

2010

Annual Report



*Developing
Sustainable Futures*

Sime Darby Berhad
(Company No. 752404-U)

100 years ago, TODAY was the FUTURE.

The Sime Darby of today is founded on centuries of heritage.

Almost 200 years ago pioneering English planters established rubber plantations in Malaya, most of which were later converted to oil palm. Among those pioneers were Alexander Guthrie, Daniel and Smith Harrison, Joseph Crosfield, William Sime and Henry Darby – founders of three great companies that today live on in Sime Darby Berhad.

The Sime Darby brand itself is 100 years old though the company bears little resemblance to the small outfit that started life in Malacca in 1910. The eternal platinum cover is a nod to the 100-year old stature of the brand while at the same time recognising that the older legacies of Golden Hope Plantations Bhd and Kumpulan Guthrie Bhd are very much a part of the fabric of today's Sime Darby. This combined heritage of more than 400 years has made the Group into one of the largest companies in Malaysia with businesses in over 20 countries, employing more than 100,000 people.

100

THE SIME DARBY GROUP

Kumpulan Sime Darby Berhad, Golden Hope Plantations Berhad and Kumpulan Guthrie Berhad merged in November 2007 to become the world's largest listed plantation company as well as a diversified multinational with operations in over 20 countries. Our core businesses are plantation, property, industrial, motors, energy & utilities and healthcare.

We are one of the largest listed companies on Bursa Malaysia with a market capitalisation of RM48.1 billion as at 30 June 2010. Our employees of over 100,000 people are committed to sustainable growth and development.

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@sime-darby.com
Website • www.sime-darby.com

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 commitment 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.

ENTERPRISE

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.

CONTENTS

Notice of Annual General Meeting	1 - 4
4 Years Financial Summary	7 - 9
Group Structure	10
Corporate Information	11 - 13
Profile of Directors	14 - 19
Management Team Profile	20 - 22
Report on the Audit Committee	23 - 25
Statement on Corporate Governance	26 - 44
Statement on Internal Control	45 - 48
Chairman's Message	51 - 54
Operations Review	57 - 84
Corporate Social Responsibility	87 - 95
Corporate Diary	96 - 98
Statement on Directors' Responsibility	101
Reports and Financial Statements	102 - 217
Global Business Presence	218
Analysis of Shareholdings	221 - 223
Financial Calendar & Share Price Movement	224
Properties of the Group	225 - 238
Form of Proxy	239

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth 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 Tuesday, 16 November 2010 at 10.30 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 30 June 2010 together with the Reports of the Directors and the Auditors thereon. (Resolution 1)
2. To declare a final single tier dividend of 3 sen per share for the year ended 30 June 2010. (Resolution 2)
3. To re-appoint Tun Musa Hitam as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. (Resolution 3)
4. To re-appoint Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. (Resolution 4)
5. To elect the following Directors who retire in accordance with Article 104 of the Company's Articles of Association:-
 - i. Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo (Resolution 5)
 - ii. Dato Sri Lim Haw Kuang (Resolution 6)
 - iii. Mr Sreesanthan Eliathamby (Resolution 7)
6. To re-elect Tan Sri Sheng Len Tao as a Director who retires by rotation in accordance with Article 99 of the Company's Articles of Association. (Resolution 8)
7. To re-appoint PricewaterhouseCoopers as Auditors of the Company for the financial year ending 30 June 2011, and to authorise the Directors to fix their remuneration. (Resolution 9)

AS SPECIAL BUSINESS

8. 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 25 October 2010, 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 10)

9. 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 (Bursa Securities) 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 them 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
 - v. any combination of the above; 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 Securities 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 11)

10. To transact any other business for which due notice shall have been given in accordance with the Company’s Articles of Association and the Companies Act, 1965.

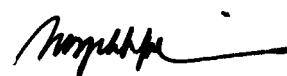
DATE OF ENTITLEMENT AND PAYMENT OF A FINAL SINGLE TIER DIVIDEND

NOTICE HAS BEEN GIVEN ON 26 August 2010 that subject to the approval of Members at the Annual General Meeting to be held on 16 November 2010, a final single tier dividend of 3 sen per share for the year ended 30 June 2010 will be paid on 15 December 2010 to depositors whose names appear in the Record of Depositors on 1 December 2010.

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 29 November 2010 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 1 December 2010 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
25 October 2010

Notes:-

1. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a Member of the Company is an Authorised Nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. 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.
4. The Form of Proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Form of Proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised by the corporation.
5. The Form of Proxy, duly completed and executed, must be deposited at the office of the Share Registrar of the Company, Tricor Investor Services 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 or any adjournment thereof.
6. Only members registered in the Record of Depositors as at 8 November 2010 shall be eligible to attend the AGM or appoint proxies to attend and/or vote on their behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS

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

The proposed Resolution 10, 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.

2. Proposed Renewal of Share Buy-Back Authority

The proposed Resolution 11, if passed, will empower the Directors to purchase the Company's shares through Bursa Malaysia Securities Berhad 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 2010, the Company's retained earnings and share premium stood at RM2,130.3 million and RM100.6 million respectively.

Further information on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions and the Proposed Renewal of Share Buy-Back Authority is set out in the Circular to Shareholders dated 25 October 2010, dispatched together with the Company's 2010 Annual Report.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are standing for re-appointment under Section 129(6) of the Companies Act, 1965, are:-
 - a. Tun Musa Hitam
 - b. Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin

The Directors who are retiring pursuant to Article 104 of the Company's Articles of Association and seeking election are:-

- a. Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
- b. Dato Sri Lim Haw Kuang
- c. Mr Sreesanthan Eliathamby

The Director who is retiring pursuant to Article 99 of the Company's Articles of Association and seeking re-election is Tan Sri Sheng Len Tao.

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 are set out in the section entitled 'Analysis of Shareholdings' on pages 221 to 223.

2. The Directors who are retiring pursuant to Section 129 of the Companies Act 1965 and will not be seeking re-appointment are:-
 - a. Tun Ahmad Sarji Abdul Hamid
 - b. Dr. Arifin Mohamad Siregar
 - c. Dato' Sri Mohamed Sulaiman
 - d. Dato' Dr. Abdul Halim Ismail
 - e. Datin Paduka Zaitoon Dato' Othman

The Director who is retiring pursuant to Article 99 of the Company's Articles of Association and will not be seeking re-election is Tan Sri Datuk Dr. Ahmad Tajuddin Ali.

The above Directors not standing for re-appointment/re-election will therefore retire upon the conclusion of the Fourth Annual General Meeting of the Company.

A young Tun Tan Cheng Lock (third from left) posing for a photograph with plantation workers in the Nyalas Estates

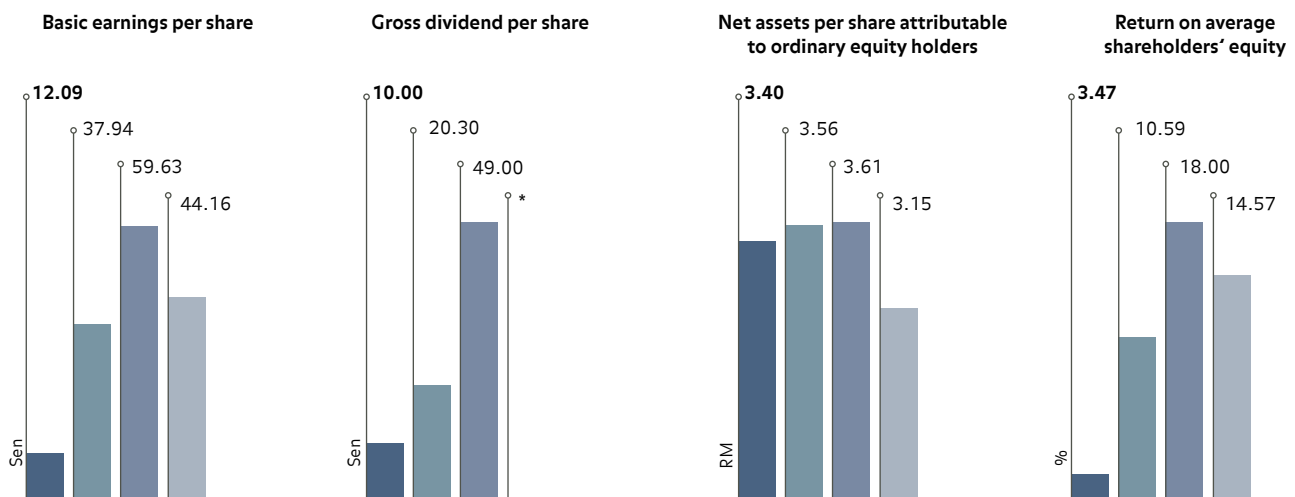


A normal working day at Sungei Wangi Rubber Estate in Perak circa 1920's. A worker showing his colleague the right way of tapping the rubber tree using the herringbone tapping method, used in the early days of rubber plantation



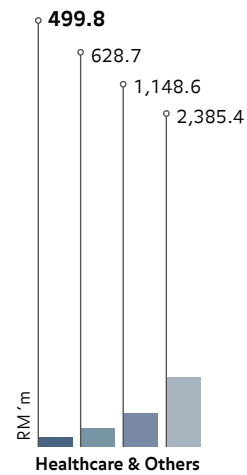
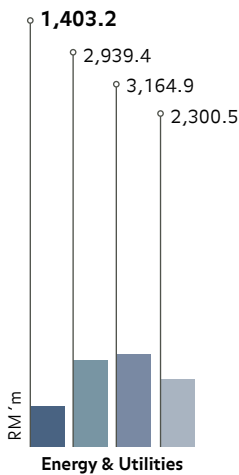
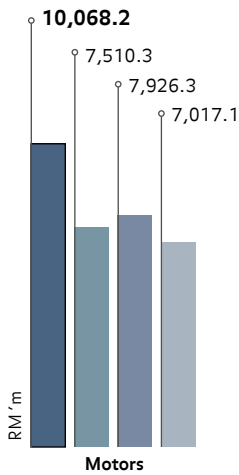
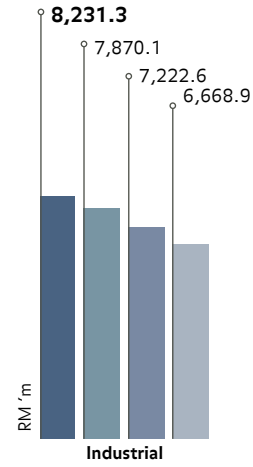
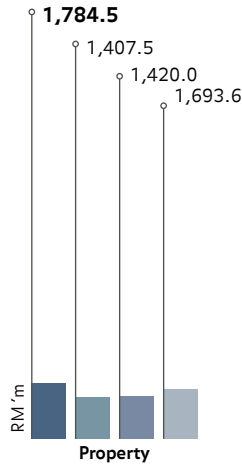
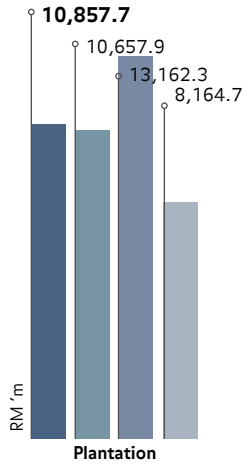
4 YEARS FINANCIAL SUMMARY

Year Ended 30 June (RM million)	2010	2009	2008	2007
Results				
Revenue	32,844.7	31,013.9	34,044.7	28,230.2
Profit before tax	1,741.5	3,071.6	5,206.4	3,572.2
Tax expenses	(886.7)	(730.8)	(1,453.9)	(889.1)
Profit for the year	854.8	2,340.8	3,752.5	2,683.1
Minority interests	(128.0)	(60.7)	(240.4)	(297.4)
Profit attributable to shareholders	726.8	2,280.1	3,512.1	2,385.7
Equity and liabilities				
Share capital	3,004.7	3,004.7	3,004.7	2,755.1
Reserves	17,445.4	18,380.1	18,663.9	14,599.2
Shareholders' equity	20,450.1	21,384.8	21,668.6	17,354.3
Minority interests	680.8	621.0	536.3	2,199.8
Non-current liabilities	5,106.4	2,826.8	4,460.3	4,883.9
Current liabilities	11,340.3	10,607.3	9,307.5	8,597.1
Liabilities associated with assets held for sale	-	-	-	178.7
Total equity and liabilities	37,577.6	35,439.9	35,972.7	33,213.8
Assets				
Property, plant and equipment	10,772.7	9,439.6	8,372.1	7,626.7
Biological assets	2,417.5	2,323.3	2,245.0	2,238.8
Prepaid lease rentals	2,644.8	2,422.7	2,459.2	2,539.5
Investment properties	395.2	316.4	220.1	159.1
Land held for property development	674.1	605.2	624.0	652.1
Jointly controlled entities	215.9	530.9	2.1	7.7
Associates	625.5	607.1	1,109.0	1,024.7
Investments	155.1	220.0	316.8	389.2
Other non-current assets	1,037.3	932.5	1,044.7	820.3
Current assets	18,629.0	17,983.7	19,559.1	16,970.2
Non-current assets held for sale	10.5	58.5	20.6	785.5
Total assets	37,577.6	35,439.9	35,972.7	33,213.8
Financial statistics				
Basic earnings per share (sen)	12.09	37.94	59.63	44.16
Gross dividend per share (sen)	10.00	20.30	49.00	*
Net dividend per share (sen)	10.00	19.00	38.20	*
Net assets per share attributable to ordinary equity holders of the Company (RM)	3.40	3.56	3.61	3.15
Return on average shareholders' equity (%)	3.47	10.59	18.00	14.57
Debt to equity ratio	0.36	0.25	0.22	0.31
Share price as at 30 June (RM)	8.00	6.95	9.25	*
Price earnings ratio (times)	66.17	18.32	15.51	*
Dividend yield - net (%)	1.25	2.73	4.13	*
Dividend cover (times)	1.21	2.00	1.56	*



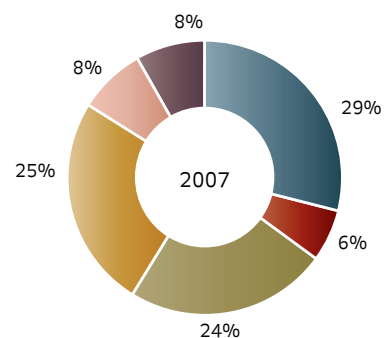
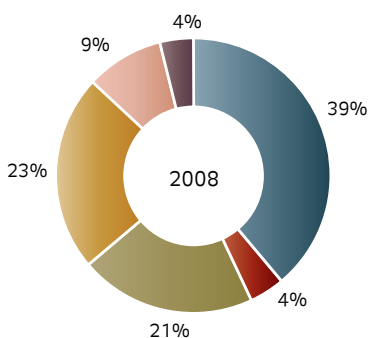
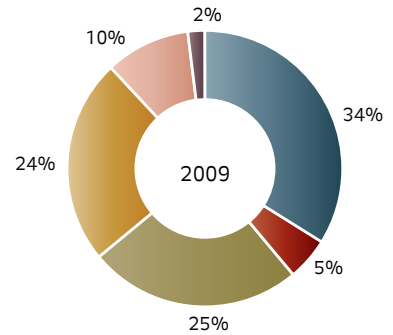
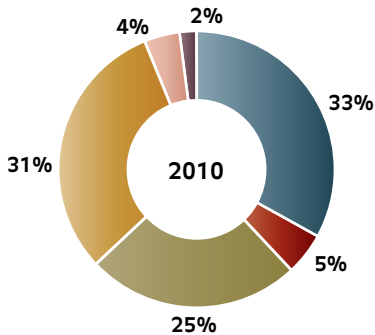
* The Company was incorporated on 7 November 2006 and completed the acquisition of the entire businesses and undertakings of the 8 listed companies on 1 October 2007. The consolidated 30 June 2007 results are presented here by applying the predecessor method of merger accounting which required the acquisitions to be deemed completed from the earliest financial period.

SEGMENT REVENUE



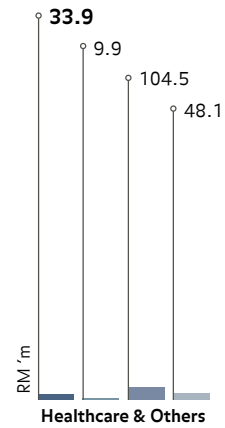
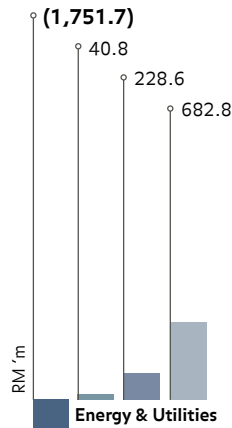
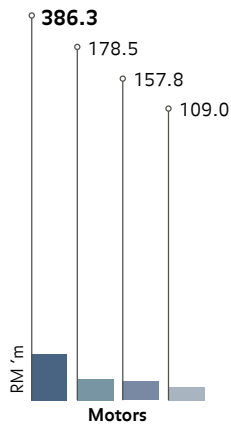
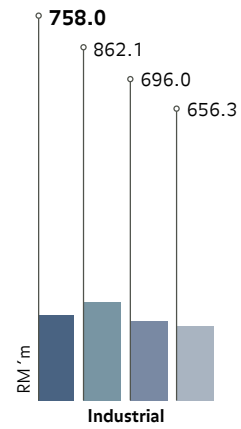
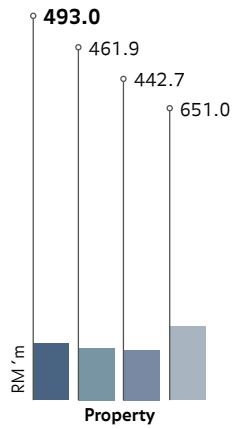
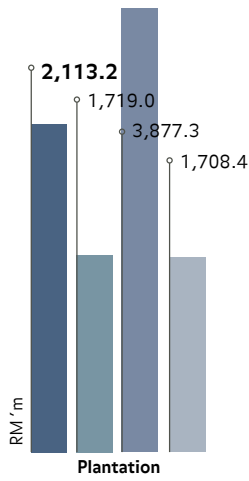
● 2010 ● 2009 ● 2008 ● 2007

CONTRIBUTION TO REVENUE BY SEGMENT



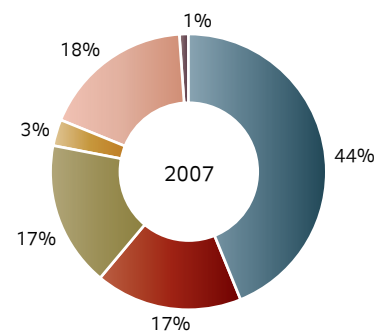
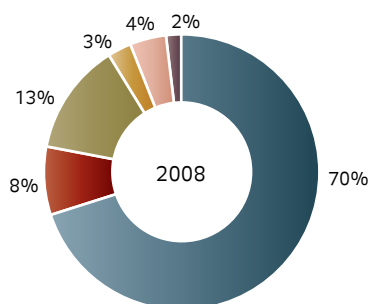
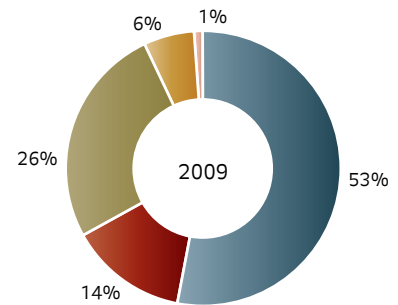
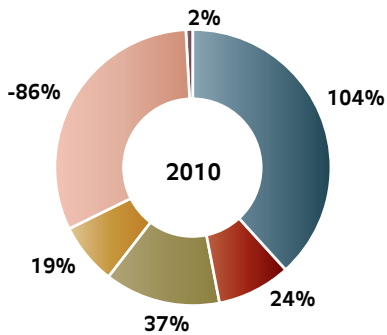
● Plantation ● Property ● Industrial
● Motors ● Energy & Utilities ● Healthcare & Others

SEGMENT RESULTS



● 2010 ● 2009 ● 2008 ● 2007

CONTRIBUTION TO RESULTS BY SEGMENT



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

GROUP STRUCTURE



Plantation

Sime Darby Plantation Sdn Bhd

Upstream/Downstream plantation activities; Agribusiness and Foods; Research and Development.



Property

Sime Darby Property Bhd

Property Development; Property Investment; Asset Management; Hospitality and Leisure.



Industrial

Sime Darby Industrial Sdn Bhd

Dealership of Caterpillar heavy equipment; Sales and Distributorship of other heavy equipment including Case New Holland, Kubota, Terberg, Jacobson, Perkins and Omega.



Motors

Sime Darby Motors Sdn Bhd

Importation, assembly, distribution and retail of various marques including BMW, Porsche, Land Rover, Ford, Hyundai, Mazda, Rolls Royce, Mini, Peugeot, Hino and Mitsubishi.



Energy & Utilities

Sime Darby Energy Sdn Bhd & Sime Darby Utilities Sdn Bhd

Oil and gas, engineering services, water management, ports and logistics, power, security solutions and calibration.



Healthcare

Sime Darby Healthcare Sdn Bhd

Provision of tertiary and day-care healthcare services; Operates Sime Darby Medical Centre Subang Jaya, Sime Darby Specialist Centre Megah and Sime Darby College of Nursing & Health Sciences.



CORPORATE INFORMATION

AS AT 25 OCTOBER 2010

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)
- Tan Sri 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)
- Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
(Independent Non-Executive Director)
(Appointed with effect from 26 August 2010)
- Dato Sri Lim Haw Kuang
(Independent Non-Executive Director)
(Appointed with effect from 26 August 2010)
- Mr Sreesanthan Eliathamby
(Independent Non-Executive Director)
(Appointed with effect from 26 August 2010)

PRESIDENT & GROUP CHIEF EXECUTIVE

- Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid
- Dato' Mohd Bakke Salleh
(Appointed as Acting President & Group Chief Executive
with effect from 15 July 2010)

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)
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
50706 Kuala Lumpur, Malaysia

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

FORM OF LEGAL ENTITY

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

STOCK EXCHANGE LISTING

Listed on the Main Market of Bursa Malaysia Securities Berhad since 30 November 2007
Stock Code : 4197
Stock Name : SIME

PLACE OF INCORPORATION AND DOMICILE

Malaysia

BOARD OF DIRECTORS



Standing from left (front row):

Tun Ahmad Sarji Abdul Hamid (Deputy Chairman), Tun Musa Hitam (Chairman), Dr. Arifin Mohamad Siregar

Standing from left (second row):

Norzilah Megawati Abdul Rahman (Group Secretary), Tan Sri Datuk Amar (Dr.) Tommy Bugo @ Hamid Bugo, Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, Dato' Sri Mohamed Sulaiman, Dato' Dr. Abdul Halim Ismail, Tan Sri Dato' Dr. Wan Mohd Zahid Mohd Noordin, Dato' Henry Sackville Barlow, Tan Sri Samsudin Osman, Tan Sri Datuk Dr. Ahmad Tajuddin Ali, Tan Sri Sheng Len Tao, Mr Sreesanthan Eliathamby, Dato Sri Lim Haw Kuang, Datin Paduka Zaitoon Dato' Othman



PROFILE OF DIRECTORS

TUN MUSA HITAM

(Chairman, Independent Non-Executive Director)

- Chairman of Nomination Committee, Strategic Investment Committee and China Operations Committee

Tun Musa Hitam, 76, 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 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 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, the CIMB Group's International Advisory Panel and the World Islamic Economic Forum. He is also the Joint-Chairman of the Malaysia-China Business Council and a member of the International Advisory Board Rotterdam.

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 AHMAD SARJI ABDUL HAMID

(Deputy Chairman, Non-Independent Non-Executive Director)

- Member of Nomination Committee

Tun Ahmad Sarji Abdul Hamid, 72, a Malaysian, is a Non-Independent Non-Executive Director and the Deputy Chairman 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 (PNB), 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.

DR. ARIFIN MOHAMAD SIREGAR

(Independent Non-Executive Director)

- Member of Nomination Committee and Investigative Reports Review Committee

Dr. Arifin Mohamad Siregar, 76, an Indonesian, is an Independent Non-Executive Director. He was appointed to the Board on 29 September 2007.

Dr. Arifin 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. Arifin 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. Arifin speaks fluent Dutch, English and German, and has a working knowledge of French.

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. In April 2009, he became the Chairman of the Board of Commissioners of PT Airfast Indonesia, a private airline company serving the activities of mining and other enterprises in several regions of Indonesia. 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. Arifin 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. Arifin was the Chairman of the Indonesian Economic Association. Dr. Arifin 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. Arifin also served as the Chairman of the Governing Board of the Indonesian Council on World Affairs (ICWA) for eleven (11) years until April 2010. 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. Arifin 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.

TAN SRI SAMSUDIN OSMAN

(Non-Independent Non-Executive Director)

- Chairman of Tender Committee and Investigative Reports Review Committee

Tan Sri Samsudin Osman, 63, 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 DATO' DR. WAN MOHD. ZAHID MOHD. NOORDIN

(Non-Independent Non-Executive Director)

- Member of Risk Management Committee, Strategy Task Force, Tender Committee, China Operations Committee and Oil & Gas Projects Work Group

Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin, 70, 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 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 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 (PNB), 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.

TAN SRI DATUK AMAR (DR.) TOMMY BUGO @ HAMID BUGO

(Independent Non-Executive Director)

Tan Sri Datuk Amar (Dr.) Tommy Bugo @ Hamid Bugo, 65, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 August 2010.

Tan Sri Hamid graduated from the University of Canterbury, New Zealand with a Bachelor and a Master of Arts in Economics. He also holds a Postgraduate Diploma in Teaching from Christchurch Teachers' College New Zealand and a Postgraduate Certificate in Business Studies from Harvard Institute of Development Studies, U.S.A. He was honoured with a Ph.D. (in Commerce) by Lincoln University, New Zealand.

Tan Sri Hamid has served in both the private and public sectors. He was appointed the first General Manager of Land Custody and Development Authority, Sarawak and moved on to become Permanent Secretary of the Ministry of Resource Planning and State Secretary of Sarawak until his retirement from the civil service in August 2000.

Tan Sri Hamid currently sits on the board of several companies including SapuraCrest Petroleum Berhad, Sapura Resources Bhd, Superlon Holdings Bhd, Permodalan Sarawak Bhd, Sarawak Consolidated Industries Berhad and Zecon Berhad. He is also a board member of the Institute Integrity Malaysia and a member of the Advisory Committee of the Malaysian Anti-Corruption Commission. Tan Sri Hamid is actively involved in charitable activities as a member of Lembaga Amanah Masjid Sarawak, Chairman of Yayasan Kemajuan Insan and Sarawak State Library Management Board.

TAN SRI DATUK DR. AHMAD TAJUDDIN ALI

(Independent Non-Executive Director)

- Chairman of Risk Management Committee
- Member of Audit Committee, Nomination Committee, Strategy Task Force, Tender Committee and Strategic Investment Committee

Tan Sri Datuk Dr. Ahmad Tajuddin Ali, 62, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Tan Sri Datuk Dr. Ahmad Tajuddin graduated with First-Class Honours degree in Mechanical Engineering 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 also the Chairman of the Malaysian Standards and Accreditation Council and the Energy Commission, the Joint-Chairman of the Malaysian Industry-Government Group for High Technology and a member of the Governing Council of the International Organisation for Standardisation (ISO), Geneva.

RAJA TAN SRI DATO' SERI ARSHAD RAJA TUN UDA

(Senior Independent Non-Executive Director)

- Chairman of Audit Committee
- Member of Risk Management Committee and Remuneration Committee

Raja Tan Sri Dato' Seri Arshad Raja Tun Uda, 63, 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 the Chairman of Maxis Berhad and Ekuiti Nasional Berhad. He also sits on the Board of Khazanah Nasional Berhad and is the Pro Chancellor of Universiti Industri Selangor. He is also the Chairman of Yayasan Raja Muda Selangor and a Trustee of Yayasan DayaDiri.

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 Chairman of Danamodal Nasional Berhad.

TAN SRI SHENG LEN TAO

(Independent Non-Executive Director)

- Chairman of Oil & Gas Projects Work Group
- Member of Audit Committee, Risk Management Committee, Remuneration Committee, Strategy Task Force and China Operations Committee

Tan Sri Sheng Len Tao, 64, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 14 September 2007.

Tan Sri 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.

Tan Sri 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, the International Advisory Council of the China Investment Corporation and the International Advisory Panel of CIMB Group. Tan Sri 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.

DATO' SRI MOHAMED SULAIMAN

(Non-Independent Non-Executive Director)

- Chairman of Remuneration Committee and Strategy Task Force
- Member of Audit Committee

Dato' Sri Mohamed Sulaiman, 72, 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 LIM HAW KUANG

(Independent Non-Executive Director)

Dato Sri Lim Haw Kuang, 56, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 August 2010.

Dato Sri Lim holds a Bachelor of Science (Computing Science) from Imperial College, University of London. He also holds an MBA from IMD Switzerland (formerly International Management Institute, Geneva).

Dato Sri Lim was appointed Executive Chairman of Shell Companies in China in September 2005. Dato Sri Lim joined Shell in Malaysia in 1978 and has since served in various capacities in IT, Finance, Natural Gas, Exploration and Production, Oil Products and Corporate Head Offices in different Shell operations. Before taking up his current position, Dato Sri Lim was Vice President, Strategy for Shell International in London (2004-2005). Among his earlier roles, he has been President, Oil Products for Asia Pacific and Middle East (Singapore 2002-2004), Chairman, Shell Malaysia (Kuala Lumpur 1999-2002), Managing Director, Shell Malaysia Exploration and Production (1997-2002), Senior Corporate Adviser, Asia Pacific, Shell International (London 1996-1997), and Business Development Manager for Former Soviet Union and Sakhalin, Shell International Gas (London 1994-1996).

Dato Sri Lim has been appointed by the Chinese Government as a member of the China Council for International Cooperation in Environment and Development. He is currently a Special Adviser to the President and Executive Committee of World Business Council for Sustainable Development, a global coalition of some 200 multinational corporations. Dato Sri Lim is a Board Director of the China Business Council for Sustainable Development, and the Honorary President of the Business Council for Sustainable Development in Malaysia, and has been awarded state honours by the Malaysian Government.

DATO' HENRY SACKVILLE BARLOW

(Independent Non-Executive Director)

- Member of Audit Committee, Remuneration Committee, Strategy Task Force and Tender Committee

Dato' Henry Sackville Barlow, 66, 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. He is also a member of the Board of Trustees of Badan Warisan Malaysia and director of several other private limited companies.

Dato' Barlow has over thirty five (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.

DATO' DR. ABDUL HALIM ISMAIL

(Non-Independent Non-Executive Director)

- Member of Remuneration Committee and Investigative Reports Review Committee

Dato' Dr. Abdul Halim Ismail, 71, 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.

DATIN PADUKA ZAITOON**DATO' OTHMAN**

(Non-Independent Non-Executive Director)

- Member of Risk Management Committee and Oil & Gas Projects Work Group

Datin Paduka Zaitoon Dato' Othman, 70, 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 member of the Presidential Council of 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 and the President of Persatuan Pewarisan Harta Islam Malaysia (Malaysian Legacy Management Association). She represents the Muslim Lawyers Association in Gagasan Badan Ekonomi Melayu (GABEM), and is also the President of the Protect and Save the Children Association (P.S. The Children).

Between April 2006 to April 2010, Datin Paduka Zaitoon was a Commissioner of the Human Rights Commission of Malaysia (SUHAKAM) and 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.

MR SREESANTHAN ELIATHAMBY

(Independent Non-Executive Director)

Mr Sreesanthan Eliathamby, 49, a Malaysian, is an Independent Non-Executive Director. He was appointed to the Board on 26 August 2010.

Mr Sreesanthan holds an undergraduate law degree from the University of Malaya and a post-graduate degree in law from the University of Oxford, United Kingdom.

Mr Sreesanthan is an Advocate & Solicitor and a Partner with the legal firm of Messrs Kadir, Andri & Partners. He was formerly a Legal Assistant and later a Partner with the legal firm of Messrs Zain & Co and Messrs Zul Rafique & Partners.

Mr Sreesanthan is a member of the Investment Committee of Amanah Saham Wawasan 2020 Fund managed by Permodalan Nasional Berhad and the Listing Committee of Bursa Malaysia. He currently sits on the Boards of Scomi Group Berhad, Guinness Anchor Berhad and Malayan Banking Berhad.

ADDITIONAL INFORMATION

1. Save as disclosed below, none of the Directors has any family relationship with and is related to any director and/or major shareholder of Sime Darby Berhad.
 - Tan Sri Samsudin Osman is a nominee Director of Employees Provident Fund Board.
 - Tun Ahmad Sarji Abdul Hamid, Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin, Dato' Sri Mohamed Sulaiman, Dato' Dr. Abdul Halim Ismail and Datin Paduka Zaitoon Dato' Othman are nominee Directors of Permodalan Nasional Berhad.
2. None of the Directors has any conflict of interest with Sime Darby Berhad or conviction of offences within the past 10 years other than traffic offences.
3. The details of Directors' attendance at Board Meetings held in the year ended 30 June 2010 are set out in the Statement on Corporate Governance on page 27 of this Annual Report.

MANAGEMENT TEAM PROFILE

DATO' SERI AHMAD ZUBAIR @ AHMAD ZUBIR HAJI MURSHID

53, Malaysian, President & Group Chief Executive

Dato' Seri Ahmad Zubir held many senior positions in the Kumpulan Sime Darby Berhad (KSDB) Group since he first joined the Group in 1981. He was the Group Chief Executive of KSDB and Managing Director of Continental Sime Tyre PJ Sdn Bhd as well as the Divisional Director of KSDB's Heavy Equipment/Power and Allied Products Division before his present appointment on 27 November 2007. Dato' Seri Ahmad Zubir was also a Director of Sime Darby Berhad until May 2010.

Dato' Seri Ahmad Zubir holds a degree in Industrial Engineering from the University of Wales, United Kingdom.

Dato' Seri Ahmad Zubir does not have any family relationship with any director and/or major shareholder of Sime Darby Berhad and does not have any conflict of interest with Sime Darby Berhad. He has not been convicted of any offence within the past 10 years. Dato' Seri Ahmad Zubir holds 318,712 ordinary shares of RM0.50 each in Sime Darby Berhad as at 30 June 2010.

DATO' MOHD BAKKE SALLEH

56, Malaysian, Acting President & Group Chief Executive

Dato' Mohd Bakke was the Group President & Chief Executive Officer of Felda Global Ventures Holdings Sdn Bhd before he assumed his present position on 15 July 2010. Prior to that, he had served as the Group Managing Director of Felda Holdings Berhad, Group Managing Director and Chief Executive Officer of Lembaga Tabung Haji and a Director, Property Division of Pengurusan Danaharta Nasional Berhad.

Dato' Mohd Bakke had also previously worked with several subsidiaries within the Permodalan Nasional Berhad Group, namely, Managing Director of Federal Power Sdn Bhd (a manufacturer of power cables), Managing Director of Syarikat Perumahan Pegawai Kerajaan Sdn Bhd (a property developer) and Group General Manager of Island & Peninsular Berhad (also a property developer).

Dato' Mohd Bakke holds a Bachelor of Science (Economics) degree from the London School of Economics and Political Science, United Kingdom. He is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

Dato' Mohd Bakke does not have any family relationship with any director and/or major shareholder of Sime Darby Berhad and does not have any conflict of interest with Sime Darby Berhad. He has not been convicted of any offence within the past 10 years. Dato' Mohd Bakke does not hold any share in Sime Darby Berhad or its subsidiaries.

DATO' ABD WAHAB MASKAN

59, Malaysian, Group Chief Operating Officer

Dato' Abd Wahab was appointed the Group Chief Operating Officer on 24 June 2008. He was formerly the Group Chief Executive of Kumpulan Guthrie Berhad and Golden Hope Plantations Berhad respectively. He has held various management and Board 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), a Fellow of the Institution of Surveyors (Malaysia), a Fellow of the Incorporated Society of Planters and a Fellow of the Malaysian Institute of Management.

TONG POH KEOW

55, 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 Kumpulan Guthrie Berhad (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).

Madam Tong 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.

DATO' TUNKU PUTRA BADLISHAH TUNKU ANNUAR

45, Malaysian, Executive Vice President – Property Division

Dato' Tunku Putra Badlishah joined the KSDB Group in 1989 and has held various senior positions within the Group, amongst them, Managing Director of Auto Bavaria, Director of Operations 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 in August 2008.

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 Harvard Business School.

DATO' IR JAUHARI HAMIDI

51, Malaysian, Executive Vice President – Energy & Utilities Division.

Dato' Ir. Jauhari was the Director of Special Projects prior to his present appointment on 1 August 2010. He was also formerly the Executive Vice President for the Utilities Division and Managing Director of Sime UEP Properties Bhd. Dato' Ir. Jauhari has served in various capacities since joining the Group 27 years ago.

Dato' Ir. Jauhari is a registered professional engineer with the Board of Engineers Malaysia and a corporate member of the Institute of Engineers Malaysia. He has undergone the Directors-Training Programme and Harvard Business School Senior Management Development Programme. Dato' Ir. Jauhari holds a Bachelor of Science (Hons) degree in Civil and Structural Engineering from University College Cardiff, Wales, United Kingdom.

DATO' LAWRENCE LEE CHEOW HOCK

56, Singaporean, Executive Vice President - Motors Division

Dato' Lawrence Lee joined the KSDB Group in April 1981. He 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 Motor Division in Singapore, Australia, New Zealand and the People's Republic of China, including Hong Kong and Macau.

Dato' Lawrence Lee is an Accountant by profession and a Fellow of the Institute of Chartered Accountants in England and Wales.

SCOTT WILLIAM CAMERON

52, Australian, Executive Vice President - Industrial Division

Mr Cameron began his career with Pricewaterhouse in Brisbane, Sydney and New York before joining Hastings Deering as the Finance Director in June 1992. 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.

Mr Cameron 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 the Harvard Business School's Advanced Management Programme in Boston.

HISHAM HAMDAN

43, Malaysian, Executive Vice President - Energy & Utilities, China Operations

Encik Hisham was the Executive Vice President of the Energy & Utilities Division before he assumed his present position on 1 August 2010. He was previously the Executive Vice President of Group Strategy & Business Development and also the Managing Director of the Healthcare Group. 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. His previous experience includes being 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.

Encik Hisham holds two separate degrees in Chemical Engineering and Industrial Management from Purdue University, United States of America. He has also attended the Harvard Business School's Advanced Management Programme.

FRANKI ANTHONY DASS

54, Malaysian, Acting Executive Vice President - Plantation Division

Mr Dass started his career in Kumpulan Guthrie Berhad in 1980 as an Assistant Manager and has over 20 years of plantation experience. After various postings across Malaysia, Mr Dass assumed the post of General Manager of PT Minamas in Indonesia in 2002. He subsequently became the Chief Operating Officer of PT Minamas in 2004, before becoming its Chief Executive Officer in 2007. He was appointed to his current position in May 2010.

Mr Dass holds a Bachelor of Science degree majoring in Agriculture from the Universiti Pertanian Malaysia and has completed various management and MBA programmes with the Malaysian Institute of Management and the Asian Institute of Management.

PHILIP KUNJAPPY

53, Malaysian, Executive Vice President - Group Corporate Services

Mr Kunjappy was appointed Executive Vice President of Group Corporate Services on 1 October 2010. He 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 Attlee, Edge & Lambert in Birmingham, UK and subsequently joined Price Waterhouse, Kuala Lumpur in 1983. He also served as Finance Manager in Kuala Lumpur Kepong Bhd, Finance Director in Island & Peninsular Bhd and Senior Executive Director, Oils & Fats Subsidiaries in Felda Holdings Bhd prior to joining the Sime Darby Berhad Group on 1 October 2010.

Mr Kunjappy is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Malaysian Institute of Taxation.

ALAN HAMZAH SENDUT

50, Malaysian, Group Head - Strategy and Business Development

Encik Alan Hamzah was appointed the Group Head - Strategy & Business Development on 16 September 2010. He oversees the Corporate Finance, Value Management & Investor Relations, Corporate Planning & Budgeting, Capital Management, Merger & Acquisition and Special Projects departments. He began his career with Price Waterhouse, London and had worked with several multinational companies in Malaysia before joining KSDB in 1996. Encik Alan Hamzah has held various senior financial positions within the KSDB Group, amongst them Finance Director of Tractors Malaysia Holdings Berhad and Finance Director of Consolidated Plantations Berhad. He was the Global Operations Manager, Payment Services for BHP Billiton Malaysia prior to his present appointment.

Encik Alan Hamzah holds a Bachelor of Science (Hons) degree in Accountancy and Computer Science from the University of Wales, United Kingdom. Encik Alan Hamzah is a Chartered Accountant (Institute of Chartered Accountants in England and Wales) by profession and is a member of the Malaysian Institute of Accountants.

RAJA AZLAN SHAH RAJA AZWA

39, Malaysian, Chief of Staff in the office of the Group Chief Operating Officer and Managing Director of the Healthcare Group

Raja Azlan Shah was the Group Head - Strategy & Business Development before he assumed his present position on 16 September 2010. He joined the KSDB Group in May 2005 as the Group Head of Corporate Finance. Prior to joining the Group, he was with the Corporate Finance department of CIMB Investment Bank since 1999. He began his career in 1993 as an Auditor with Arthur Andersen & Co.

Raja Azlan Shah holds a degree in Accounting and Financial Management from the University of Sheffield, United Kingdom. He is a member of the Malaysian Institute of Certified Public Accountants.

NORZILAH MEGAWATI ABDUL RAHMAN

50, Malaysian, Group Secretary

Puan Norzilah Megawati was the Head, Group Legal & Compliance of Kumpulan Guthrie Berhad (KGB) prior to her present appointment on 29 September 2007. 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.

Puan Norzilah holds a degree in Law from the University of Malaya, Kuala Lumpur and is a licensed Company Secretary.

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 2010.

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 five (5) 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	No. of meetings attended
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman of the Committee)	Senior Independent Non-Executive Director	5 out of 5
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	Independent Non-Executive Director	5 out of 5
Tan Sri Sheng Len Tao	Independent Non-Executive Director	4 out of 5
Dato' Sri Mohamed Sulaiman	Non-Independent Non-Executive Director	5 out of 5
Dato' Henry Sackville Barlow	Independent Non-Executive Director	5 out of 5

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 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;
- 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 (3) 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 (3) 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 (4) 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 executive present except the Group Secretary. The quorum shall be two (2) 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 2010 in the discharge of its functions and duties:-

- i. Financial Reporting
 - 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.
- ii. Internal and External Audit
 - 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.
 - Review of the performance of senior executives in GCAD.
 - Approve the appointment/resignation of senior executives in GCAD.
 - 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.
 - Review of the fees of the external auditors.
 - Meeting with the external auditors without any executive present except for the Group Secretary.

- Review of the cases investigated by GCAD arising from information feeds and Whistle-blowing policy.
- iii. Related Party Transaction
- Review of the related party transactions entered into/to be entered into by the Company and the Group and the disclosure of such transactions in the Annual Report of the Company and in the Circular to Shareholders.
- iv. Other activities
- 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.
 - Recommendation to the Board on the proposed dividend to be paid by the Company.
 - Commissioning of special reviews on specific areas of operations.
 - Review of the minutes of meetings of the audit committees of major subsidiary companies in the Group and the audit committees of the various Supervisory Committees.
 - Review of Group Finance and Group Treasury Policy Manuals prior to submission to the Board of Directors for consideration and approval.
- 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.
 - j. Carrying out analyses to determine the efficiency of businesses carried out by the Group.

All internal audit functions during the year were conducted by GCAD. There were no areas of the internal audit functions which were outsourced. During the financial year, the total cost incurred for the internal audit function was RM28.7 million (2009: RM26.3 million).

This report is made in accordance with a resolution of the Board of Directors dated 20 September 2010.

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 independent 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 the above 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.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Sime Darby Berhad (Sime Darby or the Company) is committed to continually striving for the highest standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders' values and to build sustainable business growth for the Group.

The Board continues to implement the recommendations of the Malaysian Code on Corporate Governance (the Code) which sets out the principles and best practices of good governance on structures and internal processes, the 'Green Book on Enhancing Board Effectiveness' initiated by the Putrajaya Committee on Government-Link Companies (GLC) High Performance as part of the GLC Transformation Programme which further reinforces the recommendations contained in the Code as well as the Corporate Governance Guide issued by Bursa Malaysia Securities Berhad.

THE BOARD OF DIRECTORS

1. Duties and Responsibilities of the Board

The fundamental responsibility of the Directors is to exercise their judgement to act in what they reasonably believe to be the best interest of the Company. The Board has the ultimate and overall responsibility for corporate governance, strategic direction and overseeing the investments of the Group. The Board's principal functions include charting the Group's overall strategic plans for business performance, overseeing the proper conduct of business, financial plans and annual budget, major investments, divestments and funding proposals, financial performance reviews, succession planning, risk management and corporate governance practices.

2. Board Balance and Independence

There is optimum board balance and compliance with the Independent Directors criteria set out under the Bursa Malaysia Securities Berhad's Main Market Listing Requirements (Listing Requirements).

Three (3) new members were appointed to the Board on 26 August 2010, namely Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo, Dato Sri Lim Haw Kuang and Mr Sreesanthan Eliathamby. The President & Group Chief Executive (PGCE), Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid ceased to be a Director of the Company on 12 May 2010.

All the fifteen (15) Board members as at the date of this statement (including the Chairman) are non-executive Directors. Nine (9) of the Directors are independent as defined under the 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. Tan Sri Sheng Len Tao
- vi. Dato' Henry Sackville Barlow
- vii. Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo
- viii. Dato Sri Lim Haw Kuang
- ix. Mr Sreesanthan Eliathamby

The Board members comprise high calibre individuals who are professionals in their respective fields. Together, the Directors with their wide range of competencies, capabilities, technical skills and relevant business experience add value in governing the strategic directions of the Group and ensuring that the Group continues to be a competitive leader within its diverse industry segments with a strong reputation. A brief profile of each Director is presented on pages 14 to 19 of the Annual Report.

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 with which the Group conducts business.

The Board had placed great importance on the balance of its independent Directors where they serve as an essential source of impartial and professional guidance to protect the interest of the shareholders.

The Board has identified Raja Tan Sri Dato' Seri Arshad Raja Tun Uda as the Senior Independent Non-Executive Director of the Board to whom concerns relating to the Group may be conveyed by shareholders and other stakeholders. The Senior Independent Non-Executive Director may be contacted at:-

Tel : +(603) 2691 0948
 Tel (toll free) : 1800 88 8880 (Local)/
 800 8008 8000 (International)
 Mobile : +(6) 019 2688 295
 Fax : +(603) 2698 6629
 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 PGCE to ensure that there is a balance of power and authority. The roles of the Chairman and the PGCE are separated and clearly defined. The Chairman is responsible for ensuring Board effectiveness and conduct while the PGCE has overall responsibilities over the operating units, organisational effectiveness and implementation of Board policies and decisions.

Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid who is the current PGCE of the Group, has been asked to take a leave of absence prior to the expiry of his contract on 26 November 2010. Dato' Azhar Abdul Hamid, the Executive Vice President-Plantation Division, was appointed Acting PGCE on 12 May 2010 pending the appointment of a new PGCE. On 15 July 2010, the Board had appointed Dato' Mohd Bakke Salleh as the Acting PGCE to oversee the day to day operations of the Group.

3. Board Meetings

The Board meets on a scheduled basis at least four (4) times a year. When the need arises, Special Meetings are also held to specifically consider other issues arising. 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 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 2010, eleven (11) Board Meetings were held to consider and deliberate a variety of issues. The following are the details of attendance of each Director who was in office during the financial year:-

Members	Date of Appointment	No. of meetings attended	Percentage
Tun Musa Hitam (Chairman)	29.09.2007	11 out of 11	100
Tun Ahmad Sarji Abdul Hamid (Deputy Chairman)	29.09.2007	9 out of 11	82
Dr. Arifin Mohamad Siregar	29.09.2007	11 out of 11	100
Tan Sri Samsudin Osman	19.12.2008	10 out of 11	91

Members	Date of Appointment	No. of meetings attended	Percentage
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	14.09.2007	11 out of 11	100
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	14.09.2007	10 out of 11	91
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	14.09.2007	11 out of 11	100
Tan Sri Sheng Len Tao	14.09.2007	10 out of 11	91
Dato' Sri Mohamed Sulaiman	14.09.2007	11 out of 11	100
Dato' Henry Sackville Barlow	29.09.2007	11 out of 11	100
Dato' Dr. Abdul Halim Ismail	29.09.2007	10 out of 11	91
Datin Paduka Zaitoon Dato' Othman	29.09.2007	9 out of 11	82
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (Ceased as Director with effect from 12 May 2010)	14.09.2007	7 out of 7	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	26.08.2010	Not applicable	Not applicable
Dato Sri Lim Haw Kuang	26.08.2010	Not applicable	Not applicable
Mr Sreesanthan Eliathamby	26.08.2010	Not applicable	Not applicable

4. 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 for each Board Meeting is determined by the Chairman with assistance from the Group Secretary and in consultation with the PGCE.

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 previous Board meeting(s);
- ii. minutes of meetings of all Committees of the Board;
- iii. minutes of meetings of the Group Management Committee, Group Transformation Committee and Group Operations Committee;
- iv. report on Matters Arising;
- v. quarterly financial report and a report on the Group's cash and borrowings position;
- vi. quarterly risk management updates;
- vii. annual business plan; and
- viii. 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.

Presentations and briefings by external consultants and legal advisors are also held at board meetings to assist the Directors to deliberate and decide on relevant issues.

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.

5. Board Committees

To assist the Board in the efficient discharge of its responsibilities, a number of Board Committees have been established. Each Board Committee operates within its terms of reference, which clearly defines its functions and responsibilities. The Board Committees of the Company comprising the following:-

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 23 to 25 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 2010, 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	4 out of 5	80
Tan Sri Sheng Len Tao	4 out of 5	80
Dato' Henry Sackville Barlow	5 out of 5	100
Dato' Dr. Abdul Halim Ismail	4 out of 5	80

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 Head - Group Human Resource and/or the Group Secretary.

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.

The members of the Nomination Committee, all of whom are non-executive Directors and three (3) of whom are independent, and their attendance at the meeting held during the year ended 30 June 2010 were as follows:-

Members	No. of meetings attended	Per-centage
Tun Musa Hitam (Chairman)	1 out of 1	100
Tun Ahmad Sarji Abdul Hamid	1 out of 1	100
Dr. Arifin Mohamad Siregar	1 out of 1	100
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	1 out of 1	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 Berhad and its subsidiary companies;
- 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 2010, five (5) 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)	5 out of 5	100
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	5 out of 5	100
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	5 out of 5	100
Tan Sri Sheng Len Tao	5 out of 5	100
Datin Paduka Zaitoon Dato' Othman	4 out of 5	80

Terms of ReferenceDuties

The duties of the Risk Management Committee are:-

- to provide oversight, direction and counsel to the risk management process;
- to establish risk management guidelines;
- to evaluate the structure for the Group risk management, risk management processes and support system;
- 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;

- to carry out risk evaluation on all capital expenditure and mergers & acquisitions proposals by the Group companies exceeding RM50 million;
- to review and approve action and contingency plans developed to mitigate key risks; and
- 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. The members of the Strategy Task Force and their attendance at the meeting held during the year ended 30 June 2010 were as follows:-

Members	No. of meetings attended	Percentage
Dato' Sri Mohamed Sulaiman (Chairman)	1 out of 1	100
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	1 out of 1	100
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	1 out of 1	100
Tan Sri Sheng Len Tao	1 out of 1	100
Dato' Henry Sackville Barlow	1 out of 1	100

Terms of ReferenceDuties

The duties of the Strategy Task Force are to:-

Group Strategy

- review the Group's strategic plans for adoption of the Board;
- review the Group's Three-Year and/or Five-Year Management Plan or any other specific Management Plan; and
- 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.

f. Tender Committee

The Tender Committee was established with the responsibility of overseeing the process of awarding significant contracts by the Sime Darby Group. No meeting was held during the financial year ended 30 June 2010 as there has been no award of an individual tender exceeding RM200 million by the Sime Darby Group.

The members of the Tender Committee during the year ended 30 June 2010 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 (Ceased as member with effect from 12 May 2010)

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 concerns or irregularities 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 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

The Strategic Investment Committee was established to enable the Sime Darby Group to consider and approve investments under the Group's Strategic Investment and Distressed Assets Fund.

The members of the Strategic Investment Committee and their attendance at the meetings held during the year ended 30 June 2010 were as follows:-

Members	No. of meetings attended	Percentage
Tun Musa Hitam (Chairman)	2 out of 2	100
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	2 out of 2	100
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (Ceased as member with effect from 12 May 2010)	2 out of 2	100

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

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.

h. China Operations Committee

The China Operations Committee was established on 25 November 2009 with the responsibility to oversee the Group's operations in China. The members of the China Operations Committee and their attendance at the meeting held during the year ended 30 June 2010 were as follows:-

Members	No. of meetings attended	Percentage
Tun Musa Hitam (Chairman)	1 out of 1	100
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	1 out of 1	100
Tan Sri Sheng Len Tao	1 out of 1	100
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (Ceased as member with effect from 12 May 2010)	1 out of 1	100

Terms of Reference

Duties

The duties of the China Operations Committee are:-

- i. to review the strategy, budget, organisational structure and human capital plans for the Group's operations in China;
- ii. to review the performance of the Group's Divisions in China;
- iii. to consider and approve recommendations by Management on issues relating to the operational management of the Group's projects in China;
- iv. to undertake such other duties as may be agreed by the Board; and
- v. to report regularly to the Board on all matters considered and provide its recommendations thereon.

Authority

The Committee is authorised by the Board:-

- i. to have full and unrestricted access to information pertaining to the China operations of the Group including records, property and employees of the Group;
- ii. to obtain independent professional advice and expertise as may be necessary to perform its duties; and
- iii. to have the resources to perform its duties as set out in its Terms of Reference.

Membership

Members of the Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members.

Meetings and Minutes

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

i. Oil & Gas Projects Work Group

The Oil & Gas Projects Work Group (Work Group) was established on 18 September 2009. The Work Group was formed to undertake a detailed review on certain projects in the Energy & Utilities Division. Nine (9) meetings were held since the establishment of the Oil & Gas Projects Work Group to the year ended 30 June 2010.

The members of the Work Group during the year ended 30 June 2010 and their attendance at the meetings were as follows:-

Members	No. of meetings attended	Per-centage
Tan Sri Sheng Len Tao (Chairman)	9 out of 9	100
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	9 out of 9	100
Datin Paduka Zaitoon Dato' Othman	9 out of 9	100

Terms of ReferenceDuties

The duties of the Work Group are:-

- i. to undertake a detailed review of all documents, including contractual documents, involving the Group in relation to the Qatar Petroleum Project, Maersk Oil Qatar Project, Bakun Project, Ramunia Project and Marine Project (Projects);
- ii. to undertake a detailed review of the engineering, procurement, construction, installation & hook up and/or commissioning process at the Energy & Utilities Division in relation to the Projects;
- iii. to undertake a detailed review of the project management and cost escalation procedures within the Energy & Utilities Division;
- iv. to review the systems of internal control and adherence to processes and procedures that are in place in relation to the Projects;
- v. to consider reports by Group Corporate Assurance and the external auditors in relation to the Projects and Management's response thereto;
- vi. to document the lessons learnt from the Group's experience on the Projects;
- vii. to ascertain the level of success of the claims by the Energy & Utilities Division from clients for Variation Orders in relation to the

Projects, ownership claims to the vessels under the Marine Project and preparing for the best case scenario, including documenting evidence to support the claims;

- viii. to submit a report to the Board on matters considered and make recommendations thereon pertaining to the Projects;
- ix. to interview individuals or groups, local or overseas, that the Work Group feels can assist in advancing its understanding of the problem relating to the Projects; and
- x. to undertake such other duties as may be agreed to by the Work Group and the Board.

