4.3
Deferred tax assets not recognised in respect of current year's tax losses	**58.5**	65.3	**–**	–
Over provision in prior years	**(29.6)**	(11.5)	**–**	(0.4)
Effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	**(95.6)**	(2.6)	**–**	–
Effects of change in tax base applicable to unrealised profit following changes to the land use	**(105.0)**	(167.4)	**–**	–
Effects of change in tax rate	**–**	(102.2)	**–**	–
Tax expense/(credit) for the financial year	**567.0**	707.5	**(0.5)**	(0.6)
Applicable tax rate (%)	**24.5**	23.4	**25.0**	25.0
Effective tax rate (%)	**18.1**	18.3	**(0.0)**	(0.0)

The applicable tax of the Group represents the consolidation of all Group companies' applicable tax based on their respective domestic tax rates. The applicable tax of the Company is the product of the profit before tax multiplied by the domestic tax rate of the Company.

The applicable tax rate of the Group has increased from 23.4% to 24.5% mainly due to the changes in the proportion of income contributed by subsidiaries which are subjected to different statutory income tax rate.

Amounts in RM million unless otherwise stated

14 Discontinued Operations

The discontinued operations in the previous financial year were in respect of the power generation business under the Energy & Utilities Division.

The results and cash flows of the discontinued operations for the financial year ended 30 June 2014 were as follows:

a. Results

	2014
Revenue	659.8
Profit before interest and tax	155.5
Finance income	3.2
Finance costs	(1.9)
Profit before tax	156.8
Taxation	(37.4)
Profit after tax	119.4
Gain on disposal of discontinued operations	144.0
Net profit from discontinued operations	263.4
Profit attributable to owners of:	
- the Company	239.9
- non-controlling interest	23.5
	263.4
Other comprehensive income/(loss)	
Currency translation differences	(4.4)
Currency translation differences reclassified to profit or loss on disposal of subsidiaries	12.4
Total other comprehensive income from discontinued operations attributable to owners of the Company	8.0

Included in the results were:

Employee costs	18.7
Amortisation of intangible assets	0.2
Depreciation on property, plant and equipment	43.2
Auditors' remuneration	0.2
Operating lease payable for land and buildings	1.1
Write off of property, plant and equipment	0.1

14 Discontinued Operations (continued)

The results and cash flows of the discontinued operations for the financial year ended 30 June 2014 were as follows: (continued)

a. Results (continued)

	2014
Taxation	
Income tax:	
In respect of current financial year	
- Malaysian income tax	35.1
- foreign income tax	2.7
In respect of prior financial years	
- Malaysian income tax	(5.9)
Total income tax	31.9
Deferred tax:	
- origination and reversal of temporary differences	5.5
Total tax expense	37.4

b. Cash flows

Cash flow from operating activities	
Profit after tax	119.4
Adjustments for non-cash items	79.8
	199.2
Changes in working capital	54.0
Cash generated from operations	253.2
Tax paid	(41.3)
Net cash from operating activities	211.9
Cash flow from investing activities	
Finance income received	3.3
Net cash inflow from disposal of subsidiaries	575.7
Purchase of property, plant and equipment	(6.0)
Net cash from investing activities	573.0
Cash flow from financing activities	
Finance costs paid	(2.6)
Dividend paid to non-controlling interest	(10.1)
Net cash used in financing activities	(12.7)

Amounts in RM million unless otherwise stated

15 Earnings Per Share

Basic and diluted earnings per share attributable to owners of the Company are computed as follows:

	Group	
	2015	**2014**
Basic		
Profit for the financial year		
- from continuing operations	**2,312.8**	3,112.8
- from discontinued operations	**–**	239.9
	2,312.8	3,352.7
Weighted average number of ordinary shares in issue (million) *	**6,138.4**	6,040.4
Earnings per share (sen)		
- from continuing operations	**37.68**	51.53
- from discontinued operations	**–**	3.97
	37.68	55.50
Diluted		
Profit for the financial year		
- from continuing operations **	**2,312.4**	3,112.4
- from discontinued operations	**–**	239.9
	2,312.4	3,352.3
Weighted average number of ordinary shares in issue (million) *	**6,138.4**	6,040.4
Diluted earnings per share (sen)		
- from continuing operations	**37.67**	51.53
- from discontinued operations	**–**	3.97
	37.67	55.50

* comparatives restated for effect of Dividend Reinvestment Plan

** adjusted for the dilutive effect of long-term stock incentive plan of an associate of RM0.4 million (2014: RM0.4 million).

16 Dividends

	Group/Company	
	2015	**2014**
Final single tier dividend of 30.0 sen per share (2014: 27.0 sen per share) for the financial year ended 30 June 2014 paid on 5 January 2015	**1,819.2**	1,622.6
Interim single tier dividend of 6.0 sen per share (2014: 6.0 sen per share) for the financial year ended 30 June 2015 paid on 8 May 2015	**372.7**	363.8
	2,191.9	1,986.4
Dividends paid by way of:		
- issuance of shares pursuant to the Dividend Reinvestment Plan	**1,314.6**	482.5
- cash	**877.3**	1,503.9
	2,191.9	1,986.4

In respect of the final dividend for the financial year ended 30 June 2014, of the total final dividend payable on 5 January 2015 of RM1,819.2 million, RM1,314.6 million was satisfied by the issuance of 147,051,477 new Sime Darby Shares pursuant to the Dividend Reinvestment Plan (DRP) while the balance of RM504.6 million was paid in cash (see Note 37).

At the forthcoming Annual General Meeting (AGM), a final single tier dividend of 19.0 sen per ordinary share of RM0.50 each amounting to RM1,180.1 million (Final Dividend) in respect of the financial year ended 30 June 2015, will be proposed for shareholders' approval. Subject to the relevant regulatory approvals being obtained and shareholders' approval at the forthcoming AGM for the renewal of the authority to allot and issue new Sime Darby Shares for the purpose of the implementation of the DRP, shareholders of the Company will be given an option pursuant to the DRP to reinvest their entire Final Dividend or a portion thereof into new Sime Darby Shares at an issue price to be determined and announced at a later date.

Amounts in RM million unless otherwise stated

17 Other Comprehensive Income/(Loss)

Other comprehensive income/(loss) and the tax effects are analysed as follows:

Group 2015	**Hedging reserve**	**Available-for-sale reserve**
Currency translation differences:		
- subsidiaries	**–**	**–**
Net change in fair value of:		
- investments	**–**	**(22.1)**
- cash flow hedges	**194.4**	**–**
Actuarial losses on defined benefit pension plans	**–**	**–**
Reclassified to profit or loss:		
- currency translation differences:		
- on repayment of net investments	**–**	**–**
- on disposal of a subsidiary	**–**	**–**
- changes in fair value of cash flow hedges as adjustment to:		
- revenue	**4.1**	**–**
- other gains and losses	**(254.5)**	**–**
Reclassified changes in fair value of cash flow hedges to inventories	**(20.9)**	**–**
Share of other comprehensive (loss)/income of:		
- joint ventures	**(0.4)**	**–**
- associates	**–**	**(3.6)**
Other comprehensive (loss)/income before tax	**(77.3)**	**(25.7)**
Taxation	**16.9**	**–**
Continuing operations	**(60.4)**	**(25.7)**
2014		
Currency translation differences:		
- subsidiaries	–	–
Net change in fair value of:		
- investments	–	11.8
- cash flow hedges	17.7	–
Actuarial losses on defined benefit pension plans	–	–
Reclassified to profit or loss:		
- currency translation differences on repayment of net investment in subsidiaries	–	–
- changes in fair value on disposal of investments	–	(0.1)
- changes in fair value of cash flow hedges as adjustment to:		
- revenue	(2.1)	–
- other gains and losses	21.8	–
Reclassified changes in fair value of cash flow hedges to inventories	49.5	–
Share of other comprehensive income/(loss) of:		
- joint ventures	0.2	–
- associates	–	(1.1)
Other comprehensive income/(loss) before tax	87.1	10.6
Taxation	(26.6)	–
Continuing operations	60.5	10.6

Exchange reserve	Retained profits	Non-controlling interests	Total	Tax effects	Net of tax
694.7	**–**	**56.8**	**751.5**	**–**	**751.5**
–	**–**	**–**	**(22.1)**	**–**	**(22.1)**
–	**–**	**–**	**194.4**	**(66.7)**	**127.7**
–	**(6.1)**	**(0.5)**	**(6.6)**	**1.7**	**(4.9)**
(151.5)	**–**	**–**	**(151.5)**	**–**	**(151.5)**
0.5	**–**	**–**	**0.5**	**–**	**0.5**
–	**–**	**–**	**4.1**	**–**	**4.1**
–	**–**	**(0.1)**	**(254.6)**	**77.2**	**(177.4)**
–	**–**	**–**	**(20.9)**	**6.4**	**(14.5)**
114.1	**(20.9)**	**–**	**92.8**	**–**	**92.8**
21.8	**–**	**–**	**18.2**	**–**	**18.2**
679.6	**(27.0)**	**56.2**	**605.8**	**18.6**	**624.4**
–	**1.5**	**0.2**	**18.6**		
679.6	**(25.5)**	**56.4**	**624.4**		
(375.0)	–	(62.1)	(437.1)	–	(437.1)
–	–	0.1	11.9	–	11.9
–	–	–	17.7	(5.7)	12.0
–	(18.5)	(0.6)	(19.1)	(0.2)	(19.3)
(113.4)	–	–	(113.4)	–	(113.4)
–	–	–	(0.1)	–	(0.1)
–	–	–	(2.1)	–	(2.1)
–	–	–	21.8	(6.1)	15.7
–	–	–	49.5	(14.8)	34.7
65.9	17.6	–	83.7	–	83.7
(0.1)	–	–	(1.2)	–	(1.2)
(422.6)	(0.9)	(62.6)	(388.4)	(26.8)	(415.2)
–	(0.4)	0.2	(26.8)		
(422.6)	(1.3)	(62.4)	(415.2)		

Amounts in RM million unless otherwise stated

18 Property, Plant and Equipment

Group	Freehold land	Long leasehold land	Short leasehold land
2015			
At 1 July 2014	**2,770.6**	**860.9**	**378.7**
Acquisition of subsidiaries [Note 50(a)]	**88.5**	**524.0**	**–**
Disposal of subsidiaries [Note 51(a)]	**–**	**–**	**–**
Additions	**0.9**	**0.3**	**0.7**
Disposals	**(13.3)**	**–**	**(0.1)**
Write offs	**(0.6)**	**–**	**–**
Impairment losses	**–**	**–**	**–**
Reversal of impairment losses	**–**	**–**	**–**
Transfer from/(to):			
- investment properties [Note 21]	**14.4**	**–**	**(5.8)**
- land held for property development [Note 22]	**(17.4)**	**–**	**–**
- inventories	**–**	**–**	**–**
- property development cost [Note 32]	**–**	**–**	**–**
- non-current assets held for sale [Note 36]	**(0.1)**	**(0.2)**	**(0.4)**
Reclassification	**–**	**27.0**	**–**
Depreciation	**–**	**(31.8)**	**(2.6)**
Exchange differences	**4.0**	**58.7**	**16.6**
At 30 June 2015	**2,847.0**	**1,438.9**	**387.1**
Cost/valuation	**2,847.6**	**1,641.4**	**628.4**
Accumulated depreciation	**–**	**(185.8)**	**(235.3)**
Accumulated impairment losses	**(0.6)**	**(16.7)**	**(6.0)**
Carrying amount at end of the financial year	**2,847.0**	**1,438.9**	**387.1**
2014			
At 1 July 2013	2,717.8	862.0	384.5
Acquisition of subsidiaries	–	–	–
Disposal of subsidiaries	(14.4)	–	–
Additions	63.3	1.0	3.9
Disposals	(6.8)	(1.0)	(0.4)
Write offs	–	–	–
Impairment losses	(5.5)	–	–
Reversal of impairment losses	1.1	–	–
Transfer from/(to):			
- prepaid lease rentals [Note 20]	–	–	–
- investment properties [Note 21]	(7.3)	–	–
- land held for property development [Note 22]	(6.4)	–	–
- inventories	–	–	–
- property development cost [Note 32]	–	–	–
- non-current assets held for sale [Note 36]	(10.1)	–	–
Reclassification	29.4	–	–
Depreciation	–	(6.8)	(10.5)
Exchange differences	9.5	5.7	1.2
At 30 June 2014	2,770.6	860.9	378.7
Cost/valuation	2,777.2	1,015.1	613.2
Accumulated depreciation	–	(144.0)	(227.3)
Accumulated impairment losses	(6.6)	(10.2)	(7.2)
Carrying amount at end of the financial year	2,770.6	860.9	378.7

Buildings	Plant and machinery	Rental assets	Vehicles, equipment and fixtures	Capital work in progress	Total
5,335.0	**1,862.9**	**1,229.3**	**986.4**	**922.9**	**14,346.7**
597.7	**801.4**	**–**	**167.3**	**81.2**	**2,260.1**
(35.0)	**(25.6)**	**–**	**(0.4)**	**–**	**(61.0)**
99.7	**106.2**	**325.5**	**220.3**	**858.2**	**1,611.8**
(268.5)	**(69.0)**	**–**	**(62.6)**	**(8.5)**	**(422.0)**
(14.9)	**(6.2)**	**(0.7)**	**(0.8)**	**(1.9)**	**(25.1)**
(14.5)	**–**	**(1.7)**	**–**	**–**	**(16.2)**
0.4	**0.4**	**–**	**–**	**0.4**	**1.2**
(1.0)	**–**	**–**	**–**	**–**	**7.6**
–	**–**	**–**	**–**	**–**	**(17.4)**
–	**–**	**(573.5)**	**(3.8)**	**–**	**(577.3)**
5.1	**–**	**–**	**–**	**–**	**5.1**
(3.4)	**(2.1)**	**–**	**0.5**	**(0.1)**	**(5.8)**
490.1	**298.3**	**(0.2)**	**82.8**	**(898.0)**	**–**
(261.3)	**(325.0)**	**(238.6)**	**(275.6)**	**–**	**(1,134.9)**
206.7	**212.3**	**10.1**	**38.2**	**45.1**	**591.7**
6,136.1	**2,853.6**	**750.2**	**1,152.3**	**999.3**	**16,564.5**
8,110.2	**5,244.5**	**1,187.8**	**3,013.1**	**1,010.0**	**23,683.0**
(1,911.8)	**(2,278.4)**	**(429.9)**	**(1,854.1)**	**–**	**(6,895.3)**
(62.3)	**(112.5)**	**(7.7)**	**(6.7)**	**(10.7)**	**(223.2)**
6,136.1	**2,853.6**	**750.2**	**1,152.3**	**999.3**	**16,564.5**
4,310.5	2,316.4	1,336.0	1,050.9	1,118.3	14,096.4
11.6	7.0	–	18.2	–	36.8
(10.0)	(394.2)	–	(13.3)	(2.2)	(434.1)
364.7	151.3	453.0	183.3	832.0	2,052.5
(30.7)	(21.0)	–	(17.1)	(0.4)	(77.4)
(2.3)	(4.3)	–	(1.6)	–	(8.2)
(0.6)	(3.7)	(3.5)	–	–	(13.3)
19.4	16.2	0.9	0.6	–	38.2
215.2	–	–	–	–	215.2
(22.0)	–	–	–	–	(29.3)
–	–	–	–	–	(6.4)
11.3	–	(280.8)	1.8	(0.8)	(268.5)
4.6	–	–	–	–	4.6
(2.8)	–	–	(2.8)	–	(15.7)
771.4	130.5	(0.5)	41.6	(972.4)	–
(228.7)	(297.8)	(295.8)	(277.1)	–	(1,116.7)
(76.6)	(37.5)	20.0	1.9	(51.6)	(127.4)
5,335.0	1,862.9	1,229.3	986.4	922.9	14,346.7
7,007.6	3,942.6	1,847.8	2,689.0	932.0	20,824.5
(1,625.7)	(1,960.2)	(611.1)	(1,697.3)	–	(6,265.6)
(46.9)	(119.5)	(7.4)	(5.3)	(9.1)	(212.2)
5,335.0	1,862.9	1,229.3	986.4	922.9	14,346.7

Amounts in RM million unless otherwise stated

18 Property, Plant and Equipment (continued)

Included in additions to the capital work in progress of the Group is interest expense capitalised of RM17.9 million (2014: RM7.5 million).

Certain plantation land of the Group are used as underlying assets (Sukuk Assets) for the Sukuk issued in January 2013 which is based on the Shariah Principle of Ijarah (see Note 41(d)). The structure does not represent collaterisation and there was no transfer of registered title of the Sukuk Assets. The carrying amount of the Sukuk Assets as at 30 June 2015 amounted to RM527.6 million (2014: RM530.4 million).

Property, plant and equipment with a total carrying amount of RM1,849.8 million (2014: RM143.5 million) were pledged as security for borrowings (see Note 41). In addition, included in plant and machinery is an amount of RM137.3 million (2014: RM146.3 million) acquired under finance leases (see Note 42).

During the financial year, the Group carried out a review of the recoverable amount of its property, plant and equipment. The review led to the recognition of a net impairment of RM15.0 million, of which RM14.5 million was due to the impairment of the Plantation downstream's property, plant and equipment to its fair value less costs to disposal.

Reconciliation of the additions to the cash flow for purchase of property, plant and equipment is as follows:

	Group	
	2015	**2014**
Additions for the financial year	**1,611.8**	2,052.5
Add:		
Payment made for previous year's additions	**139.6**	–
Less:		
Additions to rental assets, included as changes in working capital in the statements of cash flows	**(325.5)**	(453.0)
Interest expense capitalised in capital work in progress	**(17.9)**	(7.5)
Amounts not yet due for payment	**(63.8)**	(150.8)
Total cash payments during the financial year	**1,344.2**	1,441.2
Included in cash flow from investing activities of:		
- continuing operations	**1,344.2**	1,435.2
- discontinued operations [Note 14(b)]	**–**	6.0
	1,344.2	1,441.2

19 Biological Assets

Group 2015	Oil palm	Rubber trees	Growing cane	Livestock	Total
At 1 July 2014	**2,498.8**	**35.3**	**–**	**–**	**2,534.1**
Acquisition of subsidiaries [Note 50(a)]	**2,860.9**	**–**	**92.5**	**44.8**	**2,998.2**
Additions	**246.4**	**12.3**	**–**	**–**	**258.7**
Write offs	**(9.4)**	**(0.5)**	**–**	**–**	**(9.9)**
Depreciation	**(37.0)**	**–**	**–**	**–**	**(37.0)**
Exchange differences	**324.5**	**0.1**	**8.0**	**5.5**	**338.1**
At 30 June 2015	**5,884.2**	**47.2**	**100.5**	**50.3**	**6,082.2**
Non-current	**5,884.2**	**47.2**	**–**	**8.8**	**5,940.2**
Current	**–**	**–**	**100.5**	**41.5**	**142.0**
	5,884.2	**47.2**	**100.5**	**50.3**	**6,082.2**
2014					
At 1 July 2013	2,469.7	28.8	–	–	2,498.5
Additions	207.1	6.9	–	–	214.0
Write offs	(13.9)	(0.5)	–	–	(14.4)
Reversal of impairment losses	3.3	–	–	–	3.3
Depreciation	(39.7)	–	–	–	(39.7)
Exchange differences	(127.7)	0.1	–	–	(127.6)
At 30 June 2014	2,498.8	35.3	–	–	2,534.1
Non-current	2,498.8	35.3	–	–	2,534.1

Included in additions are depreciation and interest expense capitalised of RM9.4 million (2014: RM11.9 million) and RM12.0 million (2014: Nil), respectively.

The total new planting and replanting expenditure incurred during the financial year are as follows:

	Group 2015	Group 2014
New planting	**258.7**	214.0
Replanting expenditure [Note 6]	**279.6**	240.0
	538.3	454.0

Certain biological assets of the Group are used as underlying assets (Sukuk Assets) for the Sukuk issued in January 2013 which is based on the Shariah Principle of Ijarah. The structure does not represent collaterisation and there was no transfer of registered title of the Sukuk Assets. The carrying amount of the Sukuk Assets as at 30 June 2015 amounted to RM289.2 million (2014: RM289.2 million).

Biological assets with a total carrying amount of RM2,022.4 million (2014: Nil) were pledged as security for borrowings (see Note 41).

Amounts in RM million unless otherwise stated

20 Prepaid Lease Rentals

The prepaid lease rentals are payments for rights in respect of the following:

Group 2015	Long leasehold land	Short leasehold land	Total
At 1 July 2014	**2.5**	**903.0**	**905.5**
Disposal of subsidiaries [Note 51(a)]	**–**	**(26.9)**	**(26.9)**
Additions	**–**	**48.9**	**48.9**
Disposals	**–**	**(1.0)**	**(1.0)**
Reversal of impairment losses	**–**	**1.4**	**1.4**
Amortisation	**(0.5)**	**(43.2)**	**(43.7)**
Exchange differences	**0.4**	**84.8**	**85.2**
At 30 June 2015	**2.4**	**967.0**	**969.4**
2014			
At 1 July 2013	2.8	1,178.7	1,181.5
Disposal of subsidiaries	–	(0.3)	(0.3)
Additions	–	106.5	106.5
Disposals	–	(1.4)	(1.4)
Transfer to property, plant and equipment [Note 18]	–	(215.2)	(215.2)
Amortisation	–	(42.9)	(42.9)
Exchange differences	(0.3)	(122.4)	(122.7)
At 30 June 2014	2.5	903.0	905.5

The prepaid lease rentals are subject to the following maturity periods:

	Group 2015	Group 2014
Non-current		
Due later than one year	**923.8**	868.8
Current		
Due no later than one year, included in accrued billings and others under current assets [Note 33]	**45.6**	36.7
	969.4	905.5

21 Investment Properties

Group 2015	Freehold land	Long leasehold land	Short leasehold land	Buildings	Total
At 1 July 2014	**114.3**	**56.0**	**22.6**	**463.3**	**656.2**
Additions	**–**	**–**	**–**	**1.3**	**1.3**
Disposals	**(17.2)**	**–**	**–**	**(66.4)**	**(83.6)**
Impairment losses	**–**	**(3.4)**	**–**	**(1.1)**	**(4.5)**
Transfer from/(to):					
- property, plant and equipment [Note 18]	**(14.4)**	**–**	**5.8**	**1.0**	**(7.6)**
- non-current asset held for sale [Note 36]	**–**	**–**	**–**	**(0.3)**	**(0.3)**
Depreciation	**–**	**(0.8)**	**(0.9)**	**(16.4)**	**(18.1)**
Exchange differences	**6.6**	**1.1**	**3.6**	**17.1**	**28.4**
At 30 June 2015	**89.3**	**52.9**	**31.1**	**398.5**	**571.8**
Cost	**89.3**	**66.5**	**49.6**	**624.5**	**829.9**
Accumulated depreciation	**–**	**(10.2)**	**(18.5)**	**(200.4)**	**(229.1)**
Accumulated impairment losses	**–**	**(3.4)**	**–**	**(25.6)**	**(29.0)**
Carrying amount at end of the financial year	**89.3**	**52.9**	**31.1**	**398.5**	**571.8**
2014					
At 1 July 2013	121.5	52.4	22.8	436.7	633.4
Additions	–	–	–	17.6	17.6
Disposals	(2.1)	–	–	(0.1)	(2.2)
Impairment losses	–	–	–	(6.6)	(6.6)
Reversal of impairment losses	0.1	–	–	–	0.1
Transfer from/(to):					
- property, plant and equipment [Note 18]	7.3	–	–	22.0	29.3
- land held for property development [Note 22]	(10.7)	–	–	–	(10.7)
- non-current asset held for sale [Note 36]	–	–	–	(2.5)	(2.5)
Depreciation	–	(0.9)	(0.8)	(16.0)	(17.7)
Exchange differences	(1.8)	4.5	0.6	12.2	15.5
At 30 June 2014	114.3	56.0	22.6	463.3	656.2
Cost	114.3	65.3	36.2	661.3	877.1
Accumulated depreciation	–	(9.3)	(13.6)	(173.9)	(196.8)
Accumulated impairment losses	–	–	–	(24.1)	(24.1)
Carrying amount at end of the financial year	114.3	56.0	22.6	463.3	656.2

Amounts in RM million unless otherwise stated

21 Investment Properties (continued)

The fair value of investment properties as at 30 June 2015 was RM1,485.5 million (2014: RM1,491.8 million). The fair value was arrived at after taking into consideration the valuation performed by external professional firms of surveyors and valuers. The fair value is categorised as Level 2 in the fair value hierarchy as the valuation which was performed using comparable and investment basis was based on observable valuation inputs.

Investment properties with a total carrying amount of RM151.9 million (2014: RM240.4 million) were pledged as security for borrowings (see Note 41).

Rental income generated from and direct operating expenses incurred on income generating investment properties are as follows:

	Group	
	2015	**2014**
Rental income	**68.3**	64.7
Direct operating expenses	**(15.3)**	(11.3)

22 Land Held for Property Development

	Group	
	2015	**2014**
At 1 July	**927.7**	864.2
Disposals	**–**	(0.7)
Transfer from/(to):		
- property, plant and equipment [Note 18]	**17.4**	6.4
- investment properties [Note 21]	**–**	10.7
- property development costs [Note 32]	**(141.6)**	15.3
Incidental costs incurred	**6.9**	31.8
At 30 June	**810.4**	927.7

Land held for property development of a subsidiary with carrying amount of RM21.7 million (2014: RM24.7 million) was pledged as security for borrowings (see Note 41).

23 Subsidiaries

The Company's equity interest in the subsidiaries, their respective principal activities and countries of incorporation are set out in Note 57.

	Company	
	2015	**2014**
Unquoted shares at cost	**5,128.0**	3,423.5
Contributions to subsidiaries	**2,386.5**	3,491.5
	7,514.5	6,915.0

23 Subsidiaries (continued)

During the financial year, the Company increased its investment in Sime Darby Motors Sdn Bhd (SDM) and Sime Darby Property Berhad (SDPB), by subscribing to new ordinary and preference shares of SDM and SDPB for a total consideration of RM1.4 billion and RM304.5 million respectively. The consideration for SDPB's shares was satisfied in cash whilst the consideration for SDM's shares was satisfied by the capitalisation of the contributions to SDM and the amounts due from SDM.

Contributions to subsidiaries are amounts which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

24 Investments

Group 2015	**Quoted shares**	**Quoted warrants**	**Unquoted shares**	**Unquoted debenture**	**Unit trust and others**	**Total**
At 1 July 2014	**42.6**	**–**	**83.6**	**4.1**	**41.3**	**171.6**
Additions	**–**	**–**	**22.7**	**–**	**36.0**	**58.7**
Disposals	**–**	**–**	**–**	**–**	**(77.1)**	**(77.1)**
Net change in fair value (charged)/ credited to:						
- profit or loss [Note 8]	**–**	**12.0**	**–**	**–**	**–**	**12.0**
- other comprehensive income [Note 17]	**(11.8)**	**–**	**(10.3)**	**–**	**–**	**(22.1)**
Exchange differences	**–**	**–**	**(3.0)**	**–**	**–**	**(3.0)**
At 30 June 2015	**30.8**	**12.0**	**93.0**	**4.1**	**0.2**	**140.1**
2014						
At 1 July 2013	33.1	–	81.5	4.1	–	118.7
Additions	–	–	–	–	51.3	51.3
Disposals	–	–	–	–	(10.3)	(10.3)
Net change in fair value credited to other comprehensive income [Note 17]	9.5	–	2.1	–	0.3	11.9
At 30 June 2014	42.6	–	83.6	4.1	41.3	171.6

The unquoted debenture carries a coupon rate of 3.75% and matures on 30 June 2020 at its nominal value of RM4.2 million.

Amounts in RM million unless otherwise stated

25 Intangible Assets

Group 2015	**Goodwill**	**Distribution/ dealership rights**	**Smallholder relationship**
At 1 July 2014	**102.3**	**870.1**	**–**
Acquisition of subsidiaries [Note 50(a)]	**1,879.8**	**–**	**535.6**
Adjustment to purchase price allocation	**0.6**	**–**	**–**
Additions	**–**	**–**	**–**
Disposals	**–**	**–**	**–**
Impairment losses [Note 6]	**(0.1)**	**–**	**–**
Reversal of impairment losses [Note 7]	**–**	**–**	**–**
Amortisation	**–**	**–**	**–**
Exchange differences	**86.8**	**(24.9)**	**32.8**
At 30 June 2015	**2,069.4**	**845.2**	**568.4**
Cost	**2,070.4**	**845.2**	**568.4**
Accumulated amortisation	**–**	**–**	**–**
Accumulated impairment losses	**(1.0)**	**–**	**–**
Carrying amount at end of the financial year	**2,069.4**	**845.2**	**568.4**
2014			
At 1 July 2013	59.2	710.2	–
Acquisition of subsidiaries	44.9	142.2	–
Disposal of subsidiaries	(4.2)	–	–
Additions	–	–	–
Disposals	–	–	–
Impairment losses [Note 6]	(0.1)	–	–
Amortisation	–	–	–
Exchange differences	2.5	17.7	–
At 30 June 2014	102.3	870.1	–
Cost	103.1	870.1	–
Accumulated amortisation	–	–	–
Accumulated impairment losses	(0.8)	–	–
Carrying amount at end of the financial year	102.3	870.1	–

Acquired			Internally generated		
Computer software	Trademarks and others	Total	Computer software	Development costs	Total intangible assets
57.3	**13.7**	**1,043.4**	**161.9**	**28.2**	**1,233.5**
–	**54.0**	**2,469.4**	**–**	**–**	**2,469.4**
–	**–**	**0.6**	**–**	**2.6**	**3.2**
31.3	**18.0**	**49.3**	**149.9**	**25.1**	**224.3**
(0.2)	**–**	**(0.2)**	**–**	**–**	**(0.2)**
–	**(0.2)**	**(0.3)**	**–**	**–**	**(0.3)**
–	**1.6**	**1.6**	**–**	**–**	**1.6**
(27.0)	**(5.4)**	**(32.4)**	**(0.2)**	**(2.8)**	**(35.4)**
(0.1)	**2.8**	**97.4**	**(0.1)**	**0.6**	**97.9**
61.3	**84.5**	**3,628.8**	**311.5**	**53.7**	**3,994.0**
218.3	**145.4**	**3,847.7**	**312.3**	**73.6**	**4,233.6**
(148.3)	**(52.7)**	**(201.0)**	**(0.8)**	**(13.9)**	**(215.7)**
(8.7)	**(8.2)**	**(17.9)**	**–**	**(6.0)**	**(23.9)**
61.3	**84.5**	**3,628.8**	**311.5**	**53.7**	**3,994.0**
60.0	21.8	851.2	61.1	2.7	915.0
–	0.1	187.2	–	–	187.2
–	(1.4)	(5.6)	–	(0.6)	(6.2)
35.5	–	35.5	103.0	27.8	166.3
(0.1)	–	(0.1)	–	(0.1)	(0.2)
(8.4)	(3.3)	(11.8)	–	–	(11.8)
(28.5)	(2.9)	(31.4)	(0.5)	(1.6)	(33.5)
(1.2)	(0.6)	18.4	(1.7)	–	16.7
57.3	13.7	1,043.4	161.9	28.2	1,233.5
194.1	67.8	1,235.1	162.5	45.1	1,442.7
(128.1)	(44.8)	(172.9)	(0.6)	(10.9)	(184.4)
(8.7)	(9.3)	(18.8)	–	(6.0)	(24.8)
57.3	13.7	1,043.4	161.9	28.2	1,233.5

Amounts in RM million unless otherwise stated

25 Intangible Assets (continued)

a. Material intangible assets

In the opinion of the Directors, intangible assets which are material to the Group are as follows:

Type	Source	Segment	Carrying amount 2015	Carrying amount 2014
Goodwill	New Britain Palm Oil Limited	Plantation	**1,958.7**	–
Distribution rights	Bucyrus distribution rights	Industrial	**700.8**	727.0
Distribution/ dealership rights	Luxury brand vehicle distribution/dealership rights	Motors	**144.4**	143.1
Smallholder relationship	Relationship with smallholders in Papua New Guinea	Plantation	**568.4**	–
Computer software	Business Transformation Process system	Industrial	**310.3**	160.5

Goodwill

The goodwill amount largely represents the excess of the purchase consideration over the value of identifiable assets, liabilities and contingent liabilities recognised upon the acquisition of New Britain Palm Oil Limited (NBPOL) group during the current financial year. The amount of goodwill initially recognised is dependent upon the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. As disclosed in Note 50(a)(ii), the purchase price allocation (PPA) with respect to the acquisition of NBPOL group is provisional as at 30 June 2015. There may be changes to the fair values of net assets acquired and the residual goodwill upon completion of the PPA exercise. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

Distribution/dealership rights

The distribution rights acquired by the Group in December 2011 is in relation to the rights to distribute Bucyrus products in the Northern Territory and Queensland in Australia, Papua New Guinea and New Caledonia.

The distribution/dealership rights are in respect of the following:

i. BMW and MINI distribution rights in Vietnam; and

ii. BMW, MINI and Lamborghini dealership rights in Brisbane, Australia

Smallholder relationship

The smallholder relationship asset was acquired with the purchase of controlling interests in NBPOL group. This asset reflects the relationship between the Group and the smallholders who cultivate and harvest fresh fruit bunches on land which is owned by the smallholders for sale to the Group. This asset is recognised initially at fair value and thereafter amortised over the remaining life of the underlying assets.

Computer software

The internally generated computer software is in relation to the Business Transformation Process system which is in the development stage. Once it is ready for use, it will replace the existing Enterprise Resource Planning system of the Industrial division.

25 Intangible Assets (continued)

b. Intangible assets with indefinite useful lives

Goodwill and distribution and dealership rights are intangible assets with indefinite useful lives.

These assets are not amortised as they are not confined to a predetermined service period and they are expected to contribute to net cash inflows indefinitely.

The recoverable amount of the cash-generating units (CGUs) are based on its value in use calculations using cash flow projections from financial budgets covering a five-year period. The key assumptions used are as follows:

	Bucyrus distribution rights		Luxury brand vehicle distribution/ dealership rights	
	2015	**2014**	**2015**	**2014**
Discount rates (%) per annum	**8.8–13.3**	9.3–13.3	**9.0–13.5**	9.0–13.5
Forecast growth rates (%):				
- year 1 to 4	**0–295.0**	0–46.0		
- year 1 to 5			**11.0–15.5**	11.0–15.5
- terminal	**0.3–4.5**	2.5	**2.0–4.0**	2.0–4.0

The management believes that there are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

c. Intangible assets with finite useful lives

Intangible assets with finite useful lives are amortised over their useful lives. The amortisation charge of RM35.4 million (2014: RM33.5 million) was recorded in profit or loss (see Note 6).

The Group tests intangible assets for impairment by assessing the underlying CGU. Based on this, an impairment loss of RM0.3 million (2014: RM11.8 million) and a reversal of impairment loss of RM1.6 million (2014: Nil) were recorded in profit or loss. The reversal of impairment loss is mainly attributable to improved cash flow projection of royalty income from Dunlop patent.

26 Deferred Tax

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

	Group		Company	
	2015	**2014**	**2015**	**2014**
Deferred tax assets	**1,139.2**	988.6	**–**	–
Deferred tax liabilities	**(2,116.5)**	(493.4)	**(2.1)**	(2.6)
	(977.3)	495.2	**(2.1)**	(2.6)
Tax losses for which the tax effects have not been recognised in the financial statements	**1,052.3**	1,056.6	**–**	–

Amounts in RM million unless otherwise stated

26 Deferred Tax (continued)

The components and movements of the Group's deferred tax assets and liabilities during the financial year are as follows:

Group 2015	Property, plant and equipment and intangible assets	Biological assets and agricultural produce
At 1 July 2014	**(231.8)**	**48.2**
Acquisition of subsidiaries [Note 50(a)]	**(831.6)**	**(703.3)**
Disposal of subsidiaries [Note 51(a)]	**–**	**–**
Credited/(charged) to profit or loss		
- origination and reversal of temporary differences	**(43.4)**	**(11.3)**
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	**6.5**	**6.9**
- effects of change in tax base applicable to unrealised profit following changes to the land use	**–**	**–**
Charged to other comprehensive income [Note 17]	**–**	**–**
Transfer to non-current assets held for sale [Note 36]	**(3.0)**	**–**
Exchange differences	**(46.8)**	**(71.6)**
At 30 June 2015	**(1,150.1)**	**(731.1)**

2014	Property, plant and equipment and intangible assets	Biological assets and agricultural produce
At 1 July 2013	(339.2)	17.4
Acquisition of subsidiaries	(32.3)	–
Disposal of subsidiaries	20.1	–
Credited/(charged) to profit or loss		
- origination and reversal of temporary differences	(12.3)	2.5
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	9.1	1.7
- effects of change in tax base applicable to unrealised profit following changes to the land use	–	–
- effects of change in tax rate	115.9	–
Charged to other comprehensive income [Note 17]	(2.9)	–
Transfer to non-current assets held for sale [Note 36]	–	–
Exchange differences	9.8	26.6
At 30 June 2014	(231.8)	48.2

Prepaid lease rentals	Property development	Impairment and provisions	Tax losses and unabsorbed capital allowances	Others	Total
(197.9)	**324.0**	**369.1**	**106.8**	**76.8**	**495.2**
–	**–**	**23.8**	**9.5**	**(35.7)**	**(1,537.3)**
–	**–**	**–**	**–**	**(0.2)**	**(0.2)**
–	**(59.6)**	**(12.4)**	**40.2**	**22.7**	**(63.8)**
–	**(50.0)**	**(20.6)**	**90.9**	**61.9**	**95.6**
–	**105.0**	**–**	**–**	**–**	**105.0**
–	**–**	**1.7**	**–**	**16.9**	**18.6**
–	**–**	**6.5**	**(5.7)**	**–**	**(2.2)**
41.2	**–**	**6.8**	**0.1**	**(17.9)**	**(88.2)**
(156.7)	**319.4**	**374.9**	**241.8**	**124.5**	**(977.3)**
(206.1)	187.9	372.3	153.5	96.0	281.8
–	–	2.4	2.8	(2.3)	(29.4)
–	–	(12.7)	(2.8)	2.7	7.3
8.2	(37.6)	23.9	(22.5)	0.1	(37.7)
–	9.2	(0.1)	(22.5)	5.2	2.6
–	167.4	–	–	–	167.4
–	(2.9)	(7.2)	(5.7)	2.1	102.2
–	–	(9.6)	–	(14.3)	(26.8)
–	–	–	–	(1.1)	(1.1)
–	–	0.1	4.0	(11.6)	28.9
(197.9)	324.0	369.1	106.8	76.8	495.2

Amounts in RM million unless otherwise stated

26 Deferred Tax (continued)

Deferred tax is not recognised on the unremitted earnings of overseas subsidiaries and joint ventures where the Group is able to control the timing of the remittance and it is probable that there will be no remittance in the foreseeable future. If these earnings were remitted, tax of RM504.0 million (2014: RM449.0 million) would be payable.

The movements of the Company's deferred tax liabilities during the financial year are as follows:

	Company	
	2015	**2014**
At 1 July	**(2.6)**	(3.2)
Credited to profit or loss		
- origination and reversal of temporary differences	**0.5**	0.6
At 30 June	**(2.1)**	(2.6)

The deferred tax arose from temporary differences on payables.

27 Tax Recoverable

	Group		Company	
	2015	**2014**	**2015**	**2014**
Non-current	**478.6**	396.5	**–**	–
Current	**310.7**	215.4	**1.1**	–
	789.3	611.9	**1.1**	–

The non-current tax recoverable includes additional tax assessments paid and withholding taxes, which would normally take more than a year to resolve with the relevant tax authorities. These taxes are recognised as recoverable as the Group has reasonable grounds to believe that the additional tax assessments were wrongly issued and the withholding taxes will be refunded once the Group complies with the claim procedure and documentation requirements.

28 Derivative Assets/Liabilities

The Group's derivative assets and liabilities are as follows:

Group 2015	Derivative assets	Derivative liabilities	Net
Non-current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	**15.1**	**(2.7)**	**12.4**
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	**0.9**	**(3.5)**	**(2.6)**
- interest rate swap contracts [note (b)]	**14.2**	**(12.8)**	**1.4**
- cross currency swap contract [note (c)]	**184.6**	**–**	**184.6**
	214.8	**(19.0)**	**195.8**
Current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	**3.4**	**(27.7)**	**(24.3)**
- commodity futures contracts [note (d)]	**12.7**	**(8.6)**	**4.1**
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	**7.6**	**(7.6)**	**–**
- interest rate swap contracts [note (b)]	**–**	**(17.2)**	**(17.2)**
- cross currency swap contract [note (c)]	**56.2**	**–**	**56.2**
	79.9	**(61.1)**	**18.8**
Total	**294.7**	**(80.1)**	**214.6**
2014			
Non-current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	–	(1.8)	(1.8)
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	0.9	(0.6)	0.3
- interest rate swap contracts [note (b)]	10.8	–	10.8
- cross currency swap contract [note (c)]	56.5	–	56.5
	68.2	(2.4)	65.8
Current			
Non-hedging derivatives:			
- forward foreign exchange contracts [note (a)]	28.6	(3.7)	24.9
- commodity futures contracts [note (d)]	5.2	(5.1)	0.1
Cash flow hedges:			
- forward foreign exchange contracts [note (a)]	9.2	(3.8)	5.4
- interest rate swap contracts [note (b)]	–	(4.3)	(4.3)
- cross currency swap contract [note (c)]	–	(12.8)	(12.8)
	43.0	(29.7)	13.3
Total	111.2	(32.1)	79.1

These derivatives are entered into to hedge foreign currency, interest rate and price risks as described in Note 55. Whilst all derivatives entered provide economic hedges to the Group, non-hedging derivatives are instruments that do not qualify for the application of hedge accounting under the specific rules in FRS 139.

