



Developing  
Sustainable Futures

SIME DARBY BERHAD (Company No. 752404-U)  
ANNUAL REPORT 2009

## SIME DARBY BERHAD – COVER RATIONALE

Bright Future.

The warm orange tone blends into a touch of yellow that demonstrates the aspirations and qualities that underscore our drive for a brighter and sustainable future. Sime Darby's strong heritage ensures our strength in continued growth.

Ninety-nine years ago, Sime Darby was incorporated as a small British company managing 500 acres of rubber estates in Malacca. From such modest beginnings, Sime Darby has grown into the biggest multinational corporation in Malaysia. With operations spanning over 20 countries, Sime Darby is supported by a team of over 100,000 people worldwide - guided by one mission - to make a sustainable future real for everyone.

The cover inlay is a reproduction of an actual report by the Directors to the 14th Ordinary Annual General Meeting of Shareholders of Sime, Darby & Co, Ltd. held on 7 March 1925. The report was signed by John Middleton Sime, in his capacity as Chairman of the Board. John was brother to William Middleton Sime, who founded Sime Darby with Henry Darby in 1910.

Sime Darby's commitment to a sustainable future is further reflected in the depiction of children throughout this publication, as future leaders and ambassadors of the Group.

# Sime, Darby & Co., Ltd.

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Report by the Directors to the Fourteenth Ordinary Annual General Meeting of Shareholders of Sime, Darby & Co., Ltd., to be held at 4, Fort Road, Malacca, on Saturday, 7th March, 1925, at 12 o'clock noon.

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The Directors beg to submit the Balance Sheet and Profit and Loss Account of the Company for the year ended 30th September, 1924.

After making provision for Depreciation and Bad and Doubtful Debts, the year's working resulted in a profit of \$175,025.04, equivalent to just over 10% on the Issued Capital. Deducting this amount from the balance of loss brought forward from the previous year, there remains a balance of \$77,251.62 at debit of Profit and Loss Account which has been carried forward.

DIRECTORATE.—Mr. H. S. Russell has been elected to a seat on the Board, and this requires to be confirmed.

The Board at present consists of Hon. Mr. J. M. Sime (Chairman), Major W. M. Sime, O.B.E., Messrs. H. d'Esterre Darby, T. F. Anderson Pole, Lee Chim Tuan, A. M. Sellar, Eu Tong Sen, O.B.E. and H. S. Russell.

In accordance with the Articles of Association Messrs. H. d'Esterre Darby and A. M. Sellar retire, and being eligible offer themselves for re-election.

AUDITORS.—Messrs. Derrick & Co., Chartered Accountants, retire and do not seek re-election.

By Order of the Board,

J. M. SIME,

*Chairman.*

MALACCA, 26th February, 1925.

# THE SIME DARBY GROUP

Since 1910, we have grown to become a key player in the Malaysian economy as well as a diversified multinational with operations in over 20 countries. Our core divisions comprise plantation, property, industrial, motors and energy & utilities, with healthcare as a growing business. We are the largest listed company on Bursa Malaysia with a market capitalisation of RM41.76 billion as at 30 June 2009. Our employees of nearly 100,000 people are committed to the single goal of developing sustainable futures for all of our stakeholders.

## OUR MISSION

Making a sustainable future real for everyone.

## OUR VALUES

### **Respect and Responsibility**

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

### **Excellence**

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

### **Enterprising**

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

### **Integrity**

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

### **Sime Darby Berhad**

(Company No. 752404-U)

19th Floor, Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur, Malaysia

Tel: 603 2691 4122 Fax: 603 2382 1075

Email: [enquiries@simedarby.com](mailto:enquiries@simedarby.com)

Website: [www.simedarby.com](http://www.simedarby.com)

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## 2 NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of Sime Darby Berhad will be held at Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 30 November 2009 at 11.30 a.m. for the following purposes:-

### AS ORDINARY BUSINESS

- |   |               |
|---|---------------|
| a. To receive the Audited Financial Statements for the year ended 30 June 2009 together with the Reports of the Directors and the Auditors thereon.   | Resolution 1  |
| b. To declare a final single tier dividend of 15.3 sen per share for the year ended 30 June 2009.   | Resolution 2  |
| c. To approve the annual remuneration for the Non-Executive Directors at an amount not exceeding RM4,500,000 in aggregate.  | Resolution 3  |
| d. To consider and, if thought fit, pass the following resolutions pursuant to Section 129(6) of the Companies Act, 1965:-  |               |
| i. "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tun Musa Hitam be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."               | Resolution 4  |
| ii. "THAT pursuant to Section 129(6) of the Companies Act, 1965, Tun Ahmad Sarji Abdul Hamid be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." | Resolution 5  |
| iii. "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dr. Arifin Mohamad Siregar be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." | Resolution 6  |
| iv. "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Sri Mohamed Sulaiman be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting."  | Resolution 7  |
| v. "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Dr. Abdul Halim Ismail be re-appointed a Director of the Company to hold office until the conclusion of the next Annual General Meeting." | Resolution 8  |
| e. To elect Tan Sri Samsudin Osman who retires in accordance with Article 104 of the Company's Articles of Association.   | Resolution 9  |
| f. To re-elect the following Directors who retire by rotation in accordance with Article 99 of the Company's Articles of Association:-  |               |
| Raja Tan Sri Dato' Seri Arshad Raja Tun Uda   | Resolution 10 |
| Dato' Henry Sackville Barlow  | Resolution 11 |
| Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid  | Resolution 12 |
| g. To re-appoint PricewaterhouseCoopers as Auditors of the Company for the ensuing financial year, and to authorise the Directors to fix their remuneration.  | Resolution 13 |

## AS SPECIAL BUSINESS

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

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 at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital of the Company for the time being."

Resolution 14

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

Proposed Renewal of Share Buy-Back Authority

"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 Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company (Proposed Share Buy-Back) as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company provided that:-

- i. the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten percent (10%) of the issued and paid-up ordinary share capital of the Company at the time of purchase; and
- ii. the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits and share premium of the Company at the time of purchase;

AND THAT, upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the shares so purchased in their absolute discretion in the following manner:-

- i. to retain the ordinary shares in the Company so purchased by the Company as treasury shares; and/or
- ii. to cancel them; and/or
- iii. to resell them; and/or
- iv. to distribute them as share dividends; and/or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force;

AND THAT, such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- i. the conclusion of the next Annual General Meeting (AGM) of the Company following this AGM, at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
  - ii. the expiration of the period within which the next AGM is required by law to be held; or
  - iii. the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,
- whichever is the earliest;

AND THAT, the Directors of the Company or any of them be authorised to take all such steps as are necessary or expedient to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities."

Resolution 15

## 4 NOTICE OF ANNUAL GENERAL MEETING

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

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

"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 2.2 of the Circular to Shareholders dated 6 November 2009, 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 16

**DATE OF ENTITLEMENT AND PAYMENT OF A FINAL SINGLE TIER DIVIDEND**

NOTICE HAS BEEN GIVEN ON 27 August 2009 that subject to the approval of Members at the Annual General Meeting to be held on 30 November 2009, a final single tier dividend of 15.3 sen per share for the year ended 30 June 2009 will be paid on 15 December 2009 to depositors whose names appear in the Record of Depositors on 4 December 2009.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- i. shares deposited into the depositor's securities account before 12.30 p.m. on 2 December 2009 in respect of shares which are exempted from mandatory deposit;
- ii. shares transferred into the depositor's securities account before 4.00 p.m. on 4 December 2009 in respect of transfers; and
- iii. shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board



Norzilah Megawati Abdul Rahman  
Group Secretary

Kuala Lumpur  
6 November 2009

**Note**

A member of the Company entitled to attend and vote at this meeting is also entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. A Form of Proxy is enclosed and should be completed and deposited at the office of the Share Registrar of the Company, Tricor Investor Services Sdn Bhd (formerly known as Tenaga Koperat Sdn Bhd), at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time fixed for the meeting.



## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 1. Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

The Board continues to consider opportunities to broaden the operating base and earnings potential of the Company. If any of the expansion/diversification proposals involves the issuance of new shares, the Directors would have to convene a general meeting to approve the issuance of new shares even though the number involved may be less than ten percent (10%) of the issued capital.

In order to avoid any delay and costs involved in convening a general meeting to approve such issuance of shares, it is considered appropriate that the Directors be empowered, as proposed in Resolution 14, to allot and issue shares in the Company, up to an amount not exceeding in aggregate ten percent (10%) of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

### 2. Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 15, if passed, will empower the Directors to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated out of the total retained profits and the share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Based on the Company's audited financial statements for the year ended 30 June 2009, the Company's retained earnings and share premium stood at RM2,279.4 million and RM100.6 million respectively.

### 3. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions

The proposed Resolution 16, 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.

Further information on the Proposed Renewal of Share Buy-Back Authority and the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions is set out in the Circular to Shareholders dated 6 November 2009, dispatched together with the Company's 2009 Annual Report.

## STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

### 1. Directors who are standing for Re-appointment, Election and Re-election

The Directors standing for re-appointment under Section 129(6) of the Companies Act, 1965, are:-

- a. Tun Musa Hitam
- b. Tun Ahmad Sarji Abdul Hamid
- c. Dr. Arifin Mohamad Siregar
- d. Dato' Sri Mohamed Sulaiman
- e. Dato' Dr. Abdul Halim Ismail

The Director standing for election is:-

- a. Tan Sri Samsudin Osman

The Directors standing for re-election are:-

- a. Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
- b. Dato' Henry Sackville Barlow
- c. Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid

The profiles of the above Directors are set out in the section entitled "Profile of Directors" on pages 14 to 19. Their shareholdings in the Company is set out in the section entitled "Analysis Of Shareholdings" on pages 216 to 218.

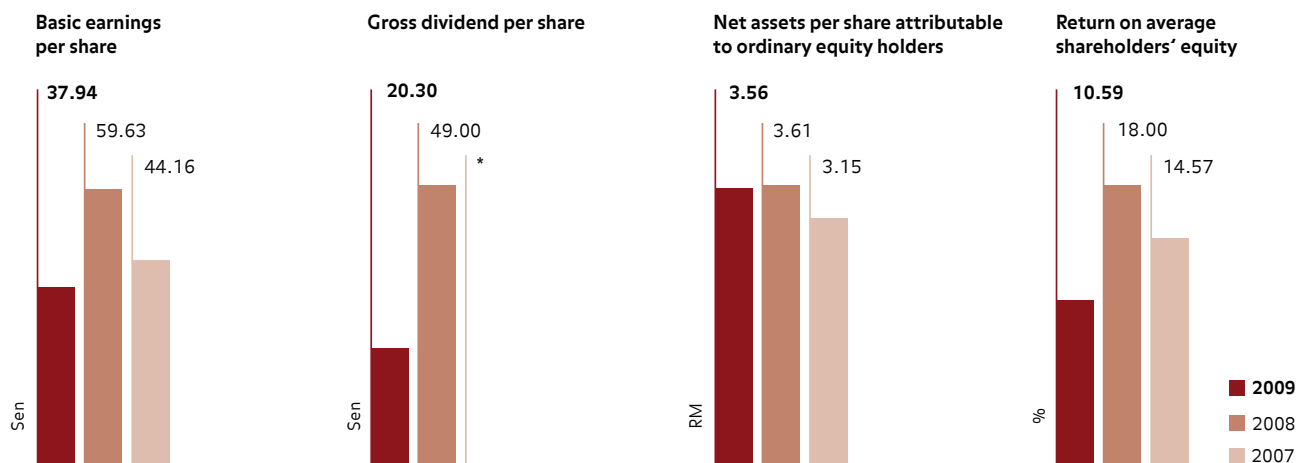
### 2. Date, Time and Place of the Annual General Meeting

The Third Annual General Meeting of Sime Darby Berhad will be held as follows:-

- Date : Monday, 30 November 2009  
 Time : 11:30 a.m.  
 Place : Grand Ballroom, First Floor, Sime Darby Convention Centre  
 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia

## 6 3 YEARS FINANCIAL SUMMARY

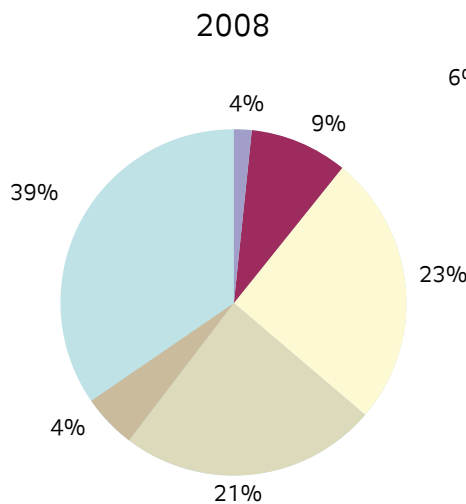
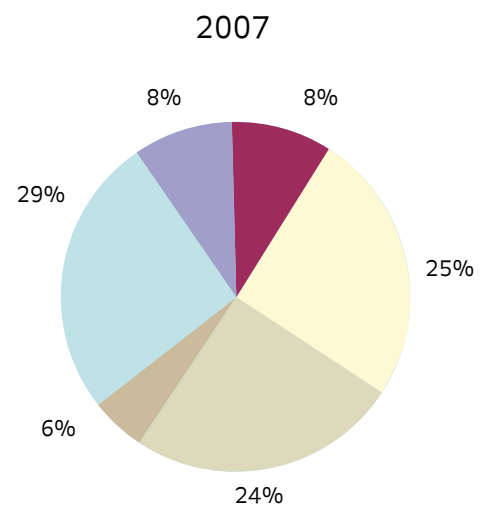
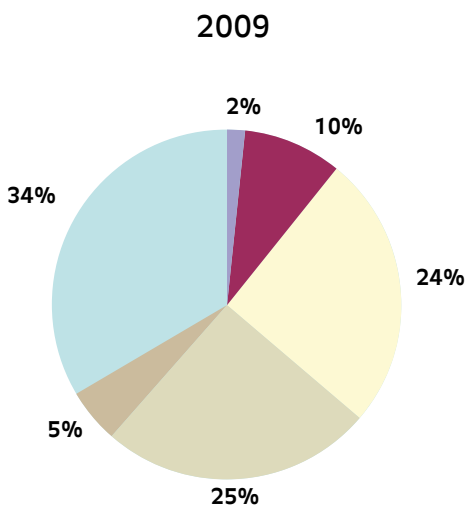
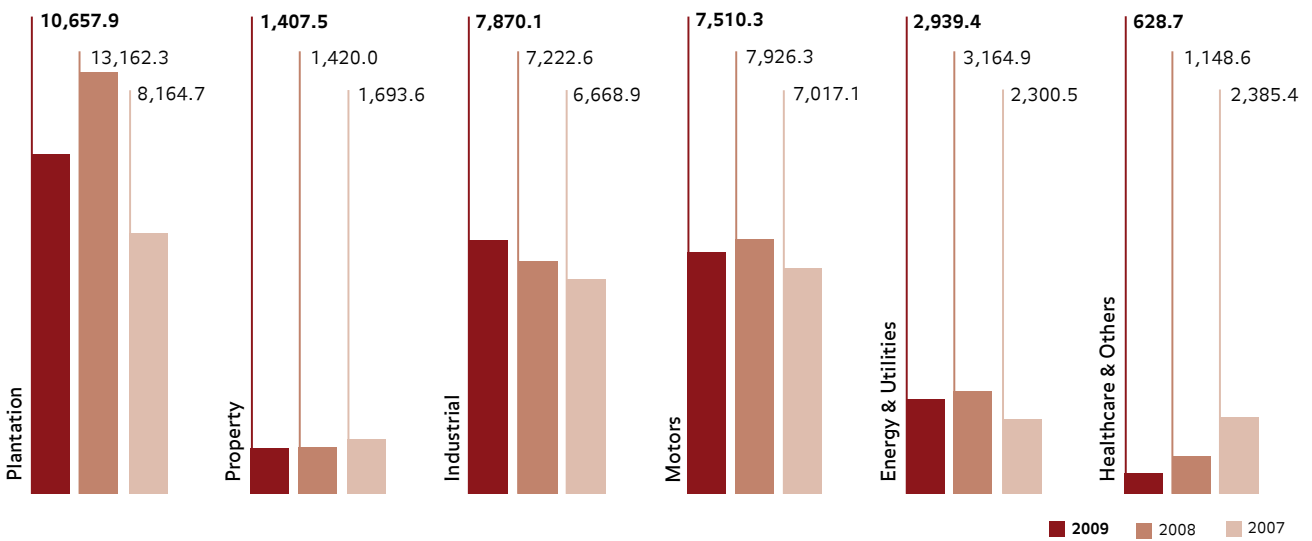
Year Ended 30 June (RM million)	2009	2008	2007
<b>Results</b>			
Revenue	31,013.9	34,044.7	28,230.2
Profit before tax	3,071.6	5,206.4	3,572.2
Tax expenses	(730.8)	(1,453.9)	(889.1)
Profit for the year	2,340.8	3,752.5	2,683.1
Minority interests	(60.7)	(240.4)	(297.4)
<b>Profit attributable to shareholders</b>	<b>2,280.1</b>	<b>3,512.1</b>	<b>2,385.7</b>
<b>Equity and liabilities</b>			
Share capital	3,004.7	3,004.7	2,755.1
Reserves	18,380.1	18,663.9	14,599.2
Shareholders' equity	21,384.8	21,668.6	17,354.3
Minority interests	621.0	536.3	2,199.8
Non-current liabilities	2,826.8	4,460.3	4,883.9
Current liabilities	10,607.3	9,307.5	8,597.1
Liabilities associated with non-current assets held for sale	-	-	178.7
<b>Total equity and liabilities</b>	<b>35,439.9</b>	<b>35,972.7</b>	<b>33,213.8</b>
<b>Assets</b>			
Property, plant and equipment	9,439.6	8,372.1	7,626.7
Biological assets	2,323.3	2,245.0	2,238.8
Prepaid lease rentals	2,422.7	2,459.2	2,539.5
Investment properties	316.4	220.1	159.1
Land held for property development	605.2	624.0	652.1
Jointly controlled entities	530.9	2.1	7.7
Associates	607.1	1,109.0	1,024.7
Investments	220.0	316.8	389.2
Other non-current assets	932.5	1,044.7	820.3
Current assets	17,983.7	19,559.1	16,970.2
Non-current assets held for sale	58.5	20.6	785.5
<b>Total assets</b>	<b>35,439.9</b>	<b>35,972.7</b>	<b>33,213.8</b>
<b>Financial statistics</b>			
Basic earnings per share (sen)	37.94	59.63	44.16
Gross dividend per share - (sen)	20.30	49.00	*
Net dividend per share (sen)	19.00	38.20	*
Share price as at 30 June (RM)	6.95	9.25	*
Price earnings ratio	18.32	15.51	*
Dividend yield - net (%)	2.73	4.13	*
Dividend cover (times)	2.00	1.56	*
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.56	3.61	3.15
Return on average shareholders' equity (%)	10.59	18.00	14.57
Debt to equity ratio	0.25	0.22	0.31



\* 30 June 2007 results are consolidated by applying the predecessor method of merger accounting. However, the statistics on per share basis for the year ended 2007 are not meaningful for comparison purposes.

SEGMENT REVENUE

Year Ended 30 June (RM million)							
	Plantation	Property	Industrial	Motors	Energy & Utilities	Healthcare & Others	Group
2009	10,657.9	1,407.5	7,870.1	7,510.3	2,939.4	628.7	31,013.9
2008	13,162.3	1,420.0	7,222.6	7,926.3	3,164.9	1,148.6	34,044.7
2007	8,164.7	1,693.6	6,668.9	7,017.1	2,300.5	2,385.4	28,230.2

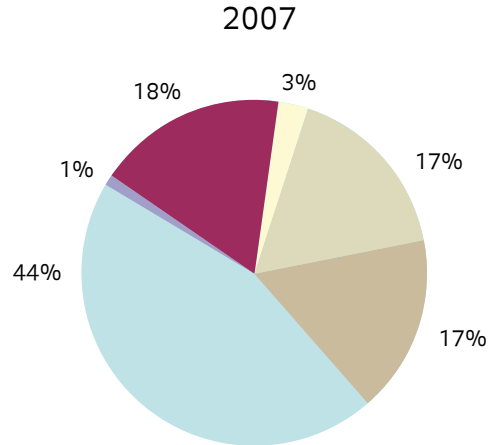
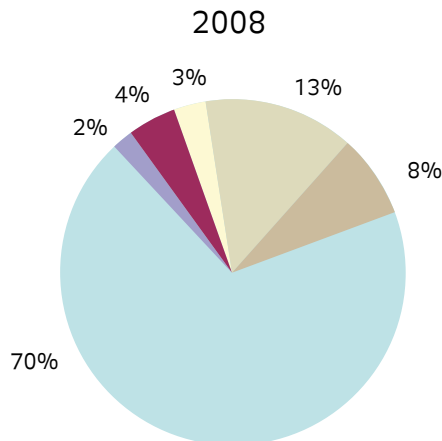
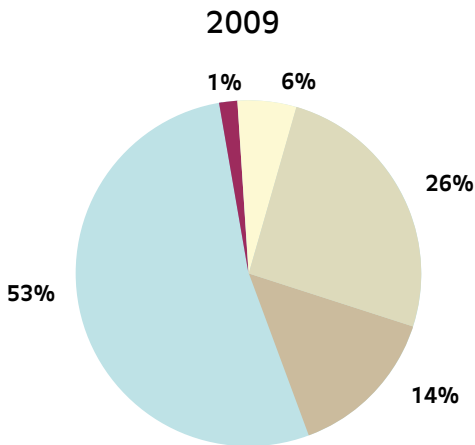
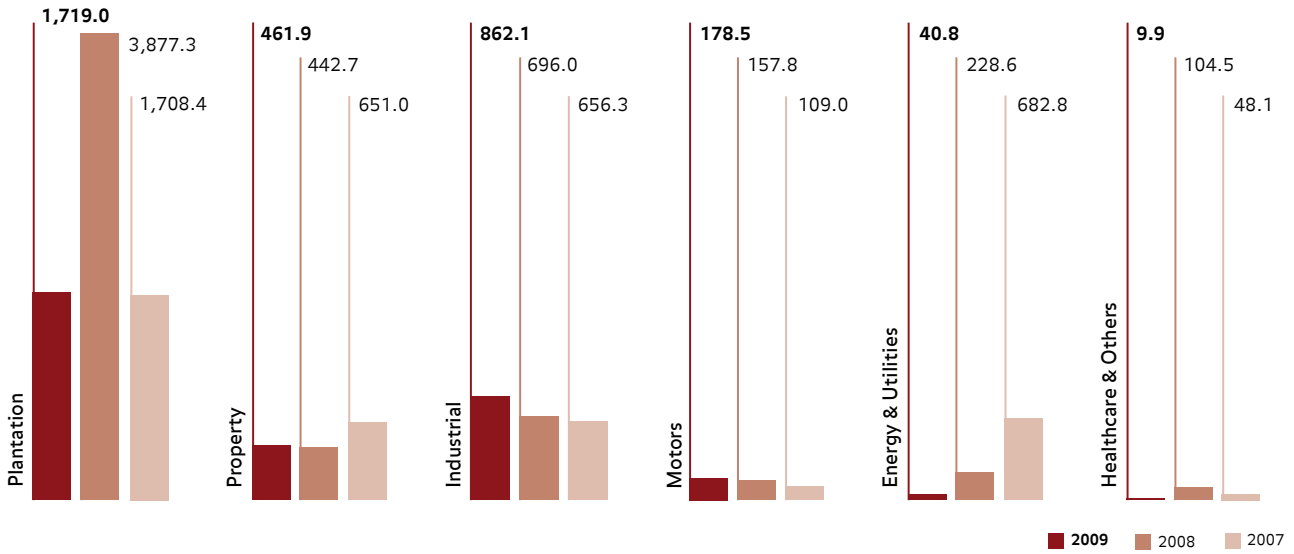


■ Plantation    ■ Property    ■ Industrial  
■ Motors    ■ Energy & Utilities    ■ Healthcare & Others

8 3 YEARS FINANCIAL SUMMARY

SEGMENT RESULTS

Year Ended 30 June (RM million)							
	Plantation	Property	Industrial	Motors	Energy & Utilities	Healthcare & Others	Group
2009	1,719.0	461.9	862.1	178.5	40.8	9.9	3,272.2
2008	3,877.3	442.7	696.0	157.8	228.6	104.5	5,506.9
2007	1,708.4	651.0	656.3	109.0	682.8	48.1	3,855.6



■ Plantation    ■ Property    ■ Industrial  
■ Motors    ■ Energy & Utilities    ■ Healthcare & Others



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**PLANTATION**

# 10 GROUP STRUCTURE

AS AT 30 JUNE 2009



## SIME DARBY BERHAD



### Plantation

- Sime Darby Plantation Sdn Bhd
- PT Anugerah Sumbermakmur
- PT Minamas Gemilang
- Sime Darby Plantation Investment (Liberia) Private Limited
- Mulligan International BV



### Property

- Sime Darby Property Bhd
- Sime Darby Properties Singapore Limited
- Weifang Sime Darby Property Co Ltd
- Sime Darby Australia Limited



### Industrial

- Sime Darby Industrial Sdn Bhd
- Sime Darby Tractors Enterprise Sdn Bhd
- Sime Darby Industrial Holdings Pte Ltd
- The China Engineers (South China) Limited
- Hastings Deering (Australia) Limited



### Motors

- Sime Darby Motors Sdn Bhd
- Sime Singapore Limited
- Sime Darby Motor Group (HK) Limited
- Sime Darby (Thailand) Limited
- Sime Darby Automobiles Pty Ltd



### Energy & Utilities

- Sime Darby Energy Sdn Bhd
- Sime Darby Utilities Sdn Bhd
- Port Dickson Power Berhad
- Sime Darby Engineering Sdn Bhd
- Sime Darby Water Resources Sdn Bhd
- Sime Power Pte Ltd



### Healthcare

- Sime Darby Healthcare Sdn Bhd
- Sime Darby Medical Centre Subang Jaya Sdn Bhd
- Sime Darby Specialist Centre Megah Sdn Bhd

The complete list of subsidiaries, jointly controlled entities and associates and their respective principal activities, country of incorporation and the Group's effective interest are shown in note 47 to the financial statements

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Tun Musa Hitam	(Independent Non-Executive Chairman)
Tun Ahmad Sarji Abdul Hamid	(Non-Independent Non-Executive Deputy Chairman)
Dr. Arifin Mohamad Siregar	(Independent Non-Executive Director)
Tan Sri Samsudin Osman	(Non-Independent Non-Executive Director)
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	(Non-Independent Non-Executive Director)
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	(Independent Non-Executive Director)
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	(Senior Independent Non-Executive Director)
Datuk Seri Panglima Sheng Len Tao	(Independent Non-Executive Director)
Dato' Sri Mohamed Sulaiman	(Non-Independent Non-Executive Director)
Dato' Henry Sackville Barlow	(Independent Non-Executive Director)
Dato' Dr. Abdul Halim Ismail	(Non-Independent Non-Executive Director)
Datin Paduka Zaitoon Dato' Othman	(Non-Independent Non-Executive Director)
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	(President & Group Chief Executive)

## SECRETARY

Norzilah Megawati Abdul Rahman  
(LS 0009247)

## REGISTERED OFFICE

19th Floor, Wisma Sime Darby  
Jalan Raja Laut  
50350 Kuala Lumpur, Malaysia  
Telephone: 603 2691 4122 Facsimile: 603 2382 1075  
Email: enquiries@simedarby.com Website: www.simedarby.com

## SHARE REGISTRAR

Tricor Investor Services Sdn Bhd (Company No.118401-V)  
(formerly known as Tenaga Koperat Sdn Bhd)  
Level 17, The Gardens North Tower  
Mid Valley City, Lingkaran Syed Putra  
59200 Kuala Lumpur, Malaysia  
Telephone: 603 2264 3883 Facsimile: 603 2282 1886

## AUDITORS

PricewaterhouseCoopers (AF: 1146)  
Chartered Accountants  
Level 10, 1 Sentral, Jalan Travers  
Kuala Lumpur Sentral  
50470 Kuala Lumpur, Malaysia  
Telephone: 603 2173 1188 Facsimile: 603 2173 1288

## INCORPORATION

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

Main Market of Bursa Malaysia Securities Berhad (Listed since 30 November 2007).  
Stock Code : 4197  
Stock Name : SIME

## PLACE OF INCORPORATION AND DOMICILE

Malaysia



*Seated from left:*

*Tun Musa Hitam (Chairman), Tun Ahmad Sarji Abdul Hamid (Deputy Chairman)*

*Standing from left:*

*Norzilah Megawati Abdul Rahman (Group Secretary), Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (President & Group Chief Executive), Dato' Dr. Abdul Halim Ismail, Dato' Henry Sackville Barlow, Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin, Dr. Arifin Mohamad Siregar, Tan Sri Samsudin Osman, Dato' Sri Mohamed Sulaiman, Tan Sri Datuk Dr. Ahmad Tajuddin Ali, Datuk Seri Panglima Sheng Len Tao, Datin Paduka Zaitoon Dato' Othman, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda*





## PROFILE OF DIRECTORS

### TUN MUSA HITAM

Tun Musa Hitam, 75, a Malaysian, is an Independent Non-Executive Director and the Chairman of the Board of Sime Darby Berhad. He was appointed to the Board on 29 September 2007.

Tun Musa is also currently the Chairman of Lion Industries Corporation Berhad and United Malayan Land Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad, Yayasan Sime Darby and the CIMB Group's International Advisory Panel.

Prior to this, Tun Musa held a number of key positions, including Chairman of Federal Land Development Authority (FELDA) and Kumpulan Guthrie Berhad. Tun Musa has held the portfolios of the Deputy Minister of Trade and Industry, Minister of Primary Industries and Minister of Education, before becoming Malaysia's fifth Deputy Prime Minister and Minister of Home Affairs from 1981 to 1986.

Between 1990 and 1991, he was Malaysia's Special Envoy to the United Nations and also led the Malaysian delegation to the United Nations Commission on Human Rights from 1993 to 1998 and was elected Chairman of the 52nd Session of the Commission in 1995. From 1995 to 2002, he was the Prime Minister's Special Envoy to the Commonwealth Ministerial Action Group. In 2005, he was Joint-Chairman of the Eminent Persons Group to chart out the Association of South East Asian Nations (ASEAN)/China's next 15 years' programme and was appointed as Chairman of the Eminent Persons Group to draft the ASEAN Charter.

Tun Musa obtained his Bachelor of Arts degree from the University of Malaya and Masters degree in International Relations from the University of Sussex, United Kingdom. He has had several honours bestowed upon him including Honorary Doctorates from the University of Sussex, Universiti Malaysia Sabah, University of Malaya and Universiti Teknologi MARA, and fellowships from the Malaysian Institute of Management and the Centre for International Affairs, Harvard University.

Tun Musa chairs the Nomination Committee and the Strategic Investment Committee of the Board. He does not have 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. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

### TUN AHMAD SARJI ABDUL HAMID

Tun Ahmad Sarji Abdul Hamid, 71, a Malaysian, is a Non-Independent Non-Executive Director and the Deputy Chairman of the Board of Sime Darby Berhad. He was appointed to the Board on 29 September 2007.

Tun Ahmad Sarji holds a Bachelor of Arts (Honours) degree from University of Malaya, a Diploma in Public Administration from The Institute of Social Studies, The Hague and a Masters in Public Administration from Harvard University. He was conferred the Honorary Doctor of Science in Management by Universiti Utara Malaysia, Doctor of Letters by Universiti Malaysia Sarawak, Doctor in Business Administration by Nottingham-Trent University, United Kingdom and Doctor in Management from the International Islamic University Malaysia.

Tun Ahmad Sarji is currently the Chairman of various companies including Permodalan Nasional Berhad, NCB Holdings Berhad and I&P Group Sdn Bhd. He is also a member of the Board of Trustees of Yayasan Pelaburan Bumiputra and director of several other private limited companies. He was the Chief Secretary to the Government from 1990 to 1996.

Tun Ahmad Sarji is a member of the Nomination Committee of the Board. He does not have any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad, nor has any personal interest in any business arrangement involving the Company. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

### DR. ARIFIN MOHAMAD SIREGAR

Dr. Arifin Mohamad Siregar, 75, an Indonesian, is an Independent Non-Executive Director. He was appointed to the Board on 29 September 2007.

Dr. Arifin is currently a member of the Board of Commissioners of PT Austindo and of PT Cabot Indonesia. He is also an Advisor of Ancora Capital Management (Asia) Limited, a private equity fund, since December 2008. Until June 2008, he was the Chairman of the Board of Commissioners of PT Medco Energy International Tbk, the largest private national oil company in Indonesia. He was also an International Advisor to Goldman Sachs (Asia) LLC for eight (8) years until July 2006.

From 1993 to 1997, Dr. Ariffin was the Indonesian Ambassador to the United States of America. He served as the Minister of Trade of Indonesia from 1988 to 1993. Following his Deputy-Governorship of Bank Indonesia of twelve (12) years, he was the Governor of Bank Indonesia from 1983 to 1988. From 1979 to 1987, Dr. Ariffin was the Chairman of the Indonesian Economic Association. Dr. Ariffin served as the Chairman of the Board of EKONID, the Indonesian-German Chamber of Commerce and Industry from 1999 to 2003. Since December 1994, he has been a member of the Board of Trustees of the United States-Indonesia Society (USINDO) and was appointed as its Co-Chairman in April 2007. Dr. Ariffin has also been the Chairman of the Governing Board of the Indonesia Council on World Affairs (ICWA) since January 1999. In addition, he has been a member of the Board of Trustees of the World Wide Fund for Nature (WWF) Indonesia since December 1999. In December 2008, Dr. Ariffin was appointed as a member of the Indonesia-Netherlands Association (INA) & The Indonesian-Benelux Chamber of Commerce. Since August 2001, he has been a member of the Board of Governors of the Asian Institute of Management, Manila.

Dr. Ariffin holds a PhD in Economics from Munster University in Germany. He has extensive experience with international financial institutions. During his tenure as the Governor of Bank Indonesia, he served as the Governor of the World Bank and the alternate Governor of the Islamic Development Bank. He also held several posts with the International Monetary Fund (IMF), including the IMF's resident representative in Laos (1969 to 1971) and alternate Governor from 1973 to 1988. From 1961 to 1965, he worked as an economist with the United Nations in New York and Beirut, Lebanon. Dr. Ariffin has broad leadership experience in economics, finance and diplomacy. His experience includes participating as Chief and Advisor in Indonesian delegations to numerous international and regional conferences, including GATT Uruguay Rounds from 1988 to 1993, Asia Pacific Economic Cooperation (APEC) from 1988 to 1993 and the Association of South East Asian Nations (ASEAN) from 1972 to 1993. Dr. Ariffin speaks fluent Dutch, English and German, and has a working knowledge of French.

Dr. Ariffin is a member of the Nomination Committee of the Board. He does not have 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. He attended eleven (11) out of the twelve (12) Board Meetings held in the year ended 30 June 2009.

#### TAN SRI SAMSUDIN OSMAN

Tan Sri Samsudin Osman, 62, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 19 December 2008.

Tan Sri Samsudin holds a Bachelor of Arts (Honours) degree and a Diploma in Public Administration from University of Malaya, and a Masters in Public Administration from Pennsylvania State University, USA.

Tan Sri Samsudin is at present the President of Perbadanan Putrajaya. He is also the Chairman of the Employees Provident Fund (EPF) Board, EPF Investment Panel, Universiti Utara Malaysia and BIMB Holdings Berhad.

Tan Sri Samsudin was the Chief Secretary to the Malaysian Government from 2001 to 2006. He was also the Secretary General for two (2) ministries, the Ministry of Home Affairs (1996) and the Ministry of Domestic Trade and Consumer Affairs (1994).

Tan Sri Samsudin chairs the Tender Committee of the Board. He does not have any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad except by virtue of being a nominee Director of the EPF Board, nor has any personal interest in any business arrangement involving the Company. He attended five (5) out of the six (6) Board Meetings held from the date of his appointment on 19 December 2008 to 30 June 2009.

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

Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin, 69, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Tan Sri Dato' Dr. Wan Mohd. Zahid is currently the Chairman of Universiti Teknologi MARA, FEC Cables (M) Sdn Bhd and Kolej Universiti Teknologi dan Pengurusan Malaysia. He is also a Director of Permodalan Nasional Berhad, Amanah Saham Nasional Bhd, Yayasan Felcra Bhd, Perbadanan Usahawan Nasional Bhd, SP Setia Berhad and Yayasan Sime Darby. He was formerly the Chairman of Berger International Ltd based in Singapore, and Deputy Chairman of International Bank Malaysia Berhad.

## 16 PROFILE OF DIRECTORS

Tan Sri Dato' Dr. Wan Mohd. Zahid holds a Bachelor of Arts (Honours) degree from University of Malaya, Masters from Stanford University and PhD from University of California, Berkeley. He underwent a course in business management under the Advanced Management Program at Harvard Business School. He started his career as a teacher, moving up to principal level and eventually held various positions in the Ministry of Education. His last post prior to retirement was as Director-General of Education.

Tan Sri Dato' Dr. Wan Mohd. Zahid is a member of the Risk Management Committee, the Strategy Task Force and the Tender Committee of the Board. He does not have any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad, nor has any personal interest in any business arrangement involving the Company. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

#### TAN SRI DATUK DR. AHMAD TAJUDDIN ALI

Tan Sri Datuk Dr. Ahmad Tajuddin Ali, 61, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Tan Sri Datuk Dr. Ahmad Tajuddin holds a Bachelor of Science (Engineering) First Class Honours degree from King's College, University of London and a Doctorate in Nuclear Engineering from Queen Mary College, University of London. He is a graduate of Harvard Business School's Advanced Management Programme and was conferred the Honorary Doctor of Science from Universiti Putra Malaysia, Doctor of Engineering from Universiti Tenaga Nasional and Honorary Doctor of Science from Universiti Malaysia Terengganu.

Tan Sri Datuk Dr. Ahmad Tajuddin is currently the Chairman of UEM Group Berhad, UEM Land Holdings Berhad and Malaysian Oxygen Berhad. He also sits on the boards of Bangi Golf Berhad and several other private limited companies. Tan Sri Datuk Dr. Ahmad Tajuddin is a Registered Professional Engineer with the Board of Engineers, a Fellow of the Institution of Engineers Malaysia and a Foundation Fellow of the Academy of Science, Malaysia. He is the Chairman of the Malaysian Standards and Accreditation Council, a member of the Governing Council of the International Organisation for Standardisation (ISO), Geneva and a member of the Governing Council for the Federation of Malaysian Manufacturers.

Tan Sri Datuk Dr. Ahmad Tajuddin chairs the Risk Management Committee of the Board and is a member of the Audit Committee, the Nomination Committee, the Strategy Task Force, the Tender Committee and the Strategic Investment Committee of the Board. He does not have 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. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

#### RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, 62, a Malaysian, is the Senior Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Raja Tan Sri Dato' Seri Arshad is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants and served on its Council for twenty four (24) years, three (3) years of which as its President.

Raja Tan Sri Dato' Seri Arshad is currently a Director of Khazanah Nasional Berhad and Equiti Nasional Berhad, a member of the Tax Panel Review and Pro Chancellor of Universiti Industri Selangor. He is also the Chairman of Yayasan Raja Muda Selangor.

Raja Tan Sri Dato' Seri Arshad is the former Executive Chairman and Senior Partner of PricewaterhouseCoopers (PwC) Malaysia. He was also Chairman of the Leadership Team of PwC Asia 7, a member of the PwC Global Leadership Team, PwC Global IFRS Board and Standards Advisory Council of the International Accounting Standards Board. Raja Tan Sri Dato' Seri Arshad was formerly the Chairman of the Malaysian Accounting Standards Board and Danamodal Nasional Berhad.

Raja Tan Sri Dato' Seri Arshad chairs the Audit Committee of the Board and is a member of the Remuneration Committee and the Risk Management Committee of the Board. He does not have 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. He attended ten (10) out of the twelve (12) Board Meetings held in the year ended 30 June 2009.

**DATUK SERI PANGLIMA SHENG LEN TAO**

Datuk Seri Panglima Sheng Len Tao, 63, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Datuk Seri Panglima Sheng is a Chartered Accountant by training and holds a First Class Honours Degree in Economics and an Honorary Doctorate of Law from the University of Bristol, United Kingdom.

Datuk Seri Panglima Sheng is currently the Chief Adviser to the China Banking Regulatory Commission. He also sits on the Boards of the Qatar Financial Centre Regulatory Authority and Khazanah Nasional Berhad. He is a member of the Advisory Council of the Iskandar Regional Development Authority (IRDA), the International Advisory Panel of the Labuan Offshore Financial Services Authority (LOFSA), the Governing Council of the International Centre for Education in Islamic Finance (INCEIF), the Advisory Council of the National Institute of Securities Market, India (NISM), the National Economic Advisory Council and the International Advisory Council of the China Investment Corporation. Datuk Seri Panglima Sheng is currently an Adjunct Professor at the University of Malaya and Graduate School of Economics and Management, Tsinghua University, Beijing, China.

Among his previous appointments include as Chairman of the Securities and Futures Commission of Hong Kong, Deputy Chief Executive at the Hong Kong Monetary Authority, Senior Manager of Financial Sector Development at the World Bank, as well as various senior positions including Chief Economist and Assistant Governor at Bank Negara Malaysia.

Datuk Seri Panglima Sheng is a member of the Audit Committee, the Remuneration Committee, the Risk Management Committee and the Strategy Task Force of the Board. He does not have 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. He attended ten (10) out of the twelve (12) Board Meetings held in the year ended 30 June 2009.

**DATO' SRI MOHAMED SULAIMAN**

Dato' Sri Mohamed Sulaiman, 71, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Dato' Sri Mohamed is a Certified Public Accountant, Australia. He spent his career in the plantation industry starting as an Accountant with Dunlop Estates Berhad (Dunlop), a plantation company, then based in Melaka. He stayed with Dunlop for fourteen (14) years having risen to the position of Finance Director and joined Sime Darby Plantations Berhad as Finance Director in 1982.

In 1985, he was seconded to Sime UEP Properties Berhad as its Managing Director before returning to Kumpulan Sime Darby Berhad in 1990 as a Divisional Director of Sime Darby Plantations Berhad and Managing Director of Consolidated Plantations Berhad. He has vast experience in the field of corporate management, plantations, property and finance. Dato' Sri Mohamed is also the Honorary Consul for the Republic of Slovenia in Kuala Lumpur.

Dato' Sri Mohamed chairs the Remuneration Committee and the Strategy Task Force of the Board and is a member of the Audit Committee of the Board. He does not have any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad, nor has any personal interest in any business arrangement involving the Company. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

**DATO' HENRY SACKVILLE BARLOW**

Dato' Henry Sackville Barlow, 65, a British national, is an Independent Non-Executive Director. He was appointed to the Board on 29 September 2007.

Dato' Barlow was educated at Eton College and obtained his Bachelor and Master of Arts degrees from University of Cambridge, United Kingdom. He is also a Fellow of the Institute of Chartered Accountants in England and Wales.

Dato' Barlow is currently a Director of HSBC Bank Malaysia Berhad and The International and Commonwealth University of Malaysia Berhad.

Dato' Barlow has over 35 years of experience in the plantation industry and was formerly the Finance Director of Barlow Boustead Estates Agency Sdn Berhad and Joint Managing Director of Highlands & Lowlands Berhad. He is also a former Council Member of the Incorporated Society of Planters and is currently Honorary Secretary of the Heritage Trust of Malaysia, and Honorary Treasurer of the Malaysian Branch of the Royal Asiatic Society.

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Dato' Barlow is a member of the Audit Committee, the Remuneration Committee, the Strategy Task Force and the Tender Committee of the Board. He does not have 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. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

**DATO' DR. ABDUL HALIM ISMAIL**

Dato' Dr. Abdul Halim Ismail, 70, a Malaysian, is a Non-Independent Non-Executive Director. He was appointed to the Board on 29 September 2007.

Dato' Dr. Abdul Halim holds a Bachelor of Arts (Honours) degree from University of Malaya and a Doctor of Philosophy (DPhil) in Economics from Oxford University, England.

Dato' Dr. Abdul Halim is at present an Executive Director of BIMB Securities Sdn Bhd. He is also a Director of BIMB Holdings Berhad and Institut Kefahaman Islam Malaysia (IKIM), as well as a member of the Shariah Advisory Councils of both the Securities Commission and Bank Negara Malaysia.

Dato' Dr. Abdul Halim was formerly the Managing Director of Bank Islam Malaysia Berhad and General Manager and Chief Economist of Bank Bumiputera Malaysia Berhad.

Dato' Dr. Abdul Halim is a member of the Remuneration Committee of the Board. He does not have any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad, nor has any personal interest in any business arrangement involving the Company. He attended eleven (11) out of the twelve (12) Board Meetings held in the year ended 30 June 2009.

**DATIN PADUKA ZAITOON DATO' OTHMAN**

Datin Paduka Zaitoon Dato' Othman, 69, a Malaysian, is a Non-Independent Non-Executive Director. She was appointed to the Board on 29 September 2007.

Datin Paduka Zaitoon is a Barrister-At-Law (Lincoln's Inn, London) and an Advocate & Solicitor of the High Court of Malaya and has been practising in her own legal firm for

more than thirty (30) years. She sits on various company boards and councils, including Yayasan Sime Darby.

Datin Paduka Zaitoon is a Commissioner of the Human Rights Commission of Malaysia (SUHAKAM). She is Advisor to the Muslim Lawyers Association Malaysia where she had been the President for several years. She is a member of the Board of the Institute of Legal and Judicial Training, a member of the National Women's Advisory Council and President of Persatuan Perwarisan Harta Malaysia (Malaysian Legacy Management Association). She represents the Muslim Lawyers Association in Gagasan Badan Ekonomi Melayu (GABEM), and is also the President of Protect and Save the Children Association (PSC).

Datin Paduka Zaitoon has been, for several years, a member of the Disciplinary Board of the Malaysian Legal Profession.

Datin Paduka Zaitoon was in the Malaysian Judicial and Legal Services and became the first woman Deputy Public Prosecutor in Malaysia. She was also a Magistrate, President of the Sessions Court and the Departmental Solicitor in the Public Trustee's office. She also held the positions of Senior Assistant Registrar and Deputy Registrar of the High Court of Malaya, Federal Counsel (Civil Division) Attorney General's Chambers and the Deputy Director of the Legal Aid Bureau.

Datin Paduka Zaitoon is a member of the Risk Management Committee of the Board. She does not have any family relationship with and is not related to any director and/or major shareholder of Sime Darby Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad, nor has any personal interest in any business arrangement involving the Company. She attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

**DATO' SERI AHMAD ZUBAIR @ AHMAD ZUBIR HAJI MURSHID**

Dato' Seri Ahmad Zubir Murshid, 52, a Malaysian, is the President & Group Chief Executive of Sime Darby Berhad. He was appointed to the Board on 14 September 2007.

Dato' Seri Ahmad Zubir holds a degree in Industrial Engineering from the University of Wales, United Kingdom. He has held many senior positions in the Kumpulan Sime Darby Berhad (KSDB) Group since he first joined the Group in 1981.

Prior to his current appointment, he was the Group Chief Executive of KSDB and Managing Director of Continental Sime Tyre PJ Sdn Bhd (formerly known as DMIB Berhad) as well as the Divisional Director of KSDB's Heavy Equipment/Power and Allied Products Division.

Dato' Seri Ahmad Zubir is a member of the Tender Committee and the Strategic Investment Committee of the Board. He does not have 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 except by virtue of being the President & Group Chief Executive of Sime Darby Berhad. He attended all of the twelve (12) Board Meetings held in the year ended 30 June 2009.

20 | MANAGEMENT TEAM



*Standing from left:*

*Tong Poh Keow (Group Chief Financial Officer), Nik Muhammad Hanafi Nik Abdullah (Senior Vice President/Head of Group Corporate Assurance), Scott William Cameron (Executive Vice President, Industrial Division), Norzilah Megawati Abdul Rahman (Group Secretary), Dato' Tunku Putra Badlishah Ibni Tunku Annuar (Executive Vice President, Property Division), Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (President & Group Chief Executive), Mohamed Ishak Abdul Hamid (Executive Vice President, Group Human Resources)*





*Standing from right:*

*Dato' Louis Lu Desheng (Executive Vice President, China Operations), Dato' Lawrence Lee (Executive Vice President, Motors Division), Dato' Azhar Abdul Hamid (Executive Vice President, Plantation Division), Hisham Hamdan (Executive Vice President, Group Strategy and Business Development), Dato' Sekhar Krishnan (Executive Vice President, Group Corporate Services), Dato' Abd Wahab Maskan (Group Chief Operating Officer), Dato' Mohamad Shukri Baharom (Executive Vice President, Energy & Utilities Division)*

## 22 | MANAGEMENT TEAM

**DATO' ABD WAHAB MASKAN**

Malaysian, Group Chief Operating Officer.

Dato' Abd Wahab was the Senior Executive Vice President of the Property Division of Sime Darby Berhad. He was formerly the Group Chief Executive of Kumpulan Guthrie Berhad (KGB) and Golden Hope Plantations Berhad. He has held various executive and non-executive positions in companies in Malaysia, Europe and Asia, both listed and non-listed, covering estate and plantation management, refinery and oleochemicals, trading and marketing, property development and investment, engineering and construction and manufacturing.

Dato' Abd Wahab holds a Bachelor of Science degree in Estate Management from the University of Reading, United Kingdom and is a Fellow of both the Royal Institution of Chartered Surveyors (England and United Kingdom) and the Institution of Surveyors (Malaysia) and a Fellow of Incorporated Society of Planters. He is also a member of the Financial Reporting Foundation of the Ministry of Finance and the Board of Governors of Malaysia Property Incorporated and the Malaysian Institute of Directors.

**DATO' AZHAR ABDUL HAMID**

Malaysian, Executive Vice President of the Plantation Division.

Dato' Azhar began his career with British Telecom Plc, United Kingdom as an Internal Audit Manager. He joined Kumpulan Sime Darby Berhad (KSDB) Group in 1994 as the Financial Controller of Sime Tyres International Sdn Bhd. He was appointed by Permodalan Nasional Berhad as Group Chief Executive of Pernas International Holdings Bhd from November 2001 to October 2002. He was the Managing Director of Tractors Malaysia Holdings Berhad and concurrently, the Divisional Director for KSDB's Heavy Equipment Division in the Asia Pacific, covering China, Hong Kong, Malaysia, Singapore and the Philippines. Before he assumed his present position, he was the Divisional Director of KSDB's Plantations & Food Division. Dato' Azhar is a member of the Association of Chartered Certified Accountants, United Kingdom and the Malaysian Institute of Accountants.

**DATO' TUNKU PUTRA BADLISHAH IBNI TUNKU ANNUAR**

Malaysian, Executive Vice President of the Property Division.

Dato' Tunku Putra Badlishah joined KSDB in 1989 and has held various senior positions within the KSDB Group, amongst them, Managing Director of Auto Bavaria, Operations Director of Sime UEP Properties Berhad and Director - Group Property of KSDB. He was the Executive Vice President, Property Development & Strategic Investments, Property Division of Sime Darby Berhad prior to his present appointment. Dato' Tunku Putra Badlishah holds an Honours degree in Business Administration and has attended numerous management courses including the Senior Management Development Program conducted by the Harvard Business School.

**DATO' LAWRENCE LEE**

Singaporean, Executive Vice President of the Motors Division.

Dato' Lee was the Divisional Director of KSDB's Motors Division before he assumed his present position. He was also the Managing Director of the subsidiaries within the Hyundai Group of KSDB's Motors Division and had previously managed KSDB's Motors Division in Singapore, Australia, New Zealand and the People's Republic of China, including Hong Kong and Macau. He is an Accountant by profession and a Fellow of the Institute of Chartered Accountants in England and Wales.

**SCOTT WILLIAM CAMERON**

Australian, Executive Vice President of the Industrial Division.

Mr Cameron began his career with Pricewaterhouse in Brisbane, Sydney and New York before joining Hastings Deering as the Finance Director. He was formerly the Managing Director of the Hastings Deering Group of Caterpillar Dealerships which covers Queensland, Northern Territory, Papua New Guinea and Solomon Islands prior to his present appointment. He holds a degree in Commerce from University of Queensland, Australia and is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors. He has also attended Harvard Business School's Advanced Management Programme in Boston.

**DATO' MOHAMAD SHUKRI BAHAROM**

Malaysian, Executive Vice President of the Energy & Utilities Division.

Dato' Mohamad Shukri was the Divisional Director of KSDB's Energy & Utilities Division before he assumed his present position. Prior to that, he has held several senior managerial positions in the KSDB Group, amongst them Managing Director of Sime Engineering Services Berhad, Chief Executive Officer of Continental Sime Tyre Sdn Bhd and Works Director of DMIB Berhad as well as Sime Tyres International (M) Berhad. He holds a degree in Electronics from Universiti Kebangsaan Malaysia and is an associate member of the Harvard Business School Alumni Club of Malaysia.

**DATO' LOUIS LU DESHENG**

A Chinese national, Executive Vice President – China Operations.

Prior to his current appointment, Dato' Lu was the Chief Executive Officer of an investment corporation group in China. He holds a Finance Degree from Peking University as well as a Masters in Architecture from the Italy Industrial University.

**TONG POH KEOW**

Malaysian, Group Chief Financial Officer.

Madam Tong was the Chief Financial Officer of the Plantation Division of Sime Darby Berhad prior to her present appointment in June 2008. She was formerly Head of Group Finance and Administration, and Chief Finance Officer of KGB. She joined the KGB Group in 1983 as an Accountant-cum-Assistant Company Secretary for Highlands & Lowlands Berhad before becoming General Manager, Accounting and Financial Reporting and thence Group General Manager, Finance (Group Accounting and Financial Reporting). She is a member of the Malaysian Institute of Accountants, a member of the Institute of Chartered Secretaries and Administrators United Kingdom and a Fellow of the Association of Chartered Certified Accountants, United Kingdom.

**HISHAM HAMDAN**

Malaysian, Executive Vice President of Group Strategy and Business Development (also responsible for the Healthcare business).

Encik Hisham joined the KSDB Group in September 2004. Prior to joining the group, he was an Investment Banker with Dresdner Kleinwort Wasserstein handling corporate finance and origination. He has also worked as an Equity Research Analyst in various investment banks in Kuala Lumpur, amongst them Dresdner Kleinwort Benson, Santander Research, Peregrine and Swiss Bank Corp/PB Securities. He has also worked in the Corporate Finance Department of Malakoff Berhad and as a Process Engineer in Arvin Industries, United States of America. He holds two separate degrees in Chemical Engineering and Industrial Management from Purdue University, United States of America.

**DATO' SEKHAR KRISHNAN**

Malaysian, Executive Vice President of Group Corporate Services.

Dato' Sekhar is responsible for managing the legal and secretarial functions as well as the commodity trading and marketing activities, and the non-core business operations of the Group. He began his career with Peat, Marwick, Mitchell & Co. (now known as KPMG) and subsequently joined the KSDB Group in 1982. He has held various senior financial positions within the KSDB Group, amongst them Finance Director of Sime UEP Properties Berhad, Group Financial Controller of KSDB and Finance Director of Tractors Malaysia Holdings Berhad. Prior to his present position, he was the Group Chief Financial Officer of KSDB. He is a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.

## 24 | MANAGEMENT TEAM

**MOHAMED ISHAK ABDUL HAMID**

Malaysian, Executive Vice President of Group Human Resources.

Encik Mohamed Ishak joined Dunlop Malaysian Industries Berhad (DMIB) in 1975 as a management trainee and has gone on to hold various positions within DMIB. He was later appointed as the Managing Director of Simex Aircraft Tyre Company for nine years before returning to the Tyre Division as Head of Group Human Resource. Encik Mohamed Ishak was appointed as Group Manager, Human Resource for KSDB's Heavy Equipment / Power and Allied Products Division and assumed the position of Group Head-Human Resource in KSDB in 2005 prior to his present position. He holds a Masters in Business Administration from Ohio University, United States of America.

**NORZILAH MEGAWATI ABDUL RAHMAN**

Malaysian, Group Secretary.

Puan Norzilah was the Head, Group Legal & Compliance of KGB prior to her present appointment. She joined KGB in 1994 as Manager, Group Chief Executive's Office and was subsequently promoted to Controller, Corporate Business Development and Monitoring, and thereafter appointed as Director of Corporate Business Development and Human Resource. She has also served as an Executive in many areas, amongst them 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. She holds a degree in Law from the University of Malaya, Kuala Lumpur and is a licensed Company Secretary.

**NIK MUHAMMAD HANAFI NIK ABDULLAH**

Malaysian, Senior Vice President / Head of Group Corporate Assurance.

Encik Nik Muhammad Hanafi was the Senior General Manager of Finance for the KGB Group's Indonesian operations based in Jakarta from September 2005 until his appointment to the present position. He has over 20 years' experience in various management and senior management positions in various industries including oil palm plantation & milling, construction, takaful and finance, and had worked for various groups and companies including KGB, MNI Group / Takaful Nasional (now known as Etiqa), DRB-Hicom Group and Pamol

Plantations Sdn Bhd (then under Unilever Plantation Group). His previous work experience includes positions in Accounting & Finance (including administration and corporate services encompassing HR management, corporate communications, procurement and IT), Management Information Systems, Credit Financing & Marketing, Business Development, and Credit Control & Recovery. Encik Nik Muhammad holds a Bachelor of Arts in Accounting degree from University of Canberra, Australia.

# REPORT ON THE AUDIT COMMITTEE

## REPORT ON THE AUDIT COMMITTEE

The Board of Directors of Sime Darby Berhad is pleased to present the report on the Audit Committee of the Board for the year ended 30 June 2009.

The Audit Committee was established by a resolution of the Board on 29 September 2007 in line with Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Listing Requirements).

## COMPOSITION AND ATTENDANCE

The Audit Committee during the year comprised four (4) Independent and one (1) Non-Independent Directors. The Chairman of the Audit Committee, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda is a member of the Malaysian Institute of Accountants and also meets the requirements of paragraph 15.09(1)(c) of the Listing Requirements which requires at least one (1) member of the Audit Committee to be a qualified accountant. The Chairman of the Audit Committee reports to the Board on matters deliberated at the Audit Committee meetings. Minutes of each meeting are also circulated to each member of the Board.