Authority

The Work Group is authorised by the Board:-

- i. to investigate any activity within its terms of reference;
- ii. to have full and unrestricted access to information, records, properties and employees of the Group and other individuals or groups (within or outside the country) connected in one way or another with the Projects;
- iii. to convene meetings with the Group Corporate Assurance and/or the external auditors, without the attendance of any executive, and if appropriate the Group Secretary, whenever deemed necessary;
- iv. to obtain independent professional advice and expertise as necessary to perform its duties; and
- v. to have the resources to perform its duties as set out in its terms of reference.

Membership

Members of the Work Group shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members

Meetings and Minutes

The Work Group shall meet as and when required. The quorum shall be two (2) members. Other members of the Board may attend the meetings of the Work Group upon invitation of the Work Group. Minutes of each meeting shall be kept and distributed to each member of the Work Group and the Board. The Secretary to the Work Group shall be the Group Secretary.

j. Investigative Reports Review Committee

The Investigative Reports Review Committee was established on 28 June 2010 with the responsibility of reviewing the reports prepared by the independent forensic and legal advisers in relation to their investigatory work on certain oil and gas projects undertaken by the subsidiaries of the Company, namely the Qatar Petroleum, Maersk Oil Qatar, Marine and Bakun Projects.

The members of the Investigative Reports Review Committee during the year ended 30 June 2010 were as follows:-

Members
Tan Sri Samsudin Osman (Chairman)
Dr. Arifin Mohamad Siregar
Dato' Dr. Abdul Halim Ismail

Terms of Reference

Duties

The duties of the Investigative Reports Review Committee are:-

- i. to consider and review the draft Investigative Review Reports prepared by the forensic and legal advisers in relation to their investigatory work on the Qatar Petroleum, Maersk Oil Qatar, Marine and Bakun Projects (the Projects);
- ii. to identify alternative approaches and mechanisms as appropriate;
- iii. to make recommendations thereon to the Board; and
- iv. to undertake such other duties as may be agreed to by the Committee and the Board.

Authority

The Committee is authorised by the Board:-

- i. to investigate any activity within its terms of reference;
- ii. to have full and unrestricted access to information, records, properties and employees of the Group and other individuals or groups (within or outside the country) connected in one way or another with the Projects;
- iii. to convene meetings without the attendance of any executive, and if appropriate the Group Secretary, whenever deemed necessary;
- iv. to obtain independent professional advice and expertise as necessary to perform its duties; and
- v. to have the resources to perform its duties as set out in its terms of reference.

Membership

Members of the Committee shall be appointed by the Board from amongst their number and shall consist of not less than three (3) members.

Meetings and Minutes

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

k. Supervisory Committees

Supervisory Committee (SC) of each Division was established to assist the Board in the oversight of the operations of the respective Divisions. Each SC was chaired by a member of the Board

of Sime Darby and comprises other members who are the relevant management executives and non-executives who have knowledge of the Division's business, identified by the Board based on the recommendations of the Nomination Committee.

The members of each SC during the year ended 30 June 2010 and their attendance at the meetings were as follows:-

SC - Plantation

Members	No. of meetings attended	Per-centage
Tun Musa Hitam (Chairman)	4 out of 4	100
Dr. Arifin Mohamad Siregar	4 out of 4	100
Dato' Henry Sackville Barlow	4 out of 4	100
Datuk Alladin Hashim	4 out of 4	100
Dato' Baharuddin Musa	3 out of 4	75
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (Ceased as member with effect from 12 May 2010)	3 out of 4	75

SC - Property

Members	No. of meetings attended	Per-centage
Dato' Sri Mohamed Sulaiman (Chairman)	4 out of 4	100
Tengku Datuk Seri Ahmad Shah Alhaj Ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	4 out of 4	100
Dato' Mustafa Mohd Ali	4 out of 4	100
Dato' Abd Wahab Maskan	4 out of 4	100
Sulaiman Mustafa	4 out of 4	100

SC - Energy & Utilities

Members	No. of meetings attended	Per-centage
Tan Sri Datuk Dr. Ahmad Tajuddin Ali (Chairman)	2 out of 2	100
Tan Sri Dato' Omar Ibrahim	2 out of 2	100
Datin Paduka Zaitoon Dato' Othman	1 out of 2	50
Dato' Dr. Abdul Samad Mohamed	1 out of 2	50
Dato' Pua Shien Tick	2 out of 2	100
Zainul Rahim Mohd Zain	1 out of 2	50
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (Ceased as member with effect from 12 May 2010)	0 out of 1	0

SC - Industrial

Members	No. of meetings attended	Percentage
Tan Sri Sheng Len Tao (Chairman)	3 out of 3	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	3 out of 3	100
Admiral Tan Sri Dato' Sri Mohd Anwar Hj Mohd Nor (Rtd)	2 out of 3	67
Tan Sri Samsudin Osman	3 out of 3	100
James Chapman Sheed	3 out of 3	100
Dato' Seri Ahmad Zubair @ Ahmad Zubir - Haji Murshid (Ceased as member with effect from 12 May 2010)	2 out of 2	100

SC - Motors

Members	No. of meetings attended	Percentage
Tun Ahmad Sarji Abdul Hamid (Chairman)	6 out of 6	100
Dato' Dr. Abdul Halim Ibrahim	6 out of 6	100
Dato' Mohamed Feisal Ibrahim	6 out of 6	100
Datuk Karunakaran Ramasamy	5 out of 6	83
Dato' Abd Wahab Maskan	6 out of 6	100

SC - Healthcare

Members	No. of meetings attended	Percentage
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin (Chairman)	6 out of 6	100
Tunku Tan Sri Dato' Seri Ahmad Tunku Yahaya	6 out of 6	100
Dato' Dr. Abdul Aziz Mahmood	6 out of 6	100
Dato' Dr. Jacob Thomas	6 out of 6	100
Dato' Abd Wahab Maskan	5 out of 6	83

Terms of Reference

- i. Terms of Reference of the Supervisory Committee (SC) are as follows:-
- to contribute to corporate strategy and general operating policy development of the Division. The SC shall assist the Divisional management to streamline strategies and in the process bring objectivity and breadth of judgement to the strategic planning process and the implementation of such strategies;
 - to assist the President & Group Chief Executive in reviewing the conduct and overall results performance of the Division's businesses and the performance of the Division;
 - to contribute towards the identification of the principal risks and the implementation of appropriate systems to manage those risks to achieve a proper balance between risks accepted and potential returns to shareholders;
 - 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;
 - to consider reports prepared by the Group Corporate Assurance Department (GCAD) and external auditors with respect to the companies in the Division; and
 - to ensure adherence to the application of the principles of good corporate governance and best practices.
- ii. The duties and responsibilities entrusted to the SC shall be exercised and performed by the members at all times and in accordance with any specific or general instructions which may be given to the members from time to time by the Board. Any such instructions given shall, unless the contrary is expressly stated therein, override the general authorisation.
- iii. Composition of the SC
- Each SC shall comprise non-executives and the President & Group Chief Executive.
 - There shall be a maximum of seven (7) members.
 - The non-executive members should have knowledge of the Division's business and be able to contribute positively to the Division. Their appointment shall be by the Nomination Committee through the Board of Directors of Sime Darby Berhad on the recommendation of the President & Group Chief Executive.
 - The Chairman of each SC shall be a member of the Board of Sime Darby Berhad.
- iv. The membership of the SC shall be reviewed every two (2) years.
- v. The Secretary shall be appointed by the SC on the recommendation of the Group Secretary.
- vi. Meetings of the SC
- Each SC shall meet as and when required to review specific matters but no less than once every quarter.
 - The quorum for a meeting shall be three (3).
 - The Group Chief Financial Officer, the Executive Vice Presidents for Corporate Services, Human Resources and Strategy as well as the Senior Vice President II, Group Corporate Assurance may be invited to attend meetings of the SC.
 - The Executive Vice President of each Division, Chief Financial Officer and the chief executives of key subsidiaries shall be invited to attend meetings of the SC and to make presentations as may be required.

vii. Conflicts of Interest

- a. Every member of the SC shall actively seek to avoid conflicts of interest which may arise from time to time between the member and Sime Darby Berhad or any of its subsidiaries and associates.
- b. If any conflict of interest arises, the member shall immediately disclose such conflict to Sime Darby Berhad and shall manage such conflict primarily by complying with applicable laws and the Group Policies and Authorities (GPAs) of the Group and acting in good faith to equitably resolve such conflict promptly.

Audit Committees of SCs

The SC have also established their own Audit Committee (AC) to consider the reports and recommendations by the GCAD and external auditors with respect to the companies in the Division and to review the overall results of the Division's business.

The members of each AC during the year ended 30 June 2010 and their attendance at the meetings were as follows:-

AC - Plantation

Members	No. of meetings attended	Per-centage
Raja Tan Sri Arshad Raja Tun Uda (Chairman)	3 out of 3	100
Dato' Sri Mohamed Sulaiman	2 out of 3	67
Datuk Alladin Hashim	3 out of 3	100
Dato' Henry Sackville Barlow	3 out of 3	100

AC - Property

Members	No. of meetings attended	Per-centage
Raja Tan Sri Arshad Raja Tun Uda (Chairman)	4 out of 4	100
Tengku Datuk Seri Ahmad Shah Alhaj Ibn Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	4 out of 4	100
Dato' Mustafa Mohd Ali	4 out of 4	100

AC - Energy & Utilities

Members	No. of meetings attended	Per-centage
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (Chairman)	3 out of 4	75
Tan Sri Dato' Omar Ibrahim	4 out of 4	100
Datin Paduka Zaitoon Dato' Othman	4 out of 4	100
Dato' Pua Shien Tick	4 out of 4	100

AC - Industrial

Members	No. of meetings attended	Per-centage
Tan Sri Samsudin Osman (Chairman)	3 out of 3	100
Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo	3 out of 3	100
Admiral Tan Sri Dato' Sri Mohd Anwar Hj Mohd Nor (Rtd)	2 out of 3	67
James Chapman Sheed	3 out of 3	100

AC - Motors

Members	No. of meetings attended	Per-centage
Dato' Dr. Abdul Halim Ismail (Chairman)	4 out of 4	100
Dato' Mohamed Feisal Ibrahim	3 out of 4	75
Datuk Karunakaran Ramasamy	4 out of 4	100

AC - Healthcare

Members	No. of meetings attended	Per-centage
Tunku Tan Sri Dato' Seri Ahmad Tunku Yahaya (Chairman)	4 out of 4	100
Dato' Dr. Abdul Aziz Mahmood	4 out of 4	100
Dato' Dr. Jacob Thomas	4 out of 4	100

Terms of Reference

The salient terms of reference of the AC includes the following:-

- a. to consider reports prepared by the GCAD and external auditors with respect to the companies in the Division;
- b. to review the overall results and performance of the Division's businesses; and
- c. to undertake such other functions as may be determined by the SC from time to time.

The SCs and ACs were disbanded with effect from 30 June 2010 following the Board's decision to restructure the Group's strategic reporting model to enhance accountability and efficiency in the strategic operations of the Group.

6. Management Of Operations

The Group Management Committee, Group Transformation Committee and Group Operations Committee have been established to assist in the running of the businesses of the Group.

The Group Management Committee which comprises the PGCE as Chairman, the Group Chief Operating Officer (GCOO), Executive Vice Presidents (EVPs) of the Divisions together with the Group Chief Financial Officer (GCFO) and other EVPs from Group Head Office, shares the overall responsibility for management policies, the day-to-day operations of the Group, the deployment and implementation of Board resolutions and the achievement of objectives and results.

The Group Transformation Committee (GTC) 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 the full potential of the Group. The members of the GTC are the PGCE, GCOO, EVPs of the Divisions, GCFO and other EVPs from Group Head Office. The GTC is chaired by the PGCE or the GCOO as delegated by the PGCE.

The Group Operations Committee comprises the GCOO as Chairman, the EVPs of the Divisions, GCFO and other EVPs from Group Head Office. It was established to oversee the operations of the Group, which includes reviewing and overseeing the operational KPIs and operational risk issues of the Divisions in the Group.

7. 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 re-appointment 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.

8. 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 Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

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.

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 are determined by the Board as authorised by the shareholders of the Company at the Annual General Meeting. 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 was not entitled to fees nor was he entitled to receive any meeting allowances for the Board and Board Committee meetings that he attends. The Executive Director's remuneration package comprised the following:-

- i. Basic Salary
The basic salary for the Executive Director was 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.

- 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 based on the recommendation of the Remuneration Committee.
- iii. **Benefits-in-Kind**
Other customary benefits (such as private medical care, car, etc.) were made available as appropriate.
- v. **Retirement Arrangements**
The Company contributed 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 were as follows:-

	Paid by Sime Darby RM'000	Paid by the Group RM'000
Executive Director*		
Salary and other remuneration	-	1,445
Benefits-in-Kind	-	137
Non-Executive Directors		
Fees	2,244	3,663
Other remuneration	683	775
Benefits-in-Kind	732	732

The aggregate remuneration of Directors of the Company for the financial year ended 30 June 2010, in respective bands of RM50,000 were as follows:-

Range of Remuneration	Number of Directors
Executive Director* RM1,550,001 to RM1,600,000	1
Non-Executive Directors	
Below RM200,000	-
RM200,001 to RM250,000	1
RM250,001 to RM300,000	1
RM300,001 to RM350,000	1
RM350,001 to RM400,000	3
RM400,001 to RM450,000	1
RM450,001 to RM500,000	2
RM500,001 to RM550,000	2
RM550,001 to RM700,000	-
RM700,001 to RM750,000	1

*Ceased as Director with effect from 12 May 2010.

9. Directors' Training

All the Directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Board recognises the importance of Directors being kept abreast of industry development and trends. The Company has on an ongoing basis identified conferences and

seminars which will be beneficial to the Directors. The Company provides a dedicated training budget for Directors' continuing development. Relevant training (internal or external) programmes are arranged by the Company for the Directors and members of the Board Committees.

The development and training programmes attended by the Directors as well as their participation as speakers at local and international conventions on topics relevant to their roles during the year ended 30 June 2010 are set out on pages 40 to 44 of the Annual Report.

INVESTOR RELATIONS AND SHAREHOLDERS' COMMUNICATION

The Board recognises the importance of an effective communication channel between the Board, shareholders and general public.

The Board acknowledges the need for shareholders, investment community and other stakeholders, both in Malaysia and internationally, 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 and investors with an overview of the Group's performance and operations. A press conference and an analysts' briefing are 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 and investors can obtain up-to-date information on the Group's various activities by accessing its website at www.simedarby.com. Press releases 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 ext 2370
Facsimile : +(603) 2382 1075
Email : norzilah.megawati@simedarby.com

- ii. Alan Hamzah Sendut
 Group Head - Strategy & Business Development
 Telephone : +(603) 2691 4122 ext 2246
 Facsimile : +(603) 2713 5935
 Email : alan.hamzah@simedarby.com

ACCOUNTABILITY AND AUDIT

Financial reporting

The Board ensures that shareholders are provided a balanced and understandable assessment of the Group's financial position and prospects through the issuance of annual financial statements, quarterly financial reports as well as other corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements. The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates. All accounting standards which the Board considers to be applicable have been adopted, subject to any explanation for material departures disclosed in the notes to the financial statements.

The financial statements are reviewed by the Audit Committee at its meetings, in the presence of the external and internal auditors, before being presented to the Board for approval.

Internal Control

The Company continues to maintain and review its internal control procedures to ensure 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 45 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 23 to 25.

Whistle-blowing Policy

To reinforce the culture of good business ethics and governance across the Group, a whistle-blowing policy was introduced which provides employees with an accessible avenue to report in good faith of any suspected wrongdoing which includes suspected fraud, misappropriation of assets, sexual harassment, criminal breach of trust, corruption, questionable or improper accounting, misuse of confidential information and acts or omissions which are deemed to be against the interest of the Company, laws, regulations or public policies. This policy addresses the Group's commitment to integrity and ethical behaviour by helping to foster and maintain an environment where employees can act appropriately without fear and retaliation.

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 role of

the Audit Committee in relation to the Auditors is set out in the Report on the Audit Committee on pages 23 to 25 in this Annual Report.

The non-audit fees charged by the external auditors during the year ended 30 June 2010 amounted to RM4.2 million (2009: RM4.3 million).

Related Party Transactions

The Group has established the appropriate procedures to ensure that the Company complies with the Listing Requirements relating to related party transactions. All related party transactions are reviewed by the Audit Committee and the same are reported to the Board on a quarterly basis.

The shareholders' mandate in respect of existing and new recurrent related party transactions is obtained at the annual general meeting of the Company on a yearly basis. Details of the recurrent related party transactions entered into by the Group during the financial year ended 30 June 2010 are set out on page 172 of this Annual Report.

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 38. In addition, the composition of the Remuneration Committee has been fully disclosed on page 28 under item (b) of this Statement.

This Statement is made in accordance with a resolution of the Board of Directors dated 20 September 2010.

TRAINING PROGRAMMES ATTENDED BY DIRECTORS DURING THE FINANCIAL YEAR ENDED 30 JUNE 2010

Director	Course Title	Presenter/Organiser	Date
Tun Musa Hitam	World Capital Market Symposium	Securities Commission Malaysia	10 August 2009
	4th Sime Darby Developing Sustainable Futures Lecture Series – ‘Adapting: How Complex Problems Are Really Solved’	Mr Tim Harford	11 August 2009
	Workshop on Malaysia-China Relations- Bilateral, Regional and Global Perspectives	Institute of Diplomacy & Foreign Affairs	19 August 2009
	National Conference on Higher Education & Nation Building – ‘Theme: Education Is The First Line Of Defence’	National Defence University of Malaysia	28 October 2009
	Inaugural Malaysia Europe Forum- European Union Kuala Lumpur Roundtable 2009 – ‘Sustainability & The Corporate Sector: Striking A Balance’	Malaysia-Europe Forum	12 November 2009
	5th Sime Darby Developing Sustainable Futures Lecture Series – ‘Sustainable Development: Walking The Talk’	Professor Mohan Munasinghe	23 November 2009
	Programme Luncheon Talk – ‘Memperkasa Ekonomi Bangsa: Melayu Tolong Melayu’	Gagasan Badan Ekonomi Melayu	7 December 2009
	2nd ASEAN Secretariat Policy Forum, Jakarta	The ASEAN Secretariat	16 December 2009
	One Malaysia Economic Conference - ‘1Malaysia: New Economic Model’	The Associated Chinese Chambers of Commerce & Industry of Malaysia	8 February 2010
	MEF-Munich Spring Dialogue 2010 – ‘The Global Green Agenda: Securing A Sustainable Future’	Malaysia-Europe Forum, Munich, Germany	2 March 2010
	SC-OCIS Roundtable & Forum	Securities Commission Malaysia & The Oxford Centre of Islamic Studies	16 March 2010
	6th Sime Darby Developing Sustainable Futures Lecture Series – ‘Leading In The New World’	Dr Ram Charan	30 March 2010
	Asia-Europe Institute Tracking Development Third Plenary Conference	Asia-Europe Institute, University of Malaya	11 May 2010
Tun Ahmad Sarji Abdul Hamid	4th Sime Darby Developing Sustainable Futures Lecture Series – ‘Adapting: How Complex Problems Are Really Solved’	Mr Tim Harford	11 August 2009
	Non-Executive Directors’ Development Series – ‘Is It Worth The Risk?’	Securities Industries Development Corporation & PricewaterhouseCoopers	5 October 2009
	Yayasan Tun Ismail Research Grant Seminar and Presentation	Yayasan Tun Ismail/ Permodalan Nasional Berhad	2 June 2010
Dr. Arifin Mohamad Siregar	4th Sime Darby Developing Sustainable Futures Lecture Series – ‘Adapting: How Complex Problems Are Really Solved’	Mr Tim Harford	11 August 2009

Director	Course Title	Presenter/Organiser	Date
	Non-Executive Directors' Development Series – 'Is It Worth The Risk?'	Securities Industries Development Corporation & PricewaterhouseCoopers	12 August 2009
	5th Sime Darby Developing Sustainable Futures Lecture Series – 'Sustainable Development: Walking The Talk'	Professor Mohan Munasinghe	23 November 2009
	6th Sime Darby Developing Sustainable Futures Lecture Series – 'Leading In The New World'	Dr Ram Charan	30 March 2010
	MINDA Luncheon Talk – 'Transformational Leadership: A Passionate Passage'	The Malaysian Directors Academy (MINDA)	13 May 2010
Tan Sri Samsudin Osman	4th Sime Darby Developing Sustainable Futures Lecture Series – 'Adapting: How Complex Problems Are Really Solved'	Mr Tim Harford	11 August 2009
	Corporate Governance Summit 2009 – 'Truth, Lies & Corporate Governance'	Federation of Public Listed Companies Berhad & Malaysian Institute of Corporate Governance	28 - 29 September 2009
	Corporate Governance Guide – Towards Boardroom Excellence	Malaysian Institute of Accountants	9 December 2009
	Enhancing Board Effectiveness – Role of Board of Directors	Higher Education Ministry Leadership Academy	23 March 2010
	6th Sime Darby Developing Sustainable Futures Lecture Series – 'Leading In The New World'	Dr Ram Charan	30 March 2010
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	4th Sime Darby Developing Sustainable Futures Lecture Series – 'Adapting: How Complex Problems Are Really Solved'	Mr Tim Harford	11 August 2009
	Non-Executive Directors' Development Series – 'Is It Worth The Risk?'	Securities Industries Development Corporation & PricewaterhouseCoopers	12 August 2009
	5th Sime Darby Developing Sustainable Futures Lecture Series – 'Sustainable Development: Walking The Talk'	Professor Mohan Munasinghe	23 November 2009
	Leading Change: What Leaders Really Do	Professor John P. Kotter	15 March 2010
	Enhancing Board Effectiveness - Role of Board of Directors	Higher Education Ministry Leadership Academy	23 March 2010
	6th Sime Darby Developing Sustainable Futures Lecture Series – 'Leading In The New World'	Dr Ram Charan	30 March 2010
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	Keynote Address by Tan Sri Datuk Dr. Ahmad Tajuddin Ali on 'ISO Strategic Plan 2011-2015'	YBhg Tan Sri Datuk Dr. Ahmad Tajuddin Ali/ Department of Standards Malaysia	16 July 2009
	Malaysia International NDT Conference and Exhibition 2009 (MINDTCE) – 'NDT Driving Industry Safety, Growth and Performance'	YBhg Tan Sri Datuk Dr Ahmad Tajuddin Ali/ Malaysian Nuclear Agency	20 July 2009
	Talk on 'Corporate Strategies In An Economic Downturn'	Professor David Collis, Adjunct Professor in Corporate Strategy of the Harvard Business School, Boston, USA/The Malay College Old Boys Association (MCOBA)	29 July 2009

Director	Course Title	Presenter/Organiser	Date
	Khazanah Megatrends Forum	Khazanah Nasional Berhad	5 October 2009
	CEO Roundtable 'The Creation of A Global Company and its Pitfalls – Leadership Matters'	Sir John Bond/The Malaysian Directors Academy (MINDA) & Khazanah Nasional Berhad	21 October 2009
	Khazanah Global Lectures	Sir John Reginald Hartnell Bond, Chairman of Vodafone Group/ Khazanah Nasional Berhad	21 October 2009
	APEC Business Advisory Council (ABAC) Forum	Federation of Malaysian Manufacturers	9 - 10 November 2009
	APEC CEO Summit 2009	APEC CEO Summit Singapore 2009	13 - 14 November 2009
	5th Sime Darby Developing Sustainable Futures Lecture Series – 'Sustainable Development: Walking The Talk'	Professor Mohan Munasinghe	23 November 2009
	Talk on Public Service – 'Managing The Changing World'	YABhg Tun Dr Mahathir Mohamad/PTD Alumni	29 January 2010
	Seminar in APEC Study on Export Technical Assistance Models (Technical Barriers to Trade) in Hiroshima, Japan	APEC Singapore	5 March 2010
	Dinner Talk on 'Usage Of Nuclear Energy For Electric Generating With Members of Parliament'	Ministry of Energy, Green Technology & Water	30 June 2010
	Presentation 1: Nuclear Energy: Safe, Green and Clean	Professor Dr. KunMo Chung, Chairman of The Founding Commission, the Korea Electric Power Corp. (KEPCO) International Nuclear Graduate School	
	Presentation 2: Ensuring Nuclear Fuel Security and Sustainability	Dr. Mario Paul Pain – Senior Adviser (Nuclear) to the Director-General on Energy & Climate Change, Government of France	
	Presentation 3: Developing a World Class Civilian Nuclear Programme Safety & Waste Management	Mr Theodore J. Garrish, Vice President of Federal Operations and Strategic Planning, CH2M HILL Companies, Ltd	
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	Forbes Global CEO Conference	Mr Jack Leslie, Chairman of Weber Shandwick World-Wide	28 – 30 September 2009
	Non-Executive Directors' Development Series – 'Is It Worth The Risk?'	Securities Industries Development Corporation & PricewaterhouseCoopers	5 October 2009
	Financial Institution Directors' Education Programme	Bank Negara Malaysia	28 – 29 January 2010
	Financial Institution Directors' Education Programme	Bank Negara Malaysia	1 – 2 March 2010
	Financial Institution Directors' Education Programme	Bank Negara Malaysia	18 – 19 March 2010

Director	Course Title	Presenter/Organiser	Date	
	Workshop with Dr Ram Charan	Dr Ram Charan	31 March 2010	
	Financial Institution Directors' Education Programme	Bank Negara Malaysia	22 – 23 April 2010	
Tan Sri Sheng Len Tao	World Capital Market Symposium	Securities Commission Malaysia	10 August 2009	
	Khazanah Megatrends Forum 2009	Khazanah Nasional Berhad	5 October 2009	
	First San Francisco Asia Economic Policy Conference	Federal Reserve Bank of San Francisco	18 – 20 October 2009	
	Bank of China Forum, Hong Kong Macau Centre, Beijing, China	Bank of China	13 November 2009	
	11th OECD-ADBI Roundtable on Capital Market Reform in Asia, Tokyo, Japan	Asian Development Bank Institute, Tokyo	22 – 23 February 2010	
	Asia Business Council 2010 Spring Forum, Jakarta	Asia Business Council	25 – 27 March 2010	
	6th Sime Darby Developing Sustainable Futures Lecture Series – 'Leading In The New World'	Dr Ram Charan	30 March 2010	
	29th Bank Indonesia Executive Leadership Development Programme, Jakarta	Bank Indonesia	16 April 2010	
	MICPA 51st Anniversary Commemorative Lecture, Kuala Lumpur	The Malaysian Institute of Certified Public Accountants	20 April 2010	
	Asian Banking CEO Roundtable, Singapore	McKinsey & Co.	6 – 7 May 2010	
	Deutsche Bank Access Asia Conference 2010, Singapore	Deutsche Bank	10 May 2010	
	Dato' Sri Mohamed Sulaiman	Corporate Governance Summit 2009 'Truth, Lies & Corporate Governance'	Federation of Public Listed Companies Berhad & Malaysian Institute of Corporate Governance	28 - 29 September 2009
		Non-Executive Directors' Development Series – 'Is It Worth The Risk?'	Securities Industries Development Corporation & PricewaterhouseCoopers	5 October 2009
5th Sime Darby Developing Sustainable Futures Lecture Series – 'Sustainable Development: Walking The Talk'		Professor Mohan Munasinghe	23 November 2009	
KPMG Audit Committee Institute Roundtable Discussion titled: Going Forward : Risk & Reform – Implications for Audit Committee Oversight		KPMG	9 March 2010	
6th Sime Darby Developing Sustainable Futures Lecture Series – 'Leading In The New World'		Dr Ram Charan	30 March 2010	
Dato' Henry Sackville Barlow	Financial Institutions Directors' Education Programme	Mr Niclolas Krasno/Bank Negara Malaysia	7 - 8 August 2009	
	5th Sime Darby Developing Sustainable Futures Lecture Series – 'Sustainable Development: Walking The Talk'	Professor Mohan Munasinghe	23 November 2009	
	Managing Risks in Mortgage Financing	Bank Negara Malaysia	13 January 2010	
	Non-Executive Directors' Development Series – 'Is It Worth The Risk?'	Securities Industries Development Corporation & PricewaterhouseCoopers	24 March 2010	

Director	Course Title	Presenter/Organiser	Date
	6th Sime Darby Developing Sustainable Futures Lecture Series – ‘Leading In The New World’	Dr Ram Charan	30 March 2010
	Financial Institutions Directors’ Education Programme - Building Organisation Capability	Professor Dave Ulrich/ Bank Negara Malaysia	4 May 2010
	Financial Institutions Directors’ Education Programme - Banking Insights	Professor Nabil N. EL-Hage/ Bank Negara Malaysia	8 - 9 June 2010
Dato’ Dr. Abdul Halim Ismail	World Capital Markets Symposium	Securities Commission Malaysia	10 - 11 August 2009
	4th Sime Darby Developing Sustainable Futures Lecture Series – ‘Adapting: How Complex Problems Are Really Solved’	Mr Tim Harford	11 August 2009
	Non-Executive Directors’ Development Series – ‘Is It Worth The Risk?’	Securities Industries Development Corporation & PricewaterhouseCoopers	5 October 2009
	Talent Management, Retention and Development	Professor Dave O. Ulrich, University of Michigan/ Yayasan Tun Ismail Mohamed Ali	27 October 2009
	2010 Budget Updates and FRS 139 & RFS 7	Permodalan Nasional Berhad	3 November 2009
	5th Sime Darby Developing Sustainable Futures Lecture Series – ‘Sustainable Development: Walking The Talk’	Professor Mohan Munasinghe	23 November 2009
	6th Sime Darby Developing Sustainable Futures Lecture Series – ‘Leading In The New World’	Dr Ram Charan	30 March 2010
Datin Paduka Zaitoon Dato’ Othman	4th Sime Darby Developing Sustainable Futures Lecture Series – ‘Adapting: How Complex Problems Are Really Solved’	Mr Tim Harford	11 August 2009
	Corporate Governance Summit 2009 ‘Truth, Lies & Corporate Governance’	Federation of Public Listed Companies Berhad & Malaysian Institute of Corporate Governance	28 - 29 September 2009
	Non-Executive Directors’ Development Series – ‘Is It Worth The Risk?’	Securities Industries Development Corporation & PricewaterhouseCoopers	5 October 2009
	6th Sime Darby Developing Sustainable Futures Lecture Series – ‘Leading In The New World’	Dr Ram Charan	30 March 2010
	Leadership And Self-Deception – A One-Day ‘Core Training’ Workshop	Arbinger (Malaysia) Sdn Bhd	25 May 2010

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Malaysia Securities), the Board of Directors of listed companies is required to include in their annual report, a 'statement about the state of internal controls of the listed issuer as a group'. The Board of Directors is pleased to provide the following statement that was prepared in accordance with the 'Statement on Internal Control: Guidance for Directors of Public Listed Companies' endorsed by Bursa Malaysia Securities which outlines the nature and scope of the internal controls of the Group during the financial year under review.

RESPONSIBILITY

The Board of Directors in discharging its responsibilities is fully committed to maintaining a sound system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets.

The system of internal control by its nature is designed to manage risks that may impede the achievement of the Group's business objectives rather than eliminate these risks. Inherently, it can only provide reasonable and not absolute assurance against material misstatement, fraud or loss.

The Board has established procedures, for the Company and its subsidiaries, to ensure 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, monitoring 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 2010, are subject to regular reviews by the Board of Directors.

CONTROL STRUCTURE AND ENVIRONMENT

Whilst the Board of Directors is committed to maintaining a strong control structure and environment for the proper conduct of the Group's business operations, there were control lapses which were identified during the financial year. These and the corresponding remediation actions taken are listed in the following pages. As such the Board is committed to improving the Group's Control Framework, for which the key elements are as follows:

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 executive present, and if appropriate the Group Secretary, at least twice a year.

Risk Management Committee

The Board, through the Risk Management Committee (RMC) maintains risk oversight within the Group. The RMC is assisted by the Risk Management Department whose primary role is the coordination and promotion of a risk management culture in the Group and the implementation of an overall system of documentation and reporting of the Group's risks and risk mitigation actions. During the year, the Risk Management Department conducted risk awareness and methodology sessions at Divisional and operational levels to help sustain the risk management culture, promote understanding of the importance of risk management and to strengthen their risk management oversight and process.

Group Corporate Assurance Department

The Group Corporate Assurance Department (GCAD) is an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group. The purpose, authority and responsibility of GCAD as well as the nature of the assurance and consultancy activities provided by the function are articulated in the internal audit charter which is approved by the Audit Committee. The internal audit function for the Group reports directly to the Audit Committee, who reviews and approves the annual audit plan, financial budget and human resource requirements to ensure the function is adequately resourced with competent and proficient internal auditors.

GCAD conducts various internal audit engagements in accordance with the risk-based audit plans that are consistent with the Group's vision and strategy articulated in the annual management plan. Regular systematic audits or reviews are conducted throughout the financial year 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 and to add value and improve the Group's business operations. GCAD also evaluates the adequacy and effectiveness of key controls in responding to risks within the Group's governance, operations, information systems and internal and external environment, safety and health (ESH) requirements. Its reports, plans and other publications are not subject to approval of Management and staff external to GCAD.

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 as enshrined in the Group Policies and Authorities (GPA). 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 to ensure integrity, objectivity and prevent any conflict of interest.

RISK MANAGEMENT

Risk policy

The Board regards risk management as an integral part of the Group's 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 Group Management Committee comprises the President & Group Chief Executive, Group Chief Operating Officer, Group Chief Financial Officer and Executive Vice Presidents (EVPs) of the Divisions. Other EVPs and Senior Vice Presidents from Group Head Office also share the overall responsibility for management policies, the day-to-day operations of the Group, the deployment and implementation of Board resolutions and the achievements of objectives and results.

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 through the Risk Management Committee on a quarterly basis
- Review and discussion of key risks for each significant investment by the Risk Management Committee
- Reporting of significant risks by Divisions 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 at least quarterly for Group reporting

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 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

The 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 by means of a rolling forecast 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 except for certain months when no meetings are held (normally not more than two months in a financial year).

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 and its revision was officially announced in March 2010 on the Sime Darby Enterprise Portal and website, incorporating improved channels and processes supporting this

policy. The policy encourages employees to report any wrongdoing by any person in the Group to the proper authorities so that action can be taken immediately. Additionally, it also provides for any complaint or report to be directly submitted to the Senior Independent Director of the Group who is also 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 through the following Whistle-blowing channels of reporting:

Direct line

03 2691 0948 (Local)
+(603) 2691 0948 (International)

Telephone (toll free)

1 800 88 8880 (Local)
800 8008 8000 (International)

Mobile

019 2688 295 (Local)
+(6) 019 2688 295 (International)

Fax

03 2698 6629 (Local)
+(603) 2698 6629 (International)

PO Box

Sime Darby Berhad
PO Box 10494, 50714 Kuala Lumpur

Email

whistleblowing@simedarby.com

Website

<http://www.simedarby.com/whistleblowing.aspx>

All concerns raised via the whistle-blowing channels will be treated fairly and properly. The Policy on Whistle-blowing also includes 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.

- Control Self-Assessment (CSA) is continuously carried out during the year by selected operating units using the questionnaire approach. The exercise is coordinated by GCAD and the focus of the CSA is to ascertain the level of compliance to policies and procedures. The CSA is validated during subsequent audit reviews and highlighted where necessary, in the audit reports.
- 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.

ESTABLISHMENT OF THE BOARD OIL & GAS PROJECTS WORK GROUP TO REVIEW CERTAIN PROJECTS IN THE ENERGY & UTILITIES DIVISION

The Board of Directors, on 18 September 2009, established the Oil & Gas Projects Work Group (OGPWG) to review the operations of the Energy & Utilities Division with the objective to assess the corporate governance and performance of the division, following its results in the financial year ended 30 June 2009. The OGPWG reviewed, in particular, the four projects (collectively referred to as the Projects), namely:

- The Bulhanine and Maydan Mahzam project with Qatar Petroleum (QP project)
- The Maersk Oil Qatar project (MOQ project)
- The Bakun hydroelectric dam project (Bakun project)
- A project on the construction of vessels for use in the MOQ project (Marine project)

The Projects contributed a total loss for the year of RM1,645.6 million, inclusive of the loss of RM963.8 million announced in the third quarter.

REMEDIATION ACTIONS TO IMPROVE CONTROLS OVER OPERATIONS

Immediate actions were taken by the Board to address the findings of the OGPWG and implement its recommendations to ensure weaknesses identified from

the Projects are adequately addressed. The Board also announced that external consultants were engaged to conduct forensic audits and an independent legal firm to conduct follow-through investigations to determine culpability.

Simultaneously, the Board initiated a review of the organisational and reporting structure of the Group with an aim of providing and promoting a culture of ownership and accountability across the Group, strengthening the levels of control and enhancing the Board's oversight of the Divisions' operations. The Board also reaffirmed its commitment to facilitate inquiries and investigations by the Malaysian Anti-Corruption Commission (MACC), the Securities Commission and Bursa Malaysia Securities.

CONTINUING REMEDIATION ACTIONS

Sime Darby Group has been actively engaged in implementing remediation efforts to address the material weaknesses in control. The remediation efforts are outlined below:

Group level

Strengthening internal controls and governance structure through:

- Improving monitoring and oversight of key decisions
 - Post-investment review process for investments approved by the Board
 - Review of key arrangements and business relationships
 - Reassessments of limits of authority
- Revamping functional matrix reporting structure to ensure effective oversight over divisions
 - Divisional finance head will report directly to the Group Chief Financial Officer and have functional reporting on operational matters to the divisional EVP
 - Similarly, divisional legal will have a direct reporting line to its Group function and report on operational matters to the divisional EVP
- Focusing on improving ethical culture Group-wide

The Group also reviewed the organisation and reporting structure to enhance divisional oversight and accountability across the Group. The Board, on 26 August 2010, approved the new organisation and reporting structure to help improve business process flow and strengthen governance through the adoption of the 'two-tier board' model. A Board of Directors will be appointed at each Divisional Investment Holding Company (IHC), which will comprise representation from the Board, Group management, Divisional management and independent industry experts and professionals to share their expertise and skills. Board committees of the Divisional IHC's Board will also be established to provide more in-depth review and oversight of the operations. This is expected to be fully engaged on 1 January 2011.

Energy & Utilities level

- Realigned organisational chart to improve risk management
 - The division is now divided into China and non-China segments with two different EVPs to oversee each business segment
- Initiate operational improvement to turn around the Energy & Utilities Division
 - Tightened governance and control
 - Review Limits of Authority
 - Strengthened Finance and Legal controls in all aspects of the business
 - Strengthened Divisional Procedures and Authorities
 - Tightened control over project costs with the objective of improving margins and reducing costs
 - Establish new management team
 - EVPs, Chief Financial Officer, Head of Project Management Office/Operations and controls/GCAD and Legal
 - Project management
 - Appointed consultant to project manage and reporting and risk management processes for certain on-going projects
 - Bidding
 - Working with external cost consultants to ensure price competitiveness with priority on Engineering, Procurement and Construction (EPC) projects whilst participation in non-EPC contracts will be on a selective basis with reputable partners

CONCLUSION

The Group recognises the necessity of continuously improving its internal control systems and risk management process. Whilst the Board is vigorously addressing all weaknesses identified, corrective and preventive actions and measures have been put in place to ensure ongoing adequacy and effectiveness of internal controls. However, there can be no assurances that new problems will not arise in the future. Hence, the Group will continue to improve controls in order to achieve the above goals and to ensure sustainability over the long term.

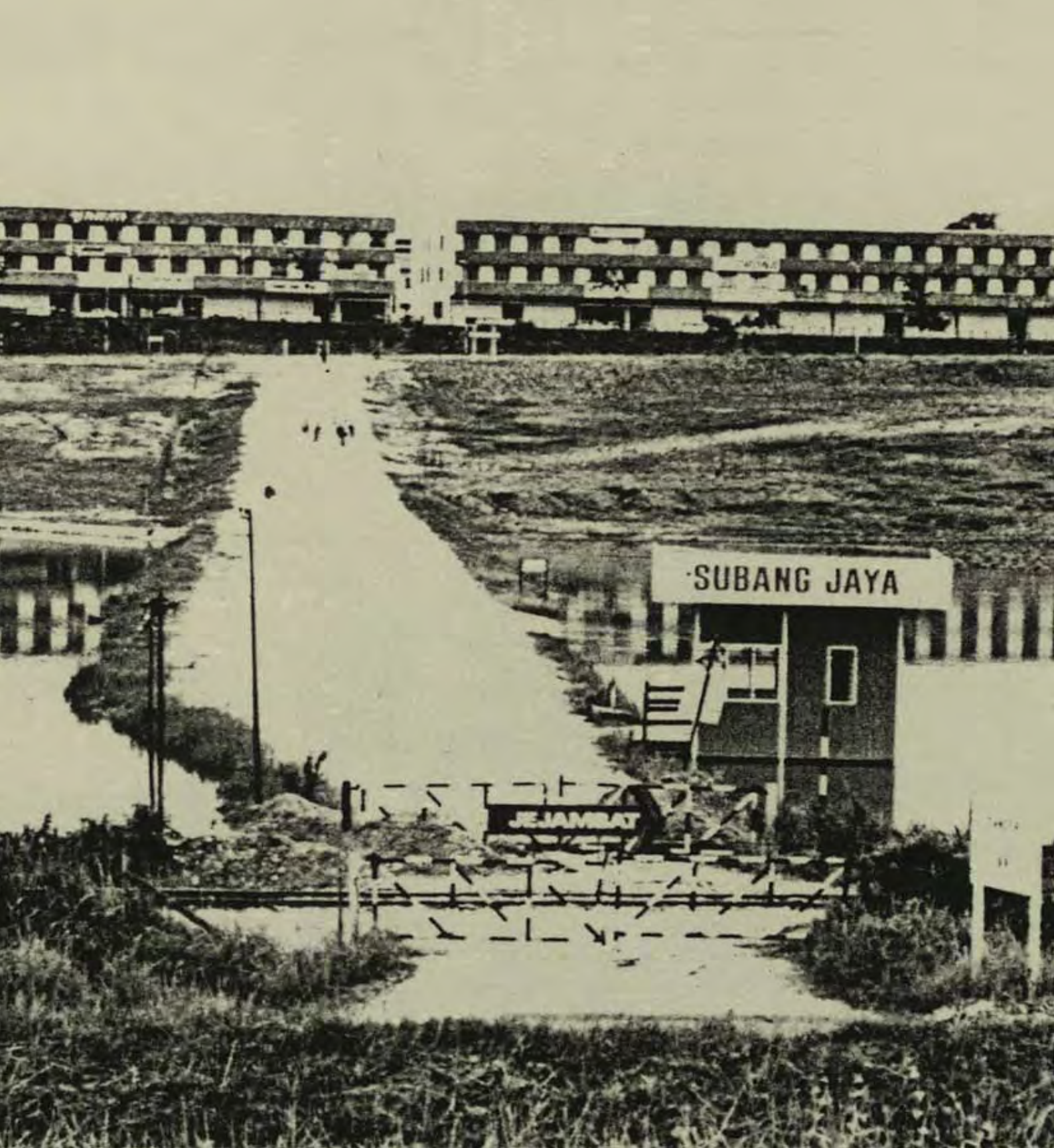
The Group also recognises the need to continue to strengthen and invest in human resource, systems and processes and is committed to invest in and provide adequate resources over the next few years to have in place the rigorous controls to enhance shareholders' value and business sustainability.

This statement is made in accordance with a resolution of the Board of Directors dated 20 September 2010.

Subang Jaya new township officially opened by Sultan of Selangor, DYMM Sultan Salahuddin Abdul Aziz Shah Ibni Al-Marhum Sultan Hishamudin Alam Shah, on 21 February 1976



The temporary access road to Subang Jaya as at December 1976 before the flyover was completed



CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Directors (Board) of Sime Darby Berhad (Sime Darby), I would like to present the Annual Report, incorporating the Financial Statements of the Group and the Company, for the financial year ended 30 June 2010 (FY2009/2010).

Tun Musa Hitam
Chairman



FINANCIAL HIGHLIGHTS

RM million	2010	2009	% + / (-)
Revenue	32,844.7	31,013.9	5.9
Profit before tax	1,741.5	3,071.6	(43.3)
Profit after tax	854.8	2,340.8	(63.5)
Profit after tax and minority interests	726.8	2,280.1	(68.1)

The Group registered a net profit (profit after tax and minority interests) of RM727 million and a Return on Average Shareholders' Funds of 3.5 percent for FY2009/2010. The net profit was on the back of a 6 percent increase in revenue of RM33 billion. The net profit was achieved in spite of the provisions and impairments made in the Energy & Utilities (E&U) Division amounting to RM2.1 billion. The provisions and impairments were based on management's estimates of cost to completion for the respective projects, taking into consideration all known factors as at the date of this report.

The Group's balance sheet continues to be healthy with shareholders' funds of RM20.5 billion, cash and bank balances of RM4.5 billion and a gearing ratio (debt-to-equity) of 35.9 percent. This is a reflection of the Group's capacity and financial strength to finance future growth.

Dividends

The Group has announced a total gross dividend payout of 10 sen per share, comprising an earlier interim dividend paid of 7 sen per share and a final dividend of 3 sen per share for FY2009/2010.

Summary of Divisional Results

Sime Darby's core businesses, other than the E&U Division, continued to perform well in FY2009/2010.

Segment results in RM million	2010	2009
Plantation	2,113.2	1,719.0
Property	493.0	461.9
Industrial	758.0	862.1
Motors	386.3	178.5
Energy & Utilities	(1,751.7)	40.8
Healthcare & Others	33.9	9.9
	2,032.7	3,272.2
Corporate expense	(121.1)	(106.7)
Profit before interest and tax	1,911.6	3,165.5

In the Plantation Division, operating profit increased by 23 percent to RM2.1 billion in FY2009/2010. This was achieved on the back of higher crude palm oil prices which averaged RM2,311 per metric tonne (MT) in FY2009/2010 versus RM2,177/MT in FY2008/2009. The midstream and downstream operations also reported stronger performance. More importantly, the Division's relentless efforts to improve production efficiency in its Indonesian upstream operations resulted in higher Fresh Fruit Bunch (FFB) production and the increase in FFB yield to 18.0 MT/Ha in FY2009/2010 from 16.6 MT/Ha in the previous year.

As a result, the Group registered an overall FFB yield of 20.6 MT/Ha.

The Division continued its efforts to certify its Strategic Operating Units (SOUs) under the Roundtable on Sustainable Palm Oil (RSPO) certification audit process. During the financial year, 8 more SOUs were certified by the RSPO, bringing the Group's total number of RSPO-certified SOUs to 13, covering a total planted hectare of 96,593 ha. The Group aims to have all of its 60 SOUs to be certified by the end of FY2010/2011.

The Property Division's continued focus on developing medium to high-end community based townships in Malaysia has increased its operating profit by 7 percent to RM493 million in FY2009/2010 compared to RM462 million in the previous year. This was mainly due to the higher residential and commercial sales in the Group's townships.

Sime Darby realised merger synergies of over RM360 million from the Plantation and Property Divisions. This represents an increase from the merger synergies of RM210 million recorded in FY2007/2008 and RM259 million in FY2008/2009.

In the year under review, the Industrial Division registered a creditable performance with an operating profit of RM758 million, albeit a decline of 12 percent compared to the record profit in FY2008/2009. This decline was mainly attributable to weaker heavy equipment demand in Singapore and Australia, which was partially offset by the strong heavy equipment sales in China and continued growth in the product support business across all regions. The Division will focus on delivering sustainable performance on the back of a robust Australian mining sector and the emerging mining business in China.

The Motors Division's operating profit rose 116 percent in FY2009/2010 to RM386 million. The Division will continue to focus on the luxury market segment, particularly in the emerging economies of Asia Pacific.

Strong sales performance was reported in all operating markets, in particular the BMW segment in China and the turnaround of operations in Australia and New Zealand.

The E&U Division reported an operating loss of RM1.8 billion for FY2009/2010 as a result of delays and cost overruns as well as provisions for foreseeable losses and impairments of other assets.

Healthcare and other businesses performed better, resulting in an increase in operating profits to RM33.9 million for FY2009/2010 from RM9.9 million in the previous year.

MAJOR CORPORATE ACTIVITIES

The following key corporate exercises were carried out in FY2009/2010:

- In April 2010, the Group's wholly-owned subsidiary, Sime Darby Engineering Sdn Bhd (SDE), completed the purchase of the Teluk Ramunia fabrication yard including the moveable and immovable assets located on the yard from Ramunia Holdings Bhd (RAHB) and Ramunia Optima Sdn Bhd (a wholly-owned subsidiary of RAHB). The purchase involved the transfer of the yard, plant and machinery as well

as four parcels of land in Teluk Ramunia, Johor for a cash consideration of RM515 million. This acquisition expanded SDE's yard space to 284 acres from 114 acres, making it Malaysia's largest fabricator. The fabrication capacity increased almost two-fold to 105,000 MT from 55,000 MT.

- In April 2010, the Group's wholly-owned subsidiary, Sime Darby Medical Centre Ara Damansara Sdn Bhd, completed the purchase of land and building (formerly known as the Asian Neuro & Cardiac Centre) from Bio Science Capital Sdn Bhd for a cash consideration of approximately RM138.6 million. The medical centre will be the third medical facility under the Group, with a licensed bed capacity of 220.
- In May 2010, the Group's wholly-owned subsidiary, Sime Darby Motor Division Sdn Bhd, entered into an agreement with Sapura Auto Sdn Bhd (a wholly-owned subsidiary of Sapura Resources Berhad), to acquire an automobile showroom located along Jalan Tun Razak and related facilities for a cash consideration of approximately RM49 million, to be used as a 4S BMW and Mini centre. The acquisition is expected to be completed by FY 2010/2011.

MAJOR DEVELOPMENTS

The Group's other major activities in FY2009/2010 were the on-going efforts to turn around the E&U Division and to strengthen corporate governance and internal controls across the Group.

In September 2009, a Board-level working group, assisted by independent lawyers and auditors, was established to review the operations of the E&U Division and to conduct an investigation into the delays and cost overruns in the four E&U projects.

On 12 May 2010, the Board took decisive action in response to the findings raised by the working group. The President and Group Chief Executive (GCE) was requested to go on an extended leave of absence and Dato' Azhar Abdul Hamid was appointed as Acting President and GCE. On 15 July 2010, Dato' Mohd Bakke Salleh took over as Acting President and GCE.

On 26 May 2010, the Group announced the following appointments:

- External auditors to review the Group's organisational and reporting structure;
- Independent advisors to conduct forensic audits on the four projects; and
- An independent legal firm to conduct follow-through investigations.

As a result of the reviews and investigations conducted, the following measures will be implemented to strengthen governance and internal controls. The following measures are focused to increase divisional oversight and accountability across the Group:

- Setting up subsidiary boards at the divisional level with independent directors comprising industry experts and professionals as well as forming board committees at the respective subsidiary companies;

- Revamp the functional matrix reporting structure and strengthen internal controls in all divisions to ensure effective oversight over divisions; and
- Improve monitoring and oversight of key investments by implementing a post-investment review process.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Developing sustainable futures is Sime Darby's *raison d'être*, both in terms of business sustainability as well as a CSR commitment to our stakeholders. We acknowledge that with our size, we carry an even greater responsibility and we endeavour to create a positive impact in all of our operations and initiatives.

Our CSR, in pursuit of the Group's aim to develop sustainable futures, has two facets: The socially relevant work undertaken by Yayasan Sime Darby (YSD) and Group CSR and our day-to-day commitment to sustainability in carrying out our commercial activities.

In our commercial activities, we are increasingly committed to ensuring that we act in a sustainable manner. As part of our commitment to develop sustainable communities, our property development arm has put in motion plans to develop sustainable townships and communities that address the sustainable approach. It recently launched the 'Sime Darby Idea House', an innovative product design that showcases green building technology, sustainable architecture, building material technology and modern methods of construction. Completed in June 2010, the 'Idea House' is set to be the first Zero Carbon dwelling in South East Asia.

Our largest division, Plantation, is also committed to sustainability through its involvement in the RSPO. This is set out in more detail in the CSR and Plantation reviews.

In October 2009, Sime Darby contributed to the Padang Earthquake Relief. We launched our own Child Protection Policy in March 2010 as part of a long-term commitment to address the issues of child safety, protection, abuse and well-being.

YSD continued with its quest to promote learning and knowledge among Malaysians and talents in countries where Sime Darby operates. Under its Education pillar, it has awarded scholarships and bursaries worth RM76 million to 1,524 students since 1982 to pursue their studies in Malaysia and overseas. YSD awards these scholarships and bursaries under its Excellence Scholarship Programme, 'Star' Scholarship Programme, Skill Enrichment Programme, Public Policy Programme, Bursary Programme and PINTAR School Adoption Programme.

YSD also pledged support for the SAFE (Stability of Altered Forest Environment) Project, the world's largest ecological experiment, and supports the nation's quest for the first Olympic cycling medal by sponsoring the YSD Track Cycling Team to compete in major tournaments worldwide.

OUTLOOK AND PROSPECTS

Economic prospects in developed economies remain fraught with uncertainty and are widely expected to remain weak. Nonetheless, with China's growth anchoring the regional economy, Asia is expected to expand at a commendable pace and to emerge as the global growth leader in the near-to-medium term. Hence, it is expected that most commodity prices including crude palm oil and crude oil are to remain strong in the near-to-medium term.

It is against this backdrop that the Group needs to maintain a balanced portfolio of winning businesses, strategically and competitively positioned to take advantage of the changing centre of economic activity towards the emerging Asian economies.

KEY STRATEGIC THRUSTS

Emerging from this turbulent period, the Group has reflected on our strategic direction, values and culture. The Group's strategic direction will focus on firstly, restoring the credibility and confidence of our stakeholders and secondly, repositioning Sime Darby on the path to establish a leadership position in our core businesses.

The Group's strategic direction is centred around these four key thrusts:

1. Turnaround of the E&U Division

The Group continues to be committed to the Oil & Gas (O&G) business in the E&U Division and will ensure timely completion of existing projects by addressing urgent capability gaps and talent requirements. We have identified the problems in the O&G business and are actively addressing them to turn the business around. We are also collaborating with strategic partners to strengthen our capabilities in this business.

To undertake a more focused approach, the E&U Division has now been segregated into China and non-China operations and two Executive Vice Presidents have been appointed to oversee the respective operations. New appointments have also been made to key management positions within the E&U Division.

We have sought external consultants' assistance to advise us in strengthening our project reporting and risk management processes. Concurrently, deficiencies in governance and controls within the Division are being addressed by enhancing finance and legal controls and improving project monitoring and reporting.

2. Maximising potential across all core businesses

The Group will continue to ensure that its businesses are performing optimally and strengthen their competitive positions by enhancing operational efficiencies. Central to this is an effort to inculcate a culture of thrift and cost-consciousness across the Divisions. The Group will also continue forging strategic alliances while strengthening existing ones, to complement the Group's core competencies.

3. Instituting a high performance culture

As a diversified multinational, a high performance culture and strength in our leadership and talent bench is critical. Good leaders are essential in our pursuit to grow internationally. Hence, effective succession planning is critical to ensure a strong pipeline of future talent. Our Talent and Performance Management Framework enables us to identify, develop and engage our top talents systematically and rigorously. The Group will continue to align its performance management system with its long term strategies to drive performance.