Amounts in RM million unless otherwise stated

28 Derivative Assets/Liabilities (continued)

a. Forward foreign exchange contracts

As at 30 June, forward foreign exchange contracts have been entered into with the following notional amounts and maturities:

Group 2015	Maturities: Less than 1 year	Maturities: 1 year to 3 years	Total
Forward contracts used to hedge anticipated sales denominated in:			
- United States dollar	250.5	27.7	278.2
- European Union euro	47.7	–	47.7
- Japanese yen	25.5	–	25.5
	323.7	27.7	351.4
Forward contracts used to hedge receivables denominated in:			
- United States dollar	483.6	–	483.6
- European Union euro	40.9	–	40.9
- Japanese yen	0.1	–	0.1
- Australian dollar	171.8 *	–	171.8
	696.4	–	696.4
Forward contracts used to hedge anticipated purchases denominated in:			
- United States dollar	343.8	8.3	352.1
- European Union euro	645.3	588.6	1,233.9
- Japanese yen	62.6	–	62.6
- Australian dollar	43.0	2.2	45.2
- British pound	3.2	–	3.2
- Singapore dollar	2.5	–	2.5
	1,100.4	599.1	1,699.5
Forward contracts used to hedge payables denominated in:			
- United States dollar	162.5	–	162.5
- European Union euro	24.8	–	24.8
- Japanese yen	12.0	–	12.0
- Australian dollar	0.1	–	0.1
- British pound	2.1	–	2.1
- Swiss Franc	0.2	–	0.2
	201.7	–	201.7
Total notional amount	2,322.2	626.8	2,949.0
Net fair value (liabilities)/assets	(24.3)	9.8	(14.5)

28 **Derivative Assets/Liabilities (continued)**

a. **Forward foreign exchange contracts (continued)**
As at 30 June, forward foreign exchange contracts have been entered into with the following notional amounts and maturities: (continued)

Group 2014	**Maturities: Less than 1 year**	**Maturities: 1 year to 3 years**	**Total**
Forward contracts used to hedge anticipated sales denominated in:			
- United States dollar	236.9	22.4	259.3
- European Union euro	30.4	0.5	30.9
- Japanese yen	19.6	–	19.6
	286.9	22.9	309.8
Forward contracts used to hedge receivables denominated in:			
- United States dollar	524.8	–	524.8
- Japanese yen	5.1	–	5.1
- British pound	4.9	–	4.9
	534.8	–	534.8
Forward contracts used to hedge anticipated purchases denominated in:			
- United States dollar	530.9	7.1	538.0
- European Union euro	660.0	57.0	717.0
- Japanese yen	62.3	–	62.3
- Australian dollar	56.7	–	56.7
- British pound	0.5	–	0.5
- Singapore dollar	0.3	–	0.3
	1,310.7	64.1	1,374.8
Forward contracts used to hedge payables denominated in:			
- United States dollar	146.1	–	146.1
- European Union euro	85.3	–	85.3
- Japanese yen	11.9	–	11.9
- Australian dollar	0.8	–	0.8
- British pound	6.6	–	6.6
- Singapore dollar	0.2	–	0.2
- Others	0.3	–	0.3
	251.2	–	251.2
Total notional amount	2,383.6	87.0	2,470.6
Net fair value assets/(liabilities)	30.3	(1.5)	28.8

* included are contracts totaling RM171.6 million (2014: Nil) used to hedge against short term inter-company receivable.

Amounts in RM million unless otherwise stated

28 Derivative Assets/Liabilities (continued)

b. Interest rate swap contracts

The Group has entered into interest rate swap contracts for certain long-term borrowings to reduce the Group's exposure from volatility in interest rates. The interest rate swap contracts, all plain vanilla, as at 30 June are as follows:

Effective period	Range of weighted average rate per annum	Original currency	Notional amount in original currency 2015	Notional amount in original currency 2014
12 December 2012 to 12 December 2018	1.822% to 1.885%	USD	**233.3**	300.0
25 September 2014 to 25 March 2019	4.353% to 4.603%	AUD	**200.0**	–
11 June 2015 to 4 February 2022	2.85% to 2.99%	USD	**275.0**	–
30 June 2015 to 17 December 2018	3.938%	RM	**252.0**	–

The notional amount, fair value and maturity periods of the interest rate swap contracts are as follows:

	Notional amount 2015	Notional amount 2014	Fair value assets/ (liabilities) 2015	Fair value assets/ (liabilities) 2014
Maturity periods:				
- due no later than one year	**312.6**	214.3	**(17.2)**	(4.3)
- due later than one year and no later than three years	**1,017.7**	428.7	**(13.2)**	5.1
- due later than three years and no later than seven years	**1,425.6**	320.3	**14.6**	5.7
	2,755.9	963.3	**(15.8)**	6.5

c. Cross currency swap contract

The Group has entered into a cross currency swap contract to exchange the principal payments of a USD311.0 million (2014: USD400.0 million) loan into AUD, the functional currency of the subsidiary, to reduce the Group's exposure from adverse fluctuations in foreign currency.

	Notional amount 2015	Notional amount 2014	Fair value assets/ (liabilities) 2015	Fair value assets/ (liabilities) 2014
Maturity periods:				
- due no later than one year	**336.8**	285.8	**56.2**	(12.8)
- due later than one year and no later than three years	**673.5**	571.6	**144.8**	18.0
- due later than three years and no later than five years	**166.5**	427.1	**39.8**	38.5
	1,176.8	1,284.5	**240.8**	43.7

28 Derivative Assets/Liabilities (continued)

d. Commodity futures contracts

The outstanding commodity futures contracts that are not held for the purpose of physical delivery, all maturing in less than 1 year, are as follows:

Group 2015	Quantity (metric tonne)	Notional amount	Fair value assets/ (liabilities)
Purchase contracts denominated in:			
- Ringgit Malaysia	**34,150**	**75.2**	**2.6**
- United States dollar	**107,888**	**264.7**	**(5.6)**
	142,038	**339.9**	**(3.0)**
Sales contracts denominated in:			
- Ringgit Malaysia	**22,120**	**83.2**	**–**
- United States dollar	**94,631**	**237.5**	**7.1**
	116,751	**320.7**	**7.1**
2014			
Purchase contracts denominated in:			
- Ringgit Malaysia	16,550	41.2	(1.2)
- United States dollar	30,470	80.0	(3.6)
	47,020	121.2	(4.8)
Sales contracts denominated in:			
- Ringgit Malaysia	1,797	4.8	0.2
- United States dollar	23,850	64.6	4.7
	25,647	69.4	4.9

Amounts in RM million unless otherwise stated

29 Receivables

	Group		Company	
	2015	**2014**	**2015**	**2014**
Non-current				
Trade receivables [note (a)]	**70.0**	73.6	**–**	–
Amounts due from a subsidiary [note (b)]	**–**	–	**1,700.0**	4,268.8
Amount due from a joint venture	**–**	11.5	**–**	–
Advances for plasma plantation projects [note (c)]	**84.0**	91.3	**–**	–
Redeemable loan stocks [note (a)]	**284.4**	265.8	**–**	–
Other receivables [note (a)]	**105.6**	166.8	**–**	–
	544.0	609.0	**1,700.0**	4,268.8
Accumulated impairment losses:				
- advances for plasma plantation projects	**(16.1)**	(21.4)	**–**	–
	527.9	587.6	**1,700.0**	4,268.8
Current				
Trade receivables [note (a)]	**5,481.3**	5,137.2	**–**	–
Amounts due from subsidiaries [note (b)]	**–**	–	**9,244.6**	7,018.2
Amounts due from joint ventures	**59.4**	127.0	**–**	–
Amounts due from associates	**22.2**	31.0	**–**	–
Other receivables				
- on deferred payment terms [note (a)]	**87.8**	61.9	**–**	–
- indirect taxes recoverable	**380.2**	271.0	**0.1**	–
- proceeds from disposal of a joint venture [Note 51(b)]	**161.3**	–	**–**	–
- proceeds from disposal of property, plant and equipment	**83.7**	–	**–**	–
- others	**1,015.3**	978.6	**0.1**	2.0
Deposits	**194.3**	161.9	**–**	–
	7,485.5	6,768.6	**9,244.8**	7,020.2
Accumulated impairment losses:				
- trade receivables	**(105.3)**	(137.4)	**–**	–
- amounts due from associates	**(0.1)**	–	**–**	–
- other receivables	**(106.8)**	(105.2)	**–**	–
	7,273.3	6,526.0	**9,244.8**	7,020.2
Total receivables	**7,801.2**	7,113.6	**10,944.8**	11,289.0

29 Receivables (continued)

a. Receivables on deferred payment terms

Analysis of receivables on deferred payment terms are as follows:

Group 2015	Trade receivables	Redeemable loan stocks	Other receivables	Total
Nominal value				
At 1 July 2014	92.0	500.0	244.2	836.2
Addition	75.4	–	–	75.4
Received	(37.1)	–	(51.8)	(88.9)
Exchange differences	3.2	–	6.8	10.0
At 30 June 2015	133.5	500.0	199.2	832.7
Discount				
At 1 July 2014	(6.9)	(234.2)	(15.5)	(256.6)
Addition	(6.8)	–	–	(6.8)
Accretion credited to profit or loss [Note 11]	7.3	18.6	9.7	35.6
Exchange differences	(0.2)	–	–	(0.2)
At 30 June 2015	(6.6)	(215.6)	(5.8)	(228.0)
Carrying amount at end of the financial year	126.9	284.4	193.4	604.7

The receivables on deferred payment terms are subject to the following maturity periods:

	Trade receivables	Redeemable loan stocks	Other receivables	Total
Non-current				
Due later than one year	70.0	284.4	105.6	460.0
Current				
Due no later than one year	56.9	–	87.8	144.7
	126.9	284.4	193.4	604.7

Amounts in RM million unless otherwise stated

29 Receivables (continued)

a. Receivables on deferred payment terms (continued)

Analysis of receivables on deferred payment terms are as follows: (continued)

Group 2014	Trade receivables	Redeemable loan stocks	Other receivables	Total
Nominal value				
At 1 July 2013	162.1	500.0	494.6	1,156.7
Additions	4.7	–	–	4.7
Disposal of subsidiaries	(74.8)	–	–	(74.8)
Received	–	–	(251.4)	(251.4)
Exchange differences	–	–	1.0	1.0
At 30 June 2014	92.0	500.0	244.2	836.2
Discount				
At 1 July 2013	(10.7)	(251.6)	(28.8)	(291.1)
Accretion credited to profit or loss [Note 11]	3.8	17.4	13.3	34.5
At 30 June 2014	(6.9)	(234.2)	(15.5)	(256.6)
Carrying amount at end of the financial year	85.1	265.8	228.7	579.6

The receivables on deferred payment terms are subject to the following maturity periods:

	Trade receivables	Redeemable loan stocks	Other receivables	Total
Non-current				
Due later than one year	73.6	265.8	166.8	506.2
Current				
Due no later than one year	11.5	–	61.9	73.4
	85.1	265.8	228.7	579.6

i. Trade receivables

Non-current trade receivables represents the outstanding net present value of land sold to a joint venture and equipment sold to Industrial division's customers under deferred payment terms. The discount rates used were 5.0% (2014: 5.0%) and ranging from 8.5% to 13.0% (2014: Nil) per annum respectively.

29 Receivables (continued)

a. Receivables on deferred payment terms (continued)

ii. Redeemable loan stocks (unsecured)
The redeemable loan stocks arose from the disposal of Guthrie Corridor Expressway Sdn Bhd (now known as Prolintas Expressway Sdn Bhd) (GCESB) in 2007 to a subsidiary of Permodalan Nasional Berhad. In accordance with the Sale and Purchase of Shares Agreement, the settlement of the intercompany balance due from GCESB would be partially by cash and the balance through issuance of RM500.0 million non-transferable zero coupon Redeemable Loan Stocks (RLS) of GCESB.

On inception, the RLS was discounted to take into account the time value of money based on the discounted cash flow projections method. The discount rate used was 7.0% per annum which represents GCESB's effective cost of borrowings then.

Unless redeemed early, either wholly or partially, at the fair value to be agreed by the Group and GCESB, the RLS shall be redeemed at 100% of its nominal value in cash as follows:

	Redemption date	Amount
1st tranche	1 July 2022	256.0
2nd tranche	1 July 2023	50.0
3rd tranche	1 July 2024	50.0
4th tranche	1 July 2025	50.0
5th tranche	1 July 2026	50.0
6th tranche	1 July 2027	44.0
		500.0

iii. Other receivables
Other receivables include the following:

a. an amount due from a local authority in China under a construction agreement of RM41.5 million (2014: RM41.5 million), of which RM20.2 million (2014: RM16.9 million) is expected to be repaid within the next 12 months. The amount bears interest at 3.3% (2014: 3.2%) per annum.

b. the present value of the deferred payment consideration arising from the disposal of Sime Darby Healthcare Sdn Bhd of RM151.9 million (2014: RM187.2 million). The discount rate used was 6.9% (2014: 6.9%) per annum. The installment received during the financial year amounted to RM45.0 million (2014: RM205.3 million) (see Note 51(a)(ii)).

Amounts in RM million unless otherwise stated

29 Receivables (continued)

b. Amounts due from subsidiaries

Non-current
The amounts due from a subsidiary bear interest at rates ranging from 4.19% to 4.75% (2014: 2.05% to 4.75%) per annum, are unsecured and are not expected to be recalled within the next twelve months.

Current
The amounts due from subsidiaries are unsecured, repayable on demand and are interest free except for RM3,227.0 million (2014: RM900.0 million) which bear interest at rates ranging from 2.05% to 3.77% (2014: 3.47% to 4.38%) per annum.

c. Advances for plasma plantation projects

	Group	
	2015	**2014**
At 1 July	**91.3**	96.6
Additions	**20.8**	17.7
Recovered on handover	**(32.5)**	(8.5)
Exchange differences	**4.4**	(14.5)
At 30 June	**84.0**	91.3

In Indonesia, oil palm plantation owners/operators are required to participate in selected programmes to develop plantations for smallholders (herein referred to as plasma farmers). The Group is involved in "Perusahaan Inti Rakyat Transmigrasi" and "Kredit Koperasi Primer untuk Anggotanya" which require the Group to serve as a contractor for developing the plantations, train and develop the skills of the plasma farmers, and purchase the fresh fruit bunches harvested by the plasma farmers at prices determined by the Indonesian Government.

The advances made by the Group in the form of plasma plantation development costs are recoverable from the plasma farmers upon the completion and handover of the plasma plantation projects to plasma farmers. These advances are to be recovered either directly from plasma farmers or through bank loans obtained by plasma farmers. Impairment losses are made when the estimated amount recoverable is less than the outstanding advances.

29 Receivables (continued)

d. Ageing analysis of receivables

Ageing analysis of receivables categorised into impaired and not impaired are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
Not impaired:				
- not past due	**5,566.7**	5,055.5	**10,944.8**	11,289.0
- past due by				
1 to 30 days	**1,174.6**	1,105.2	**–**	–
31 to 60 days	**307.6**	362.1	**–**	–
61 to 90 days	**186.1**	147.1	**–**	–
91 to 180 days	**146.7**	141.5	**–**	–
more than 181 days	**312.8**	220.9	**–**	–
Impaired	**335.0**	345.3	**–**	–
Gross receivables	**8,029.5**	7,377.6	**10,944.8**	11,289.0

The receivables that are neither past due nor individually impaired are creditworthy debtors with good payment records with the Group. More than 69.3% (2014: 68.5%) of the Group's gross receivables are from this group of customers. Receivables that are past due but not individually impaired relate to a number of independent customers for whom there is no recent history of default.

The receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties, have defaulted on payments and/or have disputes on the billings. Of the total amount due from these debtors, an impairment of RM166.4 million (2014: RM209.5 million) has been made while the balance is expected to be recovered through the debt recovery process.

The Group's credit risk management objectives, policy and the exposure are described in Note 55. Movements of impairment loss accounts are as follows:

	Group	
	2015	**2014**
At 1 July	**264.0**	339.3
Disposal of subsidiaries	**–**	(32.2)
Write offs	**(40.5)**	(60.9)
Impairment losses	**60.8**	69.1
Reversal of impairment losses	**(60.1)**	(47.4)
Exchange differences	**4.1**	(3.9)
At 30 June	**228.3**	264.0
Impairment arising from:		
- individual assessment	**166.4**	209.5
- collective assessment	**61.9**	54.5
Carrying amount at end of the financial year	**228.3**	264.0

Amounts in RM million unless otherwise stated

30 Construction Contracts

	Group 2015	Group 2014
Aggregate costs incurred	**3,222.5**	3,011.7
Recognised profits less losses to-date	**(494.1)**	(585.5)
	2,728.4	2,426.2
Progress billings	**(2,190.7)**	(2,244.5)
	537.7	181.7
Represented by:		
Non-current		
Amounts due from customers	**651.2**	260.4
Current		
Amounts due from customers [Note 33]	**53.4**	31.1
Amounts due to customers [Note 47]	**(166.9)**	(109.8)
	537.7	181.7
Retention sums	**12.0**	5.0

Included in construction contract costs incurred during the financial year are employee costs and interest expense of RM6.3 million (2014: RM14.1 million) and RM16.6 million (2014: RM4.6 million) respectively.

The non-current amounts due from customers with a carrying amount of RM651.2 million (2014: RM260.4 million) were pledged as security for borrowings (see Note 41). This amount represents the development costs incurred to design and construct the Pagoh Education Hub (the Project). The Project is undertaken on concession basis under the concept of "Build-Lease-Maintain-Transfer".

Under the Concession Agreements entered on 7 November 2012, the Group will undertake the construction works for Government of Malaysia (GoM), Universiti Tun Hussein Onn Malaysia (UTHM), International Islamic University Malaysia (IIUM) and Universiti Teknologi Malaysia (UTM) over a period of three years, together with the supply of teaching equipment. Upon completion of the construction works, the campuses will be leased to GoM, UTHM, IIUM and UTM for a period of twenty (20) years. During the lease period, the Group will maintain the facilities and infrastructures of the campuses.

In consideration for the construction works and the maintenance of the facilities, the Group will receive Availability Charges and Asset Management Services Charges over the lease period. Cost of teaching equipment will be received over the first five years of the lease period.

The consideration is allocated by reference to the relative fair values of the construction works, asset management services and costs of teaching equipment, taking into account the deferred payment arrangement.

31 Inventories

	Group 2015	Group 2014
Produce stocks		
- palm oil products	**362.0**	205.9
- rubber	**5.5**	8.5
- sugar stocks	**33.2**	–
Raw material and consumable stores	**754.8**	396.4
Work in progress	**373.5**	372.6
Finished goods	**72.9**	79.8
Completed development units	**315.1**	300.3
Trading inventories		
- heavy equipment	**2,252.0**	2,614.1
- motor vehicles	**3,816.4**	3,848.4
- spare parts	**1,643.6**	1,669.4
- commodities and others	**31.7**	15.5
	9,660.7	9,510.9

Inventories where the net realisable value is expected to be below the carrying amount were written down. During the financial year, the Group wrote down an amount of RM123.9 million (2014: RM62.5 million) and reversed RM4.0 million (2014: RM0.6 million) previously written down. The carrying amount of trading inventories stated at net realisable value was RM1,442.8 million (2014: RM996.0 million).

There were no inventories pledged as security for borrowings as at 30 June 2015 (2014: RM58.7 million) (see Note 41).

32 Property Development Costs

	Group 2015	Group 2014
Land and development costs		
At 1 July	**5,825.5**	5,940.3
Development costs incurred during the financial year	**2,396.7**	1,508.3
Transfer from/(to):		
- property, plant and equipment [Note 18]	**(5.1)**	(4.6)
- land held for property development [Note 22]	**141.6**	(15.3)
Completed development units transferred to inventories	**(75.6)**	(230.9)
Completed development units and land sold	**(1,252.3)**	(1,375.5)
Exchange differences	**(4.6)**	3.2
At 30 June	**7,026.2**	5,825.5

Amounts in RM million unless otherwise stated

32 Property Development Costs (continued)

	Group	
	2015	**2014**
Less: Costs recognised in profit or loss		
At 1 July	**(3,908.3)**	(3,872.0)
Recognised during the financial year	**(1,766.7)**	(1,411.1)
Completed development units and land sold	**1,252.3**	1,375.5
Exchange differences	**1.1**	(0.7)
At 30 June	**(4,421.6)**	(3,908.3)
Total property development costs	**2,604.6**	1,917.2

Property development costs are analysed as follows:

Land at cost	**319.7**	185.7
Development costs	**6,706.5**	5,639.8
Costs recognised in profit or loss	**(4,421.6)**	(3,908.3)
	2,604.6	1,917.2

Included in development costs incurred during the financial year is interest expense of RM54.8 million (2014: RM14.5 million).

Property development projects with a total carrying amount of RM22.1 million (2014: RM19.8 million) were pledged as security for borrowings (see Note 41).

33 Accrued Billings and Others

	Group	
	2015	**2014**
Accrued billings	**843.4**	573.0
Amounts due from customers on construction contracts [Note 30]	**53.4**	31.1
Prepaid to suppliers	**480.9**	454.5
Prepaid lease rentals [Note 20]	**45.6**	36.7
Other prepayments	**207.4**	189.0
	1,630.7	1,284.3

34 Cash Held under Housing Development Accounts

The Group's cash held under the Housing Development Accounts represents receipts from purchasers of residential properties less payments or withdrawals provided under Section 7A of the Housing Developers (Control and Licensing) Amendment Act 2002. The amount is held at call with banks and is available only to the subsidiaries involved in the property development activities.

The weighted average effective interest rate of cash held under Housing Development Accounts was 2.0% (2014: 2.0%) per annum.

35 Bank Balances, Deposits and Cash

	Group		**Company**	
	2015	**2014**	**2015**	**2014**
Deposits with licensed banks				
- Islamic	**209.2**	704.9	**99.4**	257.0
- conventional	**1,125.8**	1,390.8	**–**	–
Deposits with licensed financial institutions				
- Islamic	**154.4**	193.5	**105.4**	83.0
- conventional	**94.1**	85.6	**–**	–
	1,583.5	2,374.8	**204.8**	340.0
Cash at bank and in hand	**2,061.4**	2,007.0	**–**	–
Total bank balances, deposits and cash	**3,644.9**	4,381.8	**204.8**	340.0
	%	%	**%**	%
Effective profit/interest rates per annum of deposits with licensed banks/ financial institutions				
- Islamic	**3.25**	3.08	**3.35**	3.30
- conventional	**3.90**	3.08	**–**	–

Included in bank balances, deposits and cash are funds of Yayasan Sime Darby of RM25.9 million (2014: RM40.7 million). These funds are set aside for educational, environmental conservation and sustainability projects and related activities for the benefit of the community.

Deposits with licensed banks of certain subsidiaries with carrying amount of RM99.6 million (2014: RM68.4 million) were pledged as security for borrowings (see Note 41).

Amounts in RM million unless otherwise stated

36 Non-Current Assets Held for Sale and Liabilities Associated with Assets Held for Sale

	Group	
	2015	**2014**
Non-current assets held for sale		
- property, plant and equipment	**8.2**	–
- investment property	**0.2**	2.5
- associate	**–**	262.9
- disposal group	**120.3**	126.8
	128.7	392.2
Liabilities associated with assets held for sale		
- disposal group	**(83.4)**	(84.2)
Net assets held for sale	**45.3**	308.0

The movements during the financial year relating to net assets held for sale are as follows:

	Group	
	2015	**2014**
At 1 July	**308.0**	40.1
Disposals	**(265.6)**	(27.5)
Transfer from:		
- associates	**–**	262.9
- property, plant and equipment [Note 18]	**5.8**	15.7
- investment properties [Note 21]	**0.3**	2.5
- deferred tax assets [Note 26]	**2.2**	1.1
- other assets and liabilities	**(4.9)**	12.8
Exchange differences	**(0.5)**	0.4
At 30 June	**45.3**	308.0

The disposal group classified under non-current assets held for sale and liabilities associated with assets held for sale, are in respect of Syarikat Malacca Straits Inn Sdn Bhd and Sime Darby Australia Limited group.

Disposal group includes land and building of RM81.4 million (2014: RM104.7 million) and borrowing of RM74.8 million (2014: RM74.8 million). The borrowing is secured against the land and building.

The associate classified as non-current asset held for sale as at 30 June 2014 was in respect of the Group's 9.9% equity interest in Eastern & Oriental Berhad. The disposal was completed on 23 July 2014.

37 Share Capital

	Group/Company			
	Number of shares (million)		Nominal value	
	2015	**2014**	**2015**	**2014**
Authorised:				
At 1 July and 30 June				
Ordinary shares of RM0.50 each	**8,000.0**	8,000.0	**4,000.0**	4,000.0
Series A redeemable convertible preference shares of RM0.01 each	**7,000.0**	7,000.0	**70.0**	70.0
Series B redeemable convertible preference shares of RM0.10 each	**25.0**	25.0	**2.5**	2.5
			4,072.5	4,072.5
Issued and fully paid up:				
Ordinary shares of RM0.50 each				
At 1 July	**6,064.1**	6,009.5	**3,032.1**	3,004.7
Issued during the financial year	**147.0**	54.6	**73.5**	27.4
At 30 June	**6,211.1**	6,064.1	**3,105.6**	3,032.1

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM3,032,053,404 to RM3,105,579,143 by way of issuance of 147,051,477 new ordinary shares of RM0.50 each at an issue price of RM8.94 per share amounting to RM1,314.6 million, pursuant to the Dividend Reinvestment Plan of the Company (see Note 16). The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

The premium arising from the issuance of new ordinary shares of RM1,241.1 million had been credited to the share premium reserve. Cost directly attributable to the issuance of the new shares during the financial year amounting to RM0.5 million was offset against share premium.

38 Performance-Based Employee Share Scheme

The Company's Performance-Based Employee Share Scheme (PBESS) is governed by the by-laws approved by the shareholders at the Extraordinary General Meeting held on 8 November 2012. Under the PBESS, ordinary shares of RM0.50 each in the Company (Sime Darby Shares) are granted to eligible employees and executive directors of the Group. The PBESS was effected on 15 January 2013 following the submission of the By-Laws for the PBESS to Bursa Malaysia Securities Berhad, the receipt of all required approvals and the compliance with the requirements pertaining to the PBESS.

The grants under the PBESS comprise the Group Performance Share (GPS), the Division Performance Share (DPS) and the General Employee Share (GES).

The salient features of the PBESS are as follows:

a. Eligible employees are those executives (including executive directors) of the Group (other than subsidiaries which are dormant) who have attained the age of 18 years; entered into a full-time or fixed-term contract of employment with and is on the payroll of a company within the Group; have not served notice of resignation or received notice of termination on the date of the offer; whose service/employment have been confirmed in writing; and have fulfilled other eligibility criteria which has been determined by the Nomination & Remuneration Committee (NRC) at its sole and absolute discretion from time to time.

b. The total number of Sime Darby Shares to be offered to any one of the employees and/or to be vested in any one of the grantees shall not be more than 10% of the Sime Darby Shares made available under the PBESS and shall not either singly or collectively through persons connected with the said employee who holds 20% or more of the Company's issued and paid up share capital.

c. The maximum number of Sime Darby Shares to be allotted and issued under the PBESS shall not be more than in aggregate 10% of the issued and paid-up ordinary share capital of the Company at any point in time during the duration of the PBESS.

d. The PBESS shall be in force for a period of 10 years commencing from the effective date of implementation.

e. The new Sime Darby Shares to be allotted and issued pursuant to the PBESS shall, upon allotment and issuance, rank pari passu in all respects with the then existing issued Sime Darby Shares and shall be entitled to any rights, dividends, allotments and/or distributions attached thereto and/or which may be declared, made or paid to the Company's shareholders, provided that the relevant allotment date of such new shares is before the record date (as defined in the PBESS By-Laws) for any right, allotment or distribution.

f. If the NRC so decides (but not otherwise), in the event of any alteration in the capital structure of the Company during the duration of the PBESS, such corresponding alterations (if any) may be made in the number of unvested Sime Darby Shares and/or the method and/or manner in the vesting of the Sime Darby Shares comprised in a grant.

38 Performance-Based Employee Share Scheme (continued)

The shares granted will be vested only upon fulfilment of vesting conditions which include achievement of service period and performance targets as follows:

	Type of grant		
Vesting conditions	**GPS**	**DPS**	**GES**
Performance metrics	Group Long Term Incentive Plan (LTIP) scorecard (financial targets) and absolute and relative total shareholders' return of Sime Darby Berhad	Division/Group LTIP scorecard (financial and strategic targets)	Division/Group LTIP scorecard (financial and strategic targets)
Vesting period	First grant - over a 3-year period from the commencement date of 1 July 2013, with retest till 30 June 2018 for GPS Second grant - over a 3-year period from the commencement date of 1 July 2014, with retest till 30 June 2019 for GPS		

Depending on the level of achievement of the performance targets as determined by the NRC, the total number of shares which will vest may be lower or higher than the total number of shares granted.

The movements in the number of Sime Darby Shares granted under the PBESS to the Group's and the Company's eligible employees are as follows:

		Number of ordinary shares of RM0.50 each			
	Fair value at grant date (RM)	At 1 July 2014 '000	Granted '000	Forfeited '000	At 30 June 2015 '000
Group					
First grant					
GPS	7.737	3,852	–	(303)	3,549
DPS	8.583	5,195	–	(427)	4,768
GES	8.583	4,942	–	(280)	4,662
Second grant					
GPS	7.243	–	3,899	(197)	3,702
DPS	8.181	–	5,260	(276)	4,984
GES	8.181	–	5,423	(211)	5,212

38 Performance-Based Employee Share Scheme (continued)

The movements in the number of Sime Darby Shares granted under the PBESS to the Group's and the Company's eligible employees are as follows: (continued)

		Number of ordinary shares of RM0.50 each			
	Fair value at grant date	**At 1 July 2014**	**Granted**	**Forfeited**	**At 30 June 2015**
	(RM)	**'000**	**'000**	**'000**	**'000**
Company					
First grant					
GES	8.583	2	–	–	2
Second grant					
GES	8.181	–	2	–	2

The fair value of the Sime Darby Shares granted is determined using Monte Carlo Simulation model, taking into account the terms and conditions under which the shares were granted.

The significant inputs in the model are as follows:

	GPS	**DPS**	**GES**
<u>First grant</u>			
Closing market price at grant date (RM)	9.54	9.54	9.54
Expected volatility (%)	12.94	12.94	12.94
Expected dividend yield (%)	3.47	3.47	3.47
Risk free rate (%)	3.21 - 3.53	3.28	3.28
<u>Second grant</u>			
Closing market price at grant date (RM)	9.16	9.16	9.16
Expected volatility (%)	11.60	11.60	11.60
Expected dividend yield (%)	3.79	3.79	3.79
Risk free rate (%)	3.51 - 3.64	3.51	3.51

The expected dividend yield used was based on historical data and future estimates, which may not necessarily be the actual outcome. Volatility is measured over a 3-year period on a daily basis to increase the credibility of assumption. No other features of the share award were incorporated into the measurement of fair value.

39 Reserves

The nature of each of the Group's reserves is as follows:

Nature	Description
Share grant reserve	Relates to the Performance-Based Employee Share Scheme of the Company, as disclosed in Note 38
Revaluation reserve	Surplus from revaluation of certain Malaysian plantation land and buildings
Capital reserve	Arising from business combinations under common control totalling RM6,231.2 million (2014: RM6,231.2 million) and other credits
Legal reserve	Reserves set aside in accordance with statutory requirements of countries where the Group operates
Hedging reserve	Arising from changes in fair value of derivatives under cash flow hedge
Available-for-sale reserve	Arising from changes in fair value of available-for-sale investments
Exchange reserve	Exchange differences arising on retranslation of the net investments in foreign operations

Group 2015	Share grant reserve	Revaluation reserve	Capital reserve	Legal reserve	Hedging Reserve	Available-for-sale reserve	Exchange reserve	Total
At 1 July 2014	**39.1**	**67.0**	**6,888.3**	**70.1**	**(39.5)**	**73.3**	**(45.2)**	**7,053.1**
Other comprehensive (loss)/income [Note 17]	**–**	**–**	**–**	**–**	**(60.4)**	**(25.7)**	**679.6**	**593.5**
Performance-based employee share scheme	**(2.1)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2.1)**
Share of capital reserve of associates	**–**	**–**	**(2.9)**	**–**	**–**	**–**	**–**	**(2.9)**
Transfer to retained profits	**–**	**–**	**(3.5)**	**(2.1)**	**–**	**–**	**–**	**(5.6)**
At 30 June 2015	**37.0**	**67.0**	**6,881.9**	**68.0**	**(99.9)**	**47.6**	**634.4**	**7,636.0**
2014								
At 1 July 2013	–	67.9	6,753.5	75.4	(100.0)	62.7	369.4	7,228.9
Other comprehensive income/(loss) [Note 17 and 14(a)]	–	–	–	–	60.5	10.6	(414.6)	(343.5)
Performance-based employee share scheme	39.1	–	–	–	–	–	–	39.1
Share of capital reserve of associates	–	–	1.9	–	–	–	–	1.9
Transfer (to)/from retained profits	–	(0.9)	132.9	(5.3)	–	–	–	126.7
At 30 June 2014	39.1	67.0	6,888.3	70.1	(39.5)	73.3	(45.2)	7,053.1

Amounts in RM million unless otherwise stated

39 Reserves (continued)

Company **2015**	**Share grant reserve**	**Capital reserve**	**Total**
At 1 July 2014	**39.1**	**5,725.1**	**5,764.2**
Performance-based employee share scheme	**(2.1)**	**–**	**(2.1)**
At 30 June 2015	**37.0**	**5,725.1**	**5,762.1**
2014			
At 1 July 2013	–	5,725.1	5,725.1
Performance-based employee share scheme	39.1	–	39.1
At 30 June 2014	39.1	5,725.1	5,764.2

The Company's capital reserve arose from business combinations under common control.

40 Non-Controlling Interests

In the opinion of the Directors, the subsidiaries of the Group that have non-controlling interests which are material to the Group as at 30 June 2015 are as follows:

Name of subsidiary	**Place of business**
PT Indotruba Tengah (Indotruba)	Indonesia
PT Kartika Inti Perkasa group (KIP)	Indonesia
Sime Darby Property Selatan Sdn Bhd group (SDPS)	Malaysia
Sime Darby Brunsfield Holding Sdn Bhd group (SDBH)	Malaysia
Wangsa Mujur Sdn Bhd group (Wangsa)	Malaysia

The profit, comprehensive income and net assets attributable to owners of non-controlling interests are as follows:

Group **2015**	**Material non-controlling interests**	**Others**	**Total**
Profit for the financial year	**101.9**	**21.0**	**122.9**
Other comprehensive income	**13.5**	**42.9**	**56.4**
Total comprehensive income	**115.4**	**63.9**	**179.3**
Net assets	**474.9**	**549.5**	**1,024.4**
2014			
Profit for the financial year	95.6	72.2	167.8
Other comprehensive loss	(49.2)	(13.2)	(62.4)
Total comprehensive income	46.4	59.0	105.4
Net assets	417.3	459.4	876.7

40 Non-Controlling Interests (continued)

Summarised financial information

The summarised statements of comprehensive income of and dividends paid by each subsidiary that has non-controlling interests that are material to the Group are as follows:

Group

2015	**Indotruba**	**KIP**	**SDPS**	**SDBH**	**Wangsa**	**Total**
Revenue	**52.5**	**246.2**	**370.3**	**359.4**	**83.2**	**1,111.6**
Profit/(loss) for the financial year	**52.8**	**56.3**	**98.3**	**35.8**	**(2.9)**	**240.3**
Other comprehensive income/(loss)	**20.9**	**11.3**	**–**	**(3.7)**	**–**	**28.5**
Total comprehensive income/(loss)	**73.7**	**67.6**	**98.3**	**32.1**	**(2.9)**	**268.8**
Attributable to owners of non-controlling interests:						
- profit/(loss) for the financial year	**26.4**	**22.5**	**39.3**	**14.2**	**(0.5)***	**101.9**
- other comprehensive income/(loss)	**10.5**	**4.5**	**–**	**(1.5)**	**–**	**13.5**
- total comprehensive income/(loss)	**36.9**	**27.0**	**39.3**	**12.7**	**(0.5)**	**115.4**
Dividends paid to owners of non-controlling interests	**–**	**57.0**	**–**	**–**	**0.8**	**57.8**
2014						
Revenue	121.8	255.1	247.4	309.1	103.1	1,036.5
Profit for the financial year	69.6	58.6	82.2	4.9	7.4	222.7
Other comprehensive (loss)/income	(59.5)	(51.4)	–	2.5	(0.1)	(108.5)
Total comprehensive income	10.1	7.2	82.2	7.4	7.3	114.2
Attributable to owners of non-controlling interests:						
- profit for the financial year	34.8	23.4	32.9	2.0	2.5*	95.6
- other comprehensive (loss)/income	(29.7)	(20.5)	–	1.0	–	(49.2)
- total comprehensive income	5.1	2.9	32.9	3.0	2.5	46.4
Dividends paid to owners of non-controlling interests	–	10.7	–	–	–	10.7

Amounts in RM million unless otherwise stated

40 Non-Controlling Interests (continued)

Summarised financial information (continued)
The summarised statements of financial position of each subsidiary that has non-controlling interests that are material to the Group are as follows:

Group						
2015	**Indotruba**	**KIP**	**SDPS**	**SDBH**	**Wangsa**	**Total**
Non-current assets	**65.7**	**89.8**	**664.4**	**312.1**	**181.5**	**1,313.5**
Current assets	**383.7**	**341.1**	**151.2**	**589.6**	**92.2**	**1,557.8**
Non-current liabilities	**(3.9)**	**(6.7)**	**(516.8)**	**(787.2)**	**(10.5)**	**(1,325.1)**
Current liabilities	**(8.8)**	**(210.4)**	**(96.4)**	**(155.5)**	**(14.0)**	**(485.1)**
Net assets/(liabilities)	**436.7**	**213.8**	**202.4**	**(41.0)**	**249.2**	**1,061.1**
Proportion of equity held by owners of non-controlling interests (%)	**50.0**	**40.0**	**40.0**	**40.0**	**27.5**	
Non-controlling interests	**218.4**	**85.5**	**81.0**	**(7.9)**	**97.9***	**474.9**
2014						
Non-current assets	46.9	73.6	258.2	421.2	182.0	981.9
Current assets	334.6	263.6	101.0	547.3	97.6	1,344.1
Non-current liabilities	(3.3)	(4.7)	(206.4)	(512.1)	(13.0)	(739.5)
Current liabilities	(15.2)	(43.7)	(48.6)	(531.8)	(12.5)	(651.8)
Net assets/(liabilities)	363.0	288.8	104.2	(75.4)	254.1	934.7
Proportion of equity held by owners of non-controlling interests (%)	50.0	40.0	40.0	40.0	27.5	
Non-controlling interests	181.5	115.5	41.7	(20.6)	99.2*	417.3

* including the non-controlling interests in Chartquest Sdn Bhd, a 84.3% owned subsidiary of Wangsa Mujur Sdn Bhd

There are no significant restrictions on the ability of these subsidiaries to transfer funds to the Group in the form of cash dividends.

The amounts presented in the summarised financial statements are before inter-company eliminations.

40 Non-Controlling Interests (continued)

Summarised financial information (continued)

The summarised statements of cash flows of each subsidiary that has non-controlling interests that are material to the Group are as follows:

Group

2015	**Indotruba**	**KIP**	**SDPS**	**SDBH**	**Wangsa**	**Total**
Cash generated from/(used in) operations	**23.3**	**76.5**	**(226.0)**	**(11.1)**	**(40.1)**	**(177.4)**
Tax (paid)/refund	**(20.1)**	**(16.8)**	**(8.2)**	**(17.1)**	**0.7**	**(61.5)**
Net cash from/(used in) operating activities	**3.2**	**59.7**	**(234.2)**	**(28.2)**	**(39.4)**	**(238.9)**
Net cash from/(used in) investing activities	**12.2**	**(42.0)**	**2.3**	**114.1**	**(4.3)**	**82.3**
Net cash (used in)/from financing activities	**–**	**(32.3)**	**269.4**	**(118.8)**	**(2.4)**	**115.9**
Net change in cash and cash equivalents	**15.4**	**(14.6)**	**37.5**	**(32.9)**	**(46.1)**	**(40.7)**
Cash and cash equivalents at beginning of the financial year	**319.6**	**54.9**	**85.2**	**71.8**	**85.0**	**616.5**
Foreign exchange differences	**17.6**	**2.7**	**–**	**–**	**–**	**20.3**
Cash and cash equivalents at end of the financial year	**352.6**	**43.0**	**122.7**	**38.9**	**38.9**	**596.1**

2014						
Cash generated from/(used in) operations	65.1	84.7	(105.9)	369.5	8.9	422.3
Tax (paid)/refund	(10.0)	(4.1)	(6.6)	(8.6)	2.5	(26.8)
Net cash from/(used in) operating activities	55.1	80.6	(112.5)	360.9	11.4	395.5
Net cash from/(used in) investing activities	9.7	(37.9)	0.9	(263.6)	(1.8)	(292.7)
Net cash (used in)/ from financing activities	–	(27.1)	182.5	(76.5)	(0.6)	78.3
Net change in cash and cash equivalents	64.8	15.6	70.9	20.8	9.0	181.1
Cash and cash equivalents at beginning of the financial year	306.9	47.8	14.3	48.5	76.0	493.5
Foreign exchange differences	(52.1)	(8.5)	–	2.5	–	(58.1)
Cash and cash equivalents at end of the financial year	319.6	54.9	85.2	71.8	85.0	616.5

Amounts in RM million unless otherwise stated

41 Borrowings

	Group		Company	
	2015	**2014**	**2015**	**2014**
Non-current				
Secured				
Term loans [note (a)]	**592.3**	585.8	**–**	–
Syndicated Islamic financing [note (b)]	**470.5**	186.8	**–**	–
Islamic financing	**78.7**	78.4	**–**	–
Unsecured				
Term loans [note (a)]	**4,520.0**	3,000.1	**–**	–
Islamic Medium Term Notes [note (c)]	**1,700.0**	1,700.0	**1,700.0**	1,700.0
Sukuk [note (d)]	**3,018.4**	2,558.1	**–**	–
Revolving credit [note (e)]	**1,242.0**	–	**–**	–
Islamic financing	**123.5**	–	**–**	–
	11,745.4	8,109.2	**1,700.0**	1,700.0
Current				
Secured				
Term loans due within one year [note (a)]	**585.2**	23.9	**–**	–
Revolving credits and others	**192.7**	68.6	**–**	–
Unsecured				
Bank overdrafts	**46.4**	93.8	**–**	–
Term loans due within one year [note (a)]	**595.1**	395.0	**–**	–
Islamic Medium Term Notes due within one year [note (c)]	**7.4**	711.5	**7.4**	711.5
Sukuk due within one year [note (d)]	**25.8**	29.0	**–**	–
Islamic revolving financing	**1,900.0**	60.0	**–**	–
Revolving credits, trade facilities and others	**2,965.0**	1,683.8	**200.3**	200.3
	6,317.6	3,065.6	**207.7**	911.8
Total borrowings	**18,063.0**	11,174.8	**1,907.7**	2,611.8

41 Borrowings (continued)

a. Term loans

The term loans include the following:

Secured	Security	Repayment Terms	Group 2015	Group 2014
Ringgit loans	Certain property, plant and equipment, investment properties and property under development	Ranging from 7 – 10 years from respective first drawdown dates. All these loans are fully repayable by August 2023.	**438.7**	533.3
USD240.0 million (outstanding balance of USD145.5 million)*	Certain property, plant and equipment and biological assets	Over nineteen quarterly installments commencing at the 6th month from the first drawdown date of 14 April 2011.	**550.5**	–
PGK90.0 million (outstanding balance of PGK87.5 million)*	Certain property, plant and equipment and biological assets	Over nine quarterly installments commencing at the 12th month from the first drawdown date of 18 April 2014.	**120.7**	–
Unsecured	**Repayment Terms**			
USD500.0 million	Over nine semi-annual installments commencing 36th month from the drawdown date of 17 February 2015.		**1,873.2**	–
USD400.0 million (outstanding balance of USD311.0 million (2014: USD400.0 million))	Over nine semi-annual installments commencing 36th month from the drawdown date of 12 December 2011.		**1,176.7**	1,285.3
Ringgit loans	Over nine semi-annual installments commencing 36th month from their respective first drawdown dates. All these loans are fully repayable by January 2020.		**1,407.5**	1,150.0
AUD300 million (outstanding balance of AUD200 million (2014: AUD300.0 million))	Bullet repayments in March 2018 and March 2019.		**580.8**	907.2

* these loans were pre-existing loans of the New Britain Palm Oil Limited group, a subsidiary acquired during the financial year.