A total of six (6) Audit Committee meetings were held during the year. Details of the Audit Committee membership and the attendance of each member at the Audit Committee meetings are as follows:-

Members	Status of directorship	Attendance of meetings
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman of the Committee)	Senior Independent Non-Executive Director	5 out of 6
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	Independent Non-Executive Director	5 out of 6
Datuk Seri Panglima Sheng Len Tao	Independent Non-Executive Director	4 out of 6
Dato' Henry Sackville Barlow	Independent Non-Executive Director	6 out of 6
Dato' Sri Mohamed Sulaiman	Non-Independent Non-Executive Director	5 out of 6

## Terms of Reference

In performing its duties and discharging its responsibilities, the Audit Committee is guided by the Terms of Reference as follows:-

## DUTIES

The duties of the Audit Committee are:-

- a. to oversee the internal control structure to ensure operational effectiveness and protect the Company's and the Group's assets from misappropriation;
- b. to consider for recommendation to the Board of Directors, the appointment, resignation and dismissal of external auditors and the audit fee;
- c. to review the nature and scope of the audits and/or business reviews with the Group Corporate Assurance Department (GCAD) and external auditors before the audit commences;
- d. to review the quarterly and annual financial statements of the Company and the Group focusing on the matters set out below, and thereafter to submit them to the Board:
  - any change in accounting policies and practices, and its implementation;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and regulatory requirements.
- e. to discuss problems and reservations arising from the interim and final audits, and any matter the external auditors may wish to discuss with a view to making a recommendation to the Board;
- f. to review the audit reports prepared by GCAD and external auditors, the major findings and management's responses thereto;
- g. to review the adequacy of the scope, functions and resources of GCAD to be able to undertake its activities independently and objectively and whether it has the necessary authority to carry out its work;
- h. to review the Group Corporate Assurance Plan, the risk assessment and methodology and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
- i. to review any appraisal or assessment of the performance of the executives in GCAD;

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- j. to approve any appointment or termination of senior executives in GCAD;
- k. to be informed of any resignation of executives in GCAD and provide the resigning executive an opportunity to submit his/her reason for resignation;
- l. to consider the report, major findings of internal investigations and management's response thereto;
- m. to review the evaluation of the systems of internal control with the auditors and management information systems;
- n. to review the assistance given by the Company's and the Group's employees to the auditors;
- o. to review related party transactions entered into by the Company and the Group to ensure that such transactions are undertaken on the Group's normal commercial terms and that the internal control procedures with regards to such transactions are sufficient and to review any conflict of interest situations;
- p. to verify allocation of options (if any) pursuant to the employees' share option scheme is in compliance with the criteria for allocation of options under the scheme;
- q. to ensure that proper processes and procedures are in place to comply with all laws, regulations and rules established by all relevant regulatory bodies; and
- r. to undertake any such other functions as may be agreed to by the Committee and the Board.

**AUTHORITY**

The Committee is authorised by the Board:-

- a. to investigate any activity within its Terms of Reference and shall have unrestricted access to GCAD and external auditors and to all employees of the Group;
- b. to have the resources in order to perform its duties as set out in its Terms of Reference;
- c. to have full and unrestricted access to information pertaining to the Company and the Group, their records, properties and personnel;
- d. to have direct communication channels with GCAD and external auditors;
- e. to obtain external legal or other independent professional advice as necessary;
- f. to convene meetings with external auditors, without the attendance of any executive, and if appropriate, the Group Secretary, whenever deemed necessary; and
- g. to have immediate access to reports on fraud or irregularities from the internal auditors.

The Committee shall report to the Board of Directors on matters considered and its recommendations thereon, pertaining to the Company and the Group.

**RESPONSIBILITY**

Where the Committee is of the view that a matter reported by it to the Board of Directors has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee has the responsibility to promptly report such matter to Bursa Malaysia Securities Berhad.

**MEMBERSHIP**

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three members, a majority of whom shall be independent Directors and at least one of whom shall be a member of the Malaysian Institute of Accountants or shall fulfil such other requirements as prescribed in Chapter 15.10 of the Listing Requirements. All members of the Audit Committee shall be non-executive Directors.

No alternate Director shall be appointed as a member of the Committee.

The Chairman of the Committee shall be an independent non-executive Director appointed by the Board.

**REVIEW OF THE COMPOSITION OF THE COMMITTEE**

The term of office and performance of the Committee and each of the members shall be reviewed by the Board of Directors at least once every three years to determine whether the Committee and its members have carried out their duties in accordance with the Terms of Reference.

## MEETINGS AND MINUTES

Meetings shall be held not less than four times a year and the President & Group Chief Executive, Group Chief Financial Officer, Head of GCAD and a representative of the external auditors shall normally be invited to attend the meetings. Other members of the Board may attend the meetings upon the invitation of the Committee. At least twice a year, the Committee shall meet the external auditors without any executives present except the Group Secretary. The quorum shall be two members, both of whom must be independent Directors. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Chairman of the Committee shall report on each meeting to the Board. The Secretary to the Committee shall be the Group Secretary.

### Summary of Activities of the Committee during the Year

In line with the Terms of Reference of the Committee, the following activities were carried out by the Committee during the year ended 30 June 2009 in the discharge of its functions and duties:-

- a. review of the Corporate Assurance and Audit Plans and scope for the year for the Company and the Group prepared by GCAD and the external auditors respectively;
- b. review of the reports for the Company and the Group prepared by GCAD and the external auditors and consideration of the major findings by the auditors and management's responses thereto;
- c. review of the quarterly and annual reports of the Company and the Group prior to submission to the Board of Directors for consideration and approval;
- d. review of the related party transactions entered into by the Company and the Group and the disclosure of such transactions in the annual report of the Company;
- e. recommendation to the Board on the proposed dividend to be paid by the Company;
- f. commissioning of special reviews on specific areas of operations;
- g. review of the minutes of meetings of the audit committees of major subsidiary companies in the Group;
- h. meeting with the external auditors without any executive present except the Group Secretary;
- i. review of the fees of the external auditors;
- j. review of the performance of GCAD staff; and
- k. review of the Report on the Audit Committee, Statement on Internal Control and Statement on Corporate Governance prior to their inclusion in the Company's Annual Report.

### Internal Audit Functions and Activities

The Group has an internal audit function which is carried out by GCAD. The GCAD reports direct to the Audit Committee and its principal activity is to undertake regular and systematic reviews of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group. GCAD has been organised as a centralised department with direct control and supervision for the audit and business analysis functions 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 attainment of such objectives involves the following activities being carried out by GCAD:-

- a. reviewing and appraising the soundness, adequacy and application of accounting, financial and other controls and promoting effective control in the Company and the Group at reasonable cost;
- b. ascertaining the extent of compliance with established policies, procedures and statutory requirements;
- c. ascertaining the extent to which the Company's and the Group's assets are accounted for and safeguarded from losses of all kinds;
- d. appraising the reliability and usefulness of information developed within the Company and the Group for management;
- e. recommending improvements to the existing systems of controls;
- f. carrying out audit work in liaison with the external auditors to maximise the use of resources and for effective coverage of audit risks;
- g. carrying out investigations and special reviews requested by management and/or the Audit Committee of the Company;
- h. carrying out environmental, safety and health audits on the Company and the Group;
- i. identifying opportunities to improve the operations of and processes in the Company and the Group; and
- j. carrying out analyses to determine the efficiency of businesses carried out by the Group.

During the financial year, the total cost incurred for the internal audit function is RM26.3 million.

This report is made in accordance with a resolution of the Board of Directors dated 18 September 2009.

## STATEMENT ON CORPORATE GOVERNANCE

### THE CODE

The Malaysian Code on Corporate Governance (the Code) sets out the principles and best practices on structures and processes that companies may use in their operations towards achieving the optimal governance framework.

The Board of Directors of Sime Darby Berhad (Sime Darby or the Company) is supportive of the adoption of the principles and best practices as enshrined in the Code throughout the Sime Darby Group. The Board recognises that the adoption of the highest standards of governance is imperative for the protection and enhancement of shareholders' value and the performance of the Group.

The Board is pleased to present the following report on the application of the principles and compliance with best practices as set out in the Code throughout the year ended 30 June 2009.

### THE BOARD OF DIRECTORS

The Board has the ultimate and overall responsibility for corporate governance, strategic direction and overseeing the investments of the Group. The Board meets on a scheduled basis at least four (4) times a year. When the need arises, Special Board Meetings are also convened. Among the topics for deliberation are the financial statements and the results of the Company and its subsidiaries, operational activities, strategic and corporate initiatives as well as matters specifically reserved for the Board's decision. Reports by Board Committees are also presented and discussed at the Board Meetings.

Senior management staff and/or external advisors may be invited to attend the Board Meetings to advise the Board and to furnish the Directors with information and clarification needed on relevant items on the agenda to enable them to arrive at a considered decision.

During the year ended 30 June 2009, twelve (12) Board Meetings were held. The following are the details of attendance of each Director:-

Members	Date of appointment	No. of meetings attended since appointment /for the year	Percentage
Tun Musa Hitam (Chairman)	29.09.2007	12 out of 12	100
Tun Ahmad Sarji Abdul Hamid (Deputy Chairman)	29.09.2007	12 out of 12	100
Dr. Arifin Mohamad Siregar	29.09.2007	11 out of 12	92
Tan Sri Samsudin Osman	19.12.2008	5 out of 6	83
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	14.09.2007	12 out of 12	100
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	14.09.2007	12 out of 12	100
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	14.09.2007	10 out of 12	83
Datuk Seri Panglima Sheng Len Tao	14.09.2007	10 out of 12	83
Dato' Sri Mohamed Sulaiman	14.09.2007	12 out of 12	100
Dato' Henry Sackville Barlow	29.09.2007	12 out of 12	100
Dato' Dr. Abdul Halim Ismail	29.09.2007	11 out of 12	92
Datin Paduka Zaitoon Dato' Othman	29.09.2007	12 out of 12	100
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	14.09.2007	12 out of 12	100



## BOARD BALANCE

The Board as at the date of this statement consists of thirteen (13) members. Twelve (12) are non-executive Directors (including the Chairman) and one (1) is an executive Director. Six (6) of the Directors are independent as defined under the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Listing Requirements). The independent Directors are:-

- i. Tun Musa Hitam
- ii. Dr. Arifin Mohamad Siregar
- iii. Tan Sri Datuk Dr. Ahmad Tajuddin Ali
- iv. Raja Tan Sri Dato' Seri Arshad Raja Tun Uda
- v. Datuk Seri Panglima Sheng Len Tao
- vi. Dato' Henry Sackville Barlow

There is optimum board balance and compliance with the independent directors criteria set out under the Listing Requirements. Together, the Directors with their wide experiences in both the public and private sectors and diverse academic backgrounds provide a collective range of skills, expertise and experience which is vital for the successful direction of the Group. A brief profile of each Director is presented on pages 14 to 19.

The Board has also appointed Raja Tan Sri Dato' Seri Arshad Raja Tun Uda as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The Senior Independent Non-Executive Director may be contacted at:-

Telephone : 603 2691 4122 extension 7129  
 Facsimile : 603 2382 1075  
 Email : raja.arshad.uda@simedarby.com

Contact details of the Senior Independent Non-Executive Director are also posted on the Company's website.

There is a distinct and clear division of responsibility between the Chairman and the President & Group Chief Executive to ensure that there is a balance of power and authority. The roles of the Chairman and the President & Group Chief Executive are separated and clearly defined. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the President & Group Chief Executive has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions. The presence of independent non-executive Directors fulfils a pivotal role in corporate accountability. Although all the Directors have equal responsibility for the Group's operations, the role of these independent non-executive Directors is particularly important as they provide unbiased and independent views, advice and judgement to take account of the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the many communities in which the Group conducts business.

## SUPPLY OF INFORMATION

The Board annual meeting calendar is prepared and circulated to all the Directors during the first quarter of each new financial year. The calendar provides the scheduled dates for meetings of the Board, Board Committees and Shareholders. The agenda of each Board Meeting is determined by the Chairman with assistance from the Group Secretary and in consultation with the President & Group Chief Executive.

Prior to Board Meetings, all Directors receive the agenda and a set of Board papers containing information relevant to the matters to be deliberated at the meetings. These are issued in sufficient time to enable the Directors to obtain further information or research, where necessary, in order to be properly prepared before the meeting. The Board papers include, among others, the following:-

- i. minutes of meetings of the Board;
- ii. minutes of meetings of all Committees of the Board;
- iii. minutes of meetings of the Group Management Committee, Group Transformation Committee and Supervisory Committees;
- iv. quarterly financial report and a report on the Group's cash and borrowings position;
- v. annual business plan; and
- vi. shareholding structure and composition of the Company.

In addition, there is a schedule of matters reserved specifically for the Board's decision, including the approval of corporate plans and annual budgets, acquisitions and disposals of undertakings and properties of a substantial value, major investments and financial decisions, and changes to the management and control structure within the Group, including key policies and procedures and delegated authority limits.

## 30 STATEMENT ON CORPORATE GOVERNANCE

All the Directors have direct access to the advice and services of the Group Secretary whether as a full board or in their individual capacities, in the furtherance of their duties. The Directors are regularly updated on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. Directors whether acting as a full board or in their individual capacities may obtain independent professional advice in the furtherance of their duties, at the Company's expense.

**BOARD COMMITTEES**

To assist the Board in discharging its duties, various Board Committees have been established. The functions and terms of references of the Board Committees are clearly defined and, where applicable, comply with the recommendations of the Code.

**a. Audit Committee**

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures that an objective and professional relationship is maintained with the external auditors. Its principal function is to assist the Board in maintaining a sound system of internal control. The Committee has full access to the auditors both internal and external who, in turn, have access at all times to the Chairman of the Committee. The Committee meets with the external auditors without any executive present except for the Group Secretary, at least twice a year.

In line with good corporate governance practice, the executive Director is not a member of the Audit Committee.

The report on the Audit Committee is presented on pages 25 to 27 and the duties of the Audit Committee are included therein.

**b. Remuneration Committee**

The Remuneration Committee is responsible for developing the Group's remuneration policy and determining the remuneration packages of executive employees of the Group. The Committee recommends to the Board of Sime Darby and its subsidiaries, the remuneration to be paid to each non-executive Director for his/her services as a member of the Board as well as Committees of the Board.

The Remuneration Committee is made up entirely of non-executive Directors. During the year ended 30 June 2009, five (5) meetings were held and the attendance of the members were as follows:-

Members	No. of meetings attended	Percentage
Dato' Sri Mohamed Sulaiman (Chairman)	5 out of 5	100
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	2 out of 5	40
Datuk Seri Panglima Sheng Len Tao	5 out of 5	100
Dato' Henry Sackville Barlow	5 out of 5	100
Dato' Dr. Abdul Halim Ismail	5 out of 5	100

**Terms of Reference****Duties**

The duties of the Remuneration Committee are:-

- i. to review and recommend to the Board the compensation and remuneration for non-executive Directors of Sime Darby Berhad;
- ii. subject to item (iii) below:-
  - to review and approve the compensation, remuneration and benefits package for executives of the Sime Darby Group;
  - to review and approve the salary scales for executives of the Sime Darby Group; and
  - to review and approve the annual bonus and salary increment for executives of the Sime Darby Group.
- iii. to review and recommend to the Board the remuneration, compensation and benefits package and the terms and conditions of service of the President & Group Chief Executive and the direct reports of the President & Group Chief Executive;

- iv. to review and recommend to the respective Boards the remuneration for non-executive Directors of the public listed companies (if any) and any other companies in the Sime Darby Group as the Committee deems fit;
- v. to review and approve the extension of service and the compensation and benefits package of executives in the Sime Darby Group who have reached the age of retirement, and
- vi. any such other functions as may be delegated by the Board from time to time.

#### Authority

The Committee is authorised by the Board:

- i. to have full and unrestricted access to information, records, properties and employees of the Company and the Group; and
- ii. to obtain independent professional advice and expertise as necessary to perform its duties.

#### Membership

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom shall be non-executive.

#### Meetings and Minutes

Meetings shall be held as and when necessary. Other members of the Board may attend the meetings upon the invitation of the Committee. The quorum shall be two (2) members. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Chairman of the Committee shall report on each meeting to the Board. The Secretary to the Committee shall be the Executive Vice President - Group Human Resources.

#### c. **Nomination Committee**

The Nomination Committee has been charged with identifying and recommending new nominees to the Boards as well as committees of the Boards of Sime Darby and major subsidiaries. However, all decisions on appointments are made by the respective Boards of the companies after considering the recommendations of the Committee.

During the year ended 30 June 2009, five (5) meetings were held. The members of the Nomination Committee during the year, all of whom are non-executive Directors and three (3) of whom are independent, and their attendance at the meetings were as follows:

Members	No. of meetings attended	Percentage
Tun Musa Hitam (Chairman)	5 out of 5	100
Tun Ahmad Sarji Abdul Hamid	5 out of 5	100
Dr. Arifin Mohamad Siregar	4 out of 5	80
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	5 out of 5	100

#### Terms of Reference

#### Duties

The duties and responsibilities of the Nomination Committee are:-

- i. to consider and recommend the selection criteria for new appointment as Directors of Sime Darby Berhad and its subsidiary companies;
- ii. to consider and recommend to the Board the appropriate size of the Board and to ensure that any term limits within the Articles of Association are adhered to;
- iii. to consider and recommend suitable persons for appointment as Directors of Sime Darby Berhad and its subsidiary companies;
- iv. to consider and recommend Directors for appointment as members of committees of the Board of Sime Darby Berhad and its subsidiary companies;
- v. to consider and approve suitable persons for appointment as Group Chief Executive and executives in Grade 8 in the Sime Darby Group;
- vi. to assess the effectiveness of the Board of Directors as a whole and the committees of the Board as well as the contribution of each individual Director of Sime Darby Berhad and its subsidiary companies;
- vii. to consider and recommend measures to upgrade the effectiveness of the Board and committees of the Board of Sime Darby and its subsidiary companies;

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- viii. to annually review the required mix of skills and experience and other qualities, including core competencies, which non-executive Directors should bring to the Board to ensure that they are in line with the Company's and the Group's requirements;
- ix. to co-ordinate the evaluation process of Directors and the collective Board;
- x. to consider and recommend a policy regarding the period of service of executive and non-executive Directors;
- xi. to consider and recommend solutions on issues of conflict of interest affecting Directors;
- xii. to evaluate and determine the training needs of Directors;
- xiii. to ensure an appropriate framework and succession planning of the Board and the Sime Darby Group; and
- xiv. such other functions as may be delegated by the Board from time to time.

Authority

The Committee is authorised by the Board:-

- i. to have full and unrestricted access to information, records, properties and employees of the Company and the Group; and
- ii. to obtain independent professional advice and expertise as necessary to perform its duties.

Membership

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members, all of whom shall be non-executive and a majority of whom shall be independent.

Meetings and Minutes

Meetings shall be held as and when required. Other members of the Board may attend the meetings upon the invitation of the Committee. The quorum shall be two (2) independent Directors. Minutes of each meeting shall be kept and distributed to each member of the Committee and of the Board. The Chairman of the Committee shall report on each meeting to the Board. The Secretary to the Committee shall be the Group Secretary.

**d. Risk Management Committee**

The Risk Management Committee was established with the primary responsibility of ensuring the effective functioning of the integrated risk management function within the Sime Darby Group. The Committee meets at least once every quarter and as and when required to review specific matters.

During the year ended 30 June 2009, eight (8) meetings were held. The members of the Risk Management Committee during the year, of whom the Chairman is an independent non-executive Director, and their attendance at the meetings were as follows:

Members	No. of meetings attended	Percentage
Tan Sri Datuk Dr. Ahmad Tajuddin Ali (Chairman)	8 out of 8	100
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	7 out of 8	88
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	5 out of 8	63
Datuk Seri Panglima Sheng Len Tao	7 out of 8	88
Datin Paduka Zaitoon Dato' Othman	8 out of 8	100

## Terms of Reference

Duties

The duties of the Risk Management Committee are:-

- i. to provide oversight, direction and counsel to the risk management process;
- ii. to establish risk management guidelines;
- iii. to evaluate the structure for the Group risk management, risk management processes and support system;
- iv. to consider the quarterly report on risks, major findings and management responses thereto on material issues, changing environments and required changes in risk management programmes;
- v. to carry out risk evaluation on all capital expenditure and mergers & acquisitions proposals by the Group companies exceeding RM50 million;
- vi. to review and approve action and contingency plans developed to mitigate key risks; and
- vii. to advise the Board on risk related issues and recommend strategies, policies and risk tolerance for Board approval.

Membership

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than four (4) members. The Chairman of the Committee shall be an independent non-executive Director appointed by the Board.

Meetings and Minutes

The Committee shall meet at least once every quarter and as and when required to review specific matters. The quorum shall be three (3) members. The Secretary to the Committee shall be the Group Secretary.

**e. Strategy Task Force**

The Strategy Task Force was established with the responsibility of reviewing the plans and business strategies of the Sime Darby Group. During the year ended 30 June 2009, seven (7) meetings were held. The members of the Strategy Task Force during the year and their attendance at the meeting were as follows:

Members	No. of meetings attended	Percentage
Dato' Sri Mohamed Sulaiman (Chairman)	7 out of 7	100
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	7 out of 7	100
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	7 out of 7	100
Datuk Seri Panglima Sheng Len Tao	7 out of 7	100
Dato' Henry Sackville Barlow	7 out of 7	100

## Terms of Reference

Duties

The duties of the Strategy Task Force are to:-

## Group Strategy

- i. review the Group's strategic plans for adoption of the Board;
- ii. review the Group's Three-Year and/or Five-Year Management Plan or any other specific Management Plan; and
- iii. review the Group's Capital Allocation and Gearing Plans and the impact of the Plans on the Financial Performance Forecast of the Group.

## Group Business

- i. recommend for approval of the Board the commencement of any new business or expansion of current business for the Group;
- ii. recommend for approval of the Board the closure of any business of the Group; and
- iii. evaluate new and existing investments of the Group.

## Group Organisational and Management Structure

- i. review the organisational and management structure of the Group for endorsement of the Board so as to ensure that the structure is in line with the Group's strategic objectives; and
- ii. ensure that programmes are in place to recruit, develop and retain management and for orderly succession of management.

Authority

The Task Force is authorised by the Board:-

- i. to have full and unrestricted access to information, records, properties and employees of the Group; and
- ii. to obtain independent professional advice and expertise as necessary to perform its duties.

Membership

Members of the Task Force shall be appointed by the Board from amongst their number and shall consist of not more than five (5) members.

Meetings and Minutes

Meetings shall be held as and when required. Other members of the Board may attend the meetings upon invitation of the Task Force. The quorum shall be three (3) members. Minutes of each meeting shall be kept and distributed to each member of the Task Force and the Board. The President & Group Chief Executive shall be invited to attend the meetings of the Task Force. The Secretary to the Task Force shall be the Group Secretary.

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**f. Tender Committee**

The Tender Committee was established on 26 February 2009 with the responsibility of overseeing the process of awarding significant contracts by the Sime Darby Group. No meeting was held since the establishment of the Tender Committee to the financial year ended 30 June 2009.

The members of the Tender Committee during the year were as follows:-

Members
Tan Sri Samsudin Osman (Chairman)
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin
Tan Sri Datuk Dr. Ahmad Tajuddin Ali
Dato' Henry Sackville Barlow
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid

Terms of Reference

Duties

The duties of the Tender Committee are:-

- i. to oversee that the tender process is carried out in accordance with the Group Procurement Policies & Authorities procedures;
- ii. to review and ensure that the tender evaluation criteria are comprehensive and allow for maximum competition among the vendors;
- iii. to review the adequacy of the Tender Evaluation Report which incorporates both the technical and commercial evaluation;
- iv. to deliberate on the Tender Evaluation Report and recommend actions as appropriate:-
  - a. award to the vendor as recommended, or
  - b. recommend price re-negotiation benchmarking against the lowest bidder or market rate, or
  - c. award to vendor other than the one recommended and support with reason(s), or
  - d. propose specification change and to proceed with new tender or to resubmit quotation on changes only or to renegotiate; or
  - e. to keep in view or to cancel the Tender with supporting reason(s)/justification(s).
- v. to award tenders based on merit, always allowing for qualitative consideration and competitive pricing where practical and feasible;
- vi. to participate in the negotiation and/or site visits if such actions will assist in the decision making; and
- vii. to review and approve the Tender Report and to highlight any concern or irregularity in the tender.

Authority

The Committee is authorised by the Board to review, deliberate, approve and award tenders above RM200 million up to RM1 billion.

Membership

The Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members. The Group Chief Operating Officer and the Group Chief Financial Officer may be invited to attend meetings of the Tender Committee.

Meetings and Minutes

The Committee shall meet at least once every quarter and as and when the need arises for deliberation of urgent tenders to meet business needs. The quorum shall be three (3) members. The Secretary to the Committee shall be the Group Secretary or a person recommended by the Group Secretary and approved by the Board.

**g. Strategic Investment Committee**

Subsequent to the financial year end of 30 June 2009, the Strategic Investment Committee was established on 28 July 2009 to enable the Sime Darby Berhad Group to consider and approve investments under the Group's Strategic Investment and Distressed Asset Fund.

The current members of the Strategic Investment Committee are as follows:-

Members
Tun Musa Hitam (Chairman)
Tan Sri Datuk Dr. Ahmad Tajuddin Ali
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid

Terms of Reference

#### Duties

The duties of the Strategic Investment Committee are:-

- i. to review and approve urgent investment decisions on distressed assets and strategic opportunities that cannot wait for the scheduled quarterly Board meetings;
- ii. to ensure that investment decisions in distressed assets and strategic opportunities meet the internal investment criteria of the Group; and
- iii. to periodically consider and recommend to the Board the Group's investment criteria for distressed assets and strategic opportunities.

#### Authority

The Committee is authorised by the Board:-

- i. to approve investments up to RM200 million in each distressed asset.
- ii. to approve investments up to RM500 million in each strategic opportunity.

The above authority limits are also subject to the investment criteria of the Group.

#### Membership

The permanent members of the Committee shall comprise:-

- Chairman of the Board
- Chairman of the Risk Management Committee
- President & Group Chief Executive

In addition, the Chairman of the respective Divisional Supervisory Committee when considering investment proposals in relation to a particular division.

#### Meetings and Minutes

Approvals of the Committee will be via circular resolution unless the Committee requests for a meeting. The Committee shall meet as and when required to consider specific investment proposals and review the investment criteria. The attendance of all the permanent members shall be required to form a quorum. The decisions of the Committee shall be made unanimously. The Secretary to the Committee shall be the Group Secretary.

## MANAGEMENT OF OPERATIONS

A Group Management Committee, Group Transformation Committee and Supervisory Committees have been established to assist in the running of the businesses of the Group.

The Group Management Committee under the chairmanship of the President & Group Chief Executive and comprising the Group Chief Operating Officer, Executive Vice Presidents (EVPs) of the Divisions, and the Group Chief Financial Officer together with other EVPs from Group Head Office, shares the overall responsibility for the management policies, the day-to-day operations of the Group, the deployment and implementation of Board resolutions and the achievements of objectives and results.

The Group Transformation Committee has been established to prepare and recommend the strategic and operational transformation plan for the Group and review the performance of the Group's transformation initiatives against set key performance indicators (KPIs) and timelines. These transformation initiatives are focused solely on driving continuous improvement and efficiencies in operations to achieve full potential of the Group. The members of the Group Transformation Committee are EVPs of the Divisions, Group Chief Financial Officer and other EVPs from Group Head Office and chaired by the Group Chief Operating Officer as delegated by the President & Group Chief Executive.

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The Supervisory Committees are established to assist the Board in the oversight of the respective Divisions. The members are the relevant management executives involved in the management of the companies within that Division, individuals with knowledge in the business of the Division and certain non-executive Directors identified by the Board based on the recommendation of the Nomination Committee. The duties of the Supervisory Committees are:-

- i. to contribute to corporate strategy and general operating policy development of the Division;
- ii. to review the conduct and performance of the Division's businesses and the performance of the Division;
- iii. to contribute towards the identification of principal risks and the implementation of appropriate systems to manage these risks to achieve a proper balance between risks accepted and potential returns to shareholders;
- iv. to review the adequacy and the integrity of the internal control systems and management information systems of the companies in the Division including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- v. to consider reports prepared by Group Corporate Assurance Department (GCAD) and the external auditors with respect to the companies within the Division; and
- vi. to ensure adherence to the application of the principles of good corporate governance and best practices.

#### APPOINTMENTS TO THE BOARD AND RE-ELECTION OF DIRECTORS

There is in place a formal and transparent procedure for the appointment of Directors to the Board. The proposed appointment of member(s) of the Board as well as the proposed re-appointment or re-election of Directors seeking reappointment or re-election at the Annual General Meeting are recommended by the Nomination Committee to the Board for its approval. The Board makes the final decision on appointments.

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting after their appointment. 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. In accordance with the Company's Articles of Association, at least one-third (1/3) of the remaining Directors are required to submit themselves for re-election by rotation at each Annual General Meeting.

For new Directors, there is a familiarisation programme in place, including visits to the Group's businesses and meetings with senior management as appropriate, to facilitate their understanding of the Group's businesses.

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 Board periodically examines the effectiveness of its present size in discharging its duties.

#### 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. In the case of the Executive Director, the component parts of the remuneration are structured so as to link rewards to corporate and individual performance. Performance is measured against profits and other targets set from the Company's annual budget and plans, and from returns provided to shareholders. In the case of non-executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the non-executive Director concerned.

The Remuneration Committee recommends to the Board the framework of the Executive Director's remuneration and the remuneration package for the Executive Director. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of the Executive Director.

Shareholders' approval will be sought at the forthcoming Annual General Meeting of the Company which will be held on 30 November 2009 to fix an annual remuneration at an amount not exceeding RM4,500,000 in aggregate for non-executive Directors of the Company. The determination of the fees of each non-executive Director is made by the Board as a whole. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

The remuneration package for non-executive Directors comprises the following elements:-

- i. Fees and Meeting Allowances  
The fees payable to each of the non-executive Directors is determined by the Board as authorised by the shareholders of the Company. All non-executive Directors are paid meeting allowances as determined by the Board.
- ii. Benefits-in-Kind and Emoluments  
Non-executive Directors are given leave passage and per diem allowance. They also receive other benefits such as a company car and mobile phone.



The Executive Director is not entitled to fees nor is he entitled to receive any meeting allowance for the Board and Board Committee meetings that he attends. The Executive Director's remuneration package comprises the following:-

i. Basic Salary

The basic salary for the Executive Director is recommended by the Remuneration Committee, taking into account the performance of the individual, the consumer price index and information from independent sources on the rates of salary for similar positions in other comparable companies. The salary is reviewed annually.

ii. Bonus Scheme

The Group operates a bonus scheme for employees, including the Executive Director. The criteria for the scheme are dependent on various performance measures of the Group, together with an assessment of individual performance during the period. Bonus payable to the Executive Director is recommended by the Remuneration Committee for approval of the Board.

iii. Benefits-in-Kind

Other customary benefits (such as private medical care, car, etc.) are made available as appropriate.

iv. Retirement Arrangements

The Company contributes sixteen (16) percent of the Executive Director's monthly salary to the Employees Provident Fund.

The aggregate remuneration of the Directors of the Company categorised into the appropriate components are as follows:-

	Paid by Sime Darby RM'000
<b>Executive Director</b>	
Salary and other remuneration	2,262
Benefits-in-kind	40
<b>Non-Executive Directors</b>	
Fees	2,074
Other remuneration	542
Benefits-in-kind	790

The aggregate remuneration of Directors of the Company for the financial year ended 30 June 2009, in respective bands of RM50,000 are as follows:-

Range of Remuneration	Number of Directors
<b>Executive Director</b>	
RM2,300,000 to RM2,350,000	1
<b>Non-Executive Directors</b>	
≤RM50,000	0
RM50,001 to RM100,000	0
RM100,001 to RM150,000	1
RM150,001 to RM200,000	0
RM200,001 to RM250,000	2
RM250,001 to RM300,000	4
RM300,001 to RM350,000	3
RM350,001 to RM400,000	1
RM400,001 to RM450,000	1

#### DIRECTORS' TRAINING

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. They also continued to attend and participate in other education programmes and seminars to keep abreast with the developments in the market place. The development and training programmes attended by the Directors during the year ended 30 June 2009 are set out on pages 40 to 45 of the Annual Report.

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The Company has on an ongoing basis identified conferences and seminars which will be beneficial to the Directors. There were also briefings by the external and internal auditors and the Group Secretary on the relevant updates on statutory and regulatory requirements from time to time during the Audit Committee meetings and Board meetings.

#### INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. The Company has an Investor Relations Unit which provides a platform for two-way communication between the Company and the shareholders and investors. In addition to various announcements made during the year, the timely release of financial results on a quarterly basis provides shareholders with an overview of the Group's performance and operations. A press conference and an analysts' briefing is held after the quarterly financial results are released to Bursa Malaysia Securities Berhad. Summaries of the financial results are advertised in daily newspapers and copies of the full announcement are supplied to shareholders and members of the public upon request.

The Company also uses the Annual General Meeting, scheduled annually in November, as a means of communicating with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the external auditors of the Company are present to answer questions raised at the meeting. Shareholders are welcomed to raise queries by contacting the Company at any time throughout the year and not just at the Annual General Meeting.

In addition, shareholders can obtain up-to-date information on the Group's various activities by accessing its website at [www.simedarby.com](http://www.simedarby.com). Press releases, announcements released to Bursa Malaysia Securities Berhad and the latest quarterly results announcements of the Company can also be found on this site.

Any query regarding the Sime Darby Group may be conveyed to the following persons:-

- i. Norzilah Megawati Abdul Rahman  
Group Secretary  
Telephone : 603 2691 4122 extension 2370  
Facsimile : 603 2382 1075  
Email : [norzilah.megawati@simedarby.com](mailto:norzilah.megawati@simedarby.com)
- ii. Hisham Hamdan  
Executive Vice President, Group Strategy & Business Development  
Telephone : 603 2691 4122 extension 2112  
Facsimile : 603 2713 5935  
Email : [hisham.hamdan@simedarby.com](mailto:hisham.hamdan@simedarby.com)

#### FINANCIAL REPORTING

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors aim to present a balanced and understandable assessment of the Group's financial position and prospects.

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.

#### INTERNAL CONTROL

The Code requires the Board to maintain a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Group's inherent system of internal control is designed to provide reasonable assurance but not absolute assurance against the risk of material errors, fraud or losses occurring.

The Statement on Internal Control which provides an overview of the state of internal control is set out on pages 46 to 48. The internal audit function of the Group which rests with the GCAD is described in the Report on the Audit Committee on pages 25 to 27.

#### RELATIONSHIP WITH THE AUDITORS

Through the Audit Committee, the Board has established transparent and appropriate relationships with the Group's auditors, both external and internal.

The non-audit fees charged by external auditors during the year ended 30 June 2009 amounted to RM6.6 million (2008: RM8.1 million).

#### COMPLIANCE STATEMENT

The Board is satisfied that the Company has complied with the best practices of the Code during the financial year under review save for the disclosure of details of the remuneration of each Director. The Company complies with the disclosure requirements under the Listing Requirements i.e. disclosure of Directors' Remuneration by applicable bands of RM50,000. The Board is of the view that the transparency and accountability aspects of Corporate Governance as applicable to Directors' Remuneration are appropriately served by the band disclosure made on page 37. In addition, the composition of the Remuneration Committee has been fully disclosed under item (b) of this Statement.

This statement is made in accordance with a resolution of the Board of Directors dated 18 September 2009.

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## TRAINING PROGRAMMES ATTENDED BY DIRECTORS DURING THE FINANCIAL YEAR ENDED 30 JUNE 2009

Director	Course Title	Trainer/Organiser	Date
Tun Musa Hitam	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Tun Ahmad Sarji Abdul Hamid	PNB International Lectures – The EVA Approach To Value Creation & Risk Management Challenges & Opportunities	Permodalan Nasional Berhad	10 July 2008
	PNB International Lectures – Retaining Talent For Sustainability		28 October 2008
	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
Dr. Arifin Mohamad Siregar	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Tan Sri Samsudin Osman	Seminar for Directors of Employees Provident Fund Board On Risk Governance	PricewaterhouseCoopers	5 February 2009
	BIMB Holdings Berhad Directors Training: Financial Management – Financial Reporting Standard 139 And IFRS Convergence In 2012	KPMG Desa Megat & Co	15 April 2009
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	BIMB Holdings Berhad Directors Training: The Non-Executive Directors' Development Series – Is It Worth The Risk	Securities Industries Development Corporation & PricewaterhouseCoopers	20 May 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009

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Director	Course Title	Trainer/Organiser	Date
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	UEM Group Berhad: Directors' Gathering 2008:-		9 July 2008
	i. Directors' Duties and Responsibilities – Beyond Compliance	Mr David Berry & Mr Navin Pasricha, Columbus Circle Governance	
	ii. Directors' Performance Evaluation – Building A High Performance Board	Mr Christopher Bennet, Watson Wyatt	
	iii. Post Election Scenario	Datuk Seri Panglima Mohd Annuar Zaini	
	Khazanah Nasional Berhad - Achieving Tangible Results: The Role Of The Nominee Director In Strategy Formation And Execution	Malaysian Directors Academy (MINDA) – IMD International	31 July 2008 – 1 August 2008
	Khazanah Nasional Berhad Global Lectures - Building Tomorrow's Minds Today	Dr. A. P. J. Abdul Kalam	28 August 2008
	Tenaga Nasional Berhad Special Dialogue on Energy Independence	Dr. A. P. J. Abdul Kalam	29 August 2008
	CapitaLand International Forum on Opportunities in Uncertainties	CapitaLand Ltd	5 September 2008
	Seminar on Quality Management System Requirements from Islamic Perspective	Institut Kemahiran Islam Malaysia	30 October 2008
	UEM Group Berhad Board Strategy Forum	UEM Group Berhad	3 – 4 November 2008
	Workshop on National Convention on Standards and Accreditation	Department of Standards Malaysia	5 November 2008
	UEM Group Berhad Chairmen's Forum	UEM Group Berhad	2 – 3 December 2008
Khazanah Nasional Berhad Dinner Dialogue with K.S. Jomo on the Global Financial Crisis	Khazanah Nasional Berhad	5 December 2008	

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Director	Course Title	Trainer/Organiser	Date
	Business Roundtable Discussion on "ASEAN+3 – The Way Forward"	East Asia Business Council	7 January 2009
	Government Linked Companies Transformation: K9 Roadshow	Khazanah Nasional Berhad	15 February 2009
	Economic Lecture on "Current Economic Crisis: What Malaysia Needs To Get Back On Track" by Institut Tadbiran Awam Negara, Malaysia (INTAN)	Tan Sri Dr Sulaiman Mahbob, Director-General, Economic Planning Unit	20 February 2009
	5th World Islamic Economic Forum, Jakarta, Indonesia	World Islamic Economic Forum Foundation	2 – 3 March 2009
	5th World Islamic Economic Forum, Jakarta, Indonesia Special Luncheon Address by Tan Sri Datuk Dr. Ahmad Tajuddin Ali on "Transforming Mediocrity Into International Success"	World Islamic Economic Forum Foundation	3 March 2009
	Keynote address by Tan Sri Datuk Dr. Ahmad Tajuddin Ali on "Staying Industry Relevant – What Does It Take For A Business School" on the launching of Graduate School of Business at Universiti Sains Malaysia	Universiti Sains Malaysia, Penang	6 March 2009
	Project Management Unit of Construction Industrial Development Board (CIDB): Roundtable Discussion on "Generating Speedy Economic Spin-Offs Through Construction – Addressing Implementation Constraints"		15 April 2009
	i. Global Economic Downturn, its impact on Malaysia	Dato' Dr. K. Govindan, Deputy Director General II, Economic Planning Unit	
	ii. Spurring Economic Growth Through Stimulus Packages – What's in Store for Construction?	Dato' Ir Mohamad Othman Zainal Amin, Chief Operating Officer, Project Management Unit, Ministry of Finance	
	Dialogue Session between Federation of Malaysian Manufacturers (FMM) and Securities Commission to discuss Issues, Challenges & Opportunities To Raise Funds Through The Capital Market In Current Market Conditions	Securities Commission	17 April 2009
	Khazanah Nasional Berhad's Launch of the United Nations Industrial Development Organisation (UNIDO)'s 2009 Industrial Development Report. Presentation of the Report "Breaking In And Moving Up: New Industrial Challenges For The Bottom Billion And The Middle Income Countries"	Mr Jebamalai Vinanhiarachi, Principal Advisor to the UNIDO's Director General	12 May 2009

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Director	Course Title	Trainer/Organiser	Date
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Datuk Seri Panglima Sheng Len Tao	Jakarta World Bank/Bapepam Seminar - Integrating Equity Markets in Asean	Jakarta World Bank/ Indonesia Capital Market and Financial Institution Supervisory Agency (Bapepam)	19 – 20 August 2008
	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	Hong Kong, McKinsey Seminar - Driving Growth & Managing Risks	McKinsey & Co.	11 September 2008
	Korea Securities Institute, Development International Financial Centres Conference	Korea Financial Services Commission	30 September 2008
	Institute of International Finance, Washington DC, Emerging Market Roundtable	Institute of International Finance, Washington DC	10 October 2008
	Stanford University Centre for Policy Studies, Financial Sector Reform Seminar	Stanford University	23 – 24 October 2008
	Bangkok, Asian Development Bank/ Capital Market Academy, Equity Market Development in ASEAN	Bangkok, Asian Development Bank/ Capital Market Academy	17 November 2008
	Bank Negara Malaysia Conference on Global Financial Stability	Bank Negara Malaysia	10 – 11 February 2009
	Tokyo, OECD-ADBI Asian Capital Market Roundtable	The Asian Development Bank Institute, Tokyo	2 – 3 March 2009
	Shanghai, Lujiazui Forum, Financial Market Development	Shanghai Municipal Government	14 – 15 March 2009
	Boston, Harvard University/Growth Commission Conference on Financial Crisis And Its Impact On Emerging Markets	Boston, Harvard University/Commission on Growth and Development	20 – 21 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009

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Director	Course Title	Trainer/Organiser	Date
Dato' Sri Mohamed Sulaiman	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Dato' Henry Sackville Barlow	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
	Financial Institutions Directors' Education Programme – Module 1: Sets The Stage By Reflecting On Issues Boards Face Today	Bank Negara Malaysia	17 – 18 April 2009
	Financial Institutions Directors' Education Programme – Module 2: Addresses The Role Of The Board In Enterprise-Wide Risk Management	Bank Negara Malaysia	20 – 21 February 2009
	Financial Institutions Directors' Education Programme – Module 3: Examines The Board's Responsibility For Internal Controls, Financial Reporting And Capital Management.	Bank Negara Malaysia	20 – 21 March 2009
	Financial Institutions Directors' Education Programme – Module 4: A Closer Look At Building Board Teams And Role Of The Board In Strategy And Stakeholder Relations	Bank Negara Malaysia	21 – 22 April 2009
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Dato' Dr. Abdul Halim Ismail	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
	An Overview Of IFRS Convergence And FRS 139	KPMG Desa Megat & Co.	15 April 2009



Director	Course Title	Trainer/Organiser	Date
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Datin Paduka Zaitoon Dato' Othman	Approaching 2020: Major Trends That Will Impact Malaysian Business	Tun Dr. Mahathir Mohamad	8 August 2008
	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	3rd Sime Darby Developing Sustainable Futures Lecture Series – Building A Culture Of Peace And Development In A Globalised World	Reverend Jesse Jackson	22 April 2009
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	1st Sime Darby Developing Sustainable Futures Lecture Series – Developing Sustainable Futures	Professor Dr. Emil Salim	20 August 2008
	2nd Sime Darby Developing Sustainable Futures Lecture Series – Why Is Financial Market Volatility So High	Professor Robert Fry Engle III	10 December 2008
	Sime Darby Berhad Dialogue – How The World Economy Was Demolished, An European Perspective On The Crisis, The Policy Response And The Outlook	Mr Klaus Regling	27 June 2009

## STATEMENT ON INTERNAL CONTROL

### RESPONSIBILITY

The Board of Directors acknowledges responsibility for maintaining a sound system of internal control and for reviewing its adequacy and integrity. The system of internal control is designed to safeguard shareholders' investment and the Group's assets and, by its nature can only manage rather than eliminate the risk of failure to achieve business objectives. Inherently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established procedures, for the Company and its subsidiaries, to implement the recommendations as outlined in the "Statement on Internal Control: Guidance for Directors of Public Listed Companies" that was endorsed by Bursa Malaysia Securities Berhad. In addition to ensuring the adequacy and integrity of the Group's internal control and management information systems, these procedures are intended to provide an ongoing process for identifying, evaluating and managing the significant risks faced by the Group, excluding associated companies and joint ventures which have not been dealt with as part of the Group. These procedures, which were in place during the financial year ended 30 June 2009, are subject to regular review by the Board of Directors.

### RISK MANAGEMENT

#### Risk policy

Risk management is regarded by the Board of Directors to be an integral part of the business operations. Management is responsible for creating a risk-aware culture and for building the necessary knowledge for risk management. They also have the responsibility for managing risks and internal control associated with the operations and ensuring compliance with applicable laws and regulations.

The main underlying principles of the Group's policy are:

- Informed risk management is an essential element of the Group's business strategy.
- Effective risk management provides greater assurance that the Group's vision and strategy will be achieved.
- Each Division (and each business unit therein) is expressly responsible for managing the risks associated with its business and investment objectives.
- All material risks are to be identified, analysed, treated, monitored and reported.

#### Framework

The implementation of the policy and risk management framework that includes the strategy, culture, people and technology is the responsibility of the President & Group Chief Executive and members of the Sime Darby Group Management Committee. The composition of the Group Management Committee comprises the President & Group Chief Executive, Group Chief Operating Officer, Executive Vice Presidents (EVPs) of the Divisions and Group Chief Financial Officer, and also includes other EVPs from Group Head Office as permanent invitees.

#### Risk reporting

The Group's risk management framework provides for regular review and reporting. The reports include an assessment of the degree of risk, an evaluation of the effectiveness of the controls in place and the requirements for further controls. The key elements of the process are:

- Presentation of a summary of significant risks to the Board of Directors on a quarterly basis.
- Review and discussion of key risks for each significant investment considered by the Risk Management Committee.
- Reporting of significant risks by Divisions to Sime Darby Berhad on a quarterly basis.
- Reporting of significant risks by subsidiaries in their annual management plan.
- Review and discussion of key risks during the management meetings of the business units.

### CONTROL STRUCTURE AND ENVIRONMENT

The Board of Directors is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations. These key elements can be broken down into the following framework:

## STRUCTURAL

### Audit Committee

The Audit Committee comprises non-executive members of the Board, with the majority being independent directors. The Committee has full access to both internal and external auditors and it meets with the external auditors without any executives present, except for the Group Secretary, at least twice a year. The Group Corporate Assurance Department (GCAD) which is the internal audit function for the Group reports directly to the Committee.

### Board Risk Management Committee

The Board, through the Board Risk Management Committee (RMC) maintains risk oversight within the Group. The Group Chief Risk Officer reports to the Group Chief Operating Officer and has reporting responsibilities to the RMC. During the year, the Group Chief Risk Officer had conducted Risk Management Workshops and worked with Divisions to strengthen their risk management oversight and process.

### Supervisory Committee and Audit Committee of the Supervisory Committee

All Divisions have a Supervisory Committee (SC) and where appropriate, an Audit Committee of the SC whose terms of reference include contributing to corporate strategy and general operating policy development of the division, identification and management of principal risks, reviewing the adequacy and integrity of internal control/management information systems and consideration of reports prepared by Group Corporate Assurance Department among others.

### Group Corporate Assurance Department

The Group Corporate Assurance Department (GCAD) is the internal audit function for the Group and reports directly to the Audit Committee. It principally conducts regular and systematic audits or reviews of, among others, risks, operations, systems, and procedures so as to provide reasonable assurance that the systems of internal controls and its framework, and governance processes put in place by Management continue to operate satisfactorily and effectively. 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. The Group Corporate Assurance function is independent of the activities that it audits or reviews, and its personnel are not allowed to perform any operational duties within the Group during their service in GCAD. Its reports, plans and other publications are not subject to the clearance of Management and staff external to GCAD. The GCAD is adequately staffed by employees who are qualified to carry out their responsibilities.

## ORGANISATION AND VALUES

### Operating structure with clearly defined lines of responsibility and delegated authority

The operating structure includes defined delegation of responsibilities to the committees of the Board, and the management of Group Head Office, Divisions and operating units.

### Written policies and procedures on the limits of delegated authority

The limits of delegated authority are clearly defined and set out in the Group Policies and Authorities (GPA) and the Divisional/Operating Unit Standard Operating Procedures. These policies and procedures are reviewed regularly and updated when necessary.

### Corporate culture and Group values

The guiding principles of the Group's corporate culture are embedded in the Group's values as set out in the GPA which are Respect & Responsibility, Excellence, Enterprising and Integrity.

### Comprehensive information system

This information system includes preparation and submission of annual management plans, budgets and other information to the Board of Directors. Budgets prepared by operating units are regularly updated and explanation of variances is incorporated in the monthly management reports. The Sime Darby Group Management Committee reviews the performance and results of operating units on a monthly basis.

## 48 STATEMENT ON INTERNAL CONTROL

**Employee competency**

Emphasis is placed on the quality and ability of employees with continuing education, training and development being actively encouraged through a wide variety of schemes and programmes.

**Whistle Blowing**

The policy on whistle blowing is set out in the GPA. The policy encourages employees to report any wrongdoing by any persons in the Group to the proper authorities so that proper action can be taken immediately. Additionally, it also provides for any complaints or reports to be directly submitted to the Senior Independent Director of the Group or the Chairman of the Audit Committee of the Board, should the complainant believe that the Group is better served if the report was addressed to levels higher than management.

The Senior Independent Director and Chairman of the Audit Committee is Raja Tan Sri Dato' Seri Arshad Raja Tun Uda who is contactable at telephone number 603 2691 4122 ext 7129 and facsimile number 603 2382 1075.

The Policy on Whistle Blowing include provisions to safeguard the confidentiality of the complainant, ensure no victimisation of the complainant 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.

**Monitoring and review of the effectiveness of the system of internal control**

The processes adopted to monitor and review the effectiveness of the system of internal control are:

- Regular confirmation by the EVP and Chief Financial Officer of the respective Divisions and the chief executive officer and chief financial officer of the respective operating units on the effectiveness of the system of internal control, highlighting any weaknesses and changes in risk profile. The same confirmation is provided by the President & Group Chief Executive and Group Chief Financial Officer to the Board annually.
- Control Self-Assessment (CSA) is continuously carried out during the year by selected operating units using the questionnaire approach. Such exercise is coordinated by GCAD and the focus of the CSA is to ascertain the level of compliance to procedures.
- Periodic examination by GCAD of business processes and the state of internal controls including controls over quality, environmental, safety and health issues, and compliance with policies, procedures, applicable laws, regulations and contracts. Reports on the audits or reviews carried out by the GCAD function are issued on a regular basis to the Management and the Audit Committee.

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, however, do not eliminate the possibility of human error or deliberate circumvention of control procedures by employees and others.

**CONCLUSION**

For the financial year under review, based on inquiry, information and assurance provided, the Board is satisfied that the system of internal control was generally satisfactorily. Measures are continually in place and being taken to ensure ongoing adequacy and effectiveness of internal controls, and to safeguard the Group's assets, and hence shareholders' investment.

This statement is made in accordance with a resolution of the Board of Directors dated 18 September 2009.



Rajiv  
10 years old, 2009  
Architect, 2035

PROPERTY

## CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors (Board) of Sime Darby Berhad (Sime Darby), it is my pleasure to present the Annual Report, incorporating the Financial Statements of the Group and the Company, for the year ended 30 June 2009.

Tun Musa Hitam  
Chairman



## CHANGES TO THE BOARD OF DIRECTORS

The Group would like to welcome Tan Sri Samsudin Osman who was appointed to the Board as a Non-Independent Non-Executive Director on 19 December 2008. His appointment will strengthen the Board and provide new perspective and insight.

## FINANCIAL HIGHLIGHTS

Analysis of Group Net Profit				
Amount in RM million	2009	%	2008	%
Plantation	1,719.0	52.5	3,877.3	70.4
Property	461.9	14.1	442.7	8.0
Industrial	862.1	26.3	696.0	12.6
Motors	178.5	5.5	157.8	2.9
Energy & Utilities	40.8	1.3	228.6	4.2
Healthcare & Others	9.9	0.3	104.5	1.9
Segment Results	3,272.2	100.0	5,506.9	100.0
Corporate income and expenses	(106.7)		(258.6)	
Profit before interest and tax	3,165.5		5,248.3	
Finance income	158.7		225.5	
Finance costs	(252.6)		(267.4)	
Profit before tax	3,071.6		5,206.4	
Tax expense	(730.8)		(1,453.9)	
Profit after tax	2,340.8		3,752.5	
Minority interests	(60.7)		(240.4)	
Net profit for the year	2,280.1		3,512.1	

I am pleased to announce that the Group has reported a net profit after tax and minority interests of RM2.3 billion and a Return on Average Shareholders' Funds (ROASF) of 10.6 percent, exceeding our Key Performance Indicators (KPI) for FY 2008/09 of RM1.9 billion and ROASF of 8.8 percent.

The Plantation Division continued to be the largest contributor to the Group's profitability with segment results of RM1.7 billion, notwithstanding the extreme volatility in crude palm oil prices. Once again, the Industrial Division delivered record-breaking segment results of RM862 million as it continued to capitalise on global commodity trends. Both the Property and Motors Divisions remained resilient in the face of reduced consumer confidence, with the Property Division registering a 4 percent growth in segment results to RM462 million and the Motors Division, registering a healthy increase of 13 percent in segment results to RM179 million.

In line with our commitment to maximise returns to shareholders, the Group has announced a total gross dividend of 20.3 sen per share, including a final single tier gross dividend of 15.3 sen per share for the financial year ended 30 June 2009.

The Group's balance sheet remains healthy with shareholders' funds at RM21.4 billion, cash and bank balances of RM3 billion and a low gearing ratio (debt to equity) of 25 percent. This reflects the Group's capacity to finance growth through the debt markets.

During the financial year, Sime Darby realised merger synergies of RM259 million in Profit Before Interest and Tax (PBIT) from our Plantation and Property Divisions, an increase from the RM210 million achieved in FY2008/09. We are on schedule to achieve the targeted PBIT synergies of RM400 million to RM500 million by FY2009/10.

### MAJOR CORPORATE ACTIVITIES

The Group has also kept to its strategic focus of streamlining its businesses through the divestment of non-core assets. Five disposals were completed this year, bringing the total number of assets or businesses disposed off to more than 30 since 2005 and raising nearly RM3 billion in the process.

The following are the disposals effected during the year:

- i. On 29 August 2008, Sime Darby Pilipinas, Inc completed the disposal of its entire 100 percent equity interest in Silvertown Property Development Corporation to Aphaland Corporation for approximately RM29.0 million.
- ii. On 17 October 2008, Dunlopillo (Singapore) Pte Ltd completed the disposal of its entire 70 percent equity interest in PT Sime Dunlopillo Indonesia to PT Dunlopillo Indonesia for approximately RM0.5 million.
- iii. On 31 December 2008, Sime Malaysian Region Berhad completed the disposal of its entire 30 percent equity interest in Dongwha GH International Sdn Bhd to Loyal Crest Investments Limited for RM28.0 million.
- iv. On 8 April 2009, Sime Malaysian Region Berhad completed the disposal of its entire 100 percent equity interest in Harvik Rubber Industries Sdn Bhd to MIK Industries Ltd for RM10.5 million.
- v. On 13 May 2009, Sime Malaysian Region Berhad completed the disposal of its entire 100 percent equity interest in Sime Darby Travel Sdn Bhd to Super Deals Travel & Tours Sdn Bhd for RM12.8 million.

### CORPORATE SOCIAL RESPONSIBILITY: SUSTAINABLE DEVELOPMENT

This year, Sime Darby's corporate social responsibility efforts were raised to a new level with the launch of the expanded Yayasan Sime Darby (YSD). YSD, which was first established in 1982 to focus on education, has expanded its scope with five pillars supporting its commitments to both society and the environment. The five pillars are education; youth, sports and recreation; arts and culture; conservation of the environment and protection of ecosystems; and community development.

### RESEARCH AND DEVELOPMENT

The year also saw Sime Darby leapfrog to the forefront of global oil palm research through the successful deciphering and sequencing of the oil palm genome. This breakthrough will enable the Plantation Division to increase its yields over time with the aim to eventually double it.

### HUMAN RESOURCE DEVELOPMENT

Our employees are the cornerstone of our success. Without them, our aspirations and strategies must surely fail. Therefore, the Group's financial investments will continue to be accompanied by the requisite investments in human capital. These investments in human capital take the form of initiatives to attract and retain talent as well as structured leadership development programmes that will create a sufficiently large talent pool from which the next generation of leaders can emerge.

### OUTLOOK AND PROSPECTS

We are a Group with global aspirations. Although over the course of our 99-year history we have established our presence in more than 20 countries with a global workforce of about 100,000 people, we know that there is more to be done to establish ourselves as a significant global player. Achieving these aspirations will require a series of transformational changes to unleash the Group's full potential and strategic investments to propel us to the next level of growth.



In this respect, our strong presence in the Asia Pacific region provides us with the perfect platform for growth in core and adjacent sectors. China will remain a core focus of our investment strategy in the next decade as we seek to capitalise on the region's long term growth trends.

Sime Darby is also well positioned to benefit from long-term secular trends in the global commodity cycle. Our portfolio of industrial-based businesses will benefit as the global economy recovers, and the fundamentals for the commodity sector strengthen.

As we forge ahead during this challenging period, our ability to respond to the changing business landscape will be the crucial differentiating factor between success and failure. With that in mind, we will continue to restructure our portfolio relentlessly in response to changes in the global business environment.

#### ACKNOWLEDGEMENTS

I would like to pay tribute to the employees of Sime Darby for their hard work, dedication and commitment in the face of challenging business conditions. I also wish to thank the distinguished members of our Board and the Supervisory Committee members of the Divisions for their valuable insights and direction. Last but not the least, on behalf of my fellow Board members, I would like to thank our valued shareholders, associates and partners for your continued confidence in and support of the Group.

"Developing Sustainable Futures"



Tun Musa Hitam  
Chairman

## PRESIDENT & GROUP CHIEF EXECUTIVE'S REVIEW

On behalf of the Board of Directors, I am pleased to report that the Sime Darby Group has exceeded our Key Performance Indicators (KPI) for FY 2008/2009 despite the challenging operating environment during the year. The Group recorded RM2.3 billion in profit after tax and minority interests and Return on Average Shareholders' Funds (ROASF) of 10.6 percent, exceeding our Key Performance Indicators (KPI) for the year, of RM1.9 billion and 8.8 percent.

Dato' Seri Ahmad Zubir Murshid  
President & Group Chief Executive



This performance, achieved during the global financial crisis, has to be attributed to the dedication and hard work of our greatest asset – Sime Darby's 100,000 employees. Our employees are collectively responsible for the position Sime Darby is in today as a leader in the industries and countries it operates in.

The turmoil in the global economic and financial markets triggered sharp corrections in commodity prices and declines in global trade flows. From June to November 2008, Crude Palm Oil (CPO) prices fell by about 60 percent to approximately RM1,400/MT from approximately RM3,700/MT before recovering to present levels.

In addition to sharply lower CPO prices, the Plantation Division also had to contend with unfavourable weather conditions and biological tree stress. Thus, overall fresh fruit bunch (FFB) yields were reduced by about 5 percent to 20.6MT/Ha from 21.8MT/Ha in the previous year. As a result, the Division registered a 56 percent decline in segment results to RM1.7 billion compared to FY2007/08.

The Industrial Division delivered a sterling performance with an increase of 24 percent over the previous year's segment results to RM862 million. This was achieved on the back of robust demand in the mining segment in Australasia and the oil & gas sector in Singapore. The Division is increasing its exposure to China, particularly the mining sector, to capitalize on the twin trends of urbanization and resource scarcity.

Against a backdrop of considerable pessimism in the domestic property market, the Property Division managed to record a 4 percent year-on-year growth in segment results to RM462 million. The Parade of Homes campaign, which yielded gross sales of over RM1 billion, demonstrates how innovative thinking and the right strategies can result in growth even during an economic downturn.

The Motors Division recorded segment results of RM179 million, a commendable 13 percent increase over the previous year despite the multitude of challenges faced by the industry both globally and in the domestic market. The Division's strategy of expanding its premium segment in emerging markets is yielding positive results.

The Energy & Utilities Division reported segment results of RM41 million, a sharp reduction of 82 percent compared to the previous financial year. This is mainly attributable to an escalation in offshore costs for fabrication and engineering projects.

#### ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)

During the year under review, five of the Plantation Division's Strategic Operating Units (SOUs) were certified by the RSPO. Another 39 Malaysian SOUs and three Indonesian SOUs have undergone the RSPO certification Audit process. The Plantation Division intends for all its 65 Malaysian and Indonesian SOUs to be certified producers of sustainable palm oil by end 2011. This commitment to sustainability is commendable and sets a benchmark for the edible oil industry as a whole.

#### GROUP TRANSFORMATION PROGRAMME

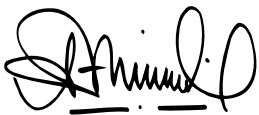
The integration and talent management initiatives implemented pursuant to the merger have created a robust pool of talent that has sustained the Group through this difficult period. During the year, the Group embarked on several transformation initiatives focused on delivering operational efficiency, foremost of which is performance management. As a multinational group of companies with five core businesses across more than 20 countries, we view performance management as an enabler to drive value creation. Over the next few years, the Group will continue to implement complementary transformation initiatives as it builds a platform for future growth.

### STRATEGY AND OUTLOOK

While the early signs of recovery are beginning to show, we remain cautious about the pace and sustainability of the economic recovery going forward. Commodity prices, in particular crude oil and CPO, have recovered in tandem with optimism over government stimulus packages. However, while Asian export volumes appear to have stabilized, there is lingering concern over the sustainability of growth in major export markets, and whether business and consumer spending will increase fast enough to support the recovery as the effects of fiscal stimulus packages wear off.

The Group remains focused on capturing full value from merger synergy initiatives. In addition, Sime Darby will actively seek investment opportunities in core and adjacent sectors and leverage on its strong balance sheet to acquire undervalued assets.

With this, I wish to express my gratitude to the shareholders, the Board of Directors and employees of Sime Darby for their commitment and support. I look forward to the year ahead, challenges and all, because working together as a team we have overcome the worst.



Dato' Seri Ahmad Zubir Murshid  
President and Group Chief Executive  
Sime Darby Bhd

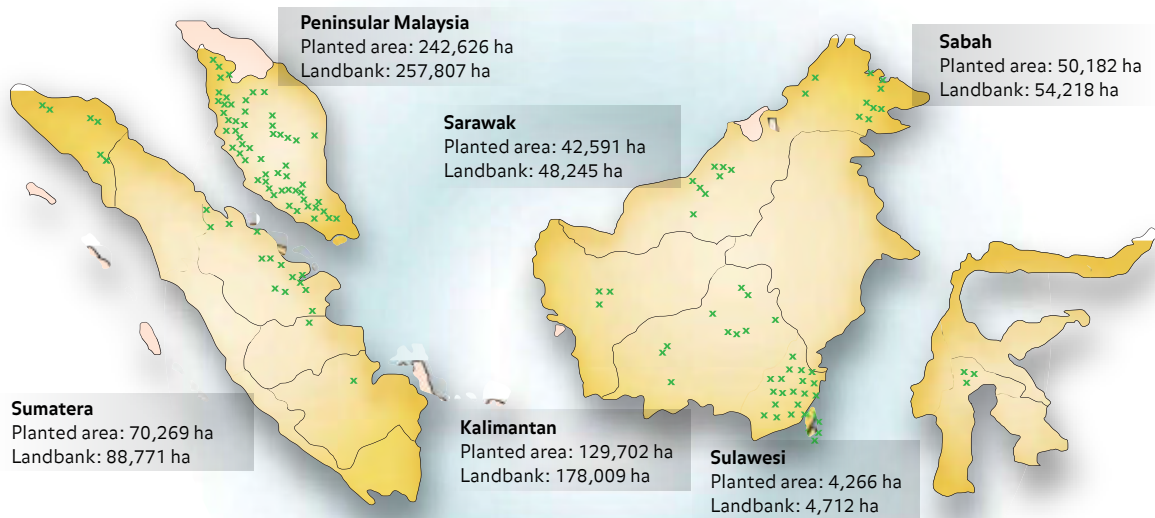


Adam  
7 years old, 2009  
Engineer, 2030

INDUSTRIAL

## OPERATIONS REVIEW - PLANTATION

## MALAYSIA &amp; INDONESIA HECTARAGE MAP

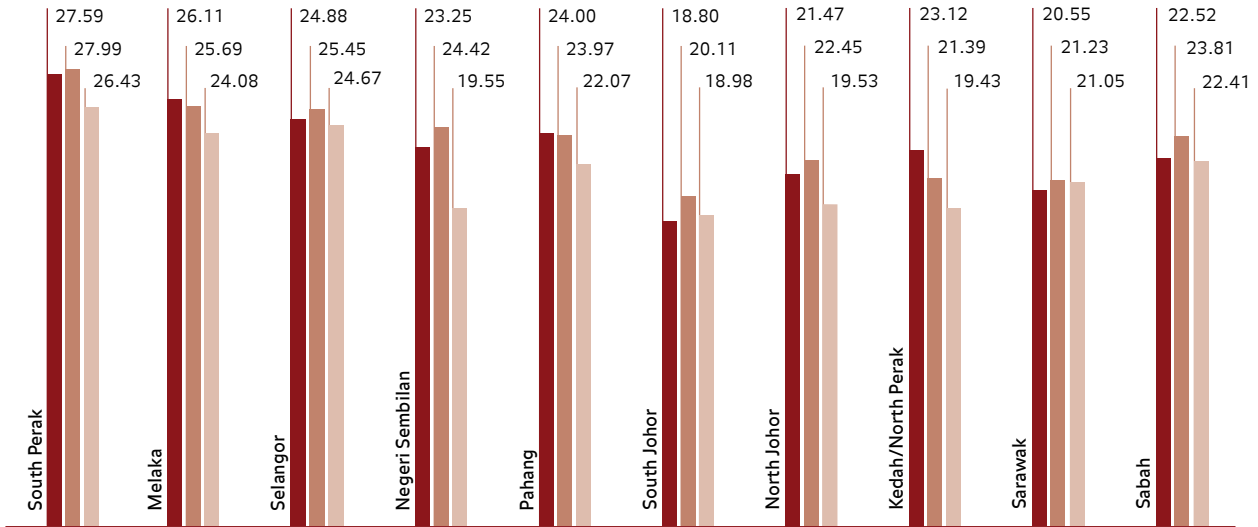


	Malaysia	Indonesia	Total
Total Landbank Area (ha)	360,270	271,492	631,762
Total Planted Area - Oil Palm (ha)	326,750	204,237	530,987
Total Planted Area - Rubber (ha)	8,649	-	8,649

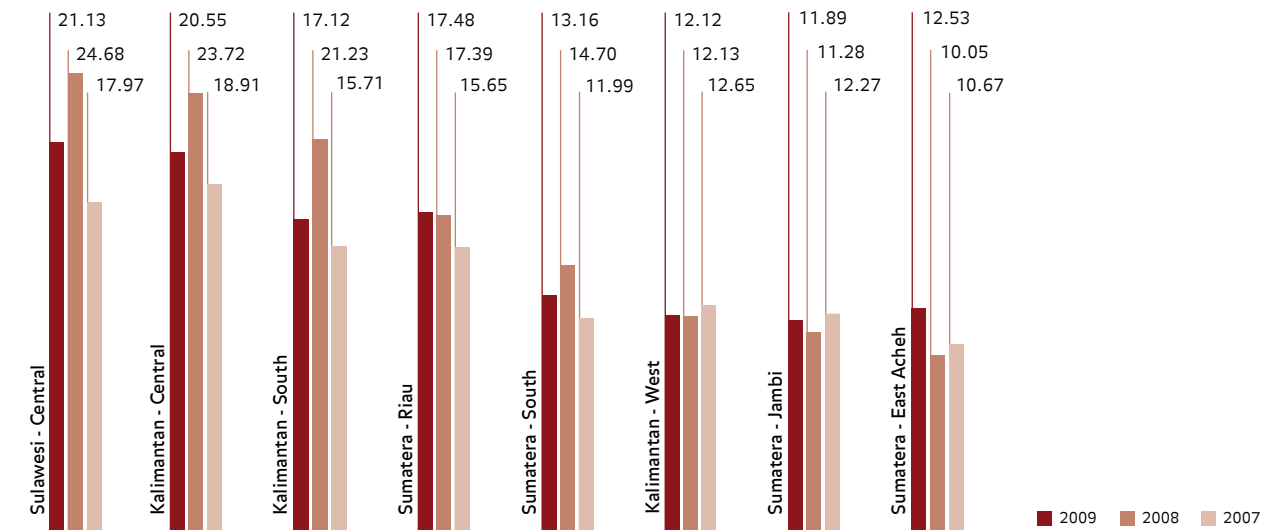
Oil Palm	FY 2008/09			FY 2007/08			FY 2006/07		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
<b>Hectareage (in Hectares)</b>									
Mature	297,471	178,840	476,311	299,272	177,560	476,832	302,906	175,805	478,711
Immature	29,279	25,397	54,676	29,831	24,636	54,467	26,039	17,613	43,652
<b>Total Planted</b>	<b>326,750</b>	<b>204,237</b>	<b>530,987</b>	<b>329,103</b>	<b>202,196</b>	<b>531,299</b>	<b>328,945</b>	<b>193,418</b>	<b>522,363</b>
<b>Crop Production – FFB (in MT)</b>	<b>6,888,596</b>	<b>2,976,158</b>	<b>9,864,754</b>	<b>7,063,844</b>	<b>3,315,776</b>	<b>10,379,620</b>	<b>6,583,222</b>	<b>2,669,485</b>	<b>9,252,707</b>
<b>FFB Processed (in MT)</b>									
- Own	6,644,780	2,942,651	9,587,431	6,789,906	3,236,416	10,026,322	6,027,907	2,573,268	8,601,175
- Outside	616,000	541,539	1,157,539	809,014	555,658	1,364,672	843,045	425,528	1,268,573
<b>Total FFB Processed</b>	<b>7,260,780</b>	<b>3,484,190</b>	<b>10,744,970</b>	<b>7,598,920</b>	<b>3,792,074</b>	<b>11,390,994</b>	<b>6,870,952</b>	<b>2,998,796</b>	<b>9,869,748</b>
<b>Mill Production (in MT)</b>									
- Palm Oil (CPO)	1,531,216	782,219	2,313,435	1,569,393	843,853	2,413,246	1,424,374	686,034	2,110,408
- Palm Kernel (PK)	373,275	160,732	534,007	384,053	165,928	549,981	356,231	135,885	492,116
<b>FFB Yield per mature hectare (in MT)</b>	<b>22.87</b>	<b>16.64</b>	<b>20.59</b>	<b>23.60</b>	<b>18.67</b>	<b>21.77</b>	<b>21.73</b>	<b>15.18</b>	<b>19.33</b>
<b>Oil Yield per mature hectare</b>	<b>4.83</b>	<b>3.75</b>	<b>4.44</b>	<b>4.85</b>	<b>4.19</b>	<b>4.61</b>	<b>4.51</b>	<b>3.49</b>	<b>4.14</b>
CPO Extraction Rate (%)	21.09	22.45	21.53	20.65	22.25	21.19	20.73	22.88	21.38
PK Extraction Rate (%)	5.14	4.61	4.97	5.05	4.38	4.83	5.18	4.53	4.99
<b>Average selling prices (RM /tonne)</b>									
- CPO	2,264	2,013	2,177	3,014	2,648	2,885	1,754	1,727	1,745
- PK	1,164	848	1,069	1,682	1,385	1,592	956	716	855
<b>Cost of Production (per MT of Palm Products)</b>									
- Estate Cost	796	877	821	633	650	641	611	742	652
- Mill Cost	195	152	181	188	134	170	131	136	133
<b>Total</b>	<b>991</b>	<b>1,029</b>	<b>1,002</b>	<b>821</b>	<b>784</b>	<b>811</b>	<b>742</b>	<b>878</b>	<b>785</b>

Rubber	FY 2008/09			FY 2007/08			FY 2006/07		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Planted area	8,649	-	8,649	9,050	427	9,477	8,440	700	9,140
Rubber production ('000kg)	11,084	88	11,172	12,600	294	12,894	12,129	604	12,733
Yield per mature hectare (kg)	1,481	234	1,421	1,631	690	1,582	1,604	862	1,541
Average selling price (RM / kg)	7.39	4.02	7.36	8.10	5.17	8.02	8.07	5.56	7.95

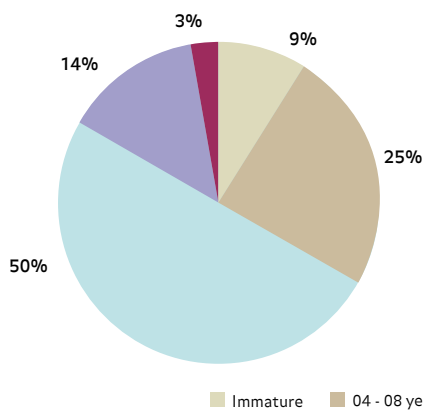
FFB YIELD BREAKDOWN BY REGION - MALAYSIA



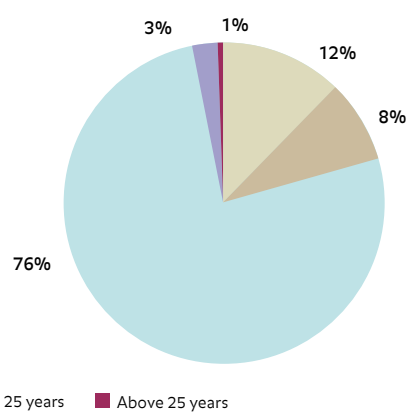
FFB YIELD BREAKDOWN BY REGION - INDONESIA



AGE PROFILE - MALAYSIA



AGE PROFILE - INDONESIA



## 60 OPERATIONS REVIEW - PLANTATION



The Plantation Division continued with its efforts to make the Group's operations more environmentally friendly

### PLANTATION UPSTREAM

The year under review saw the Plantation Division record a lower profit compared to the previous financial year primarily due to lower prices of palm products.

The average crude palm oil (CPO) prices plummeted 25 percent to RM2,177 per metric tonnes (MT) from RM2,885 per MT previously, while the average palm kernel (PK) prices dropped nearly 33 percent to RM1,069 per MT from RM1,592 per MT a year ago.

Despite the tough operating environment, the Plantation Division continued with its efforts to make the Group's operations more environmentally friendly by paying a lot of focus on efficient waste management at its mills.

The year under review also saw the Division commenced the building of several new mills with optimum capacities to ensure consistent and efficient operations.

#### Plantation Malaysia

For the year under review, the Plantation Division's planted area in Malaysia totalled 326,750 hectares, of which 91 percent were mature areas. A replanting policy of 4 percent of the total land bank has been adopted.

Actual Fresh Fruit Bunch (FFB) production for the year under review stood at 6.889 million MT, or 70 percent of the Plantation Division's total FFB production for the whole year. Average yield per mature hectare declined 3 percent from 23.4 MT per mature hectare to 22.9 MT per mature hectare due to extreme weather conditions and low cropping pattern.

The Group continued to aggressively mechanise its FFB evacuation and fertiliser application operations during the year under review, and plans to soon extend the mechanised operations to all areas possible in order to reduce dependency on labour, especially on foreign workers.

In waste management, the composting projects to turn oil mill wastes (mill effluents and empty fruit bunches) into fertilisers were expanded during the year under review. This is expected to reduce the amount of inorganic fertilisers used in the field and, at the same time, reduce expenditure on fertilisers.

The Division also carried out work on another waste management project, Biogas, which utilises methane gas produced by the oil mill effluent to generate electricity for use in mill operations and the surrounding community.

The first Biogas project at West Oil Mill on Carey Island has, to date, been producing 500kW of electricity. The Division plans to build nine more biogas plants at various identified mills .

For the year under review, Plantation Malaysia commissioned the construction of three new and more efficient mills that will further reduce FFB processing costs. The three are:

- Elphil Oil Mill in Slim River, Perak. With a capacity of 45 tonnes per hour, the mill is targeted to begin operations by middle of 2010.
- Kok Foh Oil Mill in Bahau, Negeri Sembilan. With a capacity of 40 tonnes per hour, it is expected to begin operations during the first half of 2010.
- Sua Betong Oil Mill in Port Dickson, Negeri Sembilan. With a capacity of 60 tonnes per hour, it is also expected to start operations during the first half of 2010.

At the same time, the Division is also upgrading six other major oil mills to improve their overall performance.



New and more efficient mills will be constructed to further reduce fresh fruit bunch (FFB) processing costs.



During the year under review, Plantation Malaysia launched "Project 6/900" which aimed to achieve six MT of oil per hectare at a production cost of RM900 per MT of palm product. With the commitment shown by employees across the board namely workers, staff and executives, we believe this target is within reach and will result in a performance excellence culture throughout the Plantation Division.

#### Plantation Indonesia

For the year under review, the Division's planted area in Indonesia totalled 204,237 hectares, of which 88 percent or 178,840 hectares were mature areas. Plantation Indonesia's operations include 68 estates, 23 palm oil mills and four bulking installations spanning across Sumatera, Kalimantan and Sulawesi.

The Indonesian operations registered a 10.3 percent drop in FFB production to 2.976 million MT for the year on lower average yield per mature hectare of 16.64 MT, down 10.8 percent from the previous year. The lower crop production and yield per mature hectare were primarily attributed to the extreme weather conditions and cropping pattern.

The Division, however, expects an improvement in the average yield per mature hectare to over 22 MT and other cost effectiveness in the coming years through improvements in operational efficiencies. These include timely application of fertilisers and implementing other agronomic best practices as outlined in the 2006 - 2010 Operations Blueprint.

For the year under review, the Division's Indonesian oil mills produced 782,000 MT of CPO and 161,000 MT of PK, which were 7.3 percent and 3.1 percent lower than the previous year, respectively.



Mechanisation such as in FFB evacuation process is widely used to enhance efficiency in the estates.

The decline in CPO and PK production was largely attributed to the lower FFB production despite registering a slight increase in oil extraction rate (OER) and kernel extraction rate (KER) in the year under review.

Of the 23 mills, six recorded an OER of more than 23 percent. The Teluk Bakau Mill in South Riau, Sumatera had the distinction of recording 23.71 percent OER which was the highest recorded within the Group.

The Division plans to build three new mills in 2010 to cater to the expected increase in crop production in the coming years. It will continue to review its strategy in mill utilisation and capacity requirement to optimise operational efficiency and effectiveness.

#### PLANTATION DOWNSTREAM

It was a challenging year for the oil palm industry which saw average CPO prices declining 25 percent. Despite the unfavourable market conditions, the Plantation Division's downstream businesses managed to record growth in total sales volume during the year under review.

This was achieved through the consistent application of best practices within its business units to improve manufacturing processes, quality and cost management to ensure sustainable growth and profitability.

Apart from the on-going training and development programmes, application of best practices also enhanced employee competencies and capabilities.

In May 2009, Cognis Oleochemicals, in which the Division holds a 50 percent stake, changed its name to Emery Oleochemicals following the acquisition of Cognis' remaining 50 percent stake by Thailand's PTT Chemical International Private Ltd. in July 2008.



Zero-burning replanting technique is practised throughout Sime Darby Plantation's estates in Malaysia and Indonesia.



During the year under review, the Division took various steps to strengthen its position in the plantation downstream sector as well as enhance its global presence. The Division is also actively exploring business opportunities in China, India, Europe, Middle East and South East Asia to take advantage of their huge growth potential with a view to establish strategic alliances and partnerships for the production and distribution of the Group's diversified product portfolio.

The production facilities for the downstream businesses are located in several countries across the globe:

Country	Production Facilities and Location
Malaysia	Golden Jomalina Food Industries in Selangor
	Sime Darby Biodiesel in Carey Island in Selangor
	Sime Darby Bioganic in Selangor
	Kempas Edible Oil in Johor
	Austral Edible Oils in Sarawak
Thailand	Morakot Industrie
Vietnam	Golden Hope-Nha Be
Singapore	Sime Darby Edible Products
Netherlands	Unimills
	CleanerG
South Africa	Sime Darby Hudson & Knight

#### AGRIBUSINESS & FOOD

For the year under review, the Agribusiness & Food Division re-aligned its businesses by grouping the agribio, agribusiness and marketing operations under one roof.

##### Agri-Bio Corporation Sdn Bhd

The company was founded in 1982 to manufacture only one product - rat baits for the Group's plantation rat control programme. It has since grown into a stronger entity, offering a wide range of products such as harvesting poles, cover crop seeds, pheromone, agrochemicals, harvesting tools and fertilisers.

Currently, Agri-Bio is a strategic supplier of muriate of potash (MOP) to Sime Darby Plantation estates and is also involved in providing pest management services for residential and industrial buildings, mainly for termite control.

The company, which has its manufacturing and warehouse operations located at the Sungei Buloh Estate in Selangor, is in the process of building a new warehouse to cater to its business expansion. It is also automating the rat bait manufacturing facility to improve efficiency and product quality.

Going forward, Agri-Bio will continue to focus on organic growth and to introduce several other new products.

##### Sweet Corn and Paddy Farming

In line with the Northern Corridor Economic Region (NCER) initiatives, Sime Darby embarked on paddy farming in Tali Ayer Estate in Bagan Serai, Perak during the year under review.

This new agriculture initiative, in addition to the sweet corn farming undertaken earlier in Bukit Tangga, Kedah, is aimed at alleviating poverty among farmers in the northern region. At the same time, it aims to support sustainable rural livelihood through an agropreneurship programme and contract farming.

##### Sime Darby Livestock Sdn Bhd

The Group's livestock business is undertaken by Sime Darby Livestock Sdn Bhd, which operates in Selama, Perak. In January 2009, the company started selling halal beef. Moving forward, the company plans to fine-tune its business model to ensure further viability of its operations.



Sweet corn farming at Bukit Tangga is one of the initiatives taken under NCER

### Sime Darby Foods Marketing Sdn Bhd (SDFM)

The company was established to market and distribute the Group's finished agricultural products in the retail and food service outlets, both locally and abroad.

For the year under review, SDFM launched several new products under the GoFresh brand for its fruit juices and Sunbeam for its cooking sauces. To ensure brand visibility and consumer brand recall, SDFM conducted a number of consumer marketing activities such as in-store samplings and exhibitions at major hypermarkets and supermarkets.

Sunbeam, the brand name for fast-food preparations of several of Malaysia's favourite cuisines, was launched in the second quarter of the financial year. Sunbeam beverage creamer was launched in August 2009.

The fruit juice brand name, GoFresh, underwent a brand and packaging revamp in April 2009. New fruit juices were also introduced in the year under review to add to the range. The new products available currently are Apple Appeal (apple juice), Orange Splash (orange juice), Pineapple Delight (pineapple juice) and Grape Escape (grape juice).

SDFM also expanded the distribution of Sime Fresh Sweet Corn to hypermarkets (Tesco & Carrefour) and supermarkets (Jusco & Mydin) during the year under review.

The company also participated in various food and beverage exhibitions, including Agrofest 2009, "Belilah Barangan Buatan Malaysia 2009", MIHAS 2009 and MIFB 2008, to expose the Group's products and brands to both domestic and international markets.



The Gedung Model Paddy Farm is set to revolutionise the country's paddy farming industry

### RESEARCH & DEVELOPMENT CENTRE

During the year under review, the Sime Darby Research & Development Centre (R&D Centre) scored several notable achievements as it moves towards its goal of becoming a premier private research institute in the country.

#### Breakthrough in Oil Palm Genome

On 12 May 2009, Sime Darby announced the successful sequencing, assembly and annotation of the oil palm genome. This breakthrough, will eventually enable the Plantation Division to increase oil palm yields significantly. This was announced by Prime Minister Dato' Sri Mohd Najib Abdul Razak at a special ceremony in Kuala Lumpur.

The discovery has positioned Sime Darby at the forefront of oil palm research in the world.

#### The Gedung Model Paddy Farm

The year under review also saw the development of the 200-ha Gedung Model Paddy Farm in Tali Ayer Estate in Perak as a modern paddy farm in Malaysia. It was officially launched by Prime Minister Tun Abdullah Ahmad Badawi on 5 February 2009.

Extensive research has been put in by the R&D Centre to fully equip the model paddy farm with fully mechanised operations as well as advanced water management systems. The model paddy farm has been targeted to achieve prime yields of between eight and 10 tonnes per hectare per cycle as compared to national average of three and four tonnes per hectare per cycle, which will revolutionise the paddy farming industry in Malaysia.

#### Mangrove Research Centre

In line with the Group's firm belief in sustainable business practices, a purpose-built Mangrove Research Centre was established at the West Estate in Carey



Different brands of cooking oil produced by Sime Darby Plantation



Research and development is crucial in maintaining competitiveness in the industry

Island, the first research centre of its kind in Malaysia. Officially launched on 17 February 2009, the centre is a collaborative project with the University of Malaya to facilitate biodiversity conservation efforts on Carey Island.

#### Quantum Leap Research

Quantum Leap Research, entrusted with developing cutting-edge solutions in oil palm research as well as creating new business opportunities, continued with its research on oil palm molecular markers during the year under review. Its aim is to assist in the selection of planting materials that produce higher yields and other beneficial agronomic traits.

Quantum Leap is also developing cost-effective technology to produce specific enzymes through solid state fermentation of waste materials. These enzymes are beneficial for the industrial applications of oleochemical and biofuel.

#### Plantation

In oil palm tissue culture research, the R&D Centre screened 20 clones and identified four potential prolific and non-prolific clone markers. In addition, 16 primer combinations were found to be suitable for clonal identification.

Development of planting materials that can produce fruits with high iodine value (IV), high carotene and high tocotrienol contents as well as development of bi-clonal planting materials that have similar oil yields to pure clones was progressing.

Feasibility studies on commercial scale planting of *Jatropha Curcas* as a potential fuel crop was undertaken during the year under review. The study was carried out at three plots in West Estate, Carey Island, Sepang Estate in Sepang and Tanah Merah Estate in Negeri Sembilan. *Jatropha* germplasm collection has also been established in the Carey Island nursery for plant accession study.

Trials on weed control using generic herbicides showed that the performance of these herbicides was comparable to other costlier, well established brands. This finding will enable the Group to achieve significant cost reduction in weed control.

#### Processing & Engineering

Among the projects undertaken by this Unit during the year under review were:

- Development of the Sludge Condensate Oil Recovery (SCORE) system to efficiently recover low grade oil lost during processing.
- Evaluation of a skim latex recovery system at Batu Anam Latex Factory in Johor for recovery of rubber using ultra filtration technique.
- Commencement of the second phase of the Reversible Anaerobic Baffled Reactor in West Oil Mill Carey Island to develop more stable process conditions for increased biogas generation.
- On-going construction of a pilot *Jatropha* processing plant at Sepang Oil Mill.
- Completion of a bio-fertiliser pilot plant at Kerdu Oil Mill, designed to produce enriched compost suitable for use in oil palm nursery as well as in the field.

#### Oils & Fats/Oleochemicals

Production of healthier oils and fats products, such as diacylglycerol (DAG) and Medium-and-Long-Chain Triacylglycerols (MLCT), in collaboration with Universiti Putra Malaysia (UPM) and the Malaysian Agricultural Research and Development Institute (MARDI), was implemented in the year under review. DAG has the potential of enhancing the value of palm oil by two folds based on the current price of similar products. Other research activities carried out include the development of trans-free pastry fats and anhydrous milk fat replacer (AMFR).



The biodiesel plant located in Carey Island is a manifestation of our commitment towards sustainability and the usage of renewable energy

Research in oleochemicals was mostly concentrated on the development of methyl ester sulphonates (MES) for the production of liquid detergents.

#### Technology Transfer & Advisory Services (TTAS)

During the year under review, TTAS provided services to 133 estates in Malaysia, covering an area of 327,000 hectares. Similar services were provided by Minamas Research Centre for Indonesian estates. These services include recommendations on fertiliser formulation, provision of solutions to improve crop nutrition and health, as well as dissemination of the latest information on estate management techniques.

A prototype model to predict oil palm yield using satellite imagery obtained from remote sensing technique was also developed during the year. An accuracy level of more than 95 percent was achieved during the exercise, which covered palms aged between three and 25 years.

TTAS personnel were also actively involved in feasibility studies during the year under review to discover potential areas for new plantation developments. Areas covered include Peninsular Malaysia, Sarawak, Indonesia, Liberia and Cambodia.

#### Sime Darby Seeds & Agricultural Services (SDSAS)

Sime Darby Seeds & Agricultural Services Sdn Bhd (SDSAS) produced and marketed about 25 million oil palm seeds during the year under review. Distribution was limited to domestic markets due to export restriction by the authorities. In terms of customer distribution, Plantation Division was the main user, accounting for more than half of the total production. Nursery operators and government agencies – the main sources of planting materials for smallholders – received about 1.4 million seeds from SDSAS.



Continuous quality control, research and development are present at all our establishments worldwide

#### SYNERGY INITIATIVES

During the year under review, the Plantation Division continued with its implementation of the various synergy initiatives identified in the previous financial year. The synergy initiatives are:

- T1 : **Optimisation of Mill Routing and Capacity**  
Rationalisation of estates and mills network to reduce transportation distance and upgrading of mills to ensure increased efficiency and utilisation for internal and third party FFB processing.
- T2 : **Consolidation of Estate Management**  
Merger of 24 estates into 12 lead estates to reduce estate management costs. This will increase the Group's average estate size to 2,800 ha.
- T3 : **Improve Mill Maintenance**  
A Total Productive Maintenance (TPM) programme that drives preventive maintenance programme, contractor management and spare part inventory to reduce costs and breakdown hours.
- T4 : **Fertiliser Cost Optimisation**  
To achieve economies of scale in fertiliser purchase via centralised procurement effort and adoption of best practices in fertiliser application at all estates.
- T5 : **Optimise Margins Across Value Chain**  
A comprehensive approach involving third party FFB purchase, refinery utilisation, lower Free-Fatty-Acid (FFA) oils to reduce refining costs, higher export quota from East Malaysia, reduction in transportation costs, enhancement of logistics facilities in East Malaysia and the setting-up of an internal commodity trading capability in Indonesia to gain international market access.



Quality seeds produce quality fruits

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Safety is always a priority at all our establishments

- T6 : Consolidate R&D and Premium Seed Business**  
Consolidation of R&D facilities and premium seed business to reduce operating costs for margin maximisation.
- T7 : Procurement Initiatives**  
Leverage on large scale purchase of agrochemicals, petroleum products, tools & machinery via centralised procurement effort.
- T8 : Adoption of Best Practices in Estate Management**  
Adopt all best practices under the Agriculture Reference Manual (ARM), Standard Operating Procedures (SOP) and monthly Estate Performance Index (EPI) across estate management value chain to drive yield improvement.
- T9 : Adoption of Best Practices in Mill Management**  
Adoption of comprehensive best practices in key process areas to improve palm oil and palm kernel extraction rates. These include delivery coordination, loose fruit quantification & collection, ripeness and freshness standards.
- T10 : Driving Indonesia's Full Potential**  
Review of business plan, best practices, procurement and supply chain, and infrastructure in Indonesian operations to achieve cost and revenue improvements.

During the year under review, the Management and Operational teams from the Plantation Division continued to implement and monitor these 10 initiatives closely to ensure that the palm oil value chain is well integrated, coordinated and aligned to achieve continuous productivity and operational efficiency.

The progress of the initiatives is closely monitored while the synergy value progress was audited by internal and external auditors to ensure accuracy and completeness in the tracking and reporting process.

Despite uncontrollable factors such as weather conditions, the Plantation Division was able to meet the targeted synergy value for the financial year under review. Moving forward, the Plantation Division will continue to sustain its performance and hold the gains from the revenue synergies.

#### RSPO DEVELOPMENT AND IMPLEMENTATION

During the year under review, five of the Plantation Division's Strategic Operating Units (SOUs) were certified under the Roundtable on Sustainable Palm Oil (RSPO) Certification Scheme.

Meanwhile another 39 SOUs in Malaysia and three in Indonesia, had undergone the external RSPO Certification Audit process carried out by approved certification bodies. The Plantation Division aims to certify all of its 65 SOUs by the 2010/2011 financial year.

Internal RSPO auditors are currently monitoring the readiness of all SOUs for RSPO Certification. The auditing is done in stages, with outstanding gaps addressed before assessments by external certification bodies.

During the year under review, Best Management Practices, such as Integrated Pest Management, minimisation of soil erosion and monitoring of fertiliser input, were carried out according to the Group's Agriculture Reference Manual (ARM).

Also, existing and new procedures in sustainable aspects such as zero burning replanting technique and Management for High Conservation Value were included in the Sustainable Plantation Management System (SPMS).



The estates undergo several audit processes before obtaining RSPO certification.

To fulfil the Group’s obligation towards social and biodiversity commitment, the Plantation Division established a team of internal experts to carry out Social Impact Assessments and Biodiversity Assessments throughout its plantation operations. The in-house experts used an internally developed procedures that have been verified by external experts.

The year under review also saw the Division undertaking its commitment in biodiversity conservation through the Slope Protection and River Buffer Zone initiatives in its plantation operations.

Buffer zones were established along natural river crossings or those bordering plantation land. Areas found not suitable for oil palm planting were reserved as biodiversity areas, which total approximately 32,000 hectares Groupwide.

Meanwhile, the management of the RSPO Certification Scheme was further enhanced during the year under review with the installation of the RSPO IT Online Management Programme.

**OTHER STANDARDS & COMPLIANCE**

For the year under review, the Plantation Division launched the new Plantation Quality Management System (PQMS) that standardised the various management systems throughout the Plantation Division’s upstream operations.

PQMS, which will complement RSPO certification process and requirements, consists of the Estate Quality Management System (EQMS) for oil palm estates and Mill Quality Management System (MQMS) for palm oil mills.



With our continuing commitment to research and development, we are able to produce high yielding palm trees

Three management standards are integrated in the systems, namely the Quality Management System (QMS) ISO 9001, the Environmental Management System (EMS) ISO 14001 and the Occupational Health and Safety Management System (OSHMS) OHSAS 18001.

Certification Standards already established at Operating Units:

Certification	No.
ISO 9001	28 *OUs
ISO 14001	12 *OUs
OHSAS 18001	24 *OUs
Food Safety	22 *OUs
Global Gap	3 *OUs
Halal/ Kosher	12 *OUs
RSPO	5 **SOU
<b>Total</b>	<b>106</b>

\* OU: Operating Units (estate/mill/refinery/agrifood)

\*\* SOU: Strategic Operating Units



Mangrove forests are one of the ecosystems conserved under the Sustainable Plantation Management System programme

## OPERATIONS REVIEW - PROPERTY



The iconic Sime Darby Pavilion in Bukit Jelutong

### OVERVIEW

Following the merger of the property arms of Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad, Sime UEP Properties Bhd and Negara Properties (M) Berhad, Sime Darby Property (SDP) is today one of the largest property companies in Malaysia.

Envisioned to be a leading developer of sustainable communities, the Division has turned into a diversified property player with interests in property development, property investment, asset management and hospitality and leisure businesses.

Although its main operations are located in Malaysia, the Division already has international footprints in property related businesses in six other countries, namely Singapore, Indonesia, Vietnam, China, Australia and the United Kingdom. Going forward, it will tap on the resources and expertise gained from the successful implementation of projects in these countries to further fuel its growth in the property sector beyond Malaysian shores.

The Division is in a good position to post stronger growth in the near future based on its significant presence in the Asia-Pacific region as well as its good track record in maximising yields through innovative and strategic developments. The Division has also created opportunities for better yields and returns through landbank management and utilisation with other business divisions of the Group.

### MERGER SYNERGIES

The merger of the four property arms has created both cost and revenue synergies for the Group. This was derived from price optimisation from contractors and consultants, best costing practices, reduction in variation orders and improvement in pricing structure.

### Property Development

With a combined experience and expertise spanning 40 years, the Property Division has built more than 80,000 homes for Malaysians over the years. In terms of land bank, the Property Division owns one of the largest in the country with approximately 17,300 acres. Of the total, 4,500 acres are ready for immediate development while 9,100 acres have been earmarked for development within the next 5 years.

Currently, the Property Division is involved in the development of some of the most well known townships in Malaysia, namely Subang Jaya and UEP Subang Jaya (USJ), Putra Heights, Bukit Jelutong, Bandar Bukit Raja, Ara Damansara, Denai Alam, Melawati, Nilai Impian, Pinggiran USJ, Saujana Impian and Bukit Subang. Other on-going niche development projects are Planters' Haven, USJ Heights, Subang Avenue and Oasis Ara Damansara.

### PROPERTY DEVELOPMENT - MALAYSIA

#### Ara Damansara

The 740-acre freehold up-market development is strategically located near the Sultan Abdul Aziz Shah International Airport Road in Subang, Selangor. It is also located between two of Klang Valley's more prestigious golf clubs and is accessible via an excellent network of highways such as the North-Klang Valley Expressway (NKVE), the Federal Highway and the North-South Expressway.

Ara Damansara offers an integrated living and working environment in a serene community that has made it one of the most sought-after neighborhoods in the Klang Valley. Since 1999, over 3,500 units of mixed properties have been launched with a total sales value of RM1.3 billion.

During the year under review, 89 units of properties comprising mostly Ara Hill luxurious resort condominiums have been sold with a total sales value of RM52 million. The resort condominiums are priced from RM883,900 to RM2.26 million each.



Ara Damansara offers an integrated living and working environment in a serene community



Since its first launch, Ara Hill's Phases 1 and 2 have recorded sales of more than RM233 million with a total take-up rate of 80 percent. Phase 1 recorded take-up rate of more than 91 percent out of 218 units.

As for the 110 cluster units, both Phase 1 and 2 of the resort villas with built-up areas ranging from 1,948 to 4,715 sq ft were sold out.

#### **Bandar Bukit Raja**

Bandar Bukit Raja (BBR), which is strategically located next to the Klang urban center, is another of the Division's development that offers convenient lifestyle in an integrated township similar to its sister townships of UEP Subang Jaya and Putra Heights. BBR is progressing well and development is focused on Stage 1 of the township.

During the year under review, 501 units of properties were sold which generated a total sales value of RM143 million. The three-month 'Parade of Homes' promotional campaign (from March to June 2009) saw BBR clinch encouraging sales of RM90.66 million when 259 units of the properties were sold.

The 4,500-acre residential township development has an immediate catchment of 10,000 residents and a projected population of 30,000 upon its full completion. It has good accessibility via the North Klang Valley Expressway (NKVE), the Federal Highway and the Shapadu Highway.

#### **Bukit Jelutong**

The 2,205-acre Bukit Jelutong township in Shah Alam, known for its award-winning planning and landscape designs, is one of Klang Valley's premier developments.

During the year under review, residential properties launched in Bukit Jelutong received encouraging response from homebuyers, with the high-end properties enjoying very good take up rates during each launch.



Phase 1 of the Ara Hill resort condominium is ready to be handed over in December 2009

In August 2008, 20 units of 'Pesona' semi-detached homes were launched in Bukit Jelutong priced from RM2.2 million to RM3 million each. As at end of June 2009, the take up rate stood at 95 percent.

The year under review also saw an overwhelming response from homebuyers to 46 units of 'Mezzo' semi-detached homes, which were launched during the 'Parade of Homes' campaign in March 2009. All units, with selling prices starting from RM1.28 million, were snapped up within two weeks of its launch.

In the same month, another 40 units of 'Forte' detached bungalows were launched. A total of 60 percent of the units, which are priced from RM2.82 million each, were sold by the end of the financial year under review.

The new commercial development project launched during the financial year under review was the 'D'Vida', which comprises 93 units of two-storey and three-storey strata shop offices. Launched in May 2009, 26 units were sold within the first month of its launch.

In total, Bukit Jelutong sold 148 units of mixed properties, generating a total sales value of RM252 million during the financial year under review. The Bukit Jelutong township is now 90 percent developed.

#### **Melawati**

The year under review saw the continuation of development activities at the 1,200-acre Melawati township, which comprises Taman Melawati, Wangsa Melawati, Desa Melawati and the Melawati Commercial Centre.

After the launch of 30 units of strata retail and exclusive business suites in Melawati Urban.2 (MU.2) in the previous year, the Division launched the much awaited 240 units of 'Gaya' Apartments and 52 units of 'Gaya' strata retail and exclusive business suites in May 2009. Within two months, 90 percent of Gaya Apartments and 75 percent of Gaya Retail/Business Suites had been snapped up, indicating another success story for Taman Melawati.



The low-density Bukit Jelutong township continues to be one of the most sought-after neighbourhoods in the Klang Valley



'Gaya' exclusive business suites in Melawati Urban 2

In Desa Melawati, the take-up rate for the '3 Residen' condominiums reached 86 percent as at June 2009. During the year under review, the Division sold 254 units with total sales value of RM104 million. The Melawati township, which is strategically located next to the Middle Ring Road II in Ampang, is almost fully developed.

#### Nilai Impian

During the year under review, the Division launched 108 units of 'Dillenia' double-storey link homes as well as 73 units of 'Warisan' Villa double-storey semi-detached homes. Both properties received very encouraging response from homebuyers with 70 percent of the units snapped up within a period of three months. In total, Nilai Impian registered sales of RM63 million for the year under review with 135 units sold.

Nilai Impian, a 680-acre development located strategically within the KLIA-Nilai-Pajam growth area and off the KL-Seremban Highway, features low density residential development, two landscaped lakes and open parks to promote recreational activities within its community.

#### Putra Heights

The 1,800-acre freehold development of Putra Heights, which borders UEP Subang Jaya, has received encouraging response for its new launches during the year under review.

Among the new launches were the two-storey and 2-half storey superlink homes called 'Grandis Palms' (priced from RM668, 888) and 'Mascarena' (priced from RM728, 888). Since their launches in March and June 2009, 90 percent of the 171 units were sold.

In March 2009, the Division launched the last phase of Putra Avenue double-storey link houses. 'Citrine', which was priced from RM458,888 each, was sold out within four months when all the 95 units were taken up.

In total, Putra Heights registered sales of RM244 million during the year under review with 377 units sold. Putra Heights, which is accessible from Lebuhraya Damansara Puchong and North-South Highway, is about 10 years old and has achieved an average take-up rate of 94 percent.

#### USJ Heights

The year under review saw the maiden launch of 'Kayangan Putera' superlink homes in November 2008. Totaling 83 units, the two-storey and 2-half storey homes are priced from RM798,000 to RM1.474 million each, with built-up areas ranging from 2,710 sq ft to 4,385 sq ft. As at the end of June 2009, 75 percent of the 'Kayangan Putera' units have been sold.

In total, USJ Heights registered sales of RM58 million for the year under review with 77 units sold.

USJ Heights is a 150-acre exclusive low density guarded community development located on a prime freehold land in Subang Jaya. Among the unique selling points of USJ Heights are its comprehensive security features that include perimeter fencing, telephone entry system (intercom), central security monitoring, built-in alarm system and round-the-clock patrol guards.

#### Denai Alam

The 1,000-acre Denai Alam township, located in Shah Alam, Selangor, saw the launch of six phases of residential properties during the year under review with an average take-up rate of more than 85 percent.

Among the most notable was the 22ft x 80ft 'Serista' double-storey link homes which have a built-up area starting from 2,140 sq ft. Priced from RM380,100 each, the properties were sold out within a month of its launch in March 2009.

Denai Alam, which commenced development in May 2005, is based on the traditional Malay kampong that stresses on communal living in a modern neighborhood. During the year under review, Denai Alam township achieved sales of RM280 million with 601 units sold.



Artist's impression of the well-received 'Grandis Palms' in Putra Heights which is fitted with the Rainwater Harvesting System

### Planters' Haven

Planters' Haven is an exclusive, gated residential community set within 270-acres of mature orchard land. Situated near Nilai town in Negeri Sembilan, it boasts an extremely low density of less than one bungalow per acre with a gross development value of RM232 million. The land value has increased from RM15 per sq ft in 1997 to an average of RM25 per sq ft or by 60 percent in 2009.

Spread across the undulating grounds is land for bungalow units, available from a choice of 8 innovative designs, that suit the contour of the land and are in harmony with the existing terrain. The built-up area of the bungalows ranges from 4,720 sq ft to 7,100 sq ft. The bungalows are priced from RM2.2 million and above, depending on the design, land size and location of the land plot.

Among the features and facilities available are 24-hour security and patrolling services, power fencing, a recreational lake, stables, horsetrail, children's playground, barbecue area and jogging tracks. These are complemented by a lakeside club house with swimming pool, gymnasium, multipurpose-hall and a tennis court.

### Subang Avenue

Strategically located in the Subang Jaya SS16 commercial belt, the Subang Avenue mixed commercial development project was completed in March 2009. All 280 units of the serviced apartments were sold out, while the leasing of the 243,290 sq ft of retail podium space is currently in progress. The serviced apartment units were handed over to purchasers beginning July 2009.

### Oasis Ara Damansara

The construction of the first phase of Oasis Ara Damansara project, known as 'The Capital', has reached an advanced stage of completion during the year under review. The external infrastructure works for the two blocks of 10 to 12-storey shop office buildings are in progress. As at the end of June 2009, 93 percent of the 288 units have been sold.



The Oasis project in Ara Damansara comprises commercial shop offices, retail outlets and serviced apartments

Following the success of 'The Capital', the Division launched the second phase of the project, known as the Oasis Serviced Suites, in April 2009. The 326 units of Studio, two-bedroom and 2+1-bedroom types are priced from RM420 to RM460 per sq ft. A total of 80 percent of the units were snapped up in less than three months of their launch.

### Embassyview Condosuite

As at the end of the financial year under review, construction work on the Embassyview Condosuites had reached the podium level. Located within the vicinity of the Embassy Row and the U-Thant prime residential enclave in Jalan Ampang in Kuala Lumpur, Embassyview Condosuite comprises 283 units of high-end condominiums spread over two 20-storey blocks and one 10-storey block. The Division is targeting a mix of international purchasers for the project.

## PROPERTY DEVELOPMENT - OVERSEAS

### Australia

The Division's property development project in Australia, which used to be known as Oyster Cove, is now known as Eagles Cove. The Division is currently planning to develop Stage 6 and Stage 8 of Eagles Cove, which consist of the development of town houses and neighborhood commercial precinct. They are now in their final approval stage.

## HOSPITALITY & LEISURE

In the hospitality and leisure business, the Division owns and/or manages operations in Malaysia, Singapore, Australia and Vietnam. Its portfolios include Darby Park Executive Suites (Singapore), Rangdong Orange Court (Vietnam), Karri Valley Resort, Quest Subiaco and Quest Margaret River (Australia), Sime Darby Convention Centre, Genting View Resort and Harvard Suasana (Malaysia).



The infinity pool at the newly completed club house in Planters' Haven

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An aerial view of the Eagles Cove development in Australia

The Division also owns Hotel Equatorial, Melaka and manages PNB Darby Park, Kuala Lumpur (owned by Pemodalan Nasional Berhad). In addition, the Property Division also owns and manages golf courses in Malaysia, comprising Kuala Lumpur Golf & Country Club in Bukit Kiara, Kuala Lumpur, Impian Golf & Country Club in Kajang, Selangor and Harvard Golf & Country Club in Kedah.

### HOSPITALITY

#### Malaysia

PNB Darby Park continued to perform well during the year under review despite stiffer competition and reduced corporate travel. From January to December 2008, PNB Darby Park achieved an occupancy rate of 84 percent.

Sime Darby Convention Centre performed even better than the previous year. Its popular Chinese restaurant, China Treasures, commenced renovation work at the end of June 2009 to add more seats, private dining rooms and a show kitchen. Known for its halal fine dining, China Treasures resumed its operations in October 2009.

Genting View Resort also performed better in the 2008/09 financial year and this good performance is expected to continue into 2010.

#### Singapore

Darby Park Executive Suites recorded a lower occupancy rate of 71 percent during the year under review, mainly due to the effects of the global economic crisis that saw fewer expatriates working in Singapore than the previous year, resulting in less demand for serviced apartments.

#### Australia

Quest Subiaco continued to perform well in the year under review, registering an occupancy rate of 90 percent with the average room rate (ARR) 12 percent higher than the previous year. The good performance was fuelled by the strong resources market.

Quest Margaret River's occupancy remained unchanged at 63 percent, but its ARR improved by 5 percent over the previous period.

#### Vietnam

Rangdong Orange Court, located in Vung Tau and catering primarily to the oil and gas market, renovated all of its 69 units in 2008. Accordingly, room rates were increased following the refurbishment work.

### LEISURE

The Kuala Lumpur Golf and Country Club (KLGCC), built in 1991, is undergoing a total revamp to transform it into one of the leading golf clubs in the region. Phase 1 of the refurbishment was completed in August 2009, while Phases 2 and 3 are slated for completion by the end of December 2009. Impian Golf & Country Club (IGCC) and Harvard Golf & Country Club (HGCC) continue to improve its business performance during the year under review. It has gained popularity among northern golfers due to its improved greens and fairways.

### ASSET MANAGEMENT

The Property Division owns and manages assets in various countries, including Malaysia, Singapore, Indonesia and the United Kingdom. It also manages buildings owned by the Group, and is additionally responsible for tenancy and maintenance management of office buildings, industrial properties, shop offices, vacant land, staff holiday bungalows and sporting facilities such as Bayuemas Oval Cricket Club and Indoor Lawn Bowl Stadium. Among prominent high rise office buildings under its purview are Wisma Sime Darby, Wisma UEP and Sime Darby Pavilion.

#### Singapore

During the year under review, three investment properties of the Division - Sime Darby Centre, Sime Darby Enterprise Centre and Sime Darby Business Centre - achieved average occupancy rates of 87 percent, 96 percent and 51 percent,



Scenic view of hole #3 at the West Course of Kuala Lumpur Golf & Country Club

respectively. Rental rates achieved were about 5 percent higher compared to the other properties in the surrounding area.

#### Indonesia

The Cilandak Commercial Complex in Jakarta, Indonesia continued to command high occupancy rates of above 90 percent throughout the year. The Division anticipates similar results from the Cilandak Commercial Centre in the 2009/2010 financial year but growth will be limited.

#### London

The favourable investment conditions in London had prompted the Property Division to be on the look out for viable investments in London during the year under review. On the existing property in Bognor Regis, the Division has concluded the conditional sale of 8 acres to Sainsbury's Supermarkets Ltd, subject to planning consent for the site.

#### STRATEGIC INNOVATIVE MARKETING: 'PARADE OF HOMES'

During the year under review, SDP proved its resilience in a tough and gloomy property market by garnering record breaking sales of RM1.012 billion for the third installment of its Parade of Homes (POH) showcase, which ended on 15 June 2009. A total of 1,670 units were sold during the three-month promotional period.

The success of the POH campaign was due to innovative marketing techniques employed by SDP, which launched the maiden event in June 2008.

Encouraged by this phenomenal success, the Property Division will continue to look for ways to sustain its market leadership through continuous delivery of quality products and innovative marketing.



The Parade of Homes was one of Sime Darby Property's innovative and most successful marketing strategies



The Rangdong Orange Court in Vietnam

#### FUTURE GROWTH

##### Sime Darby Vision Valley (SDVV)

The main growth driver for Sime Darby Property in the coming years will be the development of Sime Darby Vision Valley (SDVV), which forms part of the Kuala Lumpur Conurbation.

SDVV will strengthen Malaysia's position as a preferred global destination through the development of regional centres of excellence in several promoted sectors, such as sports; healthcare & wellness cluster; education cluster; aviation & maintenance, repair and overhaul (MRO) cluster; green tech park (Ampar Tenang); and tourism & entertainment cluster.

The SDVV project is envisioned to span two decades and is expected to generate a gross development value of RM25 billion to RM30 billion. It is poised to maximise the diverse synergies within the Sime Darby Group and would place Sime Darby Property on a new level in the property development arena. The iconic regional development encompasses an area of 80,000 acres, comprising the Selangor Vision City (SVC) and the Negeri Sembilan Vision City (NSVC).

The SVC includes the Guthrie Corridor, Subang Jaya & Putra Heights, Carey Island, Ampar Tenang, Bandar Gemilang and Sepang Estate.

Four sizeable plantation landbanks, which cover an area of 37,000 acres, will emerge as the main driving clusters for the overall master plan with its 'Sports', 'Education', 'Healthcare & Wellness', 'Aviation & MRO', 'Entertainment & Leisure' and 'Green Tech Park' components.

Planned as a sustainable development, SDVV would champion 'Sustainability Criteria & Features', such as significant carbon reduction, Green Travel Plan, water recycling, waste management system, and energy strategy, among others.

## OPERATIONS REVIEW - INDUSTRIAL



Terberg terminal tractors have been delivered to several parts of Asia and, most recently, to ports in the Middle East

### OVERVIEW

The Industrial Division operations are segmented around Caterpillar dealerships in the following regions :-

- Australia (Hastings Deering);
- Pacific Islands (Hastings Deering and Caltrac);
- Singapore (Tractors Singapore);
- Malaysia (Sime Darby Industrial group); and
- China (China Engineers group)

Caterpillar dealership operations account for over 90 percent of the Division's profits, the principal markets being in mining, construction, rental, power and forestry. The dealerships in Australia and Singapore are market leaders.

The Industrial Division had recorded higher sales and PBUIT for financial year 2008/2009. The higher performance was driven by overall higher sales coupled with better margins generated by its Australian and South East Asian operations. The strong performance is contributed by the demand for equipment from coal mining activities and strong demand for engines and generators from the marine and oil & gas sectors. The equipment sales in Malaysia were affected by low demand from the logging industry.

### MALAYSIA

The global economic crisis has impacted many businesses, forcing customers to either defer their equipment orders or source for cheaper products. This has particularly affected demand for Caterpillar equipment from the logging and construction sectors during the year under review.

The traditional logging sector turned cautious as a result of low demand for timber products from Japan and the United States. Plywood and round log prices fell from their highs, albeit cushioned by the stronger US dollar against the ringgit.

Activity in the construction industry was also dismal early in the year under review, until the positive impact of the economic stimulus package kicked in towards the later part of the 2008/09 financial year.

However, encouraging activities in the plantations, petroleum and oil & gas sectors helped cushion the impact of the global economic crisis on the Division's businesses in Malaysia. Demand from the petroleum and oil & gas sectors sustained sales of engines and generator sets, while the agriculture sector provided growth opportunities for Case New Holland and Kubota tractor franchises during the year under review.

Parts and service sales recorded satisfactory performance on sustained demand from the plantations and marine sectors. The long term maintenance agreements, meanwhile, continued to help maintain steady growth in parts and service revenue.

Sales of Terberg terminal tractors were also encouraging during the year under review, with increased orders received from both local and foreign ports. During the year, the Division made inroads into the Oman port sector while serving existing markets in Sri Lanka, Indonesia, India, the Philippines, Australia, New Zealand, Thailand and Singapore.

### SINGAPORE

The global financial crisis resulting from the US sub-prime housing loan crisis and a decline in crude oil prices from a high of US\$147 to a low of US\$34 per barrel did not prevent Tractors Singapore Ltd (TSL) from reporting a better turnover and operating profit for the year under review. The good performance was largely due to the strong order-book that TSL had secured before the start of the global financial crisis.

Engine sales by TSL's Power Systems Division to the marine and petroleum markets remained steady as activities in this market remained active in tandem with the rise in crude oil prices to the current level of between US\$60 and US\$80 per barrel.

TSL's Product Support Department also enjoyed higher revenue, with its workshop involved in related engine repairs and overhaul jobs registering full deployment.

During the year under review, the Singapore Government bolstered the local construction industry with several mega infrastructural projects, such as the two integrated resorts, the



Tractors Singapore's engineers serving its customers on-site

Circle Line and various new highway construction jobs. Since many of TSL's customers were involved in these projects, it led to the company capturing more equipment sales.

#### CHINA

The Group's wholly-owned subsidiary, The China Engineers Ltd (CEL), achieved another record sales for the year under review, with its profit before interest and taxes (PBIT) growing significantly.

CEL, the exclusive dealer for all Caterpillar products in the provinces of Guangdong, Fujian, Jiangxi, Guangxi, Hunan, Hainan and Xinjiang as well as Hong Kong and Macau, benefited from the Chinese Government's stimulus package aimed at boosting the country's economic growth.

Infrastructure and mining activities provided the momentum for CEL's machine sales in China for the year under review. CEL also benefited from the rebound in oil prices which supported sales of its marine engines.

#### AUSTRALIA

Hastings Deering concluded the year under review with a solid performance despite the global economic crisis. A strong order intake for Caterpillar equipment in the first half of the financial year, coupled with the Australian Government's economic stimulus measures, helped the Company maintain a robust sales level for the full year.

Mining customers were the mainstay of Hastings Deering's Australian operations during the year under review. Although orders for new machines showed a significant reduction in the second half, activities in Queensland and the Northern Territories continued to generate significant product support opportunity.

In view of the significant reduction in financing alternatives for customers under the current economic environment, Hastings Deering has taken the opportunity to significantly expand its rental fleet of Caterpillar equipment, resulting in sound fleet utilisation and financial returns.



Hastings Deering Institute of Training practices 5 Star Contamination Control as part of their Apprentice Programme



Technical training at CEL Shunde Polytechnic Training Centre, Guangdong, China

The Company has also placed high priority on facilities and personnel to service the record number of machines that were delivered over the last few years. Towards this end, the Company completed the construction of an additional branch in Mackay. This facility built on 8 hectares of land has provided Hastings with a world class facility capable of handling the large mining and construction equipment maintenance and supply of parts for central Queensland.

The Hastings Deering's Institute of Training has also been extended to train the additional staff required to service the equipment. The Institute has trained over 300 young men and women under its expanded apprentice programme.

#### PAPUA NEW GUINEA

Operations in Papua New Guinea remained remarkably strong throughout the year under review, delivering increased levels of profitability and sound returns.

Equipment sales and market share grew on the back of aggressive sales and marketing campaigns. Mining continued to be the mainstay of the Group's business in Papua New Guinea, with customers predominantly focused on gold and copper mining.

#### SOLOMON ISLANDS

Contraction in world logging markets saw equipment sales in the Solomon Islands decline during the year under review. However, profitability grew on the back of strong product support to the logging, marine and construction markets.

#### NEW CALEDONIA

The year under review saw record equipment sales, reflecting orders placed in the previous financial year when nickel prices were at their cyclical highs.

Although operations will contract in the coming year to more traditional levels, the longer term outlook is positive with customers continuing to evaluate several large projects.

## 76 OPERATIONS REVIEW - MOTORS



Performance Motors' state-of-the-art 4S facility in Singapore

## OVERVIEW

For the year under review, the Motors Division experienced unprecedented market conditions as a result of the global financial crisis. The effects of the crisis were most strongly felt in the developed markets like Australia and New Zealand which saw their respective automotive industries posting negative growth. Notwithstanding this, the Motors Division was able to benefit from its presence in China where the market grew against the worldwide industry downtrend, as well as in Malaysia where its earlier efforts to streamline and restructure its operations enabled it to show positive results.

The Division also acted swiftly to reduce inventories, enhance cost reduction measures and improve its used car and after-sales businesses to deliver a strong cash flow. In the face of challenging times, the Motors Division continues to embark on strategic initiatives to enhance its competitive position. The Division is committed to growing its businesses with existing partners, forming new relationships with the right industry players and exploring opportunities in new territories.

## MALAYSIA

The Malaysian operations successfully consolidated the Hyundai distribution business through the acquisition of the remaining interest in Oriental-Hyundai from Oriental Holdings during the year under review. With the full range of Hyundai vehicles under its umbrella, the Motors Division is well-positioned to grow the Hyundai franchise when the market recovers.