4. Reviewing the portfolio mix of businesses within the Group

The Group will evaluate the performance and competitive position of existing businesses using relevant financial and strategic diagnostics. Each business will be evaluated based on their financial contribution to the Group's overall performance as well as their strategic fit within the Group's overall portfolio. This is to ensure that the Group's portfolio of businesses remains dynamic and strategically competitive by identifying businesses that we will expand, divest or incubate.

ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to take this opportunity to welcome our three new independent and non-executive Directors, namely Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo, Dato Sri Lim Haw Kuang and Mr Sreesanthan Eliathamby, who were appointed on 26 August 2010. They will bring to the Board their valuable wealth of knowledge and expertise gathered from their careers and company directorships across various sectors.

We are very pleased to welcome on board, Dato' Mohd Bakke Salleh, as the Group's Acting President and GCE effective from 15 July 2010.

My sincere appreciation goes to the distinguished members of the Board and the Supervisory Committees of the Group's business divisions for their support throughout a challenging FY2009/2010. I also wish to express my heartfelt thanks to Sime Darby's Management team and employees for their relentless hard work, commitment and dedication during this difficult time.



Tun Musa Hitam
Chairman

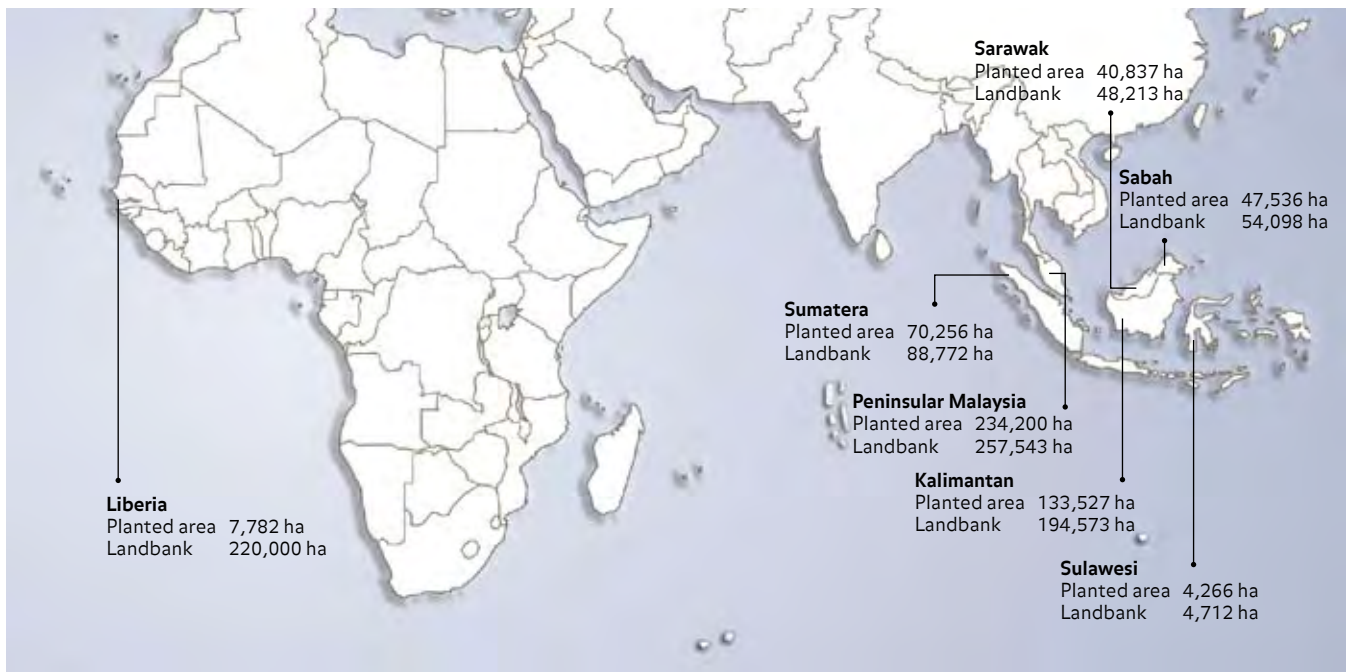
In 1929, Sime Darby acquired Sarawak Trading Company (STC), which held the franchise for Caterpillar equipment. STC was later renamed Tractors Malaysia. The photograph shows the Tractors Malaysia Berhad head office, which was then located at Bukit Timah Road in Singapore





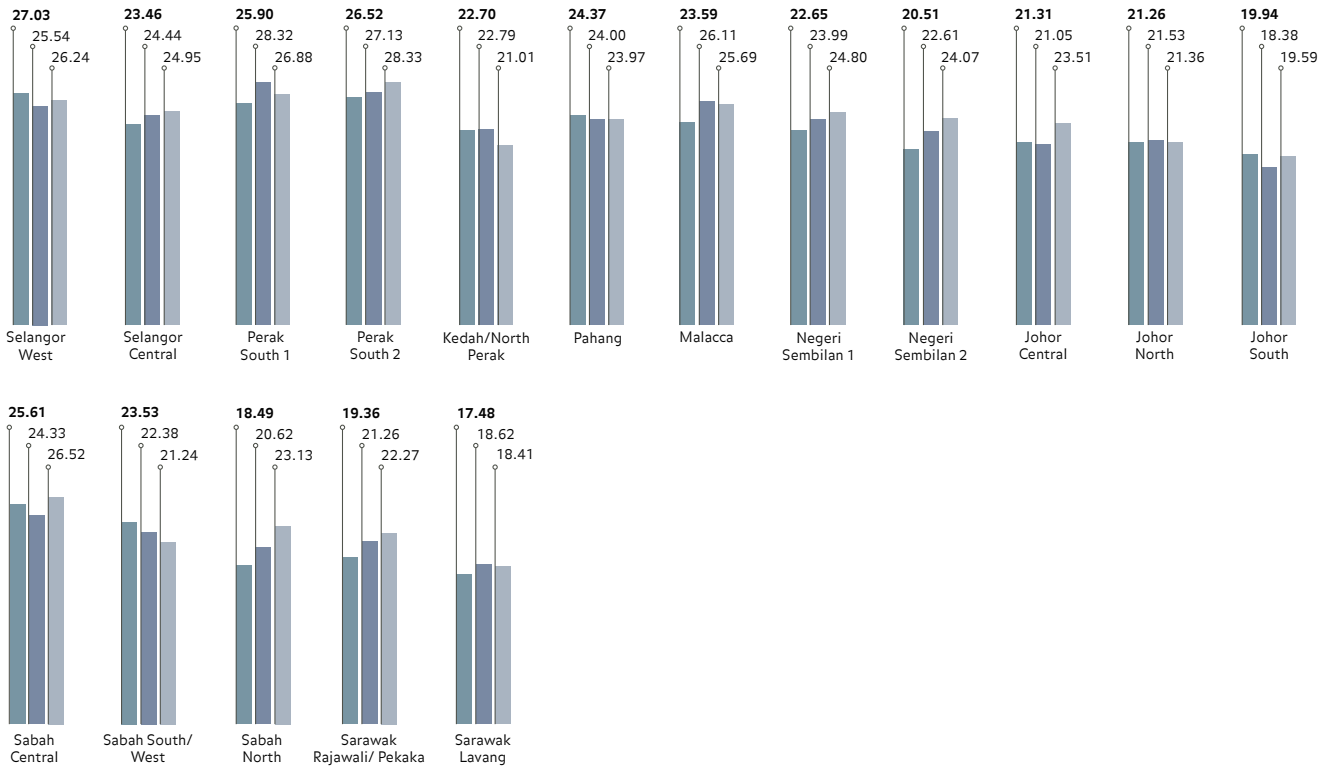
Mr Angus William Scott (left), then Chairman of Sime Darby, on a visit to the Tractors Malaysia Berhad facility in Bukit Timah Road, Singapore. On display behind the gentlemen are one of the earliest Caterpillar track-type tractors to be brought to the region

OPERATIONS REVIEW - PLANTATION

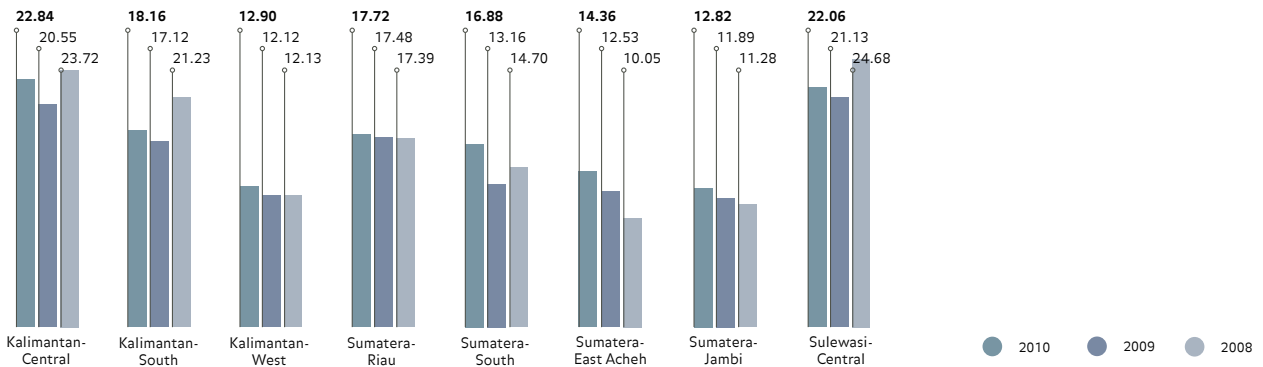


	FY 2009/10			FY 2008/09			FY 2007/08		
	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total	Malaysia	Indonesia	Total
Oil Palm									
Crop Production – FFB (in MT)	6,560,033	3,281,095	9,841,128	6,888,596	2,976,158	9,864,754	7,063,844	3,315,776	10,379,620
FFB Processed (in MT)									
- Own	6,471,566	3,206,959	9,678,525	6,644,780	2,942,651	9,587,431	6,789,906	3,236,416	10,026,322
- Outside	537,717	588,962	1,126,679	616,000	541,539	1,157,539	809,014	555,658	1,364,672
Total FFB Processed	7,009,283	3,795,921	10,805,204	7,260,780	3,484,190	10,744,970	7,598,920	3,792,074	11,390,994
Hectarage (in Hectares)									
- Mature	282,417	182,684	465,101	297,471	178,840	476,311	299,272	177,560	476,832
- Immature	31,737	25,365	57,102	29,279	25,397	54,676	29,831	24,636	54,467
Total planted hectares	314,154	208,049	522,203	326,750	204,237	530,987	329,103	202,196	531,299
FFB Yield per mature hectare	22.32	18.00	20.65	22.87	16.64	20.59	23.60	18.67	21.77
Mill Production (in MT)									
- Palm Oil (CPO)	1,488,515	872,716	2,361,231	1,531,216	782,219	2,313,435	1,569,393	843,853	2,413,246
- Palm Kernel (PK)	352,473	179,082	531,555	373,275	160,732	534,007	384,053	165,928	549,981
CPO Extraction Rate (%)	21.24	23.00	21.85	21.09	22.45	21.53	20.65	22.25	21.19
PK Extraction Rate (%)	5.03	4.72	4.92	5.14	4.61	4.97	5.05	4.38	4.83
Average selling prices (RM /tonne)									
- Palm Oil (before sales tax)	2,342	2,260	2,311	2,264	2,013	2,177	3,014	2,648	2,885
- Palm Kernel (before sales tax)	1,252	958	1,150	1,164	848	1,069	1,682	1,385	1,592
Cost of Production (per MT of Palm Products)									
- Estate Cost	745	879	790	796	877	821	633	650	641
- Mill Cost	191	166	181	195	152	181	188	134	170
Total	936	1,045	971	991	1,029	1,002	821	784	811
Rubber									
Planted area	8,419	-	8,419	8,649	-	8,649	9,050	427	9,477
Rubber production ('000kg)	10,646	-	10,646	11,084	88	11,172	12,600	294	12,894
Yield per mature hectare (kg)	1,554	-	1,554	1,481	234	1,421	1,631	690	1,582
Average selling price (RM / kg)	9.07	-	9.07	7.39	4.02	7.36	8.10	5.17	8.02

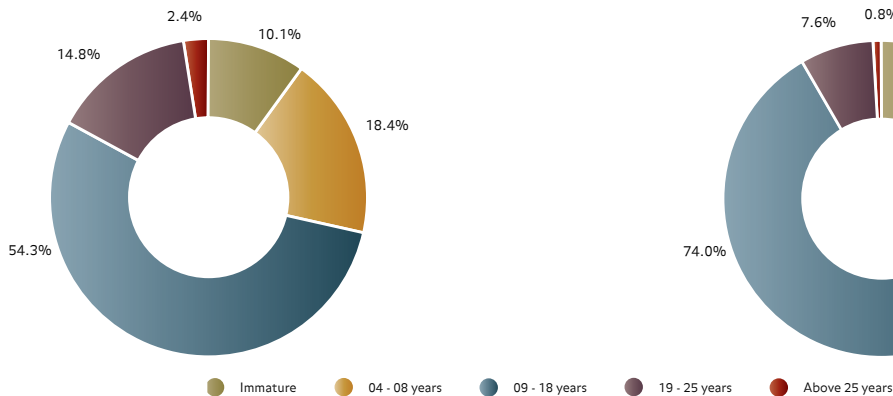
FFB YIELD BREAKDOWN BY REGION - MALAYSIA



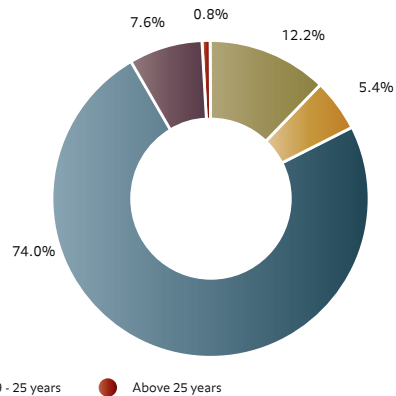
FFB YIELD BREAKDOWN BY REGION - INDONESIA



AGE PROFILE - MALAYSIA



AGE PROFILE - INDONESIA



PLANTATION UPSTREAM

For FY2009/2010, the Plantation Division improved its overall performance with profit before interest and tax increasing 23 percent compared to the previous financial year. This was primarily attributed to higher crude palm oil (CPO) prices, increased Fresh Fruit Bunch (FFB) production in Indonesia and the better performance of downstream operations.

The average CPO price improved by 6.2 percent to RM2,311 per metric tonne (MT) in the year under review from RM2,177 per MT previously. The average Palm Kernel (PK) price also increased by 7.6 percent to RM1,150 per MT, compared to RM1,069 per MT in the previous financial year.

PLANTATION MALAYSIA

Oil Palm

For the year under review, the planted area in Malaysia stood at 314,154 ha, of which 90 percent were mature areas. Plantation Malaysia's operations consist of 131 oil palm estates, 40 palm oil mills and 3 bulking installations spread across Peninsular Malaysia, Sabah and Sarawak. Four percent of the total landbank in Malaysia was replanted during the year, in line with the Company's standing replanting policy.

Malaysia's actual FFB production for the year under review stood at 6.56 million MT, or 67 percent of the Plantation Division's total FFB production for FY2009/2010. The average FFB yield per mature hectare declined 2.4 percent to 22.32 MT per mature hectare during the year under review against 22.87 MT per mature hectare in FY2008/2009. This was largely due to changes in weather pattern and crop trend as well as labour shortages.

Meanwhile, the increase in the oil extraction rate (OER) from 21.09 percent in the previous year to 21.24 percent in the year under review was largely attributed to six mills improving their OER above 22 percent and 17 mills sustaining their OER above 21 percent. The increase in the percentage of crop ripeness and crop quality also contributed to the increase in the OER.

Throughout FY2009/2010, the Malaysian operations continued vigorously with its agro-management efforts to improve FFB yields and OER despite unfavourable weather conditions and labour shortages. These included increased mechanisation to increase the coverage area for mechanised FFB evacuation and better efficiency in fertiliser application. The main objective is to reduce labour dependency in these areas of operations in view of the plantation industry's labour shortage of around 8 percent. Changes in weather patterns also continued to affect operations, as did biological stress in some areas.

The year under review saw the completion and commissioning of a new mill and the construction of two others:



Estates in Malaysia contributed 67 percent of the Division's total FFB production for FY2009/2010



Mills continued to be upgraded to improve efficiency in oil extraction

- Elphil Oil Mill, located in Slim River, Perak, was commissioned in May 2010. With a capacity of up to 45 tonnes per hour, it began commercial production in July 2010.
- Kok Foh Oil Mill, located in Bahau, Negeri Sembilan, has a capacity of up to 60 tonnes per hour. It is expected to be operational by October 2010.
- Sua Betong Oil Mill, located in Port Dickson, Negeri Sembilan, has a capacity of 60 tonnes per hour. It is scheduled to be operational by December 2010.

Also in the pipeline is the construction of a new mill in Pagoh, Johor. At the same time, the Plantation Division is also upgrading two other mills - Kerdau in Pahang and Pekaka in Sarawak - to improve their operational efficiencies.

Meanwhile, the Plantation Division's Green project to convert oil mill wastes (mill effluent and empty fruit bunches) into organic fertiliser or compost was expanded during the year under review as part of the Upstream Division's waste management initiatives. To date, three composting plants have been completed while 20 more are in the pipeline.

In addition to the composting plants, the Division is also embarking on another waste management project - the construction of biogas plants at the oil mills. These biogas plants will enable mills to convert methane gas,

produced through anaerobic activities in effluent ponds, into electricity. The electricity generated through biogas plants will be channelled back to the mills to power its operations and also for household use in the estates.

During the year under review, Plantation Upstream Malaysia also embarked on an organisational restructuring in a bid to improve productivity and operational efficiencies through better supervision. The Division also introduced a 'Workers' Incentive Scheme', aimed at motivating field workers to boost their productivity.

Rubber

Earnings from rubber operations for the year under review totalled RM54.1 million, of which RM45.9 million was from the estates and the rest from processing activities. The combined earnings resulted in a profit of RM8,114 per ha.

The improved contribution from rubber operations was mainly attributable to higher natural rubber (NR) prices which averaged RM9.07 per kg, on the back of an annual crop production of 1,554 kg per ha. NR prices, however, were quite volatile during the year under review, ranging from a low of RM5.13 per kg to a high of RM10.20 per kg.

The demand for NR will continue to grow in line with the favourable economic performance of China and India,

as well as higher prices of synthetic rubber arising from tighter supply of petroleum. World demand for NR is projected to grow between 2 percent and 4 percent per annum, while NR prices are expected to trade at their current levels in FY2010/2011. With higher yield forecasts, rubber operations are expected to improve their results for FY2010/2011.

The Plantation Division has instituted strategic plans for its rubber business, namely increasing landbank planted with rubber, both in Malaysia and abroad, and restructuring its midstream business.

PLANTATION INDONESIA

For the year under review, Plantation Indonesia's planted area totalled 208,049 ha, of which 88 percent or 182,684 ha were mature areas. Plantation Indonesia's operations consist of 69 estates, 23 palm oil mills and five bulking installations spread across Sumatera, Kalimantan and Sulawesi.

The Indonesian operations produced 3.28 million MT of FFB in FY2009/2010, a 10.2 percent increase compared to the previous financial year. The actual average yield per mature ha also increased by 7.93 percent to 18 MT.

The higher crop production and yield per mature hectare were primarily driven by stronger crop recovery as well as gradual achievement of the yield improvement initiatives implemented during the year under review and in previous years. The average yield for the year under review could have exceeded 18 MT per ha if not for crop losses due to prolonged floods in PT Guthrie Pecconina in South Sumatera.

Apart from the higher FFB production, the increase in both CPO and palm kernel production was also attributable to higher oil and kernel extraction rates. For the year under review, the OER improved to 23.00 percent from 22.45 percent previously while kernel extraction rate (KER) increased to 4.72 percent from 4.61 percent.

Of the 23 mills, 11 mills recorded an OER of more than 23 percent. Two mills in Central Kalimantan, namely Sekunyir and Sukamandang, recorded the highest average OER of 23.77 percent.

Three new palm oil mills are currently under construction as part of Plantation Indonesia's capacity building to cater for the expected increase in crop production by 4.5 million MT in the next three years. The 23 mills currently operating have also been upgraded to improve their milling capacity and operational efficiencies.

The year under review also saw Plantation Indonesia commencing its first replanting exercise on a 299-ha area in South Kalimantan and Aceh. It targets to implement an annual replanting exercise of approximately 4 percent of its planted areas in the coming years.



FFB yield in Indonesia increased by 10.2 percent last year



Mechanised crop evacuation being tested at Lavang Estate, Sarawak

Plantation Indonesia also reviewed its operational strategies to further improve its FFB yields, operational efficiencies and cost effectiveness. This includes, among others, expanding its planted landbank to over 250,000 ha in the next few years in a bid to achieve CPO production of more than 1.5 million MT.

PLANTATION LIBERIA

Sime Darby Plantation (Liberia) Inc. (SDPL) officially took over the ex-Guthrie Plantation Liberia operations on 1 January 2010 following the signing of the new concession agreement between Sime Darby and the Government of the Republic of Liberia on 30 April 2009. SDPL, Sime Darby Plantation's wholly owned subsidiary, will hold the concession for 63 years.

The Liberia project is divided into two operations:

- The existing rubber plantation, planted between 1956 and 1988, which covers 7,782 ha, and;
- The new concession area of about 220,000 ha located in four counties - Grand Cape Mount, Bomi, Bong and Gbarpolu.

Up to 30 June 2010, a total of 100 ha of land have been cleared for oil palm nursery sites.

A total of 187,000 germinated seeds were received and planted during the year under review. Plantation Liberia expects to have a nursery of 1 million seeds by October 2010, with the maiden field planting expected to commence in early 2011.

SDPL has provided employment to more than 2,000 people as well as physically upgraded facilities in the concession areas. Eventually, when the whole area is planted, it will provide employment for more than 30,000 Liberians. As part of its Corporate Social Responsibility (CSR) initiatives during the year under review, SDPL rehabilitated 15 school buildings including D8 Camp Junior School, Factory Camp Junior School, Malema Camp School and Mambo Camp School.

PLANTATION DOWNSTREAM

The year under review saw the Downstream Operations braving various challenges to improve its overall performance. These challenges included the moderating global recovery and the upward trend of CPO prices related to the supply/demand of downstream products. The spread between CPO and olein dropped 43.9 percent in FY2009/2010, which adversely impacted operating margins.

The Downstream business was also negatively exposed to the currency depreciation of developed nations, especially the 20 percent decline in the Euro and 7 percent drop in the US Dollar, against the Ringgit during FY2009/2010. This scenario had a negative impact on the Division's overseas income.



Local Liberian women being taught the correct way to plant germinated seeds at the nursery



Cooking oil being bottled at Sime Darby Jomalina

Despite these challenges, Plantation Downstream managed to turn around its operations to register a record profit which was the highest profit achieved by the sub-Division since the merger in 2007.

This performance was attributable to its success in stabilising its operations and strengthening its management processes, such as the revamp of standard operating procedures, integrated IT system and refinery advisory unit. The continuous market expansion, improvements in accounts management and a focus on branded and speciality products also contributed positively to the results.

Notwithstanding the commendable achievements to date, Downstream Operations' quest for optimal productivity and profitability across the value chain continues with new initiatives such as the Continuous Improvement and the Lean Six Sigma programmes. Synergies among business units involving cross-selling activities will continue to be aggressively implemented and monitored at all the refineries.

The year under review saw Downstream Operations embark on two major refinery constructions - one in Malaysia with a capacity of 2,000 MT/day and the other in Indonesia with a capacity of 2,500 MT/day. These facilities, once completed and operational, will change the Group's competitive landscape, add value to the Division's CPO production and strengthen its delivery process vis-à-vis its customers.

During the year under review, Downstream Operations also invested in the Middle East (Abu Dhabi) market and China. It also penetrated the oils and fats markets in Brazil and Pakistan and increased its sales in India. The Commodities Trading and Marketing Department, which provides trading and marketing assistance to the entire Group, facilitated in Plantation Downstream's entry into many of these new markets.

The year under review saw some of Plantation Downstream's business units receiving external recognition for their achievements, namely:

- Prime Minister's Hibiscus Award (Notable Performance in Environmental Performance) – awarded to Sime Darby Jomalina and Sime Darby Kempas, Malaysia
- Yum! KFC Malaysia Supplier of the Year 2009 – awarded to Sime Darby Jomalina, Malaysia
- MSOSH Award 2009 (GOLD CLASS 1) – awarded to Sime Darby Jomalina, Malaysia for good occupational safety and health performance
- BJC Foods' (Thailand) Good Performance Supplier Award 2009 – awarded to Morakot Industries, Thailand
- Cargill's Grade 'A' Supplier 2009 – awarded to Morakot Industries, Thailand

The Plantation Division will continue to look for opportunities globally to further expand its Downstream business as well as increase its capacity and capability. This will be achieved through collaborations with renowned strategic partners, and increased focus on innovation. R&D's Innovation Centres, which can cater to customised needs and develop new niche products to suit local tastes around the world, will augment this plan.



The new Alif and O'life brands

AGRIBUSINESS & FOOD

After two years of re-development and investments, the Agribusiness & Foods segment is now in a stronger position and poised to make further progress in its operations, which comprise corn farming and production and marketing of cooking oils and fruit juices.

Sime Darby Fresh Sdn Bhd

(formerly known as Sime Farm Sdn Bhd)

The company successfully stabilised the production of sweet corn at its farm in Bukit Tangga, Kedah while improving the yields and quality of the produce. Currently, Sime Darby Fresh's sweet corn is marketed as a fresh product. In September 2010, the company launched processed frozen corn kernel and cut cobs into the market. This will be followed by a new range of healthy corn kernel snacks by December 2010. The main market for these corn products will be the Gulf Cooperation Countries (GCC), where the demand for sweet corn is high.

The year under review also saw the intake of the first batch of agropreneurs for the Agropreneur Development Programme under the Northern Corridor Economic Region (NCER) initiative. The programme, targeted to produce 600 agropreneurs in five years, is in line with the Plantation Division's Corporate Social Responsibility (CSR) initiatives. The first batch of 19 agropreneurs completed their training and became Sime Darby Fresh's first contract farmers in July 2010. The second batch of 21 agropreneurs completed their training in October 2010.

Sime Darby Beverages Sdn Bhd

(formerly known as Golden Hope Food & Beverages Sdn Bhd)

The company's 500-hectare contiguous pink guava plantation in Sitiawan, Perak, which started its processing activities in March 2005, currently commands 15 percent of the world's pink guava puree market. The company targets to increase its global market share for pink guava puree to 25 percent by 2015.

From pink guava puree, Sime Darby Beverages has expanded its business to include the manufacturing of juices. To date, 15 percent of the total puree produced is processed into ready-to-drink (RTD) juices.

The puree produced by Sime Darby Beverages is accredited by Hazard Analysis & Critical Control Points (HACCP), International Organisation for Standardisation (ISO), Sure Global Fair/International Raw Material Assurance (SGF/IRMA) and is also certified as halal and kosher. Sime Darby Beverages, a winner of the National OSH Awards for three consecutive years, was again listed among the finalists for the 2009/2010 award.

Sime Darby Livestock Sdn Bhd

During the year under review, activities were centered on cattle sales and feeding at its feedlots in Selama, Perak. Meanwhile, its marketing efforts undertaken in the Klang Valley are slowly gaining results. To further improve turnover, the company is considering marketing higher value products such as cut beef.

Sime Darby Foods And Beverages Marketing Sdn Bhd

(formerly known as Sime Darby Foods Marketing Sdn Bhd)

The company, established to market and distribute the Division's finished agricultural products in the domestic and international retail markets, consolidated its strategies and direction for consumer packed products during the year under review.

The strategy began with the introduction of a new umbrella branding logo - Sime Darby Foods - for all its consumer food products. The new umbrella branding logo resulted in a more consumer-friendly product packaging while demonstrating Sime Darby's commitment to providing high quality products to consumers.

In line with its new strategic direction as a cooking oil specialist, the company launched two new brands for its palm olein and soft oil products. The palm olein was branded 'ALIF', while the soft oils comprising sunflower oil, corn oil, canola oil and soy oil were branded under 'O'LIFE'. Its marketing campaigns included television, radio and print advertisements.

Through a joint-venture initiative, the company began distributing new cooking sauces and easy-to-make desserts under the ALIF brand during the year under review. This move is expected to increase Sime Darby Foods' presence and visibility in retail outlets. To ensure product accessibility and availability to consumers, the company has engaged more than 33 distributors throughout Malaysia as well as the Saudi Arabian and UAE markets.

In June 2010, the company launched its first DELICO brand billboard in Jeddah and will continue to invest in advertising and promotional activities in the Middle East.

RESEARCH & DEVELOPMENT CENTRE

Sime Darby Research & Development Centre (R&D Centre) continued to fuel the progress and development of the Plantation and Agribusiness Division with research and innovation throughout the palm oil value chain as well as the agribusiness and foods section. For the year under review, R&D launched two new technologies - the Carey Island Oil Palm Yield Forecasting System (CIFOS) and pelletised compost - during its second R&D Day in January 2010. Also launched were five of Innovation Centre's tailor-made products developed for the clients of Plantation Downstream operations worldwide.

Agronomy

The primary focus for R&D will continue to be centered on FFB yield improvements for both Malaysian and Indonesian plantations through various best developed, sustainable and precision agricultural practices. The plans are to achieve FFB yields of between 25 MT and 30 MT per hectare over the next few years.

Studies on Focal Feeding techniques, an innovative concept of supplying nutrients to a sufficient amount of roots at specific and permanent points in the field, continued



A selection of the food products marketed under Sime Darby Foods and Beverages Marketing Sdn Bhd

during the year under review. The development of Sime Darby Compacted Slow Release Fertiliser (SDCSRF) also continued. It is designed to release nutrients at a slower rate, resulting in better nutrient uptake efficiency, and longer usage period which reduces application rounds. Small-scale trials have shown promising results and semi-commercial evaluation will be conducted to determine the feasibility of SDCSRF prior to commercialisation.

The Agronomy Unit also continued with its study on binder/coating agents to enable the Group to develop a suitable SDCSRF formulation that can function well under different types of soil and weather conditions.

Crop Protection

Similarly, extensive sampling and screening of microorganisms from oil palm rhizosphere allowed the R&D Centre to produce five effective microbes that showed some potential in Ganoderma disease bio-control in the nurseries and in the field.

A conidia formulation of Metarhizium was developed and successfully produced for field spraying to control rhinoceros beetle population. The technology is currently ready for field application.

An improved formulation of Arbuscular mycorrhizal fungi (AMF) product containing five identified species of AMF fungi - *Glomus clarum*, *Glomus manihotis*, *Acaulospora tuberculata*, *Kuklospora colombiana* and *Paraglomus sp.* - were successfully produced. The application of AMF to oil palm seedlings has shown growth enhancement and prophylactic ability against Ganoderma infection.

The year under review also saw a significant improvement in the mass rearing technique of insect predators of leaf-eating pests. More than 10,000 asopin bugs are now able to be produced every month at the insectary in Banting, Selangor and Bombalai in Sabah. This allows strategic release of these predators to suppress the population of leaf-eating pests in oil palm estates.

During the year under review, 15 pairs of the barn owl (*Tyto alba*) species from Peninsular Malaysia were sent to Sabah to start a nucleus population for the breeding and establishment of barn owls in the state. This biological rat control programme will enable estates in Sabah to gradually reduce the usage of chemical rodenticides.

Quantum Leap

Sime Darby Quantum Leap is entrusted with developing cutting edge solutions mainly through the use of biotechnology related tools, focussing not only on oil palm research and development but also on creating new businesses. The approach employed in Quantum Leap revolves around establishing high technology platforms to examine and apply information derived from the oil palm genome to develop improved planting materials.

The Seed R&D Centre was tasked to evaluate the feasibility of using a variety of crop seeds from other countries for plant breeding purposes in Malaysia.

Quantum Leap, in line with Sime Darby R&D Centre's vision of converting 'Waste-to Wealth', is currently pursuing the feasibility of producing mannose from palm kernel cake (PKC). Ongoing studies on the effectiveness of physical and chemical pre-treatments on PKC prior to further enzymatic hydrolysis were also undertaken.

Biotechnology

In the year under review, research was carried out to improve the efficiency of clonal palm production by increasing the regeneration rate via media customisation and liquid cultures. Efforts were also made to develop a biomarker for abnormality, to ensure only normal and quality clones are produced and planted. Planted clonal palms are closely monitored by the clonal task force while field maintenance is frequently conducted to ensure the desired traits are obtained.

Between 2006 and early 2010, Sime Darby Biotech Laboratories Sdn Bhd's laboratories in Port Dickson, Negeri Sembilan and Banting, Selangor produced more than 475,000 clonal palms that were planted on 3,329 ha of land in 26 locations in 19 estates. The two laboratories have a combined production capacity of 500,000 clonal palms a year.

Breeding

During the year under review, breeding and selection were expanded to include the utilisation of marker assisted selection techniques utilising molecular markers (such as Restriction Fragment Length Polymorphism, Random Amplified Polymorphic DNA, Amplified Fragment Length Polymorphism) and microsatellite markers (such as Simple Sequence Repeat markers and Single Nucleotide Polymorphism). The molecular marker technology can assist in achieving more precise selection and breeding processes.

Processing & Engineering (P&E)

P&E continued to collaborate with specialist partners during the year under review with a view to making more progress in the field. Partnering with the Standards and Industrial Research Institute Malaysia (SIRIM), R&D Centre secured RM6 million in funding from the Ministry of Science, Technology and Innovation to carry out two new development projects, namely the 'Production of Natural-gas like Biomethane' and 'Biofilter Tower for Odour Control'.

The new Chemical Laboratory in Bintulu, Sarawak was completed and commissioned and became fully operational in March 2010. The laboratory supports all routine research and analytical testing needs in Sarawak.

Oils & Fats/Oleochemicals/Innovation Centres (ICs)

The production of palm-based anti-obesity diacylglycerol (DAG) fat took centre stage at the R&D Oils & Fats Department during the year under review. The pre-clinical and clinical study to validate the anti-obesity effect of palm-based DAG was initiated in October 2009 in collaboration with Universiti Putra Malaysia and Maastricht University of the Netherlands.



Production of DAG oil was the focus of the Oils & Fats R&D Department



Research to improve efficiency in clonal palm production was carried out in the year

A pilot plant with a capacity of 5 MT/day will be installed at Sime Darby Bioganic Sdn Bhd upon the completion of the market study, currently being conducted with Sime Darby Food and Beverages Marketing Sdn Bhd.

Oils & Fats Department is also developing cost-effective technology to produce high triacylglycerol (TAG) oil. High triacylglycerol oil is highly beneficial in providing consistent processing conditions for the production of high quality palm oil and has the potential of replacing the Jomalina Guaranteed Quality (JGQ) palm oil, currently produced from premium quality crude palm oil (PQ CPO).

The oleochemicals research conducted in the year under review focused on the process and utilisation of basic oleochemicals and derivatives. The conversion of methyl ester sulphonate (MES) paste into powder was one of the main activities.

Research on the conversion of palm by-products into animal feed and esterquats also took place during the year under review. The development of various personal care products (PCP) using palm tocotrienol has been successful, and these products are being commercialised through Sime Darby Bioganic Sdn Bhd.

The year under review saw the three Innovation Centres (ICs) – IC Asia, IC Europe and IC Africa – successfully develop 28 new or significantly improved products worth RM12.7 million.

A Food and Agribusiness Innovation Centre (FABIC) was created during the year under review, in line with the marketing strategy of the Agribusiness and Foods Division to undertake research and development on new food products that meet customers' changing needs. Research and development of various types of pink guava-based juices, cooking sauces and corn products, were initiated by FABIC during the year.

Sime Darby Seeds and Agricultural Services (SDSAS)

For the year under review, SDSAS produced and marketed a total of 23.4 million oil palm seeds and seedlings for internal use as well as for sales to local clients. This included the shipment of the first batch of seeds to the Group's Liberian operations in April 2010. SDSAS' agronomists made 137 agronomic and planting advisory visits to 41 external estates, covering a total of 226,000 ha and 72,000 ha, respectively.

SDSAS is currently the leader in oil palm seeds and seedling production and marketing in Malaysia.

Technology Transfer and Advisory Services (TTAS)

During the year under review, TTAS provided agronomic and fertiliser recommendation services to 122 oil palm and seven rubber estates belonging to Sime Darby and external clients in Malaysia, covering an area of 299,164 ha. TTAS personnel were also involved in agro-technical feasibility studies for agricultural land development in Sarawak, Indonesia, and Cambodia.

During the same review period, leaf sampling was carried out on an area totalling 245,206 ha, and the sampling team collected 7,710 samples from this exercise. In addition, comprehensive training on agronomic practices,



Three Innovation Centres successfully developed new or significantly improved products for their clients



Sime Darby Seeds and Agricultural Services made it to the top spot as the producer of oil palm seeds and seedlings in the year reviewed

management of pests, disease, water and nursery as well as nursery-stage oil palm culling practices were conducted for more than 180 personnel from the Plantation Division. TTAS also conducted a review on the Sime Darby Agricultural Reference Manual (ARM) for oil palm cultivation and management during the year under review.

Testing of the Carey Island Oil Palm Yield Forecasting System (CIFOS) using remote sensing to predict oil palm yield was carried out on Carey Island and the Ulu Remis Estates. Achieving a commendable forecast accuracy rate of between 97 percent and 99 percent, the system will be replicated at other group estates by 2011.

SYNERGY VALUE INITIATIVES

The Plantation Division continued with its implementation of the various Synergy Value initiatives undertaken in the previous financial year. The synergy initiatives were:-

- T1 : **Optimising 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 : **Consolidating Estate Management**
The 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 : Improving Mills Maintenance

A Total Productive Maintenance (TPM) programme that drives preventive maintenance programmes, contractor management and spare parts inventory to cut costs and reduce breakdown hours.

T4 : Optimising Fertiliser Cost

To achieve economies of scale in fertiliser purchase through centralised procurement and adoption of best practices in fertiliser application at all estates.

T5 : Optimising Margins Across Value Chain

A comprehensive approach that looks into third party FFB purchases, refinery utilisation, production of 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 internal commodity trading capability in Indonesia to gain international market access.

T6 : Consolidating R&D and Other Agribusiness

Consolidation of R&D facilities and premium seed business to reduce operating costs to maximise margins.

T7 : Procurement Initiative

Leveraging on large-scale purchases of agrochemicals, petroleum products, tools and machinery through centralised procurement efforts to achieve cost efficiency.

T8 : Adopting Best Practices in Estate Management

Adoption of 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 : Adopting Best Practices in Mill Management

Adoption of comprehensive best practices in key process areas to improve palm oil and palm kernel extraction rates. This includes delivery coordination, loose fruit quantification & collection, ripeness and freshness standards.

T10 : Realising Indonesia's Full Potential

Review of business plan, best practices, procurement & 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 Division continued to implement and monitor these 10 initiatives closely to ensure the integration, coordination and alignment of the palm oil value chain to achieve continuous productivity and operational efficiency.

Internal and External auditors were engaged to perform certain agreed upon procedures to verify the data input used in all models to ensure the accuracy, consistency and completeness in the tracking and reporting process.

The Division's ability to realise the fruits of the merger has contributed significantly to the overall synergy value achievement for the Group.

RSPO DEVELOPMENT AND IMPLEMENTATION

During the year under review, the Plantation Division succeeded in getting all 39 Strategic Operating Units (SOUs) in Malaysia assessed by external certification bodies. It is now pending certification by the Roundtable on Sustainable Palm Oil (RSPO) Executive Board. During the same period, eight new SOUs were certified by the RSPO, bringing the total number of Sime Darby's RSPO-certified SOUs to 13.

The 13 RSPO-certified SOUs have the capacity to produce 415,000 MT of Sustainable CPO (SCPO) and 106,000 MT of Sustainable PKO (SPKO). In the year under review, the Group sold some 217,000 MT of both SCPO and SPKO, of which 95 percent were via certificate sales while the balance through the physical shipment of SCPO.



The inaugural shipment of the Group's SCPO to Europe was made on 6 July 2010

Meanwhile, three SOUs in Indonesia were assessed by external certification bodies. The Division aims to get all of its SOUs in Indonesia assessed by external certification bodies by end-June 2011.

As a co-founding member of the RSPO, Sime Darby Plantation will continuously seek to advance the production, procurement and use of sustainable palm oil products. This is achieved through the development, implementation and verification of credible global sustainable standards, and engagement of stakeholders along the supply chain.

During the year under review, Sime Darby Plantation also embarked on the RSPO Supply Chain Certification System (SCCS) for downstream operations, which is a continuation of the RSPO certification process for the trading and marketing of Certified Sustainable Palm Oil (CSPO). The SCCS is supported by an internal RSPO IT Online System that enables CPO traceability to be conducted along the supply chain.

Compliance to Laws and Regulation

Sime Darby Plantation also adheres to the New Planting Procedures as stipulated under the RSPO. It is to ensure that Social and Environmental Impact Assessment processes, which includes High Conservation Value Assessment and Social Impact Assessment, are carried out by accredited experts prior to any development. No new planting will commence until relevant approvals from appropriate Government agencies are obtained and after public consultations have been undertaken.

As a Malaysian multinational, Sime Darby will fully comply with the Malaysian Government's legislation pertaining to virgin forests where 60 percent of all land in Malaysia has been reserved as rainforests.

The Group has adopted strict policies and guidelines for planting, specifically, no clearing of new land and no application of the slash-and-burn method of planting. Smallholders supplying to the Group must adhere to these regulations. Sime Darby has also developed guidelines pertaining to environmental conservation and biodiversity enhancement.

Environmental Management and Best Practices Peatland

Sime Darby avoids new planting on any form of peat soil. This is clearly spelled out in its Sustainable Plantation Management System (SPMS).

In order to ensure that oil palm planted on peat soil in the past continue to be sustainable, Sime Darby Plantation has undertaken these measures:

- i. Ensuring continuous maintenance of water management through proper water gates and spillways. The key to this operation is maintaining water levels in peat areas at 60-75cm below the surface to minimise accelerated decomposition of dried peat and the accompanying massive release of carbon as well as minimising fire risks.



Six new biogas projects have been earmarked for implementation to reduce Green House Gas emission

- ii. The Group is working with RSPO to develop effective measures for the management of riparian areas in all its plantations in Malaysia, Indonesia and Africa. This is perceived to be a challenging area involving both biodiversity and social issues and involves the identification, demarcation and management of riparian buffer zones to ensure a harmonic balance between oil palm and its surrounding nature.

Green House Gas Emission Reductions

Sime Darby Plantation's internal commitment is to reduce Green House Gas (GHG) emissions by 20 percent per unit Gross Domestic Product (GDP) below 2005 levels by 2015. This commitment is also in support of the Government's aim to reduce 40 percent of GHG emissions by 2020 and to adopt sustainable technologies and practices that will benefit the country and society at large.

Total Quality And Environmental Management (TQEM) Plantation has set up its internal Green Technology Team equipped with the relevant expertise to achieve the above commitment. It is currently reducing methane emissions from palm oil mill effluent through entrapment and avoidance processes. The entrapment process is via biogas plants while the avoidance process is through composting.

Currently, Sime Darby Plantation has earmarked 23 of its mills for composting projects and 6 for biogas projects. Five Clean Development Mechanism projects in five oil mills have been registered with the United Nations Framework Convention on Climate Change (UNFCCC). These are the Pekaka, Lavang, Merotai, Melalap, and Kerdau mills.

Other initiatives to reduce GHG emissions include renewable energy and environmental improvement projects such as sustainable biomass, 3R (Reuse, Reduce, Recycle) programme and monitoring of the Mill Effluent System with Biological Oxygen Demand (BOD) < 20ppm.

Social Management and Enhancement

As part of the requirements under the RSPO Certification System standards, Sime Darby embarked on the formulation of the Gender and Social policies to safeguard the welfare of its plantation workers and employees. A Gender Committee was established in each operating unit to assist women workers address their issues over and above providing training on plantation safety and health, women's rights and other pertinent national and international issues.

The year under review also saw the formulation of the Child Protection Policy to safeguard the welfare and rights of the workers' children.

Social and Environmental Impact Assessment (SEIA)

During the year under review, the TQEM Department conducted various Social and Environmental Impact Assessments (SEIA) at proposed new project sites including a 10,000 ha area in Liberia. These SEIA went through vigorous verifications by the TQEM Department and the reports are currently undergoing inspection and/or approvals by the respective environmental protection and RSPO authorities.

High Conservation Value (HCV) Assessment at Indonesian Operations

During the year under review, Sime Darby Plantation engaged independent High Conservation Value (HCV) assessors to conduct HCV Assessments for its entire Indonesian operations. The total areas designated for protection and enhancement under HCV in both the old and new planting areas are expected to be finalised by end of December 2010.

Occupational Safety and Health

For the year under review, the Plantation Division continued to implement its safety and health management programmes in all its Upstream and Downstream Operations. This is to provide the necessary safety protection and medical care so that its employees can work safely in a healthy environment. Occupational accidents continued to be minimal, with some mills (including Kalumpong) achieving 1 million accident-free working hours.



Female estate workers are trained to be Gender Committee members



The wearing of Personal Protective Equipment is mandatory for workers when conducting certain field jobs such as spraying

OPERATIONS REVIEW - PROPERTY

OVERVIEW

Sime Darby Property (SDP), one of the biggest property companies in Malaysia, is a diversified property player with interests in property development, property investment, asset management, hospitality and leisure businesses.

Although its main operations are located in Malaysia, the Division has international footprints in property related businesses in the Asia-Pacific region, namely Singapore, Australia, Vietnam and China.

SDP has over 40 years of experience in developing townships across Malaysia. In achieving its vision to become Malaysia's premier community developer, SDP combines the best of residential, commercial and retail concepts whilst providing higher standards of convenience, security and quality to its customers.

In 2009, SDP was ranked the No. 1 Property Company in Malaysia when it won The Edge Top Property Developers Award, putting it at the pedestal of the country's competitive property industry. During the year under review, SDP also won Malaysia's Most Valuable Brands Awards (MMVB) for the third consecutive year in the Property and Infrastructure category; the Gold Award in the inaugural 'Putra Brands Awards' and was selected the 2010 Frost & Sullivan Malaysian Green Builder of the Year.

The Division recorded a profit before interest and tax (PBIT) of RM493 million, of which 83 percent was contributed by property development and the rest by other segments. This was a 7 percent improvement over the previous year despite a modest growth for Malaysia's property industry in 2009.

MERGER SYNERGIES

In FY2009/2010, the Division recorded RM95 million in synergy savings which surpassed the merger synergy target by 12 percent. Cumulatively, the Division recorded 38 percent higher than the three-year synergy savings target set in 2007 at the time of merger of Sime Darby, Golden Hope and Guthrie.

The merger in November 2007 has created both cost and revenue synergies for the Property Division of the Group. Synergy savings were derived from price optimisation from contractors and consultants, best costing practices, reduction in variation orders and improvement in pricing structure.



Minister of Home Affairs, YB Dato' Seri Hishammuddin Tun Hussein, launches Ara Damansara's 'Safe City Initiatives'



Seri Pilmoor in Ara Damansara features 120-foot wide frontage and water treadmill Jacuzzi at its rooftop pavilion

TOWNSHIP OPERATIONS

Ara Damansara

Ara Hill, which was launched in November 2007, has recorded a 99 percent take-up rate to date. A total of 218 units in Phase 1 were completed and progressively handed over to purchasers.

During the year under review, the Division saw the launch of another prestigious project, Seri Pilmoor, in March 2010. The gated residential enclave comprises 34 units of semi-detached homes and 74 bungalows.

The semi-detached homes, with built-up areas ranging from 4,618 sq ft to 4,628 sq ft, were priced between RM2.8 million and RM3 million. All the units were sold out during the weekend launch.

The bungalows, which have built-up areas ranging from 6,544 sq ft to 8,310 sq ft and priced from RM4.4 million onwards, also recorded encouraging sales with a take-up rate of 50 percent to date.

To improve the quality of the living environment in the Ara Damansara township, Sime Darby Property launched 'Ara Damansara Safe City Initiative' during the year under review. The initiative, aimed at creating a safer living environment for the community, saw the setting up of 22 units of solar-powered Closed Circuit Televisions (CCTV) as well as the donation of two units of patrol cars and a police station to the Royal Malaysian Police.

The Division's future development plans in Ara Damansara include a Community Square comprising retail and shop offices, Small Office/Home Office (SOHO) units and super high-end executive suites.

Putra Heights

During the year under review, the Division launched Royale Palm Villas I (two and three-storey zero lot villas) and Royale Palm Villas II (two and two and a half-storey zero lot villas). All of the units, targeting mainly high income earners, have been snapped up.

Another signature project in the pipeline is The Glades, a new gated and guarded low-density stratified development set within a 58-acre site. The mixed residential development consists of 80 units of bungalows, 48 units of semi-detached cluster villas, 56 units of superlink courtyard villas, 78 units of cluster homes (townhouses) and 2 blocks of condominiums.

A precinct of its own, The Glades is envisaged to be a premier self-contained development within the Putra

Heights township, equipped with commercial amenities, swimming pool, tennis courts and other clubhouse facilities for its residents.

USJ Heights

USJ Heights is an exclusive guarded residential development in Subang Jaya's last remaining piece of prime freehold land totaling 150 acres. It is much sought after for its mix of architectural types, high-end finishing, exceptional security features and proximity to Subang Jaya's bustling retail, commercial, education and recreational centres.

The mixed residential development, when completed, will comprise 750 units of double-storey and 2-storey designer homes based on six thematic gardens.

A total of 363 units, comprising a mixture of two-storey and two-and-a half-storey zero lot bungalows, were launched during the year under review. The sale of these new units was encouraging with an average take-up rate of 76 percent within three months of their launch. A total of 83 units of double-storey and 2-storey link houses called 'Kayangan Putra' were handed over to purchasers in July 2010.

Total turnover and gross profit achieved for the year under review were RM120 million and RM25 million, respectively.

Bukit Jelutong

Bukit Jelutong, an award winning property development located to the north of Shah Alam, received overwhelming response for its Pesona 1, 2, 3 homes when all of the 68 units on offer were snapped up. The semi-detached homes were priced from RM1.5 million to RM3.4 million.

During the year under review, all 18 bungalow lots of The Enclave, with prices ranging from RM2.2 million to RM5.2 million, were taken up while 85 percent of D'Vida (two and three-storey commercial units), with prices ranging from RM300,000 to RM 2.6 million, were sold.

The Division handed over 38 units of Pesona 1 semi-detached homes and 18 units of Saujana bungalow lots to purchasers in October 2009. A turnover of RM397 million and a gross profit of RM212 million were achieved by this property development for FY2009/2010.

Bukit Jelutong, spread over 2,205 acres of prime freehold land, is nearing full completion with 90 percent of its land developed. Its future development is the Bukit Jelutong Commercial Center (BJCC), an iconic commercial and lifestyle centre comprising a regional shopping center, mixed retail offices, a lifestyle center, residential and office units as its major components.

The Division expects to obtain planning approval for BJCC by December 2010. BJCC will be developed in stages over 15 years with an estimated gross development value of RM3.2 billion.



The Glades is set to become the first exclusive gated and guarded residences in Putra Heights

Denai Alam

The award-winning Denai Alam, inspired by the traditional Malay kampung that stresses on communal living in a modern neighbourhood, saw an impressive average take-up rate of 80 percent within two months of its re-launch.

During the year under review, a total of 351 units were sold, registering sales values of RM220 million. The development enjoys multiple access via the Guthrie Corridor Expressway, Jalan Batu Tiga - Sg. Buloh, North Klang Valley Expressway (NKVE), Federal Highway, Shah Alam Expressway and the proposed New NKVE.

Bandar Bukit Raja

Bandar Bukit Raja, first developed in August 2002 and spanning over 1,683 acres (Stage 1), has to date launched a total of 4,157 units of residential and commercial development and attracted over 10,000 residents.

During the year under review, three phases of double-storey link houses totaling 313 units were launched. Encouraging sales were recorded with an average take-up rate of 65 percent within three months of the launch.

Meanwhile, 364 units of single-storey and 70 units of double-storey link homes were completed and handed over to purchasers in FY2009/2010.

This development recorded a turnover and gross profit of RM195.9 million and RM49.9 million respectively, for FY2009/2010.

Melawati

Melawati Township, a fully mature 1,200-acre property development comprising Taman Melawati, Desa Melawati and Wangsa Melawati, opened for sale 94 units (Block B) of 3 Residen condominium, 240 units of Gaya Apartments and 52 units of Gaya Shops during the year under review.

Sales for the Gaya Apartments were encouraging, garnering an average take-up rate of 85 percent within three months of the launch. The Division achieved a turnover and gross profit of RM100.2 million and RM27.9 million, respectively, in FY2009/2010 for this township.

Nilai

During the year under review, 26 units of double-storey detached houses were handed over to homebuyers. Two phases of double-storey link houses totalling 108 units and 73 units of double-storey semi-detached homes were also successfully completed.

New launches during the financial year under review included Wayan Sari (44 units of double-storey semi-detached homes) and 42 units of Impian Avenue double-storey shop offices.

For FY2009/2010, the Division recorded a revenue of RM101 million and a gross profit of RM38 million for the Nilai township.



3 Residen creates an 'energetic and modern lifestyle' based on an urban and contemporary theme that focuses on simplicity and lightness



A view of hole #15 of the award winning Kuala Lumpur Golf and Country Club which hosted the inaugural Sime Darby LPGA 2010

HOSPITALITY AND LEISURE

Malaysia

During the year under review, PNB Darby Park Executive Suites achieved an occupancy rate of 73 percent, slightly lower than the previous year mainly due to an oversupply of rooms in the market. Its deluxe rooms are scheduled to undergo renovations to enable PNB Darby Park Executive Suites to remain competitive in the market.

In 2009, PNB Darby Park Executive Suites was awarded the 'Best Hotel Apartment 2009' by *Libur/Karangkrak* magazine and 'One of Malaysia's Best Restaurants' by *Malaysia Tatler* magazine.

Sime Darby Convention Centre (SDCC), meanwhile, continued to exceed expectations, surpassing the previous year's performance. Banquets contributed 76 percent of total revenue, with the majority of events coming from seminars and social events. During the year under review, *China Treasures* re-opened after expansion and renovation works were completed, adding an open kitchen and several private rooms.

Following its tremendous success, the management opened a new *China Treasures* restaurant specialising in steamboat and seafood at the Kuala Lumpur Golf & Country Club in March 2010.

Singapore

The occupancy rate for Darby Park Executive Suites improved to 78 percent against 71 percent in the previous year due to the better economic climate and the opening of two integrated resorts in Singapore. In the current financial year, demand for serviced apartments is expected to improve while room rates are expected to increase further.

Australia

In FY2009/2010, Quest Subiaco achieved an occupancy rate of 78 percent, a decline from the previous year due to the decline in domestic travel. There was a significant increase in the number of outbound Western Australian travellers as a result of the strong Australian dollar and the availability of low-cost holidays in Bali and other destinations in the Asia-Pacific region.

Notwithstanding unfavourable market conditions, the Australian operations still managed to register a 6 percent increase in room rates against targets, with the average room rate (ARR) surpassing the budgeted figure by 5 percent. Demand was generally lower but is expected to improve in the coming year in line with the revival of corporate business. Refurbishment of rooms, carried out during the year, will support increased room rates in FY2010/2011.

In conjunction with the Hospitality sub-division's rebranding strategy, the process to rebrand both properties as Darby Park Serviced Residences took place during the financial year under review. In July 2010, Quest

Subiaco was rebranded as Darby Park Serviced Residences, Subiaco while Quest Margaret River as Darby Park Serviced Residences, Margaret River.