Amounts in RM million unless otherwise stated

41 Borrowings (continued)

b. Syndicated Islamic financing - secured

The syndicated Islamic financing consist of four facilities with facility limit of RM896.0 million. The facilities are repayable over 24 semi-annual installments commencing no later than 36 months from their respective first drawdown dates. During the financial year, the Group had drawndown additional RM283.7 milllion from the facilities.

The syndicated Islamic financing are secured by fixed and floating charges over all present and future assets of certain subsidiaries, including the legal assignments over all of their rights, titles, interest and benefits in the Pagoh Education Hub project.

c. Islamic Medium Term Notes and Islamic Commercial Papers

On 24 September 2009, the Company had obtained the approval of the Securities Commission for the establishment of an Islamic Medium Term Note (IMTN) Programme of RM4,500.0 million and an Islamic Commercial Paper (ICP)/IMTN Programme of RM500.0 million with a combined limit of RM4,500.0 million. The IMTN Programme and ICP/IMTN Programme are for tenures of 20 years and 7 years, respectively. The IMTN Programme and the ICP/IMTN Programme are structured under the Shariah Principle of Musyarakah.

Details of the IMTNs issued and outstanding as at 30 June 2015 are as follows:

Date of issuance	Tenure (months)	Nominal value	Periodic distribution rate (per annum)	Maturity date
16 November 2009	84	1,000.0	4.75%	16 November 2016
11 December 2012	120	300.0	3.98%	9 December 2022
11 December 2012	180	400.0	4.35%	10 December 2027
		1,700.0		

On 16 November 2014, the Company redeemed its 5-year RM700.0 million Islamic Medium Term Notes issued on 16 November 2009, upon its maturity.

The IMTNs are rated AAA_{ID} by Malaysian Rating Corporation Berhad and are listed on the Main Market of Bursa Malaysia Securities Berhad under an Exempt Regime.

Standard & Poor's Ratings Services has assigned its axAA- ASEAN regional scale rating to the Group's issuances under the IMTN Programme. The axAA- ASEAN rating scale provides an independent opinion on the creditworthiness of the issuer relative to other ASEAN issuers.

41 Borrowings (continued)

d. Sukuk

On 11 January 2013, the Group received the approval of the Securities Commission for the establishment of a Multi-Currency Sukuk Programme (Sukuk Programme) with a programme limit of USD1,500.0 million (or its equivalent in other currencies).

The Sukuk Programme is structured under the Shariah Principle of Ijarah, which is a sale and leaseback arrangement. Sime Darby Global Berhad, a wholly owned subsidiary of the Group, is the issuer under this financing.

Details of the sukuk issued and outstanding as at 30 June 2015 are as follows:

Date of issuance	**Tenure** (months)	**Nominal value** (USD million)	**Periodic distribution rate** (per annum)	**Maturity date**
29 January 2013	60	400.0	2.053%	29 January 2018
29 January 2013	120	400.0	3.290%	29 January 2023
		800.0		

The Sukuk Programme has been accorded ratings of A- by Standard & Poor's Ratings Services, A by Fitch Ratings and A3 by Moody's Investors Service.

The sukuk issued is listed on the Singapore Exchange Securities Trading Limited and on Bursa Malaysia Securities Berhad pursuant to Bursa Malaysia's Exempt Regime on 30 January 2013.

e. Revolving credit

The revolving credit facility of USD330.0 million (equivalent to RM1,242.0 million) is for a tenure of 3 years, repayable in February 2018.

Amounts in RM million unless otherwise stated

41 Borrowings (continued)

f. Other information on borrowings

i. Islamic financing
The average effective distribution rates per annum are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	%	%	**%**	%
Islamic Medium Term Notes	**4.52**	4.48	**4.52**	4.48
Sukuk	**2.75**	2.75	**-**	-
Syndicated Islamic financing	**7.00**	7.00	**-**	-
Islamic financing	**4.25**	3.68	**-**	-
Islamic revolving financing	**3.80**	3.98	**-**	-

ii. Conventional financing
The average effective interest rates per annum are as follows:

	Group		Company	
	2015	2014	**2015**	2014
	%	%	**%**	%
Term loans:				
- before interest rate swaps	**3.04**	3.60	**-**	-
- after interest rate swaps	**3.22**	3.62	**-**	-
Bank overdrafts	**4.73**	5.02	**-**	-
Other borrowings	**3.40**	3.80	**3.77**	3.52

The Group's term loans that are subject to contractual interest rates repricing within 1 year amounted to RM6,191.1 million (2014: RM3,963.0 million).

iii. Secured financing
Borrowings amounting to RM1,919.4 million (2014: RM943.5 million) are secured by fixed and floating charges over the assets of the Group. The carrying amounts of assets that the Group has pledged as collateral for the borrowings are as follows:

	Group	
	2015	2014
Property, plant and equipment [Note 18]	**1,849.8**	143.5
Biological Assets [Note 19]	**2,022.4**	-
Investment properties [Note 21]	**151.9**	240.4
Land held for property development [Note 22]	**21.7**	24.7
Amounts due from customers on construction contracts [Note 30]	**651.2**	260.4
Inventories and other assets	**121.7**	147.0
	4,818.7	816.0

41 Borrowings (continued)

f. Other information on borrowings (continued)

iv. Currencies and maturity profile

The currencies and maturity profile of the Group's borrowings are as follows:

Group 2015	Maturities: Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Term loans:					
- Ringgit Malaysia	268.7	401.5	1,072.5	179.0	1,921.7
- Australian dollar	–	–	580.8	–	580.8
- Pacific franc	2.8	2.8	9.2	23.0	37.8
- Papua New Guinea kina	13.8	106.9	–	–	120.7
- Thailand baht	7.9	7.8	15.7	–	31.4
- United States dollar	887.1	336.8	1,543.8	832.5	3,600.2
Islamic Medium Term Notes:					
- Ringgit Malaysia	7.4	1,000.0	–	700.0	1,707.4
Sukuk:					
- United States dollar	25.8	–	1,504.9	1,513.5	3,044.2
Syndicated Islamic financing:					
- Ringgit Malaysia	–	11.7	70.6	388.2	470.5
Islamic financing:					
- Ringgit Malaysia	–	–	120.7	81.5	202.2
Bank overdraft:					
- Chinese renminbi	17.6	–	–	–	17.6
- New Zealand dollar	28.8	–	–	–	28.8
Islamic revolving financing:					
- Ringgit Malaysia	1,900.0	–	–	–	1,900.0
Revolving credits, trade facilities and other short-term borrowings:					
- Ringgit Malaysia	1,390.8	–	–	–	1,390.8
- Australian dollar	4.0	–	–	–	4.0
- Chinese renminbi	545.7	–	–	–	545.7
- Indonesian rupiah	264.0	–	–	–	264.0
- New Zealand dollar	51.5	–	–	–	51.5
- Taiwanese dollar	35.0	–	–	–	35.0
- Thailand baht	78.0	–	–	–	78.0
- United States dollar	737.5	–	1,242.0	–	1,979.5
- Vietnamese dong	51.2	–	–	–	51.2
	6,317.6	1,867.5	6,160.2	3,717.7	18,063.0

Amounts in RM million unless otherwise stated

41 Borrowings (continued)

f. Other information on borrowings (continued)

iv. Currencies and maturity profile (continued)

The currencies and maturity profile of the Group's borrowings are as follows: (continued)

Group 2014	Maturities: Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
Term loans:					
- Ringgit Malaysia	124.1	245.9	951.7	395.2	1,716.9
- Australian dollar	–	–	907.2	–	907.2
- Chinese renminbi	5.4	5.2	8.3	–	18.9
- Pacific franc	2.8	2.9	9.2	27.1	42.0
- Thailand baht	–	13.8	13.9	6.9	34.6
- United States dollar	286.6	285.8	712.8	–	1,285.2
Islamic Medium Term Notes:					
- Ringgit Malaysia	711.5	–	1,000.0	700.0	2,411.5
Sukuk:					
- United States dollar	29.0	–	1,273.7	1,284.4	2,587.1
Syndicated Islamic financing:					
- Ringgit Malaysia	–	–	129.8	57.0	186.8
Islamic financing:					
- Ringgit Malaysia	–	–	32.0	46.4	78.4
Bank overdraft:					
- Chinese renminbi	64.6	–	–	–	64.6
- New Zealand dollar	29.2	–	–	–	29.2
Islamic revolving financing:					
- Ringgit Malaysia	60.0	–	–	–	60.0
Revolving credits, trade facilities and other short-term borrowings:					
- Ringgit Malaysia	327.0	–	–	–	327.0
- Australian dollar	133.6	–	–	–	133.6
- Chinese renminbi	777.1	–	–	–	777.1
- Indonesian rupiah	38.7	–	–	–	38.7
- New Zealand dollar	121.0	–	–	–	121.0
- Thailand baht	45.5	–	–	–	45.5
- Singapore dollar	23.4	–	–	–	23.4
- United States dollar	246.0	–	–	–	246.0
- Vietnamese dong	40.1	–	–	–	40.1
	3,065.6	553.6	5,038.6	2,517.0	11,174.8

41 Borrowings (continued)

f. Other information on borrowings (continued)

iv. Currencies and maturity profile (continued)
The Company's borrowings are denominated in Ringgit Malaysia and the maturity dates of its Islamic Medium Term Notes are shown in note (c) above.

42 Finance Lease Obligation

The Group leased composting plants under finance lease arrangements. The average lease term is 20 years (2014: 20 years). The Group has options to purchase the plants for nominal amount at the end of the lease term.

	Group	
	2015	**2014**
Gross finance lease liabilities – minimum lease payments		
- due no later than one year	**11.8**	11.2
- due later than one year and no later than five years	**47.3**	45.5
- due later than five years	**131.7**	139.1
	190.8	195.8
Future finance charges	**(44.8)**	(43.3)
Present value of finance lease liabilities	**146.0**	152.5

The present value of finance lease liabilities is analysed as follows:

Non-current		
Due later than one year and no later than five years	**29.6**	29.2
Due later than five years	**109.6**	116.7
	139.2	145.9
Current		
Due no later than one year	**6.8**	6.6
	146.0	152.5

The finance lease obligations are denominated in Ringgit Malaysia, are subject to fixed interest rates of 3.7% and 4.5% per annum and are secured on plant and machinery with a total net book value of RM137.3 million (2014: RM146.3 million) (see Note 18).

Amounts in RM million unless otherwise stated

43 Payables

	Group		Company	
	2015	**2014**	**2015**	**2014**
Non-current				
Amounts due to a subsidiary [note (a)]	**–**	–	**–**	2,558.1
Current				
Trade payables	**4,587.1**	3,813.0	**–**	–
Accruals				
- indirect taxes payable	**327.6**	180.6	**–**	–
- others [note (b)]	**2,324.8**	2,836.3	**5.0**	22.7
Customers' deposits	**1,044.0**	1,271.2	**–**	–
Amounts due to a subsidiary [note (a)]	**–**	–	**3,052.4**	29.1
Amounts due to joint ventures	**40.4**	3.7	**–**	–
Amounts due to associates	**0.1**	0.1	**–**	–
Financial guarantees [note (c)]	**0.3**	0.3	**16.1**	39.1
	8,324.3	8,105.2	**3,073.5**	90.9
Total payables	**8,324.3**	8,105.2	**3,073.5**	2,649.0

a. Amounts due to a subsidiary

Non-current
In previous year, the amounts due to a subsidiary bore interest at rates ranging between 2.05% to 3.29% per annum and were unsecured.

Current
The amounts due to a subsidiary are unsecured, repayable on demand and is interest free except for RM 3,027.0 million (2014: Nil) which bears interest at rates ranging from 2.05% to 3.29% (2014: Nil) per annum.

b. Accruals

Included in accruals are amounts payable for the purchase of property, plant and equipment and for the acquisition of additional interest in an associate of RM101.1 million (2014: RM151.7 million) and RM34.1 million (2014: Nil) respectively.

c. Financial guarantees

The fair value of financial guarantees is determined as the estimated amount that would be payable to a third party for assuming the obligations based on current market rate available for similar instruments. The financial guarantees are in respect of the following contracts:

	Group		Company	
	2015	**2014**	**2015**	**2014**
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	**–**	–	**3,028.7**	1,584.4
- a joint venture	**6.6**	14.9	**–**	–
- certain associates	**62.9**	29.9	**–**	–
- plasma stakeholders	**79.2**	61.5	**–**	–
	148.7	106.3	**3,028.7**	1,584.4

44 Provisions

Group 2015	Warranties	Risk sharing	Total
At 1 July 2014	**301.9**	**30.8**	**332.7**
Additions	**99.5**	**18.1**	**117.6**
Amounts unutilised	**(53.9)**	**(16.6)**	**(70.5)**
Charged to profit or loss [Note 6]	**45.6**	**1.5**	**47.1**
Utilised	**(143.8)**	**(14.5)**	**(158.3)**
Exchange differences	**6.8**	**4.3**	**11.1**
At 30 June 2015	**210.5**	**22.1**	**232.6**
2014			
At 1 July 2013	303.4	22.1	325.5
Additions	158.0	31.7	189.7
Amounts unutilised	(53.6)	(15.0)	(68.6)
Charged to profit or loss [Note 6]	104.4	16.7	121.1
Utilised	(114.4)	(7.8)	(122.2)
Exchange differences	8.5	(0.2)	8.3
At 30 June 2014	301.9	30.8	332.7

The provisions are subject to the following maturity periods:

	Group	
	2015	**2014**
Non-current		
Due later than one year	**17.2**	49.3
Current		
Due no later than one year	**215.4**	283.4
	232.6	332.7

a. **Warranties**
Provision is recognised on warranties provided for the sales of machinery, vehicles and other products that are not covered by manufacturers' warranties. The provision was estimated based on historical claims experience, as well as recent trends which are indicative of future claims.

b. **Risk sharing**
Provision is recognised on guarantees provided up to a predetermined amount to a third party leasing company (Caterpillar (China) Financial Leasing Co Ltd) for financing customers' purchases of equipment from the Group. The provision for the obligation that the Group has to pay to the leasing company should the customers default, was estimated based on a percentage of risk sharing ratio over the total outstanding lease portfolio.

Amounts in RM million unless otherwise stated

45 Retirement Benefits

	Group	
	2015	**2014**
At 1 July	**141.5**	154.5
Acquisition of subsidiaries	**0.3**	–
Disposal of subsidiaries	**–**	(0.3)
Charge for the financial year [Note 6(a)]	**21.8**	0.5
Contributions paid	**(1.2)**	(18.9)
Benefits paid – unfunded obligations	**(6.4)**	(3.3)
Actuarial losses	**6.6**	19.1
Exchange differences	**4.8**	(10.1)
At 30 June	**167.4**	141.5

The amounts recognised on the statements of financial position are determined as follows:

	2015	2014
Present value of funded obligations [note (a)]	**484.1**	399.8
Fair value of plan assets [note (b)]	**(367.9)**	(304.6)
	116.2	95.2
Present value of unfunded obligations [note (a)]	**51.2**	46.3
Net liabilities	**167.4**	141.5

The amounts recognised in the profit or loss are as follows:

	2015	2014
Current service cost	**17.0**	19.3
Past service cost	**0.2**	(27.7)
Interest cost	**12.8**	8.5
Expected return on plan assets	**(8.2)**	0.4
	21.8	0.5

Total return on plan assets are as follows:

	2015	2014
Expected return on plan assets	**8.2**	(0.4)
Actuarial gains on plan assets	**59.8**	15.2
	68.0	14.8

45 Retirement Benefits (continued)

	Group 2015	Group 2014
a. Changes in the present value of defined benefit obligations		
Wholly or partly funded obligations	**484.1**	399.8
Unfunded obligations	**51.2**	46.3
	535.3	446.1

Movements in the present value of defined benefit obligations are as follows:

	Group 2015	Group 2014
At 1 July	**446.1**	436.4
Acquisition of subsidiaries	**0.3**	–
Disposal of subsidiaries	**–**	(0.3)
Current service cost	**17.0**	19.3
Past service cost	**0.2**	(27.7)
Interest cost	**12.8**	8.5
Benefits paid – funded obligations	**(7.0)**	(19.7)
Benefits paid – unfunded obligations	**(6.4)**	(3.3)
Actuarial losses	**66.4**	34.3
Exchange differences	**5.9**	(1.4)
At 30 June	**535.3**	446.1

b. Changes in the fair value of plan assets

	Group 2015	Group 2014
At 1 July	**304.6**	281.9
Expected return on plan assets	**8.2**	(0.4)
Contributions by employers	**1.2**	18.9
Benefits paid	**(7.0)**	(19.7)
Actuarial gains	**59.8**	15.2
Exchange differences	**1.1**	8.7
At 30 June	**367.9**	304.6

c. Principal actuarial assumptions

Principal actuarial assumptions used at 30 June in respect of the Group's defined benefit pension plans are as follows:

	Group 2015 %	Group 2014 %
Discount rate	**1.3 – 8.3**	1.3 – 8.5
Expected return on plan assets	**2.5 – 8.0**	3.2 – 8.0
Expected rate of salary increases	**1.5 – 8.2**	1.5 – 8.0

Amounts in RM million unless otherwise stated

46 Deferred Income

	Group	
	2015	**2014**
Maintenance income	**215.5**	155.2
Advance annualised licence fees	**148.0**	149.3
Government grant	**202.8**	173.4
	566.3	477.9

The deferred income are subject to the following maturity periods:

Non-current		
Due later than one year	**407.5**	375.7
Current		
Due no later than one year	**158.8**	102.2
	566.3	477.9

The government grants are received in relation to the purchase of property, plant and equipment and prepaid lease rentals of certain subsidiaries.

47 Progress Billings and Others

	Group	
	2015	**2014**
Amounts due to customers on construction contracts [Note 30]	**166.9**	109.8
Progress billings	**5.4**	75.4
Others	**22.6**	23.5
	194.9	208.7

48 Contingent Liabilities and Commitments

Contingent liabilities and commitments are as follows:

a. Guarantees

In the ordinary course of business, the Group may obtain surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. A liability would only arise in the event the Group fails to fulfill its contractual obligations.

The Company has also provided performance guarantees to customers of certain subsidiaries to secure performance under contracts or in lieu of retention withheld on contracts.

The outstanding guarantees as at 30 June are as follows:

	Group		Company	
	2015	2014	**2015**	2014
Performance and advance payment guarantees to customers of:				
- subsidiaries	**–**	–	**1,581.8**	2,223.9
- the Group	**2,250.6**	2,848.2	**–**	–
	2,250.6	2,848.2	**1,581.8**	2,223.9

In cases where the Group is required to issue surety bonds or letters of credit for the entire contract despite holding partial interest in a venture, the Group will seek counter-indemnity from the other venture partners. As at 30 June 2015, there were no counter-indemnities received by the Group (2014: RM212.1 million) and by the Company (2014: RM212.1 million).

In addition, the Group guarantees the payment from its customers under a risk sharing arrangement with a third party leasing company in connection with the sale of its equipment up to a pre-determined amount. As at 30 June 2015, the total outstanding risk sharing amount on which the Group has an obligation to pay the leasing company should the customers default, amounted to RM366.0 million (2014: RM254.0 million) (see Note 55(a)(iii)).

b. Claims

As at 30 June 2015, claims against the Group not taken up in the statements of financial position amounted to RM8.4 million (2014: RM19.4 million). These claims include disputed amounts for the supply of goods and services.

There were no claims against the Company as at 30 June 2015 (2014: Nil).

Amounts in RM million unless otherwise stated

48 Contingent Liabilities and Commitments (continued)

Contingent liabilities and commitments are as follows: (continued)

c. Capital commitments

	Group	
	2015	**2014**
Authorised capital expenditure not provided for in the financial statements:		
Property, plant and equipment		
- contracted	**700.2**	788.2
- not contracted	**2,260.9**	2,790.8
	2,961.1	3,579.0
Other capital expenditure		
- contracted	**187.7**	551.0
- not contracted	**176.2**	697.1
	3,325.0	4,827.1

The Company does not have any capital commitment as at 30 June 2015 (2014: Nil).

d. Leases

	Group	
	2015	**2014**
Commitments under non-cancellable operating leases:		
- expiring not later than one year	**347.5**	187.8
- expiring later than one year but not later than five years	**922.3**	298.5
- expiring later than five years	**376.3**	312.5
	1,646.1	798.8

The Company does not have any non-cancellable operating lease as at 30 June 2015 (2014: Nil).

e. Plasma Plantation

The Group is committed to develop a total of 55,560 (2014: 55,560) hectares of oil palm plantation for plasma farmers in Indonesia. A total of 43,843 (2014: 42,714) hectares have been developed of which about 35,712 (2014: 35,560) hectares have been handed over to plasma farmers.

49 Material Litigation

The material litigations closed during the financial year/outstanding are as follows:

a. Qatar Petroleum Project (QP Project), Maersk Oil Qatar Project (MOQ Project) and the Marine Project Civil Suits (O&G Suit)

On 23 December 2010, Sime Darby Berhad, Sime Darby Engineering Sdn Bhd (SDE), Sime Darby Energy Sdn Bhd, Sime Darby Marine Sdn Bhd and Sime Darby Marine (Hong Kong) Pte Ltd (collectively, the Plaintiffs) filed a civil suit in the High Court against Dato' Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid, Dato' Mohamad Shukri Baharom, Abdul Rahim Ismail, Abdul Kadir Alias and Mohd Zaki Othman (collectively, the Defendants) claiming, inter alia, damages arising from the Defendants' negligence and breaches of duty in relation to the Qatar Petroleum Project (QP Project), the Maersk Oil Qatar Project (MOQ Project) and the project relating to the construction of marine vessels known as the Marine Project. The aggregate amount claimed was RM93,320,755 and USD78,808,000 (equivalent to RM298,189,770) together with general and aggravated damages to be assessed and other relief.

On 13 June 2014, all the Defendants consented to judgment being recorded on the following terms (Consent Judgment):

i. Judgment be entered for the Plaintiffs in respect of the claims as set out in Prayers (1), (2), (3), (4), (5), (6),(7), (8) and (9) of the Statement of Claim dated 23 December 2010;

ii. The amount of damages in respect of these claims is to be assessed by the Court except for the matters pleaded with respect to Incobliss Consulting Sdn Bhd, and thereupon final judgment be entered against the Defendants for the assessed amount with costs; and

iii. The Plaintiffs shall be permitted to levy execution upon any such final judgment or otherwise enforce the same against any of the Defendants only upon the Plaintiffs recovering all claims from the respective employers for the QP Project and the MOQ Project and the proceeds of sale of the derrick lay barge in regards to the Marine Project or after the expiry of 3 years from the date when final judgment for the assessed amount is entered, whichever is the earlier.

With the filing of the Consent Judgment, the issue of the Defendants' liability has now come to an end.

The amount of damages will be assessed by the Court. At the hearing of the Notice of Appointment for assessment of damages (Notice of Appointment) on 13 September 2014, the Plaintiffs' counsel informed the Court that assessment of damages at this juncture was premature and requested that assessment be deferred until the Plaintiffs are in a position to assess damages. The Court directed the Plaintiffs to file the Notice of Appointment within 1 year of the date of the Consent Judgment.

On 5 June 2015, the Plaintiffs filed a Notice of Application for extension of time to file the Notice of Appointment (Application for Extension) on the basis that the legal action commenced by SDE in Doha against Qatar Petroleum in relation to outstanding invoices and costs overruns is still ongoing, and the outcome of this action will have a direct effect on the quantum of damages that will be assessed in respect of the QP Project. At the hearing of the Application for Extension on 6 July 2015, the Court granted an extension of 1 year (from 13 June 2015) for the Plaintiffs to file the Notice of Appointment.

b. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits (Bakun Suit)

On 24 December 2010, Sime Darby Berhad, Sime Engineering Sdn Bhd, Sime Darby Holdings Berhad and Sime Darby Energy Sdn Bhd (collectively, the Plaintiffs) filed a civil suit in the High Court against Dato' Seri Ahmad Zubair @ Ahmad Zubir Hj Murshid, Dato' Mohamad Shukri Baharom (DMS) and Abdul Rahim Ismail (collectively, the Defendants) claiming, inter alia, damages in connection with the Defendants' negligence and breaches of duty in relation to the Package CW2-Main Civil Works for the Bakun Hydroelectric Project (Bakun Project) and in respect of the Receipt, Discharge and Indemnity Agreement dated 12 January 2010 (Indemnity Agreement) given to DMS. The aggregate amount claimed was RM91,351,313 together with general and aggravated damages to be assessed and other relief.

49 Material Litigation (continued)

The material litigations closed during the financial year/outstanding are as follows: (continued)

b. Bakun Hydroelectric Project (Bakun Project) and the Indemnity Agreement Civil Suits (Bakun Suit) (continued)

On 13 June 2014, all the Defendants consented to judgment being recorded on the following terms (Consent Judgment):

i. Judgment be entered for the Plaintiffs in respect of the claims as set out in Prayers (1), (2), (3), (4), (7), (8) and (9) of the Statement of Claim dated 24 December 2010;

ii. The amount of damages in respect of these claims are to be assessed by the Court and thereupon final judgment be entered against the Defendants for the assessed amount with costs; and

iii. The Plaintiffs shall be permitted to levy execution upon any such final judgment or otherwise enforce the same against any of the Defendants only upon the Malaysia-China Hydro Joint Venture receiving all that is due and payable as full settlement from Sarawak Hidro Sdn Bhd or the Ministry of Finance and/or an assignee or successor in title thereof in relation to the Bakun Project or after the expiry of 3 years from the date when final judgment for the assessed amount is entered, whichever is the earlier.

With the filing of the Consent Judgment, the issue of the Defendants' liability has now come to an end.

The amount of damages will be assessed by the Court. At the hearing of the Notice of Appointment for assessment of damages (Notice of Appointment) on 13 September 2014, the Plaintiffs' counsel informed the Court that assessment of damages at this juncture was premature as the final accounts with Sarawak Hidro Sdn Bhd have not been closed and requested that assessment be deferred until the Plaintiffs are in a position to assess damages. The Court directed the Plaintiffs to file the Notice of Appointment within 1 year of the date of the Consent Judgment.

On 5 June 2015, the Plaintiffs filed a Notice of Application for extension of time to file the Notice of Appointment (Application for Extension) on the basis that the final accounts with Sarawak Hidro Sdn Bhd have yet to be finalised and therefore the Plaintiffs are not in a position to ascertain the full extent of the Plaintiffs' overall losses arising from the Bakun Project. At the hearing on 6 July 2015, the Court granted an extension of 1 year (from 13 June 2015) for the Plaintiffs to file the Notice of Appointment.

c. Emirates International Energy Services (EMAS)

Emirates International Energy Services (EMAS) had on 13 January 2011, filed a civil suit in the Plenary Commercial Court in Abu Dhabi against Sime Darby Engineering Sdn Bhd (SDE) (First Suit) claiming payment of USD178.2 million comprising (a) a payment of USD128.2 million for commissions; and (b) a payment of USD50.0 million as "morale compensation".

SDE filed its Statement of Defence and Counter Claim for the sum of AED100 million on 14 August 2011. SDE's Statement of Defence contained a request for the matter to be referred to arbitration and on 22 August 2011, the Court dismissed the First Suit. EMAS did not appeal against the Court's decision.

i. Proceedings at ADCCAC

On 11 December 2011, EMAS submitted a request for arbitration to the Abu Dhabi Commercial Conciliation & Arbitration Centre (ADCCAC). On 14 February 2012, SDE's counsel filed and submitted the response to EMAS's notice of arbitration to ADCCAC.

The arbitration has been stayed pending the disposal of a second suit filed by EMAS at the Judicial Department of Abu Dhabi (Second Suit).

Following the dismissal of the Second Suit by the Supreme Court on 25 December 2014, on 24 May 2015 EMAS submitted an application to proceed with the arbitration proceedings before the ADCCAC.

49 Material Litigation (continued)

The material litigations closed during the financial year/outstanding are as follows: (continued)

c. Emirates International Energy Services (EMAS) (continued)

i. Proceedings at ADCCAC (continued)
On 7 June 2015, SDE filed its response and challenged the ADCCAC's jurisdiction on the ground that the Agency Agreement entered into between EMAS and SDE stipulated that any dispute shall be settled by reference to the Rules of Commercial Conciliation and Arbitration of the Dubai Chamber of Commerce and Industry. ADCCAC has instructed EMAS to file its response to SDE's challenge by 24 June 2015. The matter is now pending the ADCCAC's further instructions.

ii. Proceedings at the Judicial Department of Abu Dhabi
On 31 March 2012, EMAS filed the Second Suit against SDE. The claim of USD178.2 million by EMAS was based on the same facts and grounds as the First Suit.

After several Court hearings on procedural matters, the Court on 11 June 2013 appointed a court expert specialising in commercial agencies. On 30 July 2013, the court expert released his report recommending SDE to pay EMAS compensation of approximately USD11,240,000.

On 5 March 2014, the court expert submitted his supplemental report (which maintained the earlier findings). On 18 May 2014, despite the objection of both SDE and EMAS to the court expert's supplemental report, the Court issued a judgment for the sum of AED41,046,086 (approximately USD11,179,397) against SDE.

Both SDE and EMAS appealed to the Court of Appeal against the Court's decision.

On 2 July 2014, the Court of Appeal reversed the finding of the Court. The Court of Appeal, in its judgment, held that the Court is barred from making its ruling on the case due to res judicata (i.e a party cannot bring the same issue before the court once it has been decided) ("Court of Appeal's Decision").

On 1 September 2014, EMAS filed an appeal to the Supreme Court against the Court of Appeal's Decision. On 25 December 2014, the Supreme Court dismissed EMAS's appeal against the Court of Appeal's Decision. SDE's counsel has advised that by virtue of the Supreme Court's decision, EMAS has effectively exhausted all its avenues in the Abu Dhabi courts in pursuing its claim against SDE.

On 24 May 2015, EMAS submitted an application to proceed with arbitration proceedings before the ADCCAC (refer (i) above).

d. Qatar Petroleum (QP) Statement of Claim

On 15 August 2012, Sime Darby Engineering Sdn Bhd (SDE) filed a Statement of Claim at the Qatar Court against Qatar Petroleum (QP) for the sum of QAR1,005,359,061. The claim seeks the repayment of a liquidated performance bond, payment of outstanding invoices, compensation and additional costs incurred in relation to an offshore engineering project in Qatar undertaken by SDE pursuant to a contract dated 27 September 2006. However, the contract came into effect much earlier on 15 April 2006 and SDE had commenced work since then.

On 28 November 2012, QP filed its Statement of Defence. On 28 February 2013, in its reply to QP's Statement of Defence, SDE made an upward revision to the amount claimed in respect of the performance bond. The total claim currently stands at QAR1,008,115,825 (approximately USD277,037,023).

On 30 April 2013, the Court ordered the case to be transferred to the Administrative Court and on 18 June 2013, a panel of 3 experts (comprising an accountant and two engineering technicians) were appointed to assist the Court. On 15 May 2014, a new panel of experts were appointed. The Court adjourned the matter to 1 April 2015 for the new experts to meet with the parties and to prepare their report.

49 Material Litigation (continued)

The material litigations closed during the financial year/outstanding are as follows: (continued)

d. Qatar Petroleum (QP) Statement of Claim (continued)
The meetings between the experts and representatives from SDE and QP were held on 23 June 2014 and 23 October 2014, respectively. On 1 April 2015, the experts submitted their report and recommended that SDE be compensated the sum of QAR13,518,819 (equivalent of USD3,715,063) (Expert Report). On 14 April 2015, SDE and QP submitted their respective statements objecting to the Expert Report. On 5 May 2015, SDE submitted its closing submissions. The Court fixed the matter for decision on 28 May 2015 which was subsequently adjourned to 16 June 2015.

At the hearing on 16 June 2015, the Court directed the parties to submit additional documents in respect of the issues raised by the Court. On 1 July 2015, the parties submitted their closing submissions. On 29 July 2015, the Court directed the experts to review their report and instructed them to submit the same on or before 6 October 2015.

e. Swiber Offshore Construction Pte Ltd (SOC) Notice of Arbitration
Swiber Offshore Construction Pte Ltd (SOC) and Sime Darby Engineering Sdn Bhd (SDE) entered into Consortium Agreement dated 3 July 2010 (CA) to govern their relationship as a consortium for the Process Platform for B-193 Project (Project) awarded by Oil and Natural Gas Corporation Ltd via a Notification of Award dated 19 May 2010 for a total contract price of USD618,376,022.

Disputes and differences relating to the Project have since arisen between SOC and SDE.

On 29 August 2013, SDE received a Notice of Arbitration dated 28 August 2013 (Notice) from SOC to refer, pursuant to the provisions of the CA, the disputes and differences in relation to its claim against SDE to arbitration before the Singapore International Arbitration Centre in accordance with the UNCITRAL Rules. The claim from SOC as stated in the Notice is USD47,217,857.

On 30 September 2014, the parties executed a Settlement Agreement. On 20 November 2014, SDE paid the sum of USD12 million to SOC being full and final settlement of the claim. SOC has withdrawn the Notice of Arbitration on 21 November 2014.

On 5 December 2014, the tribunal declared the termination of the arbitration with immediate effect. Consequently, the arbitration proceedings have now come to an end.

f. Oil and Natural Gas Corporation Ltd (ONGC)
Sime Darby Engineering Sdn Bhd (SDE) and Swiber Offshore Construction Pte Ltd (SOC) entered into a Consortium Agreement dated 23 February 2010 (CA) to govern their relationship as a Consortium in relation to the execution and performance of the 05 Well Head Platform Project (05WHP Project) awarded by Oil and Natural Gas Corporation Ltd (ONGC). A contract dated 26 February 2010 (Contract) was executed for a total contract price of USD188,884,887.

Disputes and differences relating to the 05WHP Project have arose between the Consortium and ONGC and the Consortium has invoked the referral of the dispute to arbitration pursuant to the Contract. SDE's portion of the Consortium's claim is circa USD32.5 million.

The Consortium and ONGC then agreed to refer the dispute to an Outside Expert Committee (OEC) as prescribed in the Contract. The OEC proceedings will be conducted in New Delhi, India pursuant to Part III of the Arbitration and Conciliation Act 1996 of the laws of India.

The Consortium filed its Statement of Claim on 23 October 2013 and ONGC submitted its Statement of Defence on 9 January 2014. The 1st OEC meeting was held from 19 to 21 March 2014 during which time the Consortium submitted its reply to ONGC's Statement of Defence. The 2nd OEC meeting was held from 28 to 30 April 2014 during which time the Consortium made a presentation to the OEC on the Consortium's claims.

49 Material Litigation (continued)

The material litigations closed during the financial year/outstanding are as follows: (continued)

f. Oil and Natural Gas Corporation Ltd (ONGC) (continued)

During the 3rd OEC meeting held from 21 to 23 August 2014, the OEC proposed a settlement to the Consortium. SDE presented its detailed figures at the OEC meeting on 16 October 2014 and SOC submitted its figures at the meetings on 11 and 12 November 2014.

OEC issued its report on 2 December 2014 recommending USD12 million as the full and final settlement sum, of which USD6,731,740 was apportioned to SDE and USD5,268,260 to SOC.

On 20 March 2015, the Consortium informed ONGC of its objection to the OEC's recommendation and sought a higher amount of compensation. On 19 April 2015, ONGC rejected the Consortium's request.

The Consortium is now preparing its case for arbitration in India and has appointed Indian counsels to represent the Consortium.

g. Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) Notice of Arbitration

Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE) and Sime Darby Engineering Sdn Bhd (SDE) entered into Sale and Purchase Agreement dated 25 August 2011 (SPA) for the disposal of SDE's oil and gas business to MMHE for a consideration of RM393.5 million and subsequently entered into Supplemental Agreement dated 30 March 2012 (SSPA) to vary certain terms and conditions of the SPA.

The SSPA provides, inter alia, that the fabrication of KBB Topsides Contract No. KPOC/COC/2009/015 for the Kebabangan Northern Hub Development (KPOC Project) between Kebabangan Petroleum Operating Company Sdn Bhd and SDE dated 20 September 2011 shall be novated by SDE to MMHE with effect from 31 March 2012 for a consideration of RM20.0 million.

Disputes relating to the KPOC Project has since arisen between MMHE and SDE.

On 17 March 2015, SDE received a Notice of Arbitration dated 16 March 2015 (Notice) from MMHE to refer the disputes to arbitration before the Regional Centre for Arbitration Kuala Lumpur (KLRCA) in accordance with the Rules of Arbitration of the KLRCA. The claim from MMHE as stated in the Notice is RM56,870,320.

SDE submitted its response to the Notice on 15 April 2015. KLRCA has confirmed the appointment of SDE's and MMHE's arbitrators and on 10 June 2015, the KLRCA informed the parties of the appointment of the Tribunal chairman.

On 4 August 2015, the Tribunal directed MMHE to file its Statement of Claim on 4 September 2015 and SDE to file its Defence and Counterclaim on 23 October 2015 and has fixed the matter for hearing from 8 August 2016 to 19 August 2016.

h. Claim against PT Anzawara Satria

On 1 March 2006, PT Sajang Heulang (PT SHE) initiated legal action in the District Court of Kotabaru against PT Anzawara Satria (PT AS) claiming for the surrender of approximately 60 hectares of land forming part of Hak Guna Usaha (HGU) 35 belonging to PT SHE on which PT AS had carried out illegal coal mining activities. On 5 December 2006, the District Court of Kotabaru ruled in favour of PT AS and declared that HGU 35 was defective and has no force of law and that PT AS has the right to conduct mining activities on the said land (District Court Kotabaru Decision). PT SHE appealed to High Court of Kalimantan Selatan at Banjarmasin against the District Court Kotabaru Decision. On 4 December 2007, the High Court of Kalimantan Selatan at Banjarmasin upheld the District Court Kotabaru Decision (1st High Court Decision). On 12 February 2008, PT SHE appealed to the Supreme Court of Republik of Indonesia against the 1st High Court Decision. On 10 March 2011, the Supreme Court ruled in favour of PT AS and ordered PT SHE to surrender 2,000 hectares of land in Desa Bunati to PT AS (1st Judicial Review Decision).

49 Material Litigation (continued)

The material litigations closed during the financial year/outstanding are as follows: (continued)

h. Claim against PT Anzawara Satria (continued)

Meanwhile, on 24 May 2006, PT AS claimed in the State Administration Court Banjarmasin for an order that the mining rights held by PT AS superseded the HGU 35 held by PT SHE and that the said HGU 35 measuring approximately 2,182 hectares was improperly issued to PT SHE. On 26 September 2006, the State Administration Court Banjarmasin ruled in favour of PT SHE and dismissed PT AS's claim (State Administration Court Banjarmasin Decision). PT AS appealed to the High Court of State Administration at Jakarta against the State Administration Court Banjarmasin Decision. On 19 February 2007, the High Court of State Administration at Jakarta ruled in favour of PT AS and nullified PT SHE's HGU 35 (2nd High Court Decision). On 9 December 2009, PT SHE appealed to the Supreme Court of Republik of Indonesia against the 2nd High Court Decision. On 26 October 2010, the Supreme Court declared PT SHE as being the lawful owner over HGU 35 (2nd Judicial Review Decision).

On 7 November 2011, PT SHE filed judicial review proceedings (3rd Judicial Review) before the Supreme Court of Republik of Indonesia seeking a decision on the conflicting decisions comprised by the 1st and the 2nd Judicial Review Decisions. On 28 December 2012, the Supreme Court dismissed the 3rd Judicial Review on the ground that the application cannot be determined by another judicial review decision.

On 27 March 2013, PT AS commenced execution of the 1st Judicial Review Decision and in carrying out the execution proceedings, felled oil palm trees and destroyed buildings and infrastructure, resulting in damage to approximately 1,500 hectares of land.

On 23 April 2014, PT SHE filed a claim at the District Court of Batu Licin against PT AS for the sum of IDR672,767,554,854 (approximately RM190,998,709) for loss and/or damage caused by PT AS in executing the 1st Judicial Review Decision. On 13 February 2015, the District Court of Batu Licin decided in favour of PT SHE and awarded damages in the sum of IDR69,946,800,000 (approximately RM19,857,897) (District Court Batu Licin Decision). On 29 January 2015, PT AS filed an appeal to the High Court of Kalimantan Selatan, Banjarmasin against the District Court Batu Licin Decision (PT AS Appeal). PT SHE filed its reply to the PT AS Appeal on 4 June 2015. The case is now pending appeal at the High Court of Kalimantan Selatan, Banjarmasin.

50 Acquisitions

a. Acquisition of subsidiaries

i. Subsidiaries acquired by the Group during the financial year ended 30 June 2015 are as follows:

Name of subsidiary	Purchase consideration	Group's effective interest acquired %	Effective acquisition date
Plantation			
Industrial Enterprises Co Ltd (IEC)	*	99.9	11 September 2014
New Britain Palm Oil Limited (NBPOL)	GBP1,083.6 million (equivalent to RM6,033.4 million)**	100.0	2 March 2015
Motors			
Sodor Properties Limited	NZD9 million (equivalent to RM24.6 million)	100.0	5 November 2014

* Sime Darby Plantation Sdn Bhd (SDP) received cash amounting to THB0.9 million (equivalent to RM0.1 million) for the purchase of IEC. The net consideration is after adjusting for the net debt position of IEC at completion.

** On 2 March 2015, SDP acquired 149,794,781 ordinary shares of NBPOL, representing 98.8% equity interest. Subsequently, on 21 April 2015, SDP compulsory acquired the remaining 1.2% equity interest pursuant to a requirement under the Papua New Guinea Takeovers Code 1998.

The acquisition was undertaken to enhance the earnings of the Group's plantation business as well as to provide synergistic benefits. The investment in Papua New Guinea widens SDP's global presence and enhance competitive advantage for the upstream segment.

Acquisition-related costs amounting to RM36.5 million are included in other operating expenses.

For the year ended 30 June 2015, the newly acquired subsidiaries contributed RM724.2 million to the Group's revenue and RM68.1 million to the Group's profit attributable to the owners of the Company.

If the acquisitions were effective on 1 July 2014, the Group's revenue and profit attributable to owners of the Company for the financial year ended 30 June 2015 would have been RM44,999.3 million and RM2,347.7 million respectively, an increase of RM1,270.6 million and RM34.9 million respectively.