The new Multi-Franchise Group, Sime Darby Auto ConneXion, performed well and introduced new Alfa Romeo, Land Rover and Ford products in the market. Auto Bavaria marked the year under review with the launch of the first BMW Premium Selection Centre in Malaysia as well as the opening of a new 4S centre in Kota Kinabalu, Sabah.

## SINGAPORE

During the year under review, Performance Motors opened a new state-of-the-art facility at 303 Alexandra Road, which represents a new regional benchmark for BMW dealerships. This further enhances the strong BMW brand in Singapore which continues to perform well based on the response to the launch of three new models - 7 series, Z4 and the all-new X6 - during the year.



The new BMW 7 Series Sedan is a vehicle that exudes confidence



Vantage Automotive, which distributes Ford, Land Rover and Peugeot vehicles, fared well in a tough market segment. The company continued to successfully supply special vehicles for military applications and more resources have been deployed in this promising area.

## CHINA

China is likely to emerge as the world's largest motor vehicle market in 2009 following declining sales in the United States. The Motors Division's BMW dealerships performed above expectations during the period under review, and will be adding another three new dealerships in the next financial year to bring the total number of BMW outlets to 12. During the year, the Motors Division's China operations added a Lamborghini dealership to its super luxury automotive business in Eastern China as another step in its strategy to enhance its representation in this growing segment of the automotive business.

## HONG KONG / MACAU

The sales of BMW, Mini, Rolls Royce and other franchises were affected by the economic downturn, but improved after-sales performance helped the overall situation. Good progress was made in refurbishing the facilities housing these franchises to better position the Division for the future. In line with Sime Darby's vision of 'Developing Sustainable Futures', the Multi-Franchise Group in Hong Kong embarked on an Electric Vehicle Project in collaboration with the Hong Kong Government. The project uses the Mitsubishi i-MiEV for the feasibility trial, and will be working with major fleet operators in the evaluation process of electric passenger as well as commercial vehicles.



The ultimate performance car for advanced sports car drivers - the brand new, limited edition Lamborghini Murcielago Lp 670-4 SV

## AUSTRALIA/NEW ZEALAND

During the year under review, the operating environments in Australia and New Zealand were particularly challenging due to the impact of the global recession. Aggressive discounts and stiffer competition, combined with poor consumer sentiments, had impacted the profitability of the Motors Division. However, plans have already been implemented to realign and restructure the business, and there have been positive signs that results will improve in the months ahead.

## THAILAND

The Division's Thailand operations were not spared from the impact of the global financial crisis. The situation was compounded by the political uncertainty that enveloped the country during the year under review. As a result, total car sales volume continued to decline for the third consecutive year. Notwithstanding this, the Division's Mazda business performed above expectations and delivered positive results to retain the No.1 position for total car sales in Bangkok.

The Motors Division is confident that it is well positioned to weather the economic downturn and challenges ahead. Many new opportunities have also arisen from the crisis which it is currently evaluating to determine the strategic fit with the future direction of the motor business post recession.



The Freelander 2 sets new standards for compact, premium 4x4s

## OPERATIONS REVIEW - ENERGY & UTILITIES



The expansion plan for the Oil & Gas business will strengthen the division's marine capabilities

### OVERVIEW

Sime Darby Energy & Utilities is involved in a number of core businesses, namely oil and gas, engineering services, power, ports & logistics and water management as well as growing businesses in security solutions and calibration. With a global workforce of over 3,000 people, Sime Darby Energy & Utilities has a vast international presence covering Malaysia, Singapore, Thailand, China and Qatar.

### OIL & GAS

During the year under review, Sime Darby Engineering Sdn Bhd (SDE) continued with its fabrication work for its major clients, including Maersk Oil Qatar (MOQ), Petronas Carigali and Sarawak Shell, while looking for new contracts outside Malaysia.

The fabrication contract with MOQ is expected to end in the last quarter of 2009. The deliveries of the others, such as Kumang CCC Topside and Kinabalu Jacket, are scheduled for March 2010 while the smaller F23 structures and Kumang WHP would have been delivered earlier. In view of this, SDE will continue to actively tender for new projects to replenish its order book.

In the year under review, SDE has been qualified for contracts by Zakum Development Company and Abu Dhabi Marine Operating Company (ADMA-OPCO), both owned by Abu Dhabi National Oil Company (ADNOC). SDE is in the midst of registering an office in Abu Dhabi to meet a new requirement before being qualified to bid. SDE is in the final stages of acquiring Ramunia's assets to strengthen SDE's fabrication capabilities.

The Oil & Gas fabrication business appears to be recovering to its full development potential after the low bidding period of 2008/2009. Projects have been reported to be back on sanction, mainly for the bigger fields, following higher average crude oil price of around US\$70 per barrel. Malaysian oil companies such as PCSB, EMEPMI and KPOC, among others, are planning to offer bids in late 2009 and 2010. Internationally, Australia has a list of huge development projects after 2010 for their gas fields, to be developed by Chevron, Inepax and Petronas.

On the outlook for the oil and gas sector, current surveys have indicated that among target markets in the Middle East, India and Australasia, only India seemed to be carrying out its long-delayed oil field development. The other countries are expected to award contracts from 2010 onwards.

Meanwhile, the financial crisis has in a way halted the construction of new vessels as financial institutions held back their credit, resulting in high demand for existing offshore vessels in the oil and gas industry.

The Derrick Lay Barge (DLB), equipped with a 1,600MT crane, would be ready by end 2009 and the two 8,000BHP tugs by middle 2010. These vessels are expected to complement SDE's competitive edge when bidding for engineering, procurement, construction, installation and commissioning (EPCIC) contracts.

### ENGINEERING SERVICES

#### Mecomb Group

Mecomb Malaysia continues to grow its core mechanical and electrical businesses during the year under review. Successfully making its mark in heavy-duty fan applications, the company secured its first multi-million ringgit order for the supply and installation of Chicago fans in palm oil mills. The company also completed the installation of a fire-fighting system at one of the refineries during the year under review.

Mecomb Malaysia also showed a marked improvement in sales to the medical diagnostics and pharmaceutical research sector, while maintaining its dominance in the material testing business.

Mecomb Singapore, meanwhile, stepped up its focus on key clients during the year under review through the provision of value-added services. Besides supplying compressorskids, the company offered its major clients other packages including water purification and steam generating equipment.



A dedicated team of experts gives SDE an edge in the international arena

Before the global financial crisis set in, the company rode on the bustling Singapore construction industry and bagged significant ventilation projects for new buildings and shopping malls. Its sales of electrical and electronic components also grew steadily during the year under review.

The company's good track record in delivering engineering solutions has enabled it to enter the hospital facility automation market. It gained further recognition during the year under review by winning a large-scale pneumatic transfer system award from a major hospital in Singapore against several international bidders.

Although the results of Mecomb Thailand were affected by the political instability in that country, the company saw opportunities in meeting higher demand for security systems arising from the political and social situation in Thailand.

During the year under review, Mecomb Thailand made a breakthrough in selling its proprietary industrial fans to the corn and rice mills owned by the largest operator in Thailand. The team at Mecomb Thailand remained optimistic of the future prospects of the company.

#### Sime-SIRIM Technologies Sdn Bhd (SST)

Sime-SIRIM Technologies Sdn Bhd recorded a marginal growth in its turnover and profit compared to the previous financial year. The economic slowdown faced by major industries affected the performance of the company in its traditional markets. While the oil & gas and defence markets are expected to remain stable, the company plans to make inroad into new sectors.

The company continued to strengthen its pole position in the calibration business through contract extensions with major clients. The company has also set up a centre for accredited radio frequency calibration, the largest commercial facility in the country.



SST's calibration activities create synergies with SDE's operations

#### Chubb Malaysia Sdn Bhd

During the year under review, the Company reported a higher turnover and profitability on continued demand from the domestic market. The export market, however, experienced lower demand during the second half of the year but was offset by the higher demand from the local market. Demand for integrated electronic security systems from high-end residential projects and the financial sector has showed an increase.

#### POWER GENERATION

For the year under review, both power plants belonging to Port Dickson Power Berhad (PDP) and Laem Chabang Power Company Limited (LCP) continued to be in excellent plant availability condition. However, the Power Business Unit's financial results were substantially lower in the year under review due to the one-off payment of RM29.3 million by PDP to the government, instead of the yearly windfall tax payment practiced earlier.

Sime LCP Power Company Limited (SLP), meanwhile, began its commercial operations on 20 February 2009. Despite the economic slowdown and political concerns in Thailand, the 55MW co-generation plant is expected to be fully contracted out at a capacity of 52MW by July 2009.

#### PORTS & LOGISTICS

##### Weifang Sime Darby Port Co Ltd (WSDP)

Weifang Sime Darby Port reached a significant milestone during the year under review when it attained the 1st Tier port status on 17 April 2009. This enhanced the port's international profile, allowing it to handle more local and foreign going vessels which were not possible before.

The global economic downturn saw WSDP stabilizing its handling capacity of 9.67 million tonnes of cargo in the year under review against 9.65 million tonnes in the previous year. The number of vessels that called at the port had also decreased from 3,015 to 2,807.



Mecomb office in Jurong Road, Singapore



The Batang Padang Groundwater Pilot Project in Perak, Malaysia

For the 2009/10 financial year, WSDP expects its throughput performance to be much better as more berth capacities are being added progressively to ease congestion at the wharves.

#### Jining Sime Darby Port Co Ltd (JSDP)

During the year under review, JSDP began Phase 1 of its project to construct three specialised coal ports with annual handling capacities ranging from three to eight million tonnes per year.

Yuejinguo Port (North Port) is expected to be fully operational by the fourth quarter of 2009, while Longgonghe (South Port) will begin operations by the third quarter of 2010. The third, Taiping Port, is expected to commence operations by the third quarter of 2010 as well.

The three ports are located along the famous Beijing-Hangzhou Grand Canal. Under the second phase of the Jining port development, another three new coal ports, with a three-million-tonne capacity each, will be constructed within the next two to three years.

Designed as modern & environmentally friendly ports, they are equipped with the latest facilities such as conveyor belts, reclaimers and ship loading systems.

Meanwhile Guozhuang City Port, an existing port with general cargo and container handling capabilities serving the Jining city commercial centres, saw significant operational and tonnage improvements during the year under review.

#### WATER MANAGEMENT

##### Sime Darby Water Resources (Perak) Sdn Bhd

The year under review saw the commencement of the development stage of the Group's groundwater project, whose long-term aim is to provide a steady supply of groundwater to the country and the region.

The first stage involved a pilot project to abstract 50 million litres per day (MLd) from Cluny-Bedford Estate, Slim River, Perak, followed by the second stage of abstracting 500 MLd of groundwater supply from Batang Padang District, Perak.

The project to abstract groundwater for public water supply began in 2006 when Sime Darby Water Resources (Perak) Sdn Bhd (formerly known as Independent Water Supplier Sdn Bhd) was granted a license by the Perak State Government to prospect, drill and abstract groundwater in the District of Batang Padang, Perak.

The project uses the latest technology in locating potential water bearing areas, including airborne and ground geophysical surveys, borehole geophysical logging (optical televiwer and flow logging) and computer simulations.

##### Weifang Sime Darby Water Co Ltd (WSDW)

For the year under review, the company began planning for the construction of the second Water Treatment Plant which is estimated to be completed by Q4 2010. The additional facility will increase capacity to 140,000m<sup>3</sup>/day from the current 80,000m<sup>3</sup>/day. WSDW's aim is to eventually have a total capacity of 200,000m<sup>3</sup>/day.

Incorporated in November 2005, the company has a 50-year concession from the Weifang Government in China to sell treated water for industrial use within the Shandong Hai Hua Development Zone and Hanting Northern District area in Shandong province.

Major assets of the company comprise a reservoir with five million m<sup>3</sup> of storage capacity, a water treatment plant with capacity of 80,000m<sup>3</sup>/day, office and staff apartments. The piping infrastructure that is directly linked to industrial customers is already in place.

During the year under review, WSDW began construction of a 51km-pipeline to transfer raw water from Fangjiatun to the treatment plant. The project is a collaboration with the Weifang Government under the build and transfer concept.



Weifang Sime Darby Port recently achieved Tier 1 status

## OPERATIONS REVIEW - HEALTHCARE & OTHERS

### HEALTHCARE

During the year under review, Sime Darby Healthcare underwent a restructuring and re-branding exercise that grouped Sime Darby Medical Centre Subang Jaya (SDMCSJ), Sime Darby Specialist Centre Megah (SDSC Megah) and Sime Darby Nursing & Health Sciences College under a single umbrella.

The restructuring and re-branding exercise resulted in a renewed spirit in the culture and tradition of the Sime Darby Healthcare Group, with its flagship institution SDMCSJ (formerly known as Subang Jaya Medical Centre or SJMC) enjoying strong client loyalty as well as improved revenue and profitability.

SDMCSJ, which will celebrate its 25th anniversary next year, continued to expand its facilities in its efforts to improve private healthcare services to the community. During the year under review, it increased the number of beds to 393 from 375 previously.

The year under review also saw Sime Darby Healthcare establish partnerships with leading medical travel facilitators from Indonesia, Bangladesh, Vietnam and China.

This will enable SDMCSJ to promote and offer medical travelers from these countries the benefit of its medical expertise and technology, especially in niche services such as complex cancer treatment, epilepsy surgery, blood/marrow transplant, laparoscopic weight-loss surgeries and joint replacement surgeries, among others.

In addition to expanding its facilities, SDMCSJ also continued to improve on its services by incorporating the latest technologies in its operations to meet the varied and sophisticated needs of its patients.

The 3.0Tesla MRI Scanner, a high-end imaging system, was launched in early 2009 after being commissioned for use since March 2008. Marking another milestone in its



The Cutting-Edge in Surgery - advanced techniques, especially in epilepsy surgery, are available to our patients



Discover Nursing - Sime Darby Nursing and Health Sciences College presents a multitude of opportunities for its graduates

history, this equipment enables Sime Darby Healthcare to deliver superior diagnostic services to its patients.

SDMCSJ's continued dedication towards providing quality and excellent healthcare services was recognized in early 2009 when it received the Brand Laureate Award for Best Brands in Healthcare - Hospitals (Asia Pacific region) and the Malaysia Branded Service Champion Award 2009 (Category: Hospital). SDMCSJ was also the first hospital in Malaysia to receive the MS ISO 14001:2004 certification from Sirim QAS International for its Environmental Management System.

SDSC Megah, after its acquisition by Sime Darby in August 2005, completed its renovation exercise last year. The multi-disciplinary specialist day surgery centre is positioned to be a centre of excellence for women's health via the first-of-its-kind Menstrual Clinic and other services such as a Breast Imaging Centre, laser vaginal rejuvenation surgery, and daycare cosmetic surgeries.

The year under review also witnessed significant changes in Sime Darby Healthcare's education arm - Sime Darby Nursing & Health Sciences College - in advancing the Nursing and Medical Lab Technologist professions in the country.

In 2009, the College received approval from relevant authorities to recruit foreign students, while the Nursing Board of Malaysia also granted its approval to increase the number of students per intake.

The College recently achieved a 100 percent passing rate in the Lembaga Jururawat Malaysia registration examination for the Diploma In Nursing (Assistant Nurse Conversion) Programme.

To meet the ever-increasing number of students, the College was relocated to new premises in CentrePoint, Shah Alam in Selangor where the facilities have been specifically designed to suit the needs of the nursing profession.

## 82 OPERATIONS REVIEW - HEALTHCARE & OTHERS



Dunlopillo Nottingham, which applies state-of-the art Outlast Technology, was originally developed for NASA

### BEDDING

The Bedding Group continued with its expansion plans to establish the Dunlopillo brand in the respective markets where the rights are held despite the difficult operating environment.

### CONSUMER PRODUCTS

Tesco Stores (Malaysia) Sdn Bhd, in which the Group has a 30 percent equity stake, reported a stronger performance for the year on the back of increased profitability from the stores opened.

### INSURANCE BROKING AND AGENCY

Despite the softening of the market and keen competition, the Insurance Broking and Agency Group reported a stronger performance for the year on the back of aggressive marketing efforts and increased new business.

### LOGISTICS

KN Sime Integrated Logistics Sdn Bhd, an associated company involved in warehousing and logistics, reported a satisfactory performance for the year.



Tesco offers a wide range of products, lowest prices and better promotions to suit all shopping needs



Merlyn  
9 years old, 2009  
Test Driver, 2030

MOTORS

# CORPORATE SOCIAL RESPONSIBILITY REPORT

## CSR POLICY STATEMENT

Sime Darby Berhad is a socially responsible corporate citizen committed to delivering a sustainable future. Towards this goal, four pillars – Environment, Community, Education and Sports – have been identified to support its corporate social responsibility initiatives, all predicated on the principles of nation building.

The approach underlying Sime Darby Berhad’s corporate social responsibility initiatives reflects its core values of Respect & Responsibility, Excellence, Entrepreneurship and Integrity.

## CSR GUIDELINES

### What Corporate Social Responsibility (CSR) is to Sime Darby Berhad (SDB)

SDB understands that sustainable success can only be achieved when SDB looks into how its businesses operate in light of the challenges that globalisation presents. One of the main challenges lies in actively addressing the needs, expectations and inter-relatedness of all the stakeholders found in the environment and communities in which SDB operates. SDB prides itself on proactively meeting the needs of its stakeholders today while protecting, sustaining and enhancing the human and natural resources for the future.

SDB recognises that corporate citizenship comes with responsibilities. However, to SDB, being a responsible corporate citizen is only the beginning. The journey of SDB goes beyond corporate responsibility – the social responsibility element is equally important towards ensuring that the overall business sustainability objective is met. SDB’s core values of Respect & Responsibility, Excellence, Entrepreneurship and Integrity form the foundation of SDB’s CSR principles which are reflected in all of the following objectives:

- Making profits to maximise shareholder value and for future growth
- Conducting business in accordance with all applicable laws and legal requirements

- Being a good corporate citizen and supporting nation-building as well as supporting the local communities in which SDB operates
- Ensuring a sustainable future for all stakeholders

SDB aims to ensure that its existing profitable business activities are well nurtured so that future generations can enjoy the rewards and continue to thrive. To successfully realise this goal, SDB is thoroughly committed to embedding CSR practices into its operational activities across all businesses and seeks to discharge its social responsibility by leveraging on SDB’s reach and impact on the society. For SDB, it is about revolutionising behaviour to the extent that social responsibility becomes second nature. In short, SDB strives to make a sustainable future real for everyone.

### CSR Strategy

SDB’s CSR strategy is to contribute to nation-building, whilst making a difference to and having a positive impact on the lives of people affected by its CSR initiatives.

This CSR strategy is implemented through four pillars - Environment, Community, Education and Sports. The key guiding principles have been defined for each of these pillars and CSR initiatives undertaken by SDB are aligned to these pillars.

This is SDB’s commitment to CSR.

## CSR SPECTRUM OF RESPONSIBILITY

In SDB, our spectrum of responsibility, as shown in the diagram below, ranges from the purely operational and financial at one end to the social and altruistic at the other. Together, these elements go towards fulfilling SDB’s CSR objectives.

The Social Responsibility side of SDB’s CSR spectrum of responsibility:

- Environmental Management: With regard to its business operations, SDB’s CSR initiatives actively address environmental concerns such as pollution, ecological diversity, biological habitat, deforestation





and environmental degradation. Additionally, SDB’s CSR initiatives are further extended to include environmental conservation aspects as described below

- Stakeholder Engagement: SDB proactively engages with key stakeholders, such as the communities in SDB’s areas of operation, beneficiaries of SDB’s CSR initiatives and the public at large
- Environmental Conservation: SDB’s CSR initiatives focus on various aspects of environmental conservation to protect, maintain and enhance the biodiversity of the flora and fauna of identified areas
- Social Responsibility: SDB’s CSR initiatives aim to provide and enhance societal value and support nation-building objectives. It is SDB’s aspiration that society can enjoy both the tangible and intangible benefits from its CSR initiatives

To effectively address all the above elements, SDB has put in place a CSR strategy to drive its CSR programme and to ensure that its CSR initiatives are aligned with SDB’s overall CSR principles and core values.

As in all major endeavours and undertakings, the tone at-the-top is crucial to ensure success, buy-in and commitment at all levels of an organisation. At SDB, this tone at-the-top is demonstrated through active support of the CSR agenda by the President & Group Chief Executive. The President & Group Chief Executive’s sponsorship and commitment have led to the following:

- Development of SDB’s social responsibility policy and guidelines
- Continuous reinforcement and infusion across SDB through the adoption of leading operational practices and sharing of best practices among its businesses

- Proactive and effective communication of CSR key messages and strategic direction, as well as collaboration in CSR initiatives with its key stakeholders

Conscious effort is made to ensure that social responsibility becomes part of the culture in SDB. Among other measures, SDB encourages and provides ample opportunities for employees to volunteer their time and actively participate through SDB’s employee volunteer programme to support SDB-registered CSR initiatives. This contributes to an environment that both supports and promotes the desired socially responsible behaviour across SDB, in addition to making it possible for all employees to live the SDB CSR philosophy and embrace its CSR principles.

**CSR STAKEHOLDER ENGAGEMENT**

**Stakeholder Spectrum**

Stakeholders are individuals or groups who have an impact on or whom SDB impacts through its business activities. The key stakeholders of SDB include shareholders, employees, customers, government/regulators, partners, trade bodies, the media, non-governmental organisations (NGOs), communities in SDB’s areas of operation, beneficiaries of SDB’s CSR initiatives and the public at large as shown in the diagram below.

To ensure that appropriate CSR initiatives are identified across its businesses, and that such initiatives address the concerns of its key stakeholders, SDB actively engages with these parties to better understand and respond to their needs. SDB further ensures that the relevant key stakeholders are apprised of the status of CSR initiatives affecting them.

CR				SR		
Shareholders	Employees	Customers	Government / Regulators	Partners	Trade Bodies	Society / NGOs
Dividends	Wages	Trust	Taxes	Opportunities for growth	Transparency	Support
Growth	Benefits	Transparency	Accountability	Transparency	Accountability	Transparency
Transparency	Accountability	Accountability	Compliance with laws, regulations & conventions	Reliability	Compliance with laws, regulations & conventions	Accountability
Accountability	Growth Opportunity	Reliability		Certainty for the future		Compliance with laws, regulations & conventions
Certainty	Safety	Compliance with laws, regulations & conventions		Compliance with laws, regulations & conventions		
Strong future prospects	Security					
Compliance with laws, regulations & conventions	Compliance with laws, regulations & conventions					

CSR initiatives identified are managed and updates on their status appropriately communicated to relevant key stakeholders in accordance with the CSR value chain.

### CSR INITIATIVES FOR OUR COMMUNITY

Sime Darby has made a commitment to fulfil the needs of communities, especially where our businesses operate. In providing for the needs of the underprivileged, as well as the residence of its townships and estates, we try to uplift the standard of living, provide peace of mind and encourage a healthier lifestyle through sports amenities.

Sime Darby has over 42,000 women workers in our plantations. Recognising the need to ensure that they are not marginalised, we are in collaboration with Tenaganita to protect our women workers from any form of discrimination. Workshops are currently being held and the gender policy will be implemented group wide.

Like women, children are also victims of violence and abuse. Sime Darby has brought in PS The Children, an organisation that has extensive experience in dealing with child abuse. Together, we are now designing a comprehensive Child Protection Policy to be implemented across the Group.

Sime Darby has recently launched its Safe City Initiative. We have built a state-of-the-art police station for our 380-hectare Ara Damansara development. The police station, manned by at least four policemen at any one time, receives input from 22 solar-powered closed circuit television (CCTV) cameras installed at main road junctions. In addition, police patrol the township round-the-clock in three cars.

Sports cultivates a patriotic spirit and is important to the well being of individuals. Sime Darby would like to contribute in a meaningful way to the nurturing of local sporting talent. We have the Bayuemas Sports Complex



Patrol cars in front of the Ara Damansara Police Station, part of Sime Darby's Safe City Initiative

in Pandamaran, Klang that comprises the Bayuemas Oval, for cricket, and the Bayuemas Indoor Lawn Bowls Stadium. Both facilities have been used for local and international events and competitions.

### CONTINUE TO CARE FOR THE ENVIRONMENT

Sime Darby has its roots in plantations, which until today forms one of the Group's core businesses. Recognising the vital role nature has played in the growth of the Group, Sime Darby is committed to preserving and where possible enhancing the incredible richness of our environment.

In our tree planting programme, to date the Group has planted more than 100,000 trees. We have also extended the tree planting programme by including the Kuala Lumpur Golf and Country Club (KLGCC), an ideal location for our green ambitions.

With its sprawling grounds dotted with lakes, the KLGCC is an ideal, albeit, unlikely wildlife sanctuary in the vicinity of a bustling capital city. A total of 1.3 hectares around the club's existing lakes will be allocated for wetlands.

About 52 percent of Malaysia's 4,800 km coastline is mangrove-fringed. Despite the importance of mangroves, there was no centre dedicated to the research of its conservation and sustained economic potential. Sime Darby Plantation filled this void when it launched the Mangrove Research Centre (MRC) on 17 January, 2009. Located within the West Estate on Carey Island, MRC is the outcome of a collaboration between Sime Darby Research Centre and the Institute of Biological Sciences and the Institute of Ocean and Earth Sciences of Universiti Malaya (UM). This partnership took off in 2003 with five environmental projects covering the flora and fauna of Carey Island. It was renewed in August 2008 with fresh funds of more than RM500,000 from Sime Darby Plantation to support six projects run by UM researchers and scientists until 2010.



Sime Darby Plantation's River of Life initiative in Tanah Merah



Cricket players at one of the matches held at the Bayuemas Oval

For our townships, Sime Darby has embarked on a number of initiatives that will help homeowners adopt more environmentally responsible lifestyles. Residents are being encouraged to switch from using power-usurping incandescent light bulbs to energy-saving (ES) light bulbs, which use 80 percent less electricity. As part of our Switch! programme, residents from locations involved in this initiative were able to purchase a box of eight ES bulbs at RM50 instead of the retail price of RM160. It is estimated that 100,000 ES bulbs reduce carbon dioxide emissions by 65,000 tonnes.

**EDUCATING FUTURE GENERATIONS**

Education is key to national development. The level of education of a country is an accurate barometer of its socio-economic progress. Recognising the crucial role that education plays in unleashing human potential, Sime Darby has provided access to education, and opened great many doors for individuals, their communities and the nation.

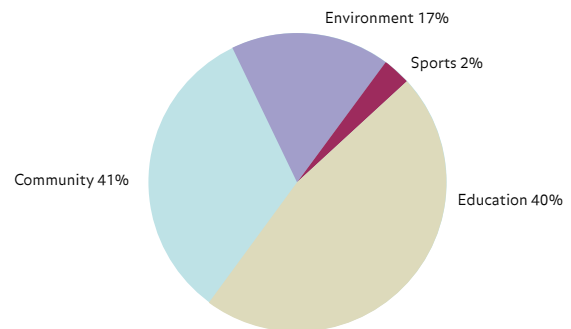
As a government-linked company, Sime Darby is involved in the Ministry of Finance-initiated PINTAR School Adoption programme. PINTAR, which stands for Promoting Intelligence, Nurturing Talent and Advocating Responsibility, is targeted at schools in underprivileged communities all over Malaysia. Sime Darby has adopted 27 schools under the PINTAR programme. These are located in Perlis, Kedah, Kelantan, Penang, Perak, Sabah and Sarawak. Workshops are held with the students, teachers, parents and communities to deal with some of the challenges these groups face and to create a vibrant atmosphere in the schools.

A number of our estates are located in remote areas. Here, children of plantation workers do not have easy access to schools. As a responsible employer, Sime Darby supports a programme to address the educational needs of these children. The programme is run by the Humana

Child Aid Society of Sabah. Eleven schools have been set up by Sime Darby in our Sabah estates and a total of 1,649 students attend these schools, ranging in age from seven to 14.

Internally, we wish to highlight the initiatives done by Sime Darby Industrial Sdn. Bhd. SDISB has implemented an Apprenticeship (Technician) Programme committed to developing the finest technicians and product support specialists. Under this programme, apprentice technicians undergo life simulation and actual practical sessions, following a systematic approach as structured by CASTT (Caterpillar Apprentice Service Technical Training). Currently, 25 underprivileged youths from the NCER region are attending the programme.

**CSR SPENDING FOR FINANCIAL YEAR 2008/09**



CSR spending for financial year 2008/09 amounted to about RM60 million. The above diagram depicts the breakdown according to the four pillars



Some beneficiaries of Sime Darby's CSR education initiatives

## YOUR FOUNDATION FOR THE FUTURE

Yayasan Sime Darby was established in 1982 but was realigned in July 2008, when a board of governors was elected to steer its activities. The following are the pillars it supports:

- Community Development
- Education
- Youth, Sports and Recreation
- Arts and Culture
- Conservation of the Environment and Protection of Ecosystems

### EDUCATION

#### Yayasan Sime Darby Scholarships

Yayasan Sime Darby was formed in 1982 specifically to disburse scholarships to deserving students, in support of their quest for further knowledge. This formed an essential part of Sime Darby's commitment to developing young talent and providing educational opportunities for the community.

In the last financial year, we gave out a total of 285 scholarships worth RM18.6 million to Malaysian students, international students, employees' children and children of lower income families.

### CONSERVATION OF THE ENVIRONMENT AND PROTECTION OF THE ECOSYSTEMS

#### Our Big 9

Yayasan Sime Darby spent a total of RM7.3 million for Tabin Forest Reserve operational cost and the Borneo Rhinoceros Sanctuary. Recently, Yayasan Sime Darby launched its Big 9 campaign, which seeks to enhance the protection of nine animals found in Malaysia, by promoting awareness of their situation and contributing to programmes and projects to ensure their survival. The nine animals that Yayasan Sime Darby has identified to be part of the Sime Darby family are indigenous to Malaysia. They are:

- Orangutan
- Sun bear
- Bornean clouded leopard
- Bornean pygmy elephant
- Bornean rhinoceros
- Malayan tiger
- Proboscis monkey
- Tembadau (banteng)
- Hornbill



Yayasan Sime Darby's commitment under the 'Conservation of the Environment and Protection of Ecosystems' pillar



Colin  
3 years old, 2009  
Hydrogeologist, 2037

ENERGY & UTILITIES

## CORPORATE DIARY



21 AUGUST 2008

The 'Sime Darby Developing Sustainable Futures Lecture Series' is a series of public lectures held quarterly on the subject of sustainable development where renowned experts from around the world share their thoughts on the economy, environment and social sustainability. The first Lecture was presented by Professor Dr Emil Salim of Indonesia, a member of the Advisory Board to the Indonesian President for Environment and Sustainable Development as well as a number of United Nation committees.



10 OCTOBER 2008

Tractors Malaysia opened a new and upgraded branch in Butterworth, with a one-stop Cat Rental Store to tap into the business opportunities in the Northern Corridor. Located at Seberang Perai Tengah just off the Juru Toll Plaza, the facility offers customers a wide range of Caterpillar heavy equipment as well as parts support and service standards that adhere to Caterpillar's stringent requirements on contamination control.



21 OCTOBER 2008

Sime Darby officially launched its new business unit, Sime Darby Healthcare, which consolidated all of the group's healthcare business under one roof. With this rebranding exercise, all entities under Sime Darby Healthcare were realigned and renamed. The flagship healthcare centre, Subang Jaya Medical Centre, was renamed Sime Darby Medical Centre Subang Jaya; Megah Medical Specialists Group changed to Sime Darby Specialist Centre Megah, and; the SJMC Academy of Nursing and Health Sciences was renamed Sime Darby Nursing & Health Sciences College.



23 OCTOBER 2008

Performance Motors Ltd officially opened the Sime Darby Performance Centre, a state-of-the-art BMW facility in Singapore. The Centre was specifically designed and built with the customers in mind and is the benchmark Sales and After-Sales facility for BMW dealerships around the region. The seven-storey building with over 352,000 square feet of floor area was conceptualised for premium BMW brand experience with every touch point from servicing a BMW to buying and financing the purchase of a new car.



4 DECEMBER 2008

Sime Darby Plantation officially signed an agreement with the Sabah Forestry Department to collaborate in the rehabilitation of the Ulu Segama-Malua Forest Reserve. Sime Darby Plantation contributed RM25 million for the cause which will span over 10 years. The forest reserve is home to some 4,500 orangutans.



10 DECEMBER 2008

The second 'Sime Darby Developing Sustainable Futures Lecture Series' continues with the Lecture by Professor Robert Fry Engle III, the 2003 Nobel Laureate for Economics and the Michael Armellino Professor of Finance at New York University's Stern School of Business. The publisher of more than 100 economics papers and author of four books, Professor Engle talked on forecasting risk and volatility at the Lecture.



23 JANUARY 2009

Sime Darby Property unveiled the masterplan for Sime Darby Vision Valley (SDVV), a multi-billion ringgit integrated property development master plan spanning 80,000 acres across the states of Selangor and Negeri Sembilan. Located within the Kuala Lumpur Conurbation, the project will enable Sime Darby Property to realise the value of its land bank in the two states. With an estimated gross development value of between RM25 billion and RM30 billion, Sime Darby Property is expected to complete the massive development within a 20-year period.



5 FEBRUARY 2009

Sime Darby launched Malaysia's first fully mechanised paddy farm in Perak, the initial steps towards ensuring the nation's food security as well as bringing innovation to agriculture in the Northern Corridor Economic Region (NCER). Once fully implemented, the mechanised paddy plantations using superior seeds will result in higher yields while expanding Sime Darby's footprint in food production.



5 FEBRUARY 2009

Sime Darby Water Resources launched its pilot groundwater project in the Cluny/Bedford estates in Perak. The project is expected to produce up to 50 million litres of water per day (Mld) by the end of 2009. Prime Minister, YAB Dato' Seri Abdullah Ahmad Badawi, visited the site at Batang Padang, Perak where he was briefed on the progress of the project. Also present at the event was Tun Musa Hitam, Chairman of Sime Darby.



17 FEBRUARY 2009

Sime Darby Plantation launched its Mangrove Research Centre (MRC), the first of its kind for mangrove research in Malaysia. Located within the West Estate in Carey Island, the centre is the platform for research on the mangrove eco-system and coastal zone management. The Mangrove Brigade was also launched as part of the group's CSR efforts in educating the community on the importance of safeguarding mangrove forest from extinction.



19 FEBRUARY 2009

Sime Darby Property's RM65 million Putra Heights Interchange was opened by Works Minister, YB Dato' Sri Ir. Mohd Zin Mohamed. It further boosted the 727-hectare Putra Heights, one of the fastest developing townships strategically located along the Elite Highway leading to Putrajaya, Cyberjaya and KLIA.



13 MARCH 2009

Sime Darby Property's latest installment of the highly successful 'Parade of Homes' generated property sales of RM86 million within four days at MAPEX 09. During the three-month campaign, potential buyers thronged sales galleries at Sime Darby Property's 10 townships, smashing its way to a record breaking sales exceeding RM1 billion with over 1,600 units sold.



16 MARCH 2009

The annual Anugerah Citra Cemerlang Sime Darby 2008 was held at the Park Avenue Hotel, Sungai Petani to celebrate students of Sime Darby PINTAR Adopted Schools who excelled in their UPSR and PMR examinations in 2008. Attended by students, parents, teachers and invitees from the schools and various state education department, the students were presented with a certificate in recognition of their achievement by Encik Roslan Razak, Head of Sime Darby Business School.



19 MARCH 2009

China Engineers Limited (CEL) signed an independent provincial dealership agreement with Caterpillar for seven provinces in China at Shunde, Guangdong. A foundation stone laying ceremony for the RMB25 million Shunde Service Centre was also held.



17 - 27 APRIL 2009

Sime Darby participated in the annual Minggu Saham Amanah Malaysia 2009, held in Johor Bahru, Johor. The Group's booth, which depicts a modern house concept, won third place in the best booth competition.



22 APRIL 2009

The third 'Developing Sustainable Futures Lecture Series' was graced by Reverend Jesse Louis Jackson Sr., President and Founder of the Rainbow/PUSH Coalition and former assistant to the late Dr. Martin Luther King Jr. One of America's foremost civil rights and political figures, Reverend Jackson lectured on the topic, "Building A Culture of Peace and Development in A Globalised World" to a packed audience which included the Crown Prince of Perak, YM Raja Dr Nazrin Shah.



4 MAY 2009


Sime Darby Plantation Sdn Bhd cemented its first African plantation deal with the Government of the Republic of Liberia. The concession agreement carved out approximately 220,000 hectares of land in several counties in Liberia for both oil palm and rubber cultivation. The concession, which will run for 63 years, is held by Sime Darby Plantation Liberia Inc., a wholly-owned subsidiary of Sime Darby Plantation.



12 MAY 2009

Sime Darby Berhad announced that it has successfully sequenced, assembled and annotated oil palm genome, making it the world's first company to achieve this scientific breakthrough. The success in deciphering the oil palm's genetic code is expected to bring multiple benefits to the palm oil industry. Prime Minister Dato' Sri Mohd Najib Tun Abdul Razak, who graced the occasion, also launched Sime Darby Plantation's latest addition to its R&D arm - Sime Darby Genomics Sdn Bhd.





Celine  
6 years old, 2009  
Cardiologist, 2039

HEALTHCARE

## REPORTS AND FINANCIAL STATEMENTS

# REPORTS AND FINANCIAL STATEMENTS CONTENTS

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## STATEMENT ON DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 (Act) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the year and the results of the Group and the Company for the year. As required by the Act and the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the financial statements have been prepared in accordance with the Financial Reporting Standards issued by Malaysian Accounting Standards Board and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended 30 June 2009 set out on pages 101 to 210, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and enable them 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 and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 18 September 2009.

# DIRECTORS' REPORT

## Directors' Report

The Directors are pleased to present their Report together with the audited financial statements of the Group and of the Company for the year ended 30 June 2009.

## Principal Activities

The Company is principally an investment holding company.

The principal activities of the Group are divided into six businesses namely, Plantation, Property, Industrial, Motors, Energy & Utilities and Healthcare & Others.

There was no significant change in the nature of these activities during the year except for the changes as described under "Changes in Group Assets" in this Report.

## Financial Results

The audited results of the Group and of the Company for the year ended 30 June 2009 are as follows:

	Group RM million	Company RM million
Profit before tax	3,071.6	1,325.3
Tax expense	(730.8)	(102.1)
Profit for the year	<u>2,340.8</u>	<u>1,223.2</u>
Attributable to:		
Ordinary equity holders of the Company	2,280.1	1,223.2
Minority shareholders	60.7	-
Profit for the year	<u>2,340.8</u>	<u>1,223.2</u>

## Dividends

The dividends paid and proposed by the Company since 30 June 2008 are as follows:

	RM million
In respect of the financial year 30 June 2008	
Final:	
- gross dividend of 34.0 sen per share less Malaysian income tax at 25%	1,532.4
Special:	
- gross dividend of 4.0 sen per share less Malaysian income tax at 25%	180.3
- Malaysian income tax exempt dividend of 6.0 sen per share	360.6
	<u>2,073.3</u>

The above dividends were paid on 5 December 2008

	RM million
In respect of the financial year 30 June 2009	
Interim gross dividend of 5.0 sen per share less Malaysian Income tax at 25%, paid on 15 May 2009	<u>225.3</u>

The Board recommends the payment of a final single tier dividend of 15.3 sen per share which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967 for the financial year ended 30 June 2009 amounting to RM919.4 million which, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 15 December 2009. The entitlement date for the dividend payment is 4 December 2009.

## 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

There were no issuance of shares and debentures during the financial year.

### Changes in Group Assets

The major acquisitions and disposals made during the financial year are as follows:

1. On 29 August 2008, Sime Darby Pilipinas, Inc disposed of its entire 100% equity interest in Silvertown Property Development Corporation for PHP400 million.
2. On 11 September 2008, Sime Darby Water Resources Sdn Bhd acquired an additional 27% equity interest in Sime Darby Water Resources (Perak) Sdn Bhd (SDWR(P)) for RM13.5 million, thereby increasing its total equity interest in SDWR(P) from 48% to 75%. The principal activities of SDWR(P) are to source, treat, supply and distribute water in its raw or treated form.
3. On 29 October 2008, B.M.W. Concessionaires (H.K.) Limited acquired the entire 100% equity interest in Guangzhou Bow Yue Vehicle Trading Company Limited (GBYV) for RMB11.0 million. The principal activities of GBYV are retail of BMW Brilliance vehicles and imported BMW and MINI brand vehicles, retail of related spare parts and electrical equipment and import and export of related parts, tools and vehicles related material.
4. On 4 November 2008, Sime Darby SsangYong (Australia) Pty Limited (formerly known as Sime Darby Motor Group (Australia) Pty Limited) acquired the distribution business, assets and liabilities of SsangYong Australia for AUD15.1 million.
5. On 28 November 2008, Sime Darby Plantation Sdn Bhd acquired the entire 100% equity interest in Vertical Drive Sdn Bhd (VDSB), a company with rights to develop oil palm plantation land in Sarawak, for RM85.0 million. The principal activities of VDSB are oil palm cultivation and palm oil production.
6. On 31 December 2008, Sime Malaysian Region Berhad (SMRB) disposed of its entire 30% equity interest in Dongwha GH International Sdn Bhd for RM28.0 million.
7. On 6 January 2009, Sime Darby Brunsfield Australia Pte Ltd acquired the remaining 30% equity interest in Oyster Cove International Pty Ltd for AUD6.3 million.
8. On 8 April 2009, SMRB disposed of its entire 100% equity interest in Harvik Rubber Industries Sdn Bhd for RM10.5 million.
9. On 13 May 2009, SMRB disposed of its entire 100% equity interest in Sime Darby Travel Sdn Bhd for RM12.8 million.
10. On 3 June 2009, Sime Darby Hyundai Sdn Bhd (formerly known as Hyumal Motor Sdn Bhd) acquired the remaining 60% equity interest in Sime Darby Hyundai Integrated Sdn Bhd (SDHI) (formerly known as Oriental-Hyundai Sdn Bhd) for an adjusted price of RM13.3 million, thereby increasing its total equity interest in SDHI from 40% to 100%. The principal activity of SDHI is distribution of locally assembled Hyundai passenger cars in Malaysia.

### Directors

The Directors who have held office since the date of the last Report are as follows:

Tun Musa Hitam (Chairman)  
 Tun Ahmad Sarji Abdul Hamid  
 Dr. Arifin Mohamad Siregar  
 Tan Sri Samsudin Osman (appointed on 19 December 2008)  
 Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin  
 Tan Sri Datuk Dr. Ahmad Tajuddin Ali  
 Raja Tan Sri Dato' Seri Arshad Raja Tun Uda  
 Datuk Seri Panglima Sheng Len Tao  
 Dato' Sri Mohamed Sulaiman  
 Dato' Henry Sackville Barlow  
 Dato' Dr. Abdul Halim Ismail  
 Datin Paduka Zaitoon Dato' Othman  
 Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid

### 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.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits disclosed as Director's remuneration and benefits-in-kind in Note 5 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 is a member, or with a company in which he has a substantial financial interest except for any benefits which maybe deemed to have arisen from the transactions disclosed in Note 42 to the financial statements.

### Directors' Interests in Shares

According to the Register of Directors' Shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares of the Company, and participatory interests made available by a subsidiary of the Company during the year covered by the financial statements are as follows:

Sime Darby Berhad	<b>Number of ordinary shares of RM0.50 each</b>			
	<u>At 1 July 2008</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 30 June 2009</u>
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (deemed interest)	1,939	-	-	1,939
Dato' Mohamed Sulaiman (deemed interest)	3,800	-	-	3,800
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	238,712	80,000	-	318,712

### Kuala Lumpur Golf & Country Club Berhad

<b>Participatory interests</b>	<b>Type of membership</b>
Tun Musa Hitam	Honorary
Tun Ahmad Sarji Abdul Hamid	Honorary
Dr. Arifin Mohamad Siregar	Honorary
Tan Sri Samsudin Osman	Honorary
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	Honorary
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	Honorary
Datuk Seri Panglima Sheng Len Tao	Honorary
Dato' Henry Sackville Barlow	Honorary
Datin Paduka Zaitoon Dato' Othman	Honorary

No other Director in office at the end of the financial year held any shares in the Company or shares in, debentures of or participatory interest made available by its subsidiaries during the financial year.

### Statutory Information on the Financial Statements

- a. Before the Income Statements and Balance Sheets 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 making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance 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.

**Statutory Information on the Financial Statements (continued)**

- 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 the allowance 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.
- 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. 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, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- f. In the opinion of the Directors:
- i. 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; 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, except as disclosed in Note 44 to the financial statements.

**Immediate and Ultimate Holding Company**

The Company's immediate and ultimate holding companies are Permodalan Nasional Berhad, a public company limited by shares, and Yayasan Pelaburan Bumiputra, a company limited by guarantee, respectively. Both companies are incorporated in Malaysia.

**Auditors**

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

In accordance with a resolution of the Board of Directors dated 18 September 2009



Tun Musa Hitam  
Chairman



Dato' Seri Ahmad Zubair@Ahmad Zubir Haji Murshid  
President & Group Chief Executive



# FINANCIAL STATEMENTS

## Income Statements

for the year ended 30 June 2009

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2009	2008	2009	2008
<b>Revenue</b>	<b>4</b>	<b>31,013.9</b>	34,044.7	<b>1,281.8</b>	4,506.8
Operating expenses	<b>5</b>	<b>(28,877.0)</b>	(29,673.4)	<b>(13.4)</b>	(1,905.3)
Other operating income	<b>6</b>	<b>1,014.1</b>	767.0	<b>100.5</b>	45.9
<b>Operating profit</b>		<b>3,151.0</b>	5,138.3	<b>1,368.9</b>	2,647.4
Share of results of jointly controlled entities		<b>(69.7)</b>	2.1	-	-
Share of results of associates		<b>84.2</b>	107.9	-	-
<b>Profit before interest and tax</b>		<b>3,165.5</b>	5,248.3	<b>1,368.9</b>	2,647.4
Finance income	<b>7</b>	<b>158.7</b>	225.5	<b>11.4</b>	35.2
Finance costs	<b>8</b>	<b>(252.6)</b>	(267.4)	<b>(55.0)</b>	(97.9)
<b>Profit before tax</b>		<b>3,071.6</b>	5,206.4	<b>1,325.3</b>	2,584.7
Tax expense	<b>9</b>	<b>(730.8)</b>	(1,453.9)	<b>(102.1)</b>	(381.2)
<b>Profit for the year</b>		<b>2,340.8</b>	3,752.5	<b>1,223.2</b>	2,203.5
Attributable to:					
Ordinary equity holders of the Company		<b>2,280.1</b>	3,512.1	<b>1,223.2</b>	2,203.5
Minority shareholders		<b>60.7</b>	240.4	-	-
<b>Profit for the year</b>		<b>2,340.8</b>	3,752.5	<b>1,223.2</b>	2,203.5
Earnings per share attributable to ordinary equity holders of the Company:					
	<b>10</b>		Sen		
- Basic		<b>37.94</b>	59.63		
- Diluted		<b>37.94</b>	59.51		

**Balance Sheets****As at 30 June 2009****Amounts in RM million unless otherwise stated**

	Note	Group		Company	
		2009	2008	2009	2008
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	12	9,439.6	8,372.1	-	-
Biological assets	13	2,323.3	2,245.0	-	-
Prepaid lease rentals	14	2,422.7	2,459.2	-	-
Investment properties	15	316.4	220.1	-	-
Land held for property development	16	605.2	624.0	-	-
Subsidiaries	17	-	-	11,650.1	11,664.2
Jointly controlled entities	18	530.9	2.1	-	-
Associates	19	607.1	1,109.0	134.7	134.7
Investments	20	220.0	316.8	-	2.0
Intangible assets	21	129.4	81.0	-	-
Deferred tax assets	22	576.0	712.0	0.2	0.3
Trade and other receivables	23	227.1	251.7	-	-
		<u>17,397.7</u>	<u>16,393.0</u>	<u>11,785.0</u>	<u>11,801.2</u>
<b>CURRENT ASSETS</b>					
Inventories	25	5,626.7	5,065.7	-	-
Property development costs	26	1,840.9	1,666.1	-	-
Trade and other receivables	23	5,908.8	5,833.4	850.2	1,081.3
Prepayments		376.8	255.8	1.9	-
Tax recoverable		593.0	264.4	40.0	45.5
Cash held under Housing Development Accounts	27	327.5	479.5	-	-
Bank balances, deposits and cash	28	3,310.0	5,994.2	300.5	293.9
		<u>17,983.7</u>	<u>19,559.1</u>	<u>1,192.6</u>	<u>1,420.7</u>
<b>Non-current assets held for sale</b>	29	58.5	20.6	-	-
<b>TOTAL ASSETS</b>		<u>35,439.9</u>	<u>35,972.7</u>	<u>12,977.6</u>	<u>13,221.9</u>
<b>EQUITY</b>					
Share capital	30	3,004.7	3,004.7	3,004.7	3,004.7
Reserves	31	18,380.1	18,663.9	8,105.1	9,180.5
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>		<u>21,384.8</u>	<u>21,668.6</u>	<u>11,109.8</u>	<u>12,185.2</u>
Minority interests		621.0	536.3	-	-
<b>TOTAL EQUITY</b>		<u>22,005.8</u>	<u>22,204.9</u>	<u>11,109.8</u>	<u>12,185.2</u>
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	32	2,012.8	3,189.1	-	1,000.0
Provisions	33	57.9	74.7	-	-
Retirement benefits	34	112.5	125.7	-	-
Deferred income	35	155.0	139.0	-	-
Deferred tax liabilities	22	488.6	931.8	-	-
		<u>2,826.8</u>	<u>4,460.3</u>	<u>-</u>	<u>1,000.0</u>

**Balance Sheets**  
**As at 30 June 2009 (continued)**

Amounts in RM million unless otherwise stated

	Note	Group 2009	Group 2008	Company 2009	Company 2008
<b>CURRENT LIABILITIES</b>					
Trade and other payables	36	6,344.2	6,934.6	17.3	20.0
Deferred income	35	76.4	104.1	-	-
Borrowings	32	3,594.2	1,639.9	1,850.5	16.7
Tax payable		388.2	465.7	-	-
Provisions	33	204.3	163.2	-	-
		<u>10,607.3</u>	<u>9,307.5</u>	<u>1,867.8</u>	<u>36.7</u>
<b>TOTAL LIABILITIES</b>		<b>13,434.1</b>	13,767.8	<b>1,867.8</b>	1,036.7
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>35,439.9</b>	35,972.7	<b>12,977.6</b>	13,221.9
		RM	RM		
Net assets per share attributable to ordinary equity holders of the Company	10	<u>3.56</u>	3.61		

### Statements of Changes in Equity For the year ended 30 June 2009

Amounts in RM million unless otherwise stated

	Group					Company		
	Share capital	Reserves	Attributable to equity holders of the Company	Minority interests	Total equity	Share capital	Reserves	Total equity
<b>2009</b>								
At 1 July	3,004.7	18,663.9	21,668.6	536.3	22,204.9	3,004.7	9,180.5	12,185.2
Currency translation differences								
- subsidiaries	-	(276.3)	(276.3)	37.0	(239.3)	-	-	-
- jointly controlled entities	-	1.8	1.8	-	1.8	-	-	-
- associates	-	24.2	24.2	-	24.2	-	-	-
Income and expense recognised directly in equity	-	(250.3)	(250.3)	37.0	(213.3)	-	-	-
Profit for the year	-	2,280.1	2,280.1	60.7	2,340.8	-	1,223.2	1,223.2
Total recognised income and expense for the year	-	2,029.8	2,029.8	97.7	2,127.5	-	1,223.2	1,223.2
Issue of shares in subsidiaries	-	-	-	55.3	55.3	-	-	-
Acquisition of a subsidiary	-	-	-	3.1	3.1	-	-	-
Acquisition of additional interest from minority shareholders	-	(15.0)	(15.0)	(3.5)	(18.5)	-	-	-
Capital repayment by a subsidiary	-	-	-	(0.2)	(0.2)	-	-	-
Deregistration of subsidiaries	-	-	-	(0.1)	(0.1)	-	-	-
Dividends paid (Note 11)	-	(2,298.6)	(2,298.6)	(67.6)	(2,366.2)	-	(2,298.6)	(2,298.6)
At 30 June	3,004.7	18,380.1	21,384.8	621.0	22,005.8	3,004.7	8,105.1	11,109.8

**Statements of Changes in Equity**  
**For the year ended 30 June 2009 (continued)**

Amounts in RM million unless otherwise stated

	Group					Company		
	Share capital	Reserves	Attributable to equity holders of the Company	Minority interests	Total equity	Share capital	Reserves	Total equity
<b>2008</b>								
At 1 July	2,755.1	14,599.2	17,354.3	2,199.8	19,554.1	2,755.1	6,436.4	9,191.5
Currency translation differences:								
- subsidiaries	-	140.8	140.8	(38.0)	102.8	-	-	-
- associates	-	(1.6)	(1.6)	-	(1.6)	-	-	-
Income and expense recognised directly in equity	-	139.2	139.2	(38.0)	101.2	-	-	-
Profit for the year	-	3,512.1	3,512.1	240.4	3,752.5	-	2,203.5	2,203.5
Total recognised income and expense for the year	-	3,651.3	3,651.3	202.4	3,853.7	-	2,203.5	2,203.5
Share options granted	-	7.6	7.6	-	7.6	-	7.6	7.6
Share options exercised	2.9	22.3	25.2	-	25.2	2.9	22.3	25.2
Issue of shares in subsidiaries	-	-	-	23.5	23.5	-	-	-
Conversion of Series B redeemable convertible preference shares	22.5	1.0	23.5	-	23.5	22.5	1.0	23.5
Acquisition of the remaining equity interest in the Merged Entities	251.0	1,358.8	1,609.8	(1,669.3)	(59.5)	251.0	1,454.7	1,705.7
Acquisition of additional interest from minority shareholders	5.7	68.2	73.9	(121.7)	(47.8)	5.7	99.5	105.2
Disposal of subsidiaries	-	-	-	(10.8)	(10.8)	-	-	-
Capital adjustments	(32.5)	(309.0)	(341.5)	-	(341.5)	(32.5)	(309.0)	(341.5)
Dividends paid (Note 11)	-	(735.5)	(735.5)	(87.6)	(823.1)	-	(735.5)	(735.5)
At 30 June	3,004.7	18,663.9	21,668.6	536.3	22,204.9	3,004.7	9,180.5	12,185.2

An analysis of the movements in each category within reserves is set out in Note 31 to the financial statements.

**Cash Flow Statements****For the year ended 30 June 2009****Amounts in RM million unless otherwise stated**

	Group		Company	
	2009	2008	2009	2008
Profit for the year	<b>2,340.8</b>	3,752.5	<b>1,223.2</b>	2,203.5
Adjustments for:				
Dividends from subsidiaries and associates	-	-	<b>(1,275.6)</b>	(4,212.5)
(Gain)/loss on disposal of subsidiaries, associates and investments	<b>(47.5)</b>	(74.8)	-	1,495.6
Gain on disposal of properties and prepaid lease rentals	<b>(122.1)</b>	(13.7)	-	(1.4)
Share of results of jointly controlled entities and associates	<b>(14.5)</b>	(110.0)	-	-
Investment income	<b>(72.5)</b>	(34.5)	<b>(0.1)</b>	(12.1)
Finance income	<b>(158.7)</b>	(225.5)	<b>(11.4)</b>	(35.2)
Finance costs	<b>252.6</b>	267.4	<b>55.0</b>	97.9
Depreciation and amortisation	<b>750.1</b>	727.4	-	5.6
Amortisation of prepaid lease rentals	<b>68.2</b>	72.0	-	0.9
Tax expense	<b>730.8</b>	1,453.9	<b>102.1</b>	381.2
Other non-cash items [note (a)]	<b>327.4</b>	191.3	<b>(85.8)</b>	39.1
	<b>4,054.6</b>	6,006.0	<b>7.4</b>	(37.4)
(Increase)/decrease in working capital:				
Inventories	<b>(1,065.5)</b>	(419.9)	-	10.5
Property development costs	<b>(274.0)</b>	(630.0)	-	-
Trade and other receivables and prepayments	<b>83.8</b>	(960.8)	<b>(1.4)</b>	(707.3)
Cash held under Housing Development Accounts	<b>152.0</b>	(53.6)	-	-
Trade and other payables and provisions	<b>(637.6)</b>	1,462.1	<b>(6.4)</b>	(223.9)
<b>Cash generated from/(used in) operations</b>	<b>2,313.3</b>	5,403.8	<b>(0.4)</b>	(958.1)
Tax (paid)/refund	<b>(1,403.8)</b>	(1,586.1)	<b>10.0</b>	(27.1)
Dividends from subsidiaries	-	-	<b>1,398.1</b>	2,784.0
Dividends from jointly controlled entity and associates	<b>27.8</b>	29.5	<b>1.8</b>	5.8
<b>Net cash inflow from operating activities</b>	<b>937.3</b>	3,847.2	<b>1,409.5</b>	1,804.6

**Cash Flow Statements**  
**For the year ended 30 June 2009 (continued)**

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2009	2008	2009	2008
<b>Cash flow from investing activities</b>					
Finance income		141.6	234.2	11.3	37.8
Investment income		61.0	40.1	0.1	9.4
Purchase of the remaining equity interest in the Merged Entities		-	(59.5)	-	(59.5)
Purchase of subsidiaries and business	39(a)	(146.8)	(11.7)	-	-
Purchase of additional interest in existing subsidiaries	39(b)	(18.5)	(47.8)	-	(0.2)
Distribution of pre-acquisition reserves by a subsidiary		-	-	133.6	-
Subscription of shares in jointly controlled entities and associates		(108.7)	-	-	-
Purchase of associates		-	(18.9)	-	-
Purchase of property, plant and equipment		(1,713.0)	(1,910.7)	-	(4.1)
Costs incurred on biological assets		(120.1)	(208.8)	-	-
Proceeds from sale of property, plant and equipment		328.9	262.6	-	1.2
Proceeds from sale of investments		5.0	150.6	2.0	-
Proceeds from sale of subsidiaries	40(a)	47.4	468.6	-	5.0
Proceeds from sale of associates		28.0	10.4	-	-
Increase in amounts owing by subsidiaries		-	-	(33.8)	(280.2)
Others		(87.1)	(94.6)	-	2.0
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(1,582.3)</b>	<b>(1,185.5)</b>	<b>113.2</b>	<b>(288.6)</b>
<b>Cash flow from financing activities</b>					
Proceeds from shares issued under Merged Entities' share option schemes		-	25.2	-	25.2
Proceeds from shares issued to minority shareholders of subsidiaries		55.3	23.5	-	-
Capital adjustment		-	(341.5)	-	(341.5)
Capital repayment to minority shareholders		(0.3)	-	-	-
Deposits in designated accounts		162.3	(143.5)	-	-
Finance costs		(243.4)	(287.7)	(51.3)	(88.3)
Net borrowings raised/(repaid)		534.5	(920.8)	833.8	(558.9)
Dividends paid		(2,366.2)	(921.8)	(2,298.6)	(834.2)
<b>Net cash outflow from financing activities</b>		<b>(1,857.8)</b>	<b>(2,566.6)</b>	<b>(1,516.1)</b>	<b>(1,797.7)</b>
Net (decrease)/increase in cash and cash equivalents		(2,502.8)	95.1	6.6	(281.7)
Foreign exchange differences		(41.7)	88.9	-	-
Cash and cash equivalents at beginning of the year		5,809.2	5,625.2	293.9	575.6
Cash and cash equivalents at end of the year [note (b)]		3,264.7	5,809.2	300.5	293.9

**Cash Flow Statements****For the year ended 30 June 2009 (continued)****Amounts in RM million unless otherwise stated****Notes to the Cash Flow Statements:**

	Note	Group		Company	
		2009	2008	2009	2008
<b>a. Other non-cash items:</b>					
Writedown of inventories		64.2	38.3	-	-
Allowance for doubtful debts		80.1	95.7	-	-
Writeback of allowance for doubtful debts		(95.0)	(16.2)	-	-
Property, plant and equipment written off		8.4	27.4	-	5.1
Impairment of property, plant and equipment		55.2	21.7	-	-
Impairment of investments		95.6	25.4	-	-
Impairment of subsidiaries		-	-	-	29.5
Gain on disposal of machinery, equipment and vehicles		(11.9)	(6.0)	-	(1.2)
Unrealised foreign currency exchange loss/(gain)		87.2	(69.5)	(100.4)	4.8
Others		43.6	74.5	14.6	0.9
		<b>327.4</b>	<b>191.3</b>	<b>(85.8)</b>	<b>39.1</b>
<b>b. Cash and cash equivalents at end of the year:</b>					
Bank balances, deposits and cash	28	3,310.0	5,994.2	300.5	293.9
Deposits in designated accounts	28	-	(162.3)	-	-
Bank overdrafts	32	(45.3)	(22.7)	-	-
		<b>3,264.7</b>	<b>5,809.2</b>	<b>300.5</b>	<b>293.9</b>



## Notes to the Financial Statements

Amounts in RM million unless otherwise stated

### 1 Basis of Preparation

#### a. General

The Company is principally an investment holding company.