Vietnam

During the year under review, Rangdong Orange Court maintained a similar occupancy rate as the previous year but room rates improved by 5 percent. Randong Orange Court, located in Vung Tau and catering primarily to the oil and gas industry, managed to retain its leading position both in ARR and occupancy rates.

ASSET MANAGEMENT

The Bayuemas Cricket Club and Indoor Bowls stadium in Kota Bayuemas, Klang will be upgraded with new facilities such as an indoor cricket stadium, media/television towers, floodlights and a lawn bowl academy. With the addition of these new facilities, the complex is set to become a premier international venue for the respective sports.

SIME DARBY VISION VALLEY

Sime Darby Vision Valley (Vision Valley) is a master development project within the KL Conurbation area, covering 1.2 million acres and stretching from Kuala Selangor in the north to Seremban and Port Dickson in the south. Sime Darby owns 126,000 acres of land within this area, of which 80,000 acres have been planned for the project.

It is part of the Group's efforts to maximise shareholder value by enhancing the value of its landbank. A long-term project, this development is estimated to take 20 years to complete and will be developed in phases involving six strategic clusters: Sports; Healthcare & Wellness; Entertainment & Leisure; Aviation, Maintenance, Repair and Overhaul (MRO); Retail; and Green Experimental clusters. These clusters will be developed based on demand. However, catalyst projects and partnerships with strategic investors, both domestic and foreign, will serve to boost demand in the area.

The Vision Valley development has been included as one of the key elements in the development of 'Greater Kuala Lumpur', which is classified as one of the 12 NKEA (National Key Economic Areas) under the 10th Malaysia Plan. It will be one of the major socio-economic drivers and catalysts to transform Greater Kuala Lumpur, comprising Kuala Lumpur and its satellite cities, into a world class city. The development is in line with the Government's New Economic Model which emphasises higher income economy, sustainability and inclusiveness.

Partnerships with key consultants and expert sector leaders have led to intensive research, workshops, brainstorming sessions and feasibility studies to ensure the success of this project. The master development will provide an opportunity for interested regional and global investors to take part in Vision Valley's long-term vision, to be at the forefront of urban regeneration and to act as a catalyst for sustainable community development within the context of Kuala Lumpur's urban growth.



Rendered image of an aerial view of the Sime Darby Vision Valley development

The development, as a whole, entails the regeneration of existing development and the unlocking of potential landbank for development. The key driver in unlocking the greenfield land value is through establishing strategic clusters. These strategic clusters will serve as a platform to attract catalyst projects to spur the socio-economic growth of the area as well as the nation.

In addressing the 'inclusiveness' pillar under the New Economic Model and 1 Malaysia concept, Vision Valley will also develop a 'Bandar 1 Malaysia' which focuses on affordable housing.

STRATEGIC INVESTMENTS & INTERNATIONAL BUSINESS

Malaysia

The Oasis Square project, a mixed commercial-service apartment development on a 15.78-acre plot of freehold land in Ara Damansara, is being developed by Sime Darby Brunsfield Holding Sdn Bhd. This joint-venture project will feature corporate offices, office suites, retail lots, serviced apartments and F&B outlets. Oasis Square has been meticulously planned to dynamically integrate business, living, retail and entertainment elements.

Phase 1 – The Capital, consisting of 288 sold-out units of strata shops and office suites, was completed and handed over to purchasers during the year under review.

Phase 2 – The Oasis Service Apartments, launched during the previous financial year, received overwhelming response. All the 326 units launched were sold as at end-June 2010.

Phase 3 – 2 blocks (C&D) of 10- 12 storey strata shop offices were launched. By end of FY2009/2010, 85 percent of the 230 units launched were sold.

China

The Property Division made its first foray into property development in China in October 2009 with the development of the Damei Waterfront, a 1,053 mu (the Chinese equivalent of 174 acres) project situated within the Binhai Economic Development Area in the Shandong province. The initial phase involves the development of 280 units of residential apartments and commercial units. The project will take about 8 years to complete.

Singapore

Sime Darby Business Centre secured two major tenants during the year under review, occupying 64 percent of the building's total space. One of the tenants leased 51,229 sq ft of space for a motor showroom and workshop operations while the other took up 37,905 sq ft of office and workshop space to carry out research and development work on environmental pollution control treatment systems.



Artist's impression of the bird's eye view of the 1,053mu development in Weifang, China



Sime Darby Property is the first developer in Malaysia to partner with Construction Industry Development Board (CIDB) to train in-house assessors based on the CONQUAS System

TOTAL QUALITY ENVIRONMENTAL MANAGEMENT

QESH Management System Certification

On 10 July 2009, SDP became the first Property Developer in Malaysia to possess the integrated Quality, Environment, Safety and Health (QESH) Management System. Its QESH Management System has been certified and recognised by SIRIM QAS International Sdn Bhd as complying with four internationally recognised standards, namely ISO 9001:2008; ISO 14001: 2004; OHSAS 18001: 2007 and MS 1722:2005, Part 1.

The objective of having an Integrated Management System is to establish a continuous improvement platform to deliver highest quality products and services, prevent environmental pollution from its activities and protect the safety and health of the company's employees as well as its business associates.

Cost Savings Through Lean Six Sigma

A total of 25 Champions, 12 Black Belts and 17 Green Belts were trained under the company's inaugural Lean Six Sigma Programme. A total of 12 Lean Six Sigma projects were started in November 2009, and the company achieved a savings of RM24 million upon completion of these projects in September 2010.

Sustainability Blueprint For Property Division

In November 2009, SDP's Sustainability Blueprint was approved by the Management. This overall master plan serves as a guide and sets out its sustainability objectives as per the Charter 2020 goals, and provides a roadmap towards achieving these goals.



The Sime Darby Idea House in Denai Alam is a socially, economically, and environmentally responsive prototype dwelling that will provide an insight into future tropical living

RESEARCH & DEVELOPMENT INNOVATION (R&DI)

The Sime Darby Idea House

During the year under review, the R&DI department created a prototype - The Sime Darby Idea House - a socially, economically and environmentally responsive prototype dwelling that would provide an insight into future tropical living. It showcases the latest concepts in sustainable architecture in the Division's quest to set up the first carbon-neutral residence in Southeast Asia.

Conceived as a test bed for new ideas, The Idea House is a collaborative initiative among the world's leading technology and solutions providers, comprising architects, engineers, landscape designers, urbanists, contractors and suppliers. The collaboration brings together some of the best innovations, solutions and technology available from these companies to improve energy efficiency in homes and reduce the consumption of limited resources.

During the year under review, the Sime Darby Idea House received the Cityscape Best Developer award in the Green Development (Future) Category from Cityscape Singapore.

OPERATIONS REVIEW - INDUSTRIAL

OVERVIEW

Despite operating in a challenging environment, the Industrial Division performed commendably during FY2009/2010. In the first half of the financial year under review, the global financial crisis affected performance which resulted in a significant reduction in new equipment orders in all markets except China.

During the second half of the year under review, business started to improve but still far from the level experienced before the downturn. With customers facing limited access to capital, the Division's used equipment and rental offering proved to be successful in most regions, generating higher sales and sound returns. Accordingly, the Industrial Division's focus on product support and after-sales service also proved to be successful, resulting in improved sales and profits.

MALAYSIA

A stronger-than-expected recovery during the year under review, reflecting the expansionary effects of the stimulus package implemented by the Government to mitigate the impact of the global recession on the Malaysian economy, buoyed domestic demand and certain economic activities especially the construction sector. As a result, the year under review saw increased demand for Caterpillar equipment from the construction sector.

Demand for Caterpillar equipment in the traditional logging sector remained flat on the back of depressed export markets to Japan and the United States.

The Caterpillar business was able to record satisfactory performance during the year under review due to stronger parts and service sales to oil & gas and marine industries. The long-term maintenance agreements with customers continued to help in maintaining steady growth in parts and services revenue. However, demand for Caterpillar engines and generator sets in the oil & gas and marine industries was sluggish due to lower demand from new construction activities.

In the plantation sector, high crude palm oil prices and mechanisation efforts by several major plantation companies to mitigate the acute labour shortage led to growth opportunities for Case New Holland and Kubota equipment.

Sales of Terberg terminal tractors were robust due to a sustained fleet replacement by domestic port operators and resilient demand from export markets such as Vietnam, Australia and Indonesia. In addition, Terberg saw stronger growth in parts and services sales driven by repair and maintenance contracts with customers.

SINGAPORE

The global economic downturn in 2009 adversely affected the Singaporean economy and resulted in Tractors



A milestone – delivery of the 1,000th locally manufactured Terberg Terminal Tractor by Sime Darby TMA Sdn Bhd to Port of Tanjung Pelepas in Johor on 2 February 2010



Delivery of CAT 385CL large excavator to a major coal mining customer in China

Singapore Limited (TSL) staging a weaker financial performance for the year under review. The financial crisis in Europe and lower demand for shipbuilding were factors contributing to ship owners/shipyards facing tougher competition from global key players in this market.

On the positive side, the turnaround in crude oil prices from a low of US\$34 per barrel to the current level of around US\$70 per barrel has brought back some confidence to the marine and petroleum markets. This should translate into a better outlook for engines sales by TSL's Power Systems Division in the coming year.

The stronger-than-expected economic recovery experienced in the second half of the Group's FY2009/2010, along with the 10.2 percent surge in the Singapore Government's spending in 2009 to enhance productivity through a number of major redevelopment initiatives, boosted several sectors including construction.

Among contracts awarded by the Singapore Government were the Bukit Timah MRT Line, the Jurong Cavern project and the development of the Pasir Panjang Container Terminal. This led to a significant increase in construction activities, in particular the demolition work for several on-going and new projects as well as a robust industrial market especially in scrap handling activities as a result

of an increase in steel prices. All these projects benefited TSL and helped to improve its equipment sales.

Services provided by TSL's Product Support Department declined due to lower sales of new engines. Furthermore, customers were more cautious in replacing their equipment, resulting in an increase in domestic equipment repairs both in the workshop and in the field.

CHINA

The Group's wholly-owned subsidiary, The China Engineers Limited (CEL), achieved another record sales for the year under review, resulting in an increase in domestic equipment repairs both in the workshop and in the field.

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, 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 during the year under review.

CEL, which increased its investment in people development and facilities in recent years, is ready to reap the full benefits of the fast growing opportunities in China.



Rows of Caterpillar equipment used for the Bruce Highway upgrading project in Queensland, Australia



Sime Darby Industrial Academy Sdn Bhd offers a variety of technical and management programmes to suit the specific needs of staff, customers and the general public

AUSTRALIA

A resilient Australian economy helped to cushion the Division's operations in Australia from the worst effects of the global financial crisis. High mineral price, in particular, continued to underpin strong levels of customer activity.

The financial year under review saw softer equipment sales compared to the previous year and a downward revision in parts prices due to the weaker US dollar. However, these adverse circumstances were partially offset by top and bottom line growth in product support on the back of strong coal mining activities.

Sales of equipment and product support to the construction sector were subdued as many of the government funded stimulus package projects came to an end. In a subdued construction sector, Caterpillar rental fleet sales and profitability grew as customers chose rental as a cost-effective way to manage their risks and cashflows.

With the worst of the global financial crisis over, Hastings Deering continued to invest in people and facilities. During the financial year under review, it employed an additional 60 apprentices under the apprenticeship programme despite the uncertain economic conditions, bringing the total number of apprentices to 315.

Hastings Deering also opened a new branch in Mackay in October 2009 to support mining activities. Involving an investment of RM150 million, this branch accommodates 600 staff and should provide customers with world-class support.

Continued focus on Safety, Health, Environment and Quality resulted in a 28 percent reduction in total injury frequency rates during the year under review. In 2009, Hastings Deering received the National Gold Award for Business Excellence by the Australian Organisation for Quality.

Austchrome Pty Ltd, a subsidiary of Hastings Deering specialising in hydraulic component repair and reclamation, continued to improve its sales and profits.

PAPUA NEW GUINEA AND SOLOMON ISLANDS

Financial performance and operations in Papua New Guinea improved with strong increases in both sales and profitability. The traditional mining operations at Ok Tedi, Porgera and Lihir were steady throughout the year. Activities in Papua New Guinea became more resilient following the commencement of Exxon's LNG pipeline. Operations in Solomon Islands were also profitable.

NEW CALEDONIA

Nickel mining is the mainstay of the Division's operations in New Caledonia. With generally buoyant nickel prices, operations in this territory have been growing steadily over several years. During the year under review, Caltrac, the Division's Caterpillar dealer in Australia, won the contract for the sale and service of mining equipment to the Koniambo Nickel project, which will significantly boost the New Caledonian business in the coming years.

OPERATIONS REVIEW - MOTORS

OPERATIONS REVIEW

The Motors Division delivered sterling results for the year under review and closed on a positive note as the various markets it engaged in emerged from the economic crisis. Improved confidence and stability, coupled with new model launches, fueled consumer demand which resulted in the Division showing its best results since inception.

Measures undertaken in previous years which led to a leaner and more efficient organisation, such as the consolidation of assembly operations in Kulim, Kedah, resulted in the freeing up of assets and these one-time gains further boosted results for the year. Additionally, as part of the management enhancement and leadership renewal, a new generation of leaders were appointed during the year to take the Division into its next level of development.

MALAYSIA

The Malaysian operations saw a vast improvement in performance as a result of strategic acquisitions in the previous year to strengthen its business base. New model launches from BMW, Hyundai and Ford were well received and boosted sales. With the consolidation of assembly operations at the Inokom plant in Kulim, much effort has been put into improving the plant's utilisation by increasing both the volume and models assembled at Inokom.

In line with Motors Division's strategy to focus on luxury brands and distribution, it had during the year under review acquired the Porsche franchise. In March 2010, Sime Darby became the sole and exclusive importer of Porsche vehicles and parts. Although the impact of this new business is not reflected in the results for the year under review, the Division expects a strong contribution from the Porsche franchise in the future.

SINGAPORE

For the year under review, operations in Singapore displayed exceptional performance predominantly due to the strong performance of the BMW franchise. Its state-of-the-art showroom and service facility, which opened in the previous year, is the hallmark of BMW's brand in the region and plays a significant role in increasing BMW's brand presence and sales performance.

Although the Motors Division's operations performed exceptionally well thus far, the Singapore operations face a huge challenge moving forward as the number of COEs (Certificates of Entitlement) being issued by the Singapore Government is forecast to be significantly reduced. The likely impact of this reduction on the automotive market in Singapore is a greater shift towards the luxury segment which will prove challenging for the Ford and Peugeot brands. The Singapore team is taking the necessary actions to adjust to this expected market movement. The Division is confident that this challenge will not be insurmountable.

CHINA

Underpinned by strong economic fundamentals, the vehicle market in China has grown to become the largest in the world. For BMW AG, the China market is now its third largest in the world and plans are afoot for its second plant to be set up. On the back of this development, the Division's BMW dealerships in China continued its stellar performance of yesteryears and grew both in terms of volume and profitability.

In the year under review, the Division further expanded its BMW network in China with the opening of a second dealership in Kunming. This network will be further enlarged with the opening of two new BMW dealerships



Sime Darby adds the Porsche franchise to its stable in March 2010

in Changsha and Chengdu in the last quarter of 2010. As part of the Division's focus on luxury brands, it added to its Eastern China nucleus the first Jaguar-Land Rover dealership, in addition to the existing Rolls-Royce and Lamborghini franchises.

HONG KONG/ MACAU

For the year under review, the BMW franchise performed well due to renewed business confidence and new model launches. Although the Hong Kong/ Macau overall vehicle market continued to contract, the market for luxury vehicles bucked the trend and is showing strong growth. The future prospects for further improvements in this luxury vehicle market remain strong.

The Division's operation in Hong Kong is also making its mark as a green vehicle company. Extending Sime Darby's tagline of 'Developing Sustainable Futures', it delivered its first fleet of electric vehicles - the Mitsubishi i-MiEV - to government agencies and a utility company in Hong Kong. The Hong Kong team is actively exploring opportunities in this new segment as this is very much in line with government initiatives.



The new BMW 5 Series Sedan



Rolls-Royce's latest model, Ghost



The all-new Hyundai Sonata

AUSTRALIA/ NEW ZEALAND

Although the Australian and New Zealand markets showed positive recovery from the global recession, the rate of recovery in these two mature markets was slower than other regional markets. Notwithstanding this fact, the Division's operations recorded a commendable turnaround from a loss in the previous year to a profit in the year under review.

Efforts and initiatives implemented to realign and restructure the Division's business operations have shown positive results. With the new leaner and more efficient business structure, the operations in Australia and New Zealand are poised for better years ahead.

THAILAND

The Division's Thai operations showed considerable improvement during the year under review, especially its Mazda dealerships. However, the political uncertainty that continued to plague the country resulted in the management taking a more conservative approach to growth and investment thus far. Notwithstanding this, the Motors Division is actively looking at opportunities for further growth in Thailand with a view to enlarging its presence in the country.

CONCLUSION

The plans and actions taken by the Division thus far have enabled the achievement of sterling results as well as the provision of a strong platform for sustainable profits and growth. This can be attributed to dedicated and experienced leaders in a structure that provides close focus for its operations in each country, and the strong support of key partners.

Further development of talent within the Division's management teams, together with strategic investments in growth areas, will be key factors that will enable the Division to steer through the uncertainties that affect today's business environment and deliver the expectations of the Group's stakeholders.

OPERATIONS REVIEW - ENERGY & UTILITIES

OVERVIEW

The Energy & Utilities Division faced a financially challenging period during the year under review due to cost overruns in the Qatar Petroleum (QP), Maersk Oil Qatar (MOQ), Bakun and Marine projects. Despite the underperformance of the oil and gas unit, other business units including power, ports and logistics as well as engineering services, performed relatively well. Various business transformation initiatives have since been undertaken to turn around the Division, particularly the Oil & Gas unit.

OIL & GAS

Sime Darby Engineering (SDE) continued to strengthen its position as an engineering, procurement, construction and commissioning (EPCC) player throughout the year under review. Two major turnkey EPCIC contracts - a 15,850 metric tonne (MT) Wellhead platform and a 28,000 MT Process platform - were successfully secured from India's biggest energy exploration company, Oil and Natural Gas Corporation Limited (ONGC).

SDE had also successfully delivered Petronas Carigali's Kumang/Tangga Barat/Kinabalu cluster development project on 27 May 2010, one month ahead of schedule. The 11-module project, weighing over 22,000 MT, accomplished the following notable milestones: zero Lost-Time-Incident (LTI), zero punch-list items and nine million manhours.

Longer-term strategic initiatives included the acquisition of the Teluk Ramunia yard which increased SDE's yard space and fabrication capacity, making it one of the largest in Southeast Asia in terms of yard size.

Various new initiatives were implemented during the year under review to address the shortcomings in governance and internal controls of the Oil & Gas business unit. Among the turnaround agenda was a three-phase transformation approach spanning a period of two years.

SDE also plans, on an ad-hoc basis, to form a strategic consortium with experienced Transportation and Installation players to jointly bid for international projects. An Accelerated Capabilities Development Programme (ACDP) to enhance the management skills of its project managers is also in the pipeline. The programme will include troubleshooting in real-life situations, with supervision from experienced trainers as part of the coaching module.

Moving forward, SDE will continue its strategy as an EPCC player during FY2010/2011 with strong emphasis on domestic projects while selectively participating in international projects as an EPCC service provider.



Various business transformation initiatives have been undertaken to turn around the Energy & Utilities Division

ENGINEERING SERVICES

Chubbsafes

Chubb Malaysia reported higher profits compared to the previous years on continued demand from the domestic market for its physical and electronics security products. Demand for integrated electronic security systems from high end residential projects and the commercial sector also showed an increase in interest following the introduction of new technologies.

The outlook for FY2010/2011 is expected to be challenging. Nevertheless, the company is optimistic of increased demand for its physical security products from the export market and local demand for its integrated electronic security systems.

Sime-SIRIM Technology

The economic downturn in 2009 affected the service market with most industries scaling back production and implementing cost-reduction exercises. This, in turn, adversely affected Sime-SIRIM Technologies Sdn Bhd (SST) during the year under review, resulting in lower turnover and profits compared to the previous financial year. However, some technology-based industries cushioned the impact to a certain extent.

During the year under review, SST established a centralised Radio Frequency (RF) Calibration Service Centre in Penang. This effectively expanded SST's base in the telecommunications and technology-based industries, making it the largest accredited commercial RF calibration centre in the region.

The company also made inroads into the automotive, healthcare and food industries as well as into research institutes. The year under review also saw the development of markets in the aviation industry as a result of the rapid expansion of full-fledged and budget airline operators, translating into higher demand for calibration needs within the industry. SST expects the manufacturing sector to remain the main engine of growth in FY2010/2011 with technology-based industries leading the pack. The company continues to be the leading accredited commercial calibration service provider in the country.

Mecomb

Mecomb Malaysia's mechanical and electrical businesses grew in line with the economic recovery during the year under review. The company also rode on the electronics upswing which boosted sales of its Surface Mount Technology (SMT) machines. Sales to the medical diagnostics and pharmaceutical research industries continued to grow steadily while its material testing business remained strong in FY2009/2010.

Despite the slowdown in the oil and gas industry in Singapore, Mecomb Singapore continued to strengthen its relationships with major customers in the rig manufacturing industry through offers of compressor skids, integrated mechanical equipment packages and value-added services.

Taking advantage of the stimulus package by the Singapore government, which resulted in an upturn in construction activities, Mecomb Singapore increased its sale of electrical components to low-voltage switchboard manufacturers. The company also benefited from the Singapore government's continued investment in infrastructure with the supply of tunnel fans for the new Mass Rapid Transit (MRT) Circle line.

During the year under review, Mecomb Singapore also supplied and implemented a multi-million-dollar intelligent car parking system at the Marina Bay Sands Integrated Resort. This system guides and assists motorists to promptly locate available parking spaces.

Notwithstanding the political uncertainty in Thailand, Mecomb Thailand reaped the benefits of its earlier efforts to grow a dealer network for electrical components. Sales showed a marked improvement in the final quarter of the year under review, increasing by 20 percent against the preceding quarter.

POWER GENERATION

For the year under review, all three power plants belonging to Port Dickson Power Berhad (PDP), Sime Darby Power Co Ltd (SDPC) and Sime Darby LCP Power Co Ltd (SDLP) continued to be in excellent availability conditions. The Power business unit's financial results improved substantially in FY2009/2010 compared to the previous financial year due to the full-year recognition of SDLP's financial results. The low-base effect of FY2009/2010 results, which were relatively weaker as a result of PDP's one-off windfall tax payment of RM29.3 million to the Government in FY2008/2009, had also contributed to the improvement.

PORTS & LOGISTICS

Sime Darby's port operations in Weifang and Jining in the Shandong Province of China achieved significant progress over the past 12 months. Weifang Port's throughput jumped 27.8 percent to 12.4 million tonnes from 9.7 million tonnes previously. The throughput surge, in tandem with the increase in port handling capacity and productivity, was attributable to the commendable recovery in the global economy and China.

The planned completion of the 3x10,000-tonne berths by December 2010 will add additional capacity to the port to cater for the local industries in the province, which are currently utilising other ports as their entry/exit points. The marketing team is stepping up efforts, especially in the Asia-Pacific region, to promote Weifang Port as an attractive and viable gateway to China's industrial and manufacturing hub.



Weifang Sime Darby Port increased its throughput to 12.44 million tonnes from 9.7 million tonnes



The newly completed Sime Darby LCP Power Co Ltd (SLP) power plant

In November 2009, Jining Sime Darby Yuejinguo (North Port), a dedicated coal port, became fully operational. With its world class, state-of-the-art equipment and systems, this port is capable of handling up to 10 million tonnes of throughput.

The Jining general cargo port's remarkable performance can also attributed to its competitive pricing and strategic location for the industries located further inland. Another smaller coal port, the Jining Sime Darby Longgonghe Port which serves the southern Jining region, began operations in September 2010.

Every effort is being taken to strengthen the infrastructure at the ports as well as developing human capital to achieve performance standards that are in line with the world's best ports.

WATER MANAGEMENT

Malaysia

The Group is currently reviewing the abstraction of groundwater in Malaysia.

China

During the year under review, Weifang Sime Darby Water Co Ltd (WSDW) commenced the construction of a second water treatment plant which was expected to be completed in the third quarter of 2010. The additional facility will increase capacity to 140,000m³/day from the current 80,000m³/day, with the goal of producing 200,000m³/day by 2015.

The second water treatment plant will use the same distribution pipelines as the first. An additional pipeline will also be developed to ensure continuous supply to growing and newly developed areas.

To fully conserve water resources as well as to ensure quality standards and continuous supply to meet long-term water demand, WSDW is also constructing a 51 km-pipeline to transfer raw water from Fangjiatun to an existing reservoir and both treatment plants. The project was completed in August 2010 and is currently undergoing testing and commissioning.



Weifang Sime Darby Water Co. Ltd aims to produce 200,000 m³/day of treated water by 2015

OPERATIONS REVIEW - HEALTHCARE

OVERVIEW

During the year under review, Sime Darby Healthcare (SDH) recorded several notable milestones for its hospitals and nursing college. SDH also announced expansion plans for its third hospital in the Klang Valley.

Sime Darby Medical Centre Subang Jaya

In October 2009, its flagship hospital, Sime Darby Medical Centre Subang Jaya (SDMC SJ), earned the prestigious Joint Commission International (JCI) accreditation for meeting the international healthcare quality standards for patient care and organisation management. SDMC SJ became the first JCI-accredited hospital in Selangor and the fourth in Malaysia to earn this prestigious international accreditation.

In the same month, SDMC SJ also attained accreditation for its medical laboratory under the MS ISO 15189 standards for quality and competence. The laboratory became the first centre in the country to be accredited with MS ISO 15189 for Cytogenetics.



Consultant Clinical Oncologist & Radiotherapist and a radiation therapist using the new revolutionary TomoTherapy Hi-art medical system at the SDMC SJ Cancer & Radiosurgery Centre to treat a cancer patient



An embryologist at work in her lab. SDMC SJ now offers a Fertility Sparing Programme for cancer patients

In December 2009, SDMC SJ signed a Memorandum of Understanding with the National Cancer Centre Singapore (NCCS) to enable referrals of cancer patients from either SDMC SJ's Cancer and Radiosurgery Centre or NCCS to obtain a second medical consultation and/or follow-up treatment at either facility.

In the field of Continuing Medical Education, SDH organised a number of seminars for its own and external medical professionals during the year under review. The major one was held on 2 May 2010 with the world-renowned Cedars-Sinai Medical Center of USA, centering on the topic of orthopedic-oncology. On the local front, SDMC SJ and the Ministry of Health Malaysia organised a Clinical Practice Guidelines seminar on dengue awareness for doctors to help curb the dengue outbreak.

Sime Darby Specialist Centre Megah

Sime Darby Specialist Centre Megah (SDSC Megah) was officially launched in August 2009 as the second SDH medical facility in the Klang Valley. Formerly known as Megah Medical Specialists Group, this multi-disciplinary specialist day-surgery centre provides a wide range of medical and surgical specialties, and is supported by modern operating theatres, a laboratory, imaging facilities and a full-fledged pharmacy.

SDSC Megah obtained the ISO 9001:2008 standard accreditation in November 2009 and is positioned to become a centre of excellence for women's health. Its niche services include a Menstrual Clinic, laser vaginal rejuvenation surgery as well as a fully-equipped Breast Imaging Centre.

Sime Darby Nursing and Health Sciences College

SDH's education arm, Sime Darby Nursing and Health Sciences College, continued with its track record of academic excellence by recording 100 percent passes in the recent Nursing Board's final examinations.

During the year under review the College introduced two new programmes:

- Post-Graduate Certificate in Teaching Methodology, and;
- Basic Healthcare Programme (fully sponsored by NCIA for Northern Corridor residents).

All courses offered by the College are approved by the Malaysian Ministry of Higher Education and the Malaysian Qualifications Agency. The Nursing Programme has achieved full accreditation from the Malaysian Qualifications Agency. The Post-Graduate Certificate in Teaching Methodology is designed to meet the professional development needs of working adults and to develop their ability to apply a range of teaching approaches that would enhance teaching and learning processes.

The College also offers value-added English language courses to enable its students to have a better grasp of the information available in print and on the Internet. The English language course is also open to the public at the Basic, Intermediate and Advanced levels, and entry is through placement tests. The College, which will soon be offering specialisation programmes in nursing, degree programmes and a Diploma in Physiotherapy, aims to offer a comprehensive range of healthcare related programmes in the coming years.

Scholarships from Yayasan Sime Darby worth RM1.6 million, as well as PTPTN loans, were made available for all student intakes. The College is collaborating with the Northern Corridor Implementation Authority to offer basic Healthcare courses to students who have successfully completed their Sijil Pelajaran Malaysia (SPM).

Expansion Plan

During the year under review, SDH announced an investment estimated at RM240 million for Sime Darby Medical Centre Ara Damansara, which was acquired in April 2010 and scheduled to open in mid-2011. It will be SDH’s third medical facility in the Klang Valley.

Plans have been drawn up to equip the 220-bed centre with specialised facilities and services for the treatment and management of heart, neuro, spine and joint diseases. The hospital will be the largest private neuroscience, heart as well as a joints & spine centre of excellence in the country.

The year under review also saw SDH officially launch its first representative office in Medan, Indonesia on 26 February 2010. The opening of the office, which serves as a medical travel assistance and information centre, cemented SDH’s commitment and desire to play a greater role in the healthcare industry in Indonesia.

The office will assist Indonesian doctors and patients who wish to make enquiries about medical services at SDH’s medical facilities or to seek a second medical opinion. The office also assists in arranging medical appointments, airport pick-up service and transfers, affordable accommodation booking, cost estimations of treatment regimes and services as well as other forms of medical travel assistance.



Sime Darby Nursing and Health Sciences College students undergoing training at the award winning SDMC SJ



Practical training for Diploma in Medical Laboratory Technology students at SDMC SJ medical laboratory

OPERATIONS REVIEW - ALLIED PRODUCTS AND SERVICES



BEDDING

The Bedding Group returned to profitability for the year under review on the back of higher demand for mattresses and as a result of a re-organisation of business operations. Dunlopillo continued to aggressively expand its presence in markets where the trademark rights are held, especially in China.



INSURANCE BROKING AND SERVICES

The Insurance Broking and Services Group reported improved results for the year under review due to sound marketing efforts, higher client retention and an increase in new businesses.



CONSUMER PRODUCTS

Tesco Stores (Malaysia) Sdn Bhd, a joint-venture with Tesco plc in which the Group owns a 30 percent stake, registered increased profitability for the year under review on higher turnover at its 33 stores nationwide.



LOGISTICS

KN Sime Logistics Sdn Bhd, an associate company involved in warehousing and logistics, showed satisfactory performance for the year under review.



February 1977: Tun Tan Siew Sin (third from left), the first Malaysian Chairman of Sime Darby listening to an explanation by H.P Henry Lee, Managing Director of Harpers International (second from left). On the far left is K.K. Au, Managing Director of BMW Concessionaires (H.K.) Ltd



The late Tun Tan Siew Sin (right) the first Malaysian Chairman of Sime Darby, pointing to the original T-Model Ford. On his right is H.P Henry Lee, Managing Director, Harpers International Ltd

CORPORATE SOCIAL RESPONSIBILITY

OVERVIEW

Sime Darby understands that with size comes responsibility, and the quest to develop a sustainable future was embarked upon with a clear objective in mind – to ensure business profitability and operational sustainability to benefit all stakeholders, now and in the future.

Sime Darby is thus committed to:

- bring in profits in order to maximise shareholder value and to ensure future business growth
- conduct its businesses in accordance with the laws and regulations of the regions where it operates and balancing this with the Group’s own codes of conduct and best practices
- be a good corporate citizen by supporting the nation-building agenda
- support the local communities in which it operates, and
- make a sustainable future real for all its stakeholders.

However, Sime Darby’s CSR objectives go beyond corporate responsibility. We believe that the social responsibility element is equally important towards ensuring that our businesses, human capital and natural resources are protected and sustained for the present and future generations. Sime Darby’s CSR principles are reflective of its core organisational values: Respect & Responsibility, Excellence, Enterprise and Integrity. These values are the bedrock of Sime Darby’s CSR strategy and create a platform that guides all its efforts.

HOW CSR IS MANAGED IN SIME DARBY

At Sime Darby, CSR is embedded into the corporate DNA through strategies, frameworks, policies and initiatives that are conceptualised, developed and managed by various functions across the Group.

To ensure that Sime Darby’s CSR strategy is both cohesive and measureable, four pillars have been identified- Environment, Community, Education and Sports - to streamline and channel its initiatives.

Each of these four pillars has internal and external facing elements to ensure that Sime Darby’s initiatives are not only balanced but also address the needs of all its stakeholders.

For the year under review, Sime Darby committed over RM69 million towards its CSR initiatives. These ranged from one-off donations for philanthropic causes to long-term multidisciplinary programmes and projects.

The initiatives highlighted here are samples of some of the projects that Sime Darby has embarked upon or that have been significantly enhanced during the financial year.



Bird’s eye view of the Belum Temenggor Forest Reserve. Photo by Sanjitpaal Singh (Malaysian Nature Society)

ENVIRONMENT

Conservation of the Environment & Protection of Ecosystems

Tabin Wildlife Reserve

Established in 1988, the Tabin Wildlife Reserve covers an area of over 120,000 ha in the Dent Peninsula of Sabah (Lahad Datu and Kinabatangan Districts). Tabin Wildlife Reserve is blessed with various kinds of terrain, from brackish water swamps and gently undulating lowlands to mountain peaks of up to 1,878 feet, dissected by deep ravines and steep-sided river valleys. The area is also rich in biological resources, boasting various species of flora and fauna which include eight of Sime Darby’s Big 9 animals, other species of birds, reptiles, river fishes and primates.

To sustain this initiative, Yayasan Sime Darby pledged RM2.3 million for two years to support the Sabah Wildlife Department fund a variety of activities to ensure the protection and preservation of the flora and fauna of the Tabin Wildlife Reserve. These include improving the standards of recruitment, benefits, accommodation and training of the rangers at the Reserve and promoting scientific research aimed at greater understanding of the Tabin ecosystem.

The 'Big 9'

The Big 9 Programme is an initiative supported by Yayasan Sime Darby in an effort to contribute to the conservation of animal species that are classified as endangered or vulnerable. The nine animals identified are indigenous to Malaysia. They are the Sun Bear, Orangutan, Pygmy Elephant, Bornean Clouded Leopard, Hornbill, Banteng, Proboscis Monkey, Bornean Sumatran Rhinoceros and Malayan Tiger.

All except the Malayan Tiger can be found in the Tabin Wildlife Reserve in Sabah. The Malayan Tiger is found only in Peninsular Malaysia, while some of the other Big 9 animals, such as the Hornbill and the Sun Bear, also call Peninsular Malaysia home.

Each of Sime Darby's six Divisions champions at least one Big 9 animal. Moving forward, plans will continue both externally and internally to expand the awareness of the Big 9 Programme.

Belum Temenggong Hornbill Initiative

Sime Darby Plantation, through the Total Quality Environmental, Health and Safety Management Department (TQEM), collaborated with the Malaysian Nature Society (MNS) to conduct a survey and to monitor the hornbill species in the Belum Temenggong Forest Reserve. The collaboration was for two years and began in July 2008. MNS conducted the survey and monitoring of the birds and submitted progress reports to TQEM from time to time, while Sime Darby Plantation sponsored the cost and expenditures. For the year under review, a total of RM224,922 was channelled to MNS for this purpose.



The Hornbill (Bucerotidae Family)



The Sumatran Rhino (Dicerorhinus Sumateransis)

Borneo Rhinoceros Sanctuary (BRS)

Located within the Tabin Wildlife Reserve, the BRS is a last attempt by the Sabah State Government to save its dwindling rhino population from extinction. Led by the Sabah Wildlife Department and working in tandem with the Borneo Rhino Alliance (BORA) and the World Wildlife Fund (WWF), efforts are being made to rescue specifically identified Rhinos and to translocate them to the Sanctuary.

The Bornean Rhinoceros is considered a critically endangered species - only some 50 animals exist in the wild. Around 30 or more of these rhinos can be found in Sabah. Their numbers have decimated mainly because of poaching and deforestation, which resulted in the loss of their natural habitat.

Yayasan Sime Darby's main role in BRS consists of providing a three-year financial support of RM5 million to ensure the improvement of the facilities, translocation equipment and the management of the Sanctuary.

The BRS initiative will also draw attention to the importance of protecting and preserving a wide array of biological resources within Tabin Wildlife Reserve.

Ulu Segama - Malua Forest Rehabilitation

In December 2009, Sime Darby Plantation and the Sabah Forestry Department signed an agreement to pave the way for the rehabilitation and restoration of 5,403 ha of the Northern Ulu Segama area within the Ulu Segama - Malua Forest Reserve. The rehabilitation and restoration work involves 4,000 ha jungles near the Danum Valley conservation area, as well as replanting 1,000 ha of degraded forest in Northern Ulu Segama. The area is about four times the size of Singapore and is populated by Orangutans.

Mangrove Replanting Initiative

In September 2009, Sime Darby Plantation and KPMG Malaysia collaborated on an initiative to save the mangrove ecosystem on Carey Island. Contributions from KPMG went to fund the construction of a 60-metre long geo-tube and gabions structure at the shores of the island fronting Sime Darby Plantation West Estate. The rest of the project and construction cost was borne by Sime Darby Plantation.

In June 2010, the initiative progressed with the planting of more than 150 new mangrove seedlings of the *Rhizophora Stylosa* and *Rhizophora Mucronata* species along the shores of the island. The Forest Research Institute of Malaysia (FRIM) offered expertise on coastal mangrove replanting methods and provided mangrove seedlings and planting bed supplies.

Mangrove Brigade

To raise awareness on the importance of conserving the mangrove ecosystem and its co-relation to humankind, Sime Darby Plantation launched the Mangrove Brigade in February 2009. A group of 32 students from Sekolah Menengah Kebangsaan Ladang Barat and Sekolah Rendah Jenis Kebangsaan Tamil Ladang Barat - both located on Carey Island - participated in various awareness building and rehabilitation activities throughout the year.

Sime Darby Plantation hopes that such an initiative would open their eyes on the important role the mangrove plays in our ecosystem, thus helping to conserve and sustain the future of the mangrove forest.

Stability of Altered Forest Environments (SAFE) Project

The SAFE Project is a long-term study and research project collaboration between Yayasan Sime Darby and the South East Asia Rainforest Research Programme (SEARRP) of the Royal Society of the United Kingdom and Commonwealth Academy of Science.

Under the SAFE Project, a strong interdisciplinary team of leading scientists from a range of world class institutions will conduct a series of field research in Danum Valley's Maliau Basin, in the Kalabakan region of Sabah.

The Project is slated to be the world's largest ecological experiment, both in terms of size and breadth of ecological processes which examine a wide range of land utilisation and various types of habitat - from newly developed to mature oil palm plantations, from small and large forest patches to primary rainforests. The researchers will study and track the ecological, hydrological and micro-climate changes and their effects on plants and animals within the identified plots - before, during and after the conservation work. Collectively, it will enable the researchers to study the ecological and other environmental changes that occur when the natural landscapes are developed for agricultural purposes.

Yayasan Sime Darby pledged its support for the SAFE Project through a financial contribution of RM30 million over a 10-year period. This contribution will be used to provide PhD scholarships to eight young scientists, six senior post-doctoral positions, salaries and training for a large team of locally recruited research assistants and laboratory technicians, as well as to develop an extensive research facility in Sabah and to fund project workshops, website and public awareness programmes.

Roundtable on Sustainable Palm Oil (RSPO)

In furthering the cause of our commitment to sustainability, the Group has energetically pursued compliance with the principle and criteria of the Roundtable on Sustainable Palm Oil (RSPO). So far, 13 Strategic Operation Units (SOU) have received RSPO certification. The remainder, thus covering all our oil palm operations, are planned to achieve certification by 31 December 2011. Sime Darby is also actively involved in the ongoing development of RSPO sustainability standards through high level participation in various RSPO technical committees and annual RSPO Roundtable deliberations.

Chair For Climate Change

The UKM – Yayasan Sime Darby Chair for Climate Change was established in March 2010. The Programme is managed by UKM's Research Center for Tropical Climate Change System (IKLIM), in consultation with Yayasan Sime Darby.

The Programme is intended to coordinate the efforts and resources in climate change research and related issues, particularly for the South East Asia Region. It would also allow IKLIM to further address the impact of climate change in Malaysia, with a view to identify mitigation measures and adaptation strategies.



Members of the Mangrove Brigade listening in to the explanation on the mangrove ecosystem



YBhg. Tan Sri Dato' Dr. Wan Mohd. Zahid Noordin trying out an invention by UKM during the launch of UKM-YSD Chair for Climate Change

Through a funding of RM5 million from Yayasan Sime Darby, the Chair would enable UKM to play a leading role in climate research which focuses on the effects of climate change on water resources, marine ecosystems and health, as well as sectors such as fisheries and agriculture, in Malaysia and South East Asia.

The research programme is expected to yield reliable and up to date information on climate change, including seasonal climate forecasts, all of which will be extremely useful for the planning and management of eco-friendly plantations.

The Programme will also help to create a range of opportunities for collaborative researches and support the collection and consolidation of information, which in turn will be presented to the decision makers. It would also help to establish a link to international experts while putting Malaysia on the map as a leader in climate change research.

COMMUNITY

Corporate Child Protection Policy Programme

Sime Darby is one of the few organisations in Malaysia to have its own Corporate Child Protection Policy. Launched in March 2010, Sime Darby's Corporate Child Protection Policy is part of a long-term commitment and programme that seeks to address the issues of child safety, protection, abuse and well-being.

Sime Darby's Plantation Division was chosen to spearhead the Programme with Zone Malacca appointed as the pilot project location.

Developed in collaboration with PS the Children, the Programme aims to:

- Raise awareness on child protection issues within the Sime Darby Group through dialogue sessions and interactive workshops
- Empower employees with the knowledge to encourage them to be effective child protectors even outside the work context
- Develop and implement a Corporate Child Protection Policy
- Develop procedures for dealing with reported and/or suspected cases of abuse
- Help support children who have survived reported cases of abuse



Children participating in the Corporate Child Protection Policy launch



National cyclist, Mohd. Azizulhasni Awang the first recipient of the 'Star' Scholarship Programme

To date, more than seven engagements have been done with over 100 employees involved in the workshops and discussion sessions. Participants ranged from non-executive employees to senior management and the Yayasan Sime Darby Council. A workshop session was also conducted for the representatives of the Education Department, Parents Teachers Association members and teachers of Plantation Division's Zone Malacca.

Moving forward, Sime Darby plans to extend its programme to other operations and is in the midst of selecting and training its own Child Protection Policy Trainers for the Group.

EDUCATION

Yayasan Sime Darby Excellence Scholarship Programme

Through the Excellence Scholarship Programme, Yayasan Sime Darby aims to identify and nurture high potential talents by providing full scholarships to students of pre-university, undergraduate and postgraduate programmes at selected top notch universities, locally and abroad.

In its search for young talents with excellent academic achievements and strong leadership qualities, Yayasan Sime Darby carried out a rigorous and robust selection process. The scholarship recipients are sponsored in the fields of study that are relevant to Sime Darby's core businesses, such as Business and Management, Engineering and Technology, Agricultural Studies and Sciences, and Allied Health Sciences.

Upon completion of their studies, the scholarship recipients would go through a development programme prior to joining the Sime Darby's workforce. Realising the importance of nurturing a pool of high calibre future leaders for Sime Darby globally, Yayasan Sime Darby has also extended its scholarship award initiatives to other countries where Sime Darby operates, namely Indonesia, Hong Kong, Macau, Singapore, Thailand and soon China.

Yayasan Sime Darby 'Star' Scholarship Programme

Yayasan Sime Darby 'Star' Scholarship Programme aims to enhance the capabilities of outstanding young talents in the field of sciences, arts, music, sports and environment. This non-bonded scholarship provides the recipient with an opportunity to pursue their academic studies locally and abroad, while continuing to excel in their current professional fields.

The first recipient of Yayasan Sime Darby 'Star' Scholarship Programme was Mohd Azizulhasni Awang, Malaysia's current track cycling champion and Olahragawan Negara 2009. He is also a member of the Yayasan Sime Darby Track Cycling Team, currently participating in various international and regional tournaments in preparation for the 2012 Olympics in London. Azizulhasni is currently pursuing his studies in Commerce and majoring in Sports Management at Deakin University in Melbourne, Australia.

Yayasan Sime Darby Skill Enrichment Programme

With the objective to ensure the development of technical and industrial expertise, Yayasan Sime Darby Skill Enrichment Programme was developed to provide financial support for promising students to pursue technical-oriented courses at the Sime Darby Skills Centres. Currently there are three Sime Darby Skills Centres, namely Sime Darby Plantation Academy (SDPA), Sime Darby Industrial Academy (SDIA) and Sime Darby Nursing and Health Sciences College (SDNHSC).

SDPA was established to fill the needs of Sime Darby's Plantation Division to develop a pool of highly skilled individuals for the palm oil industry. The Academy offers diploma courses, such as Diploma in Agriculture and Diploma in Mechanical Engineering. In addition, it also has various academic collaborations with selected public local universities.

SDIA is an accredited National Vocational Training Centre, recognised by the Skills Development Department of the Ministry of Human Resources, Malaysia. The Academy mainly offers specialised technical courses in heavy equipment industry, such as Heavy Equipment Technician Certification (MLVK) for Level 1, 2 and 3.

As one of the pioneers in the nursing education in Malaysia, SDNHSC is committed to provide a high quality nursing education. SDNHSC offers courses such as Diploma in Nursing and Diploma in Medical Laboratory. The students will be primarily trained at the award winning Sime Darby Medical Centre Subang Jaya and Sime Darby Specialist Centre Megah.

Yayasan Sime Darby Public Policy Programme

Yayasan Sime Darby, in collaboration with top notch universities, promotes the development of good public policy via educational sponsorships of civil servants. This three-month customised course focuses on creating a solid platform to drive significant changes towards formulating good public policies for the nation's benefit.

Yayasan Sime Darby works closely with the Public Service Department of Malaysia to promote more value-added initiatives in the Programme. To date, the completed researches sponsored under this Programme are:

- Teachers Professional Development at Leading School Fund (LSF) Schools : A Case Study
- Transformational Leadership and its Implementation in the Negeri Sembilan State Government Office
- Managing in the Multicultural Workplace : The Role of Managers in Malaysia
- Contemporary Peacekeeping Operations : Its Challenges on Malaysian Armed Forces

Yayasan Sime Darby Bursary Programme

In the effort to advocate equal opportunity for everyone, Yayasan Sime Darby Bursary Programme was developed to provide financial support for special needs and underprivileged individuals seeking better education and learning opportunities. The Programme offers bond-free education sponsorships in any fields of study at pre-university, diploma and undergraduate levels.



Student nurses at the SDNHSC listening to a demonstration on the Heimlich Manoeuvre



Yayasan Sime Darby's scholarship recipients with their awards

The Bursary Programme is divided into three categories:

- **Yayasan Sime Darby Special Support Bursary Programme**
The bursary provides educational assistance to promising students from low income families. The combined family income and academic performance are among the deciding factors in the award of this bursary.
- **Yayasan Sime Darby Special Needs Bursary Programme**
The bursary awards sponsorships to academically excellent students with disabilities, providing them with the opportunities to have the best learning experience at the local and overseas educational institutions.
- **Yayasan Sime Darby Special Award Bursary Programme**
The bursary awards educational sponsorships to selected individuals who deserve special consideration from the Yayasan Sime Darby Council due to hardships and difficulties in life.

Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR) School Adoption Programme

Sime Darby's commitment towards the PINTAR Programme started in 2006. To date, Sime Darby has adopted 27 schools under this Programme. The schools are located in various locations in Perlis, Kedah, Kelantan, Penang, Perak, Sabah and Sarawak.

To help improve the quality of education, Sime Darby also collaborates with other organisations to provide value-added initiatives for the Programme. In 2009, Sime Darby organised an English Camp for teachers to improve the capacity and quality of knowledge and teaching of the English language at the adopted schools.

In addition, an annual seminar was also organised for the teachers as a platform to share best teaching practices to ensure the continuous enhancement of the PINTAR Programme.

Mastering English Programme: Intensive UPSR and PMR exam-based workshops

Sime Darby Property, in collaboration with The New Straits Times, organised a series of one-day English language workshops for PMR and UPSR candidates. The workshops were carried out for five consecutive weeks for approximately 3,000 students from 31 schools. It was held with the objective of improving and enhancing interest in the English language amongst Malaysian youths. The exposure, while allowing them access to more opportunities, also helps to foster values, attitudes and knowledge essential in honing their social and professional potential.



Malaysia's no. 1 cyclist, Mohd. Azizulhasni Awang crossing the victory line



Yayasan Sime Darby's Junior Talent, Khoo Er Yang in action

SPORTS

Yayasan Sime Darby Track Cycling Team: The Quest for Malaysia's 1st Olympic Cycling Medal

Supporting the quest to realise the nation's dream of bringing home Malaysia's 1st Olympic cycling medal, Yayasan Sime Darby is sponsoring a team of cyclists to form the Yayasan Sime Darby Track Cycling Team. The team consists of seven athletes from the Malaysian National Cycling Federation (MNCF) - Mohd Azizulhasni Awang, Josiah Ng, Mohd Rizal Tisin, Muhammad Edrus Md Yunus, Junaidi Nasir, Mohamad Hafiz Mohamad Sufian and Fatehah Mustafa.

Yayasan Sime Darby's contribution to this initiative is in the form of a sponsorship for a period of three years. In preparation for the 'Road to London Olympics 2012', these athletes are provided with the best physical and mental training. To equip them with more experience and exposure, they are scheduled to participate in all of the World Cup Classics events from 2009 to 2012, the Continental Championships, the Asian Games, and the Commonwealth Games – all prior to the 2012 Olympic Games and the Track World Championships.

By sponsoring a track cycling team, Yayasan Sime Darby is offering opportunities to the nation's talented cyclists to reach their full athletic potential and ultimately continue their careers in professional sports. Their successes, in turn, will hopefully inspire other youths and the Malaysian public to actively participate in sporting activities.

In Search of the Malaysian Champion

In conjunction with Maybank Malaysian Open 2010, Yayasan Sime Darby via the Kuala Lumpur Golf and Country Club (KLGCC) launched a Programme called 'In Search of the Malaysian Champion'. Aimed at developing home-grown champions who would excel at the international level, the Programme took on board six Malaysian golf professionals, including Danny Chia, S. Siva Chandran Shaaban Hussin Airil Rizman, to undergo a comprehensive 3-month training. The Programme enlisted the expertise of Andrew Nicholson to coach and equip the golfers with mental and physical conditioning, such as tournament preparation and play, course management, biomechanics, short game and video analysis.

Sime Darby was also the official sponsor of the Maybank Malaysian Open 2010. Co-sanctioned by the Asian and European Tours, it was the 49th edition of the tournament which attracted 156 world class players to our local turf.

Junior Talent Development

Yayasan Sime Darby recently introduced its first Junior Talent Development Programme to provide an avenue for young and deserving individuals to excel in sports as well as education. By supporting the grooming of potential world class talent, Yayasan Sime Darby hopes to be instrumental in early talent development, which may provide the country with world class athletes and players for the future.

The first to benefit from this initiative is Khoo Er Yang, a rising tennis star in Malaysia. Khoo is currently undergoing a training programme, which funds his participation in local and international tennis tournaments. To date, Khoo has competed in various tournaments, including the recent National Tennis circuit where he was the youngest player to reach the semi-finals of the men's singles event.

Yayasan Sime Darby hopes that the support given will help Khoo build and improve his game and professional ranking, whilst also encouraging other talented youths to pursue a career in competitive tennis or other sports.

Sime Darby Football Club

Established in March 2010, the Sime Darby Football Club (SDFC) started the season competing in the Football Association of Malaysia (FAM) League. SDFC aims to set a new benchmark for the local professional football arena and aspires to help form the nucleus of the Malaysian national team in the future.



The Sime Darby Football Club Team in jubilation after emerging as champions of the FAM League 2010

In the 14-game season of the FAM League 2010, SDFC emerged league champion with 11 wins, 3 draws and 0 loss. Moving forward, the team strives to perform even better at the Premier League next season.

SUMMARY OF OTHER CSR INITIATIVES FOR FY 2009/2010

ENVIRONMENT

Sustainable Island Project

The Sustainable Island Project is a collaborative effort involving Sime Darby, Reef Check Malaysia and Wild Asia. Sime Darby Plantation sponsored the project which aims to conserve the coral reefs surrounding tourism islands in Malaysia, by raising public awareness and educating the service providers, such as resort operators and diving centres, on the importance of conserving the coral reefs.

Tree Planting Initiative

Sime Darby's Plant-A-Tree Programme is an initiative managed by Sime Darby Plantation's Roundtable on Sustainable Palm Oil (RSPO) Unit. Its objective is to increase the biodiversity values in Sime Darby's plantations, preserve rare and endangered indigenous species of trees in Malaysia, and restore natural habitats within Sime Darby's landbank. To date, the Group has planted over 215,500 trees in its estates and other areas.

Environmental Awareness Programme and Nature Camp

Organised by Sime Darby Property, the Environmental Awareness Programme was held for employee's children to expose them to environmental awareness issues and give them the opportunity to participate in mangrove forest exploration, mangrove tree planting, river cruising, cockles harvesting and firefly watching.

Sime Darby Property also organised a Nature Camp at Kuala Selangor for students and teachers from 31 schools within the Sime Darby Property's townships. The aim is to provide an opportunity for the participants to learn about the mangrove ecosystem and environmental impact on clean water supply, protection of firefly habitats and the role society plays in protecting the environment from further deterioration.

Eco Kids Project

The Eco Kids Project is a collaborative effort between Sime Darby and Rhino Press, meant to nurture the young generation on the importance of being environmentally conscious and green living. The Project is a six-part children's book series co-authored by Fay Khoo and Asha Gill, covering various eco-conscious messages: *Choose not to use plastic bags, don't waste water, recycling, petrol consumption, paper usage, electricity and energy saving*. The books have been donated to charitable homes and utilised for workshops conducted at selected schools in the Sime Darby townships.

COMMUNITY

WAO's Refuge Centre for Battered Women and Their Children

Every year, Yayasan Sime Darby grants RM360,000 institutional fund to supplement the operating costs of the Women's Aid Organisation (WAO) refuge centre for battered women and their children. Based on WAO's records, 53 percent of those seeking shelter at the centre managed to improve their lives, while 30 percent of the centre's former residents have moved on to live independently. Another 23 percent left the centre to stay with their families and friends. During their stay, they participated in a variety of programmes to improve their knowledge and social skills, as well as to enhance their awareness through health and empowerment sessions aimed at enabling survivors of domestic violence to regain control of their lives.

Providing Braille Books to Blind Children in Malaysia

Jointly organised by Yayasan Sime Darby and Persatuan Braille Malaysia, the Programme aims to produce and distribute Braille reference books for visually impaired students at 30 primary and secondary schools throughout Malaysia. The books are translated by members of Persatuan Braille Malaysia and read by sighted volunteers to enable them to be typed into Braille text.

Padang Earthquake Relief Aid Mission

In response to the international call for aid to earthquake victims in Padang, Indonesia, Sime Darby contributed the following:

- Financial assistance
- Distribution of tents and over 25,000kgs of essential food and non-food items
- An emergency medical response team to support Mercy Malaysia
- Relief aid team consisting of employees of Sime Darby Plantation, Energy & Utilities Division and Group Head Office

Sichuan Earthquake Rebuilding Aid and Relief Fund

The Hong Kong operations of Sime Darby Motors Division raised more than HK\$57,000 for the UNICEF Charity Run 2009 through the participation of the Division's staff, colleagues and clients in Hong Kong, Macau and China. The fund was channeled to the rebuilding and recovery effort of Sichuan due to the earthquake, including school refurbishment, educational aid, hygiene education and nutritional programme.