Amounts in RM million unless otherwise stated

50 Acquisitions (continued)

a. Acquisition of subsidiaries (continued)

ii. Details of the assets, liabilities and net cash outflow arising from the acquisition of subsidiaries by the Group during the financial year ended 30 June 2015 are as follows:

	NBPOL		Others		Total	
	Book value	**Fair value**	**Book value**	**Fair value**	**Book value**	**Fair value**
Property, plant and equipment [Note 18]	**1,903.8**	**2,151.4**	**29.1**	**108.7**	**1,932.9**	**2,260.1**
Biological assets [Note 19]	**2,015.0**	**2,998.2**	**–**	**–**	**2,015.0**	**2,998.2**
Intangible assets [Note 25]	**163.3**	**587.9**	**1.7**	**1.7**	**165.0**	**589.6**
Borrowings	**(886.4)**	**(886.4)**	**(73.0)**	**(73.0)**	**(959.4)**	**(959.4)**
Deferred tax liabilities [Note 26]	**(1,051.7)**	**(1,523.9)**	**–**	**(13.4)**	**(1,051.7)**	**(1,537.3)**
Receivables	**539.9**	**513.2**	**–**	**–**	**539.9**	**513.2**
Net current assets/(liabilities)	**463.6**	**393.7**	**(7.8)**	**(7.8)**	**455.8**	**385.9**
Net assets/(liabilities) acquired	**3,147.5**	**4,234.1**	**(50.0)**	**16.2**	**3,097.5**	**4,250.3**
Non-controlling interests		**(72.2)**		**–**		**(72.2)**
Goodwill [Note 25]		**1,871.5**		**8.3**		**1,879.8**
Purchase consideration		**6,033.4**		**24.5**		**6,057.9**
Less: Cash and cash equivalents of subsidiaries acquired		**(35.0)**		**–**		**(35.0)**
Net cash outflow on acquisition		**5,998.4**		**24.5**		**6,022.9**

The valuation of material assets (land, building, plant and machinery and biological assets) and identification and valuation of intangible assets and contingent liabilities of the subsidiaries acquired were carried out by independent professional firms, to arrive at the fair value of identifiable assets, liabilities and contingent liabilities at the date of acquisition.

As at 30 June 2015, the purchase price allocation (PPA) exercise on the fair values of net assets acquired and the residual goodwill arising from the acquisition of the NBPOL group is provisional, pending finalisation of the total fair value of the net assets acquired. The PPA for the acquisition of NBPOL has not been finalised as certain information required to determine the fair values of certain assets and liabilities and the relevant tax effects are still outstanding. As allowed under FRS 3 – Business Combinations, the Group has a 12-month period to finalise the PPA. As such, on finalisation of the PPA, there may be changes in the fair values of the net assets acquired and, consequently the residual goodwill.

The goodwill of RM1,879.8 million (of which RM1,871.5 million relating to the acquisition of NBPOL is provisional) arising from the acquisition consists largely the significant synergies and economies of scale expected from combining the operations of the Group and the subsidiaries acquired.

50 Acquisitions (continued)

b. Acquisition of an associate

The associate acquired by the Group during the financial year ended 30 June 2015 is as follows:

Name of associate	Purchase consideration	Group's effective interest acquired %	Effective acquisition date
<u>Property</u>			
Kuantan Pahang Holding Sdn Bhd (KPH)	RM 30.0	30.0	6 November 2014

KPH holds a 51% equity interest in Malaysia-China Kuantan Industrial Park Sdn Bhd, a company established jointly with Guangxi Beibu Gulf ASEAN Investment Co Ltd to undertake the development of the Malaysia-China Kuantan Industrial Park in Kuantan, Pahang.

51 Disposals

a. Disposal of subsidiaries

i. Subsidiaries disposed by the Group during the financial year ended 30 June 2015 are as follows:

Name of subsidiary	Disposal consideration	Group's effective interest disposed %	Effective disposal date
<u>Plantation</u>			
Rizhao Sime Darby Oils & Fats Co Ltd (RSDOF)	RMB85.3 million (equivalent to RM46.5 million)	55.0	28 November 2014
<u>Property</u>			
Sime Darby Brunsfield Project Management Sdn Bhd	RM2,000	60.0	13 January 2015
Sime Darby Brunsfield Property Management Sdn Bhd	RM2,000	60.0	13 January 2015
Sime Darby Brunsfield Taipan City Sdn Bhd	RM2,000	60.0	13 January 2015

Following the completion of the disposal, the Group's interest in RSDOF has reduced from 100% to 45%. The remaining interest is accounted for as a joint venture and is recognised initially at fair value.

Amounts in RM million unless otherwise stated

51 Disposals (continued)

a. Disposal of subsidiaries (continued)

ii. Details of the assets, liabilities and net cash inflow arising from the disposal of subsidiaries by the Group during the financial year ended 30 June 2015 are as follows:

Property, plant and equipment [Note 18]	**61.0**
Prepaid lease rentals [Note 20]	**26.9**
Deferred tax assets [Note 26]	**0.2**
Net current liabilities	**(0.3)**
Net assets disposed	**87.8**
Loss on disposal of subsidiaries	**(3.7)**
Less: Exchange loss included in the loss on disposal	**0.5**
Proceeds from disposal, net of transaction costs	**84.6**
Less: Cash and cash equivalent in subsidiaries disposed	**(3.9)**
Less: Fair value of retained portion of investment	**(38.1)**
Less: Balance consideration outstanding	**(46.5)**
Net cash outflow from disposal of subsidiaries during the financial year	**(3.9)**

Net cash outflow from disposal of subsidiaries during the financial year	**(3.9)**
Proceeds from disposal of subsidiaries in previous years [Note 29(a)(iii)]	**45.0**
Net cash inflow on disposal of subsidiaries	**41.1**

b. Disposal of a joint venture

During the financial year ended 30 June 2015, the Group disposed the following joint venture:

Name of joint venture	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Property			
Sime Darby Sunsuria Development Sdn Bhd (SDSD)	RM173.4 million (gain on disposal RM157.2 million)	50.0	29 June 2015

The disposal consideration comprised shareholder's advances of RM16.4 million due and payable by SDSD to the Group and consideration for the Group's 50% equity interest in SDSD. The shareholder's advances and further advances of RM3.6 million to SDSD are repayable on or before the expiry of 12 months after 29 June 2015.

The Group has received RM15.7 million of the consideration for the equity interest in June 2015 and the balance of RM141.3 million was received in July 2015.

51 Disposals (continued)

c. Disposal of equity interest in an associate

During the financial year ended 30 June 2015 the Group reduced its equity interest in Eastern & Oriental Berhad from 32% to 22% through the following disposal:

Name of associate	Disposal consideration	Group's effective interest disposed	Effective disposal date
		%	
Property			
Eastern & Oriental Berhad	RM318.4 million, net of transaction cost of RM0.6 million (gain on disposal RM55.5 million)	9.9	23 July 2014

52 Segment Information - Group

The Group has five key reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the President and Group Chief Executive reviews the management reports on a monthly basis and conducts performance dialogues with the business units on a regular basis.

Segments comprise:

Segment	Products and services
Plantation	Production and marketing of fresh fruit bunches, crude palm oil, palm kernel, rubber, sugar cane, cattle and beef products and refining and marketing of palm oil related products.
Industrial	Sales, rental and servicing of heavy equipment.
Motors	Assembly and distribution of vehicles and the provision of after-sale services.
Property	Developing and marketing residential, commercial and industrial properties and development land and management and provision of golf and other recreational facilities and services.
Energy & Utilities	Engineering, ownership and management of port facilities and treatment and distribution of treated water.
Others	Healthcare, insurance broking and other general investments.

Transactions between segments are carried out on agreed terms between both parties. The effects of such intersegment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Amounts in RM million unless otherwise stated

52 Segment Information – Group (continued)

a. Segment results

2015	Plantation	Industrial	Motors
Segment revenue:			
External	10,268.6	10,558.2	18,646.3
Inter-segment	0.3	63.4	33.9
	10,268.9	10,621.6	18,680.2
Segment results:			
Operating profit	1,180.5	512.4	466.6
Share of results of joint ventures and associates	(32.4)	8.8	7.0
Profit/(loss) before interest and tax	1,148.1	521.2	473.6

Included in operating profit/(loss) are:

	Plantation	Industrial	Motors
Amortisation of prepaid lease rentals	(34.8)	(0.4)	(2.6)
Depreciation and amortisation	(578.8)	(271.2)	(228.6)
Impairment losses:			
- property, plant and equipment	(14.5)	(1.7)	–
- receivables	(1.4)	(51.0)	(2.6)
- others	(0.2)	–	(0.1)
Reversal of impairment losses:			
- property, plant and equipment	0.8	–	0.4
- receivables	–	43.2	3.2
- others	–	–	1.4
(Loss)/gain on disposal of:			
- subsidiaries	(3.7)	–	–
- a joint venture	–	–	–
- an associate	–	–	–
Other non-cash items	115.6	(92.2)	(33.2)

Continuing operations				
Property	Energy & Utilities	Others	Corporate and elimination	Total
3,455.0	729.7	70.9	–	43,728.7
175.7	49.2	9.6	(332.1)	–
3,630.7	778.9	80.5	(332.1)	43,728.7
928.6	134.0	22.2	154.7	3,399.0
(39.2)	(8.2)	(58.0)	–	(122.0)
889.4	125.8	(35.8)	154.7	3,277.0
(0.4)	(5.5)	–	–	(43.7)
(62.1)	(62.7)	(0.7)	(11.9)	(1,216.0)
–	–	–	–	(16.2)
(1.2)	(4.6)	–	–	(60.8)
(4.5)	–	–	–	(4.8)
–	–	–	–	1.2
13.3	0.4	–	–	60.1
–	–	1.6	–	3.0
–	–	–	–	(3.7)
157.2	–	–	–	157.2
55.5	–	–	–	55.5
26.8	(12.4)	0.3	276.0	280.9

Amounts in RM million unless otherwise stated

52 Segment Information – Group (continued)

a. Segment results (continued)

2014	**Plantation**	**Industrial**	**Motors**
Segment revenue:			
External	10,953.5	11,665.2	17,745.2
Inter-segment	0.4	51.3	29.2
	10,953.9	11,716.5	17,774.4
Segment results:			
Operating profit	1,904.5	997.7	630.5
Share of results of joint ventures and associates	(29.9)	14.1	4.0
Profit before interest and tax	1,874.6	1,011.8	634.5
Included in the share of results of joint ventures and associates are:			
Reversal of impairment of joint ventures	–	1.7	–
Impairment of associates	–	(1.0)	–
Included in operating profit/(loss) are:			
Amortisation of prepaid lease rentals	(36.1)	(0.3)	(1.2)
Depreciation and amortisation	(476.7)	(338.4)	(203.7)
Impairment losses:			
- property, plant and equipment	(0.4)	(3.6)	(1.5)
- receivables	(0.4)	(35.5)	(5.3)
- others	(8.5)	–	–
Reversal of impairment losses:			
- property, plant and equipment	35.4	1.1	0.4
- receivables	1.3	27.4	2.0
- others	3.4	–	–
Gain/(loss) on disposal of:			
- subsidiaries	7.5	12.1	–
- an associate	–	–	–
- discontinued operations	–	–	–
Other non-cash items	(21.8)	80.1	(59.0)

Continuing operations						
Property	Energy & Utilities	Others	Corporate and elimination	Total	Dis-continued operations	Total
2,791.7	676.6	75.8	–	43,908.0	659.8	44,567.8
27.9	25.8	10.3	(144.9)	–	–	–
2,819.6	702.4	86.1	(144.9)	43,908.0	659.8	44,567.8
528.7	6.5	25.8	24.9	4,118.6	299.5	4,418.1
71.0	14.1	26.9	–	100.2	–	100.2
599.7	20.6	52.7	24.9	4,218.8	299.5	4,518.3
–	–	–	–	1.7	–	1.7
–	–	–	–	(1.0)	–	(1.0)
(0.3)	(5.0)	–	–	(42.9)	–	(42.9)
(59.9)	(60.5)	(0.7)	(12.4)	(1,152.3)	(43.4)	(1,195.7)
(7.8)	–	–	–	(13.3)	–	(13.3)
(24.1)	(2.2)	(0.3)	(1.3)	(69.1)	–	(69.1)
(6.6)	–	–	(3.3)	(18.4)	–	(18.4)
1.3	–	–	–	38.2	–	38.2
16.1	0.2	0.1	0.3	47.4	–	47.4
–	–	–	–	3.4	–	3.4
–	–	–	–	19.6	–	19.6
(0.8)	–	–	–	(0.8)	–	(0.8)
–	–	–	–	–	144.0	144.0
(3.3)	(6.6)	0.3	112.7	102.4	(0.3)	102.1

Amounts in RM million unless otherwise stated

52 Segment Information – Group (continued)

b. Segment assets and liabilities and additions to non-current assets

2015	**Plantation**	**Industrial**	**Motors**
Segment assets			
Operating assets	**24,964.5**	**9,437.9**	**9,207.8**
Joint ventures and associates	**653.6**	**196.0**	**90.7**
Non-current assets held for sale	**4.6**	**3.5**	**–**
	25,622.7	**9,637.4**	**9,298.5**
Segment liabilities			
Liabilities	**1,860.7**	**2,141.4**	**2,868.1**
Liabilities associated with assets held for sale	**–**	**–**	**–**
	1,860.7	**2,141.4**	**2,868.1**
Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:			
Capital expenditure	**860.4**	**455.1**	**560.8**
Additions to interest in joint ventures and associates	**129.8**	**23.5**	**–**
	990.2	**478.6**	**560.8**
2014			
Segment assets			
Operating assets	15,195.1	10,059.5	8,672.4
Joint ventures and associates	562.5	164.8	77.3
Non-current assets held for sale	–	–	–
	15,757.6	10,224.3	8,749.7
Segment liabilities			
Liabilities	1,320.1	2,625.7	2,663.8
Liabilities associated with assets held for sale	–	–	–
	1,320.1	2,625.7	2,663.8
Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:			
Capital expenditure	885.3	753.9	517.1
Additions to interest in joint ventures and associates	85.6	30.6	–
	970.9	784.5	517.1

Continuing operations						
Property	Energy & Utilities	Others	Corporate and elimination	Total	Dis-continued operations	Total
8,709.7	**2,477.1**	**127.8**	**1,006.1**	**55,930.9**	–	**55,930.9**
2,013.0	**233.2**	**633.4**	**–**	**3,819.9**	–	**3,819.9**
120.5	**0.1**	**–**	**–**	**128.7**	–	**128.7**
10,843.2	**2,710.4**	**761.2**	**1,006.1**	**59,879.5**	–	**59,879.5**
1,572.1	**885.7**	**100.1**	**137.5**	**9,565.6**	–	**9,565.6**
83.4	**–**	**–**	**–**	**83.4**	–	**83.4**
1,655.5	**885.7**	**100.1**	**137.5**	**9,649.0**	–	**9,649.0**
81.2	**183.8**	**0.3**	**10.3**	**2,151.9**	–	**2,151.9**
313.3	**144.5**	**–**	**–**	**611.1**	–	**611.1**
394.5	**328.3**	**0.3**	**10.3**	**2,763.0**	–	**2,763.0**
7,181.5	2,310.1	158.2	2,255.4	45,832.2	–	45,832.2
1,677.6	(64.7)	693.8	–	3,111.3	–	3,111.3
392.2	–	–	–	392.2	–	392.2
9,251.3	2,245.4	852.0	2,255.4	49,335.7	–	49,335.7
1,420.4	928.5	151.2	188.4	9,298.1	–	9,298.1
84.2	–	–	–	84.2	–	84.2
1,504.6	928.5	151.2	188.4	9,382.3	–	9,382.3
73.7	336.3	1.5	14.9	2,582.7	6.0	2,588.7
205.7	39.1	–	–	361.0	–	361.0
279.4	375.4	1.5	14.9	2,943.7	6.0	2,949.7

Amounts in RM million unless otherwise stated

52 Segment Information – Group (continued)

b. Segment assets and liabilities and additions to non-current assets (continued)

Capital expenditure consists of the following:

	2015	2014
Property, plant and equipment	**1,611.8**	2,052.5
Biological assets	**258.7**	214.0
Prepaid lease rentals	**48.9**	106.5
Investment properties	**1.3**	17.6
Land held for property development	**6.9**	31.8
Intangible assets other than goodwill	**224.3**	166.3
	2,151.9	2,588.7

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Assets		Liabilities	
	2015	2014	2015	2014
Segment total	**59,879.5**	49,335.7	**9,649.0**	9,382.3
Tax assets/liabilities	**1,928.5**	1,600.5	**2,339.0**	761.3
Borrowings	**–**	–	**18,063.0**	11,174.8
Finance lease obligation	**–**	–	**146.0**	152.5
	61,808.0	50,936.2	**30,197.0**	21,470.9

c. Segment by location

Revenue by location of customers are analysed as follows:

	2015	2014
Malaysia	**11,668.7**	11,167.6
Indonesia	**1,241.5**	2,473.7
Singapore	**3,728.2**	3,958.9
Other countries in South East Asia	**2,383.4**	2,039.3
China	**10,759.3**	10,616.4
Australasia *	**9,486.4**	9,572.1
Europe	**1,953.2**	1,569.4
Other countries	**2,508.0**	2,510.6
	43,728.7	43,908.0

52 Segment Information – Group (continued)

c. Segment by location (continued)

Revenue, profit/(loss) before interest and tax and non-current assets, other than financial instruments and tax assets, by location of the Group's operations are analysed as follows:

	Revenue		Profit/(loss) before interest and tax		Non-current assets	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Malaysia	**14,057.5**	13,835.0	**2,061.3**	1,958.0	**15,242.7**	12,947.6
Indonesia	**1,265.7**	2,470.1	**442.6**	867.3	**2,825.9**	2,573.6
Singapore	**3,635.6**	3,939.4	**102.7**	428.6	**959.0**	830.0
Other countries in South East Asia	**2,282.2**	1,968.9	**59.6**	40.8	**487.2**	280.5
China	**10,474.0**	10,104.7	**308.6**	438.1	**2,748.9**	2,410.4
Australasia *	**9,999.8**	9,539.3	**394.6**	520.6	**9,054.9**	3,553.2
Europe	**1,402.4**	1,416.0	**(88.8)**	(13.4)	**1,420.3**	1,017.9
Other countries	**611.5**	634.6	**(3.6)**	(21.2)	**536.9**	325.5
	43,728.7	43,908.0	**3,277.0**	4,218.8	**33,275.8**	23,938.7

* Australasia consists of Australia, Fiji, New Caledonia, New Zealand, Papua New Guinea, and Solomon Islands

Reconciliation of non-current assets, other than financial instruments and tax assets to the total non-current assets are as follows:

	2015	**2014**
Non-current assets other than financial instruments and tax assets	**33,275.8**	23,938.7
Investments	**140.1**	171.6
Deferred tax assets	**1,139.2**	988.6
Tax recoverable	**478.6**	396.5
Derivative assets	**214.8**	68.2
Receivables	**527.9**	587.6
	35,776.4	26,151.2

The Group's operations are diverse in terms of the range of products and services it offers and the geographical coverage. There is no single customer that contributed 10% or more to the Group's revenue.

Amounts in RM million unless otherwise stated

53 Related Parties

Significant related party transactions and balances other than as disclosed in Notes 23, 29 and 43 are as follows:

	Group 2015	Group 2014	Company 2015	Company 2014
a. Transactions with joint ventures				
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd group	**48.8**	68.0	**–**	–
Sale of terminal trucks to Terberg Tractors Malaysia Sdn Bhd (TTM)	**1.5**	12.5	**–**	–
Purchase of properties from Battersea Project Holding Company Limited group	**–**	40.9	**–**	–
Purchase of terminal tractors, parts and engine from TTM and its subsidiary	**14.1**	1.8	**–**	–
Disposal of property, plant and equipment to Weifang Port Services Co Ltd	**315.0**	–	**–**	–
Disposal of a subsidiary, Sime Darby TMA Sdn Bhd, to TTM	**–**	25.0	**–**	–
Sale of land to Sime Darby Sunsuria Development Sdn Bhd	**241.8**	–	**–**	–
b. Transactions with associates				
Provision of services by Sitech Construction Systems Pty Ltd	**3.8**	5.8	**–**	–
Sale of products and services to Tesco Stores (Malaysia) Sdn Bhd	**18.7**	19.8	**–**	–
Sales and services for parts to Energy Power Systems (Australia) Pty Ltd	**11.0**	–	**–**	–
Purchase of paints material from Sime Kansai Paints Sdn Bhd	**7.5**	4.2	**–**	–
Sale of land to Eastern & Oriental Berhad group	**239.8**	–	**–**	–
c. Transactions between subsidiaries and their significant owners of non-controlling interests				
Transactions between companies in which Tan Sri Dato' Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders:				
- Turnkey works rendered by Brunsfield Engineering Sdn Bhd to Sime Darby Brunsfield Holding Sdn Bhd (SDBH) group	**296.1**	184.3	**–**	–
- Sale of properties by SDBH group to Brunsfield Properties Sdn Bhd	**–**	59.4	**–**	–
- Sale of Subang Avenue, an investment property by SDBH group to Subang Mall Property Sdn Bhd	**139.5**	–	**–**	–
- Sale of properties by SDBH group to Brunsfield OASIS Square Sdn Bhd	**34.7**	–	**–**	–
Sale of vehicles and parts by Jaguar Land Rover (M) Sdn Bhd to Sisma Auto Sdn Bhd	**109.6**	4.6	**–**	–
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	**29.2**	31.3	**–**	–

53 Related Parties (continued)

Significant related party transactions and balances other than as disclosed in Notes 23, 29 and 43 are as follows: (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
c. Transactions between subsidiaries and their significant owners of non-controlling interests (continued)				
Royalty payment to and procurement of cars and ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company and its related companies	**226.4**	245.1	**–**	–
Contract assembly service provided by ICSB to Berjaya Corporation Berhad group	**85.7**	41.2	**–**	–
Project management services rendered to Sime Darby Property Selatan Sdn Bhd (SDPS) by Tunas Selatan Construction Sdn Bhd, the holding company of Tunas Selatan Pagoh Sdn Bhd	**11.5**	17.0	**–**	–
Sale of motor vehicles to the shareholder of Mahawangsa Holdings Sdn Bhd (Mahawangsa). Mahawangsa has equity interest in both Sime Darby Auto Performance Sdn Bhd and Sime Darby Auto Britannia Sdn Bhd	**8.1**	–	**–**	–
d. Transactions between subsidiary and company in which the subsidiary's director has equity interest				
Architectural services rendered to SDPS by Akitek Jururancang (M) Sdn Bhd, a company in which Tan Sri Dato' Sri Hj Esa, a director of SDPS has an equity interest	**2.9**	12.2	**–**	–
e. Transactions with firms in which a Director of the Company is a partner				
Provision of legal services by Azmi & Associates, a firm in which Dato' Azmi Mohd Ali is a partner	**0.1**	0.4	**–**	–
f. Transactions with Directors and their close family members				
Sales of properties and cars	**3.7**	7.1	**–**	–
Sales of properties by Battersea Project Phase 1 Company Limited, a joint venture	**–**	7.5	**–**	–
g. Transactions with key management personnel and their close family members				
Sales of properties and cars	**2.1**	4.7	**–**	–
Sales of properties by Battersea Project Phase 3 Residential Company Limited, a joint venture	**17.4**	–	**–**	–

Amounts in RM million unless otherwise stated

53 Related Parties (continued)

Significant related party transactions and balances other than as disclosed in Notes 23, 29 and 43 are as follows: (continued)

	Group		Company	
	2015	**2014**	**2015**	**2014**
h. Remuneration of Directors and key management personnel				
Salaries, fees and other emoluments	**38.2**	37.2	**3.6**	3.7
Defined contribution pension plan	**3.3**	3.7	**–**	–
Performance-based employee share scheme (PBESS)	**(0.1)**	2.2	**–**	–
Estimated monetary value of benefits by way of usage of the Group's and Company's assets	**0.7**	0.6	**0.4**	0.3

The movement in the number of ordinary shares of RM0.50 each of the Company granted under the PBESS to the Executive Director and key management personnel of the Group is as follows:

		Number of ordinary shares of RM0.50 each			
	Fair value at grant date (RM)	**At 1 July 2014 '000**	**Granted '000**	**Forfeited '000**	**At 30 June 2015 '000**
First grant					
GPS	7.737	428	–	–	428
DPS	8.583	391	–	–	391
Second grant					
GPS	7.243	–	428	–	428
DPS	8.181	–	392	–	392

i. Transactions with shareholders and Government

Permodalan Nasional Berhad (PNB) and the funds managed by its subsidiary, Amanah Nasional Berhad, together owns 53.4% as at 30 June 2015 of the issued share capital of the Company (as at 30 June 2014: 51.4%). PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (YPB). The Group considers that, for the purpose of FRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government's controlled bodies (collectively referred to as government-related entities) are related parties of the Group and of the Company.

Transactions entered into during the financial year with government-related entities include the sales and purchases of goods and services. These related party transactions were entered into in the ordinary course of business and do not require the approval of shareholders except for the purchase of chemicals and fertilisers from Chemical Company of Malaysia Berhad and its subsidiaries, companies in which YPB has substantial indirect interest, amounting to RM87.3 million (2014: RM92.2 million). Shareholders' mandate was obtained for this recurrent related party transaction during the last annual general meeting.

53 Related Parties (continued)

Significant related party transactions and balances other than as disclosed in Notes 23, 29 and 43 are as follows: (continued)

j. Outstanding balances with related parties

The significant outstanding balances between the Group and related parties as at 30 June are as follows:

	Group	
	2015	**2014**
i. Amounts due from/(to) joint ventures and associates		
Eastern & Oriental Berhad group	**175.9**	–
Malaysia - China Hydro Joint Venture	**(33.7)**	(87.3)
Seriemas Development Sdn Bhd	**21.8**	21.8
Sime Darby Capitamalls Asia (Melawati Mall) Sdn Bhd	**33.3**	15.9
Sime Darby Sunrise Development Sdn Bhd	**80.5**	92.0
ii. Amounts due to owner of non-controlling interests of Sime Darby Brunsfield Holding Sdn Bhd		
Brunsfield Metropolitan Sdn Bhd	**147.1**	142.9
Brunsfield Engineering Sdn Bhd	**61.5**	46.1
iii. Amounts due from YPB group		
Prolintas Expressway Sdn Bhd [Note 29(a)(ii)]	**500.0**	500.0

All outstanding balances are unsecured and repayable in accordance with agreed terms.

Other than as disclosed above, there were no material contracts subsisting as at 30 June 2015 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors or substantial shareholders.

Amounts in RM million unless otherwise stated

54 Financial Instruments

a. Financial instruments by category

Financial assets and financial liabilities are categorised as follows:

Group 2015	Derivatives used for hedging	Fair value through profit or loss – held for trading	Loans and receivables	Available-for-sale financial assets	Total
Non-current assets					
Investments	–	12.0	–	128.1	140.1
Derivative assets	199.7	15.1	–	–	214.8
Receivables	–	–	527.9	–	527.9
Current assets					
Receivables	–	–	7,273.3	–	7,273.3
Derivative assets	63.8	16.1	–	–	79.9
Cash held under Housing Development Accounts	–	–	556.1	–	556.1
Bank balances, deposits and cash	–	–	3,644.9	–	3,644.9
Total financial assets	263.5	43.2	12,002.2	128.1	12,437.0

	Derivatives used for hedging	Fair value through profit or loss – held for trading	Financial guarantee contracts	Financial liabilities at amortised cost	Total
Non-current liabilities					
Borrowings	–	–	–	11,745.4	11,745.4
Finance lease obligation	–	–	–	139.2	139.2
Derivative liabilities	16.3	2.7	–	–	19.0
Current liabilities					
Payables	–	–	0.3	8,324.0	8,324.3
Borrowings	–	–	–	6,317.6	6,317.6
Finance lease obligation	–	–	–	6.8	6.8
Derivative liabilities	24.8	36.3	–	–	61.1
Total financial liabilities	41.1	39.0	0.3	26,533.0	26,613.4

54 Financial Instruments (continued)

a. Financial instruments by category (continued)

Financial assets and financial liabilities are categorised as follows: (continued)

Group 2014	Derivatives used for hedging	Fair value through profit or loss – held for trading	Loans and receivables	Available-for-sale financial assets	Total
Non-current assets					
Investments	–	–	–	171.6	171.6
Derivative assets	68.2	–	–	–	68.2
Receivables	–	–	587.6	–	587.6
Current assets					
Receivables	–	–	6,526.0	–	6,526.0
Derivative assets	9.2	33.8	–	–	43.0
Cash held under Housing Development Accounts	–	–	514.2	–	514.2
Bank balances, deposits and cash	–	–	4,381.8	–	4,381.8
Total financial assets	77.4	33.8	12,009.6	171.6	12,292.4

	Derivatives used for hedging	Fair value through profit or loss – held for trading	Financial guarantee contracts	Financial liabilities at amortised cost	Total
Non-current liabilities					
Borrowings	–	–	–	8,109.2	8,109.2
Finance lease obligation	–	–	–	145.9	145.9
Derivative liabilities	0.6	1.8	–	–	2.4
Current liabilities					
Payables	–	–	0.3	8,104.9	8,105.2
Borrowings	–	–	–	3,065.6	3,065.6
Finance lease obligation	–	–	–	6.6	6.6
Derivative liabilities	20.9	8.8	–	–	29.7
Total financial liabilities	21.5	10.6	0.3	19,432.2	19,464.6

In respect of the Company, receivables and bank balances, deposits and cash totaling RM11,149.6 million (2014: RM11,629.0 million) are categorised under loans and receivables at amortised cost.

Borrowings of the Company amounting to RM1,907.7 million (2014: RM2,611.8 million) are categorised as financial liabilities at amortised cost whilst payables amounting to RM16.1 million (2014: RM39.1 million) and RM3,057.4 million (2014: RM2,609.9 million) are categorised under financial guarantee contracts and financial liabilities at amortised costs respectively.

The recognition and measurement basis are described in Notes 3(n) and 3(u).

Amounts in RM million unless otherwise stated

54 Financial Instruments (continued)

b. Income, expense, gains and losses on financial instruments

Income, expense, gains and losses on financial instruments recognised in the statements of profit or loss and comprehensive income are as follows:

	Derivatives used for hedging		
Group 2015	**Forward foreign exchange contract**	**Interest rate swap contract**	**Cross currency swap contract**
Revenue	–	–	–
Operating expenses			
- impairment	–	–	–
Other operating income			
- income	–	–	–
- reversal of impairment	–	–	–
Other gains and losses			
- fair value/ineffective hedge	**0.8**	–	**6.7**
- realised foreign exchange gains	–	–	–
Finance income	–	–	–
Finance costs	–	**13.8**	**(70.3)**
Other comprehensive (loss)/income			
- net change in fair value	**(39.4)**	**(2.2)**	**236.0**
- transfer to profit or loss	–	–	–
	(38.6)	**11.6**	**172.4**
2014			
Revenue	–	–	–
Operating expenses			
- impairment	–	–	–
Other operating income			
- income	–	–	–
- gain on disposal	–	–	–
- reversal of impairment	–	–	–
Other gains and losses			
- fair value/ineffective hedge	3.5	–	(2.1)
- realised foreign exchange gains	–	–	–
Finance income	–	–	–
Finance costs	–	–	(44.1)
Other comprehensive income/(loss)			
- net change in fair value	23.5	7.5	(13.3)
- transfer to profit or loss	–	–	–
	27.0	7.5	(59.5)

Fair value through profit or loss – held for trading								
Quoted warrants	Forward foreign exchange contract	Commodity futures contract	Loans and receivables	Available-for-sale financial assets	Financial guarantee contracts	Financial liabilities at amortised cost	Reclassification	Total
–	**–**	**–**	**–**	**–**	**–**	**–**	**(4.1)**	**(4.1)**
–	**–**	**–**	**(60.8)**	**–**	**–**	**–**	**–**	**(60.8)**
–	**–**	**–**	**–**	**66.1**	**–**	**–**	**–**	**66.1**
–	**–**	**–**	**60.1**	**–**	**–**	**–**	**–**	**60.1**
12.0	**4.1**	**3.8**	**–**	**–**	**–**	**–**	**254.6**	**282.0**
–	**–**	**–**	**–**	**–**	**–**	**–**	**151.5**	**151.5**
–	**–**	**–**	**196.0**	**–**	**0.3**	**–**	**–**	**196.3**
–	**–**	**–**	**–**	**–**	**–**	**(414.1)**	**–**	**(470.6)**
–	**–**	**–**	**–**	**(22.1)**	**–**	**–**	**–**	**172.3**
–	**–**	**–**	**–**	**–**	**–**	**–**	**(402.0)**	**(402.0)**
12.0	**4.1**	**3.8**	**195.3**	**44.0**	**0.3**	**(414.1)**	**–**	**(9.2)**
–	–	–	–	–	–	–	2.1	2.1
–	–	–	(69.1)	–	–	–	–	(69.1)
–	–	–	–	42.8	–	–	–	42.8
–	–	–	–	–	–	–	0.1	0.1
–	–	–	47.4	–	–	–	–	47.4
–	–	(1.1)	–	–	–	–	(21.8)	(21.5)
–	–	–	–	–	–	–	113.4	113.4
–	–	–	160.1	–	0.7	–	–	160.8
–	–	–	–	–	–	(370.9)	–	(415.0)
–	–	–	–	11.9	–	–	–	29.6
–	–	–	–	–	–	–	(93.8)	(93.8)
–	–	(1.1)	138.4	54.7	0.7	(370.9)	–	(203.2)

Amounts in RM million unless otherwise stated

54 Financial Instruments (continued)

b. Income, expense, gains and losses on financial instruments (continued)

Income, expense, gains and losses on financial instruments recognised in the statements of profit or loss and comprehensive income are as follows: (continued)

Company 2015	Loans and receivables	Financial guarantee contracts	Financial liabilities at amortised cost	Total
Finance income	**167.3**	**20.6**	**–**	**187.9**
Finance costs	**–**	**–**	**(169.0)**	**(169.0)**
	167.3	**20.6**	**(169.0)**	**18.9**
2014				
Finance income	191.4	8.9	–	200.3
Finance costs	–	–	(191.0)	(191.0)
	191.4	8.9	(191.0)	9.3

c. Measurement of financial instruments

i. Financial instruments measured at fair value

The measurement and categorisation of the financial instruments carried at fair value are as follows:

Investments

If there are quoted market prices in active markets, these are considered Level 1. If such quoted market prices are not available, fair value are determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category. It is classified into the Level 3 category if significant unobservable inputs are used.

Derivatives

The fair values of derivative are determined using quoted price of identical instruments from an active market, if available (Level 1). If quoted prices are not available, price quoted for similar instruments, appropriately adjusted, or present value techniques, based on available market observable inputs are used, including foreign exchange spot and forward rates, interest rate curves and prices of the underlying commodities. The fair values obtained using price quotes for similar instruments or valuation techniques represent a Level 2 input unless significant unobservable inputs are used, which would result in Level 3 valuation methods.

54 Financial Instruments (continued)

c. Measurement of financial instruments (continued)

i. Financial instruments measured at fair value (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value as at 30 June into three different levels as defined above:

Group 2015	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	**42.8**	**24.4**	**72.9**	**140.1**
Derivative assets				
- forward foreign exchange contracts	**–**	**27.0**	**–**	**27.0**
- interest rate swap contracts	**–**	**14.2**	**–**	**14.2**
- cross currency swap contract	**–**	**240.8**	**–**	**240.8**
- commodity futures contracts	**–**	**12.7**	**–**	**12.7**
	42.8	**319.1**	**72.9**	**434.8**
Financial liabilities				
Derivative liabilities				
- forward foreign exchange contracts	**–**	**41.5**	**–**	**41.5**
- interest rate swap contracts	**–**	**30.0**	**–**	**30.0**
- commodity futures contracts	**–**	**8.6**	**–**	**8.6**
	–	**80.1**	**–**	**80.1**

2014	Level 1	Level 2	Level 3	Total
Financial assets				
Investments	83.7	5.2	82.7	171.6
Derivative assets				
- forward foreign exchange contracts	–	38.7	–	38.7
- interest rate swap contracts	–	10.8	–	10.8
- cross currency swap contract	–	56.5	–	56.5
- commodity futures contracts	–	5.2	–	5.2
	83.7	116.4	82.7	282.8
Financial liabilities				
Derivative liabilities				
- forward foreign exchange contracts	–	9.9	–	9.9
- interest rate swap contracts	–	4.3	–	4.3
- cross currency swap contract	–	12.8	–	12.8
- commodity futures contracts	–	5.1	–	5.1
	–	32.1	–	32.1

Amounts in RM million unless otherwise stated

54 Financial Instruments (continued)

c. Measurement of financial instruments (continued)

i. Financial instruments measured at fair value (continued)
The Company does not have any financial assets and liabilities measured at fair value as at 30 June 2015 (2014: Nil).

The investments categorised as Level 3 in the fair value hierarchy are non-traded equity investments which are valued at their recoverable amounts. The movement during the year was mainly due to the fair value loss of an investment which was recognised in other comprehensive income. There is no transfer between levels of the fair value hierarchy during the financial year.

ii. Financial instruments measured at amortised cost
The carrying amounts and fair values of non-current financial assets and liabilities measured at amortised cost at 30 June are as follows:

	Group		Company	
2015	**Carrying amount**	**Fair value**	**Carrying Amount**	**Fair Value**
Financial assets				
Receivables				
- trade and other receivables	175.6	175.6	–	–
- amounts due from a subsidiary	–	–	1,700.0	1,700.0
- advances for plasma plantation projects	67.9	67.9	–	–
- redeemable loan stocks	284.4	221.3	–	–
Financial liabilities				
Borrowings				
- Islamic Medium Term Notes	1,700.0	1,692.8	1,700.0	1,692.8
- Sukuk	3,018.4	2,974.4	–	–
- term loans and others	7,027.0	7,027.0	–	–

54 Financial Instruments (continued)

c. Measurement of financial instruments (continued)

ii. Financial instruments measured at amortised cost (continued)

The carrying amounts and fair values of non-current financial assets and liabilities measured at amortised cost at 30 June are as follows: (continued)

	Group		Company	
2014	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Receivables				
- trade and other receivables	240.4	240.4	–	–
- amounts due from a subsidiary	–	–	4,268.8	4,268.8
- amounts due from a joint venture	11.5	11.5	–	–
- advances for plasma plantation projects	69.9	69.9	–	–
- redeemable loan stocks	265.8	227.2	–	–
Financial liabilities				
Borrowings				
- Islamic Medium Term Notes	1,700.0	1,681.8	1,700.0	1,681.8
- Sukuk	2,558.1	2,534.4	–	–
- term loans and others	3,851.1	3,851.1	–	–
Payables				
- amounts due to a subsidiary	–	–	2,558.1	2,558.1

The fair values of the Group's long-term financial instruments are categorised as Level 2 in the fair value hierarchy as they are estimated by discounting the future contractual cash flows at the current market rate available for similar instruments.

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management

a. Financial Risk Management

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity and cash flow risk and price risk. The Group's financial risk management policies are designed to manage and minimise the Group's financial risks.

Financial risk management is carried out through risk reviews, internal control systems, insurance/takaful programs and adherence to Group Policies and Authorities which are implemented on a group-wide basis. The Board regularly reviews these risks and approves the policies covering the management of these risks.

The Group uses derivative financial instruments, principally interest rate swaps, cross currency swaps, forward foreign exchange contracts, commodity futures contracts and foreign currency options as appropriate to hedge the Group's exposure to financial risk.

Whilst all derivatives entered into provide economic hedges to the Group, certain derivatives do not qualify for the application of hedge accounting under the specific rules in FRS 139. It is the Group's policy not to enter into derivative transactions for speculative purposes. Where there are open positions, these are managed in accordance with Group policies. The notional amounts and fair values of derivative financial instruments at 30 June are disclosed in Note 28.

The Group's exposure to, and management of, these risks is explained below.

Potential Risk	Management Policy and Hedging Strategy
i. Foreign Currency Risk	
The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to United States dollar and European Union euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and investments in foreign operations.	The Group applies natural hedging, to the extent possible, by selling and purchasing in the same currency. Net exposure on foreign currency receivables and payables are hedged via forward foreign exchange contracts including hedging on cash flows generated from anticipated transactions denomination in foreign currencies.
Details of the Group's revenue transacted in foreign currency and the currency profile of monetary financial assets and financial liabilities are described in Note 55(a)(i).	The Group's Centralised Treasury function monitors the Group's exposure to foreign currency risk and aims to maximise foreign currency netting within the Group whilst managing the cost of hedging effectively.
As at 30 June 2015, the unhedged exposure to the Group from holding financial assets and liabilities other than in the functional currency amounted to RM342.3 million (2014: RM1,169.2 million).	The Group funds its investments in the currency of its investments to the extent possible, so as to provide a natural hedge against the foreign exchange translation risk relating to the net investment in foreign operations
	Details of cross currency swap contract to exchange the principal payments of a USD loan into AUD, the functional currency of a subsidiary, is disclosed in Note 28(c).

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Potential Risk	Management Policy and Hedging Strategy
ii. Interest Rate Risk The Group's interest rate risk arises from its borrowings and deposits placed with financial institutions. Details of the percentages of fixed rate borrowings over total borrowings are disclosed in Note 55(a)(ii).	The Group manages its interest rate risks by placing deposits on varying maturities. The Group manages its interest rate risk on its long-term borrowings by targeting a mix of fixed and floating rate debt. This is achieved by using fixed and floating rate debt and derivatives such as interest rate swaps.
iii. Credit Risk Credit risk arises on sales made on credit terms, derivatives with positive fair value, deposits with banks, guarantees and performance guarantees given on behalf of others and risk sharing arrangement. Details of the credit risk of the Group's trade receivables are disclosed in Note 55(a)(iii). The highest percentage of concentration of net trade receivables as at 30 June 2015 was 17.5% in the Property segment in Malaysia (2014: 16.8% in the Industrial segment in Australasia). The concentration to Property segment was mainly due to the proceed receivable from sale of land to Eastern & Oriental Berhad group amounting to RM175.9 million of which RM40.9 million was received on 17 September 2015. The risk sharing arrangement is with a third party leasing company which is a member of our principal vendor, in connection with the sale of its equipment. Details of the arrangement and the total outstanding risk sharing amount are disclosed in Note 48(a). An amount of RM22.1 million (2014: RM30.8 million) has been provided for based on a percentage of risk sharing ratio over the total outstanding lease portfolio.	The Group seeks to control credit risk by dealing with counterparties with appropriate credit histories and deposit with banks and financial institutions with good credit ratings. Third party agencies' ratings are considered, if available. In addition, customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Counterparties are assessed at least annually and more frequently when information on significant changes in their financial position becomes known. Credit terms and limits are set based on these assessment. Where appropriate, guarantees or securities are obtained to limit credit risk. Sales to trade customers are usually suspended when earlier amounts are overdue exceeding 180 days.