The principal activities of the Group are divided into six businesses namely, Plantation, Property, Industrial, Motors, Energy & Utilities and Healthcare & Others.

There was no significant change in the nature of these activities during the year except for the changes as described under "Changes in Group Assets" in the Directors' Report.

The financial statements of the Group and 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.

The financial statements are presented in Ringgit Malaysia (RM) which is the Company's functional and presentation currency. All values are rounded to the nearest million (RM million) unless otherwise stated.

#### b. Accounting standards and interpretations

i. Standard that will be effective for annual period beginning on or after 1 July 2009 that has not been early adopted in preparing these financial statements:

- FRS 8 – Operating Segments replaces FRS 114<sub>2004</sub> – Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.

The adoption of FRS 8 is not expected to have any financial impact on the Group other than presentation.

ii. Standard and interpretations that will be effective for annual period beginning on or after 1 January 2010 that have been early adopted in preparing these financial statements:

- FRS 123 – Borrowing Costs which replaces FRS 123<sub>2004</sub>, requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (asset that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs is removed.
- IC Interpretation 10 – Interim Financial Reporting and Impairment prohibits the reversal of impairment losses recognised in an interim period on goodwill and investments in either equity instruments or financial assets carried at cost. The Interpretation in respect of investments in equity instruments or in financial assets carried at cost, which is only applicable upon the adoption of FRS 139 – Financial Instruments: Recognition and Measurement, will be applied when FRS 139 is adopted by the Group.
- IC Interpretation 14 – FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction provides guidance on assessing the limit in FRS 119 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

The early adoption of the above standard and interpretations did not result in substantial changes to the Group's and Company's accounting policies, results and financial position.

## 1 Basis of Preparation (continued)

### b. Accounting standards and interpretations (continued)

#### iii. Standards and interpretations that will be effective for annual period beginning on or after 1 January 2010 that have not been early adopted in preparing these financial statements:

- FRS 4 – Insurance Contracts replaces FRS 202<sub>2004</sub> – General Insurance Business and FRS 203<sub>2004</sub> – Life Insurance Business. FRS 4 requires the unbundling and separate measurement of the deposit component bundled in an insurance contract, if certain conditions are met. This is because the deposit component is subject to financial risk, rather than insurance risk, hence should be included in the scope of FRS 139. In addition, this FRS requires extensive disclosures to allow the users of financial statements to understand the measurement bases adopted, the materiality of the reported amounts arising from insurance contracts and the factors that affect the uncertainty of amount and timing of the cash flows arising from insurance and reinsurance contracts.
- FRS 7 – Financial Instruments: Disclosures replaces the disclosure part of FRS 132 – Financial Instruments: Presentation and Disclosures. FRS 7 requires disclosure of the significance of financial instruments for the entity's financial position and performance; and the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the reporting date, and how the entity manages those risks. When the standard is first applied, an entity is encouraged but not required to present any of the comparative disclosures required by this standard.
- FRS 139 – Financial Instruments: Recognition and Measurement establishes principles for recognising and measuring financial assets, financial liabilities and certain contracts to buy and sell non-financial items. Hedge accounting is permitted only under strict circumstances.
- IC Interpretation 9 – Reassessment of Embedded Derivatives requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required.
- IC Interpretation 13 – Customer Loyalty Programmes clarifies that where goods or services are sold together with a customer loyalty incentive (for example, loyalty points or free products), the arrangement is a multiple-element arrangement and the revenue in respect of the consideration receivable from the customer is allocated between the components of the arrangement using fair values.

The adoption of the above standards and interpretations other than FRS 7 and FRS 139 is not expected to have any significant financial impact on the Group and the Company.

The Group has applied the transitional provisions in FRS 7 and FRS 139 which exempt entities from disclosing the possible impact arising from the initial application of these standards on the financial statements of the Group and Company.

The Group will adopt the above standards and interpretations on their applicable date.

## 1 Basis of Preparation (continued)

### b. Accounting standards and interpretations (continued)

- iv. Standards and interpretation that will be effective for annual period beginning on or after 1 January 2010 but are not relevant to the operations of the Group and of the Company
- Amendments to FRS 1 – First-time Adoption of Financial Reporting Standards and FRS 127 – Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.
  - Amendments to FRS 2 – Share-based Payment: Vesting Conditions and Cancellations clarify that vesting conditions are service conditions and performance conditions only. Other features of a share-based payment are not vesting conditions. These features would need to be included in the grant date fair value for transactions with employees and others providing similar services; they would not impact the number of awards expected to vest or valuation thereof subsequent to grant date. All cancellations, whether by the entity or by other parties, should receive the same accounting treatment.
  - IC Interpretation 11 – FRS 2 – Group and Treasury Share Transactions provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the stand-alone accounts of the parent and group companies.

## 2 Summary of Principal Accounting Policies

These 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 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 year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

#### i. Subsidiaries

Subsidiaries are those enterprises in which the Group has a long-term equity interest and which are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Subsidiaries are consolidated using the purchase method of accounting except for those subsidiaries acquired under common control. Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date of their acquisition or up to the date of their disposal. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value, at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired at the date of acquisition is reflected as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

## 2 Summary of Principal Accounting Policies (continued)

### a. Basis of consolidation (continued)

#### i. Subsidiaries (continued)

All intercompany transactions and balances are eliminated on consolidation. Unrealised losses on transactions with and between Group companies are eliminated on consolidation to the extent of the cost of the asset that can be recovered, and the balance that provides evidence of reduction in net realisable value or an impairment of the asset transferred are recognised in the consolidated income statement.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of allocated goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interests are presented on the consolidated balance sheet and the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company. Minority interests in the results of the Group are presented in the consolidated income statement as an allocation of the total profit or loss for the year between minority shareholders and equity holders of the Company. Where losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are attributable against the Group's interest except to the extent that the minority has a binding obligation to, and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

The Group applies a policy of treating transactions with minority shareholders as transactions with equity owners of the Group. For purchases of additional interests from minority shareholders, the difference between the consideration paid and the minority interests acquired is recorded in equity.

#### ii. Business combination under common control

Business combinations under common control are accounted using the predecessor method of merger accounting. Under the predecessor method of merger accounting, the consolidated income statement includes 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 Group's enlarged share capital is deemed issued in proportion to the outstanding share capitals of the combining entities based on their respective share exchange ratios at the date of the merger. 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 consolidated income statement.

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.

## 2 Summary of Principal Accounting Policies (continued)

### a. Basis of consolidation (continued)

#### iii. Jointly controlled entities

Jointly controlled entities are corporations, partnerships or other entities over which there is a contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control. The Group's interests in jointly controlled entities are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising in the consolidated income statement and consolidated statement of changes in equity, the Group's share of profits less losses of jointly controlled entities based on the latest audited financial statements or management accounts of the companies concerned. Where necessary, adjustments are made to the results and net assets of jointly controlled entities to ensure consistency of accounting policies with those of the Group. The Group's investment in jointly controlled entities is recorded at cost inclusive of goodwill and adjusted thereafter for accumulated impairment loss and the post acquisition change in the Group's share of net assets of the jointly controlled entities.

Unrealised gains on transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities. 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 consolidated income statement.

#### 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 in the consolidated financial statements using the equity method of accounting and are initially recorded at cost. The Group's investment in associates includes goodwill identified on acquisition net of any accumulated impairment loss.

The Group's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. Where necessary, adjustments are made to the results and net assets of associates to ensure consistency of accounting policies with those of the Group. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Equity accounting is discontinued when the Group's carrying amount of the investment in an associate reaches zero, or reaches the limit of the obligations in the case when the Group has incurred obligations or guaranteed obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. 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 consolidated income statement.

## 2 Summary of Principal Accounting Policies (continued)

### b. Foreign currencies

#### i. Functional currency

Financial statements of subsidiaries, jointly controlled entities and associates are prepared using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional currency and the Group's presentation currency.

#### 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 balance sheet date, respectively. Foreign exchange differences arising from settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### iii. Translation of foreign currency financial statements

For consolidation purposes, the results and financial position of all the group entities that have a functional currency different from the Group's presentation currency are translated into the Group's presentation currency as follows:

- income and expenses for group entities' income statements are translated at average exchange rates for the year;
- assets and liabilities for group entities' balance sheets, including goodwill and fair value adjustments arising on the acquisition of a foreign entity are translated into Ringgit Malaysia at exchange rates ruling at the balance sheet date; and all resulting translation differences are recognised as a separate component of equity.

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 taken directly to equity.

On disposal of the foreign operation or on settlement of the intercompany loans, the related cumulative translation differences recorded in exchange reserves are recognised in the income statement.

#### iv. Principal exchange rates used

	Year end rates		Average rates	
	2009	2008	2009	2008
	RM	RM	RM	RM
Australian dollar	<b>2.86</b>	3.14	<b>2.66</b>	2.97
Chinese renminbi	<b>0.52</b>	0.48	<b>0.51</b>	0.46
European Union euro	<b>4.97</b>	5.15	<b>4.87</b>	4.86
Hong Kong dollar	<b>0.45</b>	0.42	<b>0.45</b>	0.43
Indonesian rupiah (1,000)	<b>0.35</b>	0.35	<b>0.34</b>	0.36
Japanese yen (100)	<b>3.67</b>	3.07	<b>3.56</b>	3.00
New Zealand dollar	<b>2.30</b>	2.49	<b>2.15</b>	2.56
Pound sterling	<b>5.86</b>	6.51	<b>5.71</b>	6.65
Qatar riyal	<b>0.97</b>	0.90	<b>0.96</b>	0.91
Singapore dollar	<b>2.43</b>	2.40	<b>2.40</b>	2.31
Thailand baht	<b>0.10</b>	0.10	<b>0.10</b>	0.11
United States dollar	<b>3.52</b>	3.26	<b>3.50</b>	3.32

## 2 Summary of Principal Accounting Policies (continued)

### 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 the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Finance cost incurred on external borrowings related to an asset under construction is capitalised until the asset is ready for its intended use.

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 the disposal of revalued assets, 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.

Freehold land is not depreciated as it has infinite 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:

Buildings	2% to 5%
Plant and machinery	4% to 33 1/3%
Vehicles, equipment and fixtures	5% to 33 1/3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in the income statement.

### d. Biological assets

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised at cost as biological assets and is not amortised. Replanting expenditure is charged to the income statement in the year in which the expenditure is incurred.

However, the capitalised costs will be amortised to the income statement if the land on which the trees are planted is on a lease term. The amortisation is on a straight-line basis over the economic useful lives of the trees, or the remaining period of the lease, whichever is shorter.

### e. Prepaid lease rentals

Prepaid lease rentals represent payment for rights to use land and buildings over a predetermined period that is accounted for as an operating lease and is stated at cost less amount amortised and accumulated impairment losses. Valuation adjustments on certain Malaysian plantation land were incorporated into the financial statements. The Group had applied the transitional provision in FRS 117 – Leases which allows the unamortised carrying amounts of previously revalued land to be retained as surrogate carrying amounts of the prepaid lease rentals. On disposal or at the end of the lease of revalued prepaid lease rentals, amounts in revaluation reserve relating to those assets are transferred to retained profits.

The prepaid lease rentals are amortised on a straight-line basis over the lease period ranging from 30 to 999 years.

## 2 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 for use by, or in the operations of the Group. Property that is being constructed for future use as investment property is classified under property, plant and equipment until construction is completed, at which time the property is reclassified to investment property.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated and buildings are depreciated on a straight-line basis to write down the cost of each building to their residual values over their estimated useful lives. The principal annual depreciation rates are between 2% and 5%.

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

Investments are stated at cost (adjusted for amortisation of premium or accretion of discounts to maturity, where appropriate) less accumulated impairment losses. Impairment is provided where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

Cost directly attributable to an acquisition, is included as part of the cost of investment.

### i. Intangible assets

#### i. Goodwill

Goodwill represents the excess of cost of acquisition plus costs directly attributable to the acquisition 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 on acquisition of subsidiaries is recognised as an intangible asset. Goodwill is allocated to cash generating units for the purpose of impairment testing and is stated at cost less accumulated impairment losses. Impairment testing is performed annually. Goodwill is also tested for impairment whenever indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods. On the disposal of an operation, the gain or loss on disposal includes the carrying amount of allocated goodwill.

Goodwill on acquisition of jointly controlled entities and associates is included as part of the cost of investments in jointly controlled entities and associates. Such goodwill is tested for impairment as part of the overall net investment in each jointly controlled entity and associate.

#### ii. Research and development costs

Development costs which fulfill certain commercial and technical feasibility criteria are capitalised. Subsequently such capitalised development costs are amortised from the commencement of commercial production of the product to which they relate on the straight-line basis over the period of the expected benefit, not exceeding a period of 5 years. 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.

Research costs are charged to the income statement in the year in which the expenditure is incurred.



## 2 Summary of Principal Accounting Policies (continued)

### i. Intangible assets (continued)

#### iii Trademarks and assets usage rights

Trademarks and assets usage rights are capitalised at cost. Trademarks and assets usage rights with a finite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over their contractual periods or estimated useful lives.

The principal annual amortisation rates are:

Trademarks	5%
Assets usage rights	5%

Trademarks with indefinite useful life are not amortised as they are expected to contribute to net cash inflow indefinitely.

### j. 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 estimate of the selling price in the ordinary course of business, less cost to completion and selling expenses.

### k. 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 the income statement for property under development are carried in the balance sheet as property development costs. Revenue and expense recognised in the income statement 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 each balance sheet date, 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, under trade and other receivables. Where the billings to the purchaser exceed revenue recognised, the net amount is shown as progress billings, under trade and other payables.

### l. Trade and other receivables

Trade and other receivables are recognised at anticipated realisable values. Specific allowances are made for debts which have been identified as bad or doubtful. In addition, estimates are made for doubtful debts which are not specifically identified, based on a review of all outstanding amounts at balance sheet date.

Advances for plasma plantation projects represent the accumulated plantation development costs, including borrowing costs and indirect overheads, which are either recoverable from plasma farmers or recoverable through the assignment to plasma farmers, the loans obtained for the projects. These advances are recoverable when the plasma plantation is completed and ready to be transferred to the plasma farmers. Allowance for losses on recovery is made when the estimated amount to recover is less than the outstanding advances.

## 2 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 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. 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 each balance sheet date, 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 exceed progress billings, the net amount is shown as amount due from customers on construction contracts, under trade and other receivables. Where progress billings exceed costs incurred and profits or losses recognised, the net amount is shown as amount due to customers on construction contracts, under trade and other payables.

### n. 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 a continuing use, and when all the following criteria are met:

- a decision has been made to sell,
- the assets are available for sale immediately,
- the assets are being actively marketed at a price that is reasonable in relation to its current fair value, and
- a sale has been or is expected to be concluded within the next twelve months from the date of classification.

Before they are classified as held for sale, the measurement of the assets and associated liabilities is brought up to-date in accordance with their respective accounting policies.

Depreciation ceases when an asset is classified as non-current assets held for sale. Non-current assets held for sale are stated at the lower of carrying amount and fair value less disposal costs.

### o. Impairment of non-financial assets

Intangible assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment or as and when events or circumstances occur indicating that impairment may exist. All other non-financial assets are assessed for indication of impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that were previously impaired are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation reserve. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve.

## 2 Summary of Principal Accounting Policies (continued)

### p. 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 equity shares are shown in equity as a deduction from the proceeds. Redeemable convertible preference shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Dividends to equity holders are recognised in the statement of changes in equity in the period in which they are paid.

### q. Borrowings

Long-term and short-term borrowings are recognised initially at the amount of proceeds received, net of transaction costs incurred. Long-term and short-term borrowings are subsequently stated at amortised cost, using the effective interest rate method.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

### r. Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

#### i. Maintenance and warranty

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on past history of the level of repairs and replacements.

#### ii. Property development

Provisions for property development are recognised based on commitments made on enhancements to infrastructure facilities of township developments.

#### iii. Restructuring costs

Provisions are made for direct expenditure necessarily entailed by the restructuring.

### s. Deferred Income

Deferred income comprises the following:

i. Net time share income - is deferred and amortised to the income statement on a straight-line basis over the term of the time share agreement.

ii. Maintenance income - is deferred and recognised by reference to the percentage of the estimated total costs for each of the maintenance contracts with customers to provide service and support for customers' machinery.

iii. Advance annualised licence fees - are deferred and recognised on a fixed annualised amount on a straight-line basis over the term of the golf memberships.

## 2 Summary of Principal Accounting Policies (continued)

### t. Employee benefits

#### 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 associated services are rendered by employees of the Group.

#### ii. Defined contribution plans

A defined contribution 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 plans in accordance with local conditions and practices in the countries in which it operates. The Group's contributions to defined contribution plans are charged to the income statement in the year in which they relate.

#### iii. Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit 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 plans, some of which are funded by payments from the relevant Group companies in various countries. The Group's defined benefit 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 plans are the present values of the defined benefit obligations at the balance sheet date, adjusted for unrecognised 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 arise from market adjustments and changes in actuarial assumptions. Actuarial gains or losses are recognised as income or expense over the expected average remaining service lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the defined benefit plans exceed the higher of 10% of the present value of the defined benefit obligations and the fair values of the plan assets at the beginning of the financial year.

#### iv. Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy 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. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### v. Equity compensation benefits

The fair value of the employee services received in exchange for the grant of the share option is recognised as an expense in the income statement over the vesting periods of the grant with a corresponding increase in equity. When the share option is exercised, the proceeds received net of any transaction costs, are credited to share capital and share premium.

## 2 Summary of Principal Accounting Policies (continued)

### u. Trade and other payables

Trade and other payables are stated at cost.

### v. Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included in short term borrowings.

### w. Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised directly in equity. In this case, the tax is recognised in equity.

The current income tax charge for the Company is the expected income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date. The current income tax charge for the Group is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. 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 using the "liability method", 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, jointly controlled entities 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 substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

### x. Revenue recognition

Revenue from sales 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 and indirect taxes. Revenue from property development is recognised by reference to the stage of completion of the development activity in respect of development units sold. 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. Revenue for the Group is stated after eliminating sales within the Group. Other revenue earned by the Group are recognised on the following basis:

- i. Interest income - recognised on an accrual basis, using the effective interest rate method.
- ii. Dividend income - recognised when the right to receive payment is established.

### y. 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 income statement on a straight-line basis over the lease term.

## 2 Summary of Principal Accounting Policies (continued)

### z. Financial instruments

#### i. Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

#### ii. Financial instruments recognised on the balance sheet

The recognition method adopted for the financial instruments recognised on the balance sheet is disclosed in the individual policy statement associated with each item.

#### iii. Financial instruments not recognised on the balance sheet

Financial instruments comprising forward foreign exchange contracts, interest rate swap contracts and financial guarantee contracts are not recognised in the financial statements on inception.

##### Forward foreign exchange contracts

The Group enters into forward foreign exchange contracts to protect the Group from movements in exchange rates by establishing the rate at which a foreign currency asset or liability will be settled. All exchange gains and losses relating to hedge instruments are recognised in the income statement in the same period the forward foreign exchange contract is settled.

##### Interest rate swap contracts

Interest rate swap contracts are financial derivative instruments used by the Group to manage movements in interest rates. The notional principal of these contracts are recorded off balance sheet. Any differential to be paid or received on an interest rate swap contract is recognised as a component of interest income or expense over the period of the contract. Gains and losses on early termination of interest rate swap contracts are taken to the income statement.

##### Financial guarantee contracts

Financial guarantee contracts that require the Group to make specific payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due are disclosed as contingent liabilities. These guarantees are recorded on the balance sheet only when the outflow of resources has become probable.

### aa. Commodity future and forward contracts

Commodity future and forward contracts are entered into by subsidiaries to manage exposure to adverse movements in vegetable oil prices. These 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.

### ab. 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 existence 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.

## 2 Summary of Principal Accounting Policies (continued)

### ac. Segment reporting

The primary segment reporting format is determined to be the business segments based on the Group's differing rates of profitability, opportunities for growth, future prospects and risks and rates of return. 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. The secondary information is reported geographically.

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. Inter-segment pricing is based on similar items as those available to other external parties.

## 3 Critical Accounting Estimates and Judgement in Applying Accounting Policies

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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ.

To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. 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. Impairment of non-financial assets

The Group assesses whether there is any indication that non-financial assets are impaired at each balance sheet date. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. 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.

### b. Useful lives of property, plant and equipment

The Group reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the carrying value of property, plant and equipment.

### c. Construction contracts and property development projects

The Group recognises contract and property development revenue based on percentage of completion method. The stage of completion is measured by reference to either the costs incurred to-date to the estimated total cost or the completion of a physical proportion of work to-date. Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue (for contracts other than fixed contracts) and costs. Total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and work of specialists. The carrying amount of the Group's construction contracts and property development projects are shown in Notes 24 and 26, respectively.

### 3 Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)

#### d. 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 carrying amount of the Group's inventories at 30 June 2009 is shown in Note 25.

#### e. Provision for warranties

Provision has been recognised for warranties on the Group's products that are not covered by manufacturers' warranties. This provision has been estimated based on historical claims experience, as well as recent trends that might suggest that historical claims experience may vary from future claims. Factors that could impact the amount of future claims include the quality of products supplied by manufacturers and the costs of parts and labour. The carrying amount of the Group's provision for warranties at 30 June 2009 is shown in Note 33.

#### f. Tax

##### i. Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provision in the period in which such determination is made.

##### ii. Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding the future financial performance of a particular entity in which the deferred tax asset has been recognised.

#### g. Contingent Liabilities

Determination of the treatment of 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.

### 4 Revenue

Revenue for the Group represents sales of goods, performance of services, income from construction contracts and property development earned outside the Group, net of discounts, allowances and indirect taxes.

Revenue for the Company represents performance of services and income from investment in subsidiaries and associates. Revenue for the Company in the financial year ended 30 June 2008 included the sales of goods.

	Group		Company	
	2009	2008	2009	2008
<b>Analysis of revenue</b>				
Sales of goods	25,783.7	28,299.9	-	237.7
Performance of services	1,868.1	2,079.9	6.2	56.6
Construction contracts	2,233.7	2,472.4	-	-
Property development	1,128.4	1,192.5	-	-
Income from investment in subsidiaries				
- quoted	-	-	-	87.1
- unquoted	-	-	1,273.2	4,118.0
Income from investment in associates				
- unquoted	-	-	2.4	7.4
	<b>31,013.9</b>	<b>34,044.7</b>	<b>1,281.8</b>	<b>4,506.8</b>



## 5 Operating Expenses

	Group		Company	
	2009	2008	2009	2008
Changes in inventories of finished goods and work in progress	(118.0)	53.1	-	-
Finished goods, work in progress and other direct overheads	14,214.4	15,138.8	-	-
Raw materials and consumables used	6,652.1	6,731.5	-	-
Employee benefits [note (a)]	2,953.8	2,720.3	0.6	51.3
Amortisation of prepaid lease rentals	68.2	72.0	-	0.9
Amortisation of intangible assets	5.4	5.2	-	-
Depreciation				
- property, plant and equipment [note (b)]	713.4	679.8	-	5.6
- biological assets	25.8	39.0	-	-
- investment properties	5.5	3.4	-	-
Construction contract costs	2,306.8	2,511.1	-	-
Property development costs	698.4	597.0	-	-
Replanting expenditure	120.9	86.0	-	2.1
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers Malaysia	5.7	5.1	0.5	0.4
- member firms of PricewaterhouseCoopers International Limited	12.4	10.1	-	-
- others	2.7	0.6	-	-
Fees for non-audit services				
- PricewaterhouseCoopers Malaysia	2.5	2.3	0.7	0.2
- member firms of PricewaterhouseCoopers International Limited	1.8	2.0	-	-
- others	2.3	3.8	-	1.3
Directors' remuneration [note (c)]	4.8	3.1	3.4	3.0
Hire of plant and machinery [note (d)]	14.1	15.9	-	-
Operating lease payments for land and buildings to				
- subsidiaries	-	-	0.2	1.9
- companies external to the Group	149.4	142.8	-	1.1
Research expenditure	44.6	33.1	-	-
Allowance for doubtful debts	80.1	95.7	-	-
Foreign currencies exchange loss	291.9	52.6	-	10.5
Loss on disposal of				
- property, plant and equipment	0.3	3.4	-	-
- subsidiaries [note (e)]	3.5	1.0	-	1,495.6
- associates	-	1.5	-	-
Impairment of				
- property, plant and equipment	55.2	21.7	-	-
- prepaid lease rentals	0.1	2.1	-	-
- investment properties	9.8	2.2	-	-
- subsidiaries	-	-	-	29.5
- jointly controlled entities	1.1	2.8	-	-
- investments	95.6	25.4	-	-
- intangible assets	9.3	7.0	-	-
Write offs				
- property, plant and equipment	8.4	27.4	-	5.1
- biological assets	7.9	1.8	-	-
- investment properties	-	0.4	-	-
Provision for maintenance, warranty and restructuring costs	194.0	160.1	-	-
Other costs	232.8	412.3	8.0	296.8
	<b>28,877.0</b>	<b>29,673.4</b>	<b>13.4</b>	<b>1,905.3</b>

**5 Operating Expenses (continued)**

	Group		Company	
	2009	2008	2009	2008
<b>a. Employee benefits</b>				
Employee benefits included in income statement	2,953.8	2,720.3	0.6	51.3
Employee benefits included in construction contracts (Note 24)	103.8	81.1	-	-
	<b>3,057.6</b>	<b>2,801.4</b>	<b>0.6</b>	<b>51.3</b>
Employee benefits include:				
Defined benefit plans (Note 34)	18.4	43.4	-	-
Defined contribution plans	145.1	143.2	-	2.6
Termination benefits	1.5	2.9	-	-
<b>b. Depreciation on property, plant and equipment</b>				
Depreciation included in income statement	713.4	679.8	-	5.6
Depreciation included in construction contracts (Note 24)	9.1	8.5	-	-
	<b>722.5</b>	<b>688.3</b>	<b>-</b>	<b>5.6</b>
<b>c. Directors' remuneration</b>				
Non-executive directors				
- fees	3.4	2.5	2.1	2.4
- other emoluments	1.4	0.6	1.3	0.6
	<b>4.8</b>	<b>3.1</b>	<b>3.4</b>	<b>3.0</b>
Executive director (included in note(a) above)	2.3	3.0	-	-
	<b>7.1</b>	<b>6.1</b>	<b>3.4</b>	<b>3.0</b>

The estimated monetary value of benefits provided to Directors of the Company during the financial year by way of usage of the Group's and Company's assets and other benefits are as follows:

	Group		Company	
	2009	2008	2009	2008
Non-executive directors	0.8	0.1	0.8	0.1
Executive director	-*	-*	-	-
	<b>0.8</b>	<b>0.1</b>	<b>0.8</b>	<b>0.1</b>

\* less than RM0.1 million

**d. Hire of plant and machinery**

Hire of plant and machinery included in income statement	14.1	15.9	-	-
Hire of plant and machinery included in construction contracts (Note 24)	52.1	52.1	-	-
	<b>66.2</b>	<b>68.0</b>	<b>-</b>	<b>-</b>

**e. Loss on disposal of subsidiaries by the Company during the financial year ended 30 June 2008**

The loss on disposal of subsidiaries by the Company of RM1,495.6 million is in respect of the liquidation of dormant subsidiaries in the United Kingdom.

**6 Other Operating Income**

	Group		Company	
	2009	2008	2009	2008
Other operating income includes:				
Income from investments (gross)				
- quoted in Malaysia	1.4	0.2	-	0.2
- quoted outside Malaysia	0.2	0.1	-	0.1
- unquoted	70.9	34.2	0.1	11.8
Foreign currencies exchange gain	230.9	174.0	100.4	-
Rental income from land and buildings	26.1	38.0	-	-
Gain on disposal of				
- property, plant and equipment	119.9	19.0	-	1.2
- prepaid lease rentals	1.8	1.4	-	1.4
- investment properties	12.6	2.7	-	-
- subsidiaries	31.4	26.3	-	-
- associates	15.6	0.5	-	-
- investments	4.0	50.5	-	-
Reversal of impairment of				
- property, plant and equipment	2.9	0.7	-	-
- investment properties	3.1	-	-	-
- investments	0.3	-	-	-
Writeback of allowance for doubtful debts	95.0	16.2	-	-

**7 Finance Income**

	Group		Company	
	2009	2008	2009	2008
Finance income from				
- subsidiaries	-	-	11.1	14.0
- banks and other financial institutions	124.2	211.4	0.3	17.9
- deferred payment arrangement [Note 23(a)]	3.0	1.9	-	-
- accretion of discounts [Note 23(c)]	12.4	11.2	-	-
- others	19.1	1.0	-	3.3
	158.7	225.5	11.4	35.2

**8 Finance Costs**

	Group		Company	
	2009	2008	2009	2008
Finance costs charged by				
- subsidiaries	-	-	-	33.9
- banks and other financial institutions	256.4	267.5	55.0	63.7
- Series B redeemable convertible preference shares	-	0.3	-	0.3
- others	-	1.0	-	-
	256.4	268.8	55.0	97.9
Interest capitalised in				
- capital work-in-progress (Note 12)	(3.8)	(1.4)	-	-
	252.6	267.4	55.0	97.9

## 9 Tax Expense

	Group		Company	
	2009	2008	2009	2008
Current tax:				
In respect of current year				
- Malaysian income tax	687.8	912.0	105.0	374.3
- foreign income tax	338.8	632.3	-	3.7
In respect of prior years				
- Malaysian income tax	(17.2)	(23.0)	(3.0)	-
- foreign income tax	0.4	(6.5)	-	-
Deferred tax:				
- origination and reversal of temporary differences	(114.5)	(54.2)	0.1	3.2
- (over)/under provision in prior years	(52.5)	9.7	-	-
- effect of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(64.3)	(7.5)	-	-
- changes in tax rates	(47.7)	(8.9)	-	-
	<b>730.8</b>	<b>1,453.9</b>	<b>102.1</b>	<b>381.2</b>

### Tax reconciliation

Reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2009	2008	2009	2008
Profit before tax	3,071.6	5,206.4	1,325.3	2,584.7
Less: share of results of jointly controlled entities	69.7	(2.1)	-	-
share of results of associates	(84.2)	(107.9)	-	-
	<b>3,057.1</b>	<b>5,096.4</b>	<b>1,325.3</b>	<b>2,584.7</b>
Applicable tax	769.4	1,382.0	331.3	672.0
Withholding tax on foreign income	2.6	7.2	-	-
Effect of tax incentives and income not subject to tax				
- tax exempt dividends from subsidiaries	-	-	(212.5)	(719.0)
- others	(65.5)	(54.2)	(25.1)	(7.4)
Effect of expenses not deductible for tax purposes				
- loss on disposal of subsidiaries	0.9	0.2	-	388.8
- others	194.3	113.6	11.4	46.8
Deferred tax assets not recognised in respect of current year's tax losses	10.4	41.3	-	-
Over provision in prior years	(69.3)	(19.8)	(3.0)	-
Effect of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(64.3)	(7.5)	-	-
Changes in tax rates	(47.7)	(8.9)	-	-
Tax expense for the year	<b>730.8</b>	<b>1,453.9</b>	<b>102.1</b>	<b>381.2</b>
Applicable tax rate (%)	25.2	27.1	25.0	26.0
Effective tax rate (%)	23.9	28.5	7.7	14.7

The applicable tax rate of the Group is derived from 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 rates of the Group and the Company reduced mainly due to the reduction in the Malaysian statutory income tax rate from 26% to 25% (2008: 27% to 26%). The lower proportion of profits from high tax rate jurisdictions has also contributed to the lower applicable tax rate for the Group.

## 10 Earnings and Net Assets Per Share

### a. Basic earnings per share

Basic earnings per share is computed as follows:

	Group	
	2009	2008
Profit for the year attributable to ordinary equity holders of the Company	2,280.1	3,512.1
Weighted average number of shares in issue (million)	6,009.5	5,889.7
Basic earnings per share (sen)	<u>37.94</u>	<u>59.63</u>

### b. Diluted earnings per share

Diluted earnings per share is computed as follows:

	Group	
	2009	2008
Profit for the year attributable to ordinary equity holders of the Company	2,280.1	3,512.1
Interest on Series B redeemable convertible preference shares (RCPS)	-	0.3
Diluted earnings	<u>2,280.1</u>	<u>3,512.4</u>
Weighted average number of ordinary shares in issue (million)	6,009.5	5,889.7
Adjustments for :		
- Series B RCPS [Note 30(b)]	-	12.5
Adjusted weighted average number of ordinary shares (million)	<u>6,009.5</u>	<u>5,902.2</u>
Diluted earnings per share (sen)	<u>37.94</u>	<u>59.51</u>

### c. Net assets per share

The net assets per share is calculated by dividing the Group's net assets attributable to ordinary equity holders of the Company of RM21,384.8 million (2008: RM21,668.6 million) by the 6,009.5 million (2008: 6,009.5 million) number of ordinary shares of the Company at year end.

## 11 Dividends

	Group/Company	
	2009	2008
Final dividend for the year ended 30 June 2008 paid on 5 December 2008:		
- gross dividend of 34.0 sen per share less Malaysian income tax at 25% (2008: NIL)	1,532.4	-
Special dividends for the year ended 30 June 2008 paid on 5 December 2008:		
- gross dividend of 4.0 sen per share less Malaysian income tax at 25% (2008: NIL)	180.3	-
- Malaysian income tax exempt dividend of 6.0 sen per share (2008: NIL)	360.6	-
Interim dividend for the year ended 30 June 2009 paid on 15 May 2009:		
- gross dividend of 5.0 sen per share less Malaysian income tax at 25% (2008: gross dividend of 5.0 sen per share less Malaysian income tax at 26%)	225.3	222.3
Dividends paid prior to Merger Exercise, by subsidiaries acquired under common control	-	513.2
	<u>2,298.6</u>	<u>735.5</u>

At the forthcoming Annual General Meeting to be held on 30 November 2009, a final single tier dividend of 15.3 sen per share which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967 for the financial year ended 30 June 2009 amounting to a net payout of RM919.4 million (2008: a final gross dividend of 34.0 sen per share less Malaysian income tax at 25% and special dividends of 4.0 sen per share less Malaysian income tax at 25% and Malaysian income tax exempt dividend of 6.0 sen per share amounting to a net payout of RM2,073.3 million) will be proposed for shareholders' approval. The financial statements do not reflect this dividend which will be recognised in the financial year ending 30 June 2010 when approved by shareholders.

## 12 Property, Plant and Equipment

Group 2009	Freehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
At 1 July	2,482.5	2,169.8	1,518.5	1,291.8	909.5	8,372.1
Acquisition of subsidiaries [Note 39(a)]	-	-	-	2.9	23.3	26.2
Disposal of subsidiaries [Note 40(a)]	-	(5.7)	(3.0)	(1.1)	-	(9.8)
Additions	14.9	345.2	166.4	424.3	762.2	1,713.0
Disposals	(6.0)	(86.1)	(11.2)	(220.3)	(34.2)	(357.8)
Write offs	-	(4.5)	(0.7)	(2.8)	(0.4)	(8.4)
Impairment losses	-	(15.8)	(15.9)	(8.3)	(15.2)	(55.2)
Reversal of impairment losses	-	0.2	0.2	2.5	-	2.9
Transfer to investment properties (Note 15)	(40.8)	(29.7)	-	-	-	(70.5)
Transfer from land held for property development (Note 16)	120.4	-	-	-	-	120.4
Transfer from inventories	-	-	-	466.3	-	466.3
Transfer to non-current assets held for sale (Note 29)	-	(2.4)	-	-	(15.8)	(18.2)
Reclassification	-	181.2	374.3	15.7	(571.2)	-
Depreciation	-	(136.4)	(243.8)	(342.3)	-	(722.5)
Exchange differences	(4.5)	40.2	(37.5)	12.6	(29.7)	(18.9)
At 30 June	2,566.5	2,456.0	1,747.3	1,641.3	1,028.5	9,439.6
Cost	2,569.3	3,474.3	3,800.9	3,003.0	1,034.8	13,882.3
Accumulated depreciation	-	(988.8)	(2,021.4)	(1,346.6)	-	(4,356.8)
Accumulated impairment losses	(2.8)	(29.5)	(32.2)	(15.1)	(6.3)	(85.9)
Carrying amount at end of year	2,566.5	2,456.0	1,747.3	1,641.3	1,028.5	9,439.6
<b>2008</b>						
At 1 July	2,482.2	2,149.6	1,526.0	1,022.9	446.0	7,626.7
Acquisition of subsidiaries	-	-	-	0.1	-	0.1
Additions	1.1	162.3	247.8	740.0	759.5	1,910.7
Disposals	(2.0)	(5.0)	(20.2)	(210.8)	(8.3)	(246.3)
Write offs	(0.1)	(17.4)	(2.0)	(5.0)	(2.9)	(27.4)
Impairment losses	-	(4.9)	(2.0)	(11.0)	(3.8)	(21.7)
Reversal of impairment losses	-	-	0.3	0.4	-	0.7
Transfer to investment properties (Note 15)	-	(72.3)	-	-	-	(72.3)
Transfer to non-current assets held for sale (Note 29)	-	(7.4)	(1.4)	-	-	(8.8)
Reclassification	-	95.4	108.5	34.0	(237.9)	-
Depreciation	-	(125.5)	(242.4)	(320.4)	-	(688.3)
Exchange differences	1.3	(5.0)	(96.1)	41.6	(43.1)	(101.3)
At 30 June	2,482.5	2,169.8	1,518.5	1,291.8	909.5	8,372.1
Cost	2,485.2	3,224.2	3,445.2	2,659.3	915.6	12,729.5
Accumulated depreciation	-	(1,032.6)	(1,908.9)	(1,357.3)	-	(4,298.8)
Accumulated impairment losses	(2.7)	(21.8)	(17.8)	(10.2)	(6.1)	(58.6)
Carrying amount at end of year	2,482.5	2,169.8	1,518.5	1,291.8	909.5	8,372.1

## 12 Property, Plant and Equipment (continued)

Included in capital work in progress incurred during the year was interest expense amounting to RM3.8 million (2008: RM1.4 million).

Property, plant and equipment of certain subsidiaries with carrying amount of RM57.7 million (2008: RM182.0 million) were charged to banks as security for borrowings (Note 32).

Certain plantation land and buildings are stated at valuation. The valuations carried out in 1978 by professional firms of surveyors and valuers were performed on a continuing agricultural use basis. As allowed by the transitional provision of MASB Approved Accounting Standard IAS 16 – Property, Plant and Equipment, the revalued amount is retained as the surrogate cost.

Company 2008	Freehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Total
At 1 July	442.3	53.1	8.9	32.4	536.7
Acquired from Merged Entities	279.4	93.6	0.9	13.7	387.6
Disposed to subsidiaries	(721.7)	(141.5)	(13.7)	(40.8)	(917.7)
Additions	-	-	0.5	3.6	4.1
Disposal	-	(4.5)	-	(0.6)	(5.1)
Reclassification	-	-	4.7	(4.7)	-
Depreciation	-	(0.7)	(1.3)	(3.6)	(5.6)
At 30 June	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Carrying amount at end of year	-	-	-	-	-

There were no movements in the Company's property, plant and equipment during the financial year ended 30 June 2009.

## 13 Biological Assets

	Group		Company	
	2009	2008	2009	2008
At 1 July	2,245.0	2,238.8	-	52.7
Acquired from Merged Entities	-	-	-	64.8
Disposed to subsidiaries	-	-	-	(117.5)
Additions	120.1	208.8	-	-
Write offs	(7.9)	(1.8)	-	-
Transfer from inventories	10.4	-	-	-
Depreciation	(25.8)	(39.0)	-	-
Exchange differences	(18.5)	(161.8)	-	-
At 30 June	2,323.3	2,245.0	-	-

Biological assets represent the plantation development expenditure for oil palm and rubber trees. The produce which were unsold as at the balance sheet date are shown as produce stocks under inventories. As at 30 June 2008, biological assets with carrying amount of RM182.6 million were charged to banks as security for borrowings (Note 32).

**14 Prepaid Lease Rentals**

The prepaid lease rentals are payments for rights in respect of the following:

<b>Group 2009</b>	<b>Long leasehold land</b>	<b>Short leasehold land</b>	<b>Total</b>
At 1 July	1,236.6	1,294.0	2,530.6
Disposal of a subsidiary [Note 40(a)]	-	(1.3)	(1.3)
Additions	30.1	34.7	64.8
Disposals	(2.7)	-	(2.7)
Impairment losses	-	(0.1)	(0.1)
Transfer to non-current assets held for sale (Note 29)	(0.8)	-	(0.8)
Reclassification	(130.3)	130.3	-
Amortisation	(13.1)	(55.1)	(68.2)
Exchange differences	6.9	(40.8)	(33.9)
<b>At 30 June</b>	<b>1,126.7</b>	<b>1,361.7</b>	<b>2,488.4</b>

**2008**

At 1 July	1,225.9	1,385.8	2,611.7
Additions	18.5	12.2	30.7
Disposals	-	(0.4)	(0.4)
Impairment losses	-	(2.1)	(2.1)
Transfer to non-current assets held for sale (Note 29)	(4.4)	(1.7)	(6.1)
Reclassification	(38.0)	38.0	-
Amortisation	(15.3)	(56.7)	(72.0)
Exchange differences	49.9	(81.1)	(31.2)
<b>At 30 June</b>	<b>1,236.6</b>	<b>1,294.0</b>	<b>2,530.6</b>

<b>Company</b>	<b>2009</b>	<b>2008</b>
<b>Long leasehold land</b>		
At 1 July	-	2.0
Acquired from Merged Entities	-	161.2
Disposed to subsidiaries	-	(161.2)
Disposals	-	(1.1)
Amortisation	-	(0.9)
<b>At 30 June</b>	<b>-</b>	<b>-</b>

The prepaid lease rentals of the Group are subject to the following maturity periods:

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
<b>Non-Current</b>		
Later than 1 year	2,422.7	2,459.2
<b>Current</b>		
Not later than 1 year, included in prepayment under current assets	65.7	71.4
	<b>2,488.4</b>	<b>2,530.6</b>



**14 Prepaid Lease Rentals (continued)**

Prepaid lease rentals of certain subsidiaries with carrying amount of RM37.4 million (2008: RM37.7 million) were charged to banks as security for borrowings (Note 32).

Certain plantation leasehold lands are stated at valuation. The valuations carried out in 1978 by professional firms of surveyors and valuers were performed on a continuing agricultural use basis. As allowed by the transitional provision in FRS 117 – Leases, the revalued amount net of amortisation is retained as the surrogate cost.

**15 Investment Properties**

<b>Group 2009</b>	<b>Freehold land</b>	<b>Buildings</b>	<b>Total</b>
At 1 July	73.1	147.0	220.1
Additions	25.4	24.7	50.1
Disposals	(1.5)	(0.6)	(2.1)
Impairment losses	(5.2)	(4.6)	(9.8)
Reversal of impairment losses	–	3.1	3.1
Transfer from property, plant and equipment (Note 12)	40.8	29.7	70.5
Transfer to land held for property development (Note 16)	(10.6)	–	(10.6)
Transfer from inventories	–	10.4	10.4
Transfer from property development costs (Note 26)	–	6.7	6.7
Depreciation	–	(5.5)	(5.5)
Exchange differences	11.1	(27.6)	(16.5)
At 30 June	<b>133.1</b>	<b>183.3</b>	<b>316.4</b>
Cost	150.3	276.8	427.1
Accumulated depreciation	–	(72.4)	(72.4)
Accumulated impairment losses	(17.2)	(21.1)	(38.3)
Carrying amount at end of year	<b>133.1</b>	<b>183.3</b>	<b>316.4</b>
<b>2008</b>			
At 1 July	77.7	81.4	159.1
Additions	–	4.7	4.7
Disposals	(1.7)	(7.8)	(9.5)
Write offs	(0.4)	–	(0.4)
Impairment losses	(0.4)	(1.8)	(2.2)
Transfer from property, plant and equipment (Note 12)	–	72.3	72.3
Transfer to non-current assets held for sale (Note 29)	–	(0.4)	(0.4)
Depreciation	–	(3.4)	(3.4)
Exchange differences	(2.1)	2.0	(0.1)
At 30 June	73.1	147.0	220.1
Cost	85.5	202.3	287.8
Accumulated depreciation	–	(39.0)	(39.0)
Accumulated impairment losses	(12.4)	(16.3)	(28.7)
Carrying amount at end of year	73.1	147.0	220.1

The fair value of investment properties as at 30 June 2009 was RM670.9 million (2008: RM503.5 million). The fair value was arrived at after taking into consideration the valuation performed by external professional firms of surveyors and valuers. The valuation was performed using comparable and investment basis based on current prices in an active market for all properties.

Investment property of a subsidiary with a carrying amount of RM25.6 million was pledged as security for borrowings as at 30 June 2008 (Note 32).

**15 Investment Properties (continued)**

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	<b>2009</b>	<b>2008</b>
Rental income	<b>36.5</b>	14.5
Direct operating expenses incurred on		
- income generating properties	<b>(12.3)</b>	(4.6)
- non-income generating properties	<b>(3.3)</b>	(3.6)

**16 Land Held for Property Development**

	<b>Group</b>	
	<b>2009</b>	<b>2008</b>
At 1 July	<b>624.0</b>	652.1
Additions	-	66.3
Disposal	<b>(8.7)</b>	(44.0)
Write off	-	(13.3)
Transfer to property, plant and equipment (Note 12)	<b>(120.4)</b>	-
Transfer from investment properties (Note 15)	<b>10.6</b>	-
Transfer from/(to) property development costs (Note 26)	<b>99.7</b>	(37.1)
At 30 June	<b>605.2</b>	624.0

The land held for property development is analysed as follows:

Freehold land at cost	<b>343.5</b>	362.3
Long leasehold land at cost	<b>261.7</b>	261.7
	<b>605.2</b>	624.0

**17 Subsidiaries**

	<b>Company</b>	
	<b>2009</b>	<b>2008</b>
Unquoted shares at cost	<b>1,722.9</b>	1,856.5
Amounts owing by subsidiaries	<b>9,927.2</b>	10,182.4
Amounts owing to subsidiaries	-	(374.7)
	<b>11,650.1</b>	11,664.2

The amounts owing by/(to) subsidiaries are interest free except for advances amounting to RM850.5 million (2008: NIL) where interest is charged at rates ranging between 2.70% to 2.85% (2008: NIL) per annum. All the amounts owing by/(to) are unsecured and are not expected to be recalled within the next twelve months.

The Group's equity interest in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 47.

## 18 Jointly Controlled Entities

The Group's interest in the assets and liabilities, revenue and expenses of jointly controlled entities is as follows:

	Group	
	2009	2008
Non-current assets	529.7	-
Current assets	744.5	220.7
Non-current liabilities	(170.3)	-
Current liabilities	(540.7)	(215.6)
Minority interests	(28.4)	-
Net assets	534.8	5.1
Impairment	(3.9)	(3.0)
Carrying amount at end of year	530.9	2.1
Revenue	960.3	161.5
Expenses	(1,030.0)	(159.4)
(Loss)/profit after tax	(69.7)	2.1

The Group's interest in the jointly controlled entities, their respective principal activities and countries of incorporation are shown in Note 47.

## 19 Associates

	Group		Company	
	2009	2008	2009	2008
Unquoted shares at cost	670.3	712.9	134.7	134.7
Share of post acquisition reserves	124.6	630.1	-	-
Unrealised profit on transactions with associates	(168.5)	(214.7)	-	-
Impairment losses	(19.3)	(19.3)	-	-
	607.1	1,109.0	134.7	134.7

	Group	
	2009	2008
Financial information of equity accounted associates:		
Associates' results		
Revenue	6,330.8	8,916.8
Net profit for the year	208.7	225.4
Share of results of associates	84.2	107.9
Currency translation differences	24.2	(1.6)
Unrecognised share of profit/(losses)	2.8	(4.9)
Associates' financial position		
Total assets	6,761.7	6,333.4
Total liabilities	(4,586.6)	(2,566.7)
Net assets	2,175.1	3,766.7
Share of net assets of associates	794.9	1,332.0
Unrealised profit on transactions with associates	(168.5)	(214.7)
Goodwill	-	11.0
Impairment losses	(19.3)	(19.3)
	607.1	1,109.0
Cumulative unrecognised share of losses	(2.1)	(4.9)

The Group's equity interest in the associates, their respective principal activities and countries of incorporation are shown in Note 47.

## 20 Investments

At cost	Group		Company	
	2009	2008	2009	2008
Quoted shares				
In Malaysia	63.2	63.1	-	-
Outside Malaysia	24.9	27.3	-	-
Unquoted shares				
In Malaysia	248.9	272.3	-	4.0
Outside Malaysia	13.9	12.8	-	-
Unquoted debentures	4.2	3.1	-	-
	<b>355.1</b>	<b>378.6</b>	<b>-</b>	<b>4.0</b>
<b>Accumulated impairment losses</b>				
Quoted shares				
In Malaysia	(43.8)	(29.8)	-	-
Outside Malaysia	(5.3)	-	-	-
Unquoted shares				
In Malaysia	(77.0)	(30.0)	-	(2.0)
Outside Malaysia	(7.0)	-	-	-
Unquoted debentures	(2.0)	(2.0)	-	-
	<b>220.0</b>	<b>316.8</b>	<b>-</b>	<b>2.0</b>

The market value of the quoted investments is shown in Note 43 (e).

## 21 Intangible Assets

Group	Acquired			Internally generated		Total
	Goodwill	Trademarks	Assets usage rights	Development costs	Total	
2009						
At 1 July	4.9	71.6	2.4	2.1	78.9	81.0
Acquisition of a subsidiary [Note 39(a)]	-	-	-	3.1	-	3.1
Disposal of a subsidiary [Note 40(a)]	-	(1.3)	-	-	(1.3)	(1.3)
Additions	52.6	-	-	6.8	52.6	59.4
Impairment losses	(9.3)	-	-	-	(9.3)	(9.3)
Amortisation	-	(3.0)	(0.2)	(2.2)	(3.2)	(5.4)
Exchange differences	0.9	0.9	0.1	-	1.9	1.9
At 30 June	<b>49.1</b>	<b>68.2</b>	<b>2.3</b>	<b>9.8</b>	<b>119.6</b>	<b>129.4</b>
Cost	65.8	97.2	3.7	21.4	166.7	188.1
Accumulated amortisation	-	(29.0)	(1.4)	(9.0)	(30.4)	(39.4)
Accumulated impairment losses	(16.7)	-	-	(2.6)	(16.7)	(19.3)
Carrying amount at end of year	<b>49.1</b>	<b>68.2</b>	<b>2.3</b>	<b>9.8</b>	<b>119.6</b>	<b>129.4</b>

## 21 Intangible Assets (continued)

Group 2008	Acquired			Internally generated		Total
	Goodwill	Trademarks	Assets usage rights	Development costs	Total	
At 1 July	3.9	74.4	2.8	5.4	81.1	86.5
Additions	4.4	-	-	0.7	4.4	5.1
Impairment losses	(4.4)	-	-	(2.6)	(4.4)	(7.0)
Amortisation	-	(3.6)	(0.2)	(1.4)	(3.8)	(5.2)
Exchange differences	1.0	0.8	(0.2)	-	1.6	1.6
At 30 June	4.9	71.6	2.4	2.1	78.9	81.0
Cost	12.3	104.6	3.5	11.5	120.4	131.9
Accumulated amortisation	-	(33.0)	(1.1)	(6.8)	(34.1)	(40.9)
Accumulated impairment losses	(7.4)	-	-	(2.6)	(7.4)	(10.0)
Carrying amount at end of year	4.9	71.6	2.4	2.1	78.9	81.0

Trademarks with carrying amount of RM35.3 million (2008: RM35.3 million) were acquired for an indefinite period. These trademarks are not amortised as they are expected to contribute to net cash inflows indefinitely. Trademarks are tested for impairment annually and whenever indication of impairment exists.

Goodwill is allocated to the Group's cash-generating units identified according to business segment and the country of operations. 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. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement.

### Impairment tests for goodwill

The Group undertakes an annual test for impairment of goodwill by assessing the underlying cash-generating units. Based on the impairment test, an impairment loss of RM9.3 million (2008: RM4.4 million) was recorded in the consolidated income statement for goodwill arising from acquisition of a business.

## 22 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 balance sheet:

	Group		Company	
	2009	2008	2009	2008
Deferred tax assets	576.0	712.0	0.2	0.3
Deferred tax liabilities	(488.6)	(931.8)	-	-
	87.4	(219.8)	0.2	0.3
Tax losses for which the tax effects have not been recognised in the financial statements	978.0	969.0	-	-

**22 Deferred Tax (continued)**

The components and movements of the Group's deferred tax liabilities and assets during the year are as follows:

<b>Group 2009</b>	<b>Property, plant and equipment</b>	<b>Prepaid lease rentals</b>	<b>Property development</b>	<b>Allowances and provisions</b>	<b>Tax losses and unabsorbed capital allowances</b>	<b>Others</b>	<b>Total</b>
At 1 July	(335.6)	(326.8)	191.3	149.7	73.4	28.2	(219.8)
Acquisition of subsidiaries [Note 39(a)]	(0.1)	-	-	6.9	6.4	-	13.2
Credited/(charged) to income statement							
- origination and reversal of temporary differences	51.0	10.7	(0.5)	17.0	29.4	6.9	114.5
- (under)/over provision in prior years	(26.3)	-	45.9	36.4	(35.9)	32.4	52.5
- effect of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(29.2)	-	-	25.1	70.1	(1.7)	64.3
- changes in tax rates	3.5	51.2	-	(1.2)	(2.8)	(3.0)	47.7
Exchange differences	18.2	5.3	-	(10.3)	6.0	(4.2)	15.0
<b>At 30 June</b>	<b>(318.5)</b>	<b>(259.6)</b>	<b>236.7</b>	<b>223.6</b>	<b>146.6</b>	<b>58.6</b>	<b>87.4</b>
<b>2008</b>							
At 1 July	(328.7)	(361.5)	199.4	128.3	61.8	13.5	(287.2)
Disposal of subsidiaries	-	-	-	(0.1)	2.4	(0.2)	2.1
Credited/(charged) to income statement							
- origination and reversal of temporary differences	3.5	12.8	(8.1)	17.8	24.2	4.0	54.2
- (under)/over provision in prior years	(11.0)	-	-	(0.4)	(0.3)	2.0	(9.7)
- effect of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(0.2)	-	-	2.8	0.9	4.0	7.5
- changes in tax rates	19.4	-	-	(3.0)	(5.0)	(2.5)	8.9
Exchange differences	(18.6)	21.9	-	4.3	(10.6)	7.4	4.4
<b>At 30 June</b>	<b>(335.6)</b>	<b>(326.8)</b>	<b>191.3</b>	<b>149.7</b>	<b>73.4</b>	<b>28.2</b>	<b>(219.8)</b>

Deferred tax is not recognised on the unremitted earnings of overseas subsidiaries and jointly controlled entities 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 RM220.9 million (2008: RM159.1 million) would be payable.

## 22 Deferred Tax (continued)

The components and movements of the Company's deferred tax liabilities and assets during the year are as follows:

Company	2009		Property, plant and equipment	2008	
	Provision	Total		Provision	Total
At 1 July	0.3	0.3	(2.2)	3.8	1.6
Charged to income statement					
- origination and reversal of temporary differences	(0.1)	(0.1)	-	(3.2)	(3.2)
- others	-	-	2.2	(0.3)	1.9
At 30 June	0.2	0.2	-	0.3	0.3

## 23 Trade and Other Receivables

	Group		Company	
	2009	2008	2009	2008
<b>Non-Current</b>				
Trade receivables [note(a)]	-	42.5	-	-
Advances for plasma plantation projects [note (b)]	37.5	32.0	-	-
Redeemable loan stocks [note (c)]	189.6	177.2	-	-
	227.1	251.7	-	-
<b>Current</b>				
Trade receivables [note (a)]	3,407.8	3,791.2	-	-
Accrued billings	622.8	267.6	-	-
Amounts due from customers on construction contracts (Note 24)	950.4	1,087.4	-	-
Amounts due from jointly controlled entities	79.2	-	-	-
Amounts due from associates	7.1	66.7	-	-
Dividends receivable from subsidiaries	-	-	850.0	1,080.7
Other receivables	1,125.7	915.6	0.2	0.6
Deposits	86.5	70.0	-	-
	6,279.5	6,198.5	850.2	1,081.3
Less: allowance for doubtful debts				
- trade receivables	(335.2)	(318.8)	-	-
- other receivables	(35.5)	(46.3)	-	-
	5,908.8	5,833.4	850.2	1,081.3
	6,135.9	6,085.1	850.2	1,081.3

Trade and other receivables of certain subsidiaries with carrying amount of RM189.3 million were pledged to banks as security for borrowings as at 30 June 2008 (Note 32).

## 23 Trade and Other Receivables (continued)

### a. Trade receivables

The trade receivables include outstanding net present value of land sales made under deferred payment terms. The discount rate used was 7.0% per annum. The contracted price and the notional interest are as follows:

	Group	
	2009	2008
Outstanding contracted value	110.0	137.3
<b>Notional interest in suspense</b>		
At 1 July	(6.1)	(8.0)
Recognised during the year (Note 7)	3.0	1.9
At 30 June	(3.1)	(6.1)
	<b>106.9</b>	131.2
<b>Non-current</b>		
Due later than 1 year	-	42.5
<b>Current</b>		
Due not later than 1 year	106.9	88.7
	<b>106.9</b>	131.2

The credit terms of other trade receivables ranged from 7 to 180 days (2008: 7 to 180 days). The Group and Company have no significant concentrations of credit risk

### b. Advances for plasma plantation projects

	Group	
	2009	2008
At 1 July	59.2	68.4
Additions	1.2	0.8
Recovered	(1.7)	(7.1)
Exchange differences	(0.9)	(2.9)
	<b>57.8</b>	59.2
Allowance for shortfall in recovery	(20.3)	(27.2)
At 30 June	<b>37.5</b>	32.0

In Indonesia, oil palm plantation owners/operators are required to participate in selected programs 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 of the plasma plantation projects. These advances are recoverable from plasma farmers or through the assignment to plasma farmers, the loans obtained for the projects. Allowances for losses on recovery are made when the estimated amount to recover is less than the outstanding advances.