Bukit Jelutong Mosque

In March 2010, Sime Darby Property in collaboration with the Selangor state government contributed to the construction of the new Bukit Jelutong Mosque. Scheduled to be completed in 2012, the new mosque will also serve as a community centre and add more convenience to the neighbourhood.



The donated items ready to be distributed to the affected areas in Padang, Indonesia



A group of plantation women workers taking a break

Gender Policy

The Gender Policy Pilot Programme is a collaborative effort between Sime Darby Plantation and Tenaganita. The Gender Policy Programme focuses on women's rights, working conditions, housing and basic amenities, wages, safety and security, gender-based discrimination, sexual harassment, domestic violence, reproductive health and child care. The Programme included workshop/engagement sessions and empowerment programmes for representatives at each operating unit. The results from these sessions were then used to develop and outline a manual to be referred to by plantation managers and Strategic Operation Unit (SOU) Gender Committees.

Community Patrol Units – 'Safe City Initiative'

In support of the 'Safe City Initiative', Sime Darby Property donated Community Patrol Units, comprising mobile police units and motorcycles for use in crime prevention. The initiative was based on the safe city criteria set by the Federal Department of Town and Country Planning, Ministry of Housing and Local Government and supported by Sime Darby Property's sustainable living policy. Ara Damansara's Safe City initiative includes a 24-hour CCTV surveillance cameras linked to the township's own police station and the Petaling Jaya Police District Head Quarters. Built by Sime Darby Property, the Ara Damansara Police Station serves as the nerve centre of the township's CCTV surveillance system.

Rumah Ikhtiar : Drug Rehabilitation Initiative

Located within Sime Darby's East Estate on Carey Island, the initiative aims to reintegrate former drug addicts back into society by teaching them living skills and rebuilding their confidence and self-esteem. The Project is funded by Sime Darby Plantation. Through the initiative, some of the drug addicts have managed to turn over a new leaf and gained employment in plantations on Carey Island.

Diabetes Education and Awareness Programme for Rural Malaysians

According to a survey by the Ministry of Health, 15 percent of Malaysians above the age of 30 suffer from diabetes. Amongst the rural Malaysians and the Orang Asli communities, the awareness level is found to be very low. To help remedy the situation, Yayasan Sime Darby made a contribution to fund a 24 month programme by the National Diabetes Institute (NADI), that focuses on diabetes education and awareness for the rural population.

Epilepsy Awareness and Treatment Programme for the Economically Disadvantaged

Developed by Sime Darby Medical Centre Subang Jaya and supported by Yayasan Sime Darby, the Programme is meant to fund the Epilepsy Awareness Programme and to provide financial relief to the economically disadvantaged patients by sponsoring 50 percent of their treatment cost.

Hard Core Poor Development Programme (PPRT)

Sime Darby Property PPRT team organised a series of activities to refurbish the homes of identified hard core poor families in Baling, Kedah. The Programme is aimed at upgrading the living conditions of these families, and in some cases their homes were completely re-built.

'Buk Bilong Pikinini'

Sime Darby Industrial in Papua New Guinea sponsored a project called 'Books for Children' or 'Buk Bilong Pikinini' in New Guinea's Pidgin language. The Project aims to improve literacy skills and the general life condition for the children there. The Project also included books and toy donations by the employees. Run by volunteers and paid nationals, it has managed to establish five libraries including a hospital, Red Cross clinic and in-shipping containers.

EDUCATION**Humana Programme**

Sime Darby has over 200 estates spanning across Peninsular Malaysia, Sabah, Sarawak and Borneo. Some of the estates are located in remote areas where the children of plantation workers may not have easy access to schools, while the children of foreign workers face the added difficulty of not being eligible to attend national schools in Malaysia. To remedy the situation, Sime Darby collaborated with the Humana Child Aid Society of Sabah to develop the Humana Programme that aims to reach out to underprivileged foreign children who are presently unable to attend government schools. It is also to ensure that these children are not left out in the field of education and co-curricular activities. This is in accordance with the United Nation's Convention on the Rights of the Child, i.e. the right to education. Since 2008, 11 learning centres have been set up, providing education to more than 1,000 children.

Management Apprenticeship Programme (MAP)

Sime Darby Management Apprenticeship Programme (MAP) is an initiative to support the government's effort to reduce unemployment rate amongst graduates. This one-year graduate employability programme serves as a platform for unemployed graduates to undergo on-the-job training within the Sime Darby Group while waiting for other permanent job opportunities.

Newspaper-in- Education : Series of Creative Workshop

Sime Darby Property, in collaboration with The New Straits Times' Newspaper-in-Education (NIE), organised a series of creative workshop for 50 selected students from 13 of its adopted schools. The participants took part in various activities that were designed to foster and bring out leadership and communication skills, build trust, promote teamwork and confidence.



Children at the Humana Learning Centre in Mostyn Estate participating in their school concert



The students who participated in the Young Enterprise Programme

Sponsorship for AMCHAM's Young Enterprise Programme

Sime Darby Industrial participated in the American Chamber of Commerce (AMCHAM) Young Enterprise Programme by sponsoring a school, SMK Pusat Bandar Puchong 1. Through the sponsorship programme, the students learned how to set up a 'mini company' at their school and consequently gain some hands-on experience by managing it as a business enterprise.

SPORTS**Sime Darby Bayuemas Sports Complex**

Developed and constructed by Sime Darby Property, the Bayuemas Sports Complex in Pandamaran, Klang is a world class complex that caters to both cricket and lawn bowl enthusiasts. As one out of only 11 accredited cricket facilities in the country, the facility is capable of hosting national and international tournaments.

National Cricket Development Programme

In an effort to promote the development of sports in Malaysia, Yayasan Sime Darby pledged to help fund the Malay Cricket Association of Malaysia (MCAM)'s National Cricket Development Programme. The Programme aims to introduce cricket to youths throughout the nation, while scouting cricket players from different parts of Malaysia to form a team to participate in the Under-12 Elite National Competitions.

CORPORATE DIARY

21 JULY 2009

'Safe City Initiative' In Ara Damansara Township

Sime Darby Property pioneered a comprehensive 'Safe City Initiative' for its Ara Damansara township in its continuous efforts to create a safer living environment for the community. Launched by the Minister of Home Affairs YB Dato' Seri Hishammuddin Tun Hussein, the 'Safe City Initiative' is the result of a collaboration between Sime Darby Property, the Royal Malaysian Police, Malaysian Crime Prevention Foundation (MCPF), Selangor State Government and the Ara Damansara Residents' Association.



10 AUGUST 2009

Official Launch of Yayasan Sime Darby

Yayasan Sime Darby (YSD) was officially launched as part of the Group's continued effort and greater commitment towards Corporate Social Responsibility. With an annual funding of RM50 million to RM100 million, YSD will be involved in five core activities, namely community development; education; youth, sports & recreation; arts & culture, and; environmental conservation and ecosystem protection.



16 AUGUST 2009

Official Opening of Sime Darby Specialist Centre Megah

Sime Darby Specialist Centre Megah, Sime Darby Healthcare's second medical facility in the Klang Valley, was officially opened by Chairman of Sime Darby Medical Centre Subang Jaya, Yang Amat Mulia Tengku Datuk Seri Ahmad Shah Al-Haj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Al-Haj. Formerly known as Megah Medical Specialists Group, this multi-disciplinary specialist day-surgery centre is positioned to become a centre of excellence for women's health.



12 OCTOBER 2009

Sime Darby Property Wins The Edge Top Property Developers Award

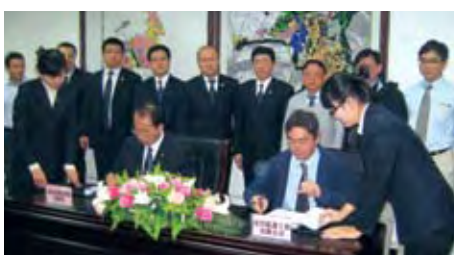
Sime Darby Property won The Edge Malaysia's Top Property Developers Awards 2009, making it the No.1 property developer in the country. The award is a testament of Sime Darby Property's successful strategies in implementing various projects amidst the economic gloom that enveloped the property market in the last financial year.



23 NOVEMBER 2009

5th Lecture Series - Mohan Munasinghe

The Fifth 'Developing Sustainable Futures Lecture Series' was graced by Professor Mohan Munasinghe, the co-recipient of the 2007 Nobel Peace Prize and Vice Chairman of the United Nations Intergovernmental Panel on Climate Change (IPCC). Prof Munasinghe lectured on the topic, 'Sustainable Development - Walking the Talk'.



21 JANUARY 2010

New Headquarters for China Engineers Limited (CEL) Xinjiang

CEL Xinjiang signed an agreement with the Urumchi Economic and Technical Development Zone Committee to acquire land for its new Urumchi Headquarters. CEL Committee was represented by its Managing Director, Jeffri Davidson, while the Urumchi Economic and Technical Development Zone Committee was represented by its representative, Mr Hu Guo Qiang.

2 FEBRUARY 2010

Sime Darby Industrial Delivers its 1,000th Malaysian-Made Terberg Terminal Tractors

Sime Darby Industrial (SDI) delivered its 1,000th Malaysian-made Terberg terminal tractors to Port of Tanjung Pelepas (PTP) in Johor. More than 1,000 Malaysian-made Terberg terminal tractors have been manufactured and distributed by SDI around the Asia Pacific, as well as exported to destinations such as China, Turkey and Morocco.



4 MARCH 2010

Launch of Sime Darby Football Club

Sime Darby Football Club (SDFC) was officially launched and made its debut in the FAM League 2010. At the end of the season, SDFC emerged champions with 11 wins, 3 draws and no loss. SDFC will play in the Premier League for the 2011 season.



12 MARCH 2010

Sime Darby Property Presented With Frost & Sullivan's 'Green Builder of the Year' Award

Sime Darby Property was presented with the 2010 Frost & Sullivan 'Green Builder of the Year' Award for showing outstanding achievement in Malaysia in 2009. The award was based on Sime Darby Property's innovation and effective implementation of building construction methodologies as well as project integration with existing surroundings and infrastructure.



15 MARCH 2010

Sime Darby Motors officially appointed Porsche importer in Malaysia

Porsche Asia Pacific Pte Ltd announced the official appointment of Sime Darby Auto Imports Sdn Bhd (Auto Imports), a wholly-owned subsidiary of Sime Darby, as the sole and exclusive importer of Porsche cars in Malaysia.



16 MARCH 2010

Grand Opening of Yunnan Bow Yue Vehicle Trading Co Ltd

The 9th BMW authorised dealer in China under Sime Darby Group, Yunnan Bow Yue Vehicle Trading Co Ltd, held its grand opening ceremony in April 2010 in Kunming, Yunnan Province in China.



18 MARCH 2010

Launch of Child Protection Policy

Raja Permaisuri Agong, Tuanku Nur Zahirah, officially launched the Group's Child Protection Policy which is aimed at raising awareness among employees on issues pertaining to child safety in the Group's operations. Sime Darby became the first corporate body in Malaysia to pledge a child safe environment in all of its operations.

24 MARCH 2010**Sime Darby Plantation Showcases its B5 Biodiesel**

Sime Darby Plantation showcased its B5 biodiesel (5 percent palm oil blend in petroleum diesel) to the public in preparation for the mandatory implementation of biodiesel usage in the central region of Peninsular Malaysia beginning June 2011. Minister of Plantation Industries and Commodities, Tan Sri Bernard Dompok, graced the occasion which was held at Sime Darby Biodiesel plant in Carey Island.

**1 APRIL 2010****Sime Darby Property's 'Idea House' Unveiled**

Sime Darby Property Berhad, in its journey towards carbon neutrality, signed technical collaborative agreements with some of the world's leading green technology and solution providers for the Sime Darby Idea House project. It is set to be a benchmark in sustainable design that will create Southeast Asia's first carbon-neutral residence that minimises mankind's impact on the environment and depleting natural resources.

**20 APRIL 2010****Minggu Amanah Saham Malaysia (MSAM) 2010**

Sime Darby participated as a premier sponsor in the annual MSAM which was held in Kuching, Sarawak. Sime Darby took the opportunity to showcase its six core businesses to the Sarawak public, and its booth was adjudged the best booth during the exhibition.

**21 APRIL 2010****Sime Darby Property Participates in Government's Initiative to Reduce Crime**

Sime Darby Property took the lead in the Government's initiative to reduce street crimes by contributing three patrol cars and three motorcycles to the Royal Malaysian Police. The three Hyundai Starex, which were converted into mobile police stations, and the three motorcycles will be used for street patrolling. The vehicles were handed over to Dato' Khalid Abu Bakar, Chief Police Officer of Selangor at a ceremony witnessed by YB Dato' Seri Hishammuddin Tun Hussein, Minister of Home Affairs.

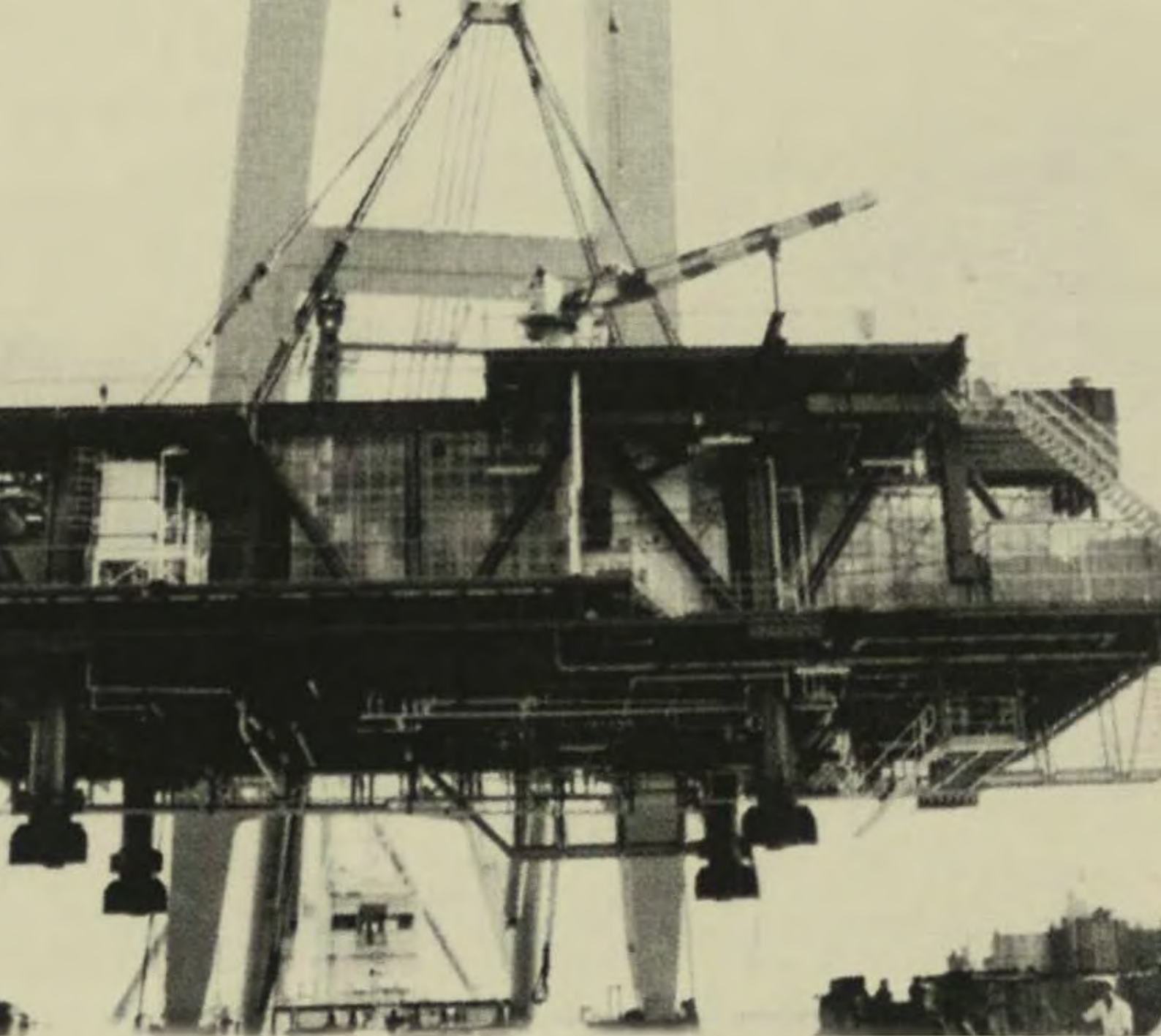
**12 JUNE 2010****Mangrove Replanting Project on Carey Island**

Sime Darby Plantation's mangrove replanting initiative on Carey Island, Selangor took off with the planting of more than 150 new seedlings along the shores of the island. It was a three-party collaboration involving Plantation's R&D Centre, KPMG Malaysia and Forest Research Institute Malaysia (FRIM).

**30 JUNE 2010****Tractors Singapore Wins Caterpillar's Top Asia Pacific Systems Dealer Award for the Third Time**

Tractors Singapore won for the third time the 'Top Asia Pacific Systems Dealer Award' for achieving the Highest Engine Sales (Dollars) in 2009.





The first made-in-Malaysia offshore production platform was successfully completed by Sime Sembawang Engineering Sdn Bhd in Pasir Gudang, Johor in 1986

Sime Sembawang Engineering Sdn Bhd Guntong B jacket sails out from the Pasir Gudang yard in 1987



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 financial year and the results of the Group and the Company for the financial 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 financial year ended 30 June 2010 set out on pages 107 to 214, the Group has used the appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements 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 20 September 2010.

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

CONTENTS

Directors' Report	103 - 106
Financial Statements	
Income Statements	107
Balance Sheets	108 - 109
Statements of Changes in Equity	110 - 111
Cash Flow Statements	112 - 114
Notes to the Financial Statements	115 - 214
Statement by Directors	215
Statutory Declaration	215
Auditors' Report	216 - 217

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2010

The Directors are pleased to present their Report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2010.

Principal Activities

The Company is principally an investment holding company. The principal activities of the subsidiaries, jointly controlled entities and associates are as stated in Note 46 to the financial statements.

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 financial year.

Financial Results

The results of the Group and of the Company for the financial year ended 30 June 2010 are as follows:

	Group RM million	Company RM million
Profit before tax	1,741.5	1,196.4
Tax expense	<u>(886.7)</u>	<u>(5.4)</u>
Profit for the year	<u>854.8</u>	<u>1,191.0</u>
Attributable to:		
Ordinary equity holders of the Company	726.8	1,191.0
Minority shareholders	<u>128.0</u>	<u>-</u>
Profit for the year	<u>854.8</u>	<u>1,191.0</u>

Dividends

Since the end of the previous financial year, the Company has paid the following dividends:

	RM million
a. Final single tier dividend of 15.3 sen per share paid on 15 December 2009 in respect of the financial year ended 30 June 2009; and	<u>919.4</u>
b. Interim single tier dividend of 7.0 sen per share paid on 10 May 2010 in respect of the financial year ended 30 June 2010	<u>420.7</u>

The Board recommends the payment of a final single tier dividend of 3.0 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 2010 amounting to RM180.3 million. Subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, the final single tier dividend will be paid on 15 December 2010.

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 issuances of shares and debentures during the financial year.

Changes in Group Composition

The major changes in Group composition during the financial year are as follows:

Plantation

- a. On 4 December 2009, Sime Darby Plantation Sdn Bhd acquired 50,000 ordinary shares of RM1.00 each representing the entire equity interest in Nature Ambience Sdn Bhd (NASB), a company with rights to invest and develop approximately 26,211 hectares of Native Customary Rights lands located in Kapit and Julau, Sarawak, for RM16.8 million. NASB will be principally involved in the cultivation of oil palm and processing of palm oil and palm kernel.

Property

- b. On 16 December 2009, Sime Darby Property Berhad completed the disposal of its 100% equity interest in Caring Skyline Sdn Bhd for a total consideration of USD20.0 million (equivalent to RM68.3 million). The Group registered a gain of RM40.3 million on this disposal.
- c. On 26 January 2010, Sime Darby Property Berhad (SDPB) entered into a Subscription and Shareholders' Agreement with Sunrise Berhad to form a 50:50 joint venture (Joint Venture) through Baywood Avenue Sdn Bhd (now known as Sime Darby Sunrise Development Sdn Bhd). The Joint Venture will undertake the development of 20.9 acres of land in SDPB's Bukit Jelutong Township, Shah Alam, Selangor which was acquired from Augsburg (M) Sdn Bhd (now known as Sime Darby Augsburg (M) Sdn Bhd) on the same date for a consideration of RM114.1 million.

Motors

- d. On 23 December 2009, Shenzhen Bow Chuang Vehicle Trading Company Limited acquired the remaining 30% equity interest in Shenzhen Sime Darby Motor Enterprises Company Limited for a total consideration of RMB58.8 million (equivalent to RM29.9 million).

Energy & Utilities

- e. On 21 July 2009, Sime Darby Energy Sdn Bhd completed the disposal of its 100% equity interest in Sime Darby Power Link Sdn Bhd for a total consideration of RM15.8 million and registered a gain of RM8,598.

Healthcare & Others

- f. On 16 September 2009, Sime Link Sdn Bhd (now in members' voluntary liquidation) completed the disposal of its entire equity interest of 33.33% in Asian Composites Manufacturing Sdn Bhd for a total consideration of USD12.0 million (equivalent to RM41.9 million). A gain of RM3.8 million was recognised on this disposal.
- g. On 18 November 2009, Sime Darby Healthcare Sdn Bhd acquired the entire issued and paid-up share capital of Sime Darby Medical Centre Ara Damansara Sdn Bhd (SDMC AD) comprising 2 ordinary shares of RM1.00 each. On the same date, SDMC AD entered into a sale and purchase agreement to acquire a building for RM138.6 million to be used as a medical centre. The acquisition was completed on 16 April 2010.

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
 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
 Tan Sri Sheng Len Tao
 Dato' Sri Mohamed Sulaiman
 Dato' Henry Sackville Barlow

Directors (continued)

Dato' Dr. Abdul Halim Haji Ismail
 Datin Paduka Zaitoon Dato' Othman
 Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo (Appointed on 26 August 2010)
 Dato Sri Lim Haw Kuang (Appointed on 26 August 2010)
 Sreesanthan Eliathamby (Appointed on 26 August 2010)
 Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid (Ceased as Director with effect from 12 May 2010)

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 may be 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 financial year covered by the financial statements are as follows:

Number of ordinary shares of RM0.50 each

<u>Sime Darby Berhad</u>	<u>At 1 July 2009</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 30 June 2010</u>
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda (deemed interest)	1,939	-	-	1,939
Dato' Sri Mohamed Sulaiman (deemed interest)	3,800	-	-	3,800

Kuala Lumpur Golf & Country Club Berhad**Participatory interests**

Tun Musa Hitam
 Tun Ahmad Sarji Abdul Hamid
 Dr. Arifin Mohamad Siregar
 Tan Sri Samsudin Osman
 Tan Sri Dato' Dr. Wan Mohd Zahid Mohd Noordin
 Tan Sri Datuk Dr. Ahmad Tajuddin Ali
 Tan Sri Sheng Len Tao
 Dato' Henry Sackville Barlow
 Datin Paduka Zaitoon Dato' Othman

Type of membership

Honorary
 Honorary
 Honorary
 Honorary
 Honorary
 Honorary
 Honorary
 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.
- 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 except as disclosed in the notes to the financial statements; and
 - ii. no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this Report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this Report is made.

Immediate and Ultimate Holding Companies

The 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.

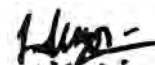
Auditors

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

Signed in accordance with a resolution of the Board of Directors dated 20 September 2010



Tun Musa Hitam
Chairman



Tun Ahmad Sarji Abdul Hamid
Deputy Chairman

Kuala Lumpur, 20 September 2010

INCOME STATEMENTS

For the financial year ended 30 June 2010

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2010	2009	2010	2009
Revenue	4	32,844.7	31,013.9	1,233.8	1,281.8
Operating expenses	5	(31,614.6)	(28,875.9)	(12.1)	(13.4)
Other operating income	6	850.9	1,014.1	0.2	100.5
Operating profit		2,081.0	3,152.1	1,221.9	1,368.9
Share of results of jointly controlled entities		(265.2)	(70.8)	-	-
Share of results of associates		95.8	84.2	-	-
Profit before interest and tax		1,911.6	3,165.5	1,221.9	1,368.9
Finance income	7	108.3	158.7	90.2	11.4
Finance costs	8	(278.4)	(252.6)	(115.7)	(55.0)
Profit before tax		1,741.5	3,071.6	1,196.4	1,325.3
Tax expense	9	(886.7)	(730.8)	(5.4)	(102.1)
Profit for the year		854.8	2,340.8	1,191.0	1,223.2
Profit for the year attributable to:					
Ordinary equity holders of the Company		726.8	2,280.1	1,191.0	1,223.2
Minority shareholders		128.0	60.7	-	-
		854.8	2,340.8	1,191.0	1,223.2
		Sen	Sen		
Earnings per share attributable to ordinary equity holders of the Company:	10				
- Basic		12.09	37.94		
- Diluted		N/A	N/A		

Note:

N/A – denotes Not Applicable, as there are no potential dilutive ordinary shares

BALANCE SHEETS

As at 30 June 2010

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2010	2009	2010	2009
NON-CURRENT ASSETS					
Property, plant and equipment	12	10,772.7	9,439.6	-	-
Biological assets	13	2,417.5	2,323.3	-	-
Prepaid lease rentals	14	2,644.8	2,422.7	-	-
Investment properties	15	395.2	316.4	-	-
Land held for property development	16	674.1	605.2	-	-
Subsidiaries	17	-	-	10,622.6	10,799.6
Amount due from a subsidiary	17	-	-	3,800.0	850.5
Jointly controlled entities	18	215.9	530.9	-	-
Associates	19	625.5	607.1	-	134.7
Investments	20	155.1	220.0	-	-
Intangible assets	21	108.9	129.4	-	-
Deferred tax assets	22	613.7	576.0	0.2	0.2
Trade and other receivables	23	314.7	227.1	-	-
		18,938.1	17,397.7	14,422.8	11,785.0
CURRENT ASSETS					
Inventories	25	5,216.5	5,626.7	-	-
Property development costs	26	2,138.3	1,840.9	-	-
Trade and other receivables	23	5,087.1	5,908.8	0.3	850.2
Prepayments		601.2	376.8	-	1.9
Tax recoverable		552.6	593.0	38.8	40.0
Cash held under Housing Development Accounts	27	542.1	327.5	-	-
Bank balances, deposits and cash	28	4,491.2	3,310.0	321.5	300.5
		18,629.0	17,983.7	360.6	1,192.6
Non-current assets held for sale	29	10.5	58.5	-	-
TOTAL ASSETS		37,577.6	35,439.9	14,783.4	12,977.6
EQUITY					
Share capital	30	3,004.7	3,004.7	3,004.7	3,004.7
Reserves	31	17,445.4	18,380.1	7,956.0	8,105.1
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		20,450.1	21,384.8	10,960.7	11,109.8
Minority interests		680.8	621.0	-	-
TOTAL EQUITY		21,130.9	22,005.8	10,960.7	11,109.8

BALANCE SHEETS

As at 30 June 2010 (continued)

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2010	2009	2010	2009
NON-CURRENT LIABILITIES					
Borrowings	32	4,287.3	2,012.8	2,000.0	-
Provisions	33	51.2	57.9	-	-
Retirement benefits	34	113.1	112.5	-	-
Deferred income	35	159.7	155.0	-	-
Deferred tax liabilities	22	495.1	488.6	-	-
		5,106.4	2,826.8	2,000.0	-
CURRENT LIABILITIES					
Trade and other payables	36	7,123.4	6,345.7	22.7	17.3
Deferred income	35	63.4	74.9	-	-
Borrowings	32	3,302.3	3,594.2	1,800.0	1,850.5
Tax payable		331.4	388.2	-	-
Provisions	33	519.8	204.3	-	-
		11,340.3	10,607.3	1,822.7	1,867.8
TOTAL LIABILITIES		16,446.7	13,434.1	3,822.7	1,867.8
TOTAL EQUITY AND LIABILITIES		37,577.6	35,439.9	14,783.4	12,977.6
		RM	RM		
Net assets per share attributable to ordinary equity holders of the Company	10	3.40	3.56		

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2010

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
2010								
At 1 July	3,004.7	18,380.1	21,384.8	621.0	22,005.8	3,004.7	8,105.1	11,109.8
Currency translation differences:								
- subsidiaries	-	(289.3)	(289.3)	(7.9)	(297.2)	-	-	-
- jointly controlled entities	-	(17.1)	(17.1)	-	(17.1)	-	-	-
- associates	-	(7.7)	(7.7)	-	(7.7)	-	-	-
Share of reserves of associates	-	0.7	0.7	-	0.7	-	-	-
Income and expense recognised directly in equity	-	(313.4)	(313.4)	(7.9)	(321.3)	-	-	-
Profit for the year	-	726.8	726.8	128.0	854.8	-	1,191.0	1,191.0
Total recognised income and expense for the year	-	413.4	413.4	120.1	533.5	-	1,191.0	1,191.0
Issue of shares in subsidiaries	-	-	-	27.7	27.7	-	-	-
Acquisition of additional interest from minority shareholders	-	(8.0)	(8.0)	(23.5)	(31.5)	-	-	-
Deregistration of a subsidiary	-	-	-	(0.2)	(0.2)	-	-	-
Dividends paid (Note 11)	-	(1,340.1)	(1,340.1)	(64.3)	(1,404.4)	-	(1,340.1)	(1,340.1)
At 30 June	3,004.7	17,445.4	20,450.1	680.8	21,130.9	3,004.7	7,956.0	10,960.7

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2010 (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
2009								
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

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 financial year ended 30 June 2010

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2010	2009	2010	2009
Cash flow from operating activities					
Profit for the year		854.8	2,340.8	1,191.0	1,223.2
Adjustments for:					
Dividends from subsidiaries and an associate		-	-	(1,233.8)	(1,275.6)
Net gain on disposal of subsidiaries, associates and investments		(48.3)	(47.5)	-	-
Net gain on disposal of properties and prepaid lease rentals		(101.0)	(122.1)	-	-
Share of results of jointly controlled entities and associates		169.4	(13.4)	-	-
Finance income		(108.3)	(158.7)	(90.2)	(11.4)
Finance costs		278.4	252.6	115.7	55.0
Depreciation and amortisation		893.4	750.1	-	-
Amortisation of prepaid lease rentals		73.3	68.2	-	-
Allowance for doubtful debts		209.1	80.1	-	-
Impairment of property, plant and equipment		194.8	55.2	-	-
Impairment of investments		69.2	95.6	-	-
Project development expenses written off		101.8	-	-	-
Provision for guarantees and performance bonds		277.2	-	-	-
Tax expense		886.7	730.8	5.4	102.1
Other non-cash items [note(a)]		45.5	1.2	-	(85.9)
		3,796.0	4,032.9	(11.9)	7.4
Changes in working capital:					
Inventories		103.1	(1,065.5)	-	-
Property development costs		(337.7)	(274.0)	-	-
Trade and other receivables and prepayments		(156.9)	83.8	1.6	(1.4)
Cash held under Housing Development Accounts		(214.6)	152.0	-	-
Trade and other payables and provisions		1,353.2	(615.9)	0.1	(6.4)
Cash generated from/(used in) operations		4,543.1	2,313.3	(10.2)	(0.4)
Tax (paid)/refund		(968.0)	(1,403.8)	(4.2)	10.0
Dividends received from subsidiaries		-	-	2,083.8	1,398.1
Dividends received from jointly controlled entities and associates		79.2	27.8	-	1.8
Investment income received		48.4	61.0	-	0.1
Net cash from operating activities		3,702.7	998.3	2,069.4	1,409.6

CASH FLOW STATEMENTS

For the financial year ended 30 June 2010 (continued)

Amount in RM million unless otherwise stated

	Note	Group		Company	
		2010	2009	2010	2009
Cash flow from investing activities					
Finance income received		93.5	141.6	90.2	11.3
Purchase of subsidiaries and businesses	39(a)	(37.4)	(146.8)	-	-
Purchase of additional interest in existing subsidiaries	39(b)	(31.5)	(18.5)	-	-
Distribution of pre-acquisition reserves by a subsidiary		-	-	-	133.6
Subscription of shares in jointly controlled entities and associates		(20.4)	(108.7)	-	-
Purchase of property, plant and equipment		(2,993.4)	(1,713.0)	-	-
Costs incurred on biological assets		(97.0)	(120.1)	-	-
Payment for prepaid lease rentals		(294.7)	(64.8)	-	-
Proceeds from sale of property, plant and equipment		341.4	328.9	-	-
Proceeds from sale of investments		0.2	5.0	-	2.0
Proceeds from sale of subsidiaries	40(b)	84.3	47.4	-	-
Proceeds from sale of associates		41.9	28.0	134.7	-
Increase in amounts due from subsidiaries		-	-	(2,772.5)	(33.8)
Others		(20.0)	(22.3)	-	-
Net cash (used in)/from investing activities		(2,933.1)	(1,643.3)	(2,547.6)	113.1
Cash flow from financing activities					
Proceeds from shares issued to minority shareholders of subsidiaries		27.7	55.3	-	-
Capital repayment and distribution by subsidiaries to minority shareholders		(0.2)	(0.3)	-	-
Deposits in designated accounts		-	162.3	-	-
Finance costs paid		(265.7)	(243.4)	(110.2)	(51.3)
Long-term borrowings raised		3,101.1	108.8	2,000.0	-
Repayments of long-term borrowings		(1,651.7)	(323.0)	(1,000.0)	-
Revolving credits, trade facilities and other short-term borrowings (net)		732.4	748.7	949.5	833.8
Dividends paid		(1,404.4)	(2,366.2)	(1,340.1)	(2,298.6)
Net cash from/(used in) financing activities		539.2	(1,857.8)	499.2	(1,516.1)
Net increase/(decrease) in cash and cash equivalents		1,308.8	(2,502.8)	21.0	6.6
Foreign exchange differences		(132.8)	(41.7)	-	-
Cash and cash equivalents at beginning of the year		3,264.7	5,809.2	300.5	293.9
Cash and cash equivalents at end of the year [note(b)]		4,440.7	3,264.7	321.5	300.5

CASH FLOW STATEMENTS

For the financial year ended 30 June 2010 (continued)

Amount in RM million unless otherwise stated

Notes to the Cash Flow Statements:

	Note	Group		Company	
		2010	2009	2010	2009
a. Other non-cash items:					
Write-down of inventories		89.0	64.2	-	-
Reversal of allowance for doubtful debts		(51.4)	(95.0)	-	-
Property, plant and equipment and biological assets written off		13.1	16.3	-	-
Impairment of intangible assets		25.9	9.3	-	-
Investment income		(53.6)	(72.5)	-	(0.1)
Gain on disposal of machinery, equipment and vehicles		(11.2)	(11.9)	-	-
Unrealised foreign currency exchange loss/(gain)		23.1	87.2	-	(100.4)
Others		10.6	3.6	-	14.6
		45.5	1.2	-	(85.9)
b. Cash and cash equivalents at end of the year:					
Bank balances, deposits and cash	28	4,491.2	3,310.0	321.5	300.5
Bank overdrafts	32	(50.5)	(45.3)	-	-
		4,440.7	3,264.7	321.5	300.5

NOTES TO THE FINANCIAL STATEMENTS

Amount 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 subsidiaries, jointly controlled entities and associates are as stated in Note 46 to the financial statements.

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 financial year.

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 1965 and comply with the Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board (MASB). The financial statements have been prepared under the historical cost convention except as disclosed in the summary of principal accounting policies.

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 adopted in preparing these financial statements

i. Standard that is effective for annual period beginning on or after 1 July 2009:

FRS 8 – Operating Segments replaces FRS 114₂₀₀₄ – 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 Group has been reporting its segment information based on business activities, which is also the basis of presenting its monthly internal management reports. Accordingly, there is no change in the reportable segments on the adoption of FRS 8. The basis of measurement of segment results and segment assets are also unaffected as the Group has been using the same basis of measurement for its internal and external reporting.

ii. Amendments to standards that will be effective for annual period beginning on or after 1 January 2010 that have been early adopted:

- Amendments to FRS 5 – Non-current Assets Held for Sale and Discontinued Operations which clarifies that disclosures in other FRSs do not apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations unless specifically identified in those standards.
- Amendments to FRS 8 – Operating Segments allows total assets for each reportable segment to be presented only if it is regularly provided to the chief operating decision maker.
- Amendments to FRS 108 – Accounting Policies, Changes in Accounting Estimates and Errors clarifies the status of implementation guidance in selection and application of accounting policies.
- Amendments to FRS 110 – Events after the Reporting Period provides clarity on dividends declared after the end of the reporting period as not a liability at the balance sheet date given that there is no obligation at that time.
- Amendments to FRS 118 – Revenue provides guidance on an agency relationship.
- Amendments to FRS 119 – Employee Benefits clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation.
- Amendments to FRS 123 – Borrowing Costs eliminates the inconsistency in the use of certain terms between FRS 139 and FRS 123 by replacing some of the components in the definition of borrowing costs with interest expense calculated using the effective interest rate method.

1 Basis of Preparation (continued)

b. Accounting standards and interpretations adopted in preparing these financial statements (continued)

ii. Amendments to standards that will be effective for annual period beginning on or after 1 January 2010 that have been early adopted: (continued)

- Amendments to FRS 127 – Consolidated and Separate Financial Statements clarifies that where an investment in a subsidiary that is accounted for under FRS 139 is classified as held for sale under FRS 5, FRS 139 would continue to be applied.
- Amendments to FRS 134 – Interim Financial Reporting clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of FRS 133 – Earnings per Share.
- Amendments to FRS 136 – Impairment of Assets clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment before the aggregation of segments with similar economic characteristics. The improvement also requires disclosures equivalent to those for value in use calculation if the fair value less costs to sell is calculated on the basis of discounted cash flows.
- Amendments to FRS 138 – Intangible Assets allows a prepayment be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services.

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

iii. Amendments to standard that will be effective for annual period beginning on or after 1 July 2010 that has been early adopted:

Amendments to FRS 5 – Non-current Assets Held for Sale and Discontinued Operations scopes in the non-current assets (or disposal groups) that is classified as held for distribution to owners in FRS 5. It also clarifies that all assets and liabilities of a subsidiary shall be classified as held for sale if the planned sale will involve loss of control of the subsidiary.

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

c. Accounting standards and interpretations that have yet to be adopted in preparing these financial statements

i. New, revised and amendments to standards and interpretations that will be effective for annual period beginning on or after 1 January 2010:

- FRS 4 – Insurance Contracts replaces FRS 202₂₀₀₄ – General Insurance Business and FRS 203₂₀₀₄ – 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 101 – Presentation of Financial Statements only affects the presentation of the component of the financial statements and does not change the recognition and measurement of specific transactions. It introduces Statement of Comprehensive Income to present non-owner changes in equity separately from owner changes in equity and changes the terms Balance Sheet and Cash Flow Statement into Statement of Financial Position and Statement of Cash Flows, respectively. Other changes include presentation of an additional Statement of Financial Position as at the opening of comparative period when there is retrospective adjustment, restatement or reclassification, and disclosure of information that enables users to evaluate the Group's objectives, policies and processes for managing capital.

1 Basis of Preparation (continued)

c. Accounting standards and interpretations that have yet to be adopted in preparing these financial statements (continued)

i. New, revised and amendments to standards and interpretations that will be effective for annual period beginning on or after 1 January 2010: (continued)

- 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.
- Amendments to FRS 7 – Financial Instruments : Disclosures provides information about exposure to risks and how those risks are managed. The improvement clarifies on the presentation of finance costs whereby interest income is not a component of finance costs. It also specifies the disclosure requirement of financial asset reclassified out of the fair value through profit or loss category.
- Amendments to FRS 107 – Statement of Cash Flows requires cash payments to manufacture or acquire assets held for rental and their subsequent sales to be classified under cash flows from operating activities, and prohibit the classification of expenditure on unrecognised assets under cash flows from investing activities.
- Amendments to FRS 116 – Property, Plant and Equipment requires proceeds from sale of property, plant and equipment that are held for rental to be classified as revenue and transfer the carrying amount of the asset to inventories when the asset becomes held for sale.
- Amendments to FRS 117 – Leases removes the requirement to classify leasehold land as operating leases.
- Amendments to FRS 128 – Investments in Associates clarifies that where an investment in associate is accounted for in accordance with FRS 139, only certain rather than all disclosure requirements in FRS 128 need to be made in addition to disclosures required by FRS 132 and FRS 7. The amendments also clarify that goodwill forms part of the carrying amount of an investment in an associate and is not separately identified for impairment testing and subsequent reversal.
- Amendments to FRS 131 – Interest in Joint Ventures clarifies that where an interest in joint venture is accounted for in accordance with FRS 139, only certain rather than all disclosure requirements in FRS 131 need to be made in addition to disclosures required by FRS 132 and FRS 7.
- Amendments to FRS 132 – Financial Instruments : Presentation requires the classification of puttable financial instruments and instruments, or components of instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation as equity, provided the financial instruments have particular features and meet specific conditions.
- Amendments to FRS 139 – Financial Instruments : Recognition and Measurement permits the reclassification of non-derivative financial assets out of the fair value through profit or loss category and from available for sale category to loans and receivables category in certain circumstances. It also clarifies the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations. The amendment also resulted in contracts for contingent consideration in a business combination in the acquirer's books being included within the scope of FRS 139.
- Amendments to FRS 140 – Investment Property requires property that is under construction for future use in earning rentals and/or for capital appreciation to be classified as investment property, and provides guidance on measurement of such property if fair value model is applied.
- 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 Group 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.

1 Basis of Preparation (continued)

c. Accounting standards and interpretations that have yet to be adopted in preparing these financial statements (continued)

i. New, revised and amendments to standards and interpretations that will be effective for annual period beginning on or after 1 January 2010: (continued)

- Amendments to IC Interpretation 9 – Reassessment of Embedded Derivatives requires assessment on whether an embedded derivative is required to be separated from a host contract when a hybrid financial asset is reclassified out of the fair value through profit or loss category.

Some of the above new, revised and amendments to standards and interpretations require retrospective application. The potential impacts of the adoption of the above are shown in Note 44 to the financial statements.

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

ii. Amendments to standard that will be effective for annual period beginning on or after 1 March 2010:

Amendments to FRS 132 – Financial Instruments: Presentation states that rights issues are classified as equity regardless of the currency in which the exercise price is denominated if certain conditions are met.

The adoption of the above amendments is not expected to have any significant financial impact on the Group.

iii. New, revised and amendments to standards and interpretations that will be effective for annual period beginning on or after 1 July 2010:

- FRS 3 – Business Combinations requires all acquisition related costs to be recognised as expenses. It also allows the option to measure the non-controlling interest at fair value at the acquisition date or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. As this is optional, the Group will continue to measure the non-controlling interest at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.
- FRS 127 – Consolidated and Separate Financial Statements requires the effects of all transactions with non-controlling shareholders to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. Total comprehensive income is attributed to the owners of the parent and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss.
- Amendments to FRS 138 – Intangible Assets provides additional guidance in respect of intangible assets acquired in a business combination.
- IC Interpretation 12 – Service Concession Arrangement sets out general principles on recognition and measurement of obligations and related rights in service concession arrangements. A financial asset is recognised if an entity has an unconditional contractual right to receive cash. An intangible asset is recognised if an entity received a right (license) to charge users of the public service.
- IC Interpretation 16 – Hedges of a Net Investment in a Foreign Operation provides guidance on net investment hedging, including which foreign currency risks qualify for hedge accounting and the amount that may be designated, where within the Group the hedging instrument may be held, and the amount which is reclassified to the profit or loss upon disposal of the hedged foreign operation. The requirements of FRS 121 – The Effects of Changes in Foreign Exchange Rates apply to the hedged items.
- IC Interpretation 17 – Distributions of Non-cash Assets to Owners clarifies that dividend payable in the form of non-cash assets should be measured at fair value of those assets at every balance sheet date until distributed. On distribution, the difference between the fair value of the assets and the carrying amount of the assets distributed will be taken to profit or loss.

1 Basis of Preparation (continued)**c. Accounting standards and interpretations that have yet to be adopted in preparing these financial statements (continued)****iii. New, revised and amendments to standards and interpretations that will be effective for annual period beginning on or after 1 July 2010: (continued)**

- Amendments to IC Interpretation 9 – Reassessment of Embedded Derivatives clarifies that embedded derivatives in contracts acquired in a combination of entities or businesses under common control is not within the scope of IC Interpretation 9.

The adoption of the above new, revised and amendments to standards and interpretations is not expected to have any significant financial impact on the Group.

iv. Amendments to standard that will be effective for annual period beginning on or after 1 January 2011:

Amendments to FRS 7 – Financial Instruments: Disclosures enhances the disclosure requirements on fair value measurement using three levels of fair value hierarchy and reinforces existing principles for disclosures about liquidity risk.

The Group has applied the transitional provisions in FRS 7 which exempt it from disclosing the possible impact arising from the initial application of this standard on the financial statements.

v. New interpretation that will be effective for annual period beginning on or after 1 January 2012:

IC Interpretation 15 – Agreements for Construction of Real Estate replaces FRS 201 – Property Development Activities. This interpretation addresses the accounting for revenue and associated expenses by entities that undertake the construction of real estate. Percentage of completion method is used in revenue recognition if the buyer is able to specify the major structural elements of the design of the real estate, the Group merely provides construction services or control and significant risks and rewards of ownership is transferred as work progresses. Otherwise, completed contract method is to be used.

The deliberations on the implementation of IC Interpretation 15 on ‘sell and build’ concept are currently ongoing. Pending the conclusion of the deliberations, the Group is not in position to disclose the effect of the adoption of IC Interpretation 15 on its financial statements.

d. Accounting standards and interpretations that are not relevant to the operations of the Group and of the Company**i. Amendments to standards and new interpretation that will be effective for annual period beginning on or after 1 January 2010:**

- Amendments to FRS 1 – First-time Adoption of Financial Reporting Standards and FRS 127 – Consolidation 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 investment in subsidiaries, jointly controlled entities and associates in the separate financial statements. The amendment also removes the definition of the cost method from FRS 127 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 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.

- Amendments to FRS 120 – Accounting for Government Grants and Disclosure of Government Assistance require the benefit of a government loan at a below-market rate of interest to be treated as a government grant. The loan should be recognised and measured in accordance to FRS 139 – Financial Instruments : Recognition and Measurement. The benefit of the below-market rate of interest shall be measured as the difference between the initial carrying value of the loan determined in accordance with FRS 139 and the proceeds received. The benefits is accounted for in accordance with this Standard. The entity shall consider the conditions and obligations that have been, or must be, met when identifying the costs for which the benefit of the loan is intended to compensate. The amendments also change some terminology to be consistent with other standards.

1 Basis of Preparation (continued)

d. Accounting standards and interpretations that are not relevant to the operations of the Group and of the Company (continued)

i. Amendments to standards and new interpretation that will be effective for annual period beginning on or after 1 January 2010: (continued)

- Amendments to FRS 129 – Financial Reporting in Hyperinflationary Economics replace the term for ‘market value’ with ‘fair value’ and ‘results of operations’ and ‘net income’ with ‘profit or loss’.
- 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.

ii. Revised and amendments to standards that will be effective for annual period beginning on or after 1 July 2010:

- FRS 1 – First-time Adoption of Financial Reporting Standards improved the structure of the standards and does not contain any technical changes.
- Amendments to FRS 2 – Share-based Payment clarify that transactions in which the entity acquires goods as part of the net assets acquired in a combination of entities or business under common control or the contribution of a business on the formation of a joint venture is not within the scope of FRS 2.

iii. Amendments to standard that will be effective for annual period beginning on or after 1 January 2011:

- Amendments to FRS 1 – First-time Adoption of Financial Reporting Standards allows application of transition provisions in FRS 7 – Financial Instruments: Disclosures for first-time adopter.

e. Amendments to standards and new interpretations issued after 30 June 2010

On 15 July 2010, MASB issued the following amendments to standards and new interpretations:

- Amendments to FRS 1 – First-time Adoption of Financial Reporting Standard provides exemption for first-time adopters in the oil and gas industry and those with leasing contracts.
- Amendments to FRS 2 – Share-based Payment clarifies that an entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.
- IC Interpretation 4 – Determining whether an Arrangement contains a Lease provides guidance for determining whether an arrangement, that does not take the legal form of a lease but conveys a right to use an asset in return for a payment or series of payments, is a lease that should be accounted for in accordance with FRS 117 – Leases.
- IC Interpretation 18 – Transfers of Assets from Customers provides guidance where an entity receives from a customer an item of property, plant and equipment (or cash to acquire such an asset) that must be used to connect the customer to a network and provide the customer with ongoing access to goods or services.

The above amendments and interpretations will be effective for annual period beginning on or after 1 January 2011 except for IC Interpretation 18 which shall be applied prospectively to transfers of assets from customers received on or after 1 January 2011.

MASB has also given notice that IC Interpretation 8 and IC Interpretation 11 shall be withdrawn on application of the Amendments to FRS 2.

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 financial years presented, unless otherwise stated.

a. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the financial year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

2 Summary of Principal Accounting Policies (continued)

a. Basis of consolidation (continued)

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.

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 financial 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 combinations 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.

2 Summary of Principal Accounting Policies (continued)

a. Basis of consolidation (continued)

ii. Business combinations under common control (continued)

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.

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.

Equity accounting is discontinued when the Group's carrying amount of the investment in a jointly controlled entity 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 jointly controlled entity.

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 financial 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	
	2010	2009	2010	2009
	RM	RM	RM	RM
Australian dollar	2.78	2.86	2.98	2.66
Chinese renminbi	0.48	0.52	0.50	0.51
European Union euro	3.98	4.97	4.73	4.87
Hong Kong dollar	0.42	0.45	0.44	0.45
Indonesian rupiah (1,000)	0.36	0.35	0.36	0.34
Japanese yen (100)	3.68	3.67	3.71	3.56
New Zealand dollar	2.26	2.30	2.38	2.15
Pound sterling	4.91	5.86	5.38	5.71
Qatar riyal	0.90	0.97	0.93	0.96
Singapore dollar	2.32	2.43	2.41	2.40
Thailand baht	0.10	0.10	0.10	0.10
United States dollar	3.26	3.52	3.39	3.50

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.

2 Summary of Principal Accounting Policies (continued)

c. Property, plant and equipment (continued)

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 20%
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 financial 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 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.

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.

2 Summary of Principal Accounting Policies (continued)

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. 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 financial year in which the expenditure is incurred.

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 and accumulated impairment losses. 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 but tested for impairment annually and whenever indication of impairment exists.

2 Summary of Principal Accounting Policies (continued)

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 indirect overheads, which are either recoverable from plasma farmers or recoverable through bank loans obtained by plasma farmers. 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.

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.

2 Summary of Principal Accounting Policies (continued)

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.

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.

2 Summary of Principal Accounting Policies (continued)

r. Provisions (continued)

i. Maintenance and warranties

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. Guarantees and performance bonds

Provisions for guarantees and performance bonds are recognised when crystallisation is probable. When the probability is remote, the guarantees and performance bonds are disclosed as contingent liabilities.

iii. Property development

Provisions for property development are recognised based on commitments made on enhancements to infrastructure facilities of township developments.

iv. Restructuring costs

Provisions are made for direct expenditure necessarily entailed by the restructuring when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

s. Deferred income

Deferred income comprises the following:

i. 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.

ii. 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.

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 financial 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.

2 Summary of Principal Accounting Policies (continued)

t. Employee benefits (continued)

iii. Defined benefit plans (continued)

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.

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 and cash held under Housing Development Accounts. In the balance sheet, bank overdrafts are included in short-term borrowings.

w. 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, indirect taxes and liquidated ascertained damages.

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 is 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.

x. Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals on operating leases are charged to the income statement on a straight-line basis over the lease term.

y. Tax

The tax expense for the financial 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 financial 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.

2 Summary of Principal Accounting Policies (continued)

y. Tax (continued)

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 at 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.

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.

2 Summary of Principal Accounting Policies (continued)

z. Financial instruments (continued)

iii. Financial instruments not recognised on the balance sheet (continued)

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.

ac. Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to management to allocate resources and assess its performance. These are affected predominantly by differences in the products and services provided. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. 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.

3 Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)

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 completeness and accuracy of the bid and/or budgets,
- the extent of the costs incurred,
- the estimation of the variation works that are recoverable from the customers,
- the extended overheads due to meeting customers' request, weather and other delays,
- the subcontractors performance issues, and
- the changes in availability and proximity of equipments and materials

The foregoing factors as well as the stage of completion of contracts in progress and the mix of contracts at different margins may cause fluctuation in gross profit between periods. Substantial changes in cost estimates, particularly in the Group's larger, more complex projects have had, and can in future periods have, a significant effect on the Group's profitability. In making the above judgement, the Group relies on past experience and work of specialists. The carrying amount of the Group's construction contracts and property development projects are shown in Notes 24 and 26, respectively.

d. Allowance for doubtful debts

Allowance for doubtful debts is made for receivables that the management considers the recoverability to be doubtful. On a regular basis, the management reviews the receivables' ageing report, repayment history and any other available evidence of possible default.

e. 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 2010 is shown in Note 25.

f. Provision for maintenance and 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 2010 is shown in Note 33.

g. 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.

The Group has recognised certain tax recoverable for which the Group believes that there is a reasonable basis for recognition. Where the final tax outcome of this matter is different from the amount that was initially recorded, such difference may cause a material adjustment to the carrying amount of the tax recoverable balance recorded in the period in which such determination is made.

3 Critical Accounting Estimates and Judgement in Applying Accounting Policies (continued)**g. Tax (continued)**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

h. 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 liquidated ascertained damages.

Revenue for the Company represents performance of services and income from investment in subsidiaries and associates.