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Potential Risk	Management Policy and Hedging Strategy
iv. Liquidity and Cash Flow Risk Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting financial obligations when it falls due. As at 30 June 2015, the Group has total cash and cash equivalents of RM4,154.6 million (2014: RM4,802.2 million) which include cash in hand, deposits held at call with banks and cash held under Housing Development Accounts, net of bank overdrafts. The Group believes that its contractual obligations, including those shown in commitments and contingencies in Notes 9(b) and 48 can be met from existing cash and investments, operating cash flows, credit lines available and other financings that the Group reasonably expect to be able to secure in future.	The Group maintains a prudent borrowing policy which is aimed towards maintaining sufficient cash for all cash flow requirements, managing debt and investment portfolio within the relevant time buckets to maturity, obtaining a diverse range of funding sources, and keeping an adequate amount of credit facilities to provide an ample liquidity cushion. The Group companies performed quarterly twelve month rolling cash flow projections to ensure that requirements are identified as early as possible and the Group has sufficient cash to meet operational needs. Such projections take into consideration the Group's financing plans and is also used for monitoring of covenant compliance and credit metrics. The Group's Centralised Treasury function manages all strategic funding requirements and invests surplus cash in highly liquid investment instruments such as interest bearing current account, time deposits, money market deposits and unit trust funds investment under money market funds. The Group assesses various funding options when there is a need for financing, including monitoring funding options available in the capital markets, and will tap the market at the appropriate time under its existing RM4.5 billion Islamic Medium Term Notes and Islamic Commercial Papers Programme and its USD1.5 billion Multi-Currency Sukuk Programme.
v. Price Risk The Group through its subsidiaries is exposed to commodity price risk due to fluctuations in crude palm oil futures prices.	The Group enters into commodity futures contracts to minimise exposure to adverse movements in crude palm oil prices. Certain contracts are entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's expected purchase, sale or usage requirements. Contracts that are not held for the purpose of physical delivery are accounted for as derivatives and are disclosed in Note 28(d).

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows:

i. Foreign currency risk

The Group is exposed to foreign exchange risk as a result of the foreign currency transactions entered into by subsidiaries. During the financial year, the Group's revenue was transacted in the following currencies:

	2015			2014		
	Functional currency	**Other than functional currency**	**Total revenue**	**Functional currency**	**Other than functional currency**	**Total revenue**
Transacted currency						
Ringgit Malaysia	**11,970.9**	**–**	**11,970.9**	10,737.9	–	10,737.9
United States dollar	**566.1**	**2,797.9**	**3,364.0**	174.7	4,531.0	4,705.7
Indonesian rupiah	**1,236.8**	**–**	**1,236.8**	2,470.1	–	2,470.1
Singapore dollar	**3,210.8**	**31.5**	**3,242.3**	3,387.0	51.6	3,438.6
Chinese renminbi	**7,397.7**	**–**	**7,397.7**	7,366.3	–	7,366.3
Hong Kong dollar	**3,013.3**	**–**	**3,013.3**	2,725.7	–	2,725.7
Australian dollar	**6,598.2**	**6.2**	**6,604.4**	6,004.4	–	6,004.4
Other currencies	**6,426.1**	**473.2**	**6,899.3**	6,145.0	314.3	6,459.3
	40,419.9	**3,308.8**	**43,728.7**	39,011.1	4,896.9	43,908.0

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

i. Foreign currency risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows: (continued)

Group 2015	Denominated in other than functional currencies: United States dollar	Australian dollar	Chinese renminbi	European Union euro	Singapore dollar	Others	Denominated in functional currencies	Total
Investment (debt instrument)	–	–	–	–	–	–	4.1	4.1
Receivables (net)	958.5	3.5	23.1	44.8	9.9	260.4	6,501.0	7,801.2
Cash held under Housing Development Accounts	–	–	–	–	–	–	556.1	556.1
Bank balances, deposits and cash	447.5	15.4	12.6	50.1	6.3	149.5	2,963.5	3,644.9
Borrowings	(4,868.4)	–	–	–	–	(120.7)	(13,073.9)	(18,063.0)
Finance lease obligation	–	–	–	–	–	–	(146.0)	(146.0)
Payables	(466.6)	(7.2)	(2.3)	(27.5)	(10.5)	(104.9)	(7,705.3)	(8,324.3)
	(3,929.0)	11.7	33.4	67.4	5.7	184.3	(10,900.5)	(14,527.0)

2014	United States dollar	Australian dollar	Chinese renminbi	European Union euro	Singapore dollar	Others	Denominated in functional currencies	Total
Investment (debt instrument)	–	–	–	–	–	–	4.1	4.1
Receivables (net)	988.4	–	0.7	4.7	10.8	22.3	6,086.7	7,113.6
Cash held under Housing Development Accounts	–	–	–	–	–	–	514.2	514.2
Bank balances, deposits and cash	697.6	20.3	210.9	12.1	19.2	161.9	3,259.8	4,381.8
Borrowings	(1,531.3)	–	–	–	–	–	(9,643.5)	(11,174.8)
Finance lease obligation	–	–	–	–	–	–	(152.5)	(152.5)
Payables	(271.3)	(2.1)	–	(94.2)	(19.3)	(62.4)	(7,655.9)	(8,105.2)
	(116.6)	18.2	211.6	(77.4)	10.7	121.8	(7,587.1)	(7,418.8)

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

i. Foreign currency risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows: (continued)

Company 2015	Denominated in United States dollar	Denominated in functional currency	Total
Receivables (net)	**3,061.1**	**7,883.7**	**10,944.8**
Bank balances, deposits and cash	**–**	**204.8**	**204.8**
Borrowings	**–**	**(1,907.7)**	**(1,907.7)**
Payables	**(3,074.9)**	**1.4**	**(3,073.5)**
	(13.8)	**6,182.2**	**6,168.4**
2014			
Receivables (net)	2,597.8	8,691.2	11,289.0
Bank balances, deposits and cash	–	340.0	340.0
Borrowings	–	(2,611.8)	(2,611.8)
Payables	(2,632.1)	(16.9)	(2,649.0)
	(34.3)	6,402.5	6,368.2

The percentages of receivables and payables denominated in currency other than functional currency covered by forward foreign exchange contracts as at 30 June are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
Monetary items denominated in currency other than functional currency				
- receivables	**1,300.2**	1,026.9	**3,061.1**	2,597.8
- payables	**619.0**	449.3	**3,074.9**	2,632.1
Forward foreign exchange contracts				
- receivables	**524.8**	534.8	**–**	–
- payables	**201.7**	251.2	**–**	–
Percentage covered (%)				
- receivables	**40.4**	52.1	**–**	–
- payables	**32.6**	55.9	**–**	–

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

i. Foreign currency risk (continued)

The Company's receivables and payables above are denominated in USD. There is minimal foreign currency risk due to the natural hedge between the receivables and payables, therefore there is no forward foreign exchange contract entered into.

The following table illustrates the effect of changes in exchange rate on the translation of foreign currency monetary items against the functional currency at 30 June, both before and after taking into account the hedge instruments. The Group has considered recent volatility in exchange rates and has concluded that a 10% (2014: 5%) movement in rates is a reasonably possible assumption. If the major currencies strengthened by that percentage at 30 June, the Group's profit before tax will improve/(decline) by:

					Impact on profit before tax	
2015	**Strengthened by**	**Net monetary items**	**Hedged**	**Open position**	**Before hedge**	**After hedge**
Major currency						
United States dollar	**10%**	**(3,929.0)**	**3,970.8**	**41.8**	**(392.9)**	**4.2**
Chinese renminbi	**10%**	**33.4**	**–**	**33.4**	**3.3**	**3.3**
European Union euro	**10%**	**67.4**	**(16.1)**	**51.3**	**6.7**	**5.1**
2014						
Major currency						
United States dollar	5%	(116.6)	905.8	789.2	(5.8)	39.5
Chinese renminbi	5%	211.6	–	211.6	10.6	10.6
European Union euro	5%	(77.4)	85.3	7.9	(3.9)	0.4

Included in the net monetary items are foreign currency denominated bank balances, deposits and cash and borrowings. The Group does not hedge these items except for term loans amounting to USD311.0 million (2014: USD400.0 million). In addition, term loan and revolving credit amounting to USD830.0 million (equivalent to RM3,115.1 million) (2014: Nil) are used to hedge a net investment in foreign operation. Effect of changes in exchange rate will be adjusted to other comprehensive income.

55 **Financial Risk and Capital Management (continued)**

a. **Financial Risk Management (continued)**
Details of each financial risk are as follows: (continued)

ii. Interest rate risk
The percentages of fixed rate borrowings, both before and after taking into account the interest rate swap (IRS) contracts, to the total borrowings as at 30 June are as follows:

	Group		Company	
	2015	2014	**2015**	2014
Total borrowings	**18,063.0**	11,174.8	**1,907.7**	2,611.8
Fixed rate borrowings	**5,319.4**	5,392.9	**1,707.4**	2,411.5
Floating rate borrowings (swapped to fixed)	**2,755.9**	963.3	**–**	–
Total fixed rate borrowings after swap	**8,075.3**	6,356.2	**1,707.4**	2,411.5
Percentage of fixed rate borrowings over total borrowings:				
- before swap (%)	**29.4**	48.3	**89.5**	92.3
- after swap (%)	**44.7**	56.9	**89.5**	92.3

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

ii. Interest rate risk (continued)

As at 30 June 2015, the Group's and the Company's floating rate borrowings stood at RM12,743.6 million (2014: RM5,781.9 million) and RM200.3 million (2014: RM200.3 million) respectively. The following table demonstrates the effect of changes in interest rate of floating rate borrowings, both before and after taking into account the IRS contracts mentioned in the preceding paragraph. If the interest rate increased by 1% in the following currencies of borrowings, the Group's and Company's profit before tax and other comprehensive income will be higher/(lower) by:

	Group		Company	
2015	**Before IRS**	**After IRS**	**Before IRS**	**After IRS**
Profit before tax				
- Ringgit Malaysia	**(53.6)**	**(51.0)**	**(2.0)**	**(2.0)**
- Australian dollar	**(5.8)**	**–**	**–**	**–**
- United States dollar	**(55.8)**	**(36.6)**	**–**	**–**
Other comprehensive income				
- Ringgit Malaysia	**–**	**0.5**	**–**	**–**
- Australian dollar	**–**	**0.5**	**–**	**–**
- United States dollar	**–**	**6.1**	**–**	**–**
2014				
Profit before tax				
- Ringgit Malaysia	(21.3)	(21.3)	(2.0)	(2.0)
- Australian dollar	(9.7)	(9.7)	–	–
- United States dollar	(15.3)	(5.7)	–	–
Other comprehensive income				
- United States dollar	–	4.9	–	–

A 1% decrease in interest rate would have an equal but opposite effect.

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)
Details of each financial risk are as follows: (continued)

iii. Credit risk
The maximum exposure and collateral and credit enhancements as at 30 June are as follows:

	Group		Company	
2015	**Maximum exposure**	**Collateral and credit enhance-ment**	**Maximum exposure**	**Collateral and credit enhance-ment**
Receivables	**8,029.5**	**1,711.8**	**10,944.8**	**–**
Derivative assets	**294.7**	**–**	**–**	**–**
Cash held under Housing Development Accounts	**556.1**	**–**	**–**	**–**
Bank balances, deposits and cash	**3,644.9**	**–**	**204.8**	**–**
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	**–**	**–**	**3,028.7**	**–**
- a joint venture, associates and others	**148.7**	**–**	**–**	**–**
Risk sharing arrangement	**366.0**	**–**	**–**	**–**
	13,039.9	**1,711.8**	**14,178.3**	**–**
2014				
Receivables	7,377.6	1,610.8	11,289.0	–
Derivative assets	111.2	–	–	–
Cash held under Housing Development Accounts	514.2	–	–	–
Bank balances, deposits and cash	4,381.8	–	340.0	–
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	–	–	1,584.4	–
- a joint venture, associates and others	106.3	–	–	–
Risk sharing arrangement	254.0	–	–	–
	12,745.1	1,610.8	13,213.4	–

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iii. Credit risk (continued)

The credit risks concentration profile of the Group's net trade receivables analysed by country where the Group operates and by reportable segment at 30 June are as follows:

Group 2015	Plantation	Industrial	Motors	Property	Energy & Utilities	Others	Total
Malaysia	884.7	178.3	677.4	955.2	71.5	29.9	2,797.0
Indonesia	7.6	–	–	–	–	–	7.6
Singapore	17.8	260.1	68.4	0.8	37.8	3.5	388.4
Other countries in South East Asia	126.7	3.8	26.7	0.2	15.1	–	172.5
China	–	321.7	119.9	–	53.5	15.2	510.3
Australasia	373.2	619.9	211.8	–	–	–	1,204.9
Europe	247.1	–	–	0.4	–	–	247.5
Other countries	117.8	–	–	–	–	–	117.8
	1,774.9	1,383.8	1,104.2	956.6	177.9	48.6	5,446.0
In percentage							
Malaysia	16.2	3.3	12.4	17.5	1.3	0.5	51.2
Indonesia	0.1	–	–	–	–	–	0.1
Singapore	0.3	4.8	1.3	–	0.7	0.1	7.2
Other countries in South East Asia	2.3	0.1	0.5	–	0.3	–	3.2
China	–	5.9	2.2	–	1.0	0.3	9.4
Australasia	6.9	11.4	3.9	–	–	–	22.2
Europe	4.5	–	–	–	–	–	4.5
Other countries	2.2	–	–	–	–	–	2.2
	32.5	25.5	20.3	17.5	3.3	0.9	100.0

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iii. Credit risk (continued)

The credit risks concentration profile of the Group's net trade receivables analysed by country where the Group operates and by reportable segment at 30 June are as follows: (continued)

Group 2014	**Plantation**	**Industrial**	**Motors**	**Property**	**Energy & Utilities**	**Others**	**Total**
Malaysia	840.4	198.2	552.5	827.4	81.9	40.9	2,541.3
Indonesia	75.6	–	–	–	–	–	75.6
Singapore	29.5	215.0	106.2	1.2	35.1	41.4	428.4
Other countries in South East Asia	116.5	3.8	23.7	0.3	14.4	–	158.7
China	–	267.5	81.7	–	32.2	13.1	394.5
Australasia	–	855.0	246.5	0.1	–	–	1,101.6
Europe	278.4	–	–	0.5	–	–	278.9
Other countries	94.4	–	–	–	–	–	94.4
	1,434.8	1,539.5	1,010.6	829.5	163.6	95.4	5,073.4
In percentage							
Malaysia	16.6	3.9	10.9	16.3	1.6	0.8	50.1
Indonesia	1.5	–	–	–	–	–	1.5
Singapore	0.6	4.2	2.1	–	0.7	0.8	8.4
Other countries in South East Asia	2.3	0.1	0.5	–	0.3	–	3.2
China	–	5.3	1.6	–	0.6	0.3	7.8
Australasia	–	16.8	4.9	–	–	–	21.7
Europe	5.5	–	–	–	–	–	5.5
Other countries	1.8	–	–	–	–	–	1.8
	28.3	30.3	20.0	16.3	3.2	1.9	100.0

The Company has no significant concentration of credit risks except for loans to its subsidiaries where risk of default has been assessed to be low.

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iv. Liquidity and cash flow risk

The undiscounted contractual cash flows of the Group's and of the Company's financial liabilities at 30 June are as follows:

Group 2015	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
Borrowings						
- principal	**6,273.0**	**1,867.5**	**6,160.2**	**3,717.7**	**18,018.4**	**18,018.4**
- interest	**498.9**	**358.6**	**605.1**	**367.8**	**1,830.4**	**44.6**
Finance lease obligation	**11.8**	**11.8**	**35.5**	**131.7**	**190.8**	**146.0**
Payables	**8,324.0**	**–**	**–**	**–**	**8,324.0**	**8,324.0**
Financial guarantee contracts	**55.3**	**25.1**	**55.0**	**13.3**	**148.7**	**0.3**
Derivative liabilities						
- gross settled	**61.1**	**11.0**	**8.0**	**–**	**80.1**	**80.1**
	15,224.1	**2,274.0**	**6,863.8**	**4,230.5**	**28,592.4**	**26,613.4**

2014	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
Borrowings						
- principal	3,008.4	553.6	5,038.6	2,517.0	11,117.6	11,117.6
- interest	479.0	327.3	607.3	398.1	1,811.7	57.2
Finance lease obligation	11.2	11.1	34.4	139.1	195.8	152.5
Payables	8,104.9	–	–	–	8,104.9	8,104.9
Financial guarantee contracts	44.5	25.6	33.0	3.2	106.3	0.3
Derivative liabilities						
- net settled	12.8	–	–	–	12.8	12.8
- gross settled	16.9	2.4	–	–	19.3	19.3
	11,677.7	920.0	5,713.3	3,057.4	21,368.4	19,464.6

55 Financial Risk and Capital Management (continued)

a. Financial Risk Management (continued)

Details of each financial risk are as follows: (continued)

iv. Liquidity and cash flow risk (continued)

The undiscounted contractual cash flows of the Group's and of the Company's financial liabilities at 30 June are as follows: (continued)

Company	**On demand or within 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Above 5 years**	**Total contractual cash flows**	**Total carrying amount**
2015						
Borrowings						
- principal	**200.0**	**1,000.0**	**–**	**700.0**	**1,900.0**	**1,900.0**
- interest	**77.4**	**53.0**	**88.1**	**160.3**	**378.8**	**7.7**
Payables	**3,057.4**	**–**	**–**	**–**	**3,057.4**	**3,057.4**
Financial guarantee contracts	**1,996.7**	**408.8**	**623.2**	**–**	**3,028.7**	**16.1**
	5,331.5	**1,461.8**	**711.3**	**860.3**	**8,364.9**	**4,981.2**
2014						
Borrowings						
- principal	900.0	–	1,000.0	700.0	2,600.0	2,600.0
- interest	93.3	77.0	111.7	181.0	463.0	11.8
Payables	120.4	68.6	1,463.9	1,453.4	3,106.3	2,609.9
Financial guarantee contracts	333.8	345.8	904.8	–	1,584.4	39.1
	1,447.5	491.4	3,480.4	2,334.4	7,753.7	5,260.8

Amounts in RM million unless otherwise stated

55 Financial Risk and Capital Management (continued)

b. Capital management

The Group's capital management policy and objectives are as follows:

i. Policy and objectives

Capital management refers to implementing measures to maintain sufficient capital to support its businesses. The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and maximise shareholders' value. The Group is committed towards optimising its capital structure, to ensure competitive cost of capital. Implementation of optimal capital structure includes balancing between debt and equity by putting in place appropriate dividend and financing policies which influence the level of debt and equity.

One of the key considerations in this regard is to maintain ready access to capital markets and to preserve the Group's ability to repay and service debt obligations over time.

ii. Rating by External Rating Agency

The Company is rated A-/A/A3 by Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service respectively. The USD1.5 billion Multi-Currency Sukuk Programme has also been accorded ratings of A-/A/A3 by Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service respectively.

The Company is currently rated MARC-1_{ID} /AAA_{ID} by the Malaysian Rating Corporation Berhad (MARC). The RM4.5 billion Islamic Medium Term Notes Programme has also been rated MARC-1_{ID} /AAA_{ID} by the MARC.

iii. Gearing ratios

The Group uses the gearing ratio to assess the appropriateness of its debt level, hence determining its capital structure. The ratio is calculated as Total Debt divided by Total Equity. The Group's gearing ratio as at 30 June are as follows:

	Group	
	2015	**2014**
Borrowings	**18,018.4**	11,117.6
Interest payable	**44.6**	57.2
	18,063.0	11,174.8
Debt/Equity ratio	**0.57**	0.38

The debt/equity ratio of the Group has increased from 0.38 to 0.57 mainly due to the borrowings obtained to fund the acquisition of New Britain Palm Oil Limited.

iv. Externally imposed financial covenants and capital structure

The Group maintains a debt to equity ratio that complies with debt covenants and regulatory requirements in countries where the Group operates. This includes minimum capital requirements and the requirement to maintain legal reserves which are non-distributable.

56 Holding Companies

The Directors regard Permodalan Nasional Berhad as its immediate holding company and Yayasan Pelaburan Bumiputra as its ultimate holding company. Both companies are incorporated in Malaysia.

57 List of Subsidiaries, Joint Ventures and Associates

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows:

Name of company	Country of incorporation	Group's effective interest (%) 2015	Group's effective interest (%) 2014	Auditors	Principal activities
Plantation – Subsidiaries					
Chartquest Sdn Bhd	Malaysia	61.1	61.1	1	Cultivation of oil palm
Chermang Development (Malaya) Sdn Bhd	Malaysia	83.9	83.9	1	)
Consolidated Plantations Berhad	Malaysia	100.0	100.0	1	) Investment holding
Eminent Platform Sdn Bhd	Malaysia	100.0	100.0	1	)
Golden Hope Overseas Sdn Bhd	Malaysia	100.0	100.0	1	)
Guthrie Industries Malaysia Sendirian Berhad	Malaysia	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel
Guthrie International Investments (L) Limited	Malaysia	100.0	100.0	1	)
Kumpulan Jelei Sendirian Berhad	Malaysia	100.0	100.0	1	) Investment holding
Mostyn Palm Processing Sdn Bhd	Malaysia	100.0	100.0	1	)
Sanguine (Malaysia) Sdn Bhd	Malaysia	100.0	100.0	1	Cultivation of oil palm
Sime Darby Agri-Bio Sdn Bhd	Malaysia	100.0	100.0	1	Manufacturing of rat baits and trading of agricultural related products
Sime Darby Austral Holdings Berhad	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Austral Sdn Bhd	Malaysia	60.0	60.0	1	Processing of palm oil and palm kernel
Sime Darby Beverages Sdn Bhd	Malaysia	100.0	100.0	1	Fruit cultivation, processing and sales of pink guava puree and juices
Sime Darby Biodiesel Sdn Bhd	Malaysia	100.0	100.0	1	Production of biodiesel and its related products
Sime Darby Biotech Laboratories Sdn Bhd	Malaysia	100.0	100.0	1	Provision of research and cloning of oil palm tissue culture services
Sime Darby Consulting Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Foods & Beverages Marketing Sdn Bhd	Malaysia	100.0	100.0	1	Distribution and marketing of cooking oil, tocotrienols, guava juices and palm related products
Sime Darby Futures Trading Sdn Bhd	Malaysia	100.0	100.0	1	Trading of crude palm oil and palm oil products and sub-marketing agent of refined products
Sime Darby Jomalina Sdn Bhd	Malaysia	100.0	100.0	1	Operation of oil palm refineries and kernel crushing plant
Sime Darby Kempas Sdn Bhd	Malaysia	100.0	100.0	1	Processing and marketing of edible oil and related products

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors		Principal activities
Plantation – Subsidiaries (continued)						
Sime Darby Latex Sdn Bhd	Malaysia	100.0	100.0	1		Processing and sale of latex and other rubber related products
Sime Darby Plantation (Sabah) Sdn Bhd	Malaysia	100.0	100.0	1	)	Cultivation of oil palm and processing of palm oil and palm kernel
Sime Darby Plantation (Sarawak) Sdn Bhd	Malaysia	100.0	100.0	1	)	
Sime Darby Plantation Childcare Centre Sdn Bhd (formerly known as Kumpulan Kamuning Sendirian Berhad)	Malaysia	100.0	100.0	1		Provision of childcare services to employees
Sime Darby Plantation Sdn Bhd	Malaysia	100.0	100.0	1		Production, processing and sale of palm oil, palm kernel, rubber and other palm oil and rubber related products and investment holding
Sime Darby Plantation Thailand Sdn Bhd	Malaysia	100.0	100.0	1		Investment holding
Sime Darby Research Sdn Bhd	Malaysia	100.0	100.0	1		Research and development services to group companies in relation to tropical agriculture
Sime Darby Seeds & Agricultural Services Sdn Bhd	Malaysia	100.0	100.0	1		Agricultural research and advisory services, production and sale of oil palm seeds and seedlings
Sime Darby Technology Centre Sdn Bhd	Malaysia	100.0	100.0	1		Provision of research and development services in biotechnology and agriculture
The China Engineers (Malaysia) Sdn Bhd	Malaysia	100.0	100.0	1		Cultivation of oil palm and processing of palm oil and palm kernel
Vertical Drive Sdn Bhd	Malaysia	100.0	100.0	1		Investment holding
Wangsa Mujur Sdn Bhd	Malaysia	72.5	72.5	1	)	Cultivation of oil palm and processing of palm oil and palm kernel
PT Aneka Intipersada	Indonesia	100.0	100.0	2	)	
PT Aneka Sawit Lestari	Indonesia	100.0	100.0	2		Production of oil palm planting materials
PT Anugerah Sumbermakmur	Indonesia	100.0	100.0	2	)	Investment holding
PT Asricipta Indah	Indonesia	90.0	90.0	2	)	
PT Bahari Gembira Ria	Indonesia	99.0	99.0	2	)	Cultivation of oil palm and processing of palm oil and palm kernel
PT Bersama Sejahtera Sakti	Indonesia	91.1	91.1	2	)	
PT Bhumireksa Nusasejati	Indonesia	100.0	100.0	2	)	
PT Bina Sains Cemerlang	Indonesia	100.0	100.0	2	)	
PT Budidaya Agro Lestari	Indonesia	100.0	100.0	2		Cultivation of oil palm

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors		Principal activities
Plantation – Subsidiaries (continued)						
PT Golden Hope Nusantara	Indonesia	100.0	100.0	2		Processing of palm oil products
PT Guthrie Pecconina Indonesia	Indonesia	100.0	100.0	2		Cultivation of oil palm and processing of palm oil and palm kernel
PT Indo Sukses Lestari Makmur	Indonesia	95.0	95.0	2		Cultivation of rubber
PT Indotruba Tengah	Indonesia	50.0	50.0	2		Cultivation of oil palm and processing of palm oil and palm kernel
PT Kartika Inti Perkasa	Indonesia	60.0	60.0	2		Investment holding
PT Kridatama Lancar	Indonesia	100.0	100.0	2	)	
PT Ladangrumpun Suburabadi	Indonesia	100.0	100.0	2	)	Cultivation of oil palm and processing of palm oil and palm kernel
PT Laguna Mandiri	Indonesia	88.6	88.6	2	)	
PT Lahan Tani Sakti	Indonesia	100.0	100.0	2	)	
PT Langgeng Muaramakmur	Indonesia	100.0	100.0	2	)	
PT Minamas Gemilang	Indonesia	100.0	100.0	2		Investment holding
PT Mitra Austral Sejahtera	Indonesia	65.0	65.0	2		Cultivation of oil palm and processing of palm oil and palm kernel
PT Muda Perkasa Sakti	Indonesia	100.0	100.0	2		Investment holding
PT Padang Palma Permai	Indonesia	100.0	100.0	2	)	Cultivation of oil palm and processing of palm oil and palm kernel
PT Paripurna Swakarsa	Indonesia	100.0	100.0	2	)	
PT Perkasa Subur Sakti	Indonesia	100.0	100.0	2		Processing of palm oil and palm kernel
PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala	Indonesia	100.0	100.0	2		Cultivation of oil palm
PT Sajang Heulang	Indonesia	100.0	100.0	2	)	Cultivation of oil palm and processing of palm oil and palm kernel
PT Sandika Natapalma	Indonesia	100.0	100.0	2	)	
PT Sime Agri Bio	Indonesia	100.0	100.0	2		Trading of agricultural related products
PT Sime Indo Agro	Indonesia	100.0	100.0	2		Cultivation of oil palm and processing of palm oil and palm kernel
PT Sritijaya Abaditama	Indonesia	60.0	60.0	2		Investment holding
PT Swadaya Andika	Indonesia	100.0	100.0	2	)	Cultivation of oil palm and processing of palm oil and palm kernel
PT Tamaco Graha Krida	Indonesia	90.0	90.0	2	)	
PT Teguh Sempurna	Indonesia	100.0	100.0	2	)	
PT Timbang Deli Indonesia	Indonesia	49.4	–	2		Oil palm seed production and cultivation of rubber
PT Tunggal Mitra Plantations	Indonesia	60.0	60.0	2		Cultivation of oil palm and processing of palm oil and palm kernel
Kwang Joo Seng (Malaysia) Private Limited	Singapore	100.0	100.0	2		Property investment

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors		Principal activities
Plantation – Subsidiaries (continued)						
New Britain Plantation Services Pte Ltd	Singapore	100.0	–	2		Investment and management of oil palm plantations and seed production
Sime Darby Edible Products Limited	Singapore	100.0	100.0	2		Marketing of edible oils and related products
Sime Darby Plantation Europe Ltd	Singapore	100.0	100.0	2	)	
Sime Darby Plantation Investment (Liberia) Private Limited	Singapore	100.0	100.0	2	)	Investment holding
Ultra Oleum Pte Ltd	Singapore	100.0	–	2	)	
Verdant Bioscience Pte Ltd	Singapore	52.0	–	2		Agriculture science and research
Sime Darby China Oils & Fats Company Limited	Hong Kong	100.0	100.0	2		Investment holding
Sime Darby Hong Kong Nominees Limited	Hong Kong	100.0	100.0	2		Holding investments as a nominee
Sime Darby International Investments Limited	Cayman Islands	100.0	100.0	5	)	
Sime Darby Plantation Holdings (Asia Pacific)	Cayman Islands	100.0	100.0	5	)	Investment holding
Sime Darby Plantation Holdings (Cayman Islands)	Cayman Islands	100.0	100.0	5	)	
Sime Darby Edible Products India Private Limited	India	100.0	100.0	5		Provide market support services
Sime Darby Plantation (Liberia) Inc	Liberia	100.0	100.0	3		Cultivation of oil palm and rubber and processing of rubber
Golden Hope Overseas Capital	Mauritius	100.0	100.0	2	)	
Mulligan International BV	Netherlands	100.0	100.0	2	)	Investment holding
Sime Darby Netherlands BV	Netherlands	100.0	100.0	2	)	
Sime Darby Unimills BV	Netherlands	100.0	100.0	2		Processing and marketing of edible oil and related products
Kula Palm Oil Limited	Papua New Guinea	100.0	–	2		Cultivation of oil palm and processing of palm oil and palm kernel
New Britain Nominees Ltd	Papua New Guinea	100.0	–	2		Trustee company
New Britain Palm Oil Limited	Papua New Guinea	100.0	–	2		Investment holding, cultivation of oil palm and processing of palm oil and palm kernel
Poliamba Limited	Papua New Guinea	100.0	–	2		Cultivation of oil palm and processing of palm oil and palm kernel

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	Group's effective interest (%) 2014	Auditors	Principal activities
Plantation – Subsidiaries (continued)					
Ramu Agri-Industries Limited	Papua New Guinea	100.0	–	2	Cultivation of oil palm and sugar cane, cattle rearing, processing of palm oil, palm kernel, sugar, ethanol and beef
Guadalcanal Plains Palm Oil Limited	Solomon Island	80.0	–	2	Cultivation of oil palm and processing of palm oil and palm kernel
Sime Darby Hudson And Knight (Proprietary) Limited	South Africa	100.0	100.0	2	Processing and marketing of edible oil and related products
Industrial Enterprises Co Ltd	Thailand	99.9	–	2	Processing of soya bean oil and related products
Morakot Industries Public Company Limited	Thailand	99.9	99.9	2	Processing and marketing of edible oil and related products
Sime-Morakot Holdings (Thailand) Limited	Thailand	100.0	100.0	2	Investment holding
The China Engineers (Thailand) Limited	Thailand	99.9	99.9	2	Investment holding
New Britain Oils Ltd	United Kingdom	100.0	–	2	Processing and marketing of edible oil and related products
Golden Hope-Nha Be Edible Oils Co Ltd	Vietnam	51.0	51.0	2	Processing and marketing of edible oil and related products
Plantation – Joint ventures					
Emery Oleochemicals (M) Sdn Bhd group	Malaysia	50.0	50.0	3	Production of oleochemicals and derivatives
Emery Specialty Chemicals Sdn Bhd group	Malaysia	50.0	50.0	3	Production, marketing and sale of chemical products
Mybiomass Sdn Bhd	Malaysia	30.0	30.0	3	Develop and pioneer high value green chemicals biorefinery
Sime Darby TNBES Renewable Energy Sdn Bhd	Malaysia	51.0+	–	1	Production and sale of renewable energy using palm oil effluents
Guangzhou Keylink Chemicals Co Ltd	China	43.5	43.5	3	Manufacture and distribution of surface active agents
Rizhao Sime Darby Oils & Fats Co Ltd	China	45.0	100.0	2	Storage and marketing of palm oil related products

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Plantation – Associates					
Barlow Bulking Sdn Bhd	Malaysia	32.0	32.0	3	Provision of bulking and marketing facilities for edible oil producers and millers
Nescaya Maluri Sdn Bhd	Malaysia	40.0	40.0	3	Investment holding and quarry licensing
Muang Mai Guthrie Public Co Ltd	Thailand	49.0	49.0	3	Processing and distribution of rubber
Thai Eastern Trat Co Ltd	Thailand	40.0	40.0	4	Operation of palm oil mill
Verdezyne Inc	United States of America	36.5	30.0	3	Produce drop-in alternatives to petroleum-derived chemicals from palm-based products and by-products
Industrial – Subsidiaries					
Shandong Equipment Malaysia Sdn Bhd	Malaysia	100.0	100.0	1	Sales and service support for Shandong Engineering machinery
Sime Darby Electropack Sdn Bhd	Malaysia	100.0	100.0	1	Manufacturing and assembly of generators, agricultural and industrial machinery
Sime Darby Industrial Academy Sdn Bhd	Malaysia	100.0	100.0	1	Training services
Sime Darby Industrial Holdings Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Industrial Power Sdn Bhd	Malaysia	91.2	91.2	1	Sale of generators, agricultural and industrial machinery
Sime Darby Industrial Power Systems Sdn Bhd	Malaysia	100.0	100.0	1	Assembly and packaging of generators
Sime Darby Industrial Sdn Bhd	Malaysia	100.0	100.0	1	Sale, rental and assembly of Caterpillar equipment and spare parts and service support
Sime Darby TMR Sdn Bhd	Malaysia	100.0	100.0	1	Reconditioning of used equipment and machinery
Sime Kubota Sdn Bhd	Malaysia	90.0	90.0	1	Assembly and distribution of Kubota range of agricultural machinery and other machinery and equipment

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	Group's effective interest (%) 2014	Auditors	Principal activities
Industrial – Subsidiaries (continued)					
Site Technology Asia Pacific Sdn Bhd	Malaysia	100.0	100.0	1	Supplying Global Positioning System (GPS)/digital work site positioning and machine control for heavy and highway construction applications under SITECH brand
Tractors Material Handling Sdn Bhd	Malaysia	100.0	100.0	1	Sale and distribution of lift trucks and spare parts, and the rental and servicing of other material handling equipment
Tractors Petroleum Services Sdn Bhd	Malaysia	100.0	100.0	1	Supply, repair and maintenance of Caterpillar engines and other equipment for the oil and gas industry, refurbishment of gas turbines and the sale and installation of pressure vessels
Sime Darby Eastern Investments Private Limited	Singapore	100.0	100.0	2	) Investment holding
Sime Darby Eastern Limited	Singapore	100.0	100.0	2	) Investment holding
Sime Darby Industrial Singapore Pte Ltd	Singapore	100.0	100.0	2	) Investment holding
Tractors Singapore Limited	Singapore	100.0	100.0	2	Sale, rental and assembly of Caterpillar equipment and related spare parts and service support
Foshan Sime Darby Elco Power Equipment Ltd	China	100.0	100.0	2	Wholesale of diesel generators and spare parts
Guangzhou Sime Darby SITECH Dealers Co Ltd	China	100.0	100.0	3	Sale, hire and servicing of survey equipment
Sime Darby CEL Machinery (Guangdong) Co Ltd (formerly known as Foshan Shunde CEL Machinery Co Ltd)	China	100.0	100.0	2	Sale of Caterpillar equipment and spare parts and service support
Sime Darby CEL Machinery (Guangxi) Co Ltd	China	100.0	–	2	Technical development on machinery, technical consultation on machinery engineering and international business consultation

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	Group's effective interest (%) 2014	Auditors	Principal activities
Industrial – Subsidiaries (continued)					
Sime Darby CEL Machinery (Hunan) Co Ltd	China	100.0	100.0	2	) Sale of Caterpillar equipment and spare parts and service support
Sime Darby CEL Machinery (Jiangxi) Co Ltd	China	100.0	100.0	2	)
Sime Darby CEL Machinery (Xinjiang) Co Ltd	China	100.0	100.0	2	)
Xiamen Sime Darby CEL Machinery Co Ltd	China	100.0	100.0	2	)
Sime Darby CEL (South China) Limited	Hong Kong	100.0	100.0	2	Investment holding
Sime Darby Elco Power Systems Limited	Hong Kong	100.0	100.0	2	Distribution of Perkins engine products and spare parts and provision of after-sales services
The China Engineers Limited	Hong Kong	100.0	100.0	2	Sale of Caterpillar equipment and spare parts and service support
AC Haynes Investments Pty Ltd	Australia	100.0	100.0	2	Crane hire
Austchrome Pty Ltd	Australia	100.0	100.0	2	Chroming and hydraulic repairs
DG Nominees Pty Ltd	Australia	100.0	100.0	2	Auto glass supplier / installer
Hastings Deering (Australia) Limited	Australia	100.0	100.0	2	Sale, rental and servicing for Caterpillar products, hardchroming and hydraulic repair
Haynes Mechanical Pty Ltd	Australia	100.0	100.0	2	Labour hire/contracting, sale of mining machinery parts, service and repair as well as crane hire
Sime Darby Industrial Australia Pty Ltd	Australia	100.0	100.0	2	Investment holding
TFP Engineering Pty Ltd	Australia	70.0	70.0	2	Sale of mining machinery service and labour hire
Sime Darby Industrial (B) Sdn Bhd	Brunei	70.0	70.0	3	Assembly, marketing and distribution of agricultural and industrial equipment
CICA Limited	Channel Islands	100.0	100.0	3	Supply of industrial equipment and machinery and after-sales services
Caltrac SAS	New Caledonia	100.0	100.0	2	Sale of Caterpillar equipment and spare parts and service support
SCI Sime Darby Invest NC	New Caledonia	100.0	100.0	2	Property investment

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Industrial – Subsidiaries (continued)					
Hastings Deering (PNG) Limited	Papua New Guinea	100.0	100.0	2	) Sale of Caterpillar equipment and spare parts and service support
Hastings Deering (Solomon Islands) Limited	Solomon Islands	100.0	100.0	3	)
CICA Vietnam Company Limited	Vietnam	100.0	100.0	2	Provision of consultancy and services for installation, operation, repair and maintenance of industrial machines, equipment and vehicles
Industrial – Joint Ventures					
Terberg Tractors Malaysia Sdn Bhd group	Malaysia	50.0	50.0	1	Marketing, distributing and servicing Terberg terminal tractors
Wilpena Pty Ltd	Australia	50.0	50.0	5	Sale of Caterpillar equipment and spare parts and service support for projects
Industrial – Associates					
APac Energy Rental Pte Ltd	Singapore	30.0	30.0	3	Rental of industrial machines and equipment
FG Wilson Asia Pte Ltd	Singapore	50.0	50.0	2	Sale and servicing of diesel generator sets
Energy Power Systems Australia Pty Ltd	Australia	20.0	20.0	2	Distribution and rental of Caterpillar engine and associated products
Nova Power Pty Ltd	Australia	38.9	38.7	2	Provision of low emission power to support electricity distribution networks
Sitech Construction Systems Pty Ltd	Australia	30.6	30.6	2	Sale and servicing of Trimble Technology construction products
Ultimate Positioning Group Pty Ltd	Australia	29.4	29.4	2	Sale, hire and servicing of Trimble surveying equipment

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Motors – Subsidiaries					
Auto Bavaria Sdn Bhd	Malaysia	100.0	100.0	1	)
Ford Malaysia Sdn Bhd	Malaysia	51.0	51.0	1	) Investment holding
Hyundai-Sime Darby Berhad	Malaysia	99.9	99.9	1	)
Hyundai-Sime Darby Motors Sdn Bhd	Malaysia	100.0	100.0	1	Sales and distribution of passenger and light commercial vehicles and spare parts
Inokom Corporation Sdn Bhd	Malaysia	53.5	53.5	1	Manufacture and assembly of light commercial and passenger vehicles, and contract assembly of motor vehicles
Jaguar Land Rover (Malaysia) Sdn Bhd	Malaysia	60.0	60.0	1	Importation and distribution of motor vehicles and spare parts
Sime Darby Auto Bavaria Sdn Bhd	Malaysia	100.0	100.0	1	Provision of management services and retail of motor vehicles, spare parts, accessories and provision of after-sales services and assembler of motor vehicles
Sime Darby Auto Britannia Sdn Bhd	Malaysia	75.0	75.0	1	Motor vehicles dealership
Sime Darby Auto ConneXion Sdn Bhd	Malaysia	100.0	100.0	1	Distribution and retail of motor vehicles and spare parts and provision of after-sales services
Sime Darby Auto Hyundai Sdn Bhd	Malaysia	51.0	51.0	1	Sale of motor vehicles, related spare parts and provision of after-sales services
Sime Darby Auto Imports Sdn Bhd	Malaysia	100.0	100.0	1	Importation of motor vehicles and spare parts
Sime Darby Auto Performance Sdn Bhd	Malaysia	70.0	70.0	1	Distribution and retail of motor vehicles, spare parts, accessories and provision of after-sales services
Sime Darby Auto Selection Sdn Bhd	Malaysia	100.0	100.0	1	Sales of used motor vehicles and spare parts
Sime Darby Hyundai Integrated Sdn Bhd	Malaysia	51.0	51.0	1	Distribution of motor vehicles

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Motors – Subsidiaries (continued)					
Sime Darby Hyundai Sdn Bhd	Malaysia	51.0	51.0	1	Investment holding and importation of motor vehicles
Sime Darby Motor Group (Taiwan) Sdn Bhd	Malaysia	100.0	100.0	1	) Investment holding
Sime Darby Motors Sdn Bhd	Malaysia	100.0	100.0	1	)
Sime Darby Rent-A-Car Sdn Bhd	Malaysia	100.0	100.0	1	Vehicle rental
Europe Automobiles Corporation Holdings Pte Ltd	Singapore	89.2	89.2	2	Investment holding
Performance Motors Limited	Singapore	100.0	100.0	2	Motor vehicles dealership
Performance Premium Selection Limited	Singapore	60.0	60.0	2	Retailer, wholesaler and exporter of used cars
Sime Darby Motor Holdings Limited	Singapore	100.0	100.0	2	Investment holding and provision of management and auxiliary services
Sime Darby Services Private Limited	Singapore	100.0	100.0	2	Vehicle rental
Sime Darby Singapore Limited	Singapore	100.0	100.0	2	) Investment holding
Sime Singapore Limited	Singapore	100.0	100.0	2	)
Vantage Automotive Limited	Singapore	100.0	100.0	2	Motor vehicle dealership
Changsha Bow Yue Vehicle Services Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and related spare parts and provision of after-sales services
Chengdu Bow Yue Used Cars Centre Co Ltd	China	100.0	100.0	2	Retail of used cars and provision of related services
Chengdu Bow Yue Vehicle Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and related spare parts, provision of after-sales services and investment holding
Chongqing Bow Chuang Motor Sales & Services Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Guangdong Deda Bow Ma Motor Service Co Ltd	China	65.0	65.0	2	Retail of spare parts and provision of after-sales services for motor vehicles
Guangzhou Bow Yue Vehicle Trading Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and spare parts
Hainan Bow Yue Vehicles Trading and Services Ltd	China	100.0	100.0	2	Retail of motor vehicles and spare parts and provision of after-sales services