### c. Redeemable loan stocks (unsecured)

On 23 July 2007, the Group disposed of its subsidiary, Guthrie Corridor Expressway Sdn Bhd (GCESB). In accordance with the Sale and Purchase of Shares Agreement, the settlement of the intercompany balance owing by GCESB would be partially by cash payment and the balance through issuance of RM500 million non-transferable zero coupon Redeemable Loan Stocks (RLS) of GCESB.



**23 Trade and Other Receivables (continued)****c. Redeemable loan stocks (unsecured) (continued)**

On inception, the RLS was discounted to take into account the time value of money. The discount rate used was 7.0% per annum. The present value of the RLS is as follows:

	Group	
	2009	2008
Nominal value	500.0	500.0
<b>Discount</b>		
Discount on inception	(334.0)	(334.0)
Accretion		
At 1 July	11.2	–
Accretion during the year (Note 7)	12.4	11.2
At 30 June	23.6	11.2
	<b>189.6</b>	<b>177.2</b>

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
		<b>500.0</b>

**24 Construction Contracts**

	Group	
	2009	2008
Aggregate costs incurred	7,411.3	6,851.1
Recognised profits less losses to-date	150.7	407.1
	<b>7,562.0</b>	7,258.2
Progress billings	(6,642.1)	(6,204.0)
	<b>919.9</b>	1,054.2
Represented by:		
Amounts due from customers (Note 23)	950.4	1,087.4
Amounts due to customers (Note 36)	(30.5)	(33.2)
	<b>919.9</b>	1,054.2
Retention on contracts	<b>6.8</b>	9.5
Included in construction contract costs incurred during the year are:		
Employee benefits	103.8	81.1
Depreciation	9.1	8.5
Hire of plant and machinery	52.1	52.1

**25 Inventories**

	Group	
	2009	2008
Produce stocks	230.8	414.6
Raw material and consumable stores	572.8	446.4
Work in progress	219.4	160.3
Finished goods	109.1	177.4
Completed development units	117.9	168.9
Trading inventories		
- heavy equipment	2,162.2	1,501.2
- motor vehicles	1,414.9	1,447.3
- commodities and others	799.6	749.6
	<b>5,626.7</b>	<b>5,065.7</b>

The carrying amount of trading inventories included RM586.7 million (2008: RM259.0 million) stated at net realisable values.

Inventories where the net realisable value is expected to be below the carrying amount are written down. The amount written down during the year was RM64.2 million (2008: RM38.3 million) for the Group.

Inventories of a subsidiary with carrying amount of RM197.4 million were pledged as security for borrowings as at 30 June 2008 (Note 32).

**26 Property Development Costs**

	Group	
	2009	2008
<b>Development costs</b>		
At 1 July	5,114.0	4,892.0
Development costs incurred during the year	1,004.5	1,231.0
Transfer to investment properties (Note 15)	(6.7)	-
Transfer (to)/from land held for property development (Note 16)	(99.7)	37.1
Completed development units transferred to inventories	(15.7)	(54.2)
Completed development units and land sold	(620.6)	(1,000.8)
Exchange differences	(7.6)	8.9
At 30 June	<b>5,368.2</b>	<b>5,114.0</b>
<b>Costs recognised in income statement</b>		
At 1 July	(3,447.9)	(3,847.9)
Recognised during the year	(698.4)	(597.0)
Completed development units and land sold	620.6	1,000.8
Exchange differences	(1.6)	(3.8)
At 30 June	<b>(3,527.3)</b>	<b>(3,447.9)</b>
	<b>1,840.9</b>	<b>1,666.1</b>

Property development costs are analysed as follows:

Freehold land at cost	496.9	534.1
Development costs	4,871.3	4,579.9
Costs recognised in income statement	(3,527.3)	(3,447.9)
	<b>1,840.9</b>	<b>1,666.1</b>

Property development projects of certain subsidiaries with carrying amount of RM140.4 million (2008: NIL) was charged to a bank as security for borrowings (Note 32).

## 27 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, and the Singapore Housing Developers (Control and Licensing) Act (Cap 130). The amounts are held at call with banks and are available only to the subsidiaries involved in the property development activities.

## 28 Bank Balances, Deposits and Cash

	Group		Company	
	2009	2008	2009	2008
Deposits with licensed banks	2,266.3	4,695.2	300.0	288.7
Deposits with finance companies	44.0	70.9	-	-
Deposits with other corporations	5.5	4.7	-	-
Cash at bank and in hand	994.2	1,223.4	0.5	5.2
	<b>3,310.0</b>	<b>5,994.2</b>	<b>300.5</b>	<b>293.9</b>

	%	%	%	%
Effective interest rates are as follows:				
Deposits with licensed banks	1.36	4.59	1.95	3.53
Deposits with finance companies	3.48	3.49	-	-
Deposits with other corporations	1.84	3.35	-	-
Cash at bank	0.31	1.00	-	-

Deposits of the Group and Company have maturity periods ranging from on call basis to 9 months (2008: on call basis to 1 year). Cash at bank are deposits held at call.

Deposits with licensed banks of certain subsidiaries with carrying amount of RM38.8 million (2008: NIL) were pledged to bank as security for borrowings (Note 32).

Included in deposits with licensed banks are :

- funds of Yayasan Sime Darby and Yayasan Guthrie of RM51.9 million (2008: NIL). These funds are set aside for educational, environmental conservation and sustainability projects and related activities for the benefit of the community.
- RM162.3 million as at 30 June 2008, held in designated accounts as required by the terms of the Murabahah Medium Term Notes (MMTN) programme undertaken by a subsidiary of the Company. These MMTN were fully repaid during the financial year (Note 32).

## 29 Non-Current Assets Held for Sale

	Group	
	2009	2008
Disposal groups		
- property, plant and equipment [note (a)]	15.8	-
- current assets	-	5.3
	<b>15.8</b>	<b>5.3</b>
Other assets		
- property, plant and equipment	2.4	8.8
- prepaid lease rentals	2.4	6.1
- investment property	0.4	0.4
- associate [note(b)]	37.5	-
	<b>58.5</b>	<b>20.6</b>

**29 Non-Current Assets Held for Sale (continued)**

The movements during the year relating to non-current assets held for sale are as follows:

	Group		Company	
	2009	2008	2009	2008
At 1 July	20.6	785.5	-	5.3
Disposals	(18.6)	(785.5)	-	(5.3)
Transfer from property, plant and equipment (Note 12)	18.2	8.8	-	-
Transfer from prepaid lease rentals (Note 14)	0.8	6.1	-	-
Transfer from investment properties (Note 15)	-	0.4	-	-
Transfer from associate	37.5	-	-	-
Transfer from other assets	-	5.3	-	-
At 30 June	58.5	20.6	-	-

The movements during the year relating to liabilities directly associated with non-current assets held for sale are as follows:

	Group	
	2009	2008
At 1 July	-	178.7
Disposals	-	(178.7)
At 30 June	-	-

The Group had entered into the following agreements :

- On 10 July 2009, Sime Darby Energy Sdn Bhd entered into a Share Sale Agreement with Tenaga Nasional Berhad and Sarawak Energy Berhad for the disposal of its 100% equity interest in Sime Darby Power Link Sdn Bhd for a total purchase consideration of RM15.6 million. The disposal was completed on 21 July 2009.
- On 19 June 2009, Sime Link Sdn Bhd entered into a Share Sale Agreement with ACM Holdings Corporation and Boeing Worldwide Operations Limited for the disposal of its 33.33% equity interest in Asian Composites Manufacturing Sdn Bhd, for a total consideration of USD12.0 million. Completion of the disposal is pending fulfillment of the conditions precedent.

The other non-current assets are expected to be disposed within the next financial year.

**30 Share Capital**

	Group/Company			
	Number of shares (million)		Nominal value	
	2009	2008	2009	2008
Authorised:				
Ordinary shares of RM0.50 each				
At 1 July	8,000.0	0.2	4,000.0	0.1
Increased during the year	-	7,999.8	-	3,999.9
At 30 June	8,000.0	8,000.0	4,000.0	4,000.0
Redeemable convertible preference shares (RCPS)				
Series A RCPS of RM0.01 each				
At 1 July	7,000.0	-	70.0	-
Increased during the year	-	7,000.0	-	70.0
At 30 June	7,000.0	7,000.0	70.0	70.0
Series B RCPS of RM0.10 each				
At 1 July/30 June	25.0	25.0	2.5	2.5
			4,072.5	4,072.5

**30 Share Capital (continued)**

	Group/Company			
	Number of shares (million)		Nominal value	
	2009	2008	2009	2008
Issued and fully paid up:				
Ordinary shares of RM0.50 each				
At 1 July	6,009.5	*	3,004.7	*
Opening adjustments arising from the Merger Exercise [note (a)]	-	5,505.2	-	2,752.6
	<b>6,009.5</b>	<b>5,505.2</b>	<b>3,004.7</b>	<b>2,752.6</b>
Issued during the year:				
- on conversion of Series B RCPS [note (b)]	-	50.0	-	25.0
- pursuant to a Mandatory General Offer [note (c)]	-	11.2	-	5.6
- pursuant to a Compulsory Acquisition [note (c)]	-	0.3	-	0.1
Adjustments arising from the Merger Exercise [note (a)]	-	442.8	-	221.4
At 30 June	<b>6,009.5</b>	<b>6,009.5</b>	<b>3,004.7</b>	<b>3,004.7</b>
Series B RCPS of RM0.10 each				
At 1 July	-	25.0	-	2.5
Converted to ordinary shares during the year [note (b)]	-	(25.0)	-	(2.5)
At 30 June	-	-	-	-
			<b>3,004.7</b>	<b>3,004.7</b>

\* represents 200 ordinary shares of RM0.50 each amounting to RM100.00

The Company did not issue any new shares during the financial year. The movements in share capital during the financial year ended 30 June 2008 are as follows:

**a. Merger Exercise and capital adjustments arising from the Merger Exercise**

On 1 October 2007, the Company acquired the entire businesses and undertakings, including all assets and liabilities of Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad, Kumpulan Sime Darby Berhad, Sime UEP Properties Berhad, Sime Engineering Services Berhad, Guthrie RopeI Berhad, Highlands & Lowlands Berhad and Mentakab Rubber Company (Malaya) Berhad (hereinafter collectively referred to as the Merged Entities). The consideration was satisfied by the payment of RM401.0 million cash and the issuance of 5,948.0 million new ordinary shares of RM0.50 each at an issue price of RM5.25 each.

The Merged Entities were under common control before and after the combination and the Group and Company have applied the predecessor method of merger accounting in accounting for the combination. Under the predecessor method of merger accounting, the enlarged share capitals are deemed issued in proportion to the outstanding share capitals of the Merged Entities based on their respective share exchange ratios at the date of the merger. This has resulted in 5,505.2 million ordinary shares being deemed issued as at 1 July 2007 and 442.8 million ordinary shares being deemed issued during financial year ended 30 June 2008.

For the purpose of accounting the shares consideration, the fair value of RM8.22 per share at the date of exchange was recorded instead of the issue price of RM5.25 per share.

**30 Share Capital (continued)****b. Series B RCPS**

The Series B RCPS amounting to 25.0 million shares of RM0.10 each were issued in the financial year ended 30 June 2007 at RM1.00 per share for cash. On inception, the Series B RCPS were segregated into equity and liability components of RM2.6 million and RM22.4 million respectively. The equity component is shown at RM2.5 million share capital and RM0.1 million share premium, while the liability component is shown under borrowings.

During the financial year ended 30 June 2008, all Series B RCPS were converted into ordinary shares in accordance with the conversion ratio of 2 new ordinary shares of RM0.50 each in the Company for 1 Series B RCPS.

**c. Mandatory General Offer and Compulsory Acquisition**

The acquisition of Golden Hope Plantations Berhad resulted in the Group owing, directly and indirectly, 62.6% equity interest in Negara Properties (M) Berhad (Negara Properties). Pursuant to Section 6 of the Malaysian Code on Take-Overs and Mergers 1998, a notice of take-over offer for the remaining ordinary shares of Negara Properties which were not already held by the Group was served on 1 October 2007. An additional 36.5% equity interest in Negara Properties were secured and the consideration was satisfied by the issuance of 11,221,797 new ordinary shares of RM0.50 each at an issue price of RM5.25 each.

As the Mandatory General Offer recorded more than 90% acceptance, the Group proceeded to invoke the provisions of Section 34 of the Securities Commission Act 1993 to compulsorily acquire the remaining 0.9% equity interest in Negara Properties. The consideration was satisfied by payment of RM0.2 million cash and the issuance of 253,886 new ordinary shares of RM0.50 each at an issue price of RM5.25 each.

For the purpose of accounting the shares consideration, the fair value of RM9.17 per share at the date of exchange was recorded instead of the issue price of RM5.25 per share.

**31 Reserves**

<b>Group 2009</b>	<b>Share premium</b>	<b>Revaluation reserves</b>	<b>Capital reserves</b>	<b>Exchange reserves</b>	<b>Retained profits</b>	<b>Total</b>
At 1 July	100.6	72.2	6,796.6	978.9	10,715.6	18,663.9
Currency translation differences						
- subsidiaries	-	-	-	(276.3)	-	(276.3)
- jointly controlled entities	-	-	-	1.8	-	1.8
- associates	-	-	-	24.2	-	24.2
Transfer between reserves	-	-	14.5	-	(14.5)	-
Income and expense recognised						
directly in equity	-	-	14.5	(250.3)	(14.5)	(250.3)
Profit for the year	-	-	-	-	2,280.1	2,280.1
Total recognised						
income and expense						
for the year	-	-	14.5	(250.3)	2,265.6	2,029.8
Acquisition of additional						
interest from minority						
shareholders	-	-	(15.0)	-	-	(15.0)
Dividends paid	-	-	-	-	(2,298.6)	(2,298.6)
At 30 June	100.6	72.2	6,796.1	728.6	10,682.6	18,380.1

**31 Reserves (continued)**

<b>2008</b>	<b>Share premium</b>	<b>Share option reserves</b>	<b>Revaluation reserves</b>	<b>Capital reserves</b>	<b>Exchange reserves</b>	<b>Retained profits</b>	<b>Total</b>
At 1 July	0.1	5.3	72.2	5,414.5	839.7	8,267.4	14,599.2
Currency translation differences							
- subsidiaries	-	-	-	-	140.8	-	140.8
- associates	-	-	-	-	(1.6)	-	(1.6)
Transfer between reserves	-	(12.9)	-	341.3	-	(328.4)	-
Income and expense recognised directly in equity	-	(12.9)	-	341.3	139.2	(328.4)	139.2
Profit for the year	-	-	-	-	-	3,512.1	3,512.1
Total recognised income and expense for the year	-	(12.9)	-	341.3	139.2	3,183.7	3,651.3
Share options granted	-	7.6	-	-	-	-	7.6
Share options exercised	-	-	-	22.3	-	-	22.3
Conversion of Series B RCPS	1.0	-	-	-	-	-	1.0
Acquisition of the remaining equity interest in the Merged Entities	-	-	-	1,358.8	-	-	1,358.8
Acquisition of additional interest from minority shareholders	99.5	-	-	(31.3)	-	-	68.2
Capital adjustments	-	-	-	(309.0)	-	-	(309.0)
Dividends paid	-	-	-	-	-	(735.5)	(735.5)
At 30 June	100.6	-	72.2	6,796.6	978.9	10,715.6	18,663.9

<b>Company</b>	<b>Share premium</b>	<b>Share option reserves</b>	<b>Capital reserves</b>	<b>Retained profits</b>	<b>Total</b>
<b>2009</b>					
At 1 July	100.6	-	5,725.1	3,354.8	9,180.5
Profit for the year	-	-	-	1,223.2	1,223.2
Dividends paid	-	-	-	(2,298.6)	(2,298.6)
At 30 June	100.6	-	5,725.1	2,279.4	8,105.1

**2008**

At 1 July	0.1	5.3	5,459.9	971.1	6,436.4
Transfer between reserves	-	(12.9)	(902.8)	915.7	-
Profit for the year	-	-	-	2,203.5	2,203.5
Share options granted	-	7.6	-	-	7.6
Share options exercised	-	-	22.3	-	22.3
Conversion of Series B RCPS	1.0	-	-	-	1.0
Acquisition of the remaining equity interest in the Merged Entities	-	-	1,454.7	-	1,454.7
Acquisition of additional interest from minority shareholders	99.5	-	-	-	99.5
Capital adjustments	-	-	(309.0)	-	(309.0)
Dividends paid	-	-	-	(735.5)	(735.5)
At 30 June	100.6	-	5,725.1	3,354.8	9,180.5

**31 Reserves (continued)**

The Group's revaluation reserves relate mainly to revaluation of certain Malaysian plantation land and buildings of the Group.

In accordance with Section 60(4) of the Malaysian Companies Act 1965, the difference between the fair value and nominal value of shares issued as consideration for the acquisition of the Merged Entities was not required to be recorded as share premium, but instead is recognised together with the effects of the merger as capital reserves.

In addition to the reserves that arose from the merger, capital reserves of the Group also include statutory reserves required in jurisdictions where the Group operates. In the case of acquisition of additional interests from minority shareholders, the difference between the consideration paid and the minority interests acquired is presented as a deduction from the capital reserves.

**32 Borrowings**

	Group		Company	
	2009	2008	2009	2008
<b>Long-term</b>				
Secured				
Term loans	82.1	7.4	-	-
Unsecured				
Term loans [note(a)]	1,893.3	2,044.3	-	-
Cumulative subordinated unconvertible redeemable loan stocks [note(b)]	37.4	37.4	-	-
Murabahah Medium Term Notes [note(c)]	-	1,100.0	-	1,000.0
	<b>2,012.8</b>	<b>3,189.1</b>	<b>-</b>	<b>1,000.0</b>
<b>Short-term</b>				
Secured				
Bank overdrafts	-	2.9	-	-
Portion of term loans due within one year	1.4	23.5	-	-
Other short term borrowings	333.3	453.4	-	-
Unsecured				
Bank overdrafts	45.3	19.8	-	-
Bai' Bithaman Ajil	-	16.7	-	16.7
Murabahah Medium Term Notes [note (c)]	1,000.0	300.0	1,000.0	-
Murabahah Commercial Papers	150.0	-	150.0	-
Portion of term loans due within one year [note(a)]	238.6	178.5	-	-
Other short term borrowings	1,825.6	645.1	700.5	-
	<b>3,594.2</b>	<b>1,639.9</b>	<b>1,850.5</b>	<b>16.7</b>
	<b>5,607.0</b>	<b>4,829.0</b>	<b>1,850.5</b>	<b>1,016.7</b>

The borrowings are secured by fixed and floating charges over property, plant and equipment, prepaid lease rentals, property development projects and other assets of certain subsidiaries.



**32 Borrowings (continued)**

	Group		Company	
	2009 %	2008 %	2009 %	2008 %
The average effective interest rates/profit margins are as follows:				
Term loans				
- before interest rate swaps	2.71	4.92	-	-
- after interest rate swaps	4.14	5.27	-	-
Cumulative subordinated unconvertible redeemable loan stocks	12.00	12.00	-	-
Murabahah Medium Term Notes	4.34	4.82	4.34	4.34
Murabahah Commercial Papers	2.80	-	2.80	-
Bai' Bithaman Ajil	-	4.25	-	4.25
Bank overdrafts	4.19	6.48	-	-
Other short term borrowings	3.83	5.44	2.76	-

Conventional term loans that are subject to contractual interest rates repricing within 1 year amounted to RM2,215.4 million (2008: RM2,253.7 million).

The borrowings are subject to the following maturity periods:

	Group		Company	
	2009	2008	2009	2008
Not later than 1 year	3,594.2	1,639.9	1,850.5	16.7
Later than 1 year but not later than 2 years	488.3	1,321.8	-	1,000.0
Later than 2 years but not later than 5 years	1,487.1	1,122.3	-	-
Later than 5 years	37.4	745.0	-	-
	5,607.0	4,829.0	1,850.5	1,016.7

**a. Term loans (unsecured)**

The term loans include the following:

- i. USD471.5 million offshore term loan repayable over eight (8) equal semi-annual instalments commencing at the end of the 42nd month from the drawdown date on 28 August 2005. The term loan bore interest at LIBOR plus 0.55% per annum. The outstanding balance as at 30 June 2009 was USD 353.6 million (2008: USD353.6 million).
- ii. USD200.0 million long-term loan repayable at the 5th year from the drawdown date on 27 December 2007. The term loan bore interest at LIBOR plus 0.26% per annum. The outstanding balance as at 30 June 2009 was USD200.0 million (2008: USD200.0 million).

**b. Cumulative subordinated unconvertible redeemable loan stocks**

The repayment of the cumulative subordinated unconvertible redeemable loan stocks is subordinated to all unsecured facilities of a subsidiary. The loan stocks are redeemable at par at any date determined not later than 31 December 2023.

**c. Murabahah Medium Term Notes**

The Murabahah Medium Term Notes comprise the RM500.0 million 7 years and RM500 million 4 years Murabahah Medium Term Notes under the RM1,500 million Murabahah Commercial Paper (MCP) and Medium Term Notes (MMTN) Programme (Programme). These MMTN were drawdown on 6 February 2003 and 21 December 2005 at par with a profit rate of 4.38% and 4.30% per annum, respectively.

**32 Borrowings (continued)****c. Murabahah Medium Term Notes (continued)**

Salient features of the Programme are as follows:

- total outstanding nominal value of the MCP and MMTN (collectively known as Notes) shall not exceed RM1,500.0 million subject to a sub-limit of RM500.0 million for the MCP.
- the tenure of the Programme is up to seven years from date of the first issuance of any Notes under the Programme.
- MCP has a maturity of 12 months or below and is mandatorily redeemed at nominal value on maturity date. The profit for the MCP is payable on maturity of the MCP.
- MMTN has a maturity of 1 year but not more than 7 years and on condition that the MMTN mature prior to the expiry of the tenure of the Programme. The MMTN are mandatorily redeemed at nominal value on maturity date. The profit for the MMTN is payable either in fixed amounts at the end of each profit period or on maturity of the MMTN.

The RM1,000.0 million MMTN were reclassified from long-term borrowings to short-term borrowings during the year as they are due to be repaid within 12 months from the end of the financial year ended 30 June 2009.

During the year, the Group repaid the RM300.0 million 5 years and RM100.0 million 7 years Murabahah Medium Term Notes drawdown in March 2004, at par with a profit rate of 5.98% and 6.20% per annum respectively.

**33 Provisions**

Group 2009	Maintenance and warranty	Property development	Restructuring costs	Total
At 1 July	231.9	6.0	-	237.9
Additions	214.0	-	4.9	218.9
Amounts unutilised	(24.9)	-	-	(24.9)
Charged to income statement	189.1	-	4.9	194.0
Acquisition of a subsidiary	2.9	-	-	2.9
Utilised	(162.0)	(6.0)	-	(168.0)
Exchange differences	(4.6)	-	-	(4.6)
At 30 June	257.3	-	4.9	262.2
<b>2008</b>				
At 1 July	179.5	7.5	-	187.0
Additions	190.3	-	-	190.3
Amounts unutilised	(30.2)	-	-	(30.2)
Charged to income statement	160.1	-	-	160.1
Utilised	(119.2)	(1.5)	-	(120.7)
Exchange differences	11.5	-	-	11.5
At 30 June	231.9	6.0	-	237.9
			<b>2009</b>	<b>2008</b>
<b>Non-current</b>				
Due later than 1 year			57.9	74.7
<b>Current</b>				
Due not later than 1 year			204.3	163.2
			<b>262.2</b>	<b>237.9</b>

**34 Retirement Benefits**

	Group	
	2009	2008
At 1 July	125.7	91.6
Charge for the year	18.4	43.4
Contributions paid	(1.4)	(1.5)
Benefits paid – unfunded obligations	(29.8)	(2.2)
Exchange differences	(0.4)	(5.6)
At 30 June	<u>112.5</u>	<u>125.7</u>

The amounts recognised on the balance sheet are determined as follows:

Present value of funded obligations [note (a)]	61.8	67.4
Fair value of plan assets [note (b)]	(55.1)	(67.4)
	6.7	-
Present value of unfunded obligations [note (a)]	117.3	128.7
Unrecognised actuarial gains [note (c)]	(11.5)	(3.0)
Net liabilities	<u>112.5</u>	<u>125.7</u>

The amounts recognised in the income statement are as follows:

Current service cost	15.0	26.7
Past service cost	0.2	18.1
Interest cost	8.2	3.1
Expected return on plan assets	(5.0)	(4.5)
	<u>18.4</u>	<u>43.4</u>
Expected return on plan assets	(5.0)	(4.5)
Actuarial gains on plan assets	(22.0)	0.1
Actual return on plan assets	<u>(27.0)</u>	<u>(4.4)</u>

**a. Changes in the present value of defined benefit obligations**

Wholly or partly funded obligations	61.8	67.4
Unfunded obligations	117.3	128.7
	<u>179.1</u>	<u>196.1</u>

Movements in the present value of defined benefit obligations are as follows:

At 1 July	196.1	162.0
Current service cost	15.0	26.7
Past service cost	0.2	18.1
Interest cost	8.2	3.1
Benefits paid – funded obligations	(0.6)	(1.1)
Benefits paid – unfunded obligations	(29.8)	(2.2)
Actuarial (gains)/losses due to actual experience	(13.5)	1.0
Exchange differences	3.5	(11.5)
At 30 June	<u>179.1</u>	<u>196.1</u>

**34 Retirement Benefits (continued)**

	Group	
	2009	2008
<b>b. Changes in the fair value of plan assets</b>		
At 1 July	67.4	68.3
Expected return on plan assets	5.0	4.5
Contributions by employers	1.4	1.5
Benefits paid	(0.6)	(1.1)
Actuarial (losses)/gains on plan assets	(22.0)	0.1
Exchange differences	3.9	(5.9)
At 30 June	55.1	67.4
<b>c. Unrecognised actuarial gains and losses</b>		
At 1 July	(3.0)	(2.1)
Unrecognised actuarial gains/(losses) for the year		
- obligations	13.5	(1.0)
- plan assets	(22.0)	0.1
At 30 June	(11.5)	(3.0)

Principal actuarial assumptions used at the balance sheet date in respect of the Group's defined benefit plans are as follows:

	Group	
	2009	2008
	%	%
Discount rate	2.0 – 12.5	3.6 – 10.0
Expected return on plan assets	5.1 – 7.0	7.0 – 9.0
Expected rate of salary increases	1.5 – 8.0	4.0 – 8.0

**35 Deferred Income**

	Group	
	2009	2008
Net time share income	-	1.5
Maintenance income	74.7	102.4
Advance annualised licensed fees	156.7	139.2
	231.4	243.1
<b>Non-current</b>		
Due later than 1 year	155.0	139.0
<b>Current</b>		
Due not later than 1 year, included in trade and other payables	76.4	104.1
	231.4	234.1

**36 Trade and Other Payables**

	Group		Company	
	2009	2008	2009	2008
Trade payables	3,664.5	3,649.2	-	-
Accruals	2,583.5	3,186.6	17.3	20.0
Progress billings	0.3	0.6	-	-
Amounts due to customers on construction contracts (Note 24)	30.5	33.2	-	-
Amounts due to jointly controlled entities	60.6	61.2	-	-
Amounts due to associates	4.8	3.8	-	-
	<b>6,344.2</b>	<b>6,934.6</b>	<b>17.3</b>	<b>20.0</b>

Credit terms of trade payables and amounts due to customers ranged from 7 to 180 days (2008: 7 to 180 days).

**37 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. As at 30 June 2009, the Group had provided performance guarantees and advance payment guarantees amounting to RM6,913.8 million and RM8.3 million (2008: RM5,483.5 million and RM284.0 million), respectively.

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 2009, the Group received counter-indemnities amounting to RM1,603.7 million (2008: RM1,661.1 million).

The Company has provided guarantees amounting to RM3,078.4 million (2008: RM2,951.8 million) to financial institutions in respect of credit facilities granted to certain subsidiaries and as performance guarantees to customers of certain subsidiaries to secure performance under contracts or in lieu of retention withheld on contracts.

**b. Claims**

As at 30 June 2009, claims against the Group not taken up in the balance sheet amounted to RM33.2 million (2008: RM47.8 million). These claims include disputed taxes, supply of goods and services and compensation.

**c. Capital expenditure**

	Group		Company	
	2009	2008	2009	2008
Authorised capital expenditure not provided for in the financial statements:				
Property, plant and equipment				
- contracted	926.9	455.3	-	-
- not contracted	2,985.1	1,182.5	-	-
	<b>3,912.0</b>	<b>1,637.8</b>	<b>-</b>	<b>-</b>
Business combination and others				
- not contracted	2,521.7	-	-	-
	<b>6,433.7</b>	<b>1,637.8</b>	<b>-</b>	<b>-</b>

**37 Contingent Liabilities and Commitments (continued)****c. Capital expenditure (continued)**

The above capital expenditure does not include the proposed acquisition of Teluk Ramunia Fabrication Yard together with all moveable and non-moveable assets for RM530.0 million as announced on 24 August 2009, which revised the initial and subsequent offers of 7 May 2009 and 3 August 2009. The proposed acquisition is further described in Note 44.

**d. Leases**

	Group		Company	
	2009	2008	2009	2008
Commitments under non-cancellable operating leases:				
Expiring not later than 1 year	126.4	178.9	-	-
Expiring later than 1 year but not later than 5 years	205.1	116.0	-	-
Expiring later than 5 years	184.5	115.6	-	-
	<b>516.0</b>	<b>410.5</b>	<b>-</b>	<b>-</b>

**e. Plasma Plantation**

The Group is committed to develop a total of 47,092 hectares of oil palm plantation for plasma farmers in Indonesia. A total of 36,346 hectares have been developed of which about 24,484 hectares have been converted to plasma farmers.

**38 Material Litigations**

Other than the contingent liabilities and commitments disclosed in Note 37 above, the material litigations against the Group are as follows:

- a. PT Adhiyasa Saranamas (PTAS) commenced a legal suit on 17 September 2003 against Kumpulan Guthrie Berhad (KGB) and 6 of its Indonesian subsidiaries (collectively, the co-defendants) for an alleged breach of contract with regards to the provision of consultancy services in connection with the acquisition of subsidiaries in Indonesia.

PTAS' claim was dismissed by the District Court of South Jakarta (District Court). PTAS appealed to the High Court of Jakarta and subsequently the Supreme Court (by way of cassation), and was unsuccessful in both appeals.

On 4 March 2008, KGB received a notification regarding the decision of the further review (Decision on Further Review) which had annulled the decision of the Supreme Court which had rejected the appeal of PTAS in favour of KGB. In summary, the Decision on Further Review approved the claim of PTAS against KGB only for breach of contract and ordered KGB to pay PTAS the amount of USD25.76 million together with interest at the rate of 6% per year thereon as of the date of the registration of PTAS' claim at the District Court until full payment. KGB was also ordered to pay the court charges. No condemnatory order was made against the co-defendants in the Decision on Further Review.

Through the Indonesian Embassy in Kuala Lumpur, an "aanmaning" (Dutch) dated 27 March 2009 was served on KGB to appear at the District Court in South Jakarta on 27 May 2009 in respect of the Decision on Further Review. KGB appeared before the Chairman of the District Court on the Hearing Date and requested the postponement of the implementation of the Decision on Further Review until the legal proceedings in Malaysia are concluded. The Chairman rejected KGB's request and proposed that both sides meet to discuss amicably the implementation of the Decision on Further Review.

KGB has written to PTAS requesting for confirmation on who actually has the authority to represent PTAS before proceeding with any implementation proposal. PTAS has yet to respond to KGB's request to-date.

On 10 June 2009, Pengadilan Negeri (PN) Jakarta Selatan issued an order of execution against four land titles (assets) of PT Aneka Intipersada, PT Kridatama Lancar, PT Teguh Sempurna and PT Ladangrumpun Suburabadi, 4 operating subsidiaries in Indonesia and requested the three PNs located at the provinces to effect the order of execution.

### 38 Material Litigations (continued)

- a. On 24 August 2009, PT Teguh Sempurna and PT Kridatama Lancar filed the Rebuttal (Perlawanan) to oppose the execution over their assets to PN Sampit pursuant to prevailing Indonesian procedural laws, and on 25 August 2009 PT Ladangrumpun Suburabadi filed the same action at PN Kotabaru, on the basis that;
- i. the assets do not belong to KGB;
  - ii. no condemnatory order was made against PT Teguh Sempurna, PT Kridatama Lancar, and PT Ladangrumpun Suburabadi in the Decision on Further Review; and
  - iii. the order of execution issued by PN Jakarta Selatan, followed by the sequestration over the assets by PN Sampit and PN Kotabaru, was improperly issued.

The lawyers for the 4 operating companies have also written to, inter alia, the Supreme Court of Indonesia to annul and/or postpone the implementation of the order of execution.

In Malaysia, PTAS brought an action against KGB on 11 March 2008 to enforce the judgement of the Indonesian Supreme Court.

KGB on 21 August 2009, filed an application to strike out the Malaysian case. On 26 August 2009, the Deputy Registrar informed the parties that the striking out application had to be disposed of first and directed parties to ensure that all affidavits in relation to KGB's striking out application were exchanged by 2 October 2009 and fixed 2 October 2009 for case management.

- b. Berkeley Sdn Bhd (BSB) commenced a legal suit against Consolidated Plantations Berhad (CPB) for breach of a sale and purchase agreement and seeks damages amounting to RM54.0 million (or alternatively RM34.0 million) on the basis that CPB had failed to deliver a subdivided title in respect of 85 acres of land purchased by BSB.

BSB's claim for damages was dismissed with costs by the High Court on 9 March 2002 and BSB had appealed to the Court of Appeal on 27 March 2002.

The appeal came up for hearing on 7 May 2007 and was adjourned to 8 January 2008. On the said date, the hearing was adjourned by the court to a date to be fixed. The appeal is now fixed for hearing on 4 February 2010.

### 39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Business

#### a. Acquisition of subsidiaries and business

Subsidiaries acquired by the Group during the year ended 30 June 2009 are as follows:

Name of subsidiaries acquired	Purchase consideration	Group's effective interest %	Effective acquisition date
SD Bandar Gemilang Development Sdn Bhd	RM2	100.0	22 July 2008
Subang Jaya City Centre Sdn Bhd	RM2	60.0	22 July 2008
Sime Darby Water Resources (Perak) Sdn Bhd (SDWR(P))	RM13.5 million	75.0*	11 September 2008
Sime Darby Healthcare Sdn Bhd	RM2	100.0	17 October 2008
Guangzhou Bow Yue Vehicle Trading Company Limited	RMB11.0 million	100.0	29 October 2008
Vertical Drive Sdn Bhd	RM85.0 million	100.0	28 November 2008
Sime Darby Plantation Investment (Liberia) Private Limited	SGD1	100.0	25 March 2009
Sime Darby Hyundai Integrated Sdn Bhd (formerly known as Oriental-Hyundai Sdn Bhd) (SDHI)	RM13.3 million	51.0^	3 June 2009

### 39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Business (continued)

#### a. Acquisition of subsidiaries and business (continued)

\*The Group acquired an additional 27% equity interest in SDWR(P), thereby increasing its total equity interest in SDWR(P) from 48% to 75%. Following the acquisition of additional interest, SDWR(P) which was previously recognised as an associate, is now a subsidiary of the Group.

^The Group acquired the remaining 60% equity interest in SDHI via Sime Darby Hyundai Sdn Bhd (formerly known as Hyumal Motor Sdn Bhd), a 51% owned subsidiary, thereby increasing the Group's total effective interest in SDHI from 20.4% to 51%. Following the acquisition of the additional interest, SDHI is now a subsidiary of the Group.

The results relating to subsidiaries acquired during the year ended 30 June 2009, included in the consolidated income statement was a profit of RM3.2 million. If the acquisitions were effective on 1 July 2008, the Group's revenue and profit attributable to ordinary equity holders of the Company for the year ended 30 June 2009 would have been RM31,231.9 million and RM2,261.1 million respectively as compared to RM31,013.9 million and RM2,280.1 million respectively.

In addition to the above acquisition of subsidiaries, the Group acquired the distribution business, assets and liabilities of Ssanyong Australia for a consideration of AUD15.1 million on 4 November 2008.

Subsidiaries acquired by the Group during the year ended 30 June 2008 are as follows:

Name of subsidiaries	Purchase consideration	Group's additional effective interest %	Effective acquisition date
Eminent Platform Sdn Bhd	RM2	100.0	9 July 2007
Sincere Outlook Sdn Bhd	RM2	100.0	9 July 2007
Sime Darby Foods & Marketing Sdn Bhd	RM2	100.0	9 August 2007
Sime Darby T & I Sdn Bhd	RM2	100.0	28 September 2007
Shantou Bow Yue Vehicle Trading Company Limited	RMB10.0 million	100.0	14 November 2007
Sime Darby Elco Power Systems Limited (formerly known as Elco Power Systems Ltd)	HK\$43.0 million	100.0	7 January 2008
Sime Darby Power Link Sdn Bhd	RM2	100.0	5 February 2008
Sime Darby China Oils & Fats Company Limited	HK\$2	100.0	23 April 2008
Sime Darby Marine (Hong Kong) Private Limited	HK\$2	100.0	28 April 2008

The net loss of the acquired subsidiaries included in the consolidated income statement amounted to RM0.8 million. If the acquisitions were effective on 1 July 2007, the Group's revenue and profit attributable to ordinary equity holders of the Company for the year ended 30 June 2008 would have been RM34,073.4 million and RM3,516.4 million respectively.



**39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Business (continued)****a. Acquisition of subsidiaries and business (continued)**

Details of the assets, liabilities and net cash outflow arising from the acquisition of subsidiaries and business are as follows:

	2009		2008	
	Book value	Fair value	Book value	Fair value
Property, plant and equipment (Note 12)	26.2	26.2	0.1	0.1
Intangible assets (Note 21)	3.1	3.1	-	-
Deferred tax (Note 22)	13.2	13.2	-	-
Non-current liabilities	(4.4)	(4.4)	-	-
Cash and cash equivalents	6.1	6.1	11.8	11.8
Other net current assets	75.8	75.8	7.2	7.2
Net assets acquired	<u>120.0</u>	<u>120.0</u>	<u>19.1</u>	<u>19.1</u>
Less: net asset equity accounted previously		(16.6)		-
minority interests		(3.1)		-
Adjustment for goodwill		<u>52.6</u>		<u>4.4</u>
Purchase consideration including direct costs related to the acquisition		152.9		23.5
Less: cash and cash equivalents of subsidiaries acquired		(6.1)		(11.8)
Net cash outflow on acquisition of subsidiaries and business		<u>146.8</u>		<u>11.7</u>

**b. Acquisition of additional interests in existing subsidiaries**

The additional interests acquired by the Group during the year ended 30 June 2009 are as follows:

Name of subsidiaries	Purchase consideration	Group's additional effective interest %	Group's effective interest %	Effective acquisition date
Oyster Cove International Pty Ltd	AUD6.3 million	18.0	60.0	6 January 2009
Sime Darby Industrial Power Sdn Bhd (formerly known as Otofins Sdn Bhd)	RM0.1 million	16.2	91.2	31 March 2009
Sime Darby Electropack Sdn Bhd (formerly known as Otofins Industries Sdn Bhd)	RM1.3 million	25.0	100.0	31 March 2009
Sime Darby Livestock Sdn Bhd	RM2.0 million	25.0	100.0	19 May 2009

The additional interests acquired by the Group during the year ended 30 June 2008 are as follows:

Name of subsidiaries	Purchase consideration	Group's additional effective interest %	Group's effective interest %	Effective acquisition date
Westminster Travel Limited	HK\$86.9 million	30.0	100.0	9 July 2007
Golden Hope Investments (Asia Pacific)	USD2.7 million	40.0	100.0	16 November 2007
Negara Properties (M) Berhad	*	36.5	98.8	3 December 2007
Negara Properties (M) Berhad	*	0.9	99.7	30 January 2008
Sime Darby Pilipinas, Inc (SDPI)	USD18,400	0.6	98.2	#

\* consideration satisfied by cash and by issuance of shares

# acquired over the quarter ended 30 June 2008 pursuant to the privatisation of SDPI

**39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Business (continued)****b. Acquisition of additional interests in existing subsidiaries (continued)**

The minority interests acquired and the net cash outflow arising from the acquisition of additional interests in existing subsidiaries are as follows:

	2009	2008
Minority interests acquired	3.5	121.7
Premium paid	15.0	31.3
Cost of acquisition including direct costs related to the acquisition	18.5	153.0
Less: shares issued as consideration	-	(105.2)
Net cash outflow on acquisition of additional interests in existing subsidiaries	18.5	47.8

**c. Acquisition of associates**

Name of associates	Purchase consideration	Group's additional effective interest %	Effective acquisition date
APac Energy Rental Pte Ltd	SGD0.4 million	16.7	7 July 2008
NSB Venture Sdn Bhd	RM40	40.0	3 November 2008

**d. Establishment of new companies**

i. The subsidiaries established by the Group during the year ended 30 June 2009 are as follows:

Name of subsidiaries	Group's effective interest %	Incorporation date
Sime Darby CEL Machinery (Jiangxi) Company Limited	100.0	16 July 2008
Sime Darby Marine Puteri Offshore I (L) Inc	100.0*	21 August 2008
Sime Darby Marine Puteri Offshore II (L) Inc	100.0*	21 August 2008
Sime Darby Marine Puteri Offshore III (L) Inc	100.0*	21 August 2008
Sime Darby Elco Power Equipment (Shenzhen) Limited	100.0	29 August 2008
Changsha Bow Yue Vehicle Services Company Limited	100.0	12 September 2008
PT T Energy	70.0	22 September 2008
Sime Darby Motors Group (Australia) Pty Limited	100.0	28 November 2008
Jining Sime Darby Longgong Port Co Ltd	70.0	28 November 2008
Jining Sime Darby Guozhuang Port Co Ltd	70.0	3 December 2008
Rizhao Sime Darby Oils & Fats Co Ltd	60.0	17 December 2008
Weifang Sime Darby Property Co Ltd	100.0	15 January 2009
Weifang Sime Darby Real Estate Co Ltd	100.0	15 January 2009
Dongguan Sime Darby Sinograin Oils and Fats Co Ltd	50.2	5 March 2009
Sime Darby Plantation (Liberia) Inc	100.0	27 March 2009
Weifang Sime Darby Tugboat Services Co Ltd	50.5	20 May 2009
Weifang Sime Darby Dredging Project Co Ltd	50.5	20 May 2009

\* Subsequently on 17 November 2008, Sime Darby Marine (Hong Kong) Private Limited's interests in these companies were diluted to 50% following the admission of a joint venture partner. These companies are treated as jointly controlled entities with effect from 17 November 2008.

ii. The jointly controlled entity established by the Group during the year ended 30 June 2009 is as follow:

Name of jointly controlled entity	Group's effective interest %	Incorporation date
Halani Sime Offshore (L) Inc	50.0	2 July 2008

### 39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Business (continued)

#### d. Establishment of new companies (continued)

iii. The associates established by the Group during the year ended 30 June 2009 are as follows:

Name of associates	Group's effective interest	Incorporation date
Sime Darby Almana WLL	49.0	6 January 2009
Weifang Sime Darby Shipyard Co Ltd	48.5	20 May 2009

#### e. Other Changes

- i. On 23 July 2008, Sime Darby Plantation Sdn Bhd entered into a joint venture agreement with PTT Chemical International Private Limited, the new 50% shareholder of Emery Oleochemicals (M) Sdn Bhd (Emery) (formerly known as Cognis Oleochemicals (M) Sdn Bhd). Following the change in shareholder and management agreement, Emery which was previously recognised as associate, is now recognised as a jointly controlled entity.
- ii. Effective 1 July 2008, Yayasan Sime Darby and Yayasan Guthrie are recognised as subsidiaries as the Group has the power to govern their financial and operating policies to obtain benefits from their activities.

### 40 Disposal of Subsidiaries and Associate

a. Subsidiaries disposed by the Group during the year ended 30 June 2009 are as follows:

Name of subsidiaries	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Silvertown Property Development Corporation	PHP400 million	98.8	29 August 2008
PT Sime Dunlopillo Indonesia	USD0.2 million	70.0	17 October 2008
Harvik Rubber Industries Sdn Bhd	RM10.5 million	100.0	8 April 2009
Sime Darby Travel Sdn Bhd	RM12.8 million	100.0	13 May 2009

Subsidiaries disposed of by the Group during the year ended 30 June 2008 are as follows:

Name of subsidiaries	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Guthrie Corridor Expressway Sdn Bhd (GCESB)	*	100.0	23 July 2007
Westminster Travel Limited	HK\$160.0 million	100.0	23 October 2007
Sime Rengo Packaging Singapore Limited	S\$6.5 million	66.6	30 November 2007
Guthrie Technologies Sdn Berhad	RM12.9 million	100.0	18 January 2008

\* consideration for the entire equity interest in GCESB and amount owing by GCESB were satisfied by cash payment of RM436.0 million and issuance of RM500.0 million nominal value of Redeemable Loan Stocks.

**40 Disposal of Subsidiaries and Associate (continued)**

Details of the assets, liabilities and net cash inflow arising from the disposal of subsidiaries are as follows:

	2009	2008
Concession assets	-	582.9
Property, plant and equipment (Note 12)	9.8	22.3
Prepaid lease rentals (Note 14)	1.3	-
Intangible assets (Note 21)	1.3	-
Deferred tax	-	(2.1)
Cash and cash equivalents	3.7	65.2
Other net current assets	7.1	6.2
Net assets disposed	<u>23.2</u>	674.5
Gain on disposal of subsidiaries	<u>27.9</u>	25.3
Proceeds from disposal of subsidiaries	51.1	699.8
Less: cash and cash equivalents of subsidiaries disposed	(3.7)	(65.2)
fair value of RM500.0 million nominal value of Redeemable Loan Stocks	-	(166.0)
Net cash inflow on disposal of subsidiaries	<u>47.4</u>	468.6

b. Associate disposed of by the Group during the year ended 30 June 2009 is as follow:

Name of associate	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Donghwa GH International Sdn Bhd	RM28.0 million	30.0	31 December 2008

**41 Segment Information - Group**

Business segments comprise:

Segment	Products and services
Plantation	Oil palm and rubber cultivation and palm oil refining and fractionation
Property	Property development, management and investment, and provision of golf and other recreational services
Industrial	Sales, rental and servicing of heavy equipment.
Energy & Utilities	Engineering design and fabrication, system integration, power generation, treatment and supply of treated water, and ownership and management of port facilities.
Healthcare & Others	Provision of healthcare services, aircraft composites components manufacturing, bedding operations and insurance broking.

Transactions between segments are carried out on an arm's length basis. The effects of such intersegment transactions are eliminated on consolidation.





**41 Segment Information – Group (continued)****Primary reporting format – business segments (continued)**

<b>2008</b>	<b>Plantation</b>	<b>Property</b>	<b>Industrial</b>	<b>Motors</b>	<b>Energy &amp; Utilities</b>	<b>Health- care &amp; Others</b>	<b>Elimination</b>	<b>Group</b>
<b>Balance sheet</b>								
Segment assets	11,665.9	4,958.1	4,558.9	3,514.4	2,484.8	613.0	(39.9)	27,755.2
Jointly controlled entities and associates	488.6	448.5	50.1	21.9	29.4	72.6	-	1,111.1
Non-current assets held for sale	-	0.1	2.1	11.7	-	6.7	-	20.6
								<u>28,886.9</u>
Tax assets								976.4
Bank balances, deposits and cash								5,994.2
Corporate assets								115.2
<b>Total assets</b>								<u><b>35,972.7</b></u>
Segment liabilities	1,625.0	807.3	1,943.9	1,365.7	1,463.7	230.2	(39.9)	7,395.9
Tax liabilities								1,397.5
Borrowings								4,829.0
Corporate liabilities								145.4
<b>Total liabilities</b>								<u><b>13,767.8</b></u>
	<b>Plantation</b>	<b>Property</b>	<b>Industrial</b>	<b>Motors</b>	<b>Energy &amp; Utilities</b>	<b>Health- care &amp; Others</b>	<b>Corporate</b>	<b>Group</b>
<b>Other information</b>								
Capital expenditure	841.4	73.4	721.0	266.9	194.1	36.7	22.1	2,155.6
Depreciation and amortisation	(295.5)	(49.2)	(186.7)	(98.3)	(64.0)	(23.3)	(10.4)	(727.4)
Amortisation of prepaid lease rentals	(59.5)	(2.7)	(0.5)	(4.2)	(5.0)	(0.1)	-	(72.0)
Impairment losses	(4.5)	-	(7.6)	(26.0)	-	(23.1)	-	(61.2)
Reversal of impairment losses	0.3	-	-	0.4	-	-	-	0.7
Other non-cash items	(19.2)	(7.8)	(21.7)	(18.7)	(45.9)	108.0	(47.6)	(52.9)

**41 Segment Information – Group (continued)****Secondary reporting format – geographical segments**

Revenue is analysed by the country in which the customers are located.

	<b>2009</b>	<b>2008</b>
Malaysia	<b>9,703.8</b>	12,575.3
Indonesia	<b>1,651.6</b>	2,304.6
Singapore	<b>3,336.6</b>	3,490.3
China	<b>5,090.7</b>	3,781.9
Australasia	<b>6,068.4</b>	6,773.8
Other countries in South East Asia	<b>1,818.6</b>	1,807.4
Europe	<b>1,931.3</b>	1,871.6
Other countries	<b>1,412.9</b>	1,439.8
	<b>31,013.9</b>	<b>34,044.7</b>

The following is an analysis of the Group's segment results, segment assets and capital expenditure by the country in which the Group's operations are located.

	<b>Segment results</b>		<b>Segment assets</b>		<b>Capital expenditure</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Malaysia	<b>1,724.8</b>	3,195.4	<b>17,664.8</b>	16,956.3	<b>853.3</b>	672.3
Indonesia	<b>479.9</b>	1,269.0	<b>2,790.4</b>	2,727.6	<b>245.8</b>	354.6
Singapore	<b>291.4</b>	240.1	<b>1,861.9</b>	1,870.6	<b>103.5</b>	94.5
China	<b>222.1</b>	197.9	<b>2,764.3</b>	1,773.3	<b>416.1</b>	166.9
Australasia	<b>524.1</b>	606.3	<b>3,923.8</b>	3,657.7	<b>194.1</b>	563.2
Other countries in South East Asia	<b>28.8</b>	1.9	<b>962.9</b>	877.4	<b>83.1</b>	108.5
Europe	<b>(12.4)</b>	(10.3)	<b>828.2</b>	862.9	<b>55.6</b>	182.8
Other countries	<b>13.5</b>	6.6	<b>93.7</b>	161.1	<b>3.3</b>	12.8
	<b>3,272.2</b>	5,506.9	<b>30,890.0</b>	28,886.9	<b>1,954.8</b>	2,155.6



## 42 Disclosure of Significant Related Party Transactions

At the last Annual General Meeting held on 12 November 2008, the Company obtained a shareholders' mandate to allow the Group to enter into recurrent related party transactions of revenue or trading nature.

In accordance with Section 4.1.5 of Practice Note No 12/2001 issued by Bursa Malaysia Securities Berhad, the details of recurrent related party transactions conducted during the year ended 30 June 2009 pursuant to the shareholders' mandate and announcements made are as follows:

Subsidiaries of the Company	Transacting party	Nature of transaction	Related party and nature of relationship	2009	2008
Inokom Corporation Sdn Bhd (ICSB)	Hyundai Motor Company (HMC)	Royalty payment and procurement of Completely Knocked-Down (CKD) packs, Completely Built-Up (CBU) cars and ancillary services by ICSB from HMC	HMC, a substantial shareholder of ICSB	66.2	111.3
	Hyundai Motor India Ltd (HMIL)	Procurement of CKD motor vehicle components by ICSB from HMIL	HMC, the holding company of HMIL, is a substantial shareholder of ICSB	17.5	2.7
Sime Darby Plantation Sdn Bhd and its subsidiaries (SDP)	Chemical Company of Malaysia Berhad and its following subsidiaries: - CCM Agri-Max Sdn Bhd - CCM Fertilizers Sdn Bhd - CCM Chemicals Sdn Bhd - P.T. CCM Agripharma (CCM Group)	Sale of chemicals and fertilisers by the CCM Group to SDP	Permodalan Nasional Berhad and Amanah Raya Nominees Tempatan Sdn Bhd – Skim Amanah Saham Bumiputera are major shareholders of the Group and CCM Group	282.0	91.8

**42 Disclosure of Significant Related Party Transactions (continued)**

Significant related party transactions other than disclosed in Notes 5, 6, 7 and 8 are as follows:

	Group		Company	
	2009	2008	2009	2008
<b>a. Transactions with subsidiaries</b>				
Commissions and management fees income, and sales of goods	-	-	-	202.9
Purchase of goods	-	-	-	13.2
<b>b. Transactions with associates</b>				
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd (formerly known as Cognis Oleochemicals (M) Sdn Bhd)	8.0	18.0	-	-
Rental of land from I & P Seriemas Sdn Bhd	12.7	21.1	-	-
<b>c. Transactions with subsidiaries' minority shareholders</b>				
Sales of goods and performance of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	15.5	17.7	-	-
Procurement of motor vehicles and their components, accounting and ancillary services by Ford Malaysia Sdn Bhd from Ford Motor Company and its related companies	2.5	47.6	-	-
Procurement of motor vehicles by Sime Darby Auto Imports Sdn Bhd from Ford Motor Company and its related Companies	100.2	10.4	-	-
Royalty payment and procurement of Completely Knocked-Down (CKD) packs, Completely Built-Up cars and ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company (HMC)	66.2	111.3	-	-
Procurement of CKD motor vehicle components by ICSB from Hyundai Motor India Ltd, subsidiary of HMC	17.5	2.7	-	-
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	-	23.3	-	-
<b>d. Transactions with companies in which directors of certain subsidiaries have equity interest</b>				
Provision of nominee director and management services to Sime Darby London Limited from Rusa Consulting Limited (RCL) in which the subsidiary's director Mr Nik Raof Daud has an equity interest	1.3	1.3	-	-
Rental of premises by Sime Darby Industrial Power Sdn Bhd (formerly known as Otofin Sdn Bhd) from Kartika Gemilang Sdn Bhd (KGSB), a company in which the subsidiary's director Mr Tan Hong Hooi has an equity interest	-	0.5	-	-
Rental of land by Kapar Coconut Industries Sdn Bhd to Tee Wan Kia & Sons Realty Sdn Bhd, a company in which a close family member of the subsidiary's director Mr Tee Seng Biung has an equity interest	0.2	0.2	-	-
Sale of parts by Sime Darby Tractors Enterprise Sdn Bhd (formerly known as Tractors Malaysia Enterprise Sdn Bhd) to Otofin Power (Johor) Sdn Bhd, a company in which the subsidiary's director Mr Tan Hong Hooi has an equity interest	4.1	-	-	-

**42 Disclosure of Significant Related Party Transactions (continued)**

	Group		Company	
	2009	2008	2009	2008
<b>e. Transactions with a firm in which a close family member of a director of the Company is a partner</b>				
Engineering and consultancy services rendered by Fadlullah and Associates Consulting Engineers, a firm in which a close family member of Dato' Mohamed Sulaiman, a Director of the Company, is a partner	0.9	1.4	-	-
<b>f. Transactions with related companies of Permodalan Nasional Berhad and Amanah Raya Nominees Tempatan Sdn Bhd</b>				
Sale of chemicals and fertilisers by the Chemical Company of Malaysia Berhad and its related companies to Sime Darby Plantation Sdn Bhd and its subsidiaries	282.0	91.8	-	-
<b>g. Remuneration of directors and key management personnel</b>				
Salary and other emoluments	22.5	24.6	2.6	8.5
Estimated monetary value of benefits by way of usage of the Group's and Company's assets	1.7	0.6	0.8	0.1

Other than as disclosed above, there were no material contracts subsisting as at 30 June 2009 or if not then subsisting, entered into since the end of the previous year by the Company or its subsidiaries which involved the interests of Directors or substantial shareholders.

The outstanding balances with subsidiaries are shown in Note 17 and the significant outstanding balances with other related parties as at 30 June are as follows:

	Group		Company	
	2009	2008	2009	2008
<b>a. Amounts owing by jointly controlled entities</b>				
Sime Darby Marine Puteri Offshore I (L) Inc	40.3	-	-	-
Sime Darby Marine Puteri Offshore II (L) Inc	15.3	-	-	-
Sime Darby Marine Puteri Offshore III (L) Inc	15.3	-	-	-
Terberg Tractors Malaysia Sdn Bhd	8.1	-	-	-
<b>b. Amounts owing (to)/by associates</b>				
Artesian Investments Pte Ltd	-	9.4	-	-
I & P Seriemas Sdn Bhd	(3.8)	49.4	-	-
<b>c. Amount owing to a firm in which a close family member of a director of the Company is a partner</b>				
Fadlullah and Associates Consulting Engineers	-	0.6	-	-

All outstanding balances are unsecured and repayable within the normal credit periods.

**43 Financial Instruments****a. Financial risk management objectives and policies**

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programs and adherence to Group's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain exposures. The Group does not trade in these derivative financial instruments.

### 43 Financial Instruments (continued)

#### a. Financial risk management objectives and policies (continued)

##### Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. These companies enter into forward foreign exchange contracts to limit their exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

The Group is also exposed to currency translation risk arising from its net investments in foreign subsidiaries, jointly controlled entities and associates, which is not hedged due to the long-term nature of those investments.

##### Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure which arises from certain of the Group's borrowings is managed through the use of fixed and floating debt and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

##### Credit risk

Credit risk arises when derivative instruments are used or sales made on credit terms. The Group seeks to control credit risk by dealing with customers of appropriate credit history. Where appropriate, guarantees or securities are obtained to limit credit risk. Sales to customers are usually suspended when earlier amounts are overdue exceeding 180 days.

The Group seeks to invest cash assets safely and profitably in reputable financial institutions. The Group considers the risk of material loss in the event of non-performance by these financial institutions to be unlikely.

The maximum exposure to credit risk for the Group and Company is represented by the carrying amount of each financial asset and in respect of derivative financial instruments, as disclosed in Note 43(e). At the balance sheet date, there were no significant concentrations of credit risk.

##### Liquidity and cash flow risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

#### b. Fair value estimation for disclosure purposes

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

##### Short term financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

##### Investments

The fair values of some investments are estimated based on quoted market prices for those or similar investments. For other investments for which there are no quoted market prices, fair values are estimated based on suitable investment valuation methodology such as price to earnings ratio and discounted cash flows.

##### Long-term financial instruments

The fair value of the Group's long term financial instruments is estimated by discounting the future contractual cash flows at the current market rate available to the Group for similar instruments.

##### Derivative financial instruments

The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date. The fair value of interest rate swaps is calculated at the present value of the estimated future cash flows.

In assessing the fair value of other derivatives and financial instruments, the Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. In particular, the fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate available to the Group for similar financial instruments.

The face values of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year are assumed to approximate their fair values.