	Group		Company	
	2010	2009	2010	2009
Analysis of revenue				
Sales of goods	28,800.7	25,783.7	-	-
Performance of services	1,833.3	1,868.1	-	6.2
Construction contracts	616.0	2,233.7	-	-
Property development	1,594.7	1,128.4	-	-
Income from investment in subsidiaries				
- unquoted	-	-	1,233.8	1,273.2
Income from investment in an associate				
- unquoted	-	-	-	2.4
	32,844.7	31,013.9	1,233.8	1,281.8

5 Operating Expenses

	Group		Company	
	2010	2009	2010	2009
Changes in inventories of finished goods and work in progress	471.8	(118.0)	-	-
Finished goods, work in progress and other direct overheads	16,017.8	14,214.4	-	-
Raw materials and consumables used	5,948.4	6,630.1	-	-
Employee benefits [note (a)]	3,322.4	2,921.0	1.0	0.6
Amortisation of prepaid lease rentals	73.3	68.2	-	-
Amortisation of intangible assets	6.7	5.4	-	-
Depreciation				
- property, plant and equipment [note (b)]	838.8	713.4	-	-
- biological assets	39.7	25.8	-	-
- investment properties	8.2	5.5	-	-
Construction contract costs	1,640.9	2,306.8	-	-
Property development costs	1,012.4	698.4	-	-
Replanting expenditure	160.6	120.9	-	-

5 Operating Expenses (continued)

	Group		Company	
	2010	2009	2010	2009
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers Malaysia	6.2	5.7	0.6	0.5
- member firms of PricewaterhouseCoopers International Limited	12.8	12.4	-	-
- underprovision	1.7	1.1	-	-
- others	1.7	1.6	-	-
Fees for non-audit services				
- PricewaterhouseCoopers Malaysia	2.3	2.5	0.6	0.7
- member firms of PricewaterhouseCoopers International Limited	1.9	1.8	-	-
- others	2.0	2.3	-	-
Directors' remuneration [note (c)]	4.5	4.0	2.9	2.6
Hire of plant and machinery [note (d)]	24.0	14.1	-	-
Operating lease payments for land and buildings to				
- subsidiaries	-	-	0.1	0.2
- companies external to the Group	173.3	149.4	-	-
Allowance for doubtful debts				
- jointly controlled entities	100.4	-	-	-
- others	108.7	80.1	-	-
Foreign currencies exchange loss				
- realised	72.6	193.5	-	-
- unrealised	51.1	98.4	-	-
Impairment of				
- property, plant and equipment	194.8	55.2	-	-
- prepaid lease rentals	-	0.1	-	-
- investment properties	3.2	9.8	-	-
- investments	69.2	95.6	-	-
- intangible assets	25.9	9.3	-	-
Loss on disposal of				
- property, plant and equipment	0.6	0.3	-	-
- subsidiaries	0.2	3.5	-	-
Write offs				
- property, plant and equipment	13.0	8.4	-	-
- biological assets	0.1	7.9	-	-
- project development expenses	101.8	-	-	-
Research expenditure	108.7	99.4	-	-
Provision for maintenance, warranties and guarantees	731.0	194.0	-	-
Other costs	261.9	233.6	6.9	8.8
	31,614.6	28,875.9	12.1	13.4

Notes to the Operating Expenses:

a. Employee benefits

Employee benefits included in income statement	3,322.4	2,921.0	1.0	0.6
Employee benefits included in research expenditure (Note 5)	34.7	32.8	-	-
Employee benefits included in construction contracts (Note 24)	79.1	103.8	-	-
	3,436.2	3,057.6	1.0	0.6
Employee benefits include:				
Defined benefit plans (Note 34)	37.2	18.4	-	-
Defined contribution plans	168.6	145.1	-	-
Termination benefits	6.4	1.5	-	-

5 Operating Expenses (continued)**Notes to the Operating Expenses: (continued)****b. Depreciation on property, plant and equipment**

	Group		Company	
	2010	2009	2010	2009
Depreciation included in income statement	838.8	713.4	-	-
Depreciation included in construction contracts (Note 24)	8.6	9.1	-	-
	847.4	722.5	-	-

c. Directors' remuneration

Non-executive directors				
- fees	3.7	3.4	2.2	2.1
- other emoluments	0.8	0.6	0.7	0.5
	4.5	4.0	2.9	2.6
Executive director (included in note(a) above)	1.4	2.3	-	-
	5.9	6.3	2.9	2.6

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	
	2010	2009	2010	2009
Non-executive directors	0.7	0.8	0.7	0.8
Executive director	0.1	-*	-	-
	0.8	0.8	0.7	0.8

The executive director ceased to be a director of the Company with effect from 12 May 2010 but continues to draw remuneration amounting to RM0.3 million and estimated benefits in kind of RM11,175 up to the end of the financial year based on his contract.

* less than RM0.1 million

d. Hire of plant and machinery

	Group		Company	
	2010	2009	2010	2009
Hire of plant and machinery included in income statement	24.0	14.1	-	-
Hire of plant and machinery included in construction contracts (Note 24)	38.5	52.1	-	-
	62.5	66.2	-	-

6 Other Operating Income

	Group		Company	
	2010	2009	2010	2009
Commission, handling fees and incentives	155.7	116.6	-	-
Discounts received	16.7	13.3	-	-
Income from investments (gross)				
- quoted in Malaysia	0.7	1.4	-	-
- quoted outside Malaysia	0.2	0.2	-	-
- unquoted	52.7	70.9	-	0.1
Foreign currencies exchange gain				
- realised	17.8	219.7	-	-
- unrealised	28.0	11.2	-	100.4
Hire of plant and machinery	7.4	4.8	-	-
Rental income from land and buildings	37.8	26.1	-	-
Gain on disposal of				
- property, plant and equipment	65.0	119.9	-	-
- prepaid lease rentals	36.6	1.8	-	-
- investment properties	11.2	12.6	-	-
- subsidiaries	44.7	31.4	-	-
- associates	3.8	15.6	-	-
- investments	-	4.0	-	-
Reversal of impairment losses of				
- property, plant and equipment	11.5	2.9	-	-
- prepaid lease rentals	0.2	-	-	-
- investment properties	0.6	3.1	-	-
- investments	2.2	0.3	-	-
Sale of scraps	40.8	20.1	-	-
Reversal of allowance for doubtful debts	51.4	95.0	-	-
Forfeitures, recoveries and other miscellaneous income	265.9	243.2	0.2	-
	850.9	1,014.1	0.2	100.5

7 Finance Income

	Group		Company	
	2010	2009	2010	2009
Interest income from				
- subsidiaries	-	-	90.0	11.1
- banks and other financial institutions	79.8	124.2	0.2	0.3
- deferred payment arrangement [Note 23(a)]	4.7	3.0	-	-
- others	10.5	19.1	-	-
	95.0	146.3	90.2	11.4
Accretion of discount [Note 23(c)]	13.3	12.4	-	-
	108.3	158.7	90.2	11.4

8 Finance Costs

	Group		Company	
	2010	2009	2010	2009
Finance costs charged by banks and other financial institutions	296.7	256.4	115.7	55.0
Interest capitalised in property development costs (Note 26)	(18.3)	-	-	-
Interest capitalised in capital work in progress (Note 12)	-	(3.8)	-	-
	278.4	252.6	115.7	55.0

9 Tax Expense

	Group		Company	
	2010	2009	2010	2009
Income tax:				
In respect of current year				
- Malaysian income tax	515.6	687.8	5.5	105.0
- foreign income tax	514.6	338.8	-	-
In respect of prior years				
- Malaysian income tax	(56.9)	(17.2)	(0.1)	(3.0)
- foreign income tax	(28.1)	0.4	-	-
Total income tax	945.2	1,009.8	5.4	102.0
Deferred tax:				
- origination and reversal of temporary differences	(11.8)	(114.5)	-	0.1
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(46.7)	(116.8)	-	-
- changes in tax rates	-	(47.7)	-	-
Total deferred tax expense (Note 22)	(58.5)	(279.0)	-	0.1
Total tax expense	886.7	730.8	5.4	102.1

9 Tax Expense (continued)

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	
	2010	2009	2010	2009
Profit before tax	1,741.5	3,071.6	1,196.4	1,325.3
Less: share of results of jointly controlled entities	265.2	70.8	-	-
share of results of associates	(95.8)	(84.2)	-	-
	1,910.9	3,058.2	1,196.4	1,325.3
Applicable tax	502.6	769.4	299.1	331.3
Withholding tax on foreign income	9.3	2.6	-	-
Effects of tax incentives and income not subject to tax				
- tax exempt dividends from subsidiaries	-	-	(302.4)	(212.5)
- others	(63.9)	(65.5)	-	(25.1)
Effects of expenses not deductible for tax purposes				
- offshore projects losses	305.8	107.2	-	-
- impairment losses and projects development expenses	100.3	43.3	-	-
- others	108.6	44.7	8.8	11.4
Deferred tax assets not recognised in respect of current year's tax losses	55.7	10.4	-	-
Over provision in prior years	(85.0)	(16.8)	(0.1)	(3.0)
Effect of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(46.7)	(116.8)	-	-
Changes in tax rates	-	(47.7)	-	-
Tax expense for the year	886.7	730.8	5.4	102.1
Applicable tax rate (%)	26.3	25.2	25.0	25.0
Effective tax rate (%)	46.4	23.9	0.5	7.7

The applicable tax 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 rate of the Group has increased from 25.2% to 26.3% mainly due to higher proportion of income contributed by subsidiaries in Australia which are subjected to statutory income tax rate of 30%.

The effective tax rate of the Group is higher than the applicable tax rate mainly due to offshore projects losses being disallowed for tax purposes.

10 Earnings and Net Assets Per Share

a. Earnings per share

Basic earnings per share is computed as follows:

	Group	
	2010	2009
Profit for the year attributable to ordinary equity holders of the Company	726.8	2,280.1
Weighted average number of ordinary shares in issue (million) (Note 30)	6,009.5	6,009.5
Basic earnings per share (sen)	12.09	37.94

Diluted earnings per share is not applicable for the Group.

10 Earnings and Net Assets Per Share (continued)**b. 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 RM20,450.1 million (2009: RM21,384.8 million) by the 6,009.5 million (2009: 6,009.5 million) number of ordinary shares of the Company at year end.

11 Dividends

	Group/Company	
	2010	2009
Final dividend for the year ended 30 June 2009 paid on 15 December 2009:		
- single tier dividend of 15.3 sen per share (2009: gross dividend of 34.0 sen per share less Malaysian income tax at 25%)	919.4	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%	-	180.3
- Malaysian income tax exempt dividend of 6.0 sen per share	-	360.6
Interim dividend for the year ended 30 June 2010 paid on 10 May 2010:		
- single tier dividend of 7.0 sen per share (2009: gross dividend of 5.0 sen per share less Malaysian income tax at 25%)	420.7	225.3
	1,340.1	2,298.6

At the forthcoming Annual General Meeting, a final single tier dividend of 3.0 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 2010 amounting to a net payout of RM180.3 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 2011 when approved by shareholders.

12 Property, Plant and Equipment

Group 2010	Freehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
At 1 July	2,566.5	2,456.0	1,747.3	1,641.3	1,028.5	9,439.6
Acquisition of subsidiaries [Note 39(a)]	4.1	1.9	2.3	1.4	-	9.7
Disposal of subsidiaries [Note 40(b)]	-	(0.7)	(1.2)	(0.1)	-	(2.0)
Additions	97.5	264.6	591.4	845.1	1,151.4	2,950.0
Disposals	(11.7)	(1.1)	(51.1)	(64.6)	-	(128.5)
Write offs	-	(1.6)	(7.7)	(3.0)	(0.7)	(13.0)
Impairment losses	-	(15.4)	(73.7)	(1.1)	(104.6)	(194.8)
Reversal of impairment losses	-	11.3	-	0.2	-	11.5
Transfer to inventories	-	-	-	(241.5)	-	(241.5)
Transfer to non-current assets held for sale (Note 29)	-	-	(2.4)	-	-	(2.4)
Reclassification	1.9	385.7	376.2	(211.7)	(552.1)	-
Depreciation	-	(149.3)	(306.1)	(392.0)	-	(847.4)
Exchange differences	(7.9)	(76.0)	(14.3)	(28.8)	(81.5)	(208.5)
At 30 June	2,650.4	2,875.4	2,260.7	1,545.2	1,441.0	10,772.7
Cost	2,654.3	4,102.9	4,603.7	2,987.7	1,553.5	15,902.1
Accumulated depreciation	-	(1,188.6)	(2,232.7)	(1,438.5)	-	(4,859.8)
Accumulated impairment losses	(3.9)	(38.9)	(110.3)	(4.0)	(112.5)	(269.6)
Carrying amount at end of year	2,650.4	2,875.4	2,260.7	1,545.2	1,441.0	10,772.7

12 Property, Plant and Equipment (continued)

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(b)]	-	(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	<u>2,566.5</u>	<u>2,456.0</u>	<u>1,747.3</u>	<u>1,641.3</u>	<u>1,028.5</u>	<u>9,439.6</u>
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	<u>2,566.5</u>	<u>2,456.0</u>	<u>1,747.3</u>	<u>1,641.3</u>	<u>1,028.5</u>	<u>9,439.6</u>

Included in capital work in progress incurred during the financial year was interest expense amounting to NIL (2009: RM3.8 million).

As at 30 June 2009, property, plant and equipment with a total carrying amount of RM57.7 million were pledged as security for borrowings. There were no property, plant and equipment pledged as security for borrowings as at 30 June 2010.

During the year, the Group carried out a review of the recoverable amount of its property, plant and equipment. An impairment of RM194.8 million arising from assets that were used mainly in the Group's Energy & Utilities and Plantation segments was recognised in the income statement. The recoverable amount of the relevant assets was determined on the basis of their value in use.

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.

13 Biological Assets

	2010	Group 2009
At 1 July	2,323.3	2,245.0
Additions	97.0	120.1
Disposals	(0.5)	-
Write offs	(0.1)	(7.9)
Transfer from inventories	6.9	10.4
Depreciation	(39.7)	(25.8)
Exchange differences	30.6	(18.5)
At 30 June	<u>2,417.5</u>	<u>2,323.3</u>

Biological assets represent the plantation development expenditure for oil palm, rubber trees and other crops. Produce which were unsold as at the balance sheet date are shown as produce stocks under inventories.

14 Prepaid Lease Rentals

The prepaid lease rentals are payments for rights in respect of the following:

Group 2010	Long leasehold land	Short leasehold land	Total
At 1 July	1,126.7	1,361.7	2,488.4
Additions	81.6	242.1	323.7
Disposals	(35.7)	-	(35.7)
Reversal of impairment losses	-	0.2	0.2
Reclassification	(35.2)	35.2	-
Amortisation	(11.8)	(61.5)	(73.3)
Exchange differences	(0.7)	8.4	7.7
At 30 June	<u>1,124.9</u>	<u>1,586.1</u>	<u>2,711.0</u>
2009			
At 1 July	1,236.6	1,294.0	2,530.6
Disposal of a subsidiary [Note 40(b)]	-	(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)
At 30 June	<u>1,126.7</u>	<u>1,361.7</u>	<u>2,488.4</u>

The prepaid lease rentals of the Group are subject to the following maturity periods:

	2010	Group	2009
Non-Current			
Later than 1 year	2,644.8		2,422.7
Current			
Not later than 1 year, included in prepayments under current assets	66.2		65.7
	<u>2,711.0</u>		<u>2,488.4</u>

As at 30 June 2009, prepaid lease rentals with a total carrying amount of RM37.4 million were pledged as security for borrowings. There was no prepaid lease rentals pledged as security for borrowings as at 30 June 2010.

Certain plantation leasehold lands are stated at valuation. The valuations carried out in 1978 by professional firms of surveyors and valuers were based 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

Group 2010	Freehold		Total
	land	Buildings	
At 1 July	133.1	183.3	316.4
Additions	-	76.9	76.9
Disposals	(4.5)	(15.3)	(19.8)
Impairment losses	-	(3.2)	(3.2)
Reversal of impairment losses	-	0.6	0.6
Transfer to non-current assets held for sale (Note 29)	(1.5)	(3.4)	(4.9)
Transfer to land held for property development (Note 16)	(42.9)	-	(42.9)
Transfer from property development costs (Note 26)	-	91.1	91.1
Depreciation	-	(8.2)	(8.2)
Exchange differences	(0.8)	(10.0)	(10.8)
At 30 June	83.4	311.8	395.2
Cost	98.7	405.1	503.8
Accumulated depreciation	-	(70.5)	(70.5)
Accumulated impairment losses	(15.3)	(22.8)	(38.1)
Carrying amount at end of year	83.4	311.8	395.2
2009			
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	133.1	183.3	316.4
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	133.1	183.3	316.4

The fair value of investment properties as at 30 June 2010 was RM600.2 million (2009: RM527.4 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 RM89.2 million (2009: NIL) was pledged as security for borrowings as at 30 June 2010 (Note 32).

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	Group	
	2010	2009
Rental income	48.0	36.5
Direct operating expenses incurred on		
- income generating properties	(19.8)	(12.3)
- non-income generating properties	(0.3)	(3.3)

16 Land Held for Property Development

	Group	
	2010	2009
At 1 July	605.2	624.0
Additions	85.1	–
Disposal	(7.6)	(8.7)
Transfer to property, plant and equipment (Note 12)	–	(120.4)
Transfer from investment properties (Note 15)	42.9	10.6
Transfer (to)/from property development costs (Note 26)	(51.5)	99.7
At 30 June	<u>674.1</u>	<u>605.2</u>

17 Subsidiaries and Amount Due from a Subsidiary

	Company	
	2010	2009
Unquoted shares at cost	1,722.9	1,722.9
Amounts due from subsidiaries – non-interest bearing	<u>8,899.7</u>	<u>9,076.7</u>
	<u>10,622.6</u>	<u>10,799.6</u>

The amounts due from subsidiaries are unsecured and are not expected to be recalled.

Amount due from a subsidiary – interest bearing	<u>3,800.0</u>	850.5
-------------------------------------------------	----------------	-------

The amount due from a subsidiary of RM3,800.0 million (2009: RM850.5 million) bears interest at rates ranging between 2.70% to 4.75% (2009: 2.70% to 2.85%) per annum, is unsecured and is 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 46.

18 Jointly Controlled Entities

The Group's interest in the assets and liabilities of jointly controlled entities is as follows:

	Group	
	2010	2009
Non-current assets	401.1	525.8
Current assets	526.3	744.5
Non-current liabilities	(57.2)	(170.3)
Current liabilities	(626.3)	(540.7)
Minority interests	(28.0)	(28.4)
Carrying amount at end of year	<u>215.9</u>	<u>530.9</u>

The Group's share of revenue and expenses of jointly controlled entities is as follows:

	Group	
	2010	2009
Revenue	1,665.1	960.3
Expenses	<u>(1,930.3)</u>	<u>(1,031.1)</u>
Loss after tax	<u>(265.2)</u>	<u>(70.8)</u>

The Group's interest in the jointly controlled entities, their respective principal activities and countries of incorporation are shown in Note 46.

19 Associates

	Group		Company	
	2010	2009	2010	2009
Unquoted shares at cost	684.8	670.3	-	134.7
Share of post acquisition reserves	110.0	124.6	-	-
Unrealised profit on transactions with associates	(166.7)	(168.5)	-	-
Impairment losses	(2.6)	(19.3)	-	-
	625.5	607.1	-	134.7

	Group	
	2010	2009
Financial information of equity accounted associates:		
Associates' results		
Revenue	4,964.4	6,330.8
Net profit for the year	211.9	208.7
Associates' financial position		
Total assets	7,048.9	6,761.7
Total liabilities	(4,834.7)	(4,586.6)
Net assets	2,214.2	2,175.1
Share of results of associates before impairment	79.0	84.2
Impairment losses	(0.2)	-
Reversal of impairment losses	17.0	-
	95.8	84.2
Share of reserves of associates	0.7	-
Currency translation differences	(7.7)	24.2
Unrecognised share of profit	-	2.8
Cumulative unrecognised share of losses	-	(2.1)

The Group's equity interest in the associates, their respective principal activities and countries of incorporation are shown in Note 46.

20 Investments

	Group	
	2010	2009
At cost		
Quoted shares		
In Malaysia	63.2	63.2
Outside Malaysia	27.1	24.9
Unquoted shares		
In Malaysia	248.7	248.9
Outside Malaysia	12.9	13.9
Unquoted debentures	4.2	4.2
	356.1	355.1
Accumulated impairment losses		
Quoted shares		
In Malaysia	(42.1)	(43.8)
Outside Malaysia	(8.5)	(5.3)
Unquoted shares		
In Malaysia	(138.1)	(77.0)
Outside Malaysia	(10.3)	(7.0)
Unquoted debentures	(2.0)	(2.0)
Carrying amount at end of year	155.1	220.0

The market value of the quoted investments is shown in Note 43(e).

21 Intangible Assets

Group 2010	Acquired				Internally generated	
	Goodwill	Trademarks	Assets usage rights	Total	Development costs	Total
At 1 July	49.1	68.2	2.3	119.6	9.8	129.4
Additions	13.8	1.0	1.9	16.7	-	16.7
Adjustment to purchase consideration	(1.1)	-	-	(1.1)	-	(1.1)
Impairment losses	(25.9)	-	-	(25.9)	-	(25.9)
Amortisation	-	(3.1)	(0.2)	(3.3)	(3.4)	(6.7)
Exchange differences	(0.6)	(2.8)	-	(3.4)	(0.1)	(3.5)
At 30 June	35.3	63.3	4.0	102.6	6.3	108.9
Cost	73.7	92.1	5.5	171.3	14.2	185.5
Accumulated amortisation	-	(28.8)	(1.5)	(30.3)	(5.3)	(35.6)
Accumulated impairment losses	(38.4)	-	-	(38.4)	(2.6)	(41.0)
Carrying amount at end of year	35.3	63.3	4.0	102.6	6.3	108.9
2009						
At 1 July	4.9	71.6	2.4	78.9	2.1	81.0
Acquisition of a subsidiary [Note 39(a)]	-	-	-	-	3.1	3.1
Disposal of a subsidiary [Note 40(b)]	-	(1.3)	-	(1.3)	-	(1.3)
Additions	52.6	-	-	52.6	6.8	59.4
Impairment losses	(9.3)	-	-	(9.3)	-	(9.3)
Amortisation	-	(3.0)	(0.2)	(3.2)	(2.2)	(5.4)
Exchange differences	0.9	0.9	0.1	1.9	-	1.9
At 30 June	49.1	68.2	2.3	119.6	9.8	129.4
Cost	65.8	97.2	3.7	166.7	21.4	188.1
Accumulated amortisation	-	(29.0)	(1.4)	(30.4)	(9.0)	(39.4)
Accumulated impairment losses	(16.7)	-	-	(16.7)	(2.6)	(19.3)
Carrying amount at end of year	49.1	68.2	2.3	119.6	9.8	129.4

Trademarks with carrying amount of RM35.3 million (2009: 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.

21 Intangible Assets (continued)

Impairment test for goodwill and intangible assets with indefinite useful life

The Group annually test goodwill for impairment by assessing the underlying cash-generating units. Based on this, an impairment loss of RM25.9 million (2009: RM9.3 million) was recorded in the consolidated income statement.

An operating segment level summary of goodwill and intangible assets with indefinite useful life is as follows:

Group	Goodwill	Trademarks	Total
2010			
Plantation	7.9	–	7.9
Industrial	–	0.4	0.4
Motors	23.4	–	23.4
Energy & Utilities	4.0	–	4.0
Healthcare & Others	–	34.9	34.9
	35.3	35.3	70.6
2009			
Plantation	0.9	–	0.9
Industrial	–	0.4	0.4
Motors	23.8	–	23.8
Energy & Utilities	24.4	–	24.4
Healthcare & Others	–	34.9	34.9
	49.1	35.3	84.4

The recoverable amount of the cash generating units ('CGUs') were based on its value in use calculations using projected cash flow projections from financial budgets approved by management covering a five year period. The discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate the cash flows beyond the five-year period are as follows:

	Plantation		Industrial		Motors		Energy & Utilities		Healthcare & Others	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	%	%	%	%	%	%	%	%	%	%
Discount rates	10 - 13	10	12	11	8 - 13	13	9	9	10	10
Growth rates	6 - 19	6	–	–	1 - 2	1 - 2	–	–	15	5

Sensitivity to changes in assumptions

The management believes that there are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the CGUs to materially exceed the recoverable amounts.

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	
	2010	2009	2010	2009
Deferred tax assets	613.7	576.0	0.2	0.2
Deferred tax liabilities	(495.1)	(488.6)	–	–
	118.6	87.4	0.2	0.2
Tax losses for which the tax effects have not been recognised in the financial statements	944.3	978.0	–	–

22 Deferred Tax (continued)

The components and movements of the Group's deferred tax assets and liabilities during the financial year are as follows:

Group 2010	Property, plant and equipment	Prepaid lease rentals	Property development	Allowances and provisions	Tax losses and unabsorbed capital allowances	Others	Total
At 1 July	(318.5)	(259.6)	236.7	223.6	146.6	58.6	87.4
Disposal of subsidiaries	0.1	-	-	(0.1)	-	-	-
Credited/(charged) to income statement							
- origination and reversal of temporary differences	(56.8)	-	(12.4)	100.0	(19.3)	0.3	11.8
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	31.1	11.8	-	14.5	4.0	(14.7)	46.7
Exchange differences	7.7	(9.5)	-	(22.6)	(0.4)	(2.5)	(27.3)
At 30 June	(336.4)	(257.3)	224.3	315.4	130.9	41.7	118.6
2009							
At 1 July	(335.6)	(326.8)	191.3	149.7	73.4	28.2	(219.8)
Acquisition of a subsidiary [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
- effects of recognition of previously unrecognised tax losses, unabsorbed capital allowances and temporary differences	(55.5)	-	45.9	61.5	34.2	30.7	116.8
- 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
At 30 June	(318.5)	(259.6)	236.7	223.6	146.6	58.6	87.4

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 RM308.4 million (2009: RM220.9 million) would be payable.

22 Deferred Tax (continued)

The movements of the Company's deferred tax assets during the financial year are as follows:

	Company	
	2010	2009
At 1 July	0.2	0.3
Charged to income statement		
- origination and reversal of temporary differences	-	(0.1)
At 30 June	<u>0.2</u>	<u>0.2</u>

The deferred tax assets arose from temporary differences in provisions.

23 Trade and Other Receivables

	Group		Company	
	2010	2009	2010	2009
Non-Current				
Trade receivables [note(a)]	80.1	-	-	-
Advances for plasma plantation projects [note(b)]	31.7	37.5	-	-
Redeemable loan stocks [note(c)]	202.9	189.6	-	-
	<u>314.7</u>	<u>227.1</u>	<u>-</u>	<u>-</u>
Current				
Trade receivables [note(a)]	3,290.8	3,407.8	-	-
Accrued billings	746.1	622.8	-	-
Amounts due from customers on construction contracts (Note 24)	400.2	950.4	-	-
Amounts due from jointly controlled entities	103.6	79.2	-	-
Amounts due from associates	61.9	7.1	-	-
Dividends receivable from subsidiaries	-	-	-	850.0
Other receivables	817.9	1,125.7	0.3	0.2
Deposits	115.8	86.5	-	-
	<u>5,536.3</u>	<u>6,279.5</u>	<u>0.3</u>	<u>850.2</u>
Less: Allowance for doubtful debts				
- trade receivables	(245.6)	(335.2)	-	-
- amounts due from jointly controlled entities	(94.7)	-	-	-
- other receivables	(108.9)	(35.5)	-	-
	<u>5,087.1</u>	<u>5,908.8</u>	<u>0.3</u>	<u>850.2</u>
Total trade and other receivables	<u>5,401.8</u>	<u>6,135.9</u>	<u>0.3</u>	<u>850.2</u>

As at 30 June 2009, trade and other receivables with a total carrying amount of RM189.3 million were pledged as security for borrowings. There was no trade and other receivables pledged as security for borrowings as at 30 June 2010.

Notes to the Trade and Other Receivables:

a. Trade receivables

The trade receivables include outstanding net present value of land sales made under deferred payment terms. The discount rate used was 5.0% - 6.25% per annum. The contracted price and the notional interest are as follows:

	Group	
	2010	2009
Outstanding contracted value		
- a jointly controlled entity	102.7	-
- others	-	110.0
	<u>102.7</u>	<u>110.0</u>

23 Trade and Other Receivables (continued)**Notes to the Trade and Other Receivables: (continued)****a. Trade receivables (continued)**

	Group	
	2010	2009
Notional interest in suspense		
At 1 July	(3.1)	(6.1)
Addition during the year	(24.2)	–
Recognised during the year (Note 7)	4.7	3.0
At 30 June	<u>(22.6)</u>	<u>(3.1)</u>
Carrying amount at end of year	<u>80.1</u>	106.9
Non-current		
Due later than 1 year	80.1	–
Current		
Due not later than 1 year	–	106.9
	<u>80.1</u>	<u>106.9</u>

The credit terms of other trade receivables range from 7 to 180 days (2009: 7 to 180 days). The Group and Company have no significant concentrations of credit risk.

b. Advances for plasma plantation projects

	Group	
	2010	2009
At 1 July	57.8	59.2
Additions	9.5	1.2
Recovered on conversion	(6.5)	(1.7)
Exchange differences	1.9	(0.9)
	<u>62.7</u>	57.8
Allowance for shortfall on conversion	(31.0)	(20.3)
At 30 June	<u>31.7</u>	<u>37.5</u>

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 and conversion to plasma farmers. These advances are recoverable from plasma farmers or through bank loans obtained by plasma farmers. 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 its subsidiary, Guthrie Corridor Expressway Sdn Bhd (GCESB). In accordance with the Sale and Purchase of Shares Agreement, the settlement of the intercompany balance due from 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)**Notes to the 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% per annum. The present value of the RLS is as follows:

	Group	
	2010	2009
Nominal value	500.0	500.0
Discount on inception	(334.0)	(334.0)
Accretion		
At 1 July	23.6	11.2
Accretion during the year (Note 7)	13.3	12.4
At 30 June	36.9	23.6
Carrying amount at end of year	<u>202.9</u>	<u>189.6</u>

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
		<u>500.0</u>

24 Construction Contracts

	Group	
	2010	2009
Aggregate costs incurred	9,235.5	7,411.3
Recognised profits less losses to-date	(845.5)	150.7
	<u>8,390.0</u>	<u>7,562.0</u>
Progress billings	(8,390.1)	(6,642.1)
	<u>(0.1)</u>	<u>919.9</u>
Represented by:		
Amounts due from customers (Note 23)	400.2	950.4
Amounts due to customers (Note 36)	(400.3)	(30.5)
	<u>(0.1)</u>	<u>919.9</u>
Retention sums	<u>4.0</u>	<u>6.8</u>

Included in construction contract costs incurred during the financial year are:

Employee benefits	79.1	103.8
Depreciation	8.6	9.1
Hire of plant and machinery	<u>38.5</u>	<u>52.1</u>

25 Inventories

	2010	Group 2009
Produce stocks	82.0	230.8
Raw material and consumable stores	502.4	572.8
Work in progress	240.9	219.4
Finished goods	92.6	109.1
Completed development units	92.8	117.9
Trading inventories		
- heavy equipment	1,471.9	2,162.2
- motor vehicles	1,862.3	1,414.9
- commodities and others	871.6	799.6
	5,216.5	5,626.7

The carrying amount of trading inventories included RM523.2 million (2009: RM586.7 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 financial year was RM89.0 million (2009: RM64.2 million) for the Group.

26 Property Development Costs

	2010	Group 2009
Development costs		
At 1 July	5,368.2	5,114.0
Land acquired	26.4	-
Development costs incurred during the year	1,325.6	1,004.5
Transfer to investment properties (Note 15)	(91.1)	(6.7)
Transfer from/(to) land held for property development (Note 16)	51.5	(99.7)
Completed development units transferred to inventories	(1.9)	(15.7)
Completed development units and land sold	(412.8)	(620.6)
Exchange differences	(1.9)	(7.6)
At 30 June	6,264.0	5,368.2
Costs recognised in income statement		
At 1 July	(3,527.3)	(3,447.9)
Recognised during the year	(1,012.4)	(698.4)
Completed development units and land sold	412.8	620.6
Exchange differences	1.2	(1.6)
At 30 June	(4,125.7)	(3,527.3)
Total property development costs	2,138.3	1,840.9
Property development costs are analysed as follows:		
Land at cost	481.2	496.9
Development costs	5,782.8	4,871.3
Costs recognised in income statement	(4,125.7)	(3,527.3)
	2,138.3	1,840.9

Included in development costs incurred during the financial year was interest expense amounting to RM18.3 million (2009: NIL).

Property development projects with a total carrying amount of RM141.9 million (2009: RM140.4 million) were pledged 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	
	2010	2009	2010	2009
Deposits with licensed banks	2,638.8	2,315.8	321.5	300.0
Cash at bank and in hand	1,852.4	994.2	-	0.5
	4,491.2	3,310.0	321.5	300.5

Effective interest rates are as follows:

	2010	2009	2010	2009
Deposits with licensed banks	2.55	1.40	2.70	1.95
Cash at bank	0.30	0.31	-	-

Deposits of the Group and Company have maturity periods ranging from on call basis to 12 months (2009: 9 months). Cash at bank are deposits held at call.

Deposits with licensed banks of certain subsidiaries with carrying amount of RM2.9 million (2009: RM38.8 million) were pledged as security for borrowings (Note 32).

Included in bank balances, deposits and cash are funds of Yayasan Sime Darby and Yayasan Guthrie of RM50.7 million (2009: RM51.9 million). These funds are set aside for educational, environmental conservation and sustainability projects and related activities for the benefit of the community.

29 Non-Current Assets Held for Sale

	2010	Group	2009
Disposal groups			
- property, plant and equipment [Note 40(b)]	-		15.8
Other assets			
- property, plant and equipment	4.8		2.4
- prepaid lease rentals	0.8		2.4
- investment property	4.9		0.4
- associate	-		37.5
	10.5		58.5

29 Non-Current Assets Held for Sale (continued)

The movements during the financial year relating to non-current assets held for sale are as follows:

	Group	
	2010	2009
At 1 July	58.5	20.6
Disposals	(55.3)	(18.6)
Transfer from property, plant and equipment (Note 12)	2.4	18.2
Transfer from prepaid lease rentals (Note 14)	-	0.8
Transfer from investment properties (Note 15)	4.9	-
Transfer from associate	-	37.5
At 30 June	10.5	58.5

As at the date of this report, the disposal of assets with a total carrying amount of RM2.4 million as at 30 June 2010 were completed.

30 Share Capital

	Group/Company			
	Number of shares (million)		Nominal value	
	2010	2009	2010	2009
Authorised:				
Ordinary shares of RM0.50 each				
At 1 July and 30 June	8,000.0	8,000.0	4,000.0	4,000.0
Issued and fully paid up:				
Ordinary shares of RM0.50 each				
At 1 July and 30 June	6,009.5	6,009.5	3,004.7	3,004.7

31 Reserves

Group 2010	Share premium	Revaluation reserves	Capital reserves	Exchange reserves	Retained profits	Total
At 1 July	100.6	72.2	6,796.1	728.6	10,682.6	18,380.1
Currency translation differences:						
- subsidiaries	-	-	-	(289.3)	-	(289.3)
- jointly controlled entities	-	-	-	(17.1)	-	(17.1)
- associates	-	-	-	(7.7)	-	(7.7)
Share of reserves of associates	-	-	0.7	-	-	0.7
Transfer between reserves	-	(4.3)	13.3	-	(9.0)	-
Income and expense recognised directly in equity	-	(4.3)	14.0	(314.1)	(9.0)	(313.4)
Profit for the year	-	-	-	-	726.8	726.8
Total recognised income and expense for the year	-	(4.3)	14.0	(314.1)	717.8	413.4
Acquisition of additional interest from minority shareholders	-	-	(8.0)	-	-	(8.0)
Dividends paid	-	-	-	-	(1,340.1)	(1,340.1)
At 30 June	100.6	67.9	6,802.1	414.5	10,060.3	17,445.4

31 Reserves (continued)

Group 2009	Share premium	Revaluation reserves	Capital reserves	Exchange reserves	Retained profits	Total
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

Company 2010	Share premium	Capital reserves	Retained profits	Total
At 1 July	100.6	5,725.1	2,279.4	8,105.1
Profit for the year	-	-	1,191.0	1,191.0
Dividends paid	-	-	(1,340.1)	(1,340.1)
At 30 June	100.6	5,725.1	2,130.3	7,956.0

2009

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

The Group's revaluation reserves relate mainly to revaluation of certain Malaysian plantation land and buildings of the Group.

The Group's and Company's capital reserves consist of reserves arising from business combinations under common control totaling RM6,231.2 million (2009: RM6,231.2 million) and RM5,725.1 million (2009: RM5,725.1 million), respectively. The balance is mainly attributable to statutory reserves that are required to be allocated in accordance with the regulations under the various jurisdictions where the subsidiaries operate.

32 Borrowings

	Group		Company	
	2010	2009	2010	2009
Long-term				
Secured				
Term loans	110.0	82.1	-	-
Unsecured				
Term loans [note(a)]	2,164.9	1,893.3	-	-
Islamic Medium Term Notes [note(b)]	2,000.0	-	2,000.0	-
Unconvertible redeemable loan stocks [note(c)]	12.4	37.4	-	-
	4,287.3	2,012.8	2,000.0	-
Short-term				
Secured				
Portion of term loans due within one year	-	1.4	-	-
Other short-term borrowings	487.3	333.3	-	-
Unsecured				
Bank overdrafts	50.5	45.3	-	-
Murabahah Medium Term Notes	-	1,000.0	-	1,000.0
Murabahah Commercial Papers	-	150.0	-	150.0
Portion of term loans due within one year [note(a)]	237.3	238.6	-	-
Unconvertible redeemable loan stocks due within one year [note(c)]	12.5	-	-	-
Revolving credits, trade facilities and other short-term borrowings	2,514.7	1,825.6	1,800.0	700.5
	3,302.3	3,594.2	1,800.0	1,850.5
Total borrowings	7,589.6	5,607.0	3,800.0	1,850.5

The borrowings are secured by fixed and floating charges over investment property, property development projects and other assets of certain subsidiaries.

Notes to the Borrowings:**a. Term loans (unsecured)**

The term loans include the following:

- i. USD471.5 million offshore term loan repayable over eight equal semi-annual installments commencing at the end of the 42nd month from the drawdown date on 28 August 2005. The term loan bears interest at LIBOR plus 0.55% per annum. The outstanding balance as at 30 June 2010 was USD225.1 million (2009: 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 bears interest at LIBOR plus 0.26% per annum. The outstanding balance as at 30 June 2010 was USD200.0 million (2009: USD200.0 million).
- iii. USD280.0 million syndicated term loan repayable at the end of the 3rd year from the drawdown date on 29 March 2010. The term loan bears interest at LIBOR plus 1.20% per annum. The outstanding balance as at 30 June 2010 was USD280.0 million (2009: NIL).

32 Borrowings (continued)**Notes to the Borrowings: (continued)****b. Islamic Medium Term Notes**

On 24 September 2009, the Company had obtained the approval of the Securities Commission for the issuance of an Islamic Medium Term Note (IMTN) Programme of RM4,500.0 million and an Islamic Commercial Paper (ICP)/IMTN Programme of RM500.0 million with a combined limit of RM4,500.0 million (collectively referred to as the Islamic Programmes). The IMTN Programme and ICP/IMTN Programme are for tenures of 20 years and 7 years, respectively.

On 16 November 2009, the Company issued three IMTNs amounting to RM2,000.0 million under its IMTN Programme. The IMTNs were listed on 28 January 2010 with an initial rating of AAA_{ID}. The IMTNs issued are as follows:

Tenure (years)	Profit rate (per annum)	Maturity date	Nominal value
3	3.55%	16 November 2012	300.0
5	4.38%	16 November 2014	700.0
7	4.75%	16 November 2016	1,000.0
			<u>2,000.0</u>

The profit is payable semi-annually in arrears.

c. Unconvertible redeemable loan stocks

The unconvertible redeemable loan stocks carries cumulative interest and the repayment of the 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.

The average effective interest rates/profit margins per annum are as follows:

	Group		Company	
	2010 %	2009 %	2010 %	2009 %
Term loans				
- before interest rate swaps	1.42	2.71	-	-
- after interest rate swaps	4.20	4.14	-	-
Unconvertible redeemable loan stocks	12.00	12.00	-	-
Islamic Medium Term Notes	4.44	-	4.44	-
Murabahah Medium Term Notes	-	4.34	-	4.34
Murabahah Commercial Papers	-	2.80	-	2.80
Bank overdrafts	5.51	4.19	-	-
Other short-term borrowings	3.67	3.83	3.30	2.76

Conventional term loans that are subject to contractual interest rates repricing within 1 year amounted to RM2,512.2 million (2009: RM2,215.4 million).

32 Borrowings (continued)

The currencies and maturity profile of the borrowings are as follows:

Group 2010	Maturities				Total
	Within 1 years	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	
Term loans					
- Malaysia ringgit	50.0	1.9	3.8	105.4	161.1
- Thailand baht	16.1	20.2	4.0	-	40.3
- United States dollar	171.2	383.1	1,756.5	-	2,310.8
Unconvertible redeemable loan stocks					
- Malaysia ringgit	12.5	-	-	12.4	24.9
Islamic Medium Term Notes					
- Malaysia ringgit	-	-	1,000.0	1,000.0	2,000.0
Bank overdraft					
- Malaysia ringgit	2.6	-	-	-	2.6
- Chinese renminbi	30.4	-	-	-	30.4
- European Union euro	2.2	-	-	-	2.2
- Hong Kong dollar	0.1	-	-	-	0.1
- New Zealand dollar	8.9	-	-	-	8.9
- Singapore dollar	6.3	-	-	-	6.3
Others					
- Malaysia ringgit	2,570.1	-	-	-	2,570.1
- Australian dollar	224.5	-	-	-	224.5
- Chinese renminbi	151.1	-	-	-	151.1
- New Zealand dollar	47.5	-	-	-	47.5
- Singapore dollar	2.8	-	-	-	2.8
- Thailand baht	6.0	-	-	-	6.0
	3,302.3	405.2	2,764.3	1,117.8	7,589.6
2009					
Term loans					
- Malaysia ringgit	-	50.9	-	-	50.9
- Australian dollar	-	7.8	160.0	-	167.8
- Singapore dollar	1.4	-	-	-	1.4
- Thailand baht	32.3	15.1	-	-	47.4
- United States dollar	206.3	414.5	1,327.1	-	1,947.9
Unconvertible redeemable loan stocks					
- Malaysia ringgit	-	-	-	37.4	37.4
Murabahah Medium Term Notes					
- Malaysia ringgit	1,000.0	-	-	-	1,000.0
Murabahah Commercial Papers					
- Malaysia ringgit	150.0	-	-	-	150.0
Bank overdraft					
- Malaysia ringgit	9.5	-	-	-	9.5
- European Union euro	11.1	-	-	-	11.1
- Chinese renminbi	1.8	-	-	-	1.8
- New Zealand dollar	21.9	-	-	-	21.9
- Singapore dollar	1.0	-	-	-	1.0
Others					
- Malaysia ringgit	1,355.6	-	-	-	1,355.6
- Australian dollar	234.3	-	-	-	234.3
- Chinese renminbi	315.5	-	-	-	315.5
- Hong Kong dollar	128.9	-	-	-	128.9
- New Zealand dollar	80.6	-	-	-	80.6
- Singapore dollar	6.8	-	-	-	6.8
- United States dollar	37.2	-	-	-	37.2
	3,594.2	488.3	1,487.1	37.4	5,607.0

The Company's borrowings are denominated in Ringgit Malaysia and the maturity dates of its Islamic Medium Term Notes are shown in note(b) above.

33 Provisions

Group 2010	Guarantees and				Total
	Maintenance and warranties	performance bonds	Property development	Restructuring costs	
At 1 July	257.3	-	-	4.9	262.2
Additions	501.4	277.2	-	-	778.6
Amounts unutilised	(47.6)	-	-	-	(47.6)
Charged to income statement	453.8	277.2	-	-	731.0
Utilised	(406.4)	-	-	(4.9)	(411.3)
Exchange differences	(10.9)	-	-	-	(10.9)
At 30 June	293.8	277.2	-	-	571.0

2009

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

	Group	
	2010	2009
Non-current		
Due later than 1 year	51.2	57.9
Current		
Due not later than 1 year	519.8	204.3
	571.0	262.2

Notes to the Provisions:**a. Maintenance and warranties**

Provision is recognised on maintenance and warranties provided for the sales of machinery, vehicles and other 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.

b. Guarantees and performance bonds

Provisions for guarantees and performance bonds are recognised when crystallisation is probable.

34 Retirement Benefits

	Group	
	2010	2009
At 1 July	112.5	125.7
Charge for the year	37.2	18.4
Contributions paid	(2.0)	(1.4)
Benefits paid – unfunded obligations	(30.8)	(29.8)
Exchange differences	(3.8)	(0.4)
At 30 June	<u>113.1</u>	<u>112.5</u>

The amounts recognised on the balance sheet are determined as follows:

Present value of funded obligations [note(a)]	70.5	61.8
Fair value of plan assets [note(b)]	(65.7)	(55.1)
	<u>4.8</u>	<u>6.7</u>
Present value of unfunded obligations [note(a)]	118.7	117.3
Unrecognised actuarial losses [note(c)]	(10.4)	(11.5)
Net liabilities	<u>113.1</u>	<u>112.5</u>

The amounts recognised in the income statement are as follows:

Current service cost	24.9	15.0
Past service cost	1.0	0.2
Interest cost	15.0	8.2
Expected return on plan assets	(3.7)	(5.0)
	<u>37.2</u>	<u>18.4</u>

Total return on plan assets are as follows:

Expected return on plan assets	3.7	5.0
Actuarial gains/(losses) on plan assets	12.5	(22.0)
	<u>16.2</u>	<u>(17.0)</u>

Notes to the Retirement Benefits:**a. Changes in the present value of defined benefit obligations**

Wholly or partly funded obligations	70.5	61.8
Unfunded obligations	118.7	117.3
	<u>189.2</u>	<u>179.1</u>

Movements in the present value of defined benefit obligations are as follows:

At 1 July	179.1	196.1
Current service cost	24.9	15.0
Past service cost	1.0	0.2
Interest cost	15.0	8.2
Benefits paid – funded obligations	(1.9)	(0.6)
Benefits paid – unfunded obligations	(30.8)	(29.8)
Actuarial losses/(gains) due to actual experience	11.4	(13.5)
Exchange differences	(9.5)	3.5
At 30 June	<u>189.2</u>	<u>179.1</u>

b. Changes in the fair value of plan assets

At 1 July	55.1	67.4
Expected return on plan assets	3.7	5.0
Contributions by employers	2.0	1.4
Benefits paid	(1.9)	(0.6)
Actuarial gains/(losses) on plan assets	12.5	(22.0)
Exchange differences	(5.7)	3.9
At 30 June	<u>65.7</u>	<u>55.1</u>

34 Retirement Benefits (continued)**Notes to the Retirement Benefits: (continued)****c. Unrecognised actuarial gains and losses**

	Group	
	2010	2009
At 1 July	(11.5)	(3.0)
Unrecognised actuarial (losses)/gains for the year		
- obligations	(11.4)	13.5
- plan assets	12.5	(22.0)
At 30 June	<u>(10.4)</u>	<u>(11.5)</u>

Principal actuarial assumptions used at the balance sheet date in respect of the Group's defined benefit plans are as follows:

	Group	
	2010 %	2009 %
Discount rate	2.0 – 12.5	2.0 – 12.5
Expected return on plan assets	7.0 – 9.0	5.1 – 7.0
Expected rate of salary increases	<u>1.5 – 8.0</u>	<u>1.5 – 8.0</u>

35 Deferred Income

	Group	
	2010	2009
Maintenance income	70.1	74.7
Advance annualised licence fees	153.0	155.2
	<u>223.1</u>	<u>229.9</u>
Non-current		
Due later than 1 year	159.7	155.0
Current		
Due not later than 1 year	63.4	74.9
	<u>223.1</u>	<u>229.9</u>

36 Trade and Other Payables

	Group		Company	
	2010	2009	2010	2009
Trade payables	3,898.6	3,664.5	-	-
Accruals	2,750.0	2,585.0	22.7	17.3
Progress billings	-	0.3	-	-
Amounts due to customers on construction contracts (Note 24)	400.3	30.5	-	-
Amounts due to jointly controlled entities	59.2	60.6	-	-
Amounts due to associates	15.3	4.8	-	-
	<u>7,123.4</u>	<u>6,345.7</u>	<u>22.7</u>	<u>17.3</u>

Credit terms of trade payables and amounts due to customers ranged from 7 to 180 days (2009: 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.

The Company has also provided guarantees to financial institutions in respect of credit facilities granted to certain subsidiaries, associates and plasma stakeholders and as performance guarantees to customers of certain subsidiaries to secure performance under contracts or in lieu of retention withheld on contracts.

As at 30 June 2010, the performance guarantees and financial guarantees are as follows:

	Group		Company	
	2010	2009	2010	2009
Performance guarantees and advance payment guarantees to customers of:				
- certain subsidiaries	-	-	3,265.4	1,041.5
- a jointly controlled entity	1,860.6	1,860.6	-	-
- the Group	8,128.2	5,061.5	-	-
Guarantees in respect of credit facilities granted to:				
- certain subsidiaries	-	-	2,354.7	2,036.9
- certain associates	14.5	-	-	-
- plasma stakeholders	135.0	121.1	-	-
	10,138.3	7,043.2	5,620.1	3,078.4

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 2010, the counter-indemnities received by the Group and by the Company are as follows:

	Group		Company	
	2010	2009	2010	2009
Counter-indemnities from:				
- third parties	1,863.3	1,603.7	212.1	-
- a subsidiary	-	-	708.0	708.0
	1,863.3	1,603.7	920.1	708.0

b. Claims

As at 30 June 2010, claims against the Group not taken up in the balance sheet amounted to RM19.9 million (2009: RM33.2 million). These claims include disputed taxes, supply of goods and services and compensation.

c. Capital expenditure

	Group	
	2010	2009
Authorised capital expenditure not provided for in the financial statements:		
Property, plant and equipment		
- contracted	632.6	1,456.9
- not contracted	3,113.7	2,985.1
	3,746.3	4,442.0
Business combination and others		
- not contracted	1,563.8	2,521.7
	5,310.1	6,963.7

37 Contingent Liabilities and Commitments (continued)

d. Leases

	2010	Group 2009
Commitments under non-cancellable operating leases:		
Expiring not later than 1 year	108.2	126.4
Expiring later than 1 year but not later than 5 years	188.5	205.1
Expiring later than 5 years	168.4	184.5
	465.1	516.0

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 37,095 hectares have been developed of which about 32,186 hectares have been converted to plasma farmers.

38 Material Litigations

Other than the contingent liabilities and commitments disclosed in Note 37, the material litigations against the Group are as follows:

- a. PT Adhitya Saranamas (PTAS) commenced a legal suit on 17 September 2003 against Kumpulan Guthrie Berhad (KGB) and 6 of its Indonesian subsidiaries for an alleged breach of contract with regards to the provision of consultancy services in connection with the acquisition of subsidiaries in Indonesia.

On 4 March 2008, the Decision of Further Review partially approved PTAS' claim and ordered KGB to pay the amount of USD25.76 million together with interest at the rate of 6% per year thereon as of the date of registration of PTAS' claim at the District Court of South Jakarta until full payment.

On 27 May 2009, KGB requested the postponement of the implementation of the said decision until corresponding legal proceedings in Malaysia are concluded. KGB's request was however rejected and on 10 June 2009, the District Court of South Jakarta issued an order of execution against four land titles (assets) of PT Aneka Intipersada, PT Kridatama Lancar (PTKL), PT Teguh Sempurna (PTTS) and PT Ladangrumpun Suburabadi (PTLS), four subsidiaries of the Group in Indonesia and requested for assistance from the relevant/respective district courts in which jurisdiction the assets are located to effect the order of execution (SJ District Court Order).

Pursuant to the SJ District Court Order, the District Court of Sampit on 21 July 2009 issued a Stipulation on Sita Eksekusi against PTKL and PTTS (Sampit Stipulation) and the District Court of Kotabaru on 27 July 2009 issued a Stipulation on Sita Eksekusi against PTLS (Kotabaru Stipulation).

On 24 August 2009, PTKL and PTTS filed the Rebuttal (Perlawanan) to oppose the execution over their assets at the District Court of Sampit, and on 25 August 2009, PTLS filed the same action at the District Court of Kotabaru.

Despite the Rebuttals, the District Court of South Jakarta proceeded to issue an Auction Stipulation against the assets of PTKL, PTTS and PTLS on 31 August 2009 and requested the Chairman of the respective district courts to undertake public auction on the assets of PTKL, PTTS and PTLS.

At the hearing of PTKL and PTTS Rebuttal applications at the District Court of Sampit on 1 July 2010, the Panel of Judges at the District Court of Sampit decided in favour of PTKL and PTTS and declared the Sampit Stipulation null and void (District Court Decision).

PTAS has on 13 July 2010 submitted their appeal against the District Court Decision to the High Court of Palangkaraya through the District Court of Sampit.

The District Court of Kotabaru had on 11 May 2010 issued a stipulation (Order) to postpone the auction (enforcement) in view of PTLS Rebuttal application and PTLS Rebuttal application is now fixed for decision on 30 September 2010.

In Malaysia, PTAS commenced legal proceedings against KGB to enforce the Decision on Further Review on 11 March 2008. On 2 December 2009, KGB's Striking Out Application was allowed and on 28 December 2009, PTAS filed an appeal to the Court of Appeal. No hearing date has been fixed by the Court of Appeal to-date.

Based on legal counsel's advice, the directors are of the opinion that the outcome of the abovementioned cases are not determinable at the date of this report.

38 Material Litigations (continued)

- b. Berkeley Sdn Bhd (BSB) commenced a legal suit against Consolidated Plantations Berhad (CPB) for breach of a sale and purchase agreement and seeking 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.

After a few adjournments, the appeal was fixed for hearing on 4 February 2010. On the hearing date, BSB's appeal was dismissed with costs by the Court of Appeal. BSB's solicitors filed an application for leave to appeal to the Federal Court against the Court of Appeal's decision. The application for leave to appeal was fixed for hearing on 3 August 2010.

On 3 August 2010, the Federal Court dismissed BSB's application for leave to appeal against the Court of Appeal's decision. With the dismissal, this suit has ceased.

39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Businesses**a. Acquisition of subsidiaries and businesses**

- i. Subsidiaries acquired by the Group during the financial year ended 30 June 2010 are as follows:

Name of subsidiaries	Purchase consideration %	Group's effective interest	Effective acquisition date
Sime Darby Pelita Julau Sdn Bhd (formerly known as Layar Strategi Sdn Bhd)	RM2.00	100.0	16 October 2009
Sime Darby Medical Centre Ara Damansara Sdn Bhd	RM2.00	100.0	18 November 2009
Sime Darby Alif Retort Pack Products Sdn Bhd (formerly known as Alif Retort Pack Products Sdn Bhd)	RM2.00	60.0	1 December 2009
Nature Ambience Sdn Bhd	RM16.8 million	100.0	4 December 2009

The results relating to subsidiaries acquired during the financial year ended 30 June 2010, contributed a loss of RM0.4 million to the consolidated income statement. If the acquisitions were effective on 1 July 2009, the Group's revenue and profit attributable to ordinary equity holders of the Company for the financial year ended 30 June 2010 would have been RM32,844.8 million and RM726.4 million respectively as compared to RM32,844.7 million and RM726.8 million respectively.

- ii. In addition to the above acquisition of subsidiaries, the Group acquired:
- the assets and business relating to the manufacturing, producing, marketing and distributing of lecithin products and by-products for Euro2.0 million on 1 November 2009, and
 - certain business assets relating to the Porsche Importer Business for RM10.1 million on 15 March 2010.

39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Businesses (continued)

a. Acquisition of subsidiaries and businesses (continued)

iii. Details of the assets, liabilities and net cash outflow arising from the acquisition of subsidiaries and businesses are as follows:

	2010		2009	
	Book value	Fair value	Book value	Fair value
Property, plant and equipment (Note 12)	9.7	9.7	26.2	26.2
Intangible assets (Note 21)	-	-	3.1	3.1
Deferred tax assets (Note 22)	-	-	13.2	13.2
Non-current liabilities	-	-	(4.4)	(4.4)
Cash and cash equivalents	-	-	6.1	6.1
Other net current assets	16.2	16.2	75.8	75.8
Minority interests	-	-	(3.1)	(3.1)
Net assets acquired	<u>25.9</u>	<u>25.9</u>	<u>116.9</u>	<u>116.9</u>
Less: net asset equity accounted previously		-		(16.6)
Adjustment for goodwill		<u>13.8</u>		<u>52.6</u>
Purchase consideration including direct costs related to the acquisition		<u>39.7</u>		<u>152.9</u>
Less: cash and cash equivalents of subsidiaries acquired		-		(6.1)
Less: deferred consideration		<u>(2.3)</u>		<u>-</u>
Net cash outflow on acquisition of subsidiaries and businesses		<u>37.4</u>		<u>146.8</u>

b. Acquisition of additional interests in existing subsidiaries

i. The additional interests acquired by the Group during the financial year ended 30 June 2010 are as follows:

Name of subsidiaries	Purchase consideration	Group's additional effective interest %	Group's effective interest %	Effective acquisition date
Kapar Coconut Industries Sdn Bhd	RM1.00	49.0	100.0	28 July 2009
CICA Limited	USD0.5 million	30.0	100.0	20 August 2009
Shenzhen Sime Darby Motor Enterprises Company Limited	RMB58.8 million	30.0	100.0	23 December 2009

ii. The minority interests acquired and the net cash outflow arising from the acquisition of additional interests in existing subsidiaries are as follows:

	2010	2009
Minority interests acquired	23.5	3.5
Premium paid	8.0	15.0
Net cash outflow on acquisition of additional interests in existing subsidiaries	<u>31.5</u>	<u>18.5</u>

c. Acquisition of a jointly controlled entity

On 11 January 2010, Sime Darby Marine (Hong Kong) Private Limited acquired 50% of the equity interest in Halani Sime Darby Marine (FZC) for AED75,000.