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Motors – Subsidiaries (continued)					
Hangzhou Sime Darby Motors Sales and Services Co Ltd	China	60.0	60.0	2	) Retail of motor vehicles and spare parts and provision of after-sales services
Hangzhou Sime Darby Trading Co Ltd	China	60.0	60.00	2	)
Nanjing Sime Darby Motors Sales & Services Co Ltd	China	60.0	60.0	2	)
Shanghai Sime Darby Motor Commerce Co Ltd	China	60.0	60.0	2	Retail of motor vehicles and investment holding
Shanghai Sime Darby Motor Sales and Services Co Ltd	China	60.0	60.0	2	Retail of motor vehicles and spare parts and provision of after-sales services
Shantou Bow Yue Vehicle Trading Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and spare parts
Shantou Dehong Bow Ma Motors Co Ltd	China	60.0	60.0	2	Provision of after-sales services for motor vehicles and retail of spare parts
Shenzhen Bow Chuang Vehicle Trading Co Ltd	China	100.0	100.0	2	Retail of motor vehicles and spare parts
Shenzhen Sime Darby Motor Enterprises Co Ltd	China	100.0	100.0	2	Retail of spare parts and provision of after-sales services for motor vehicles
Yunnan Bow Yue Vehicle Trading Co Ltd	China	65.0	65.0	2	) Retail of motor vehicles and spare parts and provision of after-sales services
Yunnan Dekai Bow Ma Motors Technology & Service Co Ltd	China	65.0	65.0	3	)
AutoFrance Hong Kong Limited	Hong Kong	100.0	100.0	2	Distribution and retail of motor vehicles
BMW Concessionaires (HK) Limited	Hong Kong	100.0	100.0	2	Distribution and retail of motor vehicles, provision of after-sales services and investment holding
Bow Ma Motors (South China) Limited	Hong Kong	100.0	100.0	2	Investment holding
Goodwood Motors Limited	Hong Kong	100.0	100.0	2	) Distribution and retail of motor vehicles
Island Motors Limited	Hong Kong	100.0	100.0	2	)
Marksworth Limited	Hong Kong	100.0	100.0	2	Investment holding
Sime Darby Hongkong Finance Limited	Hong Kong	100.0	100.0	2	Provision of intra-group financial services
Sime Darby Management Services Limited	Hong Kong	100.0	100.0	2	Property investment

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Motors – Subsidiaries (continued)					
Sime Darby Motor Group (HK) Limited	Hong Kong	100.0	100.0	2	) Investment holding
Sime Darby Motor Group (PRC) Limited	Hong Kong	100.0	100.0	2	)
Sime Darby Motor Services Limited	Hong Kong	100.0	100.0	2	Distribution and retail of motor vehicles and spare parts, provision of after-sales services and management services
Universal Cars (Importers) Limited	Hong Kong	100.0	100.0	2	) Distribution and retail of motor vehicles
Universal Cars Limited	Hong Kong	100.0	100.0	2	)
Wallace Harper Motors Company Limited (formerly known as Sime Darby Motors (Nissan China) Holdings Limited)	Hong Kong	100.0	100.0	2	Car leasing
Warwick Motors Limited	Hong Kong	100.0	100.0	2	Investment holding
BMW Concessionaires (Macau) Limited	Macau	100.0	100.0	2	) Retail of motor vehicles and provision of after-sales services
Harper Engineering (Macau) Limited	Macau	100.0	100.0	2	)
Brisbane BMW Bodyshop Pty Ltd	Australia	70.0	70.0	2	Retail of spare parts, panels and accessories
Brisbane BMW Unit Trust	Australia	70.0	70.0	2	) Motor vehicle dealerships
LMM Holdings Pty Ltd	Australia	70.0	70.0	2	)
Sime Darby Automobiles Pty Ltd	Australia	100.0	100.0	2	Distribution of motor vehicles
Sime Darby Fleet Services Pty Ltd	Australia	100.0	100.0	2	Vehicle rental and related mechanical services
Sime Darby Motors Group (Australia) Pty Limited	Australia	100.0	100.0	2	Provision of management services and investment holding
Sime Darby Motors Retail Australia Pty Limited	Australia	100.0	100.0	2	Retail of motor vehicles and provision of after-sales services
Sime Darby Motors Wholesale Australia Pty Limited	Australia	100.0	100.0	2	Distribution of motor vehicles
Continental Car Services Limited	New Zealand	100.0	100.0	2	Retail of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services
Hino Distributors NZ Limited	New Zealand	100.0	100.0	2	Distribution and retail of trucks

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Motors – Subsidiaries (continued)					
Infinity Automotive Limited	New Zealand	100.0	100.0	2	Retail of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services
Motor Truck Distributors (NZ) Limited	New Zealand	100.0	100.0	2	Distribution and retail of trucks and buses
North Shore Motor Holdings Limited	New Zealand	100.0	100.0	2	Retail of new and used passenger cars, spare parts and accessories and the provision of related services
Sime Darby Automobiles NZ Limited	New Zealand	100.0	100.0	2	Distribution of motor vehicles and spare parts
Sime Darby Commercial (NZ) Limited	New Zealand	100.0	100.0	2	)
Sime Darby Motor Group (NZ) Limited	New Zealand	100.0	100.0	2	) Investment holding)
Sodor Properties Limited	New Zealand	100.0	–	2	Property investment
Truck Stops (NZ) Limited	New Zealand	100.0	100.0	2	Provision of spare parts and services for trucks
UD Truck Distributors (NZ) Limited	New Zealand	100.0	100.0	2	Distribution and retail of trucks, spare parts and accessories and the provision of related services
Performance Motors (Thailand) Limited	Thailand	100.0	100.0	2	Motor dealership
Sime Darby (Thailand) Limited	Thailand	100.0	100.0	2	Investment holding and provision of management and auxiliary services
Sime Darby Mazda (Thailand) Limited	Thailand	100.0	100.0	2	)) Motor dealership
Sime Darby Vantage (Thailand) Limited	Thailand	100.0	100.0	2	))
Viking Motors Limited	Thailand	100.0	100.0	2	Leasing of properties
Sime Darby Auto Kia Co Ltd	Taiwan	100.0	100.0	2	Wholesale and retail of vehicles, spare parts and accessories and provision of after-sales services
Sime Darby Kia Taiwan Co Ltd	Taiwan	100.0	100.0	2	Manufacture and sales of vehicles, spare parts and accessories and repairs and maintenance of vehicles and other automotive services
Europe Automobiles Corporation	Vietnam	90.0	90.0	2	Distribution and retail of vehicles

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Motors – Associates					
BMW Malaysia Sdn Bhd	Malaysia	49.0*	49.0*	3	Sale and distribution of motor vehicles and motorcycles
Sime Kansai Paints Sdn Bhd	Malaysia	40.0	40.0	3	Manufacturing, selling and marketing of automotive and industrial paints
Munich Automobiles Pte Ltd	Singapore	40.0	40.0	3	Sale and distribution of motor vehicles and after-sales service
BMW Financial Services Hong Kong Limited	Hong Kong	49.0	49.0	3	Provision of financing and hire purchase facilities
Property – Subsidiaries					
Genting View Resort Development Sdn Bhd	Malaysia	30.4	30.4	1	Property development and provision of management services
Golfhome Development Sdn Bhd	Malaysia	100.0	100.0	1	) Property investment and
Golftek Development Sdn Bhd	Malaysia	100.0	100.0	1	) property development
Harvard Golf Resort (Jerai) Berhad	Malaysia	99.0	99.0	1	Provision of golfing and sporting services
Harvard Hotel (Jerai) Sdn Bhd	Malaysia	100.0	100.0	1	Operation of a hotel
Impian Golf Resort Berhad	Malaysia	100.0	100.0	1	Provision of golfing and sporting services
Ironwood Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Kuala Lumpur Golf & Country Club Berhad	Malaysia	100.0	100.0	1	Provision of golfing and sporting services and property development
Malaysia Land Development Company Berhad	Malaysia	50.7	50.7	1	Property investment, management and investment holding
Sime Darby Ainsdale Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Ampar Tenang Sdn Bhd	Malaysia	100.0	100.0	1	Property investment
Sime Darby Ara Damansara Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Augsburg (M) Sdn Bhd	Malaysia	100.0	100.0	1	)
Sime Darby Brunsfield Damansara Sdn Bhd	Malaysia	60.0	60.0	1	) Property development)
Sime Darby Brunsfield Holding Sdn Bhd	Malaysia	60.0	60.0	1	Property development and investment holding
Sime Darby Brunsfield Kenny Hills Sdn Bhd	Malaysia	60.0	60.0	1	Property development
Sime Darby Brunsfield Motorworld Sdn Bhd	Malaysia	60.0	60.0	1	Property development and investment holding
Sime Darby Brunsfield Properties Holding Sdn Bhd	Malaysia	60.0	60.0	1	Property investment

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Property – Subsidiaries (continued)					
Sime Darby Brunsfield Resort Sdn Bhd	Malaysia	60.0	60.0	1	Property development
Sime Darby Builders Sdn Bhd	Malaysia	100.0	100.0	1	Property development and construction
Sime Darby Building Management Services Sdn Bhd	Malaysia	100.0	100.0	1	Property management
Sime Darby Chemara Sdn Berhad	Malaysia	100.0	100.0	1	Property development
Sime Darby Constant Skyline Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Elmina Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby GVR Management Sdn Bhd	Malaysia	50.7	50.7	1	Resort management
Sime Darby Homes Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Johor Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby KLGCC Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Landscaping Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Lukut Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Melawati Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment, property development and property management
Sime Darby Nilai Utama Sdn Bhd	Malaysia	70.0	70.0	1	Property development
Sime Darby Nominees Sendirian Berhad	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Pagoh Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Paralimni Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Properties (Sabah) Sdn Bhd	Malaysia	100.0	100.0	1	Property development and investment holding
Sime Darby Properties (Selangor) Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Properties Builders Sdn Bhd	Malaysia	100.0	100.0	1	Construction
Sime Darby Properties Realty Sdn Bhd	Malaysia	100.0	100.0	1	Property development and management
Sime Darby Property (Bukit Selarong) Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Property (Bukit Tunku) Sdn Bhd	Malaysia	100.0	100.0	1	Property development
Sime Darby Property (Klang) Sdn Bhd	Malaysia	100.0	100.0	1	Property development

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	Group's effective interest (%) 2014	Auditors	Principal activities
Property – Subsidiaries (continued)					
Sime Darby Property (Lembah Acob) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Property (Nilai) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment, property development and property management
Sime Darby Property (Subang) Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Property (Sungai Kapar) Sdn Bhd	Malaysia	100.0	100.0	1	Investment holding, property investment and property development
Sime Darby Property (Utara) Sdn Bhd (formerly known as Harvard Jerai Development Sdn Bhd)	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Property Berhad	Malaysia	100.0	100.0	1	Investment holding, property development and provision of management services
Sime Darby Property Holdings Sdn Bhd	Malaysia	100.0	100.0	1	) Property investment and property management
Sime Darby Property Management Sdn Bhd	Malaysia	100.0	100.0	1	)
Sime Darby Property Selatan Dua Sdn Bhd	Malaysia	60.0	60.0	1	) Construction and asset management services under concession arrangement
Sime Darby Property Selatan Empat Sdn Bhd	Malaysia	60.0	60.0	1	)
Sime Darby Property Selatan Satu Sdn Bhd	Malaysia	60.0	60.0	1	)
Sime Darby Property Selatan Sdn Bhd	Malaysia	60.0	60.0	1	Investment holding and construction
Sime Darby Property Selatan Tiga Sdn Bhd	Malaysia	60.0	60.0	1	Construction and asset management services under concession arrangement
Sime Darby Serenia Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Darby Sungai Kantan Development Sdn Bhd	Malaysia	100.0	100.0	1	Property development and management
Sime Darby Urus Harta Sdn Bhd	Malaysia	100.0	100.0	1	Property management
Sime Darby USJ Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property development
Sime Healthcare Sdn Bhd	Malaysia	100.0	100.0	1	Property investment
Sime Wood Industries Sdn Bhd	Malaysia	100.0	100.0	1	Property investment and property management
Stableford Development Sdn Bhd	Malaysia	100.0	100.0	1	Property investment, property development and operation of a convention centre

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Property – Subsidiaries (continued)					
Syarikat Malacca Straits Inn Sdn Bhd	Malaysia	55.0	55.0	1	Ownership and operation of a hotel
Syarikat Perumahan Guthrie Sdn Bhd	Malaysia	100.0	100.0	1	Property development
The Glengowrie Rubber Company Sdn Bhd	Malaysia	93.4	93.4	1	Property investment and property development
Wisma Sime Darby Sdn Berhad	Malaysia	100.0	100.0	1	Property investment, property management and related services
Darby Park (Management) Pte Ltd	Singapore	100.0	100.0	2	Property investment, management of service apartments and investment holding
Darby Park (Singapore) Pte Ltd	Singapore	100.0	100.0	2	Property investment and management of service residences
Sime Darby Property (Alexandra) Limited	Singapore	100.0	100.0	2	Property investment and property management
Sime Darby Property (Amston) Pte Ltd	Singapore	100.0	100.0	2	Investment holding and property investment
Sime Darby Property (Dunearn) Limited	Singapore	100.0	100.0	2	Property investment and property management
Sime Darby Property (Kilang) Limited	Singapore	100.0	100.0	2	Property investment and property management
Sime Darby Property (Vietnam) Pte Ltd	Singapore	100.0	100.0	2	Investment holding and management of service residences
Sime Darby Property Singapore Limited	Singapore	100.0	100.0	2	Investment holding and property management
Sime Darby Property (Hong Kong) Limited	Hong Kong	100.0	100.0	2	Investment holding
OCI Management Pty Ltd	Australia	60.0	60.0	2	Security and landcare services
Sime Darby Australia Limited	Australia	100.0	100.0	2	Investment holding and operation of service apartments
Sime Darby Hotels Pty Ltd	Australia	100.0	100.0	2	Operation of service apartments
Sime Darby Investments Pty Limited	Australia	100.0	100.0	2	Investment holding
Sime Darby Resorts Pty Ltd	Australia	100.0	100.0	2	Management of a resort
Sime Darby Serenity Cove Pty Ltd	Australia	60.0	60.0	2	Property development
Key Access Holdings Limited	British Virgin Islands	100.0	100.0	5	Investment holding
Sime Darby Brunsfield Australia Pte Ltd	British Virgin Islands	60.0	60.0	5	Investment holding

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Property – Subsidiaries (continued)					
Vibernum Limited	Guernsey	100.0	100.0	2	Property investment
Sime Darby London Limited	United Kingdom	100.0	100.0	2	Property investment
Sime Darby Management Services Limited	United Kingdom	100.0	100.0	2	Property management
Darby Park (Vietnam) Limited	Vietnam	65.0	65.0	2	Development and operation of service residences
Property – Joint ventures					
PJ Midtown Development Sdn Bhd	Malaysia	30.0	30.0	1	Property development
Sime Darby Capitamalls Asia (Melawati Mall) Sdn Bhd	Malaysia	50.0	50.0	3	Property investment
Sime Darby Sunrise Development Sdn Bhd	Malaysia	50.0	50.0	1	Property development
Sime Darby Sunsuria Development Sdn Bhd	Malaysia	–	50.0	3	Property development
Sime Darby Brunsfield Properties Australia Pty Ltd	Australia	50.0	50.0	3	Investment holding
Sime Darby Brunsfield International Limited	British Virgin Islands	50.0	50.0	5	Investment holding
Battersea Project Holding Company Limited group	Jersey	40.0	40.0	2	Property investment and property development
Battersea Power Station Development Company Limited	United Kingdom	40.0	40.0	2	Property development and management services
Battersea Power Station Estates Limited	United Kingdom	40.0	–	2	Real estate management and sales
Property – Associates					
Bitaria Sdn Bhd	Malaysia	24.0	24.0	3	Property development
Eastern & Oriental Berhad group	Malaysia	22.0	32.0	3	Investment holding, hotel ownership and management, property investment and development and café and restaurant operations
Kuantan Pahang Holding Sdn Bhd group	Malaysia	30.0	–	1	Investment holding and property development
Mostyn Development Sdn Bhd	Malaysia	30.0	30.0	3	Property development
Seriemas Development Sdn Bhd group	Malaysia	40.0	40.0	3	Property development and provision of related consultancy services
Shaw Brothers (M) Sdn Bhd	Malaysia	36.0	36.0	3	Investment holding, property investment and provision of management services
China Property Development (Holdings) Limited	Cayman Islands	30.4	30.4	3	Investment holding

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	Group's effective interest (%) 2014	Auditors		Principal activities
Energy & Utilities – Subsidiaries						
Chubb Malaysia Sendirian Berhad	Malaysia	100.0	100.0	1		Manufacturing, marketing, installation, rental and servicing of security products
Malaysian Oriental Holdings Berhad	Malaysia	100.0	100.0	1		Investment holding
Mecomb Malaysia Sdn Berhad	Malaysia	100.0	100.0	1		System integration, marketing and installation of advanced electronic and electro-mechanical equipment, instruments and systems
Sime Darby Energy Sdn Bhd	Malaysia	100.0	100.0	1		Investment holding
Sime Darby Engineering Sdn Bhd	Malaysia	100.0	100.0	1		Services relating to oil and gas industry
Sime Darby Joy Industries Sdn Bhd	Malaysia	55.0	55.0	1		Designing and manufacturing of heat exchangers, radiators, process equipment modules, filters and separators
Sime Darby Offshore Engineering Sdn Bhd	Malaysia	100.0	100.0	1		Systems integration and marketing of products and services in oil and gas/petrochemical industry
Sime Darby Utilities Sdn Bhd	Malaysia	100.0	100.0	1	)	
Sime Darby Water Resources Sdn Bhd	Malaysia	100.0	100.0	1	)	Investment holding
Sime Engineering Sdn Bhd	Malaysia	100.0	100.0	1		Engineering and project management services and land based construction work
Sime Surveillance Sdn Bhd	Malaysia	100.0	100.0	1		Provision of security services
Mecomb Singapore Limited	Singapore	100.0	100.0	2		Manufacture and installation of industrial equipment and the import and sale of technical, nautical and scientific instruments and mechanical, electrical and electronic equipment
Sime Darby Energy Pte Ltd	Singapore	100.0	100.0	2		Investment holding
Jining Sime Darby Longgong Port Co Ltd	China	70.0	70.0	2	)	Operation of port
Jining Sime Darby Port Co Ltd	China	70.0	70.0	2	)	
Jining Sime Darby Taiping Port Co Ltd	China	70.0	70.0	2		Operation of port and warehousing

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Energy & Utilities – Subsidiaries (continued)					
Sime Darby Joy (Shanghai) Co Ltd	China	55.0	55.0	2	Supply of process equipment and heat exchangers
Weifang Sime Darby General Terminal Co Ltd	China	99.9	99.9	2	Operation of port
Weifang Sime Darby Liquid Terminal Co Ltd	China	99.9	99.9	2	Operation of liquid terminal
Weifang Sime Darby Port Co Ltd	China	99.0	99.0	2	Operation of port
Weifang Sime Darby Water Management Co Ltd	China	100.0	100.0	2	Treatment and supply of water
Weifang Sime Darby West Port Co Ltd	China	99.9	99.9	2	Operation of port
Weifang Wei Gang Tugboat Services Co Ltd	China	99.5	99.5	3	Provision of tugboat pilot services and related services
Sime Darby Overseas (HK) Limited	Hong Kong	100.0	100.0	2	Investment holding
Mecomb (Thailand) Limited	Thailand	100.0	100.0	2	Sale of electrical and mechanical equipment components and instruments
Energy & Utilities – Joint ventures					
Malaysia-China Hydro Joint Venture	Malaysia	48.9	35.7	1	Engineering, procurement and construction work
Weifang Port Services Co Ltd group	China	36.6	36.6	4	Construction, management and maintenance of sea channel, anchorage and other port infrastructure
Energy & Utilities – Associates					
Chubb Singapore Private Limited group	Singapore	30.0	30.0	2	Marketing of security and fire protection products and services
Weifang Ocean Shipping Tally Co Ltd	China	39.6	39.6	3	Provision of shipping tally services for cargoes and containers
Others – Subsidiaries					
Kumpulan Sime Darby Berhad	Malaysia	100.0	100.0	1	Provision of management and support services
Sime Darby Allied Products Berhad	Malaysia	100.0	100.0	1	Investment holding
Sime Darby Global Berhad	Malaysia	100.0	100.0	1	Special purpose vehicle for the issue of multi-currency Islamic securities programme
Sime Darby Global Services Centre Sdn Bhd	Malaysia	100.0	100.0	1	Provision of support services to group companies

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Others – Subsidiaries (continued)					
Sime Darby Holdings Berhad	Malaysia	100.0	100.0	1	Investment holding, marketing of and agents for commodities and provision of management services to group companies
Sime Darby Holiday Homes Sdn Bhd	Malaysia	100.0	100.0	1	Property management services and provision of childcare services to employees
Sime Darby Insurance Pte Ltd	Malaysia	100.0	100.0	1	Onshore and offshore captive insurer
Sime Darby Lockton Insurance Brokers Sdn Bhd	Malaysia	60.0	60.0	1	Insurance and reinsurance brokers, insurance advisory and consultancy services
Sime Darby Malaysia Berhad	Malaysia	100.0	100.0	1	Holding of trademarks
Sime Darby Technologies Holdings Pte Ltd	Malaysia	100.0	100.0	1	) Investment holding
Sime Darby Ventures Sdn Bhd	Malaysia	100.0	100.0	1	)
Yayasan Sime Darby	Malaysia	@	@	1	Administration of scholarship awards and loans for educational purposes, undertake sports, environmental conservation and sustainability projects; and other related activities for the benefit of the community
Sime Darby Eastern International Limited	Singapore	100.0	100.0	2	Investment holding
Sime Darby Insurance Brokers (Singapore) Pte Ltd	Singapore	100.0	100.0	2	Insurance brokers
Sime Darby (China) Enterprise Management Co Ltd	China	100.0	100.0	2	Provision of services to group companies established in China
Sime Darby Far East (1991) Limited	Hong Kong	100.0	100.0	2	) Investment holding
Sime Darby Hong Kong Limited	Hong Kong	100.0	100.0	2	)
Sime Darby Insurance Brokers (Hong Kong) Limited	Hong Kong	100.0	100.0	2	Insurance brokers
Sime Darby Managing Agency (Hong Kong) Limited	Hong Kong	100.0	100.0	2	Insurance agency
Sime Darby Investments (BVI) Limited	British Virgin Islands	100.0	100.0	5	Investment holding and holding of trademarks

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint ventures and associates which are active as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors	Principal activities
Others – Joint venture					
Ramsay Sime Darby Health Care Sdn Bhd group	Malaysia	50.0	50.0	1	Operation of healthcare facilities and provision of related healthcare services
Others – Associates					
Tesco Stores (Malaysia) Sdn Bhd	Malaysia	30.0	30.0	1	Operation of hypermarkets
Union Sime Darby (Thailand) Ltd	Thailand	49.0	49.0	2	Insurance brokers

Subsidiaries, joint venture and associates which are dormant/inactive as at 30 June 2015 are as follows:

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors
Plantation – Subsidiaries				
Derawan Sdn Bhd	Malaysia	100.0	100.0	1
Kumpulan Jerai Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Linggi Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Sua Betong Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Tebong Sendirian Berhad	Malaysia	100.0	100.0	1
Kumpulan Temiang Sendirian Berhad	Malaysia	100.0	100.0	1
Nature Ambience Sdn Bhd	Malaysia	100.0	100.0	1
Sahua Enterprise Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Bioganic Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Bukit Talang Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Genomics Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Julau Plantation Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Oils & Fats Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Plantation (Peninsular) Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Plantation Indonesia Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Plantation Investment (Cameroon) Sdn Bhd	Malaysia	100.0	100.0	1
Sincere Outlook Sdn Bhd	Malaysia	100.0	100.0	1
PT Guthrie Abdinusa Industri	Indonesia	70.0	70.0	2
PT Sime Darby Commodities Trading	Indonesia	100.0	100.0	2
Dongguan Sime Darby Sinograin Oils and Fats Co Ltd	China	65.0	65.0	2
Dami Australia Pty Ltd	Australia	100.0	–	2
Golden Hope–Nhabe (Cambodia) Import & Export Co Ltd	Cambodia	51.0	51.0	5

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint venture and associates which are dormant/inactive as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors
Plantation – Subsidiaries (continued)				
Sime Darby Plantation Cameroon Ltd	Cameroon	100.0	100.0	5
Sime Darby CleanerG BV	Netherlands	100.0	100.0	2
Sime Darby Commodities Europe BV	Netherlands	100.0	–	2
New Britain Tankers Limited	Papua New Guinea	100.0	–	2
Plantation Contracting Services Ltd	Papua New Guinea	100.0	–	2
Vitroplant Orangerie Bay Ltd	Papua New Guinea	100.0	–	2
Trolak Estates Limited	Scotland	100.0	100.0	3
Sime Darby Edible Products Tanzania Limited	Tanzania	100.0	100.0	5
Dusun Durian Plantations Limited	United Kingdom	100.0	100.0	3
Kinta Kellas Rubber Estates Plc	United Kingdom	100.0	100.0	3
Malaysian Estates Plc	United Kingdom	100.0	100.0	3
The Kuala Selangor Rubber Plc	United Kingdom	100.0	100.0	3
The London Asiatic Rubber and Produce Company Limited	United Kingdom	100.0	100.0	3
The Pataling Rubber Estates Limited	United Kingdom	100.0	100.0	3
The Straits Plantations Limited	United Kingdom	100.0	100.0	3
The Sungei Bahru Rubber Estates Plc	United Kingdom	100.0	100.0	3
Industrial – Subsidiaries				
Associated Tractors Sendirian Berhad	Malaysia	100.0	100.0	1
Tractors Machinery International Pte Ltd	Singapore	100.0	100.0	2
Sime Darby SEM Dealer (Fujian) Ltd	China	100.0	100.0	2
Sime Darby Yangon Limited	Myanmar	100.0	100.0	3
Motors – Subsidiaries				
Associated Motor Industries Malaysia Sdn Bhd	Malaysia	51.0	51.0	1
Sime Darby System Integrators Sdn Bhd	Malaysia	99.9	99.9	1
Hainan Bow Yue Vehicle Trading Co Ltd	China	100.0	100.0	2
Tianjin Sime Winner Motors Trading Co Ltd	China	60.0	60.0	2
Auto Technology Engineering Company Limited	Hong Kong	100.0	100.0	2
AutoFrance China Limited	Hong Kong	100.0	100.0	2
Sime Darby Prestige Motors Company Limited	Hong Kong	100.0	100.0	2
Sime Darby Motor Service Centre Limited	Hong Kong	100.0	100.0	2
Sime Winner Holdings Limited	Hong Kong	60.0	60.0	2
SimeWinner Nissan Autocrafts Limited	Hong Kong	60.0	60.0	2
Vermont International Limited	Hong Kong	60.0	60.0	2
Wallace Harper & Company Limited	Hong Kong	100.0	100.0	2
Sime Darby Hong Kong Group Company Limited	Bermuda	100.0	100.0	5
Continental Cars Limited	New Zealand	100.0	100.0	2
ERF Man and Western Star (NZ) Limited	New Zealand	100.0	100.0	2
Palmerston North Motors Wholesale Limited	New Zealand	100.0	100.0	2
Sime Darby Auto Services Limited	Thailand	100.0	100.0	2

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries, joint venture and associates which are dormant/inactive as at 30 June 2015 are as follows: (continued)

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors
Property – Subsidiaries				
Sime Darby Brunsfield Project Management Sdn Bhd	Malaysia	–	60.0	1
Sime Darby Brunsfield Property Management Sdn Bhd	Malaysia	–	60.0	1
Sime Darby Brunsfield Property Sdn Bhd	Malaysia	70.0	70.0	1
Sime Darby Brunsfield Taipan City Sdn Bhd	Malaysia	–	60.0	1
Sime Darby Properties Harta Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Property (Bestari Jaya) Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Property (USJ) Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Putra Heights Development Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby SJCC Development Sdn Bhd	Malaysia	100.0	100.0	1
Xinjiang Sime Darby Property Co Ltd	China	100.0	100.0	2
Green East Prime Ventures Inc	Philippines	63.2	63.2	3
Energy & Utilities – Subsidiaries				
Balui Hydro Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby Marine Sdn Bhd	Malaysia	100.0	100.0	1
Sime Darby T&I Sdn Bhd	Malaysia	51.0	51.0	1
Sime Darby Water Resources (Perak) Sdn Bhd	Malaysia	75.0	75.0	1
Jining Sime Darby Guozhuang Port Co Ltd	China	70.0	70.0	2
Weifang Binhai Haiwei Dredging Project Co Ltd	China	50.8	50.8	3
Weifang Wei Gang Dredging Project Co Ltd	China	99.5	99.5	3
Sime Darby Marine (Hong Kong) Private Limited	Hong Kong	100.0	100.0	2
Energy & Utilities – Joint ventures				
Sime Engineering Sdn Bhd – Edwards & Sons Joint Venture	Malaysia	51.0	51.0	1
Weifang Wei Gang Shipyard Co Ltd	China	48.5	48.5	3
Energy & Utilities – Associate				
Sime Darby Almana WLL	Qatar	49.0	49.0	5
Others – Subsidiaries				
Golden Hope Plantations Berhad	Malaysia	100.0	100.0	1
Guthrie Ropel Berhad	Malaysia	100.0	100.0	1
Highlands & Lowlands Berhad	Malaysia	100.0	100.0	1
Kumpulan Guthrie Berhad	Malaysia	100.0	100.0	1
Sime UEP Properties Berhad	Malaysia	100.0	100.0	1
Sime Darby Management Services (Singapore) Pte Ltd	Singapore	100.0	100.0	2
Xinjiang Sime Darby Heavy Equipment Co Ltd	China	100.0	100.0	2
Sime Travel Holdings Limited	Hong Kong	100.0	100.0	2
East West Insurance Company Limited	United Kingdom	81.0	81.0	3
Robt Bradford & Co Ltd	United Kingdom	100.0	100.0	2
Robt Bradford Hobbs Savill Ltd	United Kingdom	98.6	98.6	2

Amounts in RM million unless otherwise stated

57 List of Subsidiaries, Joint Ventures and Associates (continued)

Subsidiaries placed under members' voluntary liquidation/deregistered during the financial year are as follows:

Name of company	Country of incorporation	Group's effective interest (%) 2015	2014	Auditors
Plantation – Subsidiaries				
Castlefield (Klang) Rubber Estate Plc	United Kingdom	–	100.0	3
Holyrood Rubber Plc	United Kingdom	–	100.0	3
Hoscote Rubber Estate Limited	United Kingdom	–	100.0	3
Nalek Rubber Estate Limited	United Kingdom	–	100.0	3
Sabah Plantations Limited	United Kingdom	–	100.0	3
Industrial – Subsidiary				
Tractors Malaysia Motor Holdings Sdn Bhd	Malaysia	–	100.0	1
Energy & Utilities – Subsidiaries				
Malaysia–China Hydro Sdn Bhd	Malaysia	–	100.0	1
Pesida Equipment Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Power Sdn Bhd	Malaysia	–	100.0	1
Others – Subsidiaries				
Sime Darby Packaging Sdn Bhd	Malaysia	–	100.0	1
Tractors Malaysia Holdings Sdn Bhd	Malaysia	–	100.0	1
Sime Darby Investments Pte Ltd	Singapore	–	100.0	2

Notes:

1 - audited by PricewaterhouseCoopers, Malaysia

2 - audited by member firms of PricewaterhouseCoopers International Limited, which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia

3 - audited by firms other than member firms of PricewaterhouseCoopers International Limited

4 - Auditors not appointed yet

5 - no legal requirement to appoint auditors

+ - despite holding more than 50% equity interest in Sime Darby TNBES Renewable Energy Sdn Bhd, the investment is classified as joint venture (and not subsidiary) as significant decisions require unanimous consent from all the joint venturers

* - notwithstanding the Group holds more than 20% equity interest, the investment in BMW Malaysia Sdn Bhd has been classified as available-for-sale investment (and not associate) due to the Group's restricted influence pursuant to the shareholders' agreement

@ - Yayasan Sime Darby is a company without share capital, limited by guarantee

58 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 17 September 2015.

SUPPLEMENTARY INFORMATION

59 Supplementary Information

The breakdowns of realised and unrealised retained profits of the Group and of the Company as at 30 June 2015 as set out below have been prepared pursuant to the directive issued by Bursa Malaysia Securities Berhad and have been prepared in accordance with the Guidance on Special Matter No. 1 (GSM1), Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	**2014**	**2015**	**2014**
Total retained profits of the Company and its subsidiaries				
- realised	**25,940.1**	23,724.6	**3,036.4**	3,970.6
- unrealised	**5,135.8**	5,627.9	**(17.8)**	(41.3)
	31,075.9	29,352.5	**3,018.6**	3,929.3
Total share of retained profits from joint ventures				
- realised	**(95.6)**	22.1	**–**	–
- unrealised	**35.0**	17.9	**–**	–
	(60.6)	40.0	**–**	–
Total share of retained profits from associates				
- realised	**315.0**	334.1	**–**	–
- unrealised	**(46.5)**	(0.4)	**–**	–
	268.5	333.7	**–**	–
Less: consolidation adjustments	**(13,234.4)**	(11,777.8)	**–**	–
Total retained profits	**18,049.4**	17,948.4	**3,018.6**	3,929.3

In arriving at the unrealised profits, the following which are deemed in the GSM1 as unrealised, are included:

a. credits or charges relating to the recognition of deferred tax;
b. cumulative net gains (but not net losses) from the remeasurement of assets or liabilities at fair value through profit or loss;
c. provision of liabilities in respect of present obligations where resources are only consumed upon settlement of the obligation; and
d. translation gains or losses of monetary items denominated in a currency other than the functional currency.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Sime Darby Berhad (SDB or the Company) will be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 23 November 2015 at 10.00 a.m. for the following businesses:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and the Auditors thereon.
   Please refer to Explanatory Note 1

2. To declare a final single tier dividend of 19 sen per ordinary share for the financial year ended 30 June 2015. (Resolution 1)
   Please refer to Explanatory Note 2

3. To approve the payment of Directors' remuneration as disclosed in the Audited Financial Statements for the financial year ended 30 June 2015. (Resolution 2)
   Please refer to Explanatory Note 3

4. To re-elect the following Directors who retire pursuant to Article 99 of the Articles of Association of the Company and who have offered themselves for re-election:

   i. Tan Sri Datuk Dr Yusof Basiran (Resolution 3)
   ii Datuk Zaiton Mohd Hassan (Resolution 4)
   iii. Dato Sri Lim Haw Kuang (Resolution 5)
   Please refer to Explanatory Note 4

5. To re-appoint PricewaterhouseCoopers as Auditors of the Company for the financial year ending 30 June 2016, and to authorise the Directors to fix their remuneration. (Resolution 6)
   Please refer to Explanatory Note 5

AS SPECIAL BUSINESS

6. To consider and, if thought fit, pass the following Ordinary Resolutions:

i. Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

"THAT, subject always to the Companies Act, 1965 (Act), the Articles of Association of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby authorised, pursuant to Section 132D of the Act, to allot and issue shares in the Company to any person other than a Director or major shareholder of the Company or person connected with any Director or major shareholder of the Company, at any time until the conclusion of the next Annual General Meeting (AGM) 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 percent (10%) of the issued and paid-up share capital of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company." (Resolution 7)

ii. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, subject always to the Companies Act, 1965 (Act), the Articles of Association of the Company, other applicable laws, guidelines, rules and regulations, and the approvals of the relevant governmental/regulatory authorities, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of the Related Parties as specified in Section 2.4 of the Circular to Shareholders dated 30 October 2015, provided that such arrangements and/or transactions are:

i. recurrent transactions of a revenue or trading nature;
ii. necessary for the day-to-day operations;
iii. carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
iv. not detrimental to the minority shareholders of the Company

(the Mandate);

AND THAT the Mandate shall continue in force until:

i. the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM, at which time the Mandate will lapse, unless by an ordinary resolution passed at that meeting, the Mandate is renewed; or
ii. the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Act, (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
iii. the Mandate is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever is the earliest;

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate." (Resolution 8)

iii. Proposed Renewal of Authority for Directors to Allot and Issue New Ordinary Shares of RM0.50 Each in the Company (SDB Shares) in relation to the Dividend Reinvestment Plan that Provides Shareholders of the Company with an Option to Reinvest Their Cash Dividend in New SDB Shares (Dividend Reinvestment Plan)

"THAT pursuant to the Dividend Reinvestment Plan (DRP) as approved by the Shareholders at the Extraordinary General Meeting held on 21 November 2013, approval be and is hereby given to the Directors to allot and issue such number of new SDB Shares, from time to time as may be required to be allotted and issued pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their sole and absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new SDB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price (VWAMP) of SDB Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price and not less than the par value of SDB Shares at the material time;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the DRP, with full powers to assent to any conditions, modifications, variations and/or amendments (if any) including amendments, modifications, suspension and termination of the DRP as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities." (Resolution 9)

7. To transact any other business for which due notice shall have been given in accordance with the Articles of Association of the Company and the Companies Act, 1965.

By Order of the Board

Kuala Lumpur, Malaysia
30 October 2015

Norzilah Megawati Abdul Rahman
(LS 0009247)
Group Secretary

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 (Act) shall not apply to the Company.

2. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account.

3. Where a Member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.

4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.

5. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.

6. The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for the Meeting or any adjournment thereof.

7. Only members registered in the Record of Depositors as at 13 November 2015 shall be eligible to attend, speak and vote at the Annual General Meeting (AGM) or appoint proxy(ies) to attend, speak and/or vote on their behalf.

Explanatory Note 1
Audited Financial Statements for the Financial Year Ended 30 June 2015
This Agenda item is meant for discussion only as Section 169(1) of the Act does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item is not put forward for voting.

Explanatory Note 2
Declaration of a Final Single Tier Dividend
In accordance with Article 126 of the Company's Articles of Association, the Board is recommending that the shareholders approve the payment of the final single tier dividend. Pursuant to paragraph 8.26 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR), the final single tier dividend, if approved, will be paid no later than three (3) months from the date of shareholders' approval.

Explanatory Note 3
Payment of Directors' Remuneration for Non-Executive Directors for the Financial Year Ended 30 June 2015
Article 79(1) of the Company's Articles of Association provides that the remuneration for Non-Executive Directors (NED) shall be determined by the Company by an ordinary resolution at a general meeting.

Please refer to pages 235 and 236 of the Notes to the Financial Statements for the amount of Directors' Remuneration to be approved at this AGM comprising Fees and Benefits amounting to RM3.9 million.

Explanatory Note 4
Re-election of Directors
Article 99 expressly states that at every AGM, at least one-third (1/3) of the Directors for the time being shall retire from office. In addition, Article 100 states that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election. Dato Sri Lim Haw Kuang, being an Independent NED of the Company, has undergone the annual assessment of an Independent NED. The Board, upon reviewing the outcome of assessment, was satisfied that Dato Sri Lim had maintained his independence in financial year 2015.

Retirement of Directors under Section 129(2) of the Companies Act, 1965
Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin, Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo and Dato' Henry Sackville Barlow have attained the age of 70 years or more at the forthcoming AGM to be held on 23 November 2015. The abovementioned Directors have formally informed the Board of Directors of the Company in writing that they do not wish to seek re-appointment pursuant to Section 129(6) of the Companies Act, 1965. Hence, they will retain office until the conclusion of this AGM in accordance with Section 129(2) of the Companies Act, 1965.

Explanatory Note 5
Re-appointment of Auditors
Pursuant to Sections 172(2) and 172(16) of the Act, the Company shall at each AGM appoint the Auditors of the Company who shall hold office until the conclusion of the next AGM and may authorise the Directors to determine their remuneration thereof. The present Auditors, Messrs PricewaterhouseCoopers (PwC), have indicated their willingness to continue their services for another year. The Governance & Audit Committee and the Board have considered the re-appointment of PwC as Auditors of the Company and have collectively agreed that PwC has met the relevant criteria prescribed by Paragraph 15.21 of the MMLR.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

   The proposed Resolution 7 is to seek a renewal of the general mandate obtained from the shareholders of the Company at the Eighth AGM of the Company held on 13 November 2014 and which will lapse at the conclusion of the forthcoming AGM to be held on 23 November 2015.

   The general mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company for any fund raising activities, including but not limited to the placing of shares, for working capital and/or funding of strategic development of the Group. The renewal of the general mandate is sought to avoid any delay arising from and cost in convening a general meeting to obtain approval of the shareholders for such issuance of shares, up to an amount not exceeding in total ten percent (10%) of the issued and paid-up share capital of the Company, as the Directors consider appropriate in the best interest of the Company. The authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

   The Company has not issued any new share pursuant to Section 132D of the Act under the general mandate which was approved at the Eighth AGM of the Company.

2. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and Proposed New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature**

   The proposed Resolution 8, if passed, will enable the Company and/or its subsidiary companies to enter into recurrent transactions involving the interests of the Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company.

   Detailed information on the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate is set out in Section 2.4 of the Circular to Shareholders relating to the matter dispatched together with the Company's 2015 Annual Report.

3. **Proposed Renewal of Authority for Directors to Allot and Issue New Ordinary Shares of RM0.50 Each in the Company (SDB Shares) in relation to the Dividend Reinvestment Plan that Provides Shareholders of the Company with an Option to Reinvest Their Cash Dividend in New SDB Shares**

   The proposed Resolution 9, if passed, will give authority to the Directors to allot and issue new SDB Shares in respect of the dividends declared at this AGM and subsequently until the next AGM.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

1. The Directors who are retiring and not seeking re-appointment under Section 129(6) of Companies Act, 1965 are:

   i. Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
   ii. Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
   iii. Dato' Henry Sackville Barlow.

2. The Directors who are retiring pursuant to Article 99 of the Articles of Association of the Company and seeking re-election are:

   i. Tan Sri Datuk Dr Yusof Basiran
   ii. Datuk Zaiton Mohd Hassan
   iii. Dato Sri Lim Haw Kuang.

The profiles of the above Directors are set out in the section entitled "Directors' Profiles" on pages 127 to 131 of the Company's 2015 Annual Report. None of the above Directors of the Company has any interest, direct or indirect, in shares in the Company or in shares, debentures or participatory interest made available by a related corporation.