### 43 Financial Instruments (continued)

#### c. Currency profile of major financial assets and financial liabilities:

Group 2009	Denominated in other than functional currencies								Total
	United States dollar	Australian dollar	European Union euro	Qatar riyal	New Zealand dollar	Singapore dollar	Others	Denominated in functional currencies	
Trade receivables (net)	645.9	-	8.1	36.9	-	1.2	7.9	2,372.6	3,072.6
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	327.5	327.5
Bank balances, deposits and cash	258.6	127.3	164.1	-	48.4	16.1	34.4	2,661.1	3,310.0
Long-term borrowings	(704.9)	-	-	-	-	-	-	(1,307.9)	(2,012.8)
Short-term borrowings	(242.8)	-	-	-	-	-	(28.3)	(3,323.1)	(3,594.2)
Trade payables	(239.0)	(0.3)	(51.7)	(4.5)	(0.1)	(21.7)	(24.0)	(3,323.2)	(3,664.5)
	(282.2)	127.0	120.5	32.4	48.3	(4.4)	(10.0)	(2,593.0)	(2,561.4)
<b>2008</b>									
Trade receivables (net)	369.5	8.6	11.5	12.4	10.7	1.3	45.7	3,055.2	3,514.9
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	479.5	479.5
Bank balances, deposits and cash	125.0	223.0	185.3	0.3	73.4	344.0	19.7	5,023.5	5,994.2
Long-term borrowings	(747.9)	-	-	-	-	-	-	(2,441.2)	(3,189.1)
Short-term borrowings	(70.5)	-	-	-	-	-	-	(1,569.4)	(1,639.9)
Trade payables	(309.0)	(6.2)	(114.1)	(0.2)	-	(9.7)	(15.7)	(3,194.3)	(3,649.2)
	(632.9)	225.4	82.7	12.5	84.1	335.6	49.7	1,353.3	1,510.4

Other than the amounts owing by subsidiaries of RM1,010.2 million (2008: NIL) and RM506.6 million (2008: NIL) that are denominated in Singapore dollar and Hong Kong dollar respectively, the other financial assets and financial liabilities of the Company are denominated mainly in Ringgit Malaysia, the functional currency of the Company.

#### d. Off balance sheet financial instruments

##### i. Forward foreign exchange contracts

The Group operates internationally and is exposed to currency risk as a result of the foreign currency transactions entered into by companies in currencies other than their functional currency. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

**43 Financial Instruments (continued)****d. Off balance sheet financial instruments (continued)****i. Forward foreign exchange contracts (continued)**

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposures are hedged, mainly with derivative financial instruments such as forward foreign exchange contracts.

As at balance sheet date, forward foreign exchange contracts have been entered into with the following notional amounts and maturities:

Group 2009	Maturities		Total
	Within 1 year	Above 1 year	
Forward contracts used to hedge anticipated sales			
- United States dollar	515.0	-	515.0
- European Union euro	40.0	-	40.0
- Qatar riyal	31.0	-	31.0
- Japanese yen	6.5	-	6.5
	<b>592.5</b>	<b>-</b>	<b>592.5</b>
Forward contracts used to hedge receivables			
- United States dollar	530.4	-	530.4
- European Union euro	1.1	-	1.1
- Qatar riyal	12.5	-	12.5
- Japanese yen	1.5	-	1.5
	<b>545.5</b>	<b>-</b>	<b>545.5</b>
Forward contracts used to hedge anticipated purchases			
- United States dollar	158.7	26.0	184.7
- Australian dollar	42.5	-	42.5
- European Union euro	523.8	-	523.8
- Singapore dollar	21.8	-	21.8
- Japanese yen	22.3	10.7	33.0
- Pound sterling	24.5	-	24.5
- Qatar riyal	12.9	-	12.9
	<b>806.5</b>	<b>36.7</b>	<b>843.2</b>
Forward contracts used to hedge payables			
- United States dollar	127.3	-	127.3
- Australian dollar	0.3	-	0.3
- European Union euro	38.6	-	38.6
- Singapore dollar	12.1	-	12.1
- Others	1.6	-	1.6
	<b>179.9</b>	<b>-</b>	<b>179.9</b>
Total	<b>2,124.4</b>	<b>36.7</b>	<b>2,161.1</b>

### 43 Financial Instruments (continued)

#### d. Off balance sheet financial instruments (continued)

##### i. Forward foreign exchange contracts (continued)

Group 2008	Maturities		Total
	Within 1 year	1 year or more	
Forward contracts used to hedge anticipated sales			
- United States dollar	257.3	642.7	900.0
- European Union euro	72.0	-	72.0
- Qatar riyal	103.6	-	103.6
- Japanese yen	6.2	-	6.2
- Others	1.6	-	1.6
	<u>440.7</u>	<u>642.7</u>	<u>1,083.4</u>
Forward contracts used to hedge receivables			
- United States dollar	285.5	-	285.5
- European Union euro	9.8	-	9.8
- Qatar riyal	12.4	-	12.4
- Japanese yen	1.7	-	1.7
- Pound sterling	6.4	-	6.4
	<u>315.8</u>	<u>-</u>	<u>315.8</u>
Forward contracts used to hedge anticipated purchases			
- United States dollar	568.0	-	568.0
- Australian dollar	12.7	-	12.7
- European Union euro	438.6	-	438.6
- Singapore dollar	25.7	-	25.7
- Japanese yen	81.7	-	81.7
- Pound sterling	51.0	-	51.0
	<u>1,177.7</u>	<u>-</u>	<u>1,177.7</u>
Forward contracts used to hedge payables			
- United States dollar	305.3	-	305.3
- Australian dollar	3.2	-	3.2
- European Union euro	113.2	-	113.2
- Singapore dollar	8.5	-	8.5
- Japanese yen	7.5	-	7.5
- Pound sterling	7.9	-	7.9
- Others	0.5	-	0.5
	<u>446.1</u>	<u>-</u>	<u>446.1</u>
Total	<u>2,380.3</u>	<u>642.7</u>	<u>3,023.0</u>

##### ii. Interest rate swaps

The Group has entered into interest rate swap contracts to convert floating rate liabilities to fixed rate liabilities and vice versa to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amounts are exchanged at periodic intervals.

**43 Financial Instruments (continued)****d. Off balance sheet financial instruments (continued)**ii. Interest rate swaps (continued)

The interest rate swap contracts as at balance sheet date are as follows:

Interest rate swap	Notional amount in original currency	Effective period	Weighted average rate per annum
LIBOR range accrual swap	USD183.75 million	29 February 2008 to 29 August 2012	4.70% - 4.80%
Plain vanilla	USD131.25 million	27 February 2009 to 28 August 2012	3.20% - 3.38%
Plain vanilla	THB55.6 million	7 June 2006 to 25 November 2009	6.38%
Plain vanilla	USD280 million	19 March 2004 to 18 March 2011	4.22%
Plain vanilla	USD200 million	30 January 2010 (yet to commence) to 30 July 2012	4.72%
Collar arrangement	AUD80 million	2 July 2007 to 28 June 2010	Floor rate - 3.50% Ceiling rate - 9.50%

iii. Credit risk

The Group has no significant concentrations of credit risk and market risk in relation to the above off balance sheet financial instruments.

**e. Fair value**

The carrying amounts and fair values of financial assets and liabilities of the Group and Company at the balance sheet date are as follows:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>2009</b>				
Investments (net)				
- quoted shares	39.0	43.1	-	-
- unquoted shares	178.8	221.5	-	-
- unquoted debentures	2.2	3.0	-	-
Trade and other receivables				
- redeemable loan stocks	189.6	179.3	-	-
<b>2008</b>				
Investments (net)				
- quoted shares	60.6	65.2	-	-
- unquoted shares	255.1	280.8	2.0	2.4
- unquoted debentures	1.1	1.3	-	-
Trade and other receivables				
- redeemable loan stocks	177.2	163.6	-	-



**43 Financial Instruments (continued)****e. Fair value (continued)**

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
<b>2009</b>				
Borrowings				
- term loans	2,215.4	2,215.4	-	-
- cumulative subordinated unconvertible redeemable loan stocks	37.4	59.5	-	-
- Murabahah Medium Term Notes	1,000.0	1,000.0	1,000.0	1,000.0
<b>2008</b>				
Borrowings				
- term loans	2,253.7	2,253.7	-	-
- Bai' Bithaman Ajil	16.7	16.7	16.7	16.7
- cumulative subordinated unconvertible redeemable loan stocks	37.4	41.0	-	-
- Murabahah Medium Term Notes	1,400.0	1,393.2	1,000.0	999.5

The notional amount and net fair value of financial instruments not recognised in the balance sheet of the Group and Company as at the end of the year are as follows:

	Group	
	Notional amount	Net fair value
<b>2009</b>		
Forward foreign exchange contracts	2,161.1	21.2
Interest rate swaps	1,906.1	(62.2)
<b>2008</b>		
Forward foreign exchange contracts	3,023.0	4.0
Interest rate swaps	1,351.4	(19.3)

**44 Significant Events after Balance Sheet Date**

The significant events after balance sheet date are as follows:

- a. On 7 May 2009, Ramunia Holdings Berhad (RAHB) accepted the offer made by Sime Darby Engineering Sdn Bhd (SDE), to acquire the business and undertaking including the assets and liabilities of RAHB, for a total provisional purchase consideration of RM232.0 million.

Subsequently on 3 August 2009, SDE, RAHB and Ramunia Optima Sdn Bhd (ROSB) (the Parties), a subsidiary of RAHB, entered into a definitive Sale and Purchase Agreement (SPA) to acquire the Teluk Ramunia Fabrication Yard together with all moveable and non-moveable assets from RAHB and ROSB (Proposed Acquisition), for a total provisional purchase consideration of RM560.0 million, to be satisfied entirely in cash.

On 24 August 2009, SDE had notified RAHB and ROSB that the purchase consideration for the Proposed Acquisition shall be RM530.0 million. This was mutually agreed by the Parties on 3 September 2009.

The Proposed Acquisition is pending fulfillment of the conditions precedent, and is expected to be completed by end of 2009.

**44 Significant Events after Balance Sheet Date (continued)**

- b. On 27 August 2009, Sime Malaysia Region Berhad entered into a Sale and Purchase Agreement with SB Food Industries Sdn Bhd for the disposal of its entire 100% equity interest in Kapar Coconut Industries Sdn. Bhd. for RM2.3 million which is subject to final adjustment. The disposal is pending approval from the bankers.

**45 Holding Companies**

The Company's immediate and ultimate holding companies are Permodalan Nasional Berhad, a public company with limited liability, and Yayasan Pelaburan Bumiputra, a company limited by guarantee, respectively. Both companies are incorporated in Malaysia.

**46 Comparative Figures**

Certain comparatives were reclassified or restated for better presentation and to conform with current year's presentation.

**47 List of Subsidiaries, Jointly Controlled Entities and Associates**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries</b>					
Agri-Bio Corporation Sdn Bhd	Manufacturing and marketing of rat baits, sale of fertiliser and trading in agricultural equipment	Malaysia	100.0	100.0	1
Austral Edible Oil Sdn Bhd	Palm oil refining	Malaysia	60.0	60.0	1
Austral Enterprises Berhad	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Barat Estates Sendirian Berhad	Planting and selling of turf grass	Malaysia	100.0	100.0	1
Chartquest Sdn Bhd	Cultivation of oil palm	Malaysia	61.1	61.1	1
Chermang Development (Malaya) Sdn Bhd	Investment holding	Malaysia	83.9	83.9	1
Consolidated Plantations Berhad	Investment holding	Malaysia	100.0	100.0	1
Eminent Platform Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Golden Hope Food & Beverages Sdn Bhd	Fruit cultivation, processing, and sale of pink guava juice	Malaysia	100.0	100.0	1
Golden Hope Overseas Plantations Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Golden Hope Overseas Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Golden Jomalina Food Industries Sdn Bhd	Palm oil refining	Malaysia	100.0	100.0	1
Guthrie Industries Malaysia Sendirian Berhad	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
Guthrie International Investments (L) Limited	Investment holding	Malaysia	100.0	100.0	1
Guthrie Siam Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Guthrie Tapis Sendirian Bhd	Investment holding	Malaysia	100.0	100.0	1
Kempas Edible Oil Sendirian Berhad	Palm oil and palm kernel oil refining and fractionation; and manufacturing and marketing of specialty and end user fats	Malaysia	100.0	100.0	1
Kumpulan Jelei Sendirian Bhd	Investment holding	Malaysia	100.0	100.0	1
Mostyn Palm Processing Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Perkhidmatan Komputer Perladangan Sdn Bhd	Estate computer consultancy services	Malaysia	100.0	100.0	1
Sanguine (Malaysia) Sdn Bhd	Cultivation of oil palm	Malaysia	100.0	100.0	1
Sime Aerogreen Technology Sdn Bhd	Production and marketing of premium aeroponic vegetables	Malaysia	100.0	100.0	1
Sime Consulting Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Biodiesel Sdn Bhd	Production of biodiesel	Malaysia	100.0	100.0	1
Sime Darby Bioganic Sdn Bhd	Manufacturing of Palm Tocotrienol Vitamin E	Malaysia	100.0	100.0	1
Sime Darby Biotech Laboratories Sdn Bhd	Research and cloning of oil palm tissue culture	Malaysia	100.0	100.0	1
Sime Darby Foods & Marketing Sdn Bhd	Distribution and marketing of Halal food products for both retail and food services	Malaysia	100.0	100.0	1
Sime Darby Futures Trading Sdn Bhd	Commodity trading	Malaysia	100.0	100.0	1
Sime Darby Latex Sdn Bhd	Processing and sales of latex and other rubber related products	Malaysia	100.0	100.0	1
Sime Darby Livestock Sdn Bhd	Cattle rearing and trading	Malaysia	100.0	75.0	1
Sime Darby Plantation (Sabah) Sdn Bhd (formerly known as Golden Hope Plantations (Sabah) Sdn Bhd)	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
Sime Darby Plantation (Sarawak) Sdn Bhd (formerly known as Golden Hope Plantations (Sarawak) Sdn Bhd)	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Sime Darby Plantations Sdn Bhd	Cultivation of oil palm and rubber, processing of palm oil and palm kernel, and investment holding	Malaysia	100.0	100.0	1
Sime Darby Research Sdn Bhd	Research and development in relation to tropical agriculture	Malaysia	100.0	100.0	1
Sime Darby Seeds & Agricultural Services Sdn Bhd	Plantation consultancy services and production and sale of oil palm seeds, seedlings and rat baits	Malaysia	100.0	100.0	1
Sime Darby Technology Centre Sdn Bhd	Research and development in biotechnology and agriculture	Malaysia	100.0	100.0	1
Sime Farms Sdn Bhd	Cultivation and marketing of corn crop produce	Malaysia	100.0	100.0	1
The China Engineers (Malaysia) Sdn Bhd	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Wangsa Mujur Sdn Bhd	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	72.5	72.5	1
PT Aneka Intipersada	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Anugerah Sumbermakmur	Investment holding	Indonesia	100.0	100.0	2
PT Asricipta Indah	Investment holding	Indonesia	90.0	90.0	2
PT Bahari Gembira Ria	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	99.0	99.0	2
PT Bersama Sejahtera Sakti	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	91.1	91.1	2
PT Bhumireksa Nusasejati	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Bina Sains Cemerlang	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Budidaya Agro Lestari	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
PT Guthrie Pecconina Indonesia	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Indotruba Tengah	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	50.0	50.0	2
PT Kartika Inti Perkasa	Investment holding	Indonesia	60.0	60.0	2
PT Kridatama Lancar	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Ladangrumpun Suburabadi	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Laguna Mandiri	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	88.6	88.6	2
PT Lahan Tani Sakti	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Langgeng Muaramakmur	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Minamas Gemilang	Investment holding	Indonesia	100.0	100.0	2
PT Mitral Austral Sejahtera	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	65.0	65.0	2
PT Muda Perkasa Sakti	Investment holding	Indonesia	100.0	100.0	2
PT Padang Palma Permai	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	75.5	75.5	2
PT Paripurna Swakarsa	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	93.5	93.5	2
PT Perkasa Subur Sakti	Processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	75.5	75.5	2
PT Sajang Heulang	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
PT Sandika Natapalma	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Sime Indo Agro	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Sritijaya Abaditama	Investment holding	Indonesia	60.0	60.0	2
PT Swadaya Andika	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Tamaco Graha Krida	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	90.0	90.0	2
PT Teguh Sempurna	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Tunggal Mitra Plantations	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	60.0	60.0	2
Edible Products Limited	Investment holding	Singapore	100.0	100.0	2
Kwang Joo Seng (Malaysia) Private Limited	Royalty and rental income	Singapore	100.0	100.0	2
Sime Darby Edible Products Limited	Refining, manufacturing and marketing of edible oils and palm oil related products and surfactant	Singapore	100.0	100.0	2
Sime Darby Plantation Investment (Liberia) Private Limited	Investment holding	Singapore	100.0	-	2
Rizhao Sime Darby Oils & Fats Company Limited	Refining, storage and marketing of palm oil and related product	China	60.0	-	4
Sime Darby China Oils & Fats Company Limited	Marketing and sales of palm oil and palm oil related products and investment holding	Hong Kong SAR	60.0	100.0	2
Morakot Industries Public Company Limited	Manufacture and marketing of cooking oil	Thailand	99.9	99.9	2
Sime-Morakot Holdings (Thailand) Limited	Investment holding	Thailand	100.0	100.0	2
The China Engineers (Thailand) Limited	Investment holding	Thailand	99.9	99.9	2
Golden Hope Nha Be Edible Oils Co Ltd	Edible oils refining	Vietnam	51.0	51.0	2
Golden Hope Investments	Investment holding	Cayman Island	100.0	100.0	5

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
Golden Hope Investments (Asia Pacific)	Investment holding	Cayman Island	100.0	100.0	5
Sime Darby International Investments Limited (formerly known as Golden Hope International Investments)	Investment holding	Cayman Island	100.0	100.0	5
Paul Tiefenbacher GmbH	Trading and marketing	Germany	100.0	100.0	2
Sime Darby Plantations (Deutschland) GmbH (formerly known as Golden Hope Plantations (Deutschland) GmbH)	Investment holding	Germany	100.0	100.0	5
Sime Darby Investments (Europe) S.à.r.l (formerly known as Golden Hope Investments (Europe) S.à.r.l)	Investment holding	Luxembourg	100.0	100.0	3
Golden Hope Overseas Capital	Investment holding	Mauritius	100.0	100.0	3
CleanerG BV	Production and sale of biodiesel	Netherlands	100.0	100.0	2
GH Netherlands BV	Investment holding	Netherlands	100.0	100.0	2
Mulligan International BV	Investment holding	Netherlands	100.0	100.0	5
Unimills BV	Edible oils refining	Netherlands	100.0	100.0	2
Sime Darby Hudson and Knight (Proprietary) Limited (formerly known as Hudson & Knight (Proprietary) Limited)	Bakery fats and edible oils refining	South Africa	100.0	100.0	2
Aspen Timur Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Derawan Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Kumpulan Jerai Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Kamuning Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Ladang-Ladang Rajawali Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Linggi Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Sua Betong Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
Kumpulan Tebong Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Temiang Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Prolific Image Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sahua Enterprise Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Biofuels Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Genomics Sdn Bhd (formerly known as Chemara Laboratories Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Sime Darby Oils & Fats Sdn Bhd (formerly known as Surfactants (Malaysia) Sendirian Berhad)	Dormant	Malaysia	100.0	100.0	1
Sime Darby Plantation (Peninsular) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Plantation Academy Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sincere Outlook Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Vertical Drive Sdn Bhd	Dormant	Malaysia	100.0	-	1
PT Golden Hope Nusantara	Dormant	Indonesia	100.0	100.0	2
PT Guthrie Abdinusa Industri	Dormant	Indonesia	70.0	70.0	2
Dongguan Sime Darby Sinograin Oils and Fats Co Ltd	Dormant	China	50.2	-	4
Guthrie Plantation Liberia Inc	Dormant	Liberia	100.0	100.0	3
Sime Darby Plantation (Liberia) Inc	Dormant	Liberia	100.0	-	4
Trolak Estates Limited	Dormant	Scotland	100.0	100.0	3
Sime Darby Edible Products Tanzania Limited	Dormant	Tanzania	100.0	100.0	5
Castlefield (Klang) Rubber Estate Plc	Dormant	United Kingdom	100.0	100.0	3
Dusun Durian Plantations Limited	Dormant	United Kingdom	100.0	100.0	3
Holyrood Rubber Plc	Dormant	United Kingdom	100.0	100.0	3



## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
Hoscote Rubber Estates Limited	Dormant	United Kingdom	100.0	100.0	3
Kinta Kellas Rubber Estate Plc	Dormant	United Kingdom	100.0	100.0	3
Malaysian Estates Plc	Dormant	United Kingdom	100.0	100.0	3
Nalek Rubber Estate Limited	Dormant	United Kingdom	100.0	100.0	3
Sabah Plantations Limited	Dormant	United Kingdom	100.0	100.0	3
The Kuala Selangor Rubber Plc	Dormant	United Kingdom	100.0	100.0	3
The London Asiatic Rubber and Produce Company Limited	Dormant	United Kingdom	100.0	100.0	3
The Pataling Rubber Estates Limited	Dormant	United Kingdom	100.0	100.0	3
The Straits Plantations Limited	Dormant	United Kingdom	100.0	100.0	3
The Sungei Bahru Rubber Estates Plc	Dormant	United Kingdom	100.0	100.0	3
Avidat Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Epic Products Berhad	In members' voluntary liquidation	Malaysia	-	100.0	1
HRU Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Golden Hope Agrotech Consultancy Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Golden Hope Fruit Industries Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Guthrie Export Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Pekan Plantations Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Selatan Estates Sendirian Berhad	In members' voluntary liquidation	Malaysia	-	100.0	1
Sharikat Hadapan Berhad	In members' voluntary liquidation	Malaysia	-	100.0	1
Sime Aerogreen Research Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Tengah Estates Sendirian Berhad	In members' voluntary liquidation	Malaysia	-	100.0	1
Tohunsug Plantations Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Sime Darby Americas Limited	Liquidated	United States of America	-	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Subsidiaries (continued)</b>					
Sime Health Limited	Liquidated	United States of America	-	100.0	2
Binuang Palm Oil Refinery Sdn Bhd	Under deregistration	Malaysia	-	100.0	1
<b>PLANTATION - Jointly controlled entities</b>					
Emery Oleochemicals (M) Sdn Bhd (formerly known as Cognis Oleochemicals (M) Sdn Bhd)	Investment holding, production and sales of fatty acids, methylesters, fatty alcohols, specialty chemicals and refined glycerine; and the import and distribution of chemicals for the cosmetics, toiletries, detergent, plastic, paint and textile industries	Malaysia	50.0	50.0	3
Emery Oleochemicals Rika(M) Sdn Bhd (formerly know as Cognis Rika (M) Sdn Bhd)	Production and sales of fatty alcohols	Malaysia	27.5	27.5	3
Emery Oleochemicals Trading (Shanghai) Co Limited (formerly known as Cognis Oleochemicals Trading (Shanghai) Co Limited)	Trading in oleochemical	China	50.0	50.0	3
Emery Oleochemicals (HK) Limited (formerly known as Cognis Oleochemicals (HK) Limited)	Investment holding and trading in oleochemical	Hong Kong SAR	50.0	50.0	3
Emery Importacao eComercio Oleoquimica Ltda (formerly known as Cognis Importacao eComercio Oleoquimica Ltda)	Trading in oleochemical	Brazil	50.0	50.0	3
Emery Oleochemicals Canada Ltd (formerly known as Cognis Oleochemicals Canada Ltd)	Trading in oleochemical	Canada	50.0	50.0	3
Emery Oleochemicals Japan Ltd (formerly known as Cognis Oleochemicals Japan Ltd)	Trading in oleochemical	Japan	50.0	50.0	3
Emery Oleochemicals GmbH (formerly known as Cognis Oleochemicals GmbH)	Production and trading in oleochemical	Germany	50.0	50.0	3

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PLANTATION - Jointly controlled entities (continued)</b>					
Emery Oleochemicals UK Limited (formerly known as Cognis Oleochemicals UK Limited)	Investment holding and trading in oleochemicals products	United Kingdom	50.0	50.0	3
Emery Oleochemicals LLC (formerly known as Cognis Oleochemicals LLC)	Production and trading in oleochemical	United States of America	50.0	50.0	3
Emery Oleochemicals Kimianika (M) Sdn Bhd (formerly known as Cognis Kimianika (M) Sdn Bhd)	Dormant	Malaysia	50.0	50.0	3
Emery Oleochemicals Marketing (M) Sdn Bhd (formerly known as Cognis Oleochemical Marketing (M) Sdn Bhd)	Dormant	Malaysia	50.0	50.0	3
<b>PLANTATION - Associates</b>					
Boustead Bulking Sdn Bhd	Bulking and marketing facilities to edible oil producers and millers	Malaysia	32.0	32.0	3
Nescaya Maluri Sdn Bhd	Investment holding and licensing	Malaysia	40.0	40.0	3
Tenom Crumb Sdn Bhd	Processing of latex, rubber and scrap	Malaysia	49.0	49.0	3
Guangzhou Keylink Chemicals Co Ltd	Manufacture, sell and distribution of surfactants	China	43.5	43.5	3
Leverian Holdings Pte Limited	Investment holding	Singapore	40.0	40.0	3
Muang Mai Guthrie Public Co Ltd	Processing and distribution of rubber	Thailand	49.0	49.0	3
Bangladesh Edible Oil Limited	Operation of edible oil refineries	Bangladesh	40.0	40.0	3
Intertrade (Bangladesh) Pte Limited	Rental of oil tanks and trading in edible oils	Bangladesh	40.0	40.0	3
Asian Furs Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Gruhom (M) Sdn Bhd	Deregistered	Malaysia	-	50.0	3
<b>PROPERTY - Subsidiaries</b>					
Alor Setia Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Augsburg (M) Sdn Bhd	Property development	Malaysia	100.0	79.0	1
Caring Skyline Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Constant Skyline Sdn Bhd	Property development	Malaysia	100.0	100.0	1
CPB Properties Sdn Bhd	Property management and related activities	Malaysia	100.0	100.0	1
Genting View Resort Development Sdn Bhd	Property development and investment holding	Malaysia	30.4	30.4	1
Genting View Resort Management Sdn Bhd	Resort management	Malaysia	50.7	50.7	1
Golden Hope Builders Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Golden Hope Properties (Sabah) Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Golden Hope Properties (Selangor) Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Golden Hope Staff Bungalows Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Golfhome Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Golftek Development Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Guthrie Chemara Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Guthrie Harta (Damansara) Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Guthrie Landscaping Sdn Bhd	Horticultural supplies, landscaping and design consultants, civil works and managing golf facilities	Malaysia	100.0	100.0	1
Guthrie Lukut Development Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Guthrie Property Management Sdn Bhd	Real estate and property management	Malaysia	100.0	100.0	1
Guthrie Wood Products Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Harvard Golf Resort (Jerai) Berhad	Development and operation of a golf course	Malaysia	99.0	99.0	1
Harvard Hotel (Jerai) Sdn Bhd	Operation of a hotel	Malaysia	100.0	100.0	1
Harvard Jerai Development Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Impian Golf Resort Berhad	Provision of services by way of golfing, sporting and other recreational facilities	Malaysia	100.0	100.0	1
Ironwood Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Kuala Lumpur Golf & Country Club Berhad	Development and operation of a golf course and property development	Malaysia	100.0	100.0	1
Lengkap Teratai Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Malaysia Land Development Company Berhad	Property investment and investment holding	Malaysia	50.7	50.7	1
Melawati Development Sdn Bhd	Property development and management	Malaysia	100.0	99.7	1
Negara Properties (M) Berhad	Investment holding	Malaysia	100.0	99.7	1
Negara Properties Builders Sdn Bhd	Property construction	Malaysia	100.0	99.7	1
Negara Properties Harta Sdn Bhd	Property investment and management	Malaysia	100.0	99.7	1
Negara Properties Landscaping Sdn Bhd	Provision of landscaping services	Malaysia	100.0	99.7	1
Negara Properties Realty Sdn Bhd	Property development and management, investment holding and provision of related consultancy services	Malaysia	100.0	99.7	1
NP Development Sdn Bhd	Property development	Malaysia	70.0	69.8	1
Paralimni Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Prominent Acres Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Brunfield Damansara Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Holding Sdn Bhd	Property development and investment holding	Malaysia	60.0	60.0	1
Sime Darby Brunfield Kenny Hills Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Motorworld Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Properties Holding Sdn Bhd	Property investment	Malaysia	60.0	60.0	1
Sime Darby Elmina Development Sdn Bhd (formerly known as Guthrie Dimensional Stones Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Industrial Properties Sdn Bhd	Property investment	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Sime Darby Land Sdn Bhd	Property development, investment and management, and project management	Malaysia	100.0	100.0	1
Sime Darby Property (Langkawi) Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Property Berhad	Investment holding, property development, and provision of management and advisory services	Malaysia	100.0	100.0	1
Sime Darby Urus Harta Berhad	Property management services	Malaysia	100.0	100.0	1
Sime Footwear (Melaka) Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Latex Products Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Pilmoor Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	1
Sime Property Holdings Sdn Bhd	Property investment and provision of property management services	Malaysia	100.0	100.0	1
Sime UEP (Johor) Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime UEP Brunfield Properties Sdn Bhd	Property investment and development	Malaysia	70.0	70.0	1
Sime UEP Building Management Services Sdn Bhd	Property management	Malaysia	100.0	100.0	1
Sime UEP Centre Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime UEP Development Sdn Bhd	Property development, investment and construction	Malaysia	100.0	100.0	1
Sime UEP Executive Suites Sdn Bhd	Property investment and joint property development	Malaysia	100.0	100.0	1
Sime UEP Heights Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime UEP Homes Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime UEP Industrial Park Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime UEP Lembah Acob Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Way Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Wood Industries Sdn Bhd	Property investment and provision of property management services	Malaysia	100.0	100.0	1

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Stableford Development Sdn Bhd	Property investment and operation of a convention centre	Malaysia	100.0	100.0	1
Sungai Kantan Development Sdn Bhd	Property development and management	Malaysia	100.0	99.7	1
Sungei Way Development Berhad	Property investment and renting of properties	Malaysia	100.0	100.0	1
Syarikat Jeleta Bumi Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Syarikat Malacca Straits Inn Sdn Bhd	Ownership of hotel known as Hotel Equatorial Melaka	Malaysia	55.0	55.0	1
Syarikat Pembangunan Hartanah Guthrie Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Syarikat Perumahan Guthrie Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Tegas Setia Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
The Glengowrie Rubber Company Sdn Bhd	Property development and investment, and investment holding	Malaysia	93.4	93.4	1
UEP Construction Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Wisma Sime Darby Sdn Berhad	Property investment, management and related services	Malaysia	100.0	100.0	1
Alexandra Properties Limited	Property investment and management	Singapore	100.0	100.0	2
Amston Properties Private Limited	Investment holding and property investment	Singapore	100.0	100.0	2
Aquila Development Private Limited	Property development and investment	Singapore	100.0	100.0	2
Citrus Grove Properties Private Limited	Property investment and management of service residences	Singapore	100.0	100.0	2
Dunearn Properties Limited	Property investment and management	Singapore	100.0	100.0	2
Sime Darby Properties Singapore Limited	Property management and investment holding	Singapore	100.0	100.0	2
Sime Properties (Vietnam) Private Limited	Investment holding and management of service residence	Singapore	100.0	100.0	2
Sime Properties International Private Limited	Property investment and management of service apartments	Singapore	100.0	100.0	2
Singapore Properties Limited	Property development and investment	Singapore	100.0	100.0	2

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Weifang Sime Darby Property Co Ltd	Property development and investment	China	99.9	-	4
Weifang Sime Darby Real Estate Co Ltd	Property development and investment	China	99.9	-	4
Sime Darby Properties Holdings (HK) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Silvertown Property Development Corporation	Leasing of properties	Philippines	-	98.8	3
OCI Management Pty Ltd	Security and landcare services	Australia	60.0	42.0	2
Oyster Cove International Pty Ltd	Property development	Australia	60.0	42.0	2
Oyster Cove Properties Pty Ltd	Property investment	Australia	60.0	42.0	2
Sime Darby Australia Limited	Investment holding, service apartment operations and management	Australia	100.0	100.0	2
Sime Darby Hotels Pty Ltd	Operations of service apartments	Australia	100.0	100.0	2
Sime Darby Resorts Pty Ltd	Management of a resort	Australia	100.0	100.0	2
Sime Darby Brunsfield Australia Pte Ltd	Property development	British Virgin Islands	60.0	60.0	2
Sime Darby London Limited	Investment holding	United Kingdom	100.0	100.0	2
Sime Management Services Limited	Property management	United Kingdom	100.0	100.0	3
Rangdong Orange Court Limited	Property investment and management of service residences	Vietnam	65.0	65.0	2
Accord Shipping & Forwarding Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Ecopuri Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Glengowrie Properties Sdn Bhd	Dormant	Malaysia	93.4	93.4	1
Golden Hope Properties (Melaka) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Golden Hope Properties (Perak) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
GVR Construction Sdn Bhd	Dormant	Malaysia	30.4	30.4	1
Malaysian Ice Berhad	Dormant	Malaysia	100.0	100.0	1
Negara Properties Services Sdn Bhd	Dormant	Malaysia	100.0	99.7	1
Pinar Baiduri Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Puchong Quarry Sdn Bhd	Dormant	Malaysia	100.0	100.0	1



## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Pulau Carey Properties Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
R&W Management Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
SD Bandar Gemilang Development Sdn Bhd	Dormant	Malaysia	100.0	-	1
Sime Darby Brunfield Darby Hills Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Sime Darby Brunfield Project Management Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Sime Darby Brunfield Property Management Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Sime Darby Brunfield Resort Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Sime Darby Brunfield Resources Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Sime Darby Brunfield Taipan City Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Catering Services Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby General Trading Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Land (Johor) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Hartanah Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Resort Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Healthcare Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Property Development Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Solarvest Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Subang Jaya City Centre Sdn Bhd	Dormant	Malaysia	60.0	-	1
The Eden Bungalow Association Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
The Whittington Hill Bungalow Association Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Vicworld (M) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Xinjiang Sime Darby Property Co Ltd	Dormant	China	100.0	100.0	4
Green East Prime Venture Inc	Dormant	Philippines	63.2	63.2	3

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Subsidiaries (continued)</b>					
Sime Darby Realty Development Corporation	Dormant	Philippines	98.8	98.8	3
Bacini Cycles Pty Ltd	Dormant	Australia	100.0	100.0	2
Mortlock Distributors Pty Ltd	Dormant	Australia	100.0	100.0	2
Sime Cycle Australia Pty Ltd	Dormant	Australia	100.0	100.0	2
Golden Hope Heritage Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Guthrie Bina Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Guthrie Ropel Development Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Melawati Resort Berhad	In members' voluntary liquidation	Malaysia	-	99.7	1
Negara Properties Leisure Management Sdn Bhd	In members' voluntary liquidation	Malaysia	-	99.7	1
Negara Properties Smarhome Sdn Bhd	In members' voluntary liquidation	Malaysia	-	99.7	1
Puri Bahagia Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
<b>PROPERTY - Jointly controlled entities</b>					
Sime Darby Brunfield International Limited	Investment holding	British Virgin Islands	50.0	50.0	5
Sime Darby Brunfield Properties Australia Pty Ltd	Dormant	Australia	50.0	50.0	5
<b>PROPERTY - Associates</b>					
Bitaria Sdn Bhd	Property development	Malaysia	24.0	24.0	3
Brunfield Embassyview Sdn Bhd	Property management and related services	Malaysia	30.0	30.0	3
I&P Morib Sdn Bhd	Property development	Malaysia	28.0	28.0	3
I&P Seriemas Sdn Bhd	Property development and investment holding	Malaysia	40.0	40.0	3
Shaw Brothers (M) Sdn Bhd	Property and investment holding	Malaysia	36.0	36.0	1
PT Bhumyamca Sekawan	Light industrial and commercial property investment and management	Indonesia	49.0	49.0	3
Artesian Investments Pte Ltd	Property development and investment	Singapore	49.0	49.0	2
Bluefields Investments Pte Ltd	Property development and investment	Singapore	49.0	49.0	2
China Property Development (Holdings) Limited	Investment holding	Cayman Islands	30.4	30.4	3
Mostyn Development Sdn Bhd	Dormant	Malaysia	30.0	30.0	3

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>PROPERTY - Associates (continued)</b>					
NSB Venture Sdn Bhd	Dormant	Malaysia	40.0	–	3
Siltown Realty Philippines Inc	Dormant	Philippines	39.5	39.5	3
<b>INDUSTRIAL - Subsidiaries</b>					
Sime Darby Electropack Sdn Bhd (formerly known as Otofin Industries Sdn Bhd)	Manufacturing and assembly of generators, agricultural and industrial machinery	Malaysia	100.0	75.0	1
Sime Darby Industrial Academy Sdn Bhd (formerly known as Tractors Academy Sdn Bhd)	Training services	Malaysia	100.0	100.0	1
Sime Darby Industrial Power Sdn Bhd (formerly known as Otofin Sdn Bhd)	Sale and marketing of generators, agricultural and industrial machinery	Malaysia	91.2	75.0	1
Sime Darby Industrial Sdn Bhd	Sale of equipment, spare parts and service support for Caterpillar business, other material handling equipment and industrial cleaners, and supply and installation of Kawasaki co-generation systems	Malaysia	100.0	100.0	1
Sime Darby Surface Tech Sdn Bhd (formerly known as Columbia Chrome (Malaysia) Sdn Bhd)	Manufacturing, re-manufacturing, repair and servicing of engine products, electroplating and chroming activities	Malaysia	100.0	100.0	1
Sime Darby Tractors Enterprise Sdn Bhd (formerly known as Tractors Malaysia Enterprise Sdn Bhd)	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Tractors Realty Sdn Bhd (formerly known as Kiong Yu Realty Sdn Bhd)	Property investment	Malaysia	100.0	100.0	1
Sime Kubota Sdn Bhd	Assembly and distribution of Kubota range of agricultural machinery and other machinery and equipment	Malaysia	90.0	90.0	1
TMA-Joy Industries Asia Pacific Sdn Bhd	Designing and manufacturing of heat exchangers, radiators, process equipment modules, filters and separators	Malaysia	55.0	55.0	1
Tractors Malaysia Power Systems Sdn Bhd	Packaging of Caterpillar generator sets	Malaysia	100.0	100.0	1
Tractors Malaysia Rebuild Sdn Bhd	Reconditioning of used equipment and machinery	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>INDUSTRIAL - Subsidiaries (continued)</b>					
Tractors Manufacturing & Assembly Sdn Bhd	Manufacturing and assembly of tractor implements and parts, and other products	Malaysia	100.0	100.0	1
Tractors Material Handling Sdn Bhd	Sale and distribution of lift trucks and spare parts, and the rental and servicing of other material handling equipment	Malaysia	100.0	100.0	1
Tractors Petroleum Services Sdn Bhd	Supply, repair and maintenance of Caterpillar engines and other equipment for the oil and gas industry	Malaysia	100.0	100.0	1
PTT Energy	Supply of Compressed Natural Gas re-fuelling for buses and motor vehicles in Indonesia	Indonesia	70.0	-	5
Sime Darby Industrial Holdings Pte Ltd (formerly known as Tractors Singapore Holdings Pte Ltd)	Investment holding	Singapore	100.0	100.0	2
Tractors Singapore Limited	Sale, rental, service & assembly of earthmoving and construction equipment and related heavy equipment and spare parts	Singapore	100.0	100.0	2
Foshan Shunde CEL Machinery Company Limited	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	100.0	2
Sime Darby CEL Machinery (Jiangxi) Company Limited	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	-	4
Sime Darby Elco Power Equipment (Shenzhen) Limited	Distribution of Perkins engine products, spare parts and after-sales services	China	100.0	-	4

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>INDUSTRIAL - Subsidiaries (continued)</b>					
Xiamen CEL Heavy Equipment Company Limited	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	100.0	2
Xiamen Sime Darby CEL Machinery Co Ltd	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	100.0	2
Sime Darby Elco Power Systems Limited (formerly known as Elco Power Systems Ltd)	Distribution of Perkins engine products, spare parts and after-sales services	Hong Kong SAR	100.0	100.0	2
Sime Darby Tractors (Hong Kong) Ltd (formerly known as Tractors Malaysia (Hong Kong) Limited)	Investment holding	Hong Kong SAR	100.0	100.0	2
The China Engineers (South China) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
The China Engineers Limited	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	Hong Kong SAR	100.0	100.0	2
Tractors (B) Sdn Bhd	Assembly, marketing and distribution of agricultural and industrial equipment	Brunei	70.0	70.0	3
CICA Vietnam Limited	Provision of consultancy and services in connection with installation, operation, repair and maintenance of industrial machines, equipment and engines	Vietnam	70.0	70.0	2
Austchrome Pty Ltd	Chroming and hydraulic repairs	Australia	100.0	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>INDUSTRIAL - Subsidiaries (continued)</b>					
Hastings Deering (Australia) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Australia	100.0	100.0	2
CICA Limited	Distribution, sales and maintenance of trucks, drilling equipment and compressors	Channel Islands	70.0	70.0	5
Caltrac SAS	Sales of equipment and spare parts and service support for Caterpillar business	New Caledonia	100.0	100.0	2
Hastings Deering (PNG) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Papua New Guinea	100.0	100.0	2
Hastings Deering (Solomon Islands) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Solomon Islands	100.0	100.0	2
Associated Tractors Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Scandinavian Truck & Bus Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Tractors Malaysia Motor Holdings Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Tractors Machinery International Pte Ltd	Dormant	Singapore	100.0	100.0	2
Xinjiang Sime Darby Heavy Equipment Co Ltd	Dormant	China	100.0	100.0	5
Xiamen Xiangyu Sime Darby CEL Machinery Trading Co Ltd	Dormant	China	100.0	100.0	2
Sime Darby Macau CEL Machinery Company Limited (formerly known as Macau CEL Machinery Company Limited)	Dormant	Macau SAR	100.0	100.0	5
Sime Darby Industries Inc	Dormant	Philippines	98.8	98.8	3
Sime Darby Pilipinas Inc	Dormant	Philippines	98.8	98.8	3
Tractors All Parts Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Tractors Auto Components Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Tractors Malaysia Engineering Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Yaala Pembangunan Sendirian Berhad	In members' voluntary liquidation	Malaysia	-	100.0	1
ATSB (B) Sendirian Berhad	In members' voluntary liquidation	Brunei	-	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>INDUSTRIAL - Jointly controlled entities</b>					
Terberg Tractors Malaysia Sdn Bhd	Marketing, distributing, selling and servicing Terberg terminal tractors	Malaysia	50.0	50.0	1
Wilpena Pty Limited	Sales of equipment and spare parts and service support for Caterpillar business to BHP Billiton at Olympic Dam Expansion	Australia	50.0	50.0	5
<b>INDUSTRIAL - Associates</b>					
Caterpillar Financial Services Malaysia Sdn Bhd	Hire purchase and leasing finance in support of sales of equipment	Malaysia	40.0	40.0	1
APac Energy Rental Pte Ltd	Rental of industrial machinery and equipment	Singapore	16.7 <sup>^</sup>	-	3
FG Wilson Asia Pte Ltd	Sale and servicing of diesel generator sets	Singapore	50.0	50.0	2
Energy Power Systems Australia Pty Ltd	Sale of Caterpillar engines	Australia	20.0	20.0	2
<b>MOTORS - Subsidiaries</b>					
Auto Bavaria Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Ford Malaysia Sdn Bhd	Investment holding	Malaysia	51.0	51.0	1
Hyundai-Sime Darby Berhad	Investment holding	Malaysia	99.9	99.9	1
Hyundai-Sime Darby Motors Sdn Bhd	Sales and distribution of passenger and light commercial vehicles, sales and distribution of spare parts for its product range	Malaysia	100.0	100.0	1
Inokom Corporation Sdn Bhd	Manufacture and assembly of light commercial and passenger vehicles, and contract assembly of motor vehicles	Malaysia	53.5	53.5	1
Land Rover (Malaysia) Sdn Bhd	Import and distribution of Land Rover motor vehicles and spare parts	Malaysia	60.0	60.0	1
Sime Darby Auto ConneXion Sdn Bhd	Distribution of Ford motor vehicles and spare parts, retail of motor vehicles and spare parts and provision of after-sales services	Malaysia	100.0	100.0	1
Sime Darby Auto Hyundai Sdn Bhd (formerly known as Hyumal Trading Sdn Bhd)	Sales of certain Hyundai and Inokom vehicles and provision of after-sales service	Malaysia	51.0	51.0	1
Sime Darby Auto Imports Sdn Bhd	Importer of BMW motor vehicles and motorcycles, MINI and Ford motor vehicles	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>MOTORS - Subsidiaries (continued)</b>					
Sime Darby Auto Italia Sdn Bhd	Distribution of Alfa Romeo vehicles and spare parts	Malaysia	100.0	100.0	1
Sime Darby Hyundai Integrated Sdn Bhd (formerly known as Oriental-Hyundai Sdn Bhd)	Distribution of motor vehicles	Malaysia	51.0	20.4	3
Sime Darby Hyundai Sdn Bhd (formerly known as Hyumal Motor Sdn Bhd)	Investment holding and importation of certain Hyundai vehicles	Malaysia	51.0	51.0	1
Sime Darby Motor Division Sdn Bhd	Provision of management services and retail of BMW and MINI vehicles	Malaysia	100.0	100.0	1
Sime Darby Motors Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Rent-A-Car Sdn Bhd	Vehicle rental	Malaysia	100.0	100.0	1
Performance Motors Limited	Motor vehicles dealership	Singapore	100.0	100.0	2
Performance Premium Selection Limited	Retailer, wholesaler and exporter of used cars	Singapore	60.0	60.0	2
Sime Darby Motor Holdings Limited	Investment holding	Singapore	100.0	100.0	2
Sime Darby Services Private Limited	Vehicle rental	Singapore	100.0	100.0	2
Sime Singapore Limited	Investment holding	Singapore	100.0	100.0	2
Vantage Automotive Limited	Motor vehicles dealership	Singapore	100.0	100.0	2
Changsha Bow Yue Vehicle Services Company Limited	Retail of BMW motor vehicles and related spare parts, provision of after-sale services for BMW motor vehicles including repair and maintenance, and provision of consultancy services	China	100.0	-	2
Chengdu Bow Yue Vehicle Company Limited	Retail of BMW motor vehicles and related spare parts, provision of after-sales services for BMW motor vehicles including repair, maintenance and inspection, provision of consultancy services and investment holding	China	100.0	100.0	2
Guangdong Deda Bow Ma Motor Service Co Ltd	Provision of after-sales services for BMW motor vehicles including repair, maintenance and inspection; retail of spare parts of BMW motor vehicles and provision of consultancy services	China	65.0	65.0	2



## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>MOTORS - Subsidiaries (continued)</b>					
Guangzhou Bow Yue Vehicle Trading Company Limited	Retail of BMW motor vehicles and related spare parts, and provision of consultancy services	China	100.0	-	2
Hainan Bao Yue Vehicle Trading Co Ltd	Retail of BMW motor vehicles and related spare parts, and provision of consultancy services	China	100.0	100.0	3
Hainan Dejie Motors Limited	Provision of after-sales service for BMW motor vehicles including repair, maintenance and inspection; retail of spare parts of BMW motor vehicles and provision of consultancy services	China	100.0	100.0	3
Hainan Sime Darby Motors Service Enterprises Company Limited	Property investment	China	100.0	100.0	3
Hangzhou Sime Darby Motors Sales and Services Company Limited (formerly known as Hangzhou Xin Biao Xian Motors Technology & Services Company Limited)	Display of motor vehicles and after-sales consultancy services	China	60.0	60.0	2
Shanghai Sime Darby Motor Commerce Company Limited (formerly known as Shanghai Xin Biao Xian Motor Commerce Company Limited)	Retail of Rolls-Royce and Lamborghini motor vehicles and related spare parts, and provision of consultancy services and investment holding	China	60.0	60.0	2
Shanghai Sime Darby Motor Services Company Limited (formerly known as Shanghai Sime Darby Investments Consulting Company Limited)	Provision of motor vehicles after-sale services including repair, maintenance and inspection; retail of spare parts	China	60.0	60.0	2
Shantou Bow Yue Vehicle Trading Company Limited	Retail of BMW motor vehicles and related spare parts and provision of consultancy services	China	100.0	100.0	2
Shantou Dehong Bow Ma Motors Company Limited	Provision of after-sales services for BMW motor vehicles including repair, maintenance and inspection; retail of spare parts of BMW motor vehicles and provision of consultancy services	China	60.0	60.0	2
Shenzhen Bow Chuang Vehicle Trading Company Limited	Retail of BMW motor vehicles and related spare parts, and provision of consultancy services	China	100.0	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>MOTORS - Subsidiaries (continued)</b>					
Shenzhen Sime Darby Motor Enterprises Co Ltd	Motor vehicles maintenance and repair; inspection and testing of motor vehicles; and provision of consultancy services	China	70.0	70.0	2
Shenzhen Xin Chuang Motor Trading Company Limited	Provision of after-sales services for motor vehicles	China	100.0	100.0	3
Yunnan Bow Yue Vehicle Trading Company Limited	Retail of BMW motor vehicles and related spare parts, and provision of consultancy services	China	65.0	65.0	3
Yunnan Dekai Bow Ma Motors Technology & Service Co Ltd	Retail of BMW motor vehicles and related spare parts, provision of after-sales services for BMW motor vehicles including repair, maintenance and inspection, and provision of consultancy services	China	65.0	65.0	3
AutoFrance Hong Kong Limited	Distribution and retail of Peugeot motor vehicles	Hong Kong SAR	100.0	100.0	2
Auto Technology Engineering Company Limited	Distribution of Denso Diesel injection pump and provision of after-sales service	Hong Kong SAR	100.0	100.0	2
BMW Concessionaires(HK) Limited	Distribution and retail of BMW motor vehicles, provision of after-sales maintenance services and investment holding	Hong Kong SAR	100.0	100.0	2
Bow Ma Motors (South China) Ltd	Investment holding	Hong Kong SAR	100.0	100.0	2
Goodwood Motors Limited	Distribution and retail of Rolls-Royce motor vehicles	Hong Kong SAR	100.0	100.0	2
Island Motors Limited	Distribution and retail of Suzuki motor vehicles	Hong Kong SAR	100.0	100.0	2
Sime Darby Management Services Limited	Provision of management services and property holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Motor Group (HK) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Motor Group (PRC) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Motor Service Centre Limited	Car testing licensee	Hong Kong SAR	100.0	100.0	2
Sime Darby Motor Services Limited	Distribution and retail of Ford motor vehicles, Huanghai bus and provision of after-sales services for motor vehicles	Hong Kong SAR	100.0	100.0	2
Uniparts Limited	Wholesaler and retailer of motor vehicle spare parts and accessories	Hong Kong SAR	100.0	100.0	2
Universal Cars (Importers) Limited	Distribution and retail of Mitsubishi motor vehicles	Hong Kong SAR	100.0	100.0	2

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>MOTORS - Subsidiaries (continued)</b>					
Universal Cars Limited	Distribution and retail of Mitsubishi motor vehicles	Hong Kong SAR	100.0	100.0	2
Wallace Harper & Company Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Warwick Motors Limited	Distribution and retail of Land Rover motor vehicles	Hong Kong SAR	100.0	100.0	2
BMW Concessionaires (Macau) Limited	Agent for sales, service and parts for BMW motor vehicles	Macau SAR	100.0	100.0	2
Harper Engineering (Macau) Limited	Motor vehicles sales and provision of after-sales services	Macau SAR	100.0	100.0	2
Performance Motors (Thailand) Limited	Motor dealership	Thailand	100.0	100.0	2
Sime Darby (Thailand) Limited	Investment holding	Thailand	100.0	100.0	2
Sime Darby Mazda (Thailand) Limited	Motor dealership	Thailand	100.0	100.0	2
Sime Darby Mitsu (Thailand) Limited	Leasing of properties	Thailand	100.0	100.0	2
Sime Darby Regent Motors Limited	Motor dealership	Thailand	100.0	100.0	2
Viking Motors Limited	Leasing of properties	Thailand	100.0	100.0	2
Sime Darby Automobiles Pty Ltd	Distribution of Peugeot motor vehicles	Australia	100.0	100.0	2
Sime Darby Fleet Services Pty Ltd (formerly known as South Perth Investments Pty Ltd)	Vehicle rental and related mechanical services	Australia	100.0	100.0	2
Sime Darby Motors Group (Australia) Pty Limited	Provision of management services	Australia	100.0	-	2
Sime Darby SsangYong (Australia) Pty Limited (formerly known as Sime Darby Motor Group (Australia) Pty Limited)	Distribution of SsangYong motor vehicles	Australia	100.0	100.0	2
Continental Car Services Limited	Motor dealership	New Zealand	100.0	100.0	2
Hino Distributors NZ Limited	Sale of new Hino heavy trucks and used heavy trucks of all makes and models	New Zealand	100.0	100.0	2
Infinity Automotive Limited	Retail of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services	New Zealand	100.0	100.0	2
Motor Truck Distributors (NZ) Limited	Sale of new Mack and Renault heavy trucks and used heavy trucks of all makes and models	New Zealand	100.0	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>MOTORS - Subsidiaries (continued)</b>					
North Shore Motor Holdings Limited	Motor vehicles dealer	New Zealand	100.0	100.0	2
Perry's Automotive Group (North Shore) Limited	Wholesale and retail of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services	New Zealand	-#	100.0	2
Sime Darby Automobiles NZ Limited	Motor vehicles distribution	New Zealand	100.0	100.0	2
Sime Darby Motor Group (NZ) Limited	Investment holding	New Zealand	100.0	100.0	2
Truck Investments Limited	Investment holding and financing of vehicles	New Zealand	100.0	100.0	2
Truck Stops (NZ) Limited	Provision of spare parts and services for medium and heavy trucks and repair and servicing of truck trailers	New Zealand	100.0	100.0	2
UD Truck Distributors (NZ) Limited	Nissan diesel truck distributor and retailer	New Zealand	100.0	100.0	2
Sime Darby Hong Kong Group Company Limited (formerly known as SDHK Group Company Limited)	Investment holding	Bermuda	100.0	100.0	5
Associated Motors Industries Malaysia Sdn Bhd	Dormant	Malaysia	51.0	51.0	1
Hyundai-Sime Darby Engine Manufacturing Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby System Integrators Sdn Bhd	Dormant	Malaysia	99.9	99.9	1
Special Brand Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Beijing Sime Darby Consulting Services Company Limited	Dormant	China	100.0	100.0	3
Shanghai SimeWinner Automobile Trading Company Limited	Dormant	China	60.0	60.0	3
Tianjin Dong Hui Technical Services Company Limited	Dormant	China	60.0	60.0	3
Tianjin Sime Winner Motors Trading Co Ltd	Dormant	China	60.0	60.0	2
AutoFrance China Limited	Dormant	Hong Kong SAR	100.0	100.0	2

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>MOTORS - Subsidiaries (continued)</b>					
Parts Link Trading Company Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Darby Motors (Nissan China) Holdings Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Winner Holdings Limited	Dormant	Hong Kong SAR	60.0	60.0	2
SimeWinner Nissan Autocrafts Limited	Dormant	Hong Kong SAR	60.0	60.0	2
Vermont International Limited	Dormant	Hong Kong SAR	60.0	60.0	2
Continental Cars Limited	Dormant	New Zealand	100.0	100.0	2
ERF Man and Western Star (NZ) Limited	Dormant	New Zealand	100.0	100.0	2
Neville Motors Limited	Dormant	New Zealand	-#	100.0	2
Palmerston North Motors Wholesale Limited	Dormant	New Zealand	100.0	100.0	2
Universal Cars China Limited	Deregistered	Hong Kong SAR	-	100.0	2
Universal Cars Holdings Limited	Deregistered	Hong Kong SAR	-	45.0	2
Bluewater Marine Limited	Liquidated	British Virgin Islands	-	100.0	5
<b>MOTOR – Associates</b>					
BMW Malaysia Sdn Bhd	Sale and distribution of motor vehicles and motorcycles	Malaysia	49.0*	49.0*	3
BMW Financial Services Hong Kong Limited	Provision of finance and hire purchase facilities	Hong Kong SAR	49.0	49.0	3
<b>ENERGY &amp; UTILITIES - Subsidiaries</b>					
Chubb Malaysia Sendirian Berhad	Manufacturing, marketing, installation and servicing of security products	Malaysia	70.0	70.0	1
JanaUrus PDP Sdn Bhd	Provision of operating and maintenance services to an independent power producer	Malaysia	100.0	100.0	1
Malaysian Oriental Holdings Berhad	Investment holding	Malaysia	100.0	100.0	1
Mecomb Malaysia Sdn Berhad	Sales and services of industrial automation, air-conditioning, fire protection, scientific and instrumental products, and project management of mechanical and electrical installation	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>ENERGY &amp; UTILITIES - Subsidiaries (continued)</b>					
Port Dickson Power Berhad	Independent power producer	Malaysia	75.0	75.0	1
Sime Darby Energy Sdn Bhd	Investment holding and provision of operating and maintenance services to an independent power producer	Malaysia	100.0	100.0	1
Sime Darby Engineering Sdn Bhd	Engineering, fabrication and construction relating to the oil and gas industry	Malaysia	100.0	100.0	1
Sime Darby Offshore Engineering Sdn Bhd	Sales and services of mechanical and electrical products, and systems integration	Malaysia	100.0	100.0	1
Sime Darby Petroleum Sdn Bhd	Oil and gas exploration	Malaysia	100.0	100.0	1
Sime Darby Utilities Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Water Resources (Perak) Sdn Bhd	To source, treat, supply and distribute water in its raw or treated form	Malaysia	75.0	48.0	1
Sime Darby Water Resources (Selangor) Sdn Bhd (formerly known as Sime Darby Systems Sdn Bhd)	To source, treat, supply and distribute water in its raw or treated form	Malaysia	100.0	100.0	1
Sime Darby Water Resources Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Engineering Sdn Bhd	Engineering and project management services, and land based construction work	Malaysia	100.0	100.0	1
Sime Surveillance Sdn Bhd	Provision of security services	Malaysia	100.0	100.0	1
Sime-SIRIM Technologies Sdn Bhd	Provision of calibration, measurement and related services	Malaysia	50.0	50.0	1
PT Sime Darby Offshore Engineering	Importation and distribution of engineering products	Indonesia	100.0	100.0	2
Mecomb Singapore Limited	Manufacturing of industrial fans, sales and services of technical, scientific and industrial automation equipment, and distribution of electrical components and equipment	Singapore	100.0	100.0	2
Sime Power Pte Ltd	Investment holding	Singapore	100.0	100.0	2
Jining Sime Darby Guozhuang Port Co Ltd	Ownership and management of port facilities and services	China	70.0	-	3
Jining Sime Darby Longgong Port Co Ltd	Ownership and management of port facilities and services	China	70.0	-	3

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>ENERGY &amp; UTILITIES - Subsidiaries (continued)</b>					
Jining Sime Darby Port Co Ltd	Ownership and management of port facilities and services	China	70.0	70.0	3
Weifang Sime Darby Dredging Project Co Ltd	Provision of dredging and marine services, land reclamation works and related businesses	China	50.5	-	4
Weifang Sime Darby Port Co Ltd	Ownership and management of port facilities and services	China	99.0	99.0	3
Weifang Sime Darby Tugboat Services Co Ltd	Provision of tugboat pilot services and related businesses	China	50.5	-	4
Weifang Sime Darby Water Co Ltd	Treatment and supply of treated water mainly to industrial customers	China	100.0	100.0	3
Zibo Sime Darby Chemicals Co Ltd	Production and sale of polyaluminium chloride	China	51.0	51.0	3
Marksworth Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Marine (Hong Kong) Private Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Overseas (HK) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Laem Chabang Power Co Limited	Independent power producer	Thailand	100.0	100.0	2
Mecomb (Thailand) Limited	Sale of industrial, mechanical, electrical and electronic products	Thailand	100.0	100.0	2
Sime LCP Power Company Limited	Independent power producer	Thailand	100.0	100.0	2
Sime O&M (Thailand) Co Ltd	Provision of operation and maintenance services to power plants	Thailand	100.0	100.0	2
Balui Hydro Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Malaysia-China Hydro Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Pesida Equipment Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Brunfield Engineering Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Sime Darby Drilling Services Sdn Bhd (formerly known as Sime Darby Utilities Management Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Sime Darby EcoSystems Sdn Bhd	Dormant	Malaysia	51.0	51.0	1
Sime Darby Marine Sdn Bhd	Dormant	Malaysia	100.0	100.0	1