39 Acquisition and Establishment of Subsidiaries, Jointly Controlled Entities, Associates and Businesses (continued)**d. Establishment of new companies**

i. The subsidiaries established by the Group during the financial year ended 30 June 2010 are as follows:

Name of subsidiaries	Group's effective interest %	Incorporation date
Key Access Holdings Limited	100.0	21 August 2009
Sime Darby (China) Enterprise Management Company Limited	100.0	28 August 2009
PT Sime Agri Bio	100.0	2 October 2009
Jining Sime Darby Taiping Port Co. Ltd	70.0	9 November 2009
Vibernum Limited	100.0	5 February 2010
Sime Darby Edible Products India Private Limited	100.0	25 March 2010
Sime Darby CEL Machinery (Xinjiang) Company Limited	100.0	22 June 2010

ii. The jointly controlled entity established by the Group during the financial year ended 30 June 2010 is as follow:

Name of subsidiaries	Group's effective interest %	Incorporation date
Sime Darby Sunrise Development Sdn Bhd (formerly known as Baywood Avenue Sdn Bhd)	50.0	10 December 2009

iii. The associates established by the Group during the financial year ended 30 June 2010 are as follows:

Name of subsidiaries	Group's effective interest	Incorporation date
Munich Automobiles Pte Ltd	40.0	19 November 2009
Weifang Binhai Haiwei Dredging Project Co Ltd	20.2	10 December 2009

40 Disposal of Subsidiaries

a. Subsidiaries disposed by the Group during the financial year ended 30 June 2010 are as follows:

Name of subsidiaries	Disposal consideration	Group's effective interest disposed %	Effective disposal date
Sime Darby Power Link Sdn Bhd	RM15.8 million	100.0	21 July 2009
Kapar Coconut Industries Sdn Bhd	RM0.2 million	100.0	6 October 2009
Caring Sykline Sdn Bhd	USD20.0 million	100.0	16 December 2009
Sime Darby Surface Tech Sdn Bhd	RM0.5 million	100.0	30 April 2010

40 Disposal of Subsidiaries (continued)

b. Details of the assets, liabilities and net cash inflow arising from the disposal of subsidiaries are as follows:

	2010	2009
Property, plant and equipment (Notes 12 and 29)	17.8	9.8
Prepaid lease rentals (Note 14)	-	1.3
Intangible assets (Note 21)	-	1.3
Associate	20.1	-
Cash and cash equivalents	0.4	3.7
Other net current assets	1.9	7.1
Net assets disposed	40.2	23.2
Gain on disposal of subsidiaries	44.5	27.9
Proceeds from disposal of subsidiaries	84.7	51.1
Less: cash and cash equivalents of subsidiaries disposed	(0.4)	(3.7)
Net cash inflow on disposal of subsidiaries	84.3	47.4

41 Segment Information - Group

The Group has six reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately. For each of the strategic business units, the Group Chief Executive Officer reviews the internal management reports on a monthly basis and conducts Performance Dialogues with the business units on a regular basis.

Segments comprise:

Segment	Products and services
Plantation	Production and marketing of fresh fruit bunches, crude palm oil, palm kernel, rubber and refining and marketing of palm oil related products.
Property	Developing and marketing residential, commercial and industrial properties and development land and management and provision of golf and other recreational facilities and services.
Industrial	Sales, rental and servicing of heavy equipment.
Motors	Assembly and distribution of vehicles and the provision of after-sale services.
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, 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. Except for some additional disclosure, the measurement basis and classification are consistent with those adopted in the previous financial year.

41 Segment Information – Group (continued)

2010	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care & Others	Corporate expense	Elimination	Total
Segment revenue									
External	10,857.7	1,784.5	8,231.3	10,068.2	1,403.2	499.8	-	-	32,844.7
Inter-segment	3.2	28.2	63.3	29.8	6.2	14.0	-	(144.7)	-
	10,860.9	1,812.7	8,294.6	10,098.0	1,409.4	513.8	-	(144.7)	32,844.7
Segment results									
Operating profit/(loss)	2,097.8	451.7	748.1	374.9	(1,478.5)	8.1	(121.1)	-	2,081.0
Share of results of jointly controlled entities and associates	15.4	41.3	9.9	11.4	(273.2)	25.8	-	-	(169.4)
Profit/(loss) before interest and tax	2,113.2	493.0	758.0	386.3	(1,751.7)	33.9	(121.1)	-	1,911.6
Included in operating profit/(loss) are:									
Depreciation and amortisation	(356.1)	(41.0)	(244.2)	(130.2)	(81.0)	(24.0)	(16.9)	-	(893.4)
Amortisation of prepaid lease rentals	(56.0)	(3.1)	(0.4)	(6.1)	(7.6)	(0.1)	-	-	(73.3)
Allowance for doubtful debts	(10.6)	(8.7)	(11.8)	(2.5)	(171.6)	(1.9)	(2.0)	-	(209.1)
Impairment losses	(50.6)	(3.9)	(3.6)	(26.1)	(147.6)	(61.2)	(0.1)	-	(293.1)
Reversal of impairment losses	-	2.2	-	12.3	-	-	-	-	14.5
Provisions for guarantees and performance bonds	-	-	-	-	(277.2)	-	-	-	(277.2)
Other non-cash items	(79.9)	42.9	32.2	30.5	(14.4)	18.8	(13.5)	-	16.6

Included in the share of results of jointly controlled entities and associates are:

	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care & Others	Corporate expense	Elimination	Total
Impairment of associates	-	(0.2)	-	-	-	-	-	-	(0.2)
Reversal of impairment of associates	-	-	-	-	-	17.0	-	-	17.0

41 Segment Information – Group (continued)

2009	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care & Others	Corporate expense	Elimination	Total
Segment revenue									
External	10,657.9	1,407.5	7,870.1	7,510.3	2,939.4	628.7	-	-	31,013.9
Inter-segment	4.1	41.6	56.4	15.1	8.8	22.5	-	(148.5)	-
	<u>10,662.0</u>	<u>1,449.1</u>	<u>7,926.5</u>	<u>7,525.4</u>	<u>2,948.2</u>	<u>651.2</u>	<u>-</u>	<u>(148.5)</u>	<u>31,013.9</u>
Segment results									
Operating profit/(loss)	1,795.8	410.4	850.6	178.1	23.3	0.6	(106.7)	-	3,152.1
Share of results of jointly controlled entities and associates	(76.8)	51.5	11.5	0.4	17.5	9.3	-	-	13.4
Profit/(loss) before interest and tax	<u>1,719.0</u>	<u>461.9</u>	<u>862.1</u>	<u>178.5</u>	<u>40.8</u>	<u>9.9</u>	<u>(106.7)</u>	<u>-</u>	<u>3,165.5</u>

Included in operating profit/(loss) are:

Depreciation and amortisation	(300.6)	(33.4)	(193.5)	(115.8)	(68.2)	(19.2)	(19.4)	-	(750.1)
Amortisation of prepaid lease rentals	(55.0)	(2.0)	(0.1)	(4.5)	(5.6)	(1.0)	-	-	(68.2)
Allowance for doubtful debts	(18.9)	(8.8)	(38.1)	(7.6)	(1.4)	(4.8)	(0.5)	-	(80.1)
Impairment losses	(38.8)	(14.2)	(14.8)	(37.2)	(15.2)	(49.8)	-	-	(170.0)
Reversal of impairment losses	-	-	0.3	5.8	-	0.2	-	-	6.3
Other non-cash items	19.7	119.6	(13.3)	(5.4)	20.3	38.5	1.9	-	181.3

There were no impairment or reversal of impairment of jointly controlled entities or associates for the financial year ended 30 June 2009.

The Energy & Utilities segment reported a higher loss for the financial year ended 30 June 2010 compared to that of the previous year mainly due to delays and provisions for foreseeable losses on certain projects.

41 Segment Information – Group (continued)

2010	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care & Others	Corporate	Elimination	Total
Segment assets									
Operating assets	12,871.4	6,622.5	5,580.4	4,469.2	3,311.2	725.1	2,015.1	(35.5)	35,559.4
Jointly controlled entities and associates	446.6	390.2	59.8	61.6	(146.2)	29.4	-	-	841.4
Non-current assets held for sale	-	4.9	-	2.4	-	3.2	-	-	10.5
	13,318.0	7,017.6	5,640.2	4,533.2	3,165.0	757.7	2,015.1	(35.5)	36,411.3
Segment liabilities									
Liabilities	1,216.2	889.7	2,161.9	1,790.1	1,723.4	178.2	106.6	(35.5)	8,030.6

Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:

	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care & Others	Corporate	Elimination	Total
Capital expenditure	1,100.1	338.2	676.7	268.0	925.4	198.9	28.3	-	3,535.6
Additions to interest in jointly controlled entities and associates	-	-	3.4	7.1	9.9	-	-	-	20.4
Goodwill arising from business combinations	7.5	-	-	6.3	-	-	-	-	13.8
	1,107.6	338.2	680.1	281.4	935.3	198.9	28.3	-	3,569.8

2009

Segment assets									
Operating assets	12,080.9	5,530.1	6,155.4	3,799.5	3,660.2	617.0	1,292.9	(61.6)	33,074.4
Jointly controlled entities and associates	447.5	442.9	56.7	22.7	137.8	30.4	-	-	1,138.0
Non-current assets held for sale	-	-	2.1	-	15.8	40.6	-	-	58.5
	12,528.4	5,973.0	6,214.2	3,822.2	3,813.8	688.0	1,292.9	(61.6)	34,270.9
Segment liabilities									
Liabilities	1,290.1	810.5	2,084.2	1,129.0	1,440.4	159.7	98.0	(61.6)	6,950.3

41 Segment Information – Group (continued)

Additions to non-current assets, other than financial instruments and deferred tax assets, are as follows:

2009	Plantation	Property	Industrial	Motors	Energy & Utilities	Health-care & Others	Corporate	Elimination	Total
Capital expenditure	740.6	89.6	260.6	302.2	478.3	59.7	23.8	-	1,954.8
Additions to interest in jointly controlled entities and associates	-	-	1.9	-	106.8	-	-	-	108.7
Goodwill arising from business combinations	-	-	-	32.4	20.2	-	-	-	52.6
	<u>740.6</u>	<u>89.6</u>	<u>262.5</u>	<u>334.6</u>	<u>605.3</u>	<u>59.7</u>	<u>23.8</u>	<u>-</u>	<u>2,116.1</u>

Capital expenditure consist:

	2010	2009
Property, plant and equipment	2,950.0	1,713.0
Biological assets	97.0	120.1
Prepaid lease rentals	323.7	64.8
Investment properties	76.9	50.1
Land held for property development	85.1	-
Intangible assets other than goodwill	2.9	6.8
	<u>3,535.6</u>	<u>1,954.8</u>

Reconciliation of segment assets and liabilities to total assets and total liabilities are as follows:

	Assets		Liabilities	
	2010	2009	2010	2009
Segment total	36,411.3	34,270.9	8,030.6	6,950.3
Tax assets/ liabilities	1,166.3	1,169.0	826.5	876.8
Borrowings	-	-	7,589.6	5,607.0
	<u>37,577.6</u>	<u>35,439.9</u>	<u>16,446.7</u>	<u>13,434.1</u>

Revenue, profit before interest and tax and non-current assets, other than financial instruments and deferred tax assets, analysed by location of the Group's operations:

	Revenue		Profit before interest and tax		Non-current assets	
	2010	2009	2010	2009	2010	2009
Malaysia	10,772.9	11,480.0	56.9	1,752.0	10,901.7	9,940.3
Indonesia	2,075.3	1,644.3	782.1	479.9	2,634.3	2,441.1
Singapore	3,112.6	3,163.4	257.3	288.7	693.8	738.1
China	6,238.3	4,332.7	282.7	98.5	1,323.8	913.9
Australasia	6,442.1	6,061.8	490.7	524.2	1,218.9	1,298.0
Other countries in South East Asia	1,922.0	1,817.3	53.9	28.6	589.4	610.9
Europe	1,657.6	1,828.6	(30.9)	(19.9)	436.0	400.5
Other countries	623.9	685.8	18.9	13.5	56.7	31.8
	<u>32,844.7</u>	<u>31,013.9</u>	<u>1,911.6</u>	<u>3,165.5</u>	<u>17,854.6</u>	<u>16,374.6</u>

41 Segment Information – Group (continued)

Revenue and non-current assets, other than financial instruments and deferred tax assets, analysed by location of customers and location of assets:

	Revenue		Non-current assets	
	2010	2009	2010	2009
Malaysia	8,614.7	9,703.8	10,901.0	9,939.9
Indonesia	2,086.7	1,651.6	2,634.3	2,441.1
Singapore	3,175.6	3,336.6	694.5	738.6
China	7,171.4	5,090.7	1,323.8	913.9
Australasia	6,452.1	6,068.4	1,218.9	1,298.0
Other countries in South East Asia	1,932.0	1,818.6	589.4	611.3
Europe	1,688.2	1,931.3	436.0	400.5
Other countries	1,724.0	1,412.9	56.7	31.3
	32,844.7	31,013.9	17,854.6	16,374.6

The Group's operations are wide spread in terms of the range of products and services it offers and the geographical coverage. There is no single customer that contributed 10% or more to the Group's revenue.

Non-current assets consist:

	2010	2009
Property, plant and equipment	10,772.7	9,439.6
Biological assets	2,417.5	2,323.3
Prepaid lease rentals	2,644.8	2,422.7
Investment properties	395.2	316.4
Land held for property development	674.1	605.2
Jointly controlled entities	215.9	530.9
Associates	625.5	607.1
Intangibles	108.9	129.4
	17,854.6	16,374.6

42 Disclosure of Significant Related Party Transactions

At the last Annual General Meeting held on 30 November 2009, 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 financial year ended 30 June 2010 pursuant to the shareholders' mandate are as follows:

Subsidiaries of the Company	Transacting party	Nature of transaction	Related party and nature of relationship	2010	2009
Inokom Corporation Sdn Bhd (ICSB)	Hyundai Motor Company (HMC)	Royalty payment and procurement of Completely Knocked-Down (CKD) packs, Completely Built-Up cars and ancillary services by ICSB from HMC	HMC, a substantial shareholder of ICSB	6.6	66.2
	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	22.6	17.5
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 - PT 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	77.9	282.0

Significant related party transactions other than as disclosed in Notes 5, 6, 7 and 8 are as follows:

	Group		Company	
	2010	2009	2010	2009
a. Transactions with jointly controlled entities				
Tolling fees and sales to Emery Oleochemicals (M) Sdn Bhd and its related companies	12.1	8.0	-	-
Sale of land to Sime Darby Sunrise Development Sdn Bhd (formerly known as Baywood Avenue Sdn Bhd)	114.1	-	-	-
b. Transactions with associates				
Forwarding services from KN Sime Logistics Sdn Bhd	10.0	-	-	-
Purchase of natural latex from Muang Mai Guthrie Co Ltd	2.9	-	-	-
Rental of land from Seriemas Development Sdn Bhd (formerly known as I & P Seriemas Sdn Bhd)	13.4	12.7	-	-

42 Disclosure of Significant Related Party Transactions (continued)

Significant related party transactions other than as disclosed in Notes 5, 6, 7 and 8 are as follows: (continued)

	Group		Company	
	2010	2009	2010	2009
c. Transactions between subsidiaries and its significant minority shareholders				
Turnkey works rendered by Brunfield Engineering Sdn Bhd to Sime Darby Brunfield Holding Sdn Bhd (SDBH) and its subsidiaries, companies in which Dato' Dr Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria have equity interests	260.6	99.0	-	-
Turnkey works rendered by Brunfield Engineering Sdn Bhd to Sime Darby Brunfield Property Sdn Bhd, companies in which Encik Mohamad Hassan Zakaria has equity interests	5.1	-	-	-
Sale of properties by SDBH to Brunfield Properties Sdn Bhd, companies in which Dato' Dr Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria have equity interests	11.5	0.9	-	-
Sales of goods and performance of services to Gunnebo Holdings APS and its related companies, a shareholder of Chubb Malaysia Sendirian Berhad	10.2	15.5	-	-
Royalty payment to and procurement of Completely Knocked-Down (CKD) packs, Completely Built-Up cars and ancillary services from Hyundai Motor Company and its related companies	29.2	83.7	-	-
d. Transactions between subsidiaries and companies in which the subsidiaries' directors or his close family members have equity interest				
Provision of nominee director and management services by Rusa Consulting Limited in which Mr Nik Raof Daud, a director of Sime Darby London Limited has an equity interest	1.0	1.3	-	-
Rental of land from Tee Wan Kia & Sons Realty Sdn Bhd, a company in which a close family member of Mr Tee Seng Biung, a director of Kapar Coconut Industries Sdn Bhd has an equity interest	-	0.2	-	-
e. Transactions with directors				
Sales of residential properties and cars	0.1	0.8	-	-
f. Transactions with key management personnel				
Sales of residential properties and cars	3.5	-	-	-
g. Transaction with a close family member of a key management personnel				
Sale of a residential property	6.5	-	-	-
h. Remuneration of directors and key management personnel				
Salaries, fees and other emoluments	21.6	22.5	2.9	2.6
Estimated monetary value of benefits by way of usage of the Group's and Company's assets	1.9	1.7	0.7	0.8

Other than as disclosed above, there were no material contracts subsisting as at 30 June 2010 or if not then subsisting, entered into since the end of the previous financial year by the Company or its subsidiaries which involved the interests of Directors or substantial shareholders.

42 Disclosure of Significant Related Party Transactions (continued)

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	
	2010	2009	2010	2009
a. Amounts due from/(to) jointly controlled entities				
Malaysia - China Hydro Joint Venture	(56.5)	(60.4)	-	-
Sime Darby Marine Puteri Offshore I (L) Inc	64.0	40.3	-	-
Sime Darby Marine Puteri Offshore II (L) Inc	14.2	15.3	-	-
Sime Darby Marine Puteri Offshore III (L) Inc	14.2	15.3	-	-
Sime Darby Sunrise Development Sdn Bhd (formerly known as Baywood Avenue Sdn Bhd)	108.9	-	-	-
Terberg Tractors Malaysia Sdn Bhd	0.8	8.1	-	-
b. Amounts due from/(to) associates				
Energy Power Systems Australia Pty Ltd	5.6	-	-	-
Seriemas Development Sdn Bhd (formerly known as I & P Seriemas Sdn Bhd)	40.3	(3.8)	-	-

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 Policies and Authorities. 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.

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 rate 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.

43 Financial Instruments (continued)**a. Financial risk management objectives and policies (continued)**Liquidity and cash flow risk

The Group maintains 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.

c. Currency profile of major financial assets and financial liabilities:

Group 2010	Denominated in other than functional currencies							Denomi- nated in functional currencies	Total
	United States dollar	Australian dollar	European Union euro	Qatar riyal	New Zealand dollar	Singapore dollar	Others		
Trade receivables (net)	416.0	2.3	9.6	54.7	-	0.9	6.9	2,634.9	3,125.3
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	542.1	542.1
Bank balances, deposits and cash	345.2	198.4	43.2	0.1	44.8	26.7	17.5	3,815.3	4,491.2
Long-term borrowings	(651.8)	-	-	-	-	-	-	(3,635.5)	(4,287.3)
Short-term borrowings	(12.6)	-	-	-	-	-	-	(3,289.7)	(3,302.3)
Trade payables	(352.2)	(0.8)	(176.9)	(4.5)	(0.3)	(7.6)	(21.3)	(3,335.0)	(3,898.6)
	(255.4)	199.9	(124.1)	50.3	44.5	20.0	3.1	(3,267.9)	(3,329.6)

43 Financial Instruments (continued)

c. Currency profile of major financial assets and financial liabilities: (continued)

Group 2009	Denominated in other than functional currencies							Denomi- nated in functional currencies	Total
	United States dollar	Australian dollar	European Union euro	Qatar riyal	New Zealand dollar	Singapore dollar	Others		
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)

All financial assets and financial liabilities of the Company are denominated mainly in Ringgit Malaysia, the functional currency of the Company, other than the amounts due from subsidiaries of RM1,010.2 million and RM506.6 million as at 30 June 2009 which were denominated in Singapore dollar and Hong Kong dollar respectively. For the financial year ended 30 June 2010, there are no financial assets and financial liabilities which are denominated in currencies other than Ringgit Malaysia.

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.

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.

43 Financial Instruments (continued)**d. Off balance sheet financial instruments (continued)****i. Forward foreign exchange contracts (continued)**

As at balance sheet date, forward foreign exchange contracts have been entered into with the following notional amounts and maturities:

Group 2010	Maturities		Total
	Within 1 year	Above 1 year	
Forward contracts used to hedge anticipated sales			
- United States dollar	1,084.1	818.1	1,902.2
- European Union euro	1.8	-	1.8
- Japanese yen	4.4	-	4.4
- Others	0.6	-	0.6
	1,090.9	818.1	1,909.0
Forward contracts used to hedge receivables			
- United States dollar	212.8	-	212.8
- European Union euro	1.2	-	1.2
- Qatar riyal	40.2	-	40.2
- Others	1.3	-	1.3
	255.5	-	255.5
Forward contracts used to hedge anticipated purchases			
- United States dollar	343.2	-	343.2
- Australian dollar	52.0	-	52.0
- European Union euro	596.8	43.8	640.6
- Singapore dollar	6.9	-	6.9
- Japanese yen	19.4	-	19.4
- Pound sterling	4.8	-	4.8
- Others	0.3	-	0.3
	1,023.4	43.8	1,067.2
Forward contracts used to hedge payables			
- United States dollar	150.2	-	150.2
- Australian dollar	0.2	-	0.2
- European Union euro	154.4	-	154.4
- Singapore dollar	4.9	-	4.9
- Others	15.0	-	15.0
	324.7	-	324.7
Total	2,694.5	861.9	3,556.4

43 Financial Instruments (continued)

d. Off balance sheet financial instruments (continued)

i. Forward foreign exchange contracts (continued)

As at balance sheet date, forward foreign exchange contracts have been entered into with the following notional amounts and maturities: (continued)

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
	<u>592.5</u>	<u>-</u>	<u>592.5</u>
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
	<u>545.5</u>	<u>-</u>	<u>545.5</u>
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
	<u>806.5</u>	<u>36.7</u>	<u>843.2</u>
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
	<u>179.9</u>	<u>-</u>	<u>179.9</u>
Total	<u>2,124.4</u>	<u>36.7</u>	<u>2,161.1</u>

ii. Interest rate swap contracts

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.

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	USD131.3 million	29 February 2008 to 29 August 2012	4.70% - 4.80%
Plain vanilla	USD93.7 million	27 February 2009 to 28 August 2012	3.20% - 3.38%
Plain vanilla	USD280 million	30 January 2010 to 30 July 2012	3.97%
Plain vanilla	USD200 million	27 June 2009 to 27 December 2012	4.72%

43 Financial Instruments (continued)**d. Off balance sheet financial instruments (continued)**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.

iv. Cross currency swap contracts

The Group has entered into a cross currency swap contract to exchange the principal payments of a foreign currency denominated loan into another currency to reduce the Group's exposure from adverse fluctuations in foreign currency exchange rate.

All exchange gains and losses are recognised in the income statement in the same period when the payments are swapped.

As at 30 June 2010, the notional amount of cross currency swap contract amounted to RM11.4 million and has a maturity period of less than 1 year.

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
Financial assets				
2010				
Investments (net)				
- quoted shares	39.7	45.1	-	-
- unquoted shares	113.2	159.6	-	-
- unquoted debentures	2.2	2.5	-	-
Amount due from a subsidiary	-	-	3,800.0	3,800.0
Trade and other receivables				
- trade receivables	80.1	80.1	-	-
- advances for plasma plantation projects	31.7	31.7	-	-
- redeemable loan stocks	202.9	201.0	-	-
2009				
Investments (net)				
- quoted shares	39.0	43.1	-	-
- unquoted shares	178.8	221.5	-	-
- unquoted debentures	2.2	3.0	-	-
Amount due from a subsidiary	-	-	850.5	850.5
Trade and other receivables				
- advances for plasma plantation projects	37.5	37.5	-	-
- redeemable loan stocks	189.6	179.3	-	-
Financial liabilities				
2010				
Borrowings				
- term loans	2,512.2	2,512.2	-	-
- unconvertible redeemable loan stocks	24.9	27.0	-	-
- Islamic Medium Term Notes	2,000.0	2,044.3	2,000.0	2,044.3
2009				
Borrowings				
- term loans	2,215.4	2,215.4	-	-
- unconvertible redeemable loan stocks	37.4	59.5	-	-
- Murabahah Medium Term Notes	1,000.0	1,000.0	1,000.0	1,000.0

43 Financial Instruments (continued)**e. Fair value (continued)**

The notional amount and net fair value of financial instruments not recognised in the balance sheet of the Group as at the end of the financial year are as follows:

	Notional amount	Group Net fair Value
2010		
Forward foreign exchange contracts	3,556.4	(16.5)
Interest rate swaps	2,297.7	(127.8)
2009		
Forward foreign exchange contracts	2,161.1	21.2
Interest rate swaps	1,906.1	(62.2)

44 Effects of Accounting Policies that will be Adopted in the Next Financial Year

As described in Note 1(c) to the financial statements, a number of new, revised and material amendments to standards and interpretations will be adopted by the Group with effect from 1 July 2010. Below are the material adjustments required to restate the audited figures for financial year ended 30 June 2010. Changes that merely affect disclosure are not illustrated below.

Group	<u>Adjustments</u>		As restated (note b)
	As currently stated	FRS 117 (note a)	
Balance sheet			
NON-CURRENT ASSETS			
Property, plant and equipment	10,772.7	1,357.5	12,130.2
Prepaid lease rentals	2,644.8	(1,354.8)	1,290.0
Investment properties	395.2	16.9	412.1
Others	5,125.4	-	5,125.4
	<u>18,938.1</u>	<u>19.6</u>	<u>18,957.7</u>
CURRENT ASSETS			
Prepayments	601.2	(19.6)	581.6
Others	18,027.8	-	18,027.8
	<u>18,629.0</u>	<u>(19.6)</u>	<u>18,609.4</u>
Non-current assets held for sale	10.5	-	10.5
TOTAL ASSETS	<u>37,577.6</u>	<u>-</u>	<u>37,577.6</u>
TOTAL EQUITY	21,130.9	-	21,130.9
NON-CURRENT LIABILITIES	5,106.4	-	5,106.4
CURRENT LIABILITIES	11,340.3	-	11,340.3
TOTAL LIABILITIES	<u>16,446.7</u>	<u>-</u>	<u>16,446.7</u>
TOTAL EQUITY AND LIABILITIES	<u>37,577.6</u>	<u>-</u>	<u>37,577.6</u>
	RM		RM
Net assets per share attributable to ordinary equity holders of the Company	<u>3.40</u>		<u>3.40</u>

44 Effects of Accounting Policies that will be Adopted in the Next Financial Year (continued)

Notes:

- a. Amendments to FRS 117 – leasehold land that meet the criteria for finance lease are reclassified to property, plant and equipment or investment properties accordingly.
- b. The effects of FRS 139 are not included in the restated amount as the Group has applied the transitional provisions in FRS 139 which exempt it from disclosing the possible impact arising from the initial application of the standard.

The changes in accounting policies have no impact on the Company level.

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 List of Subsidiaries, Jointly Controlled Entities and Associates

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries					
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 Overseas Sdn Bhd	Investment holding	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
Guthrie International Investments (L) Limited	Investment holding	Malaysia	100.0	100.0	1
Kumpulan Jelei Sendirian Berhad	Investment holding	Malaysia	100.0	100.0	1
Mostyn Palm Processing Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sanguine (Malaysia) Sdn Bhd	Cultivation of oil palm	Malaysia	100.0	100.0	1
Sime Agri-Bio Sdn Bhd (formerly known as Agri-Bio Corporation Sdn Bhd)	Manufacturing and marketing of rat baits and trading of harvesting poles, Sime RB Pheromone, cover crop seeds and agricultural equipment	Malaysia	100.0	100.0	1
Sime Darby Alif Food Industries Sdn Bhd (formerly known as Alif Food Industries Sdn Bhd)	Food manufacturers and exporters	Malaysia	48.0	–	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries (continued)					
Sime Darby Alif Retort Pack Products Sdn Bhd (formerly known as Alif Retort Pack Products Sdn Bhd)	Retailing, marketing and distributing pre-packaged products including pre-package food products	Malaysia	60.0	–	1
Sime Darby Austral Holdings Berhad (formerly known as Austral Enterprises Berhad)	Processing of palm oil and palm kernel and investment holding	Malaysia	100.0	100.0	1
Sime Darby Austral Sdn Bhd (formerly known as Austral Edible Oil Sdn Bhd)	Processing of palm oil products	Malaysia	60.0	60.0	1
Sime Darby Beverages Sdn Bhd (formerly known as Golden Hope Food & Beverages Sdn Bhd)	Fruit cultivation, processing and sales of its products	Malaysia	100.0	100.0	1
Sime Darby Biodiesel Sdn Bhd	Production and sale of biodiesel and its related products	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 Bukit Talang Sdn Bhd (formerly known as Prolific Image Sdn Bhd)	Processing and sales of palm oil and palm kernel	Malaysia	100.0	100.0	1
Sime Darby Consulting Sdn Bhd (formerly known as Sime Consulting Sdn Bhd)	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Foods & Beverages Marketing Sdn Bhd (formerly known as 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 Fresh Sdn Bhd (formerly known as Sime Farms Sdn Bhd)	Cultivation and marketing of corn crop produce	Malaysia	100.0	100.0	1
Sime Darby Futures Trading Sdn Bhd	Trading of crude palm oil and palm oil products	Malaysia	100.0	100.0	1
Sime Darby Jomalina Sdn Bhd (formerly known as Golden Jomalina Food Industries Sdn Bhd)	Palm oil refining, trading and tolling services	Malaysia	100.0	100.0	1
Sime Darby Kempas Sdn Bhd (formerly known as 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
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	Rearing and trading of cattle	Malaysia	100.0	100.0	1
Sime Darby Oils & Fats Sdn Bhd	Marketing and sale of palm oil and palm oil related products	Malaysia	60.0	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries (continued)					
Sime Darby Pecconina Sdn Bhd (formerly known as Guthrie Tapis Sendirian Berhad)	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Plantation (Sabah) Sdn Bhd	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Sime Darby Plantation (Sarawak) Sdn Bhd	Cultivation of oil palm and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Sime Darby Plantation Indonesia Sdn Bhd (formerly known as Golden Hope Overseas Plantations Sdn Bhd)	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Plantation Sdn Bhd	Cultivation of oil palm and rubber, processing and sales of palm oil, palm kernel and other palm oil related products and investment holding	Malaysia	100.0	100.0	1
Sime Darby Plantation Thailand Sdn Bhd (formerly known as Guthrie Siam Sdn Bhd)	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Research Sdn Bhd	Research and development work in relation to tropical agriculture	Malaysia	100.0	100.0	1
Sime Darby Seeds & Agricultural Services Sdn Bhd	Provision of agricultural research and advisory services and production and sale of oil palm seeds, polybag 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 Darby Turf Sdn Bhd (formerly known as Barat Estates Sendirian Berhad)	Planting and selling of turf grass	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
Vertical Drive Sdn Bhd	Investment holding	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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries (continued)					
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	Indonesia	100.0	100.0	2
PT Golden Hope Nusantara	Palm oil refining	Indonesia	100.0	100.0	2
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	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
PT Sandika Natapalma	Cultivation of oil palm and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Sime Agri Bio	Import and wholesale trading (main distribution) of agricultural equipments and other agricultural products	Indonesia	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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries (continued)					
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
Kwang Joo Seng (Malaysia) Private Ltd	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 Europe Ltd (formerly known as Edible Products Limited)	Investment holding	Singapore	100.0	100.0	2
Sime Darby Plantation Investment (Liberia) Private Limited	Investment holding	Singapore	100.0	100.0	2
Rizhao Sime Darby Oils & Fats Company Limited	Refining, storage and marketing of palm oil and related products	China	60.0	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	60.0	2
Morakot Industries Public Company Limited	Manufacturing and distribution of vegetable oils	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	Refining of edible oil	Vietnam	51.0	51.0	2
Golden Hope Investments (Asia Pacific)	Investment holding	Cayman Islands	100.0	100.0	5
Sime Darby International Investments Limited	Investment holding	Cayman Islands	100.0	100.0	5
Sime Darby Plantation Holdings (Cayman Islands) (formerly known as Golden Hope Investments)	Investment holding	Cayman Islands	100.0	100.0	5
Paul Tiefenbacher GmbH	Trading of natural and synthetic rubber and chemicals	Germany	100.0	100.0	2
Sime Darby Plantations (Deutschland) GmbH	Investment holding	Germany	100.0	100.0	5

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries (continued)					
Sime Darby Plantation (Liberia) Inc	Cultivation of oil palm and rubber and processing and sale of rubber	Liberia	100.0	100.0	4
Sime Darby 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	2
CleanerG BV	Producing biodiesel from vegetable oils	Netherlands	100.0	100.0	2
Mulligan International BV	Investment holding	Netherlands	100.0	100.0	5
Sime Darby Netherlands BV (formerly known as GH Netherlands BV)	Investment holding	Netherlands	100.0	100.0	2
Sime Darby Unimills BV (formerly known as Unimills BV)	Refining and modification of vegetable oils	Netherlands	100.0	100.0	2
Sime Darby Hudson And Knight (Proprietary) Limited	Refining and marketing of edible oils and fats	South Africa	100.0	100.0	2
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
Kumpulan Tebong Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Temiang Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Nature Ambience Sdn Bhd	Dormant	Malaysia	100.0	–	1
Perkhidmatan Komputer Perladangan 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	Dormant	Malaysia	100.0	100.0	1
Sime Darby Green Sdn Bhd (formerly known as Sime Aerogreen Technology Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Sime Darby Pelita Julau Sdn Bhd (formerly known as Layar Strategi Sdn Bhd)	Dormant	Malaysia	100.0	–	1
Sime Darby Plantation (Peninsular) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Subsidiaries (continued)					
Sime Darby Plantation Academy Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sincere Outlook Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
PT Guthrie Abdinusa Industri	Dormant	Indonesia	70.0	70.0	2
Dongguan Sime Darby Sinograin Oils and Fats Co Ltd	Dormant	China	50.2	50.2	4
Golden Hope – Nhabe (Cambodia) Import & Export Co Ltd	Dormant	Cambodia	51.0	51.0	2
Sime Darby Edible Products India Private Limited	Dormant	India	100.0	–	4
Guthrie Plantation Liberia Inc	Dormant	Liberia	100.0	100.0	3
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
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
Aspen Timur Sdn Bhd	In members' voluntary liquidation	Malaysia	–	60.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Plantation – Jointly controlled entities					
Emery Oleochemicals (M) Sdn Bhd	Production and sale of fatty acids, fatty alcohols, refined glycerine, oilfield chemicals, ozone acids, plastic additives, methyl esters and other oleochemical derivatives	Malaysia	50.0	50.0	3
Emery Oleochemicals Rika (M) Sdn Bhd	Production and sales of fatty alcohols	Malaysia	27.5	27.5	3
Emery Oleochemicals Trading (Shanghai) Co Limited	Trading in oleochemicals	China	50.0	50.0	3
Emery Oleochemicals (HK) Limited	Investment holding and trading in oleochemicals	Hong Kong SAR	50.0	50.0	3
Emery Importacao eComercio Oleoquímica Ltda	Trading in oleochemicals	Brazil	50.0	50.0	3
Emery Oleochemicals Canada Ltd	Trading in oleochemicals	Canada	50.0	50.0	3
Emery Oleochemicals Japan Ltd	Trading in oleochemicals	Japan	50.0	50.0	3
Emery Oleochemicals GmbH	Production and trading in oleochemicals	Germany	50.0	50.0	3
Emery Oleochemicals UK Limited	Investment holding and trading in oleochemicals products	United Kingdom	50.0	50.0	3
Emery Oleochemicals LLC	Production and trading in oleochemicals	United States of America	50.0	50.0	3
Asian Furs Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Emery Oleochemicals Kimianika (M) Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Emery Oleochemicals Marketing (M) Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Plantation – Associates					
Barlow Bulking Sdn Bhd (formerly known as 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 quarry business	Malaysia	40.0	40.0	3
Tenom Crumb Sdn Bhd	Processing of latex, unsmoked sheet and scrap into Standard Malaysian Rubber (SMR)	Malaysia	49.0	49.0	3
Guangzhou Keylink Chemicals Co Ltd	Manufacture, sale 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	Refining, packaging and marketing of edible oil, importing and selling packed oil and procure mustard and coconut oil	Bangladesh	40.0	40.0	3
Intertrade (Bangladesh) Pte Limited	Dormant	Bangladesh	40.0	40.0	3

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries					
Accord Shipping & Forwarding Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Alor Setia Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Caring Skyline Sdn Bhd	Investment holding	Malaysia	–	100.0	1
Genting View Resort Development Sdn Bhd	Property development and provision of management services	Malaysia	30.4	30.4	1
Golfhome Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Golftek Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	1
Harvard Golf Resort (Jerai) Berhad	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 golfing and sporting services	Malaysia	100.0	100.0	1
Ironwood Development Sdn Bhd	Property investment and property development	Malaysia	100.0	100.0	1
Kuala Lumpur Golf & Country Club Berhad	Provision of golfing and sporting services and property development	Malaysia	100.0	100.0	1
Malaysia Land Development Company Berhad	Property investment, property management and investment holding	Malaysia	50.7	50.7	1
Negara Properties (M) Berhad	Investment holding	Malaysia	100.0	100.0	1
Negara Properties Services Sdn Bhd	Property management	Malaysia	100.0	100.0	1
Sime Darby Ampar Tenang Sdn Bhd (formerly known as Guthrie Wood Products Sdn Bhd)	Property investment	Malaysia	100.0	100.0	1
Sime Darby Ara Damansara Development Sdn Bhd (formerly known as Sime Pilmoor Development Sdn Bhd)	Property investment and development	Malaysia	100.0	100.0	1
Sime Darby Augsburg (M) Sdn Bhd (formerly known as Augsburg (M) Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Brunsfield Damansara Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunsfield Holding Sdn Bhd	Property development and investment holding	Malaysia	60.0	60.0	1
Sime Darby Brunsfield Kenny Hills Sdn Bhd	Property development	Malaysia	60.0	60.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries (continued)					
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 Brunfield Property Sdn Bhd (formerly known as Sime UEP Brunfield Properties Sdn Bhd)	Property development	Malaysia	70.0	70.0	1
Sime Darby Builders Sdn Bhd (formerly known as Golden Hope Builders Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Building Management Services Sdn Bhd (formerly known as Sime UEP Building Management Services Sdn Bhd)	Provision of property management services	Malaysia	100.0	100.0	1
Sime Darby Chemara Sdn Bhd (formerly known as Guthrie Chemara Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Constant Skyline Sdn Bhd (formerly known as Constant Skyline Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Construction Sdn Bhd (formerly known as UEP Construction Sdn Bhd)	Property investment and construction	Malaysia	100.0	100.0	1
Sime Darby CPB Properties Sdn Bhd (formerly known as CPB Properties Sdn Bhd)	Property management and related activities	Malaysia	100.0	100.0	1
Sime Darby Elmina Development Sdn Bhd	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby GVR Management Sdn Bhd (formerly known as Genting View Resort Management Sdn Bhd)	Resort management	Malaysia	50.7	50.7	1
Sime Darby Harta (Damansara) Sdn Bhd (formerly known as Guthrie Harta (Damansara) Sdn Bhd)	Property investment	Malaysia	100.0	100.0	1
Sime Darby Homes Sdn Bhd (formerly known as Sime UEP Homes Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Industrial Park Sdn Bhd (formerly known as Sime UEP Industrial Park Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Johor Development Sdn Bhd (formerly known as Sime UEP (Johor) Sdn Bhd)	Property development and 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
			2010	2009	
Property – Subsidiaries (continued)					
Sime Darby Landscaping Sdn Bhd (formerly known as Guthrie Landscaping Sdn Bhd)	Horticultural supplies, landscaping and design consultants and property development	Malaysia	100.0	100.0	1
Sime Darby Lukut Development Sdn Bhd (formerly known as Guthrie Lukut Development Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Melawati Development Sdn Bhd (formerly known as Melawati Development Sdn Bhd)	Property development and management	Malaysia	100.0	100.0	1
Sime Darby Nilai Utama Sdn Bhd (formerly known as NP Development Sdn Bhd)	Property development	Malaysia	70.0	70.0	1
Sime Darby Paralimni Sdn Bhd (formerly known as Paralimni Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Properties (Sabah) Sdn Bhd (formerly known as Golden Hope Properties (Sabah) Sdn Bhd)	Property development and investment holding	Malaysia	100.0	100.0	1
Sime Darby Properties (Selangor) Sdn Bhd (formerly known as Golden Hope Properties (Selangor) Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Properties Builders Sdn Bhd (formerly known as Negara Properties Builders Sdn Bhd)	Property construction	Malaysia	100.0	100.0	1
Sime Darby Properties Harta Sdn Bhd (formerly known as Negara Properties Harta Sdn Bhd)	Property investment and management	Malaysia	100.0	100.0	1
Sime Darby Properties Landscaping Sdn Bhd (formerly known as Negara Properties Landscaping Sdn Bhd)	Provision of landscaping services	Malaysia	100.0	100.0	1
Sime Darby Properties Realty Sdn Bhd (formerly known as Negara Properties Realty Sdn Bhd)	Property development, property management and provision of related consultancy services	Malaysia	100.0	100.0	1
Sime Darby Property (Bestari Jaya) Sdn Bhd (formerly known as Sime Darby Industrial Properties Sdn Bhd)	Property investment	Malaysia	100.0	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries (continued)					
Sime Darby Property (Bukit Selarong) Sdn Bhd (formerly known as Syarikat Jeleta Bumi Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Bukit Tunku) Sdn Bhd (formerly known as Sime Way Sdn Bhd)	Property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Klang) Sdn Bhd (formerly known as Prominent Acres Sdn Bhd)	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Langkawi) Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Sime Darby Property (Lembah Acob) Sdn Bhd (formerly known as Sime UEP Lembah Acob Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Property (Melaka) Sdn Bhd (formerly known as Sime Footwear (Melaka) Sdn Bhd)	Property investment	Malaysia	100.0	100.0	1
Sime Darby Property (Nilai) Sdn Bhd (formerly known as Sime Darby Land Sdn Bhd)	Property development, investment and project management	Malaysia	100.0	100.0	1
Sime Darby Property (SJCC) Sdn Bhd (formerly known as Sungei Way Development Berhad)	Property investment and renting of properties	Malaysia	100.0	100.0	1
Sime Darby Property (Subang) Sdn Bhd (formerly known as Sime UEP Centre Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Property (Sungai Kapar) Sdn Bhd (formerly known as Syarikat Pembangunan Hartanah Guthrie Sdn Bhd)	Property development and investment holding	Malaysia	100.0	100.0	1
Sime Darby Property (USJ) Sdn Bhd (formerly known as Lengkap Teratai Sdn Bhd)	Property development	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 Property Holdings Sdn Bhd (formerly known as Sime Property Holdings Sdn Bhd)	Property investment and provision of property management services	Malaysia	100.0	100.0	1
Sime Darby Property Management Sdn Bhd (formerly known as Guthrie Property Management Sdn Bhd)	Real estate and property management	Malaysia	100.0	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries (continued)					
Sime Darby Putra Heights Development Sdn Bhd (formerly known as Sime UEP Heights Sdn Bhd)	Property development and investment	Malaysia	100.0	100.0	1
Sime Darby Sungai Kantan Development Sdn Bhd (formerly known as Sungai Kantan Development Sdn Bhd)	Property development and management	Malaysia	100.0	100.0	1
Sime Darby Urus Harta Sdn Bhd (formerly known as Sime Darby Urus Harta Berhad)	Property management services	Malaysia	100.0	100.0	1
Sime Darby USJ Development Sdn Bhd (formerly known as Sime UEP Development Sdn Bhd)	Property development, investment and construction	Malaysia	100.0	100.0	1
Sime Healthcare Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Latex Products Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime UEP Executive Suites Sdn Bhd	Property investment and property development	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
Stableford Development Sdn Bhd	Property investment and operation of a convention centre	Malaysia	100.0	100.0	1
Syarikat Malacca Straits Inn Sdn Bhd	Ownership and operation of hotel known as Hotel Equatorial Melaka	Malaysia	55.0	55.0	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
Wisma Sime Darby Sdn Berhad	Property investment, management and related services	Malaysia	100.0	100.0	1
Darby Park (Management) Pte Ltd (formerly known as Sime Properties International Private Limited)	Property investment and management of service apartments	Singapore	100.0	100.0	2
Darby Park (Singapore) Pte Ltd (formerly known as Citrus Grove Properties Private Limited)	Property investment and management of service residences	Singapore	100.0	100.0	2
Sime Darby Property (Alexandra) Limited (formerly known as Alexandra Properties Limited)	Property investment and management	Singapore	100.0	100.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries (continued)					
Sime Darby Property (Amston) Pte Ltd (formerly known as Amston Properties Private Limited)	Investment holding and property investment	Singapore	100.0	100.0	2
Sime Darby Property (Dunearn) Limited (formerly known as Dunearn Properties Limited)	Property investment and management	Singapore	100.0	100.0	2
Sime Darby Property (Kilang) Limited (formerly known as Singapore Properties Limited)	Property investment and management	Singapore	100.0	100.0	2
Sime Darby Property (Orange Grove) Pte Ltd (formerly known as Aquila Development Private Limited)	Property development and investment	Singapore	100.0	100.0	2
Sime Darby Property (Vietnam) Pte Ltd (formerly known as Sime Properties (Vietnam) Private Limited)	Investment holding and management of service residence	Singapore	100.0	100.0	2
Sime Darby Property Singapore Limited (formerly known as Sime Darby Properties Singapore Limited)	Property management and investment holding	Singapore	100.0	100.0	2
Weifang Sime Darby Property Co Ltd	Property development and investment	China	99.9	99.9	4
Weifang Sime Darby Real Estate Co Ltd	Property development and investment	China	99.9	99.9	4
Sime Darby Property (Hong Kong) Limited (formerly known as Sime Darby Properties Holdings (HK) Limited)	Investment holding	Hong Kong SAR	100.0	100.0	2
OCI Management Pty Ltd	Security and landcare services	Australia	60.0	60.0	2
Sime Darby Australia Limited	Investment holding, service apartment operations and management	Australia	100.0	100.0	2
Sime Darby Eagles Cove Development Pty Ltd (formerly known as Oyster Cove International Pty Ltd)	Property development, provision of security and landcare services	Australia	60.0	60.0	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
Key Access Holdings Limited	Investment holding	British Virgin Islands	100.0	–	5

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries (continued)					
Sime Darby Brunfield Australia Pte Ltd	Investment holding	British Virgin Islands	60.0	60.0	5
Sime Darby London Limited	Property investment holding	United Kingdom	100.0	100.0	2
Sime Darby Management Services Limited (formerly known as Sime Management Services Limited)	Property management	United Kingdom	100.0	100.0	2
Rangdong Orange Court Limited	Development and operation of service residences	Vietnam	65.0	65.0	2
Vibernum Limited	Property investment holding	Guernsey	100.0	–	1
Golden Hope Properties (Melaka) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
GVR Construction Sdn Bhd	Dormant	Malaysia	30.4	30.4	1
Puchong Quarry Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Pulau Carey Properties Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
R&W Management Sdn Bhd	Dormant	Malaysia	100.0	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	60.0	100.0	1
Sime Darby Catering Services Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Land (Johor) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby KLGCC Development Sdn Bhd (formerly known as Sime Darby Resort Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Sime Darby Property (Bandar Gemilang) Sdn Bhd (formerly known as SD Bandar Gemilang Development Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Subsidiaries (continued)					
Sime Darby Property Development Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby SJCC Development Sdn Bhd (formerly known as Subang Jaya City Centre Sdn Bhd)	Dormant	Malaysia	60.0	60.0	1
Solarvest 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	2
Green East Prime Ventures Inc	Dormant	Philippines	63.2	63.2	3
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
Oyster Cove Properties Pty Ltd	Dormant	Australia	60.0	60.0	2
Sime Cycle Australia Pty Ltd	Dormant	Australia	100.0	100.0	2
Ecopuri Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Glengowrie Properties Sdn Bhd	In members' voluntary liquidation	Malaysia	–	93.4	1
Golden Hope Properties (Perak) Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Golden Hope Staff Bungalows Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Malaysian Ice Berhad	In members' voluntary liquidation	Malaysia	–	100.0	1
Pinar Baiduri Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Sime Darby General Trading Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Sime Hartanah Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
The Eden Bungalow Association Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
The Whittington Hill Bungalow Association Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Property – Jointly controlled entities					
Sime Darby Sunrise Development Sdn Bhd (formerly known as Baywood Avenue Sdn Bhd)	Property development	Malaysia	50.0	–	1
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	3

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Property – Associates					
Bitaria Sdn Bhd	Property development	Malaysia	24.0	24.0	3
Brunfield Embassyview Sdn Bhd	Property development and project management	Malaysia	30.0	30.0	3
I&P Morib Sdn Bhd	Property development	Malaysia	28.0	28.0	3
Seriemas Development Sdn Bhd (formerly known as 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	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
NSB Venture Holding Sdn Bhd (formerly known as NSB Venture Sdn Bhd)	Dormant	Malaysia	40.0	40.0	1
Siltown Realty Philippines Inc	Dormant	Philippines	39.5	39.5	3
Industrial – Subsidiaries					
Sime Darby Electropack Sdn Bhd	Manufacturing and assembly of generators, agricultural and industrial machinery	Malaysia	100.0	100.0	1
Sime Darby Industrial Academy Sdn Bhd	Training services	Malaysia	100.0	100.0	1
Sime Darby Industrial Power Sdn Bhd	Sale and marketing of generators, agricultural and industrial machinery	Malaysia	91.2	91.2	1
Sime Darby Industrial Power Systems Sdn Bhd (formerly known as Tractors Malaysia Power Systems Sdn Bhd)	Assembly and packaging of generators	Malaysia	100.0	100.0	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 co-generation systems	Malaysia	100.0	100.0	1
Sime Darby Surface Tech Sdn Bhd	Manufacturing, re-manufacturing, repair and servicing of engine products, electroplating and chroming activities	Malaysia	–	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Industrial – Subsidiaries (continued)					
Sime Darby Joy Industries Sdn Bhd (formerly known as 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
Sime Darby TMA Sdn Bhd (formerly known as Tractors Manufacturing & Assembly Sdn Bhd)	Manufacturing and assembly of tractor implements and parts, and other products	Malaysia	100.0	100.0	1
Sime Darby TMR Sdn Bhd (formerly known as Tractors Malaysia Rebuild Sdn Bhd)	Reconditioning of used equipment and machinery	Malaysia	100.0	100.0	1
Sime Darby Tractors Enterprise Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Tractors 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
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, refurbishment of gas turbines and the sale and installation of pressure vessels	Malaysia	100.0	100.0	1
PT T Energy	Supply of Compressed Natural Gas re-fuelling for buses and motor vehicles in Indonesia	Indonesia	70.0	70.0	5
Sime Darby Industrial Holdings Pte Ltd	Investment holding	Singapore	100.0	100.0	2
Tractors Singapore Limited	Sale, rental, service and 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	Manufacturing, distribution and maintenance of engineering machinery, electricity generator sets, engines, agricultural and transportation machinery and relevant spare parts and after sales services and reconditioning of used mechanical and electrical products	China	100.0	100.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Industrial – Subsidiaries (continued)					
Sime Darby CEL Machinery (Jiangxi) Company Limited	Manufacturing, distribution and maintenance of engineering machinery, electricity generator sets, engines, agricultural and transportation machinery and relevant spare parts and after-sales services and reconditioning of used mechanical and electrical products	China	100.0	100.0	2
Sime Darby Elco Power Equipment (Shenzhen) Limited	Distribution of Perkins engine products, spare parts and after sales services	China	100.0	100.0	2
Sime Darby SEM Dealer (Fujian) Limited (formerly known as Xiamen CEL Heavy Equipment Company Limited)	Manufacturing, distribution and maintenance of engineering machinery, electricity generator sets, engines, agricultural and transportation machinery and relevant spare parts and after-sales services and reconditioning of used mechanical and electrical products	China	100.0	100.0	2
Xiamen Sime Darby CEL Machinery Co Ltd	Manufacturing, distribution and maintenance of engineering machinery, electricity generator sets, engines, agricultural and transportation machinery and relevant spare parts and after-sales services and reconditioning of used mechanical and electrical products	China	100.0	100.0	2
Sime Darby Elco Power Systems Limited	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	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 vehicles	Vietnam	100.0	70.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Industrial – Subsidiaries (continued)					
Austchrome Pty Ltd	Chroming and hydraulic repairs	Australia	100.0	100.0	5
Hastings Deering (Australia) Limited	Sale, rental and servicing for Caterpillar products, hardchroming and hydraulic repair	Australia	100.0	100.0	2
CICA Limited	Supply of industrial equipment and machinery and after-sales services	Channel Islands	100.0	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	3
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
Sime Darby CEL Machinery (Xinjiang) Company Limited	Dormant	China	100.0	–	2
Xinjiang Sime Darby Heavy Equipment Co Ltd	Dormant	China	100.0	100.0	4
Xiamen Xiangyu Sime Darby CEL Machinery Trading Co Ltd	Dormant	China	100.0	100.0	2
Sime Darby Industries Inc	Dormant	Philippines	98.8	98.8	3
Sime Darby Pilipinas Inc	Dormant	Philippines	98.8	98.8	3
Sime Darby Yangon Limited	Dormant	Myanmar	100.0	100.0	3
Sime Darby Macau CEL Machinery Company Limited	Deregistered	Macau SAR	–	100.0	5
Industrial - Jointly controlled entities					
Terberg Tractors Malaysia Sdn Bhd	Marketing, distributing, selling and servicing Terberg terminal tractors	Malaysia	50.0	50.0	1
Wilpena Pty Limited	Sales of Caterpillar equipments and spare parts and service support for projects	Australia	50.0	50.0	3
Industrial – Associates					
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	20.0	16.7	3