ANALYSIS OF SHAREHOLDINGS

As at 21 September 2015

Authorised Share Capital	:	RM4,072,500,000.00 divided into 8,000,000,000 ordinary shares of RM0.50 each, 7,000,000,000 Series A redeemable convertible preference shares of RM0.01 each and 25,000,000 Series B redeemable convertible preference shares of RM0.10 each
Issued and Paid-up Share Capital	:	RM3,105,579,143.00 comprising 6,211,158,286 ordinary shares of RM0.50 each
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per ordinary share in the case of a poll and one vote per person on a show of hand

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	2,289	8.41	66,589	0.00
100 to 1,000	6,409	23.54	4,038,230	0.06
1,001 to 10,000	13,684	50.27	45,212,747	0.73
10,001 to 100,000	3,886	14.28	107,542,408	1.73
100,001 to less than 5% of issued capital	951	3.49	2,251,352,500	36.25
5% and above of issued capital	3	0.01	3,802,945,812	61.23
Total	**27,222**	**100.00**	**6,211,158,286**	**100.00**

Classification of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Individuals	21,701	79.72	143,546,245	2.31
Banks/Finance Companies	100	0.37	3,872,720,566	62.35
Investment Trusts/Foundations/ Charities	14	0.05	498,839	0.01
Industrial and Commercial Companies	673	2.47	96,209,122	1.55
Government Agencies/Institutions	8	0.03	53,040,107	0.85
Nominees	4,724	17.35	2,045,038,132	32.93
Others	2	0.01	105,275	0.00
Total	**27,222**	**100.00**	**6,211,158,286**	**100.00**

Directors' Direct and Indirect Interests in the Company and its Related Corporations

Save as disclosed in the Directors' Report of the Financial Statements as set out on page 198, none of the Directors of the Company has any interest, direct or indirect, in shares in the Company or in shares, debentures or participatory interest made available by a related corporation.

30 LARGEST SHAREHOLDERS AS PER THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
1.	AmanahRaya Trustees Berhad Qualifier: Skim Amanah Saham Bumiputera	2,465,625,500	39.70
2.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Employees Provident Fund Board	812,407,958	13.08
3.	Permodalan Nasional Berhad	524,912,354	8.45
4.	Kumpulan Wang Persaraan (DIPERBADANKAN)	209,443,061	3.37
5.	Lembaga Tabung Haji	163,255,100	2.63
6.	AmanahRaya Trustees Berhad Qualifier: Amanah Saham Wawasan 2020	109,708,655	1.77
7.	AmanahRaya Trustees Berhad Qualifier: Amanah Saham Malaysia	102,024,000	1.64
8.	AmanahRaya Trustees Berhad Qualifier: AS 1Malaysia	74,770,037	1.20
9.	Cartaban Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for State Street Bank & Trust Company (West CLT OD67)	69,019,637	1.11
10.	HSBC Nominees (Asing) Sdn Bhd Qualifier: BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	55,086,613	0.89
11.	Cartaban Nominees (Asing) Sdn Bhd Qualifier: GIC Private Limited for Government of Singapore (C)	52,536,655	0.85
12.	Maybank Securities Nominees (Tempatan) Sdn Bhd Qualifier: Malayan Banking Berhad for Lembaga Kemajuan Tanah Persekutuan (FELDA)	47,000,000	0.76
13.	Cartaban Nominees (Tempatan) Sdn Bhd Qualifier: Exempt AN for Eastspring Investments Berhad	43,175,166	0.69
14.	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier: Great Eastern Life Assurance (Malaysia) Berhad (Par 1)	39,309,630	0.63
15.	AmanahRaya Trustees Berhad Qualifier: Amanah Saham Didik	39,124,100	0.63
16.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for JPMorgan Chase Bank, National Association (U.S.A)	38,583,741	0.62
17.	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	36,500,000	0.59
18.	Maybank Nominees (Tempatan) Sdn Bhd Qualifier: Maybank Trustees Berhad for Public Regular Savings Fund (N14011940100)	32,443,806	0.52
19.	AmanahRaya Trustees Berhad Qualifier: Public Islamic Dividend Fund	29,050,358	0.47
20.	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier: Exempt AN for Khazanah Nasional Berhad (VCAM)	27,464,000	0.44
21.	AmanahRaya Trustees Berhad Qualifier: Public Islamic Select Enterprises Fund	23,820,770	0.38

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
22.	HSBC Nominees (Asing) Sdn Bhd Qualifier: TNTC for Silchester International Investors International Value Equity Trust	23,340,500	0.38
23.	AMSEC Nominees (Tempatan) Sdn Bhd Qualifier: AmTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	23,000,003	0.37
24.	HSBC Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for the Bank of New York Mellon (Mellon ACCT)	20,630,153	0.33
25.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Exempt AN for AIA Bhd	18,903,936	0.30
26.	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier: Employees Provident Fund Board (NOMURA)	18,491,039	0.30
27.	HSBC Nominees (Asing) Sdn Bhd Qualifier: HSBC BK PLC for Abu Dhabi Investment Authority (AGUS)	17,387,783	0.28
28.	AmanahRaya Trustees Berhad Qualifier: Public Islamic Sector Select Fund	16,789,608	0.27
29.	Lembaga Tabung Angkatan Tentera	14,719,800	0.24
30.	UOB Kay Hian Nominees (Asing) Sdn Bhd Qualifier: Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	14,407,753	0.23
	Total	**5,162,931,716**	**83.12**

Substantial Shareholders as per the Register of Substantial Shareholders

No.	Name of Substantial Shareholder	No. of Shares Held (Direct Interest)	% of Issued Capital	No. of Shares Held (Indirect/Deemed Interest)	% of Issued Capital
1.	AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	2,465,625,500	39.70	-	-
2.	Employees Provident Fund Board	809,099,458	13.03	24,925,510	0.40
3.	Permodalan Nasional Berhad	524,912,354	8.45	-	-
4.	Yayasan Pelaburan Bumiputra[1]	-	-	524,912,354	8.45

[1] Deemed interest by virtue of its interest in Permodalan Nasional Berhad pursuant to Section 6A of the Companies Act, 1965

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the following information is provided:

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year ended 30 June 2015.

SHARE BUY-BACK

Sime Darby Berhad (Sime Darby or the Company) did not propose any share buy-back during the financial year ended 30 June 2015.

OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued by the Company during the financial year ended 30 June 2015.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial year ended 30 June 2015.

MATERIAL SANCTIONS AND/OR PENALTIES

There were no material sanctions and/or penalties imposed on the Company, its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 30 June 2015.

NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Group and Company by its external auditors, PricewaterhouseCoopers, and their affiliated companies for the financial year ended 30 June 2015 amounted to RM9.7 million and RM3.8 million respectively.

VARIATION IN RESULTS

There were no profit estimation, forecasts or projections made or released by the Company during the financial year ended 30 June 2015.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year ended 30 June 2015.

MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND MAJOR SHAREHOLDERS

The material contract entered into by the Company and its subsidiaries involving Directors' and Major Shareholders' interests since the end of the previous financial year is as follows:

<u>Sale of Five (5) Levels of Retail Floors and Three (3) Levels of Basement Car Parks known as Subang Avenue Shopping Complex</u>

Sime Darby Brunsfield Properties Holding Sdn Bhd (SDBPH), an indirect subsidiary of Sime Darby had, on 27 February 2015, entered into a Sale and Purchase Agreement with Sime UEP Properties Berhad (SUEP) and Subang Mall Property Sdn Bhd (SMPSB), for the sale of property known as Subang Avenue Shopping Complex comprising the common property, parcels and accessory parcels, which includes five (5) levels of retail units (with a net floor area of 213,354 square feet) and three (3) levels of car park area, located at PT 25 (Lot 10 and Lot 11), Jalan Kemajuan Subang, Subang Jaya Selangor Darul Ehsan and held under master title Geran 188213, Lot 62005, Bandar Subang Jaya, Daerah Petaling, State of Selangor (Land) by SDBPH to SMPSB, at a total cash consideration of RM139,500,000.00 (Sale).

SDBPH is a wholly-owned subsidiary of Sime Darby Brunsfield Holding Sdn Bhd (SDBH), which is a 60%-owned subsidiary of Sime Darby Property Berhad (Sime Darby Property), which in turn is a wholly-owned subsidiary of Sime Darby. The remaining 40% shareholding in SDBPH is held by Brunsfield Metropolitan Sdn Bhd. Mr Gan Tien Chie is a director of SDBPH. The principal activity of SDBPH is property investment.

SUEP is a wholly-owned subsidiary of Sime Darby. The principal activity of SUEP was investment holding and management. The Company became dormant since 27 November 2007. SUEP is the registered Proprietor of the Land.

SMPSB is a wholly-owned subsidiary of Brunsfield Property Holdings Sdn Bhd. Mr Gan Tien Chie and Encik Mohamad Hassan bin Zakaria are the directors of SMPSB. The principal activity of SMPSB is property investment.

None of the Directors, Major Shareholders of Sime Darby or Sime Darby Property and/or persons connected to them has any interest, direct or indirect, in the Sale.

Mr Gan Tien Chie is a director of SDBPH and SMPSB and the brother of Tan Sri Dato' Dr Ir Gan Thian Leong, who is a major shareholder of SMPSB and a director and an indirect major shareholder of SDBH, the holding company of SDBPH.

Encik Mohamad Hassan bin Zakaria, a director and major shareholder of SMPSB, is also a director and an indirect major shareholder of SDBH, the holding company of SDBPH.

Mr Gan Tien Chie and Encik Mohamad Hassan bin Zakaria have abstained from deliberating and voting in respect of the Sale at the relevant Board meeting(s) of SDBPH and SMPSB.

The Sales was completed on 30 March 2015.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company involving Directors' and Major Shareholders' interests during the financial year ended 30 June 2015.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Eighth Annual General Meeting (AGM) held on 13 November 2014, Sime Darby had obtained a general mandate from its shareholders for recurrent related party transactions of a revenue or trading nature to be entered into by the Company and/or its subsidiaries (RRPT Mandate).

The RRPT Mandate is valid until the conclusion of the forthcoming Ninth AGM of the Company to be held on 23 November 2015.

The Company proposes to seek a renewal of the existing RRPT Mandate and a new RRPT Mandate at its forthcoming Ninth AGM. The renewal of the existing RRPT Mandate and the new RRPT Mandate, if approved by the shareholders, will be valid until the conclusion of the Company's next AGM. Details of the RRPT Mandate being sought is provided in the Circular to Shareholders dated 30 October 2015 sent together with the Annual Report.

Pursuant to paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the recurrent related party transactions of a revenue or trading nature entered into during the financial year ended 30 June 2015 by the subsidiaries of Sime Darby under the RRPT Mandate are as follows:

Company	Transacting Party	Nature of Trasaction	Related Party	Value of Transaction RM' million
Sime Darby Plantation Sdn Bhd and its subsidiaries, namely PT Minamas Gemilang and PT Sime Agri Bio (Sime Darby Plantation and Group)	Chemical Company of Malaysia Berhad (CCM) and its following subsidiaries: • CCM Agri-Max Sdn Bhd • CCM Fertilizers Sdn Bhd • CCM Chemicals Sdn Bhd • PT CCM Agripharma (CCM and Group)	Purchase of chemicals and fertilisers by Sime Darby Plantation and Group from CCM and Group	<u>Interested Director</u> Dato' Azmi Mohd Ali[1] <u>Person Connected to Major Shareholder</u> Permodalan Nasional Berhad (PNB)[2]	87.3
Subsidiaries of Sime Darby Brunsfield Holding Sdn Bhd (SDBH), namely Sime Darby Brunsfield Damansara Sdn Bhd (SDBD) and Sime Darby Brunsfield Resort Sdn Bhd (SDBR)	Brunsfield Engineering Sdn Bhd (BESB)	Building Contract for the design and build as well as certain service provider components of SDBH's property development projects (Oasis Corporate Park, Oasis Autocity, Oasis Rio (Homeplex), KLGCC – Parcel G2 (Kiara Haven) and Oasis Central)	<u>Interested Directors and Major Shareholders</u> Tan Sri Dato' Dr Ir Gan Thian Leong[3] Encik Mohamad Hassan Zakaria[4]	205.5
Subsidiaries of SDBH, namely SDBD and SDBR	BESB	Building Contract for the design and build as well as certain service provider components of property development projects (Development of KLGCC – Parcel A & B and Oasis Mall)	<u>Interested Directors and Major Shareholders</u> Tan Sri Dato' Dr Ir Gan Thian Leong[3] Encik Mohamad Hassan Zakaria[4]	122.3

Company	Transacting Party	Nature of Trasaction	Related Party	Value of Transaction RM' million
Inokom Corporation Sdn Bhd	Hyundai Motor Company (HMC)	Purchase of completely knocked-down (CKD) packs by Inokom from HMC for the assembly of passenger and commercial vehicles	Interested Major Shareholder HMC[5]	220.3
		Payment of engineering fees by Inokom to HMC for the CKD models bi-annually	Interested Major Shareholder HMC[5]	6.0
			Total	641.4

Notes:

1 Dato' Azmi Mohd Ali is a Director of CCM and Sime Darby.

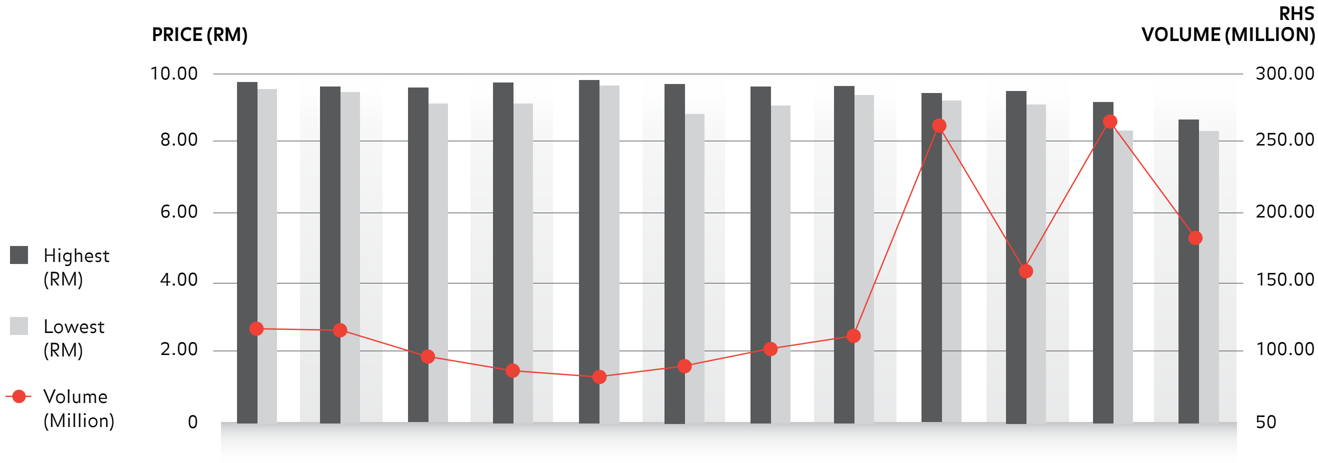
2 PNB is a person connected to AmanahRaya Trustees Berhad – Skim Amanah Saham Bumiputera, a major shareholder of Sime Darby. PNB is also a Major Shareholder of CCM by holding 71.35% direct interest in CCM as at 30 June 2015. PNB has, on 19 March 2015, ceased to be a Major Shareholder of Sime Darby following the expiration of six (6) months from the date on which PNB disposed part of its direct shareholdings in Sime Darby. PNB is holding 7.77% direct interest in Sime Darby as at 30 June 2015.

3 Tan Sri Dato' Dr Ir Gan Thian Leong is a Director and an indirect Major Shareholder of SDBH, holding an effective interest of 19.2% in SDBH by virtue of his effective interest of 48% shareholding in Brunsfield Metropolitan Sdn Bhd (BMSB), a Major Shareholder of SDBH pursuant to Section 6A of the Companies Act, 1965. He also holds an effective interest of 43.2% in BESB.

4 Encik Mohamad Hassan Zakaria is a Director and an indirect Major Shareholder of SDBH, holding an effective interest of 20.8% in SDBH by virtue of his effective interest of 52% shareholding in BMSB, a Major Shareholder of SDBH pursuant to Section 6A of the Companies Act, 1965. He also holds an effective interest of 41.6% in BESB.

5 HMC is a Major Shareholder of Inokom by holding 15% shareholding in Inokom as at 30 June 2015.

SHARE PRICE MOVEMENT & FINANCIAL CALENDAR



	JUL 2014	AUG 2014	SEP 2014	OCT 2014	NOV 2014	DEC 2014	JAN 2015	FEB 2015	MAR 2015	APR 2015	MAY 2015	JUN 2015
Highest (RM)	9.69	9.56	9.49	9.68	9.75	9.64	9.56	9.58	9.38	9.44	9.12	8.63
Lowest (RM)	9.50	9.41	9.03	9.08	9.60	8.78	9.02	9.33	9.17	9.06	8.32	8.30
Volume (Million) (RHS)	117.5	116.4	97.6	87.2	82.7	90.4	102.8	112.3	264.3	160.6	267.8	184.1

Stock Exchange Listing : Bursa Malaysia Securities Berhad
Trading Name : SIME
Stock Code : 4197

DIVIDENDS

	NOTICE DATE	ENTITLEMENT DATE	PAYMENT DATE
Interim	26 February 2015	23 April 2015	8 May 2015
Final	26 August 2015	TBA*	TBA*

FINANCIAL CALENDAR

Announcement of Unaudited Consolidated Results

First quarter : 28 November 2014
Second quarter : 26 February 2015
Third quarter : 22 May 2015
Fourth quarter : 26 August 2015

ANNUAL GENERAL MEETING

Notice Date : 30 October 2015
Meeting Date : 23 November 2015

* *TBA - To Be Advised.*

PROPERTIES OF THE GROUP

As at 30 June 2015

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)+	Description	Net book value (RM million)
PLANTATION PROPERTIES UPSTREAM						
Malaysia						
Kedah Darul Aman						
Anak Kulim, Bukit Hijau, Bukit Selarong, Jentayu, Padang Buluh, Somme, Sungai Dingin	Freehold	18,897	1978-2006	11	Oil palm and rubber estates and a palm oil mill	339.9
Bukit Hijau	Leasehold expiring 2068	9	2006	–	Rubber estate	0.2
Perak Darul Ridzuan						
Bagan Datoh, Bikam, Chersonese, Cluny, Elphil, Flemington, Holyrood, Kalumpong, Kamuning, Kinta Kellas, Sabrang, Selaba, Seri Intan, Sogomana, Sungei Samak, Sungei Wangi, Tali Ayer	Freehold	37,493	1978-2001	7-23	Oil palm and rubber estates and 5 palm oil mills	769.3
Chersonese, Cluny, Kalumpong, Kamuning, Kinta Kellas, Sogomana, Sungai Samak, Sungei Wangi, Tali Ayer	Leasehold expiring 2035-2897	5,223	1978-1987	–	Oil palm estates and a pink guava farm	33.3
Pahang Darul Makmur						
Chenor, Jabor, Kerdau, Mentakab, Sungai Mai	Freehold	9,338	1985-2006	20	Oil palm estates and a palm oil mill	128.0
Bukit Puteri, Chenor, Jentar, Kerdau, Sungai Mai	Leasehold expiring 2057-2086	10,621	1985-1992	10-20	Oil palm estates and 2 palm oil mills	176.5
Selangor Darul Ehsan						
Banting, Bukit Cheraka, Bukit Kerayong, Bukit Lagong, Bukit Rajah, Bukit Rotan, Bukit Talang, Dusun Durian, East Carey Island, Elmina, Sabak Bernam, Sepang, Sungai Buloh, Tennamaram, West Carey Island	Freehold	37,306	1978-2013	2-25	Oil palm estates, 4 palm oil mills, biodiesel and kernel crushing plants, rat bait factory, laboratories, research centres, warehouse and a training centre	809.1
East Carey Island, Port Klang, Sungai Buloh, Tennamaram	Leasehold expiring 2057-2109	299	1978-2010	40	Oil palm estates and a bulking plant	4.3

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)+	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Malaysia (continued)						
Negeri Sembilan Darul Khusus						
Ampar Tenang, Bradwall, Bukit Pelandok, Bukit Pilah, Kok Foh, Labu, New Labu, P.D. Lukut, Pertang, Rantau, Salak, Sengkang, Siliau, Sungai Gemas, Sungai Sabaling, St Helier, Sua Betong, Sungai Bharu, Tampin Linggi, Tanah Merah	Freehold	40,354	1978-2009	3-22	Oil palm and rubber estates, 4 palm oil mills and a research laboratory	582.4
Kok Foh, Sungai Bharu	Leasehold expiring 2034-2072	149	1982-1997	–	Oil palm estates	1.2
Melaka						
Bukit Asahan, Diamond Jubilee, Kempas, Kemuning, Serkam	Freehold	14,997	1978-2011	9-17	Oil palm estates and 2 palm oil mills	203.5
Bukit Asahan, Diamond Jubilee, Kempas, Kemuning, Serkam	Leasehold expiring 2025-2071	470	1982-1992	–	Oil palm estates	4.1
Johor Darul Takzim						
Batu Anam, Bukit Badak, Bukit Benut, Bukit Paloh, Cenas, CEP Nyior, CEP Renggam, Cha'ah, Gunung Mas, Hadapan, Kempas Klebang, Kulai, Lambak, Lanadron, Layang, Muar River, New Pagoh, Nordanal, North Labis, Pagoh, Pekan, Pengkalan Bukit, Sembrong, Seri Pulai, Sungai Senarut, Sungai Simpang Kiri, Tangkah, Tun Dr. Ismail, Ulu Remis, Welch, Yong Peng	Freehold	53,682	1978-2011	4-20	Oil palm and rubber estates, 4 palm oil mills, a research centre and 2 rubber factories	972.9
Cenas, CEP Nyior, Cha'ah, Lanadron, Layang, Muar River, Pekan, Sembrong, Sungai Senarut, Sungai Simpang Kiri, Ulu Remis	Leasehold expiring 2020-2918	18,616	1978-2012	19-24	Oil palm estates and 2 palm oil mills	180.1

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)⁺	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Malaysia (continued)						
Sabah						
Binuang, Giram, Imam, Jeleta Bumi, Kunak, Melalap, Merotai, Mostyn, Sandakan Bay, Sapong, Segaliud, Sentosa, Sungang, Table, Tiger, Tigowis, Tingkayu, Tun Tan Siew Sin, Tunku	Leasehold expiring 2019-2940	53,798	1978-1983	9-30	Oil palm estates, 5 palm oil mills, a bulking plant and a research centre	950.7
Sarawak						
Bayu, Belian, Chartquest, Damai, Derawan, Dulang, Kelida, Lavang, Paroh, Pekaka, Rajawali, Rasan, Ruai, Sahua, Samudera, Semarak, Takau	Leasehold expiring 2048-2082	47,301	1990-2004	13-21	Oil palm estates and 4 palm oil mills	816.5
Plantation Properties - Upstream Malaysia		**348,553**				**5,972.0**
Indonesia						
Kalimantan - West						
Awatan, Beturus, East, Kelampai, Lembiru, Pelanjau, Mas 1 – 4, Sei Mawang, Sungai Putih, West	Leasehold expiring 2030	59,242	2001-2013	3-14	Oil palm estates, 3 palm oil mills and a bulking plant	215.6
Kalimantan - Central						
Baras Danum, Batang Garing, Hatan Tiring, Kawan Batu, Kuala Kuayan, Pemantang, Sapiri, Sekunyir, Seruyan, Sukamandang	Leasehold expiring 2033-2034	39,117	2001-2008	2-19	Oil palm estates, 3 palm oil mills and a bulking plant	289.2
Kalimantan - South						
Angsana, Bakau, Bebunga, Betung, Binturung, Gunung Aru, Gunung Kemasan, Gunung Sari, Lanting, Laut Timur, Matalok, Mustika, Pantai Bonati, Pantai Timur, Pondok Labu, Rampa, Randi, Rantau, Sangkoh, Sekayu, Selabak, Sesulung, Sungai Cengal	Leasehold expiring 2032-2039	86,933	2001-2012	3-20	Oil palm estates, 8 palm oil mills, 2 bulking plants and a kernel crushing plant	772.3

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)+	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Indonesia (continued)						
Sulawesi - Central						
Ungkaya	Leasehold expiring 2024	4,712	2001-2011	4-20	Oil palm estate, a palm oil mill and a bulking plant	42.2
Sumatera - Jambi						
Panjang	Leasehold expiring 2038	4,000	2001-2007	8	Oil palm estate and a palm oil mill	27.8
Sumatera - South						
Bumi Ayu, Bukit Pinang, Karang Ringin, Mangun Jaya, Napal, Rantau Panjang, Sungai Jernih, Sungai Pinang	Leasehold expiring 2033-2034	22,622	2001-2002	13-15	Oil palm estates and 2 palm oil mills	192.8
Bangka Belitung	Leasehold expiring 2072	10,045	2012	–	Rubber estate	17.6
Sumatera - East Aceh						
Batang Ara, Blang Simpo 1 & 2, Tamiang	Leasehold expiring 2022-2037	8,818	2001-2008	18-33	Oil palm estates and 2 palm oil mills	79.5
Sumatera - Riau						
Alur Damai, Aneka Persada, Mandah, Menggala 1 – 3, Nusa Lestari, Nusa Persada, Pinang Sebatang, Rotan Semelur, Teluk Bakau, Teluk Siak	Leasehold expiring 2031-2036	54,831	2001-2015	2-20	Oil palm estates, 5 palm oil mills and a research centre	502.1
Sumatera - North						
Deli Serdang	Leasehold expiring 2023	992	2015	–	Rubber estate, oil palm nursery and office building	11.8
Plantation Properties - Upstream Indonesia		**291,312**				**2,150.9**
Liberia						
Bomi, Bong 1 & 2, Grand Cape Mount, Gbarpolu, Lofa	Leasehold expiring 2072	220,000	2009	–	Oil palm and rubber estates	394.5

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)⁺	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
UPSTREAM (continued)						
Papua New Guinea						
West New Britain, Morobe, Oro, Milne Bay, New Ireland	Leasehold expiring 2018-2093	127,780	2015	1-48	Oil palm estates, a sugar cane plantation, grazing pastures, a refinery, 2 biogas plants, a sugar factory, 11 palm oil mills, 4 kernel crushing plants and 2 abattoirs	2,961.6
Solomon Islands						
Guadalcanal Plains	Leasehold expiring 2043-2062	7,893	2015	1-10	Oil palm estates, a palm oil mill and a kernel crushing plant	1,400.9
Plantation Properties - Upstream		**995,538**				**12,879.9**
DOWNSTREAM AND OTHERS						
Malaysia						
Selangor Darul Ehsan						
Teluk Panglima Garang	Freehold	2	2012	–	Vacant land	10.8
North Port Edible Oil Refinery Complex, Teluk Panglima Garang	Leasehold expiring 2076-2105	16	2006-2009	5-7	Refineries	118.4
Johor Darul Takzim						
Pasir Gudang	Leasehold expiring 2035-2043	6	1974-1985	40	Refinery	4.6
Sarawak						
Kawasan Perindustrian Kidurong, Bintulu	Leasehold expiring 2072	14	2004	2-8	Refinery and kernel crushing plant	29.2
Plantation Properties - Downstream and Others Malaysia		**38**				**163.0**
Overseas						
Indonesia						
Desa Sei Taib, Kecamatan Pulau Laut, Kalimantan	Leasehold expiring 2044	32	2014	1-2	Refinery	104.5
Singapore						
Boon Lay Road	Leasehold expiring 2029	3	1970	43	Warehouse and office building	3.1

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)+	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
DOWNSTREAM AND OTHERS (continued)						
Overseas (continued)						
Thailand						
Sukhumvit Road, Bangkok	Freehold	–	1986-2011	8-27	Office building, refinery and vacant land	5.9
Poochaosamingprai Road, Samut Prakan	Freehold	5	1986	8-27	Refinery	47.0
Yok Krabat-Laksi Road, Samut Sakhon	Freehold	6	1986	–	Vacant land	6.9
Tiwanon Road, Nonthaburi	Freehold	13	2014	30-35	Crushing and refining plant and office building	79.4
Vietnam						
Ho Chi Minh City	Freehold	3	1992	23	Refinery	1.6
The Netherlands						
Lindtsedijk, Zwijndrecht	Freehold	6	2002	2-84	Refinery, biodiesel plant and a research centre	155.6
South Africa						
Boksburg	Leasehold expiring 2017	2	2004	4	Refinery	0.2
United Kingdom						
Liverpool	Leasehold expiring 2034	3	2015	1-6	Refinery and office building	50.1
Plantation Properties - Downstream and Others Overseas		**73**				**454.3**
Plantation Properties - Downstream and Others		**111**				**617.3**
GENERAL						
Malaysia						
Selangor Darul Ehsan						
Plantation Tower, Oasis, Ara Damansara	Freehold	2	2012	3	Office complex	237.1

+ The age of building is in respect of the office building, mill and plant

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
PLANTATION PROPERTIES (continued)						
GENERAL (continued)						
Indonesia						
The Plaza Office Tower Lt 36, Jakarta	Leasehold expiring 2033	–	2004-2008	3-10	3 floors of a 45-storey office building	4.5
Plantation Properties - General		**2**				**241.6**
Total Plantation Properties		**995,651**				**13,738.8**
INDUSTRIAL PROPERTIES						
Malaysia						
Perak Darul Ridzuan						
Jalan Lahat, Bukit Merah, Ipoh	Leasehold expiring 2036-2056	3	1982-1996	35	Single storey office building, factory, workshop and warehouse	1.4
Pahang Darul Makmur						
Semambu Industrial Estate, Kuantan	Leasehold expiring 2041	3	1982	35	2 blocks of single-storey office building with detached factory, workshop and warehouse	3.0
Selangor Darul Ehsan						
Kompleks Kejuruteraan, Jalan Puchong, Taman Perindustrian Puchong Utama, Puchong	Freehold	14	1993	17	5-storey commercial office, training centre, workshop and warehouse	62.1
Johor Darul Takzim						
Jalan Skudai, Johor Bahru	Freehold	*	2014	2	2-storey office building, warehouse and workshop	0.4
Sabah						
Jalan Apas, Tawau, Jalan Labuk, Sandakan, Tuaran Road, Kota Kinabalu	Leasehold expiring 2025-2925	4	1982	35	2-storey office building, training centres, workshop and warehouse	2.0

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Malaysia (continued)						
Sarawak						
Jalan Piasau, Miri, Kidurong Light Industrial Estate, Bintulu, Lorong Then Kung Suk, Sibu	Leasehold expiring 2028-2060	4	1982-1986	15-35	Office buildings detached with factory, workshop and warehouse	7.2
Industrial Properties – Malaysia		**28**				**76.1**
Overseas						
Singapore						
Benoi Sector	Leasehold expiring 2032	7	2004	44	3-storey office building, warehouse and workshop	21.4
Brunei						
Beribi Industrial Estate, Bandar Seri Begawan	Leasehold expiring 2019	*	2003	12	Office, service centre and warehouse	0.1
China						
Changsha Economic Technological Development Area, Changsha, Hunan	Leasehold expiring 2063	2	2013	–	Industrial land	8.4
Ji Mei District, Xiamen, Fujian	Leasehold expiring 2062	1	2012-2015	1	3-storey office buildings, warehouse and workshop	17.5
Nanchang, Jiang Xi	Leasehold expiring 2059	1	2008-2009	4	3-storey office building, warehouse and workshop	7.6
Nanning, Guangxi	Leasehold expiring 2064	3	2014	–	Industrial land	7.7
Shunde, Foshan, Guangdong	Leasehold expiring 2045	2	1996-2011	4-18	2 blocks of 4-storey and 2-storey office buildings, warehouse and workshop	13.1
Yifu Garden, Dongguan, Guangdong	Leasehold expiring 2072	–	2014	2	Staff quarters	0.5

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas (continued)						
China (continued)						
Urumqi, Xinjiang	Leasehold expiring 2060	4	2010-2012	3	Office building, warehouse and workshop	31.4
Hong Kong						
Yuen Long Industrial Estate, Yuen Long District	Leasehold expiring 2047	2	1993-1995	20	2-storey office building, warehouse and workshop	7.5
Australia						
Northern Territory						
Alice Springs Facility and Darwin Facility	Freehold	8	1992-2011	11-48	Single-storey office buildings, warehouse and workshops	25.3
Gove Facility, Traeger Close	Leasehold expiring 2053	6	2006	9	Single-storey commercial offices, workshop and warehouse	0.3
Queensland						
Archerfield Facility, Kerry Road, Archerfield, Bellrick Street, Beaudesert Road, Acacia Ridge, Brisbane	Freehold	22	1992-2012	6-69	Single-storey and 2-storey commercial offices, warehouses and workshops	229.8
Boundary Road, Richlands, Brisbane	Freehold	1	2010	5	2 blocks of 2-storey and single-storey office buildings, warehouse and workshop	17.4
Bowhill Road, Willawong, Brisbane	Freehold	21	2012-2014	–	Industrial land	114.3
Cairns Facility, Kenny Street, Comport St, Portsmith, Cairns	Freehold Perpetual lease	1 *	1992-2008	35	Single-storey commercial office, workshop and warehouse	16.1
Emerald Facility, Archer Drive, Alstonia Drive, Buckland Street	Freehold	13	1992-2013	1-41	Single-storey commercial offices, workshop and staff hostels	9.3

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas (continued)						
Australia (continued)						
Queensland (continued)						
Fairfield Road, Yeerongpilly, Brisbane	Leasehold expiring 2015	2	2011	29-34	8-storey commercial office and warehouse	1.7
Fienta Place, Darra, Brisbane	Leasehold expiring 2015	*	2012	19	Warehouse	0.5
Gladstone Facility, Callemondah	Leasehold expiring 2015	*	2006-2009	6-9	3 blocks of single-storey, commercial offices, warehouses and workshops	0.4
Mackay Facility, Farrellys Lane, Connors Road, Broadsound Road, Commercial Avenue, Mackay	Freehold Leasehold expiring 2016-2018	43 4	1992-2013	5-33	2-storey commercial offices, training facilities, workshops and warehouses	388.1
Mt Isa Facility, Kolongo Crescent Kalkadoon, Mt Isa	Freehold	5	1992-2011	37	Single-storey commercial office, workshop and warehouse	25.7
Rockhampton Facility, Port Curtis Road, Richardson Road, Rockhampton	Freehold Leasehold expiring 2016	35 2	1992-2012	33-41	13 blocks of single-storey commercial office, workshop, warehouse and training facility	119.0
Toowoomba Facility, Carrington Road, Torrington	Freehold	5	1992-2012	15-43	Single-store commercial offices, workshop and warehouse	52.3
Townsville Facility, Corner Woolcock Street & Blakey Street, Garbutt, Townsville	Freehold	2	1992	41	2-storey commercial offices, workshop and warehouse	26.3
New Caledonia						
Canala, Kouaoua	Freehold	2	2000-2004	21	Commercial office, workshop and warehouse and residential dwelling	0.1
Lot 1 & 2 Lotissement ZICO II, Paita	Freehold	2	2010	–	Office building, workshop, warehouse and operational bay under construction	77.8

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INDUSTRIAL PROPERTIES (continued)						
Overseas (continued)						
New Caledonia (continued)						
Paagoumene, Koumac	Freehold	*	2012	4	Workshop and warehouse	0.2
Rue Gervolino, Nepoui	Leasehold expiring 2015-2017	*	2005-2007	8-10	Commercial office, workshop and warehouse	0.2
Papua New Guinea						
Port Moresby Facility, Spring Garden Road, Moresby, Lae Facility, Corner Milford Street & Malaita Street, Lae, Tabubil Facility, Batch Street	Perpetual lease Leasehold expiring 2016-2094	* 18	1992-2013	23-63	2-storey and single-storey office buildings, sales service and parts facility, and staff hostels	33.2
Solomon Islands						
Honiara Facility, Guadalcanal Island, Panatina Village, Honiara	Leasehold expiring 2091	3	1992	31	Office, industrial building, warehouse and 2-storey staff hostels	0.2
Industrial Properties - Overseas		**217**				**1,253.4**
Total Industrial Properties		**245**				**1,329.5**
MOTORS PROPERTIES						
Malaysia						
Kedah Darul Aman						
Padang Meha, Kulim	Freehold	78	2004	18	Assembly plant	89.2
Selangor Darul Ehsan						
Temasya Industrial Park, Shah Alam	Freehold	*	2004-2006	12-14	3-storey office building and showroom, 3-storey semi detached light industrial office building and showroom	14.8
Autocity, Ara Damansara	Freehold	9	2014-2015	–	Office building and showroom under construction	116.0

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS PROPERTIES (continued)						
Malaysia (continued)						
Kuala Lumpur						
193-195, Jalan Klang Lama	Leasehold expiring 2026	*	2015	1	2-storey office building, showroom and workshop	8.3
362, Jalan Tun Razak	Freehold	*	2010	8	4-storey 4S service centre and workshop	49.4
Sabah						
Sedco Industrial Estate, Jalan Limau Manis, Off Jalan Lintas, Kota Kinabalu	Leasehold expiring 2034	2	2003	12	Single-storey showroom and service centre	3.1
Motors Properties - Malaysia		**89**				**280.8**
Overseas						
Singapore						
303 & 305 Alexandra Road	Leasehold expiring 2047-2057	9	2002-2005	7-9	6-storey 4S showroom, service centre and workshop	229.4
Benoi Sector	Leasehold expiring 2032	1	1983	31	Pre-delivery inspection centre, workshop and office	–
Kampung Arang Road	Leasehold expiring 2034	*	1982	46	2-storey service centre and workshop	11.9
Ubi Road 4	Leasehold expiring 2020	*	1997	23	4-storey 3S showrooms, offices, pre-delivery inspection centre, workshop and rent to external tenants	13.2
Thailand						
Anusawaree, Charan Sanit Wong Road, Charoen Nakhon Road, Ladkrabang Road, Minburi, Paknam, Paradise Road, Phetkasem Road, Saphansoong, Srinakarin Road, Suksawat Road	Freehold Leasehold expiring 2017-2034	* 9	2002-2014	1-15	3S showroom, workshops and offices	56.5

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS PROPERTIES (continued)						
Overseas (continued)						
China						
Yingbin Road, Panyu, Daguang Nan Road, Tianhe, Guangzhou	Leasehold expiring 2020-2032	3	1999-2010	5-17	2-storey and single-storey 4S centre	4.2
Hai Yu Zhong Xian Road, Nanhai Road, Haikou District, Hainan	Leasehold expiring 2059-2070	2	2000-2004	9-20	2-storey 4S centre	13.2
Tianshan Road, Shantou, Guangdong	Leasehold expiring 2022	*	2002	11	2-storey 4S centre	3.6
Shen Nan Road, Yue Liang Wan Road, Nanshan District, Shenzhen	Leasehold expiring 2042	1	1994-2004	11-20	2-storey and 8-storey 4S centre	15.1
Hongqiao land, East 3rd Ring, Yunnan	Leasehold expiring 2027	2	2010	5	3-storey 4S centre	15.1
Jinke Nan Road, Jin Niu District, Chengdu, Sichuan	Leasehold expiring 2052	1	2008-2011	4-7	7-storey 4S showrooms, service centres and workshops	81.9
West of Houzishi Bridge, Yue Lu District, Changsha	Leasehold expiring 2028	1	2011	4	2-storey 4S centre	15.8
Hong Kong and Macau						
2 - 4 Floor, Kailey Industrial Centre, Fung Yip Street, Chai Wan	Leasehold expiring 2047	–	1989	24	3 floors of a 20-storey office building and service centre	10.5
3 & 4 Floor, Topsail Plaza, 11 on Sum Street, Shatin	Leasehold expiring 2047	–	1992	20	2 floors of a 16-storey office building and service centre	56.5
Castle Peak Road, Tsuen Wan, New Territory	Leasehold expiring 2047	*	1972	43	6-storey 4S service centre	6.8
Matauwei Road, Tokwawan, Kowloon	Leasehold expiring 2035	*	1978	52	11-storey service centre, showroom and petrol filling station	19.3
Oriental Centre 67 – 71 Chatnam Road, Kowloon	Leasehold expiring 2038	–	1993	39	2 floors of an 18-storey building with showroom and service centre	11.6

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
MOTORS PROPERTIES (continued)						
Overseas (continued)						
Hong Kong and Macau (continued)						
3719D, 3719E, 3719F6, 3719I & 3723F, Yuen Long District	Leasehold expiring 2047	4	1984	109	4 separate plots of land for pre-delivery inspection/ commercial repair/ storage	2.2
120-158 Rua dos Pescadores, Macau	Leasehold expiring 2016	*	1977	39	5-storey building with showroom and service centre	0.1
Australia						
Church Street, Granville, New South Wales	Freehold	*	2015	16	Single-storey office showroom and workshop	44.7
Littlefield St, Fortitude Valley, Monier Road, Queensland	Freehold/ Leasehold expiring 2016	2 *	2008-2014	7-35	Single-storey and two-storey offices, showrooms and workshops	179.2
Orkney Road, Karratha, Western Australia	Freehold	*	2007	31	Single-storey office and workshop	1.5
New Zealand						
Malden Street, Palmerston North	Freehold	3	2005	12-46	Workshops, office and central parts warehouse	16.5
Great South Road, Maranui Avenue, Silverfield Street, Auckland	Freehold Leasehold expiring 2015-2026	3 13	1998-2014	3-54	Workshop, central parts warehouse and warranty processing centre	21.8
Wairau Road, Wairau Valley	Freehold	1	2014	–	Land held for development of single-storey 3S service centre	23.2
Vietnam						
Tan Phu Ward, Duc Giang Ward	Leasehold expiring 2021-2027	*	2013	2-7	3-storey offices, showroom, workshop and warehouse	25.9
Motors Properties - Overseas		**55**				**879.7**
Total Motors Properties		**144**				**1,160.5**

* Less than one hectare

Location	Tenure	Remaining land area (Hectares)	Year of acquisition	Description	Net book value (RM million)
DEVELOPMENT PROPERTIES					
Malaysia					
Kedah Darul Aman					
Jerai, Bukit Selarong, Taman Sg. Dingin	Freehold	437	2007	Land held for property development	38.4
Selangor Darul Ehsan					
Bandar Bukit Raja, Kapar, Klang	Freehold	1,104	2008	Land held for property development	53.7
Bukit Lagong and Lagong Mas, Rawang	Freehold	629	2009	Land held for property development	37.2
Bukit Subang 1, Shah Alam	Freehold	*	2008	Land held for property development	15.2
Elmina Estate, Sungai Buloh	Freehold	569	1985	Land held for property development	14.8
Glengowrie, Jalan Acob, New Lunderston and Semenyih	Freehold	321	1907-1995	Land held for property development	18.9
Melawati Development, Hulu Kelang	Freehold	17	1978	Land held for property development	24.1
Sungai Kapar Indah, Klang	Freehold	4	1985	Land held for property development	2.5
Subang Jaya City Centre, Subang Jaya	Freehold	10	1964-2013	Land held for property development	47.6
Taman Subang Ria	Leasehold expiring 2087	29	2007	Land held for property development	–
Jalan Kewajipan, Subang Jaya	Freehold	14	1992	Land held for property development	11.8
Putra Heights, Subang Jaya	Freehold	46	1992	Land held for property development	20.1
Serenia City, Sepang	Freehold	297	2008	Land held for property development	2.7
USJ Heights, Subang Jaya	Freehold	2	1995	Land held for property development	6.4
Kuala Lumpur					
KLGCC, Bukit Kiara	Leasehold expiring 2111	53	1991	Land held for property development	411.1
Negeri Sembilan Darul Khusus					
Hamilton, New Labu, and Sungai Sekah, Nilai	Freehold	224	1995	Land held for property development	17.5
Labu, Rasah, Sua Betong, Taman Sengkang	Freehold	226	1995-2012	Land held for property development	17.1
Rasah, Seremban	Leasehold expiring 2066	3	1995	Land held for property development	0.3
Nilai Impian / Utama, Nilai	Freehold	122	1992-1996	Land held for property development	7.6