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>ENERGY &amp; UTILITIES - Subsidiaries (continued)</b>					
Sime Darby Nautical Sdn Bhd	Dormant	Malaysia	51.0	51.0	1
Sime Darby Power Link Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Power Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby T&I Sdn Bhd	Dormant	Malaysia	51.0	51.0	1
Weifang Sime Darby Investment and Management Co Ltd	Deregistered	China	-	51.0	3
<b>ENERGY &amp; UTILITIES - Jointly controlled entities</b>					
Halani Sime Offshore (L) Inc	Owning and leasing of marine vessels and to undertake all activities related or ancillary thereto	Malaysia	50.0	-	1
Malaysia - China Hydro Joint Venture	Engineering, procurement and construction work	Malaysia	35.7	35.7	1
Sime Darby Marine Puteri Offshore I (L) Inc	Owning and leasing of marine vessels and to undertake all activities related or ancillary thereto	Malaysia	50.0	-	1
Sime Darby Marine Puteri Offshore II (L) Inc	Owning and leasing of marine vessels and to undertake all activities related or ancillary thereto	Malaysia	50.0	-	1
Sime Darby Marine Puteri Offshore III (L) Inc	Owning and leasing of marine vessels and to undertake all activities related or ancillary thereto	Malaysia	50.0	-	1
IWS Management Sdn Bhd	Dormant	Malaysia	50.0	50.0	1
Sime - Lum Chang Joint Venture	Dormant	Malaysia	-	50.0	1
Sime Engineering Sdn Bhd - Edwards & Sons Joint Venture	Dormant	Malaysia	-	51.0	1
Sime Engineering - Sembcorp Malaysia Joint Venture	Dormant	Malaysia	-	51.0	1
<b>ENERGY &amp; UTILITIES - Associates</b>					
Chubb Singapore Private Limited	Marketing of security and fire protection products and services	Singapore	30.0	30.0	2
Chubb-Special Fire Hazards Protection Pte Ltd	Provision of fire protection and alarm systems and services	Singapore	30.0	30.0	2
Weifang Sime Darby Shipyard Co Ltd	Provision of ship repair, ship building and related businesses	China	48.5	-	4
Guardfire (Malaysia) Sdn Bhd	Dormant	Malaysia	30.0	30.0	1
Sime Darby Almana WLL	Dormant	Qatar	49.0	-	4



## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>HEALTHCARE &amp; OTHERS - Subsidiaries</b>					
Dunlopillo (Malaysia) Sdn Bhd	Distribution of mattresses, related bedding products and accessories	Malaysia	100.0	100.0	1
Dunlopillo Holdings Sdn Bhd	Investment holding and distribution of mattresses, related bedding products and accessories	Malaysia	100.0	100.0	1
Harvik Rubber Industries Sdn Bhd	Manufacture and export of rubber and PVC footwear	Malaysia	-	100.0	1
Kapar Coconut Industries Sdn Bhd	Manufacturing and selling of coconut-based food products	Malaysia	51.0	51.0	1
Sime Darby Global Services Centre Sdn Bhd (formerly known as Sime Solution Centre Sdn Bhd)	Provision of information technology and information systems, accounting, human resource, payroll and other support services to related companies	Malaysia	100.0	100.0	1
Sime Darby Healthcare Educational Services Sdn Bhd (formerly known as SJMC Training & Educational Services Sdn Bhd)	Organising educational programmes and establish institutions of education	Malaysia	100.0	100.0	1
Sime Darby Healthcare Sdn Bhd	Provision of management services and consultancy	Malaysia	100.0	-	1
Sime Darby Holdings Berhad	Investment holding, marketing agent and provision of management services to related companies	Malaysia	100.0	100.0	1
Sime Darby Insurance Pte Ltd	Offshore captive insurer	Malaysia	100.0	100.0	1
Sime Darby Lockton Insurance Brokers Sdn Bhd	Insurance and reinsurance brokers, insurance advisory and consultancy services	Malaysia	60.0	60.0	1
Sime Darby Malaysia Berhad	Investment holding and holding of trademarks	Malaysia	100.0	100.0	1
Sime Darby Medical Centre ParkCity Sdn Bhd (formerly known as TMB Niaga Sdn Bhd)	Management of hospital and provision of related healthcare facilities	Malaysia	100.0	100.0	1
Sime Darby Medical Centre Subang Jaya Sdn Bhd (formerly known as Subang Jaya Medical Centre Sdn Bhd)	Management of hospital and provision of related healthcare facilities	Malaysia	100.0	100.0	1
Sime Darby Nominees Sendirian Berhad	Holding investments as a nominee	Malaysia	100.0	100.0	1

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>HEALTHCARE &amp; OTHERS - Subsidiaries (continued)</b>					
Sime Darby Specialist Centre Megah Sdn Bhd (formerly known as Megah Medical Specialists Group Sdn Bhd)	Operating a medical centre and provision of medical, healthcare and other related ancillary services	Malaysia	100.0	100.0	1
Sime Darby Technologies Holdings Pte Ltd (formerly known as Sime Technologies Holdings Pte Ltd)	Investment holding	Malaysia	100.0	100.0	5
Sime Darby Travel Sdn Bhd	Travel and tour agency	Malaysia	-	100.0	1
Sime Link Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Malaysia Region Berhad	Investment holding	Malaysia	100.0	100.0	1
Sime NET Technologies Sdn Bhd	Provider of information technology services, human resources and other support services	Malaysia	100.0	100.0	1
Sime Rengo Packaging (M) Sdn Bhd	Property investment	Malaysia	70.0	70.0	1
Sime Technology Ventures Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Tractors Malaysia Holdings Berhad	Investment holding	Malaysia	100.0	100.0	1
Yayasan Guthrie	Receive and administer funds for educational, environmental conservation and sustainability projects and related activities for the benefit of the community	Malaysia	@	-	1
Yayasan Sime Darby	Receive and administer funds for educational, environmental conservation and sustainability projects and related activities for the benefit of the community	Malaysia	@	-	1
PT Sime Dunlopillo Indonesia	Distribution of mattresses and related bedding products and accessories	Indonesia	-	70.0	2
Dunlopillo (Singapore) Pte Ltd	Distribution of tyres, mattresses, related bedding products and accessories and investment holding	Singapore	100.0	100.0	2
Orchard Nominees Private Limited	Holding investments as a nominee	Singapore	100.0	100.0	2
Sime Darby Eastern Investments Private Limited	Investment holding	Singapore	100.0	100.0	2
Sime Darby Eastern Limited	Investment holding	Singapore	100.0	100.0	2

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>HEALTHCARE &amp; OTHERS - Subsidiaries (continued)</b>					
Sime Darby Insurance Brokers (Singapore) Pte Ltd (formerly known as Sime Insurance Brokers (Singapore) Pte Ltd)	Insurance brokers and consultants	Singapore	100.0	100.0	2
Sime Darby Management Services (Singapore) Private Limited	Provision of human resources, information technology, legal, corporate secretarial and accounting services to related companies and investment holding	Singapore	100.0	100.0	2
Sime Darby Property Investments Pte Ltd (formerly known as Sime Darby Motor Group (Singapore) Limited)	Property investment	Singapore	100.0	100.0	2
Sime Darby Singapore Limited	Investment holding	Singapore	100.0	100.0	2
Sime Singapore Investments Limited	Investment holding	Singapore	100.0	100.0	2
Dunlopillo (Shenzhen) Limited	Manufacturing and distribution of mattresses, related bedding products and accessories	China	100.0	100.0	2
Dunlopillo (Hong Kong) Limited	Distribution of mattresses, related bedding products and accessories	Hong Kong SAR	100.0	100.0	2
SD Far East (1991) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Hongkong Finance Limited	Provision of intra-group financial and management services and investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Hong Kong Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Hong Kong Nominees Limited	Holding investments as a nominee	Hong Kong SAR	100.0	100.0	2
Sime Darby Insurance Brokers (Hong Kong) Limited (formerly known as Sime Insurance Brokers (HK) Limited)	Insurance brokers and consultants	Hong Kong SAR	100.0	100.0	2
Sime Darby Managing Agency (Hong Kong) Limited (formerly known as Sime Managing Agency Limited)	Insurance agent	Hong Kong SAR	100.0	100.0	2
Dunlopillo (Vietnam) Limited	Manufacturing and distribution of mattresses, related bedding products and accessories	Vietnam	100.0	100.0	2
Sime Darby Investments Pty Limited	Investment holding	Australia	100.0	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>HEALTHCARE &amp; OTHERS - Subsidiaries (continued)</b>					
Sime Darby Investments (BVI) Limited (formerly known as The China Engineers (BVI) Limited)	Investment holding	British Virgin Islands	100.0	100.0	5
Sime Darby Investments (Mauritius) Limited (formerly known as Sime Investments (Mauritius) Limited)	Provision of financing to companies within the Sime Darby Group	Mauritius	100.0	100.0	3
Dunlopillo (Middle East) FZE	Distribution of mattresses, related bedding products and accessories	United Arab Emirates	100.0	100.0	5
Guthrie Overseas Limited	Investment holding	United Kingdom	100.0	100.0	3
Golden Hope Plantations Berhad	Dormant	Malaysia	100.0	100.0	1
Guthrie Ropel Berhad	Dormant	Malaysia	100.0	100.0	1
Haron Estate Development Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Highlands & Lowlands Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Guthrie Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Sime Darby Berhad	Dormant	Malaysia	100.0	100.0	1
Mentakab Rubber Company (Malaya) Berhad	Dormant	Malaysia	100.0	100.0	1
Sime Darby Financial Services Holdings Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Healthcare Staff Agency Sdn Bhd (formerly known as Sime Healthcare Staff Agency Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Sime Engineering Services Berhad	Dormant	Malaysia	100.0	100.0	1
Sime UEP Properties Berhad	Dormant	Malaysia	100.0	100.0	1
Tahan Enterprise Sdn Berhad	Dormant	Malaysia	100.0	100.0	1
PB Packaging Systems Singapore Pte Ltd	Dormant	Singapore	66.6	66.6	2
Sime Darby Eastern International Limited	Dormant	Singapore	100.0	100.0	2
SRIB (Far East) Pte Ltd	Dormant	Singapore	100.0	100.0	2

## 47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>HEALTHCARE &amp; OTHERS - Subsidiaries (continued)</b>					
PAR Resources (Holdings) Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Darby Services Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Travel Holdings Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Darby Insurance Services Sdn Bhd (formerly known as Sime Insurance Services Sdn Bhd)	Dormant	Brunei	100.0	100.0	3
Sime Darby Yangon Limited	Dormant	Myanmar	100.0	100.0	3
East West Insurance Company Limited	Dormant	United Kingdom	81.0	81.0	2
Guthrie Furniture Products Limited	Dormant	United Kingdom	100.0	100.0	3
Guthrie Symington Limited	Dormant	United Kingdom	100.0	100.0	3
Robt Bradford & Co Ltd	Dormant	United Kingdom	100.0	100.0	2
Robt Bradford Hobbs Savill Ltd	Dormant	United Kingdom	98.6	98.6	2
Sime Darby Pension Scheme Trustees Ltd	Dormant	United Kingdom	100.0	100.0	5
Symington Investments (USA) Inc	Dormant	United States of America	100.0	100.0	3
Symington Overseas Investments Inc	Dormant	United States of America	100.0	100.0	3
Entrée Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Guthrie Furniture Sendirian Berhad	In members' voluntary liquidation	Malaysia	-	100.0	1
Guthrie Rubber Processing Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Sime Coatings Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Sime Holidays Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
SimeWest Holdings Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Steelform Industries (Malaysia) Sdn Bhd	In members' voluntary liquidation	Malaysia	-	100.0	1
Sime Technology (Beijing) Company Limited	Deregistered	China	-	100.0	2

**47 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)**

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2009	2008	
<b>HEALTHCARE &amp; OTHERS - Associates</b>					
Asian Composites Manufacturing Sdn Bhd	Manufacture of composite parts of aircraft	Malaysia	33.3	33.3	1
Continental Sime Tyre Sdn Bhd	Investment holding	Malaysia	30.0*	30.0*	3
Donghwa Chemical (M) Sdn Bhd	Manufacturing and selling of resin products and paper treaters	Malaysia	-	30.0	3
Donghwa Fibreboard Sdn Bhd	Manufacturing and selling medium density fibreboards	Malaysia	-	30.0	3
Donghwa GH International Sdn Bhd	Investment holding	Malaysia	-	30.0	3
Donghwa MDF (M) Sdn Bhd	Manufacturing and selling medium density fibreboards	Malaysia	-	30.0	3
KN Sime Logistics Sdn Bhd	Provision of freight forwarding, transportation and warehousing and distribution services	Malaysia	50.0	50.0	3
Sime Kansai Paints Sdn Bhd	Manufacturing, selling and marketing of paints	Malaysia	40.0	40.0	3
Tesco Stores (Malaysia) Sdn Bhd	Operation of retail outlets	Malaysia	30.0	30.0	3
Union Sime Darby (Thailand) Ltd	Insurance and reinsurance brokers and consultants	Thailand	49.0	49.0	3
Dongwha Parquet Sdn Bhd	Dormant	Malaysia	-	30.0	3
The China Water Company (Shenyang) Limited	Liquidated	British Virgin Islands	-	33.0	3

## Notes:

- 1 - Subsidiaries and associates which are audited by PricewaterhouseCoopers, Malaysia
- 2 - Subsidiaries and associates which are audited by member firms of PricewaterhouseCoopers International Limited, which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia
- 3 - Subsidiaries and associates which are audited by firms other than member firms of PricewaterhouseCoopers International Limited
- 4 - Auditors not appointed yet
- 5 - No legal requirement to appoint auditors
- \* - Notwithstanding the Group holds more than 20% equity interest, the costs of investment in BMW Malaysia Sdn Bhd and Continental Sime Tyre Sdn Bhd have been classified as investments (and not associates) due to the restricted influence pursuant to the shareholders' agreement
- ^ - APac Energy Rental Pte Ltd is deemed an associate though the Group only holds 16.7% equity interest as the Group has significant influence to participate in the company's financial and operating policy decisions
- # - Amalgamated into Infinity Automotive Limited
- @ - Yayasan Sime Darby is a company without share capital, limited by guarantee while Yayasan Guthrie is a foundation established under the Guthrie Foundation Trust Deed

**48 Approval of Financial Statements**

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 18 September 2009.

# STATEMENT BY DIRECTORS & STATUTORY DECLARATION

## STATEMENT BY DIRECTORS

We, Tun Musa Hitam and Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid, 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 101 to 210 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 2009 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the year ended on that date, in accordance with the Malaysian Accounting Standards Board approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors  
dated 18 September 2009



Tun Musa Hitam  
Chairman



Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid  
President & Group Chief Executive

Kuala Lumpur  
18 September 2009

## STATUTORY DECLARATION

I, 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 101 to 210 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.

SUBSCRIBED AND SOLEMNLY DECLARED by the abovenamed Tong Poh Keow, at Kuala Lumpur, Malaysia on 18 September 2009.



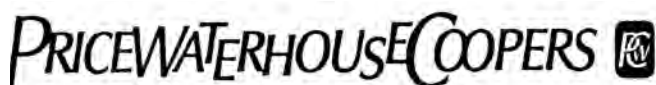
K. Mariasoosay  
Commissioner for Oaths (No. W344)  
Kuala Lumpur

TINGKAT 3, WISMA YAKIN  
JALAN MASJID INDIA  
50100 KUALA LUMPUR




Tong Poh Keow  
(MIA 4625)  
Group Chief Financial Officer

## AUDITORS' REPORT



**PricewaterhouseCoopers**  
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 Chartered Accountants  
 Level 10, 1 Sentral, Jalan Travers  
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INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF SIME DARBY BERHAD  
 (Incorporated in Malaysia)  
 (Company No.:752404-U)

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sime Darby Berhad, which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 101 to 210.

#### Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### 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.

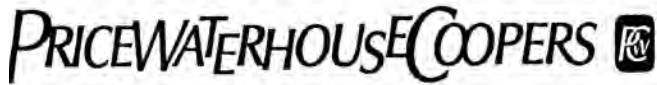
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 have been properly drawn up in accordance with Financial Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2009 and of their financial performance and cash flows for the year then ended.





INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF SIME DARBY BERHAD (CONTINUED)  
(Incorporated in Malaysia)  
(Company No.: 752404-U)

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 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 47 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 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

Kuala Lumpur  
18 September 2009

DATO' AHMAD JOHAN BIN MOHAMMAD RASLAN  
(No. 1867/09/10 (J))  
Chartered Accountant

# GLOBAL BUSINESS PRESENCE




# Developing Sustainable Futures...

... in over 20 countries globally



Legend

 Countries with Sime Darby operations



Fahim  
5 years old, 2009  
Chief Financial Officer, 2038

## ANALYSIS OF SHAREHOLDINGS

As at 30 September 2009

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 : RM3,004,731,915.50 comprising 6,009,463,831 ordinary shares of RM0.50 each

Class of Shares : Ordinary shares of RM0.50 each

Voting Rights : One vote per ordinary share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	1,595	4.02	56,213	0.00
100 to 1,000	10,797	27.25	7,968,452	0.13
1,001 to 10,000	20,433	51.57	72,966,978	1.22
10,001 to 100,000	5,609	14.15	156,710,106	2.61
100,001 to less than 5% of issued capital	1,188	3.00	1,903,986,231	31.68
5% and above of issued capital	3	0.01	3,867,775,851	64.36
<b>Total</b>	<b>39,625</b>	<b>100.00</b>	<b>6,009,463,831</b>	<b>100.00</b>

Classification of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Individuals	30,327	76.54	205,214,680	3.41
Banks/Finance Companies	76	0.19	1,066,473,164	17.75
Investment Trusts / Foundations / Charities	5	0.01	426,284	0.01
Other Types of Companies	965	2.44	104,715,479	1.74
Government Agencies / Institutions	13	0.03	850,534,281	14.15
Nominees	8,239	20.79	3,782,099,943	62.94
<b>Total</b>	<b>39,625</b>	<b>100.00</b>	<b>6,009,463,831</b>	<b>100.00</b>

Directors' Interests as per the Register of Directors' Shareholdings

Name of Director	No. of Shares Held		% of Issued Capital
	Direct Interest	Deemed Interest	
<b>In the Company</b>			
Ordinary shares of RM0.50 each			
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	318,712	-	*
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	-	1,939	*
Dato' Sri Mohamed Sulaiman	-	3,800	*
<b>Kuala Lumpur Golf &amp; Country Club Berhad</b>			
<u>Participatory interest</u>		<u>Type of membership</u>	
Tun Musa Hitam		Honorary	
Tun Ahmad Sarji Abdul Hamid		Honorary	
Dr. Arifin Mohamad Siregar		Honorary	
Tan Sri Samsudin Osman		Honorary	
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin		Honorary	
Tan Sri Datuk Dr. Ahmad Tajuddin Ali		Honorary	
Datuk Seri Panglima Sheng Len Tao		Honorary	
Dato' Henry Sackville Barlow		Honorary	
Datin Paduka Zaitoon Dato' Othman		Honorary	

\* less than 0.01%

Save as disclosed above, none of the other Directors of the Company has any interest, direct or indirect, in shares in the Company or shares in, debentures of or participatory interest made available by, a related corporation.

## 30 LARGEST SHAREHOLDERS AS PER THE REGISTER OF MEMBERS AND THE RECORD OF DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
1	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Skim Amanah Saham Bumiputera	2,329,052,089	38.76
2	Permodalan Nasional Berhad	791,471,409	13.17
3	Employees Provident Fund Board	747,252,353	12.43
4	Cartaban Nominees (Asing) Sdn Bhd Qualifier : SSBT Fund GB01 for Harbor International Fund	127,539,047	2.12
5	Lembaga Tabung Haji	109,339,800	1.82
6	Valuecap Sdn Bhd	100,285,308	1.67
7	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Amanah Saham Malaysia	74,000,000	1.23
8	Lembaga Kemajuan Tanah Persekutuan (FELDA)	57,949,426	0.96
9	Kumpulan Wang Persaraan (DIPERBADANKAN)	43,880,461	0.73
10	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Amanah Saham Wawasan 2020	41,124,063	0.68
11	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier : Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	38,427,200	0.64
12	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier : Exempt AN for Prudential Fund Management Berhad	35,956,535	0.60
13	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Anglo-Oriental (Annuities) Sdn Bhd (201 JTRK)	35,789,729	0.60
14	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Amanah Saham Didik	29,863,194	0.50
15	Cartaban Nominees (Asing) Sdn Bhd Qualifier : Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	28,440,884	0.47
16	HSBC Nominees (Asing) Sdn Bhd Qualifier : BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	25,697,413	0.43
17	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : AS 1Malaysia	24,200,000	0.40
18	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Public Islamic Dividend Fund	22,657,116	0.38
19	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for JPMorgan Chase Bank, National Association (NORGES BK Lend)	21,916,338	0.36
20	SBB Nominees (Tempatan) Sdn. Bhd. Qualifier : Employees Provident Fund Board	19,809,500	0.33
21	Cartaban Nominees (Asing) Sdn Bhd Qualifier : State Street for IShares, Inc.	19,756,825	0.33
22	AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : PHEIM Asset Management Sdn Bhd for Employees Provident Fund	19,670,406	0.33

## 218 ANALYSIS OF SHAREHOLDINGS

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
23	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for The Bank Of New York Mellon (Mellon ACCT)	19,152,262	0.32
24	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN For JPMorgan Chase Bank, National Association (U.A.E.)	18,821,629	0.31
25	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier : Exempt AN for American International Assurance Berhad	17,174,800	0.29
26	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier : CIMB Private Equity Sdn Bhd	17,126,400	0.28
27	Lembaga Tabung Angkatan Tentera	16,447,500	0.27
28	HSBC Nominees (Asing) Sdn Bhd Qualifier : TNTC for United Nations Joint Staff Pension Fund	14,900,000	0.25
29	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier : Exempt AN for Deutsche Trustees Malaysia Berhad (MYETF-DJIM25)	13,772,900	0.23
30	HSBC Nominees (Tempatan) Sdn Bhd Qualifier : Nomura Asset Mgmt Malaysia for Employees Provident Fund	13,759,902	0.23
	<b>Total</b>	<b>4,875,234,489</b>	<b>81.12</b>

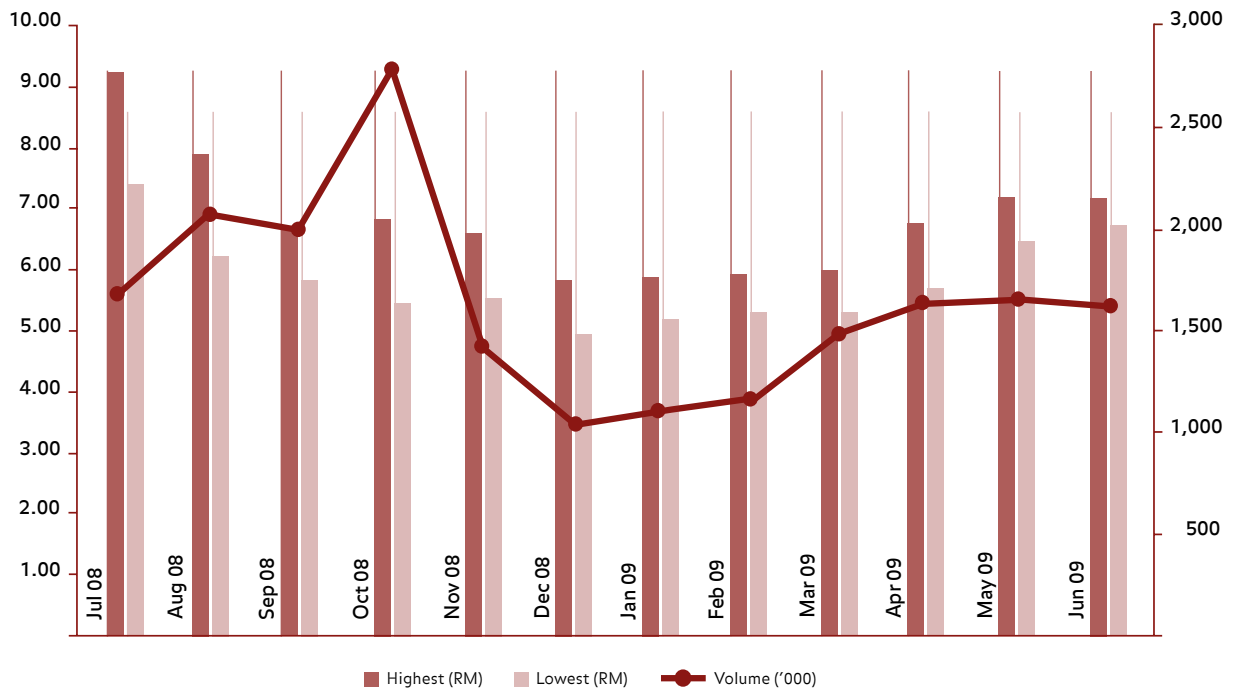
## Substantial Shareholders as per the Register of Substantial Shareholders

		No. of Shares Held (Direct Interest)	% of Issued Capital	No. of Shares Held (Indirect/Deemed Interest)	% of Issued Capital
1	Amanah Raya Nominees (Tempatan) Sdn Bhd - Skim Amanah Saham Bumiputera	2,329,052,089	38.76	-	-
2	Employees Provident Fund Board	754,460,653	12.55	82,072,971 <sup>1</sup>	1.37
3	Permodalan Nasional Berhad	791,471,409	13.17	-	-
4	Yayasan Pelaburan Bumiputera	-	-	791,471,409 <sup>2</sup>	13.17

<sup>1</sup> Shares managed by Portfolio Managers<sup>2</sup> Deemed interest by virtue of its interest in Permodalan Nasional Berhad pursuant to Section 6A of the Companies Act, 1965

# FINANCIAL CALENDAR & SHARE PRICE MOVEMENT

## SHARE PERFORMANCE 2009



	Jul 08	Aug 08	Sep 08	Oct 08	Nov 08	Dec 08	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09
Highest (RM)	9.25	7.90	6.80	6.85	6.60	5.85	5.90	5.95	6.00	6.75	7.20	7.20
Lowest (RM)	7.40	6.25	5.85	5.45	5.55	4.94	5.20	5.30	5.30	5.70	6.45	6.70
Volume ('000)	1,772	2,056	2,050	2,785	1,333	1,029	1,125	1,167	1,517	1,665	1,665	1,622

Stock Exchange Listing : Bursa Malaysia Securities Berhad  
 Trading Name : SIME  
 Stock Code : 4197

## ANNOUNCEMENT OF UNAUDITED CONSOLIDATED RESULTS

First quarter : 28 November 2008  
 Second quarter : 26 February 2009  
 Third quarter : 25 May 2009  
 Fourth quarter : 27 August 2009

## DIVIDENDS

	Notice Date	Entitlement Date	Payment Date
Interim	26 February 2009	24 April 2009	15 May 2009
Final	27 August 2009	4 December 2009	15 December 2009

## ANNUAL GENERAL MEETING

Notice Date : 6 October 2009  
 Meeting Date : 30 November 2009



# PROPERTIES OF THE GROUP

AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
<b>PLANTATION PROPERTIES</b>						
<b>Malaysia</b>						
<u>Kedah Darul Aman</u>						
Anak Kulim, Bukit Hijau, Bukit Selarong, Jentayu, Jerai, Kuala Ketil, Padang Buloh, Somme, Sungai Dingin	Freehold	-	23,672	4	Oil palm estates and a palm oil mill	321.3
<u>Perak Darul Ridzuan</u>						
Bagan Datoh, Bedford, Bikam, Changkat Salak, Chersonese, Cluny, Elphil, Flemington, Holyrood, Kalumpong, Kamiri, Kamuning, Kinta Kellas, Sabak Bernam, Sabrang, Selaba, Seri Intan, Sogomana, Sungei Krian, Sungei Samak, Sungei Wangi, Tali Ayer	Freehold	-	38,564	1 - 41	Rubber estate, oil palm estates, 5 palm oil mills and a reseach centre	699.7
Cluny, Kinta Kellas, Sabak Bernam, Tali Ayer	Leasehold	2035 - 3001	3,530	-	Oil palm estates	62.6
<u>Pahang Darul Makmur</u>						
Chenor, Edensor, Jabor, Kerdau, Mentakab, Sungai Mai, Sungai Tekal	Freehold	-	11,068	3 - 32	Oil palm estates and 2 palm oil mills	121.7
Bukit Puteri, Chenor, Jentar, Kerdau, Sungai Mai	Leasehold	2057 - 2086	9,005	16	Oil palm estates and a palm oil mill	123.5
<u>Selangor Darul Ehsan</u>						
Bukit Cheraka, Bukit Kerayong, Bukit Lagong, Bukit Rajah, Bukit Talang, Dusun Durian, East Carey Island, Elmina, Glengowrie, Sepang, Sungai Buloh, Telok Panglima Garang, Tennamaram, West Carey Island	Freehold	-	39,285	1 - 41	Oil palm estates, 5 palm oil mills, 2 research centres and a biodiesel plant	607.9
East Carey Island, Sungai Buloh, Teluk Panglima Garang	Leasehold	2013 - 2086	57	-	Oil palm estates and 2 refineries	71.8
<u>Kuala Lumpur</u>						
Wisma Guthrie, Jalan Gelenggang, Damansara Heights	Freehold	-	*	36	Office complex	9.0

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
<b>Plantation Properties (continued)</b>						
<b>Malaysia (continued)</b>						
<u>Negeri Sembilan Darul Khusus</u>						
Bradwall, Bukit Pelandok, Bukit Pilah, Kok Foh, Labu, Muar River, New Labu, P.D. Lukut, Pertang, Salak, Sengkang, Siliau, St Helier, Sua Betong, Sungai Gemas, Sungei Bahru, Sungai Sebalang, Sungei Senarut, Tampin Linggi, Tanah Merah	Freehold	-	43,591	8 - 36	Oil palm estates and 4 palm oil mills	543.4
Muar River, Sungei Bahru, Sungei Senarut	Leasehold	2012 - 2908	3,092	-	Oil palm estates	39.4
<u>Melaka</u>						
Bukit Asahan, Diamond Jubilee, Kempas, Kemuning, Merlimau, Pagoh, Serkam, Tangkah	Freehold	-	20,050	5 - 35	Oil palm estates and 2 palm oil mills	202.6
Diamond Jubilee, Kemuning, Merlimau, Serkam	Leasehold	2025 - 2099	293	-	Oil palm estates	15.6
<u>Johor Darul Takzim</u>						
Bukit Badak, Bukit Benut, Bukit Paloh, Cenas, CEP Niyor, CEP Rengam, Cha' ah, Gunung Mas, Hadapan, Kelan, Kempas Klebang, Kulai, Lambak Elaeis, Layang, Nordanal, North Labis, Pengkalan Bukit, Sembrong, Seri Pulai, Simpang Rengam, Sungai Labis, Sungei Tawing, Tambuku, Tun Dr. Ismail, Ulu Remis, Welch, Yong Peng	Freehold	-	47,499	1 - 51	Rubber estate, oil palm estates, 7 palm oil mills and a refinery	801.9
Cenas Ropel, CEP Niyor, Cha' ah, Layang, Pekan, Sembrong, Sungei Tawing, Ulu Remis	Leasehold	2009 - 2910	18,101	25 - 46	Oil palm estates and 3 palm oil mills	212.0
<u>Sabah</u>						
Andrassy, Benuang, Giram, Imam, Jeleta Bumi, Melalap, Merotai, Mostyn, Sapong, Segaliud, Sentosa, Sungang, Table, Tiger, Tigowis, Tingkayu, Tun Tan Siew Sin, Tunku	Leasehold	2055 - 2940	54,218	2 - 45	Oil palm estates and 8 palm oil mills	679.2

**PROPERTIES OF THE GROUP**  
 AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
<b>Plantation Properties (continued)</b>						
<b>Malaysia (continued)</b>						
<u>Sarawak</u>						
Bayu, Belian, Chartquest, Damai, Derawan, Dulang, Kelida, Lavang, Paroh, Pekaka, Rajawali, Rasan, Ruai, Sahua, Samudera, Semarak, Takau	Leasehold	2045 - 2082	48,245	6 - 13	Oil palm estates, 4 palm oil mills and a refinery	915.9
<b>Total Plantation Properties - Malaysia</b>			<b>360,270</b>			<b>5,427.5</b>
<b>Indonesia</b>						
<u>Kalimantan - West</u>						
Awatan, East, Lembiru, Marau, Pelanjau, PT Mas 1 - 3, Sei Mawang	Leasehold	2030	51,357	6 - 9	Oil palm estates and 3 palm oil mills	144.3
<u>Kalimantan - Central</u>						
Baras Danum, Batang Garing, Hantantiring, Kawan Batu, Kuala Kuayan, Pemantang, Sapiri, Sekunyir, Seruyan, Sukamandang	Leasehold	2032 - 2034	39,117	3 - 14	Oil palm estates and 3 palm oil mills	304.4
<u>Kalimantan - South</u>						
Angsana, Bakau, Bebunga, Betung, Binturong, Gunung Aru, Gunung Kemas, Gunung Sari, Lanting, Laut Timur, Matalok, Mustika, Pantai Bonati, Pantai Timur, Pondok Labu, Rampa, Randi, Rantau, Sangkoh, Sekayu, Selabak, Sesulong, Sungei Cengal	Leasehold	2022 - 2034	87,535	3 - 16	Oil palm estates and 7 palm oil mills	788.2
<u>Sulawesi - Central</u>						
Ungkaya	Leasehold	2024	4,712	15	Oil palm estate and a palm oil mill	36.5
<u>Sumatera - South</u>						
PGI 1 - 5, Bukit Pinang, Sungai Pinang	Leasehold	2033 - 2034	21,014	8 - 11	Oil palm estates and 2 palm oil mills	178.6
<u>Sumatera - East Aceh</u>						
Batang Ara, Blang Simpo 1 & 2, Tamiang	Leasehold	2022 - 2037	8,820	12 - 23	Oil palm estates and 2 palm oil mills	53.1

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
<b>Plantation Properties (continued)</b>						
<b>Indonesia (continued)</b>						
<u>Sumatera - Jambi</u>						
Ladang Panjang	Leasehold	3034	4,000	5	Oil palm estate and a palm oil mill	24.7
<u>Sumatera - Riau</u>						
Alur Damai, Aneka Persada, Mandah, Menggala 1 - 3, Nusa Lestari, Nusa Perkasa, Pinang Sebatang, Rotan Semelur, Teluk Bakau, Teluk Siak	Leasehold	2031 - 2036	54,937	3 - 14	Oil palm estates and 4 palm oil mills	446.2
<b>Total Plantation Properties - Indonesia</b>			<b>271,492</b>			<b>1,976.0</b>
<b>China</b>						
Rizhao, Shandong	Leasehold	2059	12	-	Land for palm oil storage and refinery	27.8
<b>Netherlands</b>						
Lindtsedijk, Zwijndrecht	Freehold	-	9	24	Research centre, a refinery and a biodiesel plant	120.0
<b>Singapore</b>						
Boon Lay Road	Leasehold	2030	3	40	Refinery	3.1
<b>Thailand</b>						
Sukhumvit Road	Freehold	-	*	23	Refinery	1.6
Samutsakorn Province	Freehold	-	12	5	Refinery	47.6
<b>Vietnam</b>						
Ho Chi Minh City	Freehold	-	*	17	Refinery	0.3
<b>Total Plantation Properties</b>			<b>631,798</b>			<b>7,603.9</b>

\* Less than one hectare

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AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
<b>PROPERTY DEVELOPMENT</b>						
<b>Malaysia</b>						
<u>Kedah Darul Aman</u>						
Jerai, Taman Sg. Dingin	Freehold	-	3	-	Land held for property development	36.5
<u>Kuala Lumpur</u>						
Jalan Tun Ismail, Bukit Tunku	Freehold	-	2	-	Land held for property development	35.1
Jalan U-Thant	Freehold	-	*	-	Vacant land	0.6
Bukit Kiara	Leasehold	2051 - 2087	25	-	Land held for property development	466.2
<u>Selangor Darul Ehsan</u>						
Ara Damansara, Damansara	Freehold	-	146	-	Township development	410.5
Bandar Bukit Raja, Kapar, Klang	Freehold	-	1,404	-	Township development	245.0
Bukit Jelutong, Shah Alam	Freehold	-	138	-	Township development	126.5
Bukit Subang 1, Shah Alam	Freehold	-	3	-	Residential development	18.3
Denai Alam, Bkt Subang 2, Shah Alam	Freehold	-	69	-	Township development	110.2
Kapar - Klang	Freehold	-	11	-	Industrial land	15.2
Lot 61715 and 61716, Subang Jaya	Freehold	-	6	-	Vacant land	51.7
Meru - Klang	Freehold	-	2	-	Vacant land	6.5
Pinggiran USJ, Subang Jaya	Freehold	-	151	-	Township development	8.9
Persiaran Kemajuan, SS 16, Subang Jaya	Freehold	-	1	-	Subang Avenue service suites	93.8
Putra Heights, Subang Jaya	Freehold	-	94	-	Township development	230.7
Saujana Impian, Kajang	Freehold	-	9	-	Township development	18.3
Taman Melawati & Desa Melawati, Hulu Kelang	Freehold	-	66	-	Township development	106.1
USJ Heights, Subang Jaya	Freehold	-	62	-	Township development	68.9
Elmina, Seafield, Sungai Kapar Indah, Sungei Buloh	Freehold	-	977	-	Township development	17.6

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**PROPERTIES OF THE GROUP**  
AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
<b>Property Development (continued)</b>						
<b>Malaysia (continued)</b>						
<u>Selangor Darul Ehsan (continued)</u>						
Bukit Lagong, Bukit Tinggi, Dengkil, Elmina, Glengowrie, Jalan Acob, New Lunderston, Subang Jaya, Tennamaram Estate	Freehold	-	908	-	Land held for property development	132.4
Taman Subang Ria	Leasehold	2087	30	-	Mixed development	6.9
<u>Negeri Sembilan Darul Khusus</u>						
Nilai Utama	Freehold	-	167	-	Enterprise Park	57.2
Planters Haven	Freehold	-	106	-	Property development	67.0
Labu, Rasah, Sua Betong, Taman Sengkang	Freehold	-	695	-	Land held for property development	84.7
Jalan Rasah, KLIA Staff Quarters and Commercial Complex, Port Dickson	Freehold	-	7	13 - 15	Club house, commercial complex, holiday bungalows and land	10.5
<u>Johor Darul Takzim</u>						
Township & District of Johor Bahru	Freehold	-	5	-	Industrial land	13.2
Taman Pasir Putih, Pasir Gudang	Freehold	-	8	-	Land held for property development	1.6
Perak Darul Ridzuan	Freehold	-	1	-	Land held for property development	1.7
Pahang Darul Makmur	Freehold	-	93	-	Land held for property development	1.3
Sabah	Leasehold	2058	182	-	Land held for property development	3.4
<b>Australia</b>						
Edgewater Place, Eagles Cove, Gold Coast, Queensland	Freehold	-	21	-	Edgewater Place development	124.8
<b>Total Property Development</b>			<b>5,392</b>			<b>2,571.3</b>

\* Less than one hectare

226 | PROPERTIES OF THE GROUP  
AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>PROPERTIES FOR INVESTMENT AND HOSPITALITY</b>						
<b>Malaysia</b>						
<u>Kedah Darul Aman</u>						
Harvard Golf Resort, Bedong	Freehold	-	1,300,000	10	Golf course and club house	22.4
Harvard Suasana Hotel	Freehold	-	2,000	10	Hotel	7.1
<u>Pulau Pinang</u>						
Penang House, Reef Apartment	Freehold	-	7,113	21 - 50	Holiday bungalow and residential apartment	2.1
<u>Pahang Darul Makmur</u>						
Genting View Resort, Genting Highlands	Freehold	-	20,490	12 - 20	Hotel resorts and apartments	21.2
Frasers' Hill Bungalow, Golden Hope Villa, Kayangan Bungalow, UEP Bungalow	Leasehold	2026 - 2075	27,690	10 - 25	Holiday bungalows	1.2
<u>Kuala Lumpur</u>						
Puteri Apartment	Freehold	-	135	15	Apartment	0.1
Kuala Lumpur Golf and Country Club, Bukit Kiara	Leasehold	2051	1,142,000	17	Golf course and club house	136.8
Sime Darby Convention Centre, Bukit Kiara	Leasehold	2087	36,600	4	Convention centre	55.4
<u>Selangor Darul Ehsan</u>						
Bayuemas Oval and Akademi Tunku Jaafar, Kota Bayuemas	Freehold	-	127,204	5	Cricket club and lawn bowl stadium	33.2
Sime Darby Pavillion Persiaran Tebar Layar, Bukit Jelutong, Shah Alam	Freehold	-	3,406	12	3-storey office building	22.0
Impian Golf and Country Club, Kajang	Freehold	-	581,779	14	Golf course and club house	65.0
Bandar Bukit Rajah, Impian Court, Jalan Astaka, Jalan Kapar, Subang Jaya, Taman Melawati, Telok Panglima Garang, USJ Heights	Freehold	-	1,065,693	8 - 17	Industrial land and building, shop office, apartment	30.6
Bukit Rajah Industrial Estate, Jalan Kemajuan, Jalan Paku, Wisma LJT	Leasehold	2015 - 2088	25,414	15 - 35	Office, factory, industrial land and building, and commercial land	6.8
Wisma Zuellig, Jalan Bersatu, Petaling Jaya	Leasehold	2059	10,058	15	Office building	17.5

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>Properties for Investment and Hospitality (continued)</b>						
<b>Malaysia (continued)</b>						
<u>Negeri Sembilan Darul Khusus</u>						
Sri Bayu, Sri Menyising	Freehold	-	5,156	15	Holiday bungalows	0.3
Sri Fajar, Sinaran Selat	Leasehold	2072 - 2075	6,070	15	Holiday bungalows	0.6
<u>Melaka</u>						
Hotel Equatorial, Bandar Hilir	Leasehold	2080	2,155	11	Hotel	89.2
Jalan Seri Kelemak, Alor Gajah Industrial Area	Leasehold	2073	29,300	29	Industrial building held for rental	0.7
<b>Total Property for Investment and Hospitality - Malaysia</b>			<b>4,392,263</b>			<b>512.2</b>
<b>Singapore</b>						
Balmoral Park	Freehold	-	129	1	Apartment	3.7
Orion, Orange Grove Road	Freehold	-	445	1	Apartments	10.7
Sime Darby Centre, Dunearn Road	Freehold	-	13,089	26	5-storey commercial and industrial building	140.3
Darby Park Executive Suites, Orange Grove Road	Leasehold	2092	3,373	16	Bedroom suites	68.7
Sime Darby Business Centre, Alexandra Road	Leasehold	2055	7,720	53	5-storey light industrial building	56.7
Sime Darby Enterprise Centre, Jalan Kilang	Leasehold	2061	2,201	3	8-storey light industrial building	23.0
<b>United Kingdom</b>						
Bognor Regis	Freehold	-	176,000	-	Vacant land	0.6
Widdowson Building, Bognor Regis	Freehold	-	40,000	16	Investment property	16.2
St Johns Wood Court, Wynnstay Gardens	Leasehold	2109 - 2986	247	89 - 100	Residential flats	4.7
<b>Vietnam</b>						
Rangdong Orange Court, Le Quy Don, Vung Tau	Freehold	-	6,123	16	Serviced apartments	11.2



228 PROPERTIES OF THE GROUP  
AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>Properties for Investment and Hospitality (continued)</b>						
<b>Australia</b>						
Karri Valley Resort, Vasse Highway, Pemberton, Western Australia	Freehold	-	1,161,692	22	Resort complex	10.3
Hay Street, Corner Bussell Hwy and Tunbridge, Edgewater Place	Freehold	-	16,781	1 - 18	Motel, residential properties and serviced apartments	14.7
Hay Street	Leasehold	2021	-	18	Serviced apartments	1.5
<b>Total Property for Investment and Hospitality - Overseas</b>			<b>1,427,800</b>			<b>362.3</b>
<b>Total Property for Investment and Hospitality</b>			<b>5,820,063</b>			<b>874.5</b>

**INDUSTRIAL PROPERTIES****Malaysia**Perak Darul Ridzuan

Jalan Lahat, Bukit Merah, Ipoh	Leasehold	2036	17,376	29	Office, workshop and warehouse	0.7
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Pahang Darul Makmur

Semambu Industrial Estate, Kuantan	Leasehold	2041	26,305	29	Office, workshop and warehouse	0.5
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Selangor Darul Ehsan

Kompleks Kejuruteraan, Jalan Puchong, Taman Perindustrian Puchong Utama, Puchong	Freehold	-	136,461	11	Office, workshop and warehouse	79.4
Jalan 205, Petaling Jaya	Leasehold	2055	16,770	29	Office, workshop and warehouse	2.1
Jalan Gudang 16/9, Section 16, Shah Alam	Leasehold	2068	3,995	37	Office and factory	2.3

Johor Darul Takzim

Senai, Kulai	Freehold	-	14,750	-	Vacant land	2.1
Jalan Gangsa, Pasir Gudang Industrial Estate	Leasehold	2038	42,700	29	Office, workshop and warehouse	0.9

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>Industrial Properties (continued)</b>						
<b>Malaysia (continued)</b>						
<u>Sabah</u>						
Jalan Apas, Jalan Labuk, Marina Court, Tuaran Road	Leasehold	2026 - 2925	77,490	3 - 29	Office, workshop, warehouse and an apartment	2.8
<u>Sarawak</u>						
Jalan Piasau, Kidurong Light Industrial Estate, Lorong Then Kung Suk	Leasehold	2028 - 2046	38,228	25 - 29	Office, workshop and warehouse	7.7
<b>Total Industrial Properties - Malaysia</b>			<b>374,075</b>			<b>98.5</b>
<b>Brunei</b>						
Beribi Industrial Estate, Bandar Seri Begawan	Leasehold	2019	4,047	10	Office, service centre and warehouse	0.2
<b>China</b>						
Shunde, Foshan, Guangdong	Leasehold	2045	15,750	37	Industrial land and building	4.5
<b>Hong Kong</b>						
Yuen Long Industrial Estate	Leasehold	2047	16,491	16	Office, workshop and warehouse	18.0
<b>Australia</b>						
Archerfield Facility, Kerry Road, Archerfield, Queensland	Freehold	-	22,972	29	Office, workshop and warehouse	39.6
Cairns Facility, Corner Kenny St & Fearnley St Portsmith, Cairns, Queensland	Freehold	-	14,170	17	Office, workshop and warehouse	12.1
Mackay Facility, Commercial Avenue, Mackay Queensland	Freehold	-	4,000	14	Office, workshop and warehouse	19.9
Mackay Facility, Farrellys Lane	Freehold	-	5,683	17	Office, workshop and warehouse	122.3
Mackay Facility, Kolongo Crescent, Kalkadoon, Mt Isa, Queensland	Freehold	-	2,327	17	Office, workshop and warehouse	10.9

**230** PROPERTIES OF THE GROUP  
 AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>Industrial Properties (continued)</b>						
<b>Australia (continued)</b>						
Rockhampton Facility, Port Curtis Road, Rockhampton, Queensland	Freehold	-	10,133	3	Office, workshop and warehouse	26.2
Salmet Building, Beaudesert Road, Acacia Ridge, Queensland	Freehold	-	21,660	27	Office and warehouse held for rental	40.4
Toowoomba Facility, Carrington Road, Torrington, Queensland	Freehold	-	2,879	6	Office, workshop and warehouse	13.3
Townsville Facility, Corner Woolcock St Blakey & St Garbutt, Townsville, Queensland	Freehold	-	4,031	20	Office, workshop and warehouse	17.5
Archer Drive, Alice Springs Facility, Alstonia Drive, Buckland Street, Darwin Facility, Emerald Facility	Freehold	-	193,528	6 - 29	Office, workshop, warehouse and residential dwelling	12.8
Mackay Facility, Corner Connors Rd & Commercial Avenue Paget, Mackay, Queensland	Leasehold	Perpetual	1,720	17	Office, workshop and warehouse	12.7
Gladestone Facility, Glad Facility	Leasehold	2009 - 2011	72,062	2 - 3	Office, workshop and warehouse	0.2
<b>Papua New Guinea</b>						
Port Moresby Facility and Lae Sales Facility, Spring Garden Road Hohola, Port Moresby	Leasehold	2057 - 2094	52,713	1 - 17	Office, sales, service and parts facility, and residential dwelling	2.1
<b>Solomon Islands</b>						
Honiara Facility, Guadalcanal Island	Leasehold	2030 - 2049	1,763	17	Industrial building, office, warehouse and residential dwelling	0.1
<b>Total Industrial Properties - Overseas</b>			<b>445,929</b>			<b>352.8</b>
<b>Total Industrial Properties</b>			<b>820,004</b>			<b>451.3</b>

**PROPERTIES OF THE GROUP**  
 AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>MOTORS PROPERTIES</b>						
<b>Malaysia</b>						
<u>Kedah Darul Aman</u>						
Padang Meha, Kulim	Freehold	-	780,923	12	Assembly plant	69.6
<u>Selangor Darul Ehsan</u>						
Jalan Pelukis U1/46, Temasya Industrial Park, Shah Alam	Freehold	-	4,990	13	Office	12.5
Jalan Pemberita U1/49, Temasya Industrial Park, Shah Alam	Freehold	-	2,081	13	Office and workshop	3.1
Jalan Sesiku 15/2, Shah Alam	Leasehold	2066	66,331	27	Factory	11.1
<u>Sabah</u>						
Sedco Industrial Estate, Tuaran Road, Likas, Kota Kinabalu	Leasehold	2034	15,721	6	Showroom and service centre	4.2
<b>Total Motors Properties - Malaysia</b>			<b>870,046</b>			<b>100.5</b>
<b>Singapore</b>						
Alexandra Road	Leasehold	2047	7,761	1	Showroom and workshop	143.7
Alexandra Road	Leasehold	2057	6,931	4	Office, showroom, workshop and storage facilities	95.1
Kampung Arang Road	Leasehold	2034	5,800	41	Office, showroom and workshop	5.2
Ubi Road 4	Leasehold	2020	4,993	17	Office, showroom, workshop and pre-delivery inspection centre with storage facilities	18.4
<b>Thailand</b>						
Charan Sanit Wong Road, Charoen Nakhon Road, Ladkrabang 1, Minburi, Paknam, Phetkasem Road, Saphansoong, Srinakarin Road	Leasehold	2013 - 2025	39,703	3 - 18	Showroom, workshop and office	21.8
<b>China</b>						
Ke Nan Road, Jin Niu District, Chengdu, Sichuan Province	Leasehold	2052	13,457	1	8-storey service centre	21.1

**232** PROPERTIES OF THE GROUP  
AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>Motors Properties (continued)</b>						
<b>China (continued)</b>						
Ma Que Ling Industry Zone, Shen Nan Da Dao, Nan Shan District, Shenzhen	Leasehold	2022	6,488	14	8-storey service centre	16.9
Nanghai Dadao Road, Haikou Province, Hainan	Leasehold	2059	17,770	3	Showroom and workshop	10.5
Southern Section of Xiyuan Road, Kunming	Leasehold	2023	5,285	6	Motor showroom and workshop	10.7
Dashi Duan, Hai Yu Zhong Xian Road, Ma Que Ling Industry Zone, Tianshan Road, Yue Liang Wan Road	Leasehold	2014 - 2070	33,838	5 - 37	Showroom, workshop, service centres and apartments	15.3
<b>Hong Kong and Macau</b>						
2 - 4 Floor, Kailey Industrial Centre, Fung Yip Street, Chai Wan	Leasehold	2047	9,456	14	Service centre	15.7
3 & 4 Floor, Topsail Plaza, 11 on Sum Street, Shatin	Leasehold	2047	6,866	14	Service centre	56.1
Castle Peak Road, Tsuen Wan, New Territory	Leasehold	2047	2,510	37	6-storey service centre	13.7
Matauwei Road, Tokwawan, Kowloon	Leasehold	2035	1,295	46	11-storey service centre, showroom and petrol filling station	20.2
Oriental Centre, Rua dos Pescadores, Yuen Long	Leasehold	2016 - 2047	41,214	33 - 103	3-storey office, showroom, and service and storage centre	11.5
<b>Australia</b>						
Littlefield St, Orkney Rd	Freehold	-	8,063	15 - 25	Office	4.7
<b>New Zealand</b>						
Great South Road, Malden Street, Maranui Avenue, Silverfield	Freehold	-	15,799	10 - 44	Showroom, workshop, service centre and warehouse	14.8
Maranui Avenue, Ricketty St Mascot	Leasehold	2009 - 2010	2,949	4 - 50	Office and business centre	1.0
<b>Total Motors Properties - Overseas</b>			<b>230,178</b>			<b>496.4</b>
<b>Total Motors Properties</b>			<b>1,100,224</b>			<b>596.9</b>

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>ENERGY &amp; UTILITIES PROPERTIES</b>						
<b>Malaysia</b>						
<u>Selangor Darul Ehsan</u>						
Jalan Kenyalang, Kuala Kubu Baru	Freehold	-	3,375	-	Vacant land	0.1
Jalan Kewajipan, USJ 7, Subang Jaya	Freehold	-	108,301	10 - 16	Factory and office	18.8
Jalan 222, Jalan Kewajipan	Leasehold	2022 - 2074	9,637	17 - 27	Industrial land and building	3.4
Jalan Tandang, Petaling Jaya	Leasehold	2065 - 2066	152,300	16 - 46	Factory and office	72.4
<u>Negeri Sembilan Darul Khusus</u>						
Jalan Seremban, Port Dickson	Freehold	-	221,551	13	Power plant	15.1
<u>Johor Darul Takzim</u>						
Pasir Gudang Industrial Estate	Leasehold	2045	466,356	1 - 24	Industrial land and buildings	147.9
<b>Total Energy &amp; Utilities Properties - Malaysia</b>			<b>961,520</b>			<b>257.7</b>
<b>Singapore</b>						
Jurong Pier	Leasehold	2026	16,456	1	Workshop and office	4.0
<b>Thailand</b>						
Sukhumit Road, Toong Sukhla, Chonburi	Leasehold	2018	44,441	12 - 20	Power plant and office	16.6
<b>China</b>						
Bus Station West, Shizhong District, Jining City, Shandong Province	Leasehold	2058	216,775	1	Port, warehouse and office	9.8
Dongli Town, Yiyuan County, Shangdong Province	Leasehold	2037	574	3	Water treatment chemical plant	0.2
Weifang City	Leasehold	2075	896	4	Apartments	1.9
Yanzi Town, Binhai Economic Development Zone, Shandong Province	Leasehold	2055	63,334	7	Reservoir, water treatment plant and office building	15.5
Yanzi Town, Binhai Economic Development Zone, Shandong Province	Leasehold	2059	253,336	1	Land for water treatment plant	4.2

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AS AT 30 JUNE 2009

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
<b>Energy &amp; Utilities Properties (continued)</b>						
<b>China (continued)</b>						
Yanzi Town, Weifang Port, Shandong Province	Leasehold	2055	371,710	11	Port, warehouse and office	92.5
<b>Total Energy &amp; Utilities Properties - Overseas</b>			<b>967,522</b>			<b>144.7</b>
<b>Total Energy &amp; Utilities Properties</b>			<b>1,929,042</b>			<b>402.4</b>
<b>HEALTHCARE &amp; OTHERS PROPERTIES</b>						
<b>Malaysia</b>						
<u>Selangor Darul Ehsan</u>						
Sime Darby Medical Centre, Subang Jaya	Freehold	-	28,328	16 - 25	North and South Tower	82.8
Sime Darby Specialist Centre Megah, Petaling Jaya	Freehold	-	440	13	Medical centre	8.3
<u>Negeri Sembilan Darul Khusus</u>						
Senawang Industrial Estate, Seremban	Leasehold	2074	2,634	26	Factory building	3.1
<u>Johor Darul Takzim</u>						
Jalan Tampoi	Leasehold	2026	39,893	41	Factory building	1.0
<b>Total Healthcare &amp; Others Properties - Malaysia</b>			<b>71,295</b>			<b>95.2</b>
<b>Vietnam</b>						
Huu Nghi Blv, Binh Duong Province	Leasehold	2054	15,000	4	Factory and office building	6.4
<b>Total Healthcare &amp; Others Properties - Overseas</b>			<b>15,000</b>			<b>6.4</b>
<b>Total Healthcare &amp; Others Properties</b>			<b>86,295</b>			<b>101.6</b>

# FORM OF PROXY

I/We..... (NRIC/Passport No. .... )  
(FULL NAME IN BLOCK LETTERS)

of.....  
(ADDRESS)

Tel No. .... being a member/members of SIME DARBY BERHAD hereby appoint  
\*the Chairman of the Meeting, or ..... (NRIC/Passport No. .... )

\*\*and/or..... (NRIC/Passport No. .... )  
as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Third Annual General Meeting of the Company to be held at Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Monday, 30 November 2009 and at any adjournment thereof.

Resolution		For	Against
No. 1	To receive the Audited Financial Statements for the year ended 30 June 2009 together with the Reports of the Directors and Auditors thereon		
No. 2	To declare a final single tier dividend for the year ended 30 June 2009		
No. 3	To approve the annual remuneration for Non-Executive Directors		
No. 4	To re-appoint Tun Musa Hitam as Director pursuant to Section 129(6) of the Companies Act, 1965 ("the Act")		
No. 5	To re-appoint Tun Ahmad Sarji Abdul Hamid as Director pursuant to Section 129(6) of the Act		
No. 6	To re-appoint Dr. Arifin Mohamad Siregar as Director pursuant to Section 129(6) of the Act		
No. 7	To re-appoint Dato' Sri Mohamed Sulaiman as Director pursuant to Section 129(6) of the Act		
No. 8	To re-appoint Dato' Dr. Abdul Halim Ismail as Director pursuant to Section 129(6) of the Act		
No. 9	To elect Tan Sri Samsudin Osman as Director who retires in accordance with Article 104 of the Company's Articles of Association		
No. 10	To re-elect Raja Tan Sri Dato' Seri Arshad Raja Tun Uda who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
No. 11	To re-elect Dato' Henry Sackville Barlow who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
No. 12	To re-elect Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
No. 13	To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
No. 14	Authorisation to Allot and Issue Shares Pursuant to Section 132D of the Act		
No. 15	Proposed Renewal of Share Buy-Back Authority		
No. 16	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		

The proportion of my/our holdings to be represented by my/our proxies are as follows:-

	Number of shares
First proxy	
Second proxy	
Total	

Date..... 2009

Signature.....

\* If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "the Chairman of the Meeting" and insert the name(s) of the proxy/proxies you wish to appoint in the blank space provided.  
\*\* Please delete as applicable.

#### Notes

- This proxy form, duly signed, must be deposited at the office of the Share Registrar of the Company listed on the reverse side of this form not less than 48 hours before the time fixed for the meeting.
- A corporation must complete this proxy form under its common seal or under the hand of a duly authorised officer or attorney. A proxy need not be a member of the Company. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- The signature of any joint holder is sufficient.
- Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.



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THE SHARE REGISTRAR  
Tricor Investor Services Sdn Bhd  
Level 17, The Gardens North Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia

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