* Less than one hectare

Location	Tenure	Remaining land area (Hectares)	Year of acquisition	Description	Net book value (RM million)
DEVELOPMENT PROPERTIES (continued)					
Malaysia (continued)					
Johor Darul Takzim					
Taman Pasir Putih, Pasir Gudang	Freehold	8	1984	Land held for property development	–
Lanadron Estate, Muar	Leasehold expiring 2111	1,172	1994-2015	Land held for property development	19.9
Sabah					
Imam and Mostyn Estate, Tawau	Leasehold expiring 2050-2058	16	2006	Land held for property development	0.3
Total Development Properties		**5,303**			**767.2**

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES						
Malaysia						
Kedah Darul Aman						
Harvard Golf & Country Club and Hotel, Bedong	Freehold	1,559	1984-2012	17-19	Golf course, club house and hotel	25.9
Pulau Pinang						
Penang House	Freehold	*	2007	94	Holiday bungalow	1.6
Reef Apartment, Batu Ferringhi	Freehold	–	1989	26	2 units of apartments	0.9
Pahang Darul Makmur						
Genting View Resort, Genting Highlands	Freehold	22	1999	20-24	Hotel resort and apartments	17.8
Frasers' Hill / Cameron Highlands	Leasehold expiring 2026-2082	2	1982	28-86	Holiday bungalows	1.1
Selangor Darul Ehsan						
Block F and G Oasis, Ara Damansara, Petaling Jaya	Freehold	1	2012	4	2 blocks of 10-storey office building and 2-storey carpark	233.6
Bayuemas Oval and Akademi Tunku Jaafar, Kota Bayuemas	Freehold	17	2007	8-11	Cricket club and lawn bowl	30.7

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Malaysia (continued)						
Selangor Darul Ehsan (continued)						
Elmina East, Sungai Buloh	Freehold	3	2015	1	Sales gallery	15.0
Impian Golf & Country Club, Kajang	Freehold	60	2007-2009	20	18-hole golf course and resort	56.7
Jalan Astaka, Shah Alam	Freehold	*	2005	10	3 units of shoplot	3.5
Oasis Gallery, Ara Damansara	Freehold	2	2007	8	Sales gallery	8.1
Sime Darby Pavillion, Shah Alam	Freehold	*	1998	7	3-storey office building	13.9
Saujana Impian, Kajang	Freehold	*	2015	1	Sales office and sales gallery	0.1
Tropika Paradise, Subang Jaya	Freehold	–	2012	15	Apartments	0.7
Wisma Zuellig, Jalan Bersatu, Petaling Jaya	Leasehold expiring 2059	1	2000	22	Office building	15.2
Wisma LJT, Pusat Bandar Melawati	Freehold	*	2007	8	Carpark and township site office	6.2
	Leasehold expiring 2016	–				
Kuala Lumpur						
Kuala Lumpur Golf & Country Club, Bukit Kiara	Leasehold expiring 2111	114	1991-2009	3-22	Two 18-hole golf courses and clubhouse	268.6
KL East, Melawati	Freehold	*	2015	1	Sales gallery	12.9
Serini, Taman Melawati	Leasehold expiring 2018	*	2015	1	Sales gallery	2.2
Sime Darby Convention Centre, Bukit Kiara	Leasehold expiring 2090-2111	7	2006	10	Convention centre	143.9
Wisma Guthrie, Jalan Gelenggang, Damansara Heights	Freehold	*	1973	42	4-storey office building	10.5
Negeri Sembilan Darul Khusus						
Planters' Haven Clubhouse	Freehold	*	2008	8	Club house	12.1
Port Dickson	Freehold	3	2007	21-57	Holiday bungalows	2.1
	Leasehold expiring 2072	*				
Melaka						
Hotel Equatorial, Bandar Hilir	Leasehold expiring 2072-2075	*	1998	17	5-star 22-storey international business hotel	81.4

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Malaysia (continued)						
Johor						
Taman Pasir Putih	Freehold	*	2014	3	Sales gallery	2.7
Sabah						
Marina Court, Kota Kinabalu	Freehold	–	2006	9	Apartment	0.7
Investment and Hospitality Properties – Malaysia		**1,791**				**968.1**
Overseas						
Singapore						
Sime Darby Centre, Dunearn Road	Leasehold expiring 2878	1	1984	31	5-storey commercial building	142.4
Darby Park Executive Suites, Orange Grove Road	Leasehold expiring 2092	*	1992-1993	22	75-units of luxury apartment	72.8
Orion, Orange Grove Road	Freehold	–	2008	7	2 units of apartment	10.2
Sime Darby Business Centre, Alexandra Road	Leasehold expiring 2055	*	1991	22	5-storey light industrial building	59.1
Sime Darby Enterprise Centre, Jalan Kilang	Leasehold expiring 2061	*	2002	9	8-storey light industrial building	19.3
Vietnam						
Rangdong Orange Court, Le Quy Don, Vung Tau	Leasehold expiring 2030	*	1995	18	69 units of service apartment	8.6
United Kingdom						
Dundee Street, Edinburgh	Freehold	–	2010	20	4-storey office building	48.0
St Johns Wood Court, Wynnstay Gardens	Leasehold expiring 2109-2966	–	1996-2009	96-107	2 units of apartment	4.2
Australia						
Darby Park Serviced Residences, Margaret River, Western Australia	Freehold	1	2003	11	8 units service apartment	3.1
Darby Park Serviced Residences, Subiaco, Western Australia	Freehold	*	2001	21	Service apartments	1.3

* Less than one hectare

Location	Tenure	Land area (Hectares)	Year of acquisition	Age of building (Years)	Description	Net book value (RM million)
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Overseas (continued)						
Australia (continued)						
Karri Valley Resort, Vasse Highway, Pemberton, Western Australia	Freehold	116	2000	28	Chalet and lakeside residential units	9.9
Serenity Shores, Queensland	Freehold	*	2009	5	Residential properties	1.7
Investment and Hospitality Properties - Overseas		**118**				**380.6**
Total Investment and Hospitality Properties		**1,909**				**1,348.7**
ENERGY & UTILITIES PROPERTIES						
Malaysia						
Selangor Darul Ehsan						
Jalan 225, Petaling Jaya	Leasehold expiring 2074	*	1983	33	Industrial land and building	1.6
Jalan Tandang, Petaling Jaya	Leasehold expiring 2065-2066	15	1985-1994	22-52	Industrial land and building	56.7
Energy & Utilities Properties - Malaysia		**15**				**58.3**
Overseas						
Singapore						
Jurong Pier	Leasehold expiring 2025	2	1978	7	Workshop and office	2.9
China						
Jining City, Shandong	Leasehold expiring 2019-2064	83	2009-2015	1-6	Jining Ports wharf, warehouse and office	299.4
1 Binhai Economic Development Zone, Shandong	Leasehold expiring 2035-2060	31	2005-2011	4-13	Reservoir, water treatment plant and office building	79.0
Weifang City, Shandong	Leasehold expiring 2055	–	2005-2008	11	6 units of apartment	1.8
Yanzi Town, Weifang Port, Shandong	Leasehold expiring 2055 - 2064	475	2005-2015	1-10	Port, warehouse and office	748.0
Energy & Utilities Properties - Overseas		**591**				**1,131.1**
Total Energy & Utilities Properties		**606**				**1,189.4**
TOTAL GROUP PROPERTIES		**1,003,858**				**19,534.1**

* Less than one hectare

NOTICE TO SHAREHOLDERS UNDER THE PERSONAL DATA PROTECTION ACT 2010

Sime Darby Berhad ("Sime Darby" or "we" or "us" or "our") strives to protect your personal data in accordance with the Personal Data Protection Act 2010 ("the Act"). The Act was passed by the Malaysian Government to regulate the processing of personal data. To comply with the Act, we are required to manage the personal data that we collect from you relating to your shareholding in Sime Darby.

The purposes for which your personal data may be used are, but not limited to:

- Internal record keeping including but not limited to the registration and management of your shareholding in Sime Darby
- To provide services to you
- To communicate with you as a shareholder of Sime Darby
- To better understand your needs as our shareholder
- For security and fraud prevention purposes
- For the purposes of statistical analysis of data
- For marketing activities
- For the purposes of our corporate governance
- To send you event invitations based on selective events
- To comply with any legal, statutory and/or regulatory requirements
- For the purposes of inclusion in media engagements and/or any relevant or related events
- For the purposes of us preparing guest invitations, registration and/or sign-ups for our events
- For the purposes of printed and on-line publications

(collectively, "the Purposes").

Your personal data is or will be collected from information provided by you, including but not limited to, postal, fax, telephone, and email communications with or from you, and information provided by third parties, including but not limited to, Bursa Malaysia Securities Berhad and any other stock exchange, and your stockbrokers and remisiers.

You may be required to supply us with your name, NRIC No., correspondence address, telephone number, facsimile number, and email address.

If you fail to supply us with such personal data, we may not be able to process and/or disclose your personal data for any of the Purposes.

Please be informed that your personal data may be disclosed, disseminated and/or transferred to companies within the Sime Darby Group (including the holding company, subsidiaries, related and affiliated companies, both local and international), whether present or future (collectively, "the Group") or to any third party organisations or persons for the purpose of fulfilling our obligations to you in respect of the Purposes and all such other purposes that are related to the Purposes and also in providing integrated services, maintaining and storing records including but not limited to the share registrar(s) appointed by us to manage the registration of shareholders.

The processing, disclosure, dissemination and/or transfer of your personal data by us and/or the Group and/or third party organisations or persons may result in your personal data being transferred outside of Malaysia.

To this end, we are committed in ensuring the confidentiality, protection, security and accuracy of your personal data made available to us. It is your obligation to ensure that all personal data submitted to us and retained by us are accurate, not misleading, updated and complete in all aspects. For the avoidance of doubt, we and/or the Group and/or our or their employees or authorised officers or agents will not be responsible for any personal data submitted by you to us that is inaccurate, misleading, not up to date and incomplete.

Further, we may request your assistance to procure the consent of third parties whose personal data is made available by you to us and you hereby agree to use your best endeavours to do so.

You may at any time after the submission of your personal data to us, request for information relating to your personal data by contacting our share registrar Tricor Investor Services Sdn Bhd if you wish to enquire about any aspects of share registration matters:

Tricor Investor Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia

Attention : Ms Lim Lay Kiow, Senior Manager
Telephone : 03-2783 9299
Email : lay.kiow.lim@my.tricorglobal.com

In addition, you may request for access to your personal data by contacting your broker or alternatively Tricor Investor Services Sdn Bhd as per the above if:

- you require access to and/or wish to make corrections to your personal data subject to compliance of such request for access or correction not being refused under the provisions of the Act and/or existing laws; or
- you wish to enquire about your personal data.

Any personal data retained by us shall be destroyed and/or deleted from our records and system in accordance with our retention policy in the event such data is no longer required for the said Purposes.

We trust that you will consent to the processing of your personal data and that you declare that you have read, understood and accepted the statements and terms herein.

NOTIS KEPADA PEMEGANG SAHAM DI BAWAH AKTA PERLINDUNGAN DATA PERIBADI 2010

Sime Darby Berhad ("Sime Darby" atau "kami") bermatlamat untuk melindungi data peribadi anda selaras dengan Akta Perlindungan Data Peribadi 2010 ("Akta"). Akta tersebut telah diluluskan oleh Kerajaan Malaysia untuk mengawal selia pemprosesan data peribadi. Bagi mematuhi Akta tersebut, kami dikehendaki untuk menguruskan data peribadi yang kami kumpulkan daripada anda berkenaan dengan pegangan saham anda di Sime Darby.

Maksud penggunaan data peribadi anda adalah untuk, tetapi tidak terhad kepada:

- Penyimpanan rekod dalaman termasuk tetapi tidak terhad kepada pendaftaran dan pengurusan pegangan saham anda di Sime Darby
- Untuk memberikan perkhidmatan kepada anda
- Untuk berkomunikasi dengan anda sebagai pemegang saham Sime Darby
- Untuk lebih memahami keperluan anda sebagai pemegang saham kami
- Bagi maksud-maksud keselamatan dan pencegahan penipuan
- Bagi maksud analisis statistik data
- Untuk aktiviti pemasaran
- Bagi maksud tadbir urus korporat kami
- Untuk menghantar jemputan acara berdasarkan acara-acara terpilih
- Untuk mematuhi apa-apa kehendak-kehendak di sisi undang-undang, statutori, dan peraturan
- Bagi maksud penyertaan dalam penglibatan media dan/atau apa-apa acara-acara relevan atau berkaitan
- Bagi maksud kami menyediakan jemputan tetamu, pendaftaran dan/atau kemasukan untuk acara-acara kami
- Bagi maksud penerbitan bercetak dan penerbitan dalam talian kami

(secara kolektif, "Tujuan-Tujuan tersebut").

Data peribadi anda sedang atau akan dikumpul daripada maklumat yang diberikan oleh anda, termasuk tetapi tidak terhad kepada, komunikasi-komunikasi pos, faks, telefon, dan emel dengan atau daripada anda, dan maklumat yang diberikan oleh pihak ketiga, termasuk tetapi tidak terhad kepada, Bursa Malaysia Securities Berhad dan apa-apa bursa saham lain, dan broker saham dan remisier anda.

Anda mungkin diperlukan untuk memberikan kepada kami nama, No. kad pengenalan, alamat surat-menyurat, nombor telefon, nombor faks, dan alamat emel anda.

Jika anda gagal untuk memberikan kami data peribadi tersebut, kami mungkin tidak dapat memproses dan/atau menzahirkan data peribadi anda bagi mana-mana Tujuan-Tujuan tersebut.

Sila maklum bahawa data peribadi anda boleh dizahirkan, disebarkan dan/atau dipindahkan kepada syarikat-syarikat di dalam Kumpulan Sime Darby (termasuk syarikat induk, anak-anak syarikat, syarikat-syarikat berkaitan dan bersekutu tempatan dan antarabangsa), samada pada masa kini atau masa hadapan (secara kolektif, "Kumpulan"), atau kepada mana-mana organisasi atau individu pihak ketiga bagi maksud memenuhi tanggungjawab kami kepada anda berkenaan dengan Tujuan-Tujuan tersebut dan bagi semua maksud lain yang berkaitan dengan Tujuan-Tujuan tersebut dan juga untuk memberikan perkhidmatan-perkhidmatan bersepadu, menyelenggara dan menyimpan rekod-rekod termasuk tetapi tidak terhad kepada pendaftar saham atau pendaftar-pendaftar saham yang dilantik oleh kami untuk menguruskan pendaftaran pemegang saham.

Pemprosesan, penzahiran, penyebaran dan/atau pemindahan data peribadi anda oleh kami dan/atau Kumpulan dan/atau organisasi atau individu pihak ketiga mungkin mengakibatkan data peribadi anda dipindah ke luar Malaysia.

Untuk tujuan ini, kami komited dalam memastikan penyulitan, perlindungan, keselamatan dan ketepatan data peribadi anda yang diberikan kepada kami. Adalah tanggungjawab anda untuk memastikan bahawa semua data peribadi yang diberikan kepada kami dan disimpan oleh kami adalah tepat, tidak mengelirukan, terkini dan lengkap dalam semua aspek. Bagi mengelakkan keraguan, kami dan/atau Kumpulan dan/atau pekerja atau pegawai yang diberi kuasa atau ejen kami atau Kumpulan tidak akan bertanggungjawab untuk apa-apa data peribadi yang diberikan oleh anda kepada kami yang tidak tepat, mengelirukan, bukan terkini dan tidak lengkap.

Selanjutnya, kami boleh meminta bantuan anda untuk memperolehi persetujuan pihak ketiga yang data peribadinya telah diberikan oleh anda kepada kami dan anda dengan ini bersetuju untuk menggunakan usaha terbaik anda untuk berbuat demikian.

Anda boleh pada bila-bila masa selepas penyerahan data peribadi anda kepada kami, meminta untuk mengakses data peribadi anda dengan menghubungi pendaftar saham kami Tricor Investor Services Sdn Bhd jika anda ingin membuat sebarang pertanyaan berkenaan dengan aspek-aspek pendaftaran saham:

Tricor Investor Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia

Untuk perhatian	: Cik Lim Lay Kiow, Pengurus Kanan
Telefon	: 03-2783 9299
Emel	: lay.kiow.lim@my.tricorglobal.com

Anda juga boleh membuat permintaan untuk mengakses data peribadi anda dengan menghubungi broker anda atau secara alternatif Tricor Investor Services Sdn Bhd seperti yang tersebut di atas jika:

- anda memerlukan akses kepada dan/atau ingin membuat pembetulan kepada data peribadi anda, tertakluk kepada pematuhan permintaan untuk akses atau pembetulan itu tidak ditolak di bawah peruntukan Akta tersebut dan/atau undang-undang yang sedia ada; atau
- anda ingin membuat pertanyaan mengenai data peribadi anda;

Apa-apa data peribadi yang dikekalkan oleh kami akan dimusnahkan dan/atau dipadamkan daripada rekod dan sistem kami megikut polisi penyimpanan kami sekiranya data tersebut tidak lagi diperlukan bagi Tujuan-Tujuan tersebut.

Kami percaya bahawa anda akan bersetuju kepada pemprosesan data peribadi anda dan anda mengakui bahawa anda telah membaca, memahami dan menerima pernyataan-pernyataan dan terma-terma dalam sini.

COMPLIANCE WITH THE PRINCIPLES AND RECOMMENDATIONS OF THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2012

The table below sets out the compliance of Sime Darby Berhad with the Malaysian Code on Corporate Governance 2012 in respect of FY2015.

Principle/Recommendation		Status of Compliance	Remarks	Page
Principle 1 - Establish Clear Roles and Responsibilities				
1.1	The Board should establish clear functions reserved for the Board and those delegated to management	Complied		141-142
1.2	The Board should establish clear roles and responsibilities in discharging its fiduciary and leadership functions	Complied		138-141
1.3	The Board should formalise ethical standards through a code of conduct and ensure its compliance	Complied		143-144
1.4	The Board should ensure that the Company's strategies promote sustainability	Complied		170-173
1.5	The Board should have procedures to allow its members access to information and advice	Complied		151-152
1.6	The Board should ensure it is supported by a suitably qualified and competent company secretary	Complied		143
1.7	The Board should formalise, periodically review and make public its Board Charter	Complied		138
Principle 2 - Strengthen Composition				
2.1	The Board should establish a Nominating Committee which should comprise exclusively of non-executive directors, a majority of whom must be independent	Complied		140, 166
2.2	The Nominating Committee should develop, maintain and review the criteria to be used in the recruitment process and annual assessment of Directors	Complied		147-148 156-157 167-168
2.3	The Board should establish formal and transparent remuneration policies and procedures to attract and retain Directors	Complied		149-151
Principle 3 - Reinforce Independence				
3.1	The Board should undertake an assessment of its Independent Directors annually	Complied		147, 168
3.2	The tenure of an Independent Director should not exceed a cumulative term of 9 years. Upon completion of the 9 years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director	Complied		147,168
3.3	The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than 9 years	Not applicable	None of the Independent Directors have served on the Board for more than nine (9) years.	146-147
3.4	The positions of Chairman and Chief Executive Officer should be held by different individuals, and the Chairman must be a Non-Executive member of the Board	Complied		127,131, 140
3.5	The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director	Not applicable	The Chairman of the Board is an Independent Director.	127

Principle/Recommendation		Status of Compliance	Remarks	Page
Principle 4 - Foster Commitment				
4.1	The Board should set out expectations on time commitment for its members and protocols for accepting new directorships	Complied		148
4.2	The Board should ensure its members have access to appropriate continuing education programmes	Complied		152-155
Principle 5 - Uphold Integrity in Financial Reporting				
5.1	The Audit Committee should ensure financial statements comply with applicable financial reporting standards	Complied		160-161
5.2	The Audit Committee should have policies and procedures to assess the suitability and independence of External Auditors	Complied		161-162
Principle 6 - Recognise and Manage Risks				
6.1	The Board should establish a sound framework to manage risks	Complied	Details of the Group Risk Management Framework are contained in the Statement of Risk Management and Internal Control on page 177	174-175
6.2	The Board should establish an internal audit functions which reports directly to the Audit Committee	Complied		126-164
Principle 7 - Ensure Timely and High Quality Disclosure				
7.1	The Board should ensure the Company has appropriate corporate disclosure policies and procedures	Complied		157
7.2	The board should encourage the company to leverage on information technology for effective dissemination of information	Complied		157
Principle 8 - Strengthen Relationship between Company and Shareholders				
8.1	The Board should take reasonable steps to encourage shareholder participation at general meetings	Complied		158
8.2	The Board should encourage poll voting	Complied		158
8.3	The Board should promote effective communication and proactive engagements with shareholders	Complied		158

UNITED NATIONS GLOBAL COMPACT (UNGC) COMMUNICATION ON PROGRESS

Financial Year 1 July 2014 – 30 June 2015
Sime Darby Annual Report 2015 describes the Group's performance against the UNGC's Ten Principles. The following table details the relevant report sections to support each Principle

Core Value	Principle	Relevant Sections	Page References
Human Rights	Principle 1: Businesses should respect the protection of internationally proclaimed human rights; and Principle 2: Make sure that they are not complicit in human rights abuses.	• Managing our Material Issues • People – Fundamental Rights	22 54
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; Principle 4: the elimination of all forms of forced and compulsory labour; Principle 5: the effective abolition of child labour; and Principle 6: the elimination of discrimination in respect of employment and occupation.	• Managing our Material Issues • People – Fundamental Rights	22 54
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges; Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.	• Managing our Material Issues • Group Carbon Management Review • Divisional Operations Review	22 60 69
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	• Managing our Material Issues • Corporate Governance • Code of Business Conduct and Compliance	22 122 143

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Sime Darby Berhad Annual Report has been prepared in accordance with the GRI Sustainability Reporting Guidelines (Version 4) at Core level. The following summary table details the location of specific disclosures throughout the report. It also includes additional supporting commentary and reasons for the omission of data, where relevant. For further details, please visit www.simedarby.com

General Standard Disclosure	Location of Disclosure (page number)	External Assurance
Strategy and Analysis		
G4-1, G4-2	– Chairman's Message (12) – President and Group Chief Executive's Review (16) – Global Trends and Market Outlook (20) – Group Business Model (24) – Group Strategy (26)	
Organisational Profile		
G4-3, 5, 6, 7, 8, 9	– Corporate Information (7) – Group Highlights (8) – Group Overview (10) – Group Business Model (24) – Group Strategy (26) – Division Operational Reviews (70, 71, 84, 85, 92, 93, 100, 101, 110, 111, 116, 117)	
G4-10, G4-11	– Corporate Information (7) – Our Sustainable Performance – People (48) – Division Operational Reviews (70, 71, 84, 85, 92, 93, 100, 101, 110, 111, 116, 117)	
G4-12	– Division Operational Reviews (70, 71, 84, 85, 92, 93, 100, 101, 110, 111, 116, 117)	
G4-13	– Energy and Utilities Power Business Unit has been divested and is not included in this report – New Britain Palm Oil was acquired in the Financial Year, but not included in this report. It will be included in future reports	
G4-14	– Global Trends and Market Outlook (20) – Managing our Material Issues (22) – Our Management of Risk (185) – Sustainable Thought Leadership (65)	
G4-15, G4-16	– Sustainable Thought Leadership (65)	
Identified Material Aspects and Boundaries		
G4-17	– Group Financial Review (42) – Financial Statements	Yes
G4-18, 19, 20, 21	– Managing our Material Issues (22)	
G4-22	– Group Carbon Management Review (60)	
G4-23	– Group Carbon Management Review (60)	

General Standard Disclosure	Location of Disclosure (page number)	External Assurance
Stakeholder Engagement		
G4-24, 25, 26, 27	– Managing our Material Issues (22)	
Report Profile		
G4-28	– Fiscal year (1 July 2014 – 30 June 2015), unless stated otherwise	
G4-29	– Sime Darby Group's most recent report on sustainability performance was its Sime Darby Annual Report 2014, launched November 2014. – Sime Darby Plantation launched its inaugural 2014 Sustainability Report in November 2014 and Sime Darby Property launched its inaugural 2014 Sustainability Report in July 2015	
G4-30	– Annual	
G4-31	– Corporate Information (7)	
G4-32	– Sime Darby has reported in accordance to GRI G4 at a Core Level – The "In Accordance" rating is demonstrated by this GRI Content Index	
G4-33	– Independent Auditor's Report and Independent Assurance Report	
Governance		
G4-34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55 Structure & Composition, and roles in – Strategy Setting, – Performance Evaluation, – Risk Management, – Sustainability Reporting, – Evaluation of Economic, Social and Environmental Performance, – Remuneration and Incentives	– Statement on Corporate Governance (122) – Report on the Governance and Audit Committee (159) – Report on the Nomination and Remuneration Committee (165) – Report on the Sustainability Committee (170) – Report on the Risk Management Committee (174) – Statement on Risk Management and Internal Control (177)	
Ethics and Integrity		
G4-56, 57, 58 The organisations values, policies and mechanisms in place around ethics and integrity	– Statement on Corporate Governance (122) – Code of Business Conduct and Compliance (143)	

Specific Standard Disclosures	Location of Disclosure (page number)	External Assurance
Economic		
Economic Performance and Market Presence (G4-DMA, G4-EC1, G4-EC3)	– Group Financial Review (42) – Financial Statements	Yes
Environmental		
Energy (G4-DMA, G4 EN3)	– Group Carbon Management Review (60)	
Biodiversity (G4-DMA, G4- EN11, G4-EN12, EN13)	– Division Operation Review - Plantation - (79 - 81) – Group Carbon Management Review (60)	
Emissions (G4-DMA, G4-EN15, G4-EN16, G4-EN18, G4-EN19)	– Group Carbon Management Review (60)	Yes
Labour Practices and Decent Work		
Occupational Health and Safety (G4-DMA, G4-LA5, G4-LA6)	– People – Safety & Health (52-54)	Yes
Human Rights		
Freedom of Association and Collective Bargaining, Child Labor, Forced Labor and Indigenous Rights (G4-DMA, G4-HR4, G4-HR5, G4-HR6)	– People – Fundamental Rights (54-57)	
Society		
Local Communities (G4-DMA, G4-SO1, SO2)	– People – Fundamental Rights (54-57) – People – Social Assistance (57-58) Note: All of Sime Darby Plantation estates have community plans in place. The Property Division provides ongoing engagement at its existing townships and developments	

INDEPENDENT ASSURANCE REPORT

To Management of Sime Darby Berhad 2015

We have been engaged by Sime Darby Holdings Berhad to perform an independent limited assurance engagement on selected non-financial data ("Selected Information") as reported by Sime Darby Berhad ("Sime Darby") in Sime Darby Berhad Annual Report 2015.

Management's Responsibility

Management of Sime Darby is responsible for the preparation of Sime Darby Berhad Annual Report 2015 in accordance with Sime Darby's internal reporting guidelines.
This responsibility includes the selection and application of appropriate methods to Sime Darby Berhad Annual Report 2015 as well as the design, implementation and maintenance of systems and processes relevant for the preparation. Furthermore, the responsibility includes the use of assumptions and estimates for disclosures made by Sime Darby which are reasonable in the circumstances.

Our Responsibility

Our responsibility is to provide a conclusion on the subject matter based on our evidence-gathering procedures performed in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements, and plan and perform the assurance engagement under consideration of materiality to express our conclusion with limited assurance.

The accuracy and completeness of the Sime Darby Berhad Annual Report 2015 indicators are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data.

Our assurance report should therefore be read in connection with Sime Darby's procedures on the reporting of its sustainability performance.
In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement.

Subject Matter

The following information collectively known as Selected Information (hereon after referred to as "Selected Information") on which we provide limited assurance consists of:

- The management and reporting processes with respect to the preparation of the following six (6) Selected Information reported and marked in Sime Darby Berhad Annual Report 2015 as follows:
    - Carbon & Energy – Total Carbon Emissions in tonnes of carbon dioxide (CO_2) equivalent (tCO_2-e) for the calendar year 2014
    - Carbon & Energy – Carbon Emissions Intensities for the calendar year 2014
    - Lean Six Sigma – Total Monetary Savings for the financial year ended 30 June 2015
    - Health & Safety – Incident Rate (IR) for the financial year ended 30 June 2015
    - Health & Safety – Frequency Rate (FR) for the financial year ended 30 June 2015
    - Health & Safety – Frequency Rate (FR) for the financial year ended 30 June 2015

Criteria

- Sime Darby's internal non-financial data reporting guidelines and procedures by which the Selected Information is gathered, collated and aggregated internally

INDEPENDENT ASSURANCE REPORT

Main Assurance Procedures

Our work, which involved no independent examination of any of the underlying financial information, included the following procedures:

- Inquiries of personnel responsible for internal reporting and data collection at the corporate, division and business unit level for the Selected Information;
- Inspection on a sample basis of internal documents contracts, reports, data capture forms and invoices from Sime Darby and external service providers supporting the Selected Information for completeness, accuracy and adequacy;
- Reviewing the appropriateness of the management, reporting and validating processes for the Selected Information and assessing the collation and reporting of data at the corporate, division and business unit level; and
- Reviewing the appropriateness of the use of formulas, proxies and default values for calculating Carbon Emissions against international, national and industry guidelines and recommendations.

Conclusion

Based on our limited assurance engagement, in all material respects, nothing has come to our attention that causes us to believe that, for the year ended 30 June 2015, the Selected Information has not been fairly stated in accordance with Sime Darby's internal sustainability reporting guidelines.

Other matters

This report is issued for the sole purpose for inclusion in Sime Darby Berhad Annual Report 2015 and should not be used or relied upon for any other purpose. We do not assume responsibility to any other person for the content of the report.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants
Kuala Lumpur

15 October 2015

SIME DARBY BERHAD (Company No. 752404-U)
(Incorporated in Malaysia)

FORM OF PROXY

Number of ordinary shares held	CDS Account No.
	- -

I/We ....
(FULL NAME OF SHAREHOLDER AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

(NRIC/Passport/Company No. ....) of ....
(ADDRESS)

....
(ADDRESS)

Tel. No. .... being a member/members of SIME DARBY BERHAD hereby appoint

.... (NRIC/Passport No. ....)
(FULL NAME OF PROXY AS PER NRIC IN CAPITAL LETTERS)

of ....
(ADDRESS)

*and/or .... (NRIC/Passport No. ....)
(FULL NAME OF PROXY AS PER NRIC IN CAPITAL LETTERS)

of ....
(ADDRESS)

**or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Ninth Annual General Meeting of Sime Darby Berhad (SDB or the Company) to be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia, on Monday, 23 November 2015 at 10.00 a.m. and at any adjournment thereof.

No.	Agenda			
1.	To receive the Audited Financial Statements for the financial year ended 30 June 2015 together with the Reports of the Directors and the Auditors thereon			
Ordinary Business		**Resolution**	**For**	**Against**
2.	To declare a final single tier dividend for the financial year ended 30 June 2015	1		
3.	To approve the payment of Directors' remuneration for the financial year ended 30 June 2015	2		
4 i.	To re-elect Tan Sri Datuk Dr Yusof Basiran who retires in accordance with Article 99 of the Articles of Association of the Company	3		
4 ii.	To re-elect Datuk Zaiton Mohd Hassan who retires in accordance with Article 99 of the Articles of Association of the Company	4		
4 iii.	To re-elect Dato Sri Lim Haw Kuang who retires in accordance with Article 99 of the Articles of Association of the Company	5		
5.	To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration	6		
Special Business				
6 i.	To approve the Renewal of Authority for Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965 (Act)	7		
6 ii.	To approve the Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions and the New Shareholders' Mandate for Additional Recurrent Related Party Transactions of a Revenue or Trading Nature	8		
6 iii.	To approve the Renewal of Authority for Directors to Allot and Issue New Ordinary Shares of RM0.50 Each in the Company in relation to the Dividend Reinvestment Plan that Provides Shareholders of the Company with an Option to Reinvest Their Cash Dividend in New SDB Shares	9		

My/Our proxy is to vote on the resolutions as indicated by an "X" in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain from voting as he/she thinks fit.

For appointment of two (2) proxies, percentage of shareholdings to be represented by the proxies must be indicated below:	
	Percentage (%)
First proxy	
Second proxy	

IMPORTANT: Disclosure of Shareholder's and Proxy's Personal Data

Please refer to the Notice to Shareholders under the Personal Data Protection Act 2010 (PDPA Notice) in the Annual Report concerning the Company's collection of your personal data for the purpose of the Company's General Meeting(s).

You hereby declare that you have read, understood and accepted the statements and terms contained in the PDPA Notice.

In disclosing the proxy's personal data, you as a shareholder, warrant that the proxy(ies) has/have given his/her/their explicit consent for his/her/their personal data being disclosed and processed in accordance with the Notice to Proxies under the Personal Data Protection Act 2010 attached.

Dated this .... day of 2015

....

Signature/Common Seal of Member(s)

* Please delete as applicable.

** If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "or failing him/her, the Chairman of the Meeting" and insert the name(s) of the proxy(ies) you wish to appoint in the blank space(s) provided.

Notes:

1. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may, but need not, be a Member. A Member may appoint any person to be his/her proxy without any restriction as to the qualification of such person and the provisions of Sections 149(1)(a) and 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a Member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint not more than two (2) proxies in respect of each Securities Account he/she holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. Where a Member of the Company is an Exempt Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account (Omnibus Account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds PROVIDED THAT each beneficial owner of ordinary shares, or where the ordinary shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall only be entitled to instruct the Exempt Authorised Nominee to appoint not more than two (2) proxies to attend and vote at a general meeting of the Company instead of the beneficial owner or joint beneficial owners.
4. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
5. The instrument appointing a proxy shall be in writing signed by the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
6. The Form of Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, must be deposited at the office of the Share Registrar of the Company, Tricor Investor Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than forty-eight (48) hours before the time fixed for the Meeting or any adjournment thereof.
7. Only members registered in the Record of Depositors as at 13 November 2015 shall be eligible to attend, speak and vote at the Annual General Meeting or appoint proxy(ies) to attend, speak and/or vote on their behalf.

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Affix Postage Stamp

THE SHARE REGISTRAR

SIME DARBY BERHAD (752404-U)
c/o Tricor Investor Services Sdn Bhd (118401-V)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia

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NOTICE TO PROXIES UNDER THE PERSONAL DATA PROTECTION ACT 2010

Sime Darby Berhad ("Sime Darby" or "we" or "us" or "our") strives to protect your personal data in accordance with the Personal Data Protection Act 2010 ("the Act"). The Act was passed by the Malaysian Government to regulate the processing of personal data. To comply with the Act, we are required to manage the personal data that we collect from you relating to your acting as a proxy for a shareholder in Sime Darby.

The purposes for which your personal data may be used are, but not limited to:

- Internal record keeping including but not limited to the registration of attendance at the general meeting(s)
- To communicate with you as a proxy for a shareholder of Sime Darby
- For security and fraud prevention purposes
- For the purposes of statistical analysis of data
- For the purposes of our corporate governance
- To comply with any legal, statutory and/or regulatory requirements

(collectively, "the Purposes").

Your personal data is or will be collected from information provided by you, including but not limited to, postal, fax, telephone, and email communications with or from you, and information provided by third parties, including but not limited to, Bursa Malaysia Securities Berhad and any other stock exchange, and your stockbrokers and remisiers.

You may be required to supply us with your name, NRIC No. and correspondence address.

If you fail to supply us with such personal data, we may not be able to process and/or disclose your personal data for any of the Purposes.

Please be informed that your personal data may be disclosed, disseminated and/or transferred to companies within the Sime Darby Group (including the holding company, subsidiaries, related and affiliated companies, both local and international), whether present or future (collectively, "the Group") or to any third party organisations or persons for the purpose of fulfilling our obligations to you in respect of the Purposes and all such other purposes that are related to the Purposes and also in providing integrated services, maintaining and storing records including but not limited to the share registrar(s) appointed by us to manage the registration of shareholders.

The processing, disclosure, dissemination and/or transfer of your personal data by us and/or the Group and/or third party organisations or persons may result in your personal data being transferred outside of Malaysia.

To this end, we are committed in ensuring the confidentiality, protection, security and accuracy of your personal data made available to us. It is your obligation to ensure that all personal data submitted to us and retained by us are accurate, not misleading, updated and complete in all aspects. For the avoidance of doubt, we and/or the Group and/or our or their employees or authorised officers or agents will not be responsible for any personal data submitted by you to us that is inaccurate, misleading, not up to date and incomplete.

Further, we may request your assistance to procure the consent of third parties whose personal data is made available by you to us and you hereby agree to use your best endeavours to do so.

You may at any time after the submission of your personal data to us, request for access to your personal data from Tricor Investor Services Sdn Bhd if:

- you require access to and/or wish to make corrections to your personal data subject to compliance of such request for access or correction not being refused under the provisions of the Act and/or existing laws; or
- you wish to enquire about your personal data.

Tricor Investor Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia

Attention : Ms Lim Lay Kiow, Senior Manager
Telephone : 03-2783 9299
Email : lay.kiow.lim@my.tricorglobal.com

Any personal data retained by us shall be destroyed and/or deleted from our records and system in accordance with our retention policy in the event such data is no longer required for the said Purposes.

We trust that you will consent to the processing of your personal data and that you declare that you have read, understood and accepted the statements and terms herein.

NOTIS KEPADA PROKSI DI BAWAH AKTA PERLINDUNGAN DATA PERIBADI 2010

Sime Darby Berhad ("Sime Darby" atau "kami") bermatlamat untuk melindungi data peribadi anda selaras dengan Akta Perlindungan Data Peribadi 2010 ("Akta"). Akta tersebut telah diluluskan oleh Kerajaan Malaysia untuk mengawal selia pemprosesan data peribadi. Bagi mematuhi Akta tersebut, kami dikehendaki untuk menguruskan data peribadi yang kami kumpulkan daripada anda berkenaan dengan perwakilan anda sebagai proksi untuk pemegang saham di Sime Darby.

Maksud penggunaan data peribadi anda adalah untuk, tetapi tidak terhad kepada:

- Penyimpanan rekod dalaman termasuk tetapi tidak terhad kepada pendaftaran kehadiran di mesyuarat (-mesyuarat) agung
- Untuk berkomunikasi dengan anda sebagai proksi untuk pemegang saham Sime Darby
- Bagi maksud-maksud keselamatan dan pencegahan penipuan
- Bagi maksud analisis statistik data
- Bagi maksud tadbir urus korporat kami
- Untuk mematuhi apa-apa kehendak-kehendak di sisi undang-undang, statutori, dan/atau peraturan

(secara kolektif, "Tujuan-Tujuan tersebut").

Data peribadi anda sedang atau akan dikumpul daripada maklumat yang diberikan oleh anda, termasuk tetapi tidak terhad kepada, komunikasi-komunikasi pos, faks, telefon, dan emel dengan atau daripada anda, dan maklumat yang diberikan oleh pihak ketiga, termasuk tetapi tidak terhad kepada, Bursa Malaysia Securities Berhad dan apa-apa bursa saham lain, dan broker saham dan remisier anda.

Anda mungkin diperlukan untuk memberikan kepada kami nama, No. kad pengenalan dan alamat surat-menyurat.

Jika anda gagal untuk memberikan kami data peribadi tersebut, kami mungkin tidak dapat memproses dan/atau menzahirkan data peribadi anda bagi mana-mana Tujuan-Tujuan tersebut.

Sila maklum bahawa data peribadi anda boleh dizahirkan, disebarkan dan/atau dipindahkan kepada syarikat-syarikat di dalam Kumpulan Sime Darby (termasuk syarikat induk, anak-anak syarikat, syarikat-syarikat berkaitan dan bersekutu tempatan dan antarabangsa), samada pada masa kini atau masa hadapan (secara kolektif, "Kumpulan"), atau kepada mana-mana organisasi atau individu pihak ketiga bagi maksud memenuhi tanggungjawab kami kepada anda berkenaan dengan Tujuan-Tujuan tersebut dan bagi semua maksud lain yang berkaitan dengan Tujuan-Tujuan tersebut dan juga untuk memberikan perkhidmatan-perkhidmatan bersepadu, menyelenggara dan menyimpan rekod-rekod termasuk tetapi tidak terhad kepada pendaftar saham atau pendaftar-pendaftar saham yang dilantik oleh kami untuk menguruskan pendaftaran pemegang saham.

Pemprosesan, penzahiran, penyebaran dan/atau pemindahan data peribadi anda oleh kami dan/atau Kumpulan dan/atau organisasi atau individu pihak ketiga mungkin mengakibatkan data peribadi anda dipindah ke luar Malaysia.

Untuk tujuan ini, kami komited dalam memastikan penyulitan, perlindungan, keselamatan dan ketepatan data peribadi anda yang diberikan kepada kami. Adalah tanggungjawab anda untuk memastikan bahawa semua data peribadi yang diberikan kepada kami dan disimpan oleh kami adalah tepat, tidak mengelirukan, terkini dan lengkap dalam semua aspek. Bagi mengelakkan keraguan, kami dan/atau Kumpulan dan/atau pekerja atau pegawai yang diberi kuasa atau ejen kami atau Kumpulan tidak akan bertanggungjawab untuk apa-apa data peribadi yang diberikan oleh anda kepada kami yang tidak tepat, mengelirukan, bukan terkini dan tidak lengkap.

Selanjutnya, kami boleh meminta bantuan anda untuk memperolehi persetujuan pihak ketiga yang data peribadinya telah diberikan oleh anda kepada kami dan anda dengan ini bersetuju untuk menggunakan usaha terbaik anda untuk berbuat demikian.

Anda boleh pada bila-bila masa selepas penyerahan data peribadi anda kepada kami, meminta untuk mengakses data peribadi anda daripada Tricor Investor Services Sdn Bhd jika:

- anda memerlukan akses kepada dan/atau ingin membuat pembetulan kepada data peribadi anda, tertakluk kepada pematuhan permintaan untuk akses atau pembetulan itu tidak ditolak di bawah peruntukan Akta tersebut dan/atau undang-undang yang sedia ada; atau
- anda ingin membuat pertanyaan mengenai data peribadi anda.

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Telefon : 03-2783 9299
Emel : lay.kiow.lim@my.tricorglobal.com

Apa-apa data peribadi yang dikekalkan oleh kami akan dimusnahkan dan/atau dipadamkan daripada rekod dan sistem kami mengikut polisi penyimpanan kami sekiranya data tersebut tidak lagi diperlukan bagi Tujuan-Tujuan tersebut.

Kami percaya bahawa anda akan bersetuju kepada pemprosesan data peribadi anda dan anda mengakui bahawa anda telah membaca, memahami dan menerima pernyataan-pernyataan dan terma-terma yang telah dinyatakan di dalam Notis ini.

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