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Industrial – Associates (continued)					
FG Wilson Asia Pte Ltd	Sale and servicing of diesel generator sets	Singapore	50.0	50.0	2
Energy Power Systems Australia Pty Ltd	Distribution and rental of Caterpillar engine and associated products	Australia	20.0	20.0	3
Motors – Subsidiaries					
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 and 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	Sales of Hyundai and Inokom vehicles, provision of after sales services and sales of related spare parts	Malaysia	51.0	51.0	1
Sime Darby Auto Imports Sdn Bhd	Importer of BMW, MINI and Ford motor vehicles as well as Porsche motor vehicles and related spare parts	Malaysia	100.0	100.0	1
Sime Darby Auto Italia Sdn Bhd	Distribution of Alfa Romeo vehicles and spare parts	Malaysia	100.0	100.0	1
Sime Darby Auto Performance Sdn Bhd (formerly known as Special Brand Sdn Bhd)	Distributor and retailer of Porsche-motor vehicles, related spare parts, accessories and provision of related services	Malaysia	70.0	100.0	1
Sime Darby Hyundai Integrated Sdn Bhd	Distribution of motor vehicles	Malaysia	51.0	51.0	1
Sime Darby Hyundai Sdn Bhd	Investment holding and importation of Hyundai vehicles	Malaysia	51.0	51.0	1
Sime Darby Motor Division Sdn Bhd	Provision of management services and retail of BMW and MINI motor 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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Motors – Subsidiaries (continued)					
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 and provision of management and auxiliary services	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-sales services for BMW motor vehicles including repair and maintenance, and provision of consultancy services	China	100.0	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 and MINI motor vehicles including repair, maintenance and inspection; retail of spare parts of BMW and MINI motor vehicles and provision of consultancy services	China	65.0	65.0	2
Guangzhou Bow Yue Vehicle Trading Company Limited	Retail of BMW and MINI motor vehicles and related spare parts, and provision of consultancy services	China	100.0	100.0	2
Hainan Bao Yue Automobiles Trading Co Ltd	Retail of BMW and MINI motor vehicles and related spare parts, and provision of consultancy services	China	100.0	100.0	2
Hainan Bow Yue Vehicles Trading and Services Limited (formerly known as Hainan Dejie Motors Limited)	Provision of after-sales services for BMW and MINI motor vehicles including repair, maintenance and inspection; retail of spare parts of BMW and MINI motor vehicles and provision of consultancy services	China	100.0	100.0	2
Hainan Sime Darby Motors Service Enterprises Company Limited	Property investment	China	100.0	100.0	2
Hangzhou Sime Darby Motors Sales and Services Company Limited	Display of motor vehicles and after-sales consultancy services	China	60.0	60.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Motors – Subsidiaries (continued)					
Shanghai Sime Darby Motor Commerce Company Limited	Retail of Rolls-Royce and Lamborghini motor vehicles and related spare parts, provision of after-sales services including repair, maintenance and inspection, provision of consultancy services and investment holding	China	60.0	60.0	2
Shanghai Sime Darby Motor Services Company Limited	Retail of Jaguar and Land Rover motor vehicles and related spare parts, provision of motor vehicles after-sales 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 and MINI motor vehicles and related spare parts, and provision of consultancy services	China	100.0	100.0	2
Shenzhen Sime Darby Motor Enterprises Co Ltd	Provision of after-sales services for BMW and MINI motor vehicles including repair, maintenance and inspection, retail of spare parts of BMW and MINI motor vehicles and provision of consultancy services	China	100.0	70.0	2
Yunnan Bow Yue Vehicle Trading Company Limited	Retail of BMW and MINI motor vehicles and related spare parts, provision of after-sales services for BMW and MINI motor vehicles including repair and maintenance and provision of consultancy services	China	65.0	65.0	2
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 and maintenance and provision of consultancy services	China	65.0	65.0	2
Auto Technology Engineering Company Limited	Distribution of Denso Diesel injection pumps 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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Motors – Subsidiaries (continued)					
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, Smith electric 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
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	Retail of BMW and MINI motor vehicles and provision of after-sales maintenance services	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 and provision of management and auxiliary services	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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Motors – Subsidiaries (continued)					
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	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	100.0	2
Sime Darby SsangYong (Australia) Pty Limited	Distribution of SsangYong motor vehicles	Australia	100.0	100.0	2
Continental Car Services 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
Hino Distributors NZ Limited	Distribution and retail of Hino trucks	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	Distribution and retail of Mack and Renault trucks and buses	New Zealand	100.0	100.0	2
North Shore Motor Holdings Limited	Retail of new and used passenger cars, spare parts and accessories and the provision of related services	New Zealand	100.0	100.0	2
Sime Darby Automobiles NZ Limited	Distribution of motor vehicles and parts	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	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	Distribution and retail of Nissan diesel trucks, spare parts and accessories and the provision of related services	New Zealand	100.0	100.0	2
Sime Darby Hong Kong 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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Motors – Subsidiaries (continued)					
Beijing Hong Zheng Jie Technical Services Limited (formerly known as Tianjin Dong Hui Technical Services Company Limited)	Dormant	China	60.0	60.0	2
Beijing Sime Darby Consulting Services Company Limited	Dormant	China	100.0	100.0	2
Shenzhen Xin Chuang Motor Trading Company Limited	Dormant	China	100.0	100.0	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
AutoFrance Hong Kong 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
Palmerston North Motors Wholesale Limited	Dormant	New Zealand	100.0	100.0	2
Parts Link Trading Company Limited	Deregistered	Hong Kong SAR	–	100.0	2
Shanghai SimeWinner Automobile Trading Company Limited	In deregistration	China	–	60.0	3
Motors – Associates					
BMW Malaysia Sdn Bhd	Sales and distribution of motor vehicles and motorcycles	Malaysia	49.0*	49.0*	3
Munich Automobiles Pte Ltd	Sales and distribution of new BMW M series motor vehicles and after-sales service	Singapore	40.0	–	3
BMW Financial Services Hong Kong Limited	Provision of installment finance and hire purchase facilities	Hong Kong SAR	49.0	49.0	3
Sime Kansai Paints Sdn Bhd	Manufacturing, selling and marketing of automotive and industrial paints	Malaysia	40.0	40.0	3

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Energy & Utilities – Subsidiaries					
Chubb Malaysia Sendirian Berhad	Manufacturing, marketing, installation, rental and servicing of security products	Malaysia	70.0	70.0	1
Malaysian Oriental Holdings Berhad	Investment holding	Malaysia	100.0	100.0	1
Mecomb Malaysia Sdn Berhad	System integration and marketing of advanced electronic and electro-mechanical equipment, instruments and systems including mechanical and electrical (M&E) services, installation and systems integration	Malaysia	100.0	100.0	1
Port Dickson Power Berhad	Independent power producer	Malaysia	75.0	75.0	1
Sime Darby Drilling Services Sdn Bhd	Provision of services, facilities and consultancy related to drilling for underground water	Malaysia	100.0	100.0	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, procurement, fabrication, construction, installation, hook-up and commissioning relating to oil and gas industry	Malaysia	100.0	100.0	1
Sime Darby Offshore Engineering Sdn Bhd	Systems integration, marketing of products and services in oil and gas/ petrochemical industry	Malaysia	100.0	100.0	1
Sime Darby Petroleum Sdn Bhd	Exploration and production of oil and gas	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	75.0	1
Sime Darby Water Resources (Selangor) 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	Establishing and operating commercial laboratories, providing of calibration, measurement and other related services	Malaysia	50.0	50.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Energy & Utilities – Subsidiaries (continued)					
Mecomb Singapore Limited	Manufacture and installation of industrial equipment and the import and sale of technical and scientific instruments, mechanical, electrical and electronic equipment and components	Singapore	100.0	100.0	2
Sime Darby Energy Pte Ltd (formerly known as 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	70.0	2
Jining Sime Darby Longgong Port Co Ltd	Ownership and management of port facilities and services	China	70.0	70.0	2
Jining Sime Darby Port Co Ltd	Ownership and management of port facilities and services	China	70.0	70.0	2
Jining Sime Darby Taiping Port Co Ltd	Operation of dock and port facilities, and handling and warehousing of goods	China	70.0	–	2
Weifang Sime Darby Dredging Project Co Ltd	Provision of dredging and marine services, land reclamation works and related businesses	China	50.5	50.5	2
Weifang Sime Darby Port Co Ltd	Ownership and management of port facilities and services	China	99.0	99.0	2
Weifang Sime Darby Tugboat Services Co Ltd	Provision of tugboat pilot services and related businesses	China	50.5	50.5	2
Weifang Sime Darby Water Co Ltd	Treatment and supply of treated water mainly to industrial customers	China	100.0	100.0	2
Zibo Sime Darby Chemicals Co Ltd	Production and sale of polyaluminium chloride	China	51.0	51.0	2
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 Power Co Ltd (formerly known as 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	Sales of electrical and mechanical equipment components and instruments for use in manufacturing plants, including related services	Thailand	100.0	100.0	2
Sime Darby LCP Power Co Limited (formerly known as Sime LCP Power Company Limited)	Independent power producer	Thailand	100.0	100.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Energy & Utilities – Subsidiaries (continued)					
Sime Darby O&M (Thailand) Co Ltd (formerly known as 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
JanaUrus PDP 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 EcoSystems Sdn Bhd	Dormant	Malaysia	51.0	51.0	1
Sime Darby Marine Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Nautical Sdn Bhd	Dormant	Malaysia	51.0	51.0	1
Sime Darby Power Link Sdn Bhd	Dormant	Malaysia	–	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
Energy & Utilities – Jointly controlled entities					
Halani Sime Offshore (L) Inc	Owning and leasing of marine vessel and to undertake all related activities	Malaysia	50.0	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 vessel and to undertake all related activities	Malaysia	50.0	50.0	1
Sime Darby Marine Puteri Offshore II (L) Inc	Owning and leasing of marine vessel and to undertake all related activities	Malaysia	50.0	50.0	1
Sime Darby Marine Puteri Offshore III (L) Inc	Owning and leasing of marine vessel and to undertake all related activities	Malaysia	50.0	50.0	1
Halani Sime Darby Marine (FZC)	Leasing of marine vessel and all related activities	United Arab Emirates	50.0	–	4
IWS Management Sdn Bhd	Dormant	Malaysia	50.0	50.0	1
Sime Engineering Sdn Bhd - Edwards & Sons Joint Venture	Dormant	Malaysia	51.0	51.0	1
Energy & Utilities – Associates					
Chubb Singapore Private Limited	Marketing of security and fire protection products and services	Singapore	30.0	30.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Energy & Utilities – Associates (continued)					
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	48.5	2
Weifang Binhai Haiwei Dredging Project Co Ltd	Dredging of embankment projects, excavation, dredging and maintenance of ports and channels, fencing and filling of foundation, leasing of vessels and related facilities	China	20.2	–	4
Guardfire (Malaysia) Sdn Bhd	Dormant	Malaysia	30.0	30.0	1
Sime Darby Almaná WLL	Dormant	Qatar	49.0	49.0	4
Healthcare & Others – Subsidiaries					
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
Kapar Coconut Industries Sdn Bhd	Manufacturing and selling of coconut-based food products	Malaysia	–	51.0	1
Sime Darby Allied Products Berhad (formerly known as Sime Malaysia Region Berhad)	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Global Services Centre Sdn Bhd	Provision of information technology and information systems, accounting, human resource management and other support services to related companies	Malaysia	100.0	100.0	1
Sime Darby Healthcare Educational Services Sdn Bhd	Organising educational programmes and establish healthcare education institutions	Malaysia	100.0	100.0	1
Sime Darby Healthcare Sdn Bhd	Provision of healthcare management services and consultancy	Malaysia	100.0	100.0	1
Sime Darby Holdings Berhad	Investment holding, marketing of and agents for commodities and provision of management services to related parties	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	Management of hospital and provision of related healthcare facilities	Malaysia	100.0	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Healthcare & Others – Subsidiaries (continued)					
Sime Darby Medical Centre Subang Jaya Sdn Bhd	Management of hospital and provision of related healthcare facilities	Malaysia	100.0	100.0	1
Sime Darby Medical Centre Ara Damansara Sdn Bhd	Management of a healthcare facility and provision of related healthcare services	Malaysia	100.0	–	1
Sime Darby NET Sdn Bhd (formerly known as Sime NET Technologies Sdn Bhd)	Provider of information technology services, human resources and other support services	Malaysia	100.0	100.0	1
Sime Darby Nominees Sendirian Berhad	Holding investments as a nominee	Malaysia	100.0	100.0	1
Sime Darby Specialist Centre Megah 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	Investment holding	Malaysia	100.0	100.0	1
Sime Rengo Packaging (M) Sdn Bhd	Property investment	Malaysia	70.0	70.0	1
Sime Darby Ventures Sdn Bhd (formerly known as 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, scientific and charitable purposes and for public welfare	Malaysia	@	@	1
Yayasan Sime Darby	Receive and administer funds to award scholarships or loans for educational purposes, undertake sports, environmental conservation and sustainability projects; and other related activities for the benefit of the community	Malaysia	@	@	1
Dunlopillo (Singapore) Pte Ltd	Distribution of tyres, mattresses, related bedding products and accessories and investment holding	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
Sime Darby Insurance Brokers (Singapore) Pte Ltd	Insurance brokers and consultants	Singapore	100.0	100.0	2
Sime Darby Management Services (Singapore) Private Limited	Investment holding and provision of information technology, accounting, human resources, legal and corporate secretarial services to related companies	Singapore	100.0	100.0	2

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Healthcare & Others – Subsidiaries (continued)					
Sime Darby Nominees Private Limited (formerly known as Orchard Nominees Private Limited)	Holding investments as a nominee	Singapore	100.0	100.0	2
Sime Darby Property Investments Pte Ltd	Property investment	Singapore	100.0	100.0	2
Sime Darby Singapore Limited	Investment holding	Singapore	100.0	100.0	2
Sime Darby Investments Pte Ltd (formerly known as 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
Sime Darby (China) Enterprise Management Company Limited	Provision of services to the enterprises established in China by the Group	China	100.0	–	2
Dunlopillo (Hong Kong) Limited	Distribution of mattresses, related bedding products and accessories	Hong Kong SAR	100.0	100.0	2
Sime Darby Far East (1991) Limited (formerly known as 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	Insurance brokers	Hong Kong SAR	100.0	100.0	2
Sime Darby Managing Agency (Hong Kong) Limited	Insurance agency	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
Sime Darby Investments (BVI) Limited	Investment holding	British Virgin Islands	100.0	100.0	5
Sime Darby Investments (Mauritius) Limited	Provision of financing to companies within the 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

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Healthcare & Others – Subsidiaries (continued)					
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
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 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
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
PAR Resources (Holdings) Limited	Dormant	Hong Kong SAR	100.0	100.0	2
PT Sime Darby Offshore Engineering	Dormant	Indonesia	100.0	100.0	2
Sime Travel Holdings Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Darby Insurance Services Sdn Bhd	Dormant	Brunei	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 Financial Services Holdings Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Sime Link Sdn Bhd	In members' voluntary liquidation	Malaysia	–	100.0	1
Tahan Enterprise Sdn Berhad	In members' voluntary liquidation	Malaysia	–	100.0	1

46 List of Subsidiaries, Jointly Controlled Entities and Associates (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2010	2009	
Healthcare & Others – Subsidiaries (continued)					
Sime Darby Pension Scheme Trustees Ltd	In members' voluntary liquidation	United Kingdom	-	100.0	2
Haron Estate Development Sdn Bhd	Deregistered	Malaysia	-	100.0	1
Sime Darby Services Limited	Deregistered	Hong Kong SAR	-	100.0	2
Healthcare & Others – Associates					
Asian Composites Manufacturing Sdn Bhd	Manufacturing of composite parts of aircraft	Malaysia	-	33.3	1
Continental Sime Tyre Sdn Bhd	Investment holding	Malaysia	30.0*	30.0*	3
KN Sime Logistics Sdn Bhd	Provision of freight forwarding, transportation and warehousing and distribution services	Malaysia	50.0	50.0	3
Tesco Stores (Malaysia) Sdn Bhd	Operation of retail outlets	Malaysia	30.0	30.0	1
Union Sime Darby (Thailand) Ltd	Insurance brokers	Thailand	49.0	49.0	2

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
- @ - 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

47 Approval of Financial Statements

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 September 2010.

STATEMENT BY DIRECTORS & STATUTORY DECLARATION

STATEMENT BY DIRECTORS

We, Tun Musa Hitam and Tun Ahmad Sarji Abdul Hamid, 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 107 to 214 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 2010 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the financial 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 20 September 2010



Tun Musa Hitam
Chairman



Tun Ahmad Sarji Abdul Hamid
Deputy Chairman

Kuala Lumpur
20 September 2010

STATUTORY DECLARATION

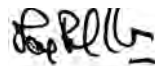
I, Tong Poh Keow, the officer primarily responsible for the financial management of Sime Darby Berhad, do solemnly and sincerely declare that the financial statements set out on pages 107 to 214 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SUBSCRIBED AND SOLEMNLY DECLARED by the above named Tong Poh Keow, at Kuala Lumpur, Malaysia on 20 September 2010.

S. Inderajit
Commissioner for Darby (No. W451)
Kuala Lumpur



Tkt. 18, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur



Tong Poh Keow
(MIA 4625)
Group Chief Financial Officer

AUDITORS' REPORT



PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
Level 10, 1 Sentral, Jalan Travers
Kuala Lumpur Sentral
P O Box 10192
50706 Kuala Lumpur, Malaysia
Telephone +60 (3) 2173 1188
Facsimile +60 (3) 2173 1288
www.pwc.com/my

**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 2010 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 107 to 214.

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 2010 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 46 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.

A handwritten signature in black ink, appearing to read 'Price Waterhouse Coopers'.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Dato' Ahmad Johan Bin Mohammad Raslan'.

DATO' AHMAD JOHAN BIN MOHAMMAD RASLAN
(No. 1867/09/12 (J))
Chartered Accountant


Kuala Lumpur
20 September 2010

GLOBAL BUSINESS PRESENCE





Legend

 Countries with Sime Darby's operations

Subang Jaya Medical Centre (now known as Sime Darby Medical Centre Subang Jaya) commenced operations in 1985 following the opening of the South Tower. The private tertiary care 393-bed hospital is now a JCI-accredited and award-winning medical facility in Malaysia



Subang Jaya Medical Centre (SJMC) North Tower opening in 1992 graced by YTM Tengku Idris Shah Ibni Sultan Salahuddin Abdul Aziz Shah Alhaj, the Regent of Selangor. His Royal Highness was accompanied by YAM Tengku Ahmad Shah, SJMC's Chairman (second from left)



ANALYSIS OF SHAREHOLDINGS AS AT 17 SEPTEMBER 2010

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	1,860	5.06	65,369	0.00
100 to 1,000	9,949	27.08	7,148,233	0.12
1,001 to 10,000	18,824	51.24	66,798,651	1.11
10,001 to 100,000	5,078	13.82	141,370,711	2.35
100,001 to less than 5% of issued capital	1,024	2.79	1,967,545,716	32.74
5% and above of issued capital	3	0.01	3,826,535,151	63.68
Total	36,738	100.00	6,009,463,831	100.00

Classification of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Individuals	28,333	77.12	184,146,051	3.06
Banks/Finance Companies	126	0.34	3,619,630,302	60.23
Investment Trusts / Foundations / Charities	22	0.06	905,880	0.02
Industrial And Commercial Companies	884	2.41	122,805,796	2.04
Government Agencies / Institutions	12	0.03	959,047,381	15.96
Nominee Companies	7,360	20.03	1,122,829,587	18.68
Others	1	0.01	98,834	0.01
Total	36,738	100.00	6,009,463,831	100.00

Directors' Interests as per the Register of Directors' Shareholdings

Name of Director	No. of Shares Held		% of Issued Capital
	Direct Interest	Deemed Interest	
In the Company			
Ordinary shares of RM0.50 each			
Raja Tan Sri Dato' Seri Arshad Raja Tun Uda	-	1,939	*
Dato' Sri Mohamed Sulaiman	-	3,800	*
Kuala Lumpur Golf & Country Club Berhad			
Participatory interest		Type of membership	
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	
Tan Sri 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	AmanahRaya Trustees Berhad Qualifier : Skim Amanah Saham Bumiputera	2,247,541,689	37.40
2	Employees Provident Fund Board	846,693,353	14.09
3	Permodalan Nasional Berhad	732,300,109	12.19
4	Kumpulan Wang Persaraan (DIPERBADANKAN)	144,415,561	2.40
5	Cartaban Nominees (Asing) Sdn Bhd Qualifier : SSBT Fund GB01 for Harbor International Fund	127,539,047	2.12
6	AmanahRaya Trustees Berhad Qualifier : Amanah Saham Malaysia	110,979,100	1.85
7	AmanahRaya Trustees Berhad Qualifier : Amanah Saham Wawasan 2020	88,312,163	1.47
8	Valuecap Sdn Bhd	80,212,077	1.34
9	Cartaban Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for State Street Bank & Trust Company (West CLT OD67)	75,874,542	1.26
10	Lembaga Kemajuan Tanah Persekutuan (FELDA)	57,949,426	0.96
11	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier : Exempt AN for Prudential Fund Management Berhad	40,939,135	0.68
12	HSBC Nominees (Asing) Sdn Bhd Qualifier : BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	39,226,013	0.65
13	AmanahRaya Trustees Berhad Qualifier : Amanah Saham Didik	38,283,894	0.64
14	AmanahRaya Trustees Berhad Qualifier : AS 1Malaysia	37,920,200	0.63
15	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier : Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	35,434,100	0.59
16	Cartaban Nominees (Asing) Sdn Bhd Qualifier : Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	33,178,584	0.55
17	Anglo-Oriental (Annuities) Sdn Bhd	26,299,104	0.44
18	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier : Exempt AN for American International Assurance Berhad	26,018,014	0.43
19	Lembaga Tabung Angkatan Tentera	25,539,600	0.43
20	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	24,796,629	0.41
21	HSBC Nominees (Tempatan) Sdn Bhd Qualifier : Nomura Asset Mgmt Malaysia for Employees Provident Fund	24,259,902	0.40
22	AmanahRaya Trustees Berhad Qualifier : Public Islamic Dividend Fund	21,962,716	0.37
23	SBB Nominees (Tempatan) Sdn Bhd Qualifier : Employees Provident Fund Board	19,227,700	0.32

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
24	AMSEC Nominees (Tempatan) Sdn Bhd Qualifier : AMTrustee Berhad for CIMB Islamic Dali Equity Growth Fund (UT-CIMB-DALI)	17,227,456	0.29
25	Lembaga Tabung Haji	17,081,100	0.29
26	HSBC Nominees (Asing) Sdn Bhd Qualifier : TNTC for United Nations Joint Staff Pension Fund	14,900,000	0.25
27	AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : PHEIM Asset Management Sdn Bhd for Employees Provident Fund	14,520,406	0.24
28	AmanahRaya Trustees Berhad Qualifier : Public Islamic Equity Fund	14,315,989	0.24
29	AmanahRaya Trustees Berhad Qualifier : Sekim Amanah Saham Nasional	14,000,000	0.23
30	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier : Exempt AN for Deutsche Trustees Malaysia Berhad (MYETF-DJIM25)	12,269,100	0.20
	Total	5,009,216,709	83.36

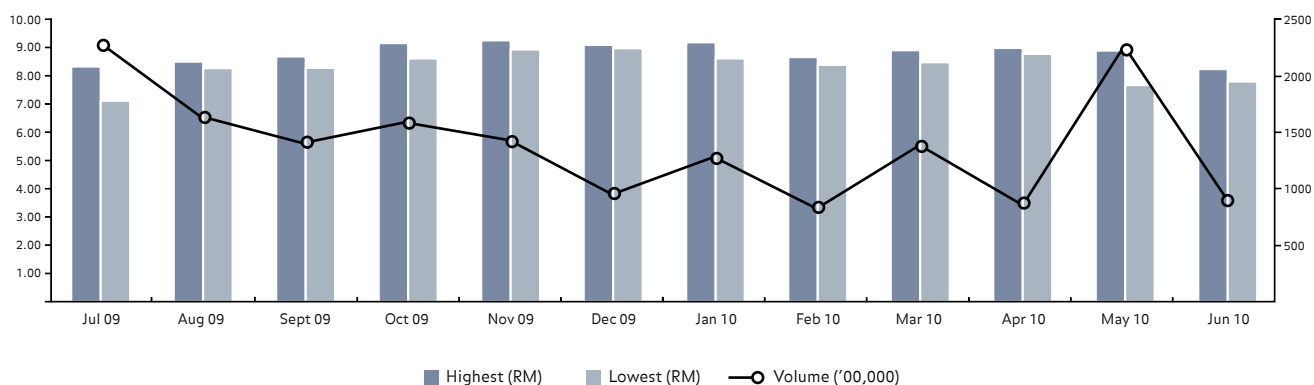
Substantial Shareholders as per the Register of Substantial Shareholders

	Name of Substantial Shareholder	No. of Shares Held (Direct Interest)	% of Issued Capital	No. of Shares Held (Indirect/Deemed Interest)	% of Issued Capital
1	AmanahRaya Trustees Berhad - Skim Amanah Saham Bumiputera	2,243,033,789	37.33	-	-
2	Employees Provident Fund Board	847,194,653	14.10	79,309,008 ¹	1.32
3	Permodalan Nasional Berhad	731,308,009	12.17	-	-
4	Yayasan Pelaburan Bumiputera	-	-	731,308,009 ²	12.17

¹ Shares managed by Portfolio Managers² 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 2009/2010



	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10	Apr 10	May 10	Jun 10
Highest (RM)	8.25	8.42	8.60	9.07	9.17	9.01	9.10	8.58	8.82	8.90	8.81	8.16
Lowest (RM)	7.05	8.19	8.20	8.53	8.85	8.89	8.53	8.31	8.40	8.69	7.60	7.72
Volume ('00,000)	2,289	1,628	1,398	1,592	1,431	928	1,291	825	1,390	824	2,281	858

Stock Exchange Listing : Bursa Malaysia Securities Berhad
 Trading Name : SIME
 Stock Code : 4197

DIVIDENDS

	Notice Date	Entitlement Date	Payment Date
Interim	25 February 2010	28 April 2010	10 May 2010
Final	26 August 2010	1 December 2010	15 December 2010

FINANCIAL CALENDAR

Announcement of Unaudited Consolidated Results

First quarter : 25 November 2009
 Second quarter : 25 February 2010
 Third quarter : 27 May 2010
 Fourth quarter : 26 August 2010

ANNUAL GENERAL MEETING

Notice Date : 25 October 2010
 Meeting Date : 16 November 2010

PROPERTIES OF THE GROUP AS AT 30 JUNE 2010

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
PLANTATION PROPERTIES						
Malaysia						
Kedah Darul Aman						
Anak Kulim, Bukit Hijau, Bukit Selarong, Jentayu, Jerai, Padang Buloh, Somme, Sungai Dingin	Freehold	-	29,609	5	Oil palm estates and a palm oil mill	286.5
Bukit Tanga	Leasehold	2037	316	2	Oil palm estate and sweet corn farm	8.1
Perak Darul Ridzuan						
Bagan Datoh, Bikam, Changkat Salak, Chersonese, Cluny, Elphil, Flemington, Holyrood, Kalumpong, Kamuning, Kinta Kellas, Sabak Bernam, Sabrang, Selaba, Seri Intan, Sogomana, Sungei Samak, Sungei Wangi, Tali Ayer, Batang Padang	Freehold	-	31,954	2 - 42	Rubber and oil palm estates, paddy farm, 5 palm oil mills and a research centre	685.5
Cluny, Kinta Kellas, Sabak Bernam, Tali Ayer, Sogomana, Sungai Samak, Setiawan, Chersonese	Leasehold	2011 - 3001	4,050	-	Oil palm estates	83.3
Pahang Darul Makmur						
Chenor, Kerdau, Mentakab, Sungai Mai, Jabor, Jentar	Freehold	-	7,214	4 - 33	Oil palm estates and 2 palm oil mills	68.4
Bukit Puteri, Chenor, Jentar, Kerdau, Sungai Mai, Pekan	Leasehold	2057 - 3000	12,850	1 - 17	Oil palm estates and 2 palm oil mills	205.3
Selangor Darul Ehsan						
Bukit Cheraka, Bukit Kerayong, Bukit Lagong, Bukit Rajah, Bukit Talang, Dusun Durian, East Carey Island, Elmina, Glengowrie, Sepang, Sungai Buloh, Tennamaram, Teluk Panglima Garang, West Carey Island	Freehold	-	39,074	1 - 42	Oil palm estates, 6 palm oil mills, a training centre and a biodiesel plant	685.3
East Carey Island, North Port Edible Oil Refinery Complex, Sungai Buloh, Telok Panglima Garang	Leasehold	2013 - 2086	92	1 - 2	Oil palm estates, 2 refineries, factory, research centres and warehouse	70.2

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
PLANTATION PROPERTIES (continued)						
Malaysia (continued)						
Negeri Sembilan Darul Khusus						
Bradwall, Bukit Pelandok, Bukit Pilah, Kok Foh, Labu, Muar River, New Labu, P.D. Lukut, Pertang, Salak, Sengkang, Siliau, St Helier, Sua Betong, Sungai Bahru, Sungai Gemas, Sungai Sebaling, Sungei Senarut, Tampin Linggi, Tanah Merah	Freehold	-	42,117	9 - 37	Rubber estates, oil palm estates, 4 palm oil mills, a rubber factory and research centres	508.5
Muar River, Jalan Labu, Koh Foh, Sungei Bahru, Sungei Senarut	Leasehold	2012 - 2908	4,324	-	Oil palm estates	53.6
Melaka						
Bukit Asahan, Diamond Jubilee, Kempas, Kemuning, Merlimau, Pagoh, Serkam Tangkah	Freehold	-	17,387	6 - 36	Rubber and oil palm estates, a palm oil mill and a rubber factory	194.4
Diamond Jubilee, Kemuning, Merlimau, Serkam, Kempas	Leasehold	2025 - 2099	293	-	Oil palm estates	15.5
Johor Darul Takzim						
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 Kiri, Simpang Rengam, Sungai Labis, Sungai Tawing, Tambuku, Tun Dr. Ismail, Ulu Remis, Welch, Yong Peng	Freehold	-	49,561	2 - 52	Rubber and oil palm estates, 7 palm oil mills and a refinery	828.2
Cenas Ropel, CEP Niyor, Cha'ah, Layang, Pekan, Sembrong, Simpang Kiri, Sungai Tawing, Ulu Remis, Nordanal, Muar	Leasehold	2011 - 2910	18,901	34	Oil palm estates and a palm oil mill	204.9
Sabah						
Andrassy, Binuang, Giram, Imam, Jeleta Bumi, Melalap, Merotai, Mostyn, Segaliud, Sentosa, Sungang, Table, Tiger, Tigowis, Tingkayu, Tun Tan Siew Sin, Tunku	Leasehold	2055 - 2940	54,098	3 - 46	Oil palm estates and 7 palm oil mills	666.3

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
PLANTATION PROPERTIES (continued)						
Malaysia (continued)						
Sarawak						
Bayu, Belian, Bintulu, Chartquest, Damai, Derawan, Dulang, Kelida, Lavang, Paroh, Pekaka, Rajawali, Rasan, Ruai, Saha, Samudera, Semarak, Takau	Leasehold	2045 - 2082	48,213	7 - 14	Oil palm estates, 4 palm oil mills and a refinery	917.3
Total Plantation Properties – Malaysia			360,053			5,481.3
Indonesia						
Kalimantan - West						
Awatan, East, West, Lembiru, Pelanjau, PT Mas 1 – 3, Sei Mawang, Sungei Putih, Batan Sari	Leasehold	2030	68,071	7 - 10	Oil palm estates and 3 palm oil mills	213.9
Kalimantan - Central						
Baras Danum, Batang Garing, Hantantiring, Kawan Batu, Kuala Kuayan, Pemantang, Sapiri, Sekunyir, Seruyan, Sukamandang	Leasehold	2032 - 2034	39,117	4 - 15	Oil palm estates and 3 palm oil mills	343.0
Kalimantan - South						
Angsana, Bakau, Bebunga, Betung, Binturong, Gunung Aru, Gunung Kemasari, 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	87,385	4 - 17	Oil palm estates and 7 palm oil mills	844.2
Sulawesi - Central						
Ungkaya	Leasehold	2024	4,712	16	Oil palm estate and a palm oil mill	36.9
Sumatera - Jambi						
Ladang Panjang	Leasehold	2038	4,000	6	Oil palm estate and a palm oil mill	39.3
Sumatera - South						
Bumi Ayu, Karang Ringin, Rantau Panjang, Mangun Jaya, Napal, Bukit Pinang, Sungai Pinang	Leasehold	2033 - 2034	21,013	9 - 12	Oil palm estates and 2 palm oil mills	209.7
Sumatera - East Aceh						
Batang Ara, Blang Simpo 1 & 2, Tamiang	Leasehold	2022 - 2037	8,820	13 - 24	Oil palm estates and 2 palm oil mills	55.2

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
PLANTATION PROPERTIES (continued)						
Indonesia (continued)						
Sumatera - Riau						
Alur Damai, Aneka Persada, Mandah, Menggala 1 - 3, Nusa Lestari, Nusa Perkasa, Pinang Sebatang, Rotan Semelur, Teluk Bakau Teluk Siak	Leasehold	2031 - 2036	54,939	4 - 15	Oil palm estates, 4 palm oil mills and a research centre	449.3
Total Plantation Properties - Indonesia			288,057			2,191.5
China						
Rizhao, Shandong	Leasehold	2059	12	-	Oil palm storage	25.2
Liberia						
Bomi, Bong 1 & 2, Grand Cape Mount, Gbarpolu, Lofa	Leasehold	2072	220,000	-	Rubber and oil palm estates	7.9
Netherlands						
Lindsedijk, Zwijndrecht	Freehold	-	9	25	Refinery, biodiesel plant and a research centre	93.8
Singapore						
Boon Lay Road, Chin Bee Crescent	Leasehold	2030 - 2040	5	29 - 41	Refinery and office building	6.8
South Africa						
Boksburg	Leasehold	2014	2	6	Refinery	0.5
Thailand						
Sukhumvit Road	Freehold	-	*	24	Refinery	3.0
Samutsakorn Province	Freehold	-	12	6	Refinery	44.5
Vietnam						
Ho Chi Minh City	Freehold	-	*	18	Refinery	1.6
Total Plantation Properties			868,150			7,856.1
DEVELOPMENT PROPERTIES						
Malaysia						
Kedah Darul Aman						
Taman Sg Dingin	Freehold	-	3	-	Land held for property development	1.0

* Less than one hectare

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
DEVELOPMENT PROPERTIES (continued)						
Malaysia - (continued)						
Selangor Darul Ehsan						
Ampang Tenang, Dengkil	Freehold	-	1	-	Land held for property development	12.9
Ara Damansara (including Oasis)	Freehold	-	146	-	Township development	764.8
Bandar Bukit Raja, Kapar, Klang	Freehold	-	1,404	-	Township development	237.1
Bukit Jelutong, Shah Alam	Freehold	-	122	-	Township development	59.4
Bukit Lagong, Rawang	Freehold	-	213	-	Land held for property development	37.2
Bukit Subang 1, Shah Alam	Freehold	-	3	-	Residential development	18.1
Denai Alam, Shah Alam	Freehold	-	69	-	Township development	130.4
Elmina Estate, Sungei Buloh	Freehold	-	997	-	Township development	61.6
Glengowrie, Jalan Acob, New Lunderston, Tennamaram Estate	Freehold	-	402	-	Land held for property development	11.2
Melawati Development, Hulu Kelang	Freehold	-	66	-	Township development	111.6
Putra Heights, Subang Jaya	Freehold	-	94	-	Township development	236.1
Saujana Impian, Kajang	Freehold	-	9	-	Township development	15.8
Sg Kapar Indah, Klang	Freehold	-	1	-	Commercial land	2.5
Subang Jaya City Centre Subang Jaya	Freehold	-	25	-	Mixed development	88.0
USJ Heights, Subang Jaya	Freehold	-	44	-	Township development	96.1
Taman Subang Ria, Subang Jaya	Leasehold	2087	30	-	Land held for property development	3.6

Location	Tenure	Year lease expiring	Area (Hectares)	Age of building (Years)	Description	Net book value RM million
DEVELOPMENT PROPERTIES (continued)						
Malaysia (continued)						
Kuala Lumpur						
Jalan Tun Ismail, Bukit Tunku	Freehold	-	2	-	Land held for property development	35.1
Jalan U-Thant	Freehold	-	*	-	Residential development	0.6
Bukit Kiara	Leasehold	2087	25	-	Land held for property development	594.4
Negeri Sembilan Darul Khusus						
Labu, Rasah, Sua Betong, Taman Sengkang, Sungai Sekah	Freehold	-	769	-	Land held for property development	12.7
Nilai development, Nilai	Freehold	-	220	-	Enterprise Park	87.7
Planters Haven, Nilai	Freehold	-	106	-	Property development	64.0
Johor Darul Takzim						
Taman Pasir Putih, Pasir Gudang	Freehold	-	13	-	Land held for property development	70.4
Sabah						
Imam and Mostyn Estate, Tawau	Leasehold	2058	182	-	Land held for property development	2.5
Total Development Properties - Malaysia			4,946			2,754.8
Australia						
Edgewater Place, Eagle Cove, Gold Coast, Queensland	Freehold	-	6		Land held for property development	15.2
China						
Weifang Binhai Economic Zone, Shandong Province	Leasehold	2080	70	-	Commercial and residential development	42.4
Total Development Properties			5,022			2,812.4

* Less than one hectare

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
INVESTMENT AND HOSPITALITY PROPERTIES						
Malaysia						
Kedah Darul Aman						
Harvard Golf & Country Club and Hotel, Bedong	Freehold	–	1,323,900	11	Golf course, club house and hotel	63.8
Pulau Pinang						
Penang House, Reef Apartment, Harvik Bungalow	Freehold	–	24,851	22 - 60	Holiday bungalows and residential apartments	3.1
Pahang Darul Makmur						
Genting View Resort, Genting Highlands	Freehold	–	20,490	13 - 21	Hotel resort and apartments	22.0
Frasers' Hill Bungalows	Leasehold	2026 - 2043	23,595	16 - 26	Holiday bungalows	0.6
Golden Hope Villa, Cameron Highlands	Leasehold	2075	4,095	11	Holiday bungalow	0.3
Selangor Darul Ehsan						
Bayuemas Oval and Akademi Tunku Jaafar, Kota Bayuemas	Freehold	–	127,204	6	Cricket club and lawn bowl stadium	32.8
Impian Golf & Country Club, Kajang	Freehold	–	581,779	15	Golf course and resort	70.0
Jalan Kewajipan, Teluk Panglima Garang	Freehold	–	43,628	18	Industrial land and building	30.4
Kapar, Klang	Freehold	–	110,467	–	Industrial Land	15.2
Sime Darby Pavillion, Persiaran Tebar Layar, Bukit Jelutong Shah Alam	Freehold	–	5,290	13	3-storey office building	21.3
Subang Avenue, Subang Jaya	Freehold	–	376,233	1	Shopping complex	89.1
UEP Subang Jaya	Freehold	–	10,754	12	Carpark building	7.5
Jalan Kemajuan, Wisma LJT	Leasehold	2015 - 2059	39,495	16 - 36	Office factory, industrial land and building	4.4
Wisma Zuellig, Jalan Bersatu, Petaling Jaya	Leasehold	2059	10,058	16	Office building	9.9
Kuala Lumpur						
Mahsuri and Puteri Apartment, Setiawangsa	Freehold	–	211	16	Apartments	0.1
Wisma Guthrie, Jalan Gelenggang, Damansara Heights	Freehold	–	*	37	Office complex	8.9
Kuala Lumpur Golf & Country Club, Bukit Kiara	Leasehold	2087	1,142,100	18	Golf course and club house	268.8

* Less than one hectare

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Malaysia (continued)						
Kuala Lumpur (continued)						
Sime Darby Convention Centre, Bukit Kiara	Leasehold	2087	36,600	5	Convention centre	75.9
Negeri Sembilan Darul Khusus						
Jalan Rasah, KLIA Staff Quarters and Commercial Complex, Port Dickson	Freehold	-	66,349	7 - 36	Club house, commercial complex, holiday bungalows and land	6.8
Sri Bayu, Sri Fajar and Sri Menyinsing, Port Dickson	Freehold	-	9,203	16	Holiday bungalows	0.6
Sinaran Selat, Port Dickson	Leasehold	2072	2,023	16	Holiday bungalows	0.6
Melaka						
Hotel Equatorial, Bandar Hilir	Leasehold	2080 - 2083	2,955	12	Hotel	90.0
Total Investment and Hospitality Properties – Malaysia			3,961,280			822.1
Singapore						
Sime Darby Centre, Dunearn Road	Freehold	-	13,089	27	5-storey commercial and industrial building	130.2
3 Moulmein Rise	Freehold	-	188	7	Residential apartments	3.4
Darby Park Executive Suites, Orange Grove Road	Leasehold	2092	3,373	17	Bedroom suites	64.7
Sime Darby Business Centre, Alexandra Road	Leasehold	2055	7,720	54	5-storey light industrial building	55.5
Sime Darby Enterprise Centre, Jalan Kilang	Leasehold	2061	2,201	4	8-storey light industrial building	21.0
United Kingdom						
Bognor Regis	Freehold	-	176,000	-	Vacant land	0.5
Dundee Street, Edinburgh	Freehold	-	4,492	15	Office building	65.6
Widdowson Building, Bognor Regis, Southern Site	Freehold	-	40,000	25	Land and industrial building	13.6
St Johns Wood Court, Wynnstay Gardens, London	Leasehold	2109 - 2966	247	90 - 101	2 units of residential flats	3.8
Vietnam						
Rangdong Orange Court, Le Quy Don, Vung Tau	Leasehold	2030	6,123	13	Serviced apartments	9.9
Australia						
Hay Street, Corner Bussell Hwy and Tunbridge, Edgewater Place	Freehold	-	13,581	2 - 19	Motel, residential properties and serviced apartments	4.4
Karri Valley Resort, Vasse Highway, Pemberton, Western Australia	Freehold	-	1,161,692	23	Resort complex	11.0

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
INVESTMENT AND HOSPITALITY PROPERTIES (continued)						
Australia (continued)						
Hay Street, Subiaco, Western Australia	Leasehold	2021	4,800	19	Service apartments	1.3
Total Investment and Hospitality Properties			5,394,786			1,207.0
INDUSTRIAL PROPERTIES						
Malaysia						
Perak Darul Ridzuan						
Jalan Lahat, Bukit Merah, Ipoh	Leasehold	2036	28,462	30	Office, workshop and warehouse	0.6
Pahang Darul Makmur						
Semambu Industrial Estate, Kuantan	Leasehold	2041	26,305	30	Office, workshop and warehouse	0.6
Selangor Darul Ehsan						
Kompleks Kejuruteraan, Jalan Puchong, Taman Perindustrian Puchong Utama, Puchong	Freehold	-	136,461	12	Office, workshop and warehouse	76.6
Jalan Gudang 16/9, Section 16, Shah Alam	Leasehold	2068	3,995	38	Office and factory	2.2
Johor Darul Takzim						
Senai, Kulai	Freehold	-	14,750	-	Vacant land	2.1
Jalan Gangsa, Pasir Gudang Industrial Estate	Leasehold	2038	42,700	30	Office, workshop and warehouse	0.8
Sabah						
Jalan Apas, Jalan Labuk, Marina Court, Tuaran Road	Leasehold	2026 - 2925	61,654	4 - 30	Office, workshop, warehouse and an apartment	2.7
Sarawak						
Jalan Piasau, Kidurong Light Industrial Estate, Lorong Then Kung Suk	Leasehold	2028 - 2046	45,477	21 - 30	Office, workshop and warehouse	7.4
Total Industrial Properties – Malaysia			359,804			93.0
Singapore						
Benoi Sector	Leasehold	2032	67,348	39	Office, warehouse and workshop	9.0
Brunei						
Beribi Industrial Estate, Bandar Seri Begawan	Leasehold	2019	4,047	11	Office, service centre and warehouse	0.1

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
INDUSTRIAL PROPERTIES (continued)						
China						
Nanchang Town, Jiang Xi	Leasehold	2059	10,648	-	Industrial land	0.6
Shunde, Foshan, Guangdong	Leasehold	2045	15,750	13	Office, warehouse and workshop	12.1
Hong Kong						
Yuen Long Industrial Estate	Leasehold	2047	16,496	17	Office, workshop and warehouse	14.8
Australia						
Alice Springs Facility and Darwin Facility, Northern Territory	Freehold	-	64,100	7 - 18	Office, workshop and warehouse	1.8
Archerfield Facility, Kerry Road, Archerfield, Queensland	Freehold	-	22,972	30	Office, workshop and warehouse	46.6
Archer Drive, Alstonia Drive, Buckland Street and Emerald Facility, Queensland	Freehold	-	129,428	14 - 30	Office, workshop, warehouse and residential dwelling	10.8
Bellrick Street, Acacia Ridge, Queensland	Freehold	-	14,020	28	Training facilities	11.1
Cairns Facility, Corner Kenny St & Fearnley St Portsmith, Cairns, Queensland	Freehold	-	14,170	18	Office, workshop and warehouse	13.3
Mackay Facility, Commercial Avenue, Mackay, Queensland	Freehold	-	4,506	15	Office, workshop and warehouse	22.9
Mackay Facility, Farrellys Lane, Mackay, Queensland	Freehold	-	5,683	18	Office, workshop and warehouse	132.1
Mackay Facility, Kolongo Crescent, Kalkadoon, Mt Isa, Queensland	Freehold	-	2,327	18	Office, workshop and warehouse	12.0
Rockhampton Facility, Port Curtis Road, Rockhampton, Queensland	Freehold	-	10,133	4	Office, workshop and warehouse	31.0
Salmet Building, Beaudesert Road, Acacia Ridge, Queensland	Freehold	-	21,660	28	Office, workshop and warehouse	38.9
Toowoomba Facility, Carrington Road, Torrington, Queensland	Freehold	-	2,879	7	Office, workshop and warehouse	15.1
Townsville Facility, Corner Woolcock St Blakey & St Garbutt, Townsville, Queensland	Freehold	-	4,031	21	Office, workshop and warehouse	16.6
Gladstone facility, Gladstone, Queensland	Leasehold	2010 - 2011	72,062	3 - 4	Office, workshop and warehouse	0.2
Mackay Facility, Corner Connors Rd & Commercial Avenue Paget, Mackay Queensland	Leasehold	Perpetual	1,720	18	Office, workshop and warehouse	20.0

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
INDUSTRIAL PROPERTIES (continued)						
New Caledonia						
Nepoui Canala, Kouaoua	Freehold	–	15,400	16	Residential dwelling	0.2
196 Rue Gervolino	Leasehold	2010 - 2011	5,281	2	Commercial office	0.1
Vietnam						
Quang Ninh Province	Freehold	–	1,689	6	Industrial building	0.1
Papua New Guinea						
Port Moresby Facility and Lae Sales Facility, Spring Garden Road Hohola, Port Moresby	Leasehold	2057 - 2094	50,282	2 - 18	Office, sales, service and parts facility, and residential dwelling	2.0
Solomon Islands						
Honiara Facility, Guadalcanal Island	Leasehold	2030	27,323	18	Industrial building, office, warehouse and residential dwelling	0.1
Total Industrial Properties			943,759			504.5
MOTORS PROPERTIES						
Malaysia						
Kedah Darul Aman						
Padang Meha, Kulim	Freehold	–	780,923	13	Assembly plant	56.4
Selangor Darul Ehsan						
Jalan Pelukis U1/46, Temasya Industrial Park, Shah Alam	Freehold	–	4,990	14	Office	12.4
Jalan Pemberita U1/49, Temasya Industrial Park, Shah Alam	Freehold	–	2,081	14	Office and workshop	3.1
Sabah						
Sedco Industrial Estate, Tuaran Road, Likas, Kota Kinabalu	Leasehold	2034	15,721	7	Showroom and service centre	4.0
Total Motors Properties - Malaysia			803,715			75.9
Singapore						
Alexandra Road	Leasehold	2047	7,761	2	Showroom and workshop	126.3
Alexandra Road	Leasehold	2057	6,931	5	Office, showroom, workshop and storage facilities	88.9
Kampung Arang Road	Leasehold	2034	8,357	42	Office, showroom and workshop	4.8

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
MOTORS PROPERTIES (continued)						
Singapore (continued)						
Ubi Road 4	Leasehold	2020	4,993	18	Office, showroom, workshop and pre-delivery inspection centre	17.0
Thailand						
Charan Sanit Wong Road, Charoen Nakhon Road, Ladkrabang 1, Minburi, Paknam, Phetkasem Road, Saphansoong, Srinakarin Road	Leasehold	2013 - 2025	41,750	4 - 19	Showroom, workshop and office	17.5
China						
Dashi Duan, Hai Yu Zhong Xian Road, Tianshan Road, Yue Liang Wan Road	Leasehold	2014 - 2070	33,919	6 - 38	Showroom, workshop, service centres and apartments	10.8
Hongqiao land, East 3rd Ring, Kuming, Yunnan	Leasehold	2027	15,153	1	Showroom, workshop and service centre	14.3
Jinke Nan Road, Jin Niu District, Chengdu, Sichuan Province	Leasehold	2052	13,457	1	Service centre	19.0
Ma Que Ling Industry Zone, Shen Nan Da Dao, Nan Shan District, Shenzhen	Leasehold	2022	6,488	15	8-storey service centre	18.5
Nanghai Dadao Road, Haikou Province, Hainan	Leasehold	2059	17,770	4	Showroom and workshop	9.5
Hong Kong and Macau						
2 - 4 Floor, Kailey Industrial Centre, Fung Yip Street, Chai Wan	Leasehold	2047	9,456	19	Service centre	13.3
3 & 4 Floor, Topsail Plaza, 11 on Sum Street, Shatin	Leasehold	2047	6,866	15	Service centre	49.8
Castle Peak Road, Tsuen Wan, New Territory	Leasehold	2047	2,510	38	6-storey service centre	12.8
Matauwei Road, Tokwawan, Kowloon	Leasehold	2035	1,295	47	11-storey service centre, showroom and petrol filling station	18.5
Oriental Centre 67 - 71 Chatman Road, Yuen Long, Rua dos Pescadores, Macau	Leasehold	2016 - 2047	41,124	33 - 103	3-storey office showroom, service and storage centre	9.2
Australia						
Littlefield St, Orkney Rd	Freehold	-	8,063	16 - 26	Office	4.3
New Zealand						
Great South Road, Malden Street, Maranui Avenue, Silverfield	Freehold	-	16,649	11 - 45	Showroom, workshop, service centre and warehouse	14.4

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
MOTORS PROPERTIES (continued)						
New Zealand (continued)						
Maranui Avenue, Ricketty St Mascot	Leasehold	2010	872	5 - 51	Office and business centre	0.8
Total Motors Properties			1,047,129			525.6
ENERGY & UTILITIES PROPERTIES						
Malaysia						
Selangor Darul Ehsan						
Jalan Kenyalang, Kuala Kubu Baru	Freehold	-	3,375	-	Vacant land	0.1
Jalan 225, Petaling Jaya	Leasehold	2074	4,147	28	Industrial land and building	1.8
Jalan Kewajipan, Kompleks Sime Darby	Leasehold	2022	5,490	18	Factory building	1.4
Jalan Tandang, Petaling Jaya	Leasehold	2065 - 2066	152,300	17 - 47	Industrial land and building	69.7
Negeri Sembilan Darul Khusus						
Jalan Seremban, Port Dickson	Freehold	-	221,551	14	Power plant, office building and training centre	14.8
Johor Darul Takzim						
Pasir Gudang Industrial Estate	Leasehold	2022 - 2053	466,356	2 - 25	Industrial land and buildings	136.8
Teluk Ramunia	Leasehold	2048 - 2054	687,966	-	Industrial land, buildings and yard facilities	326.6
Total Energy & Utilities Properties - Malaysia			1,541,185			551.2
Singapore						
Jurong Pier	Leasehold	2026	16,456	2	Workshop and office	3.6
Thailand						
Sukhumit Road, Toong Sukhla, Chonburi	Leasehold	2018	55,810	13 - 21	Power plant and office	15.2
China						
Bus Station West, Shizhong District, Jining City, Shandong Province	Leasehold	2058	216,775	2	Port, warehouse and office	9.6
Chang Gou Town, Jining Ren Chen District, Jining City, Shandong Province	Leasehold	2050	506,025	1	Port wharf and office	72.7
Dongli Town, Yiyuan County, Shangdong Province	Leasehold	2037	574	4	Water treatment chemical plant	0.2

Location	Tenure	Year lease expiring	Area (Sq metres)	Age of building (Years)	Description	Net book value RM million
ENERGY & UTILITIES PROPERTIES (continued)						
China (continued)						
Tangkou Town, Jining Shizhong District, Jining City, Shandong Province	Leasehold	2058	18,090	16	Port wharf and office	0.3
Weifang City, Shandong Province	Leasehold	2075	896	5	6 units of apartments	1.8
Yanzi Town, Binhai Economic Development Zone, Shandong Province	Leasehold	2055	63,334	8	Reservoir, water treatment plant and office building	24.8
Yanzi Town, Binhai Economic Development Zone, Shandong Province	Leasehold	2059	253,336	22	Land for water treatment plant and office building	4.9
Yanzi Town, Weifang Port, Shandong Province	Leasehold	2055	371,710	12	Port, warehouse and office	137.2
Total Energy & Utilities Properties			3,044,191			821.5
HEALTHCARE & OTHERS PROPERTIES						
Malaysia						
Selangor Darul Ehsan						
Sime Darby Medical Centre, Subang Jaya	Freehold	-	72,278	1 - 26	North and South Tower medical centre and a four levels basement car park	132.8
Sime Darby Medical Centre, Ara Damansara	Freehold	-	35,287	1	6-storey medical building and a two levels basement car park	138.6
Sime Darby Specialist Centre Megah, Petaling Jaya	Freehold	-	440	14	Medical centre	8.2
Negeri Sembilan Darul Khusus						
Senawang, Seremban	Leasehold	2074	2,634	26	Industrial land and building	3.2
Johor Darul Takzim						
Jalan Tampoi	Leasehold	2026	39,893	42	Factory building	1.0
Total Healthcare & Others Properties - Malaysia			150,532			283.8
Vietnam						
Huu Nghi Blv, Binh Duong Province	Leasehold	2054	15,000	5	Factory and office building	5.6
Total Healthcare & Others Properties			165,532			289.4

FORM OF PROXY

Number of shares held	CDS Account No.										
				-			-				

I/We..... (NRIC/Company 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.)
(FULL NAME IN BLOCK LETTERS)

**and/or..... (NRIC/Passport No.)
(FULL NAME IN BLOCK LETTERS)

as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company to be held at the Grand Ballroom, First Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Tuesday, 16 November 2010 at 10.30 a.m. and at any adjournment thereof.

No.	Resolution	For	Against
1	To receive the Audited Financial Statements for the year ended 30 June 2010 together with the Reports of the Directors and Auditors thereon		
2	To declare a final single tier dividend for the year ended 30 June 2010		
3	To re-appoint Tun Musa Hitam as Director pursuant to Section 129(6) of the Companies Act, 1965 (Act)		
4	To re-appoint Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin as Director pursuant to Section 129(6) of the Act		
5	To elect Tan Sri Datuk Amar (Dr) Tommy Bugo @ Hamid Bugo as Director who retires in accordance with Article 104 of the Company's Articles of Association		
6	To elect Dato Sri Lim Haw Kuang as Director who retires in accordance with Article 104 of the Company's Articles of Association		
7	To elect Mr Sreesanthan Eliathamby as Director who retires in accordance with Article 104 of the Company's Articles of Association		
8	To re-elect Tan Sri Sheng Len Tao who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
9	To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
10	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		
11	Proposed Renewal of Share Buy-Back Authority		

My/Our proxy is to vote on the resolutions as indicated by an 'X' in the appropriate space above. If no indication is given, my/our proxy shall vote or abstain from voting as he/she thinks fit.

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:-	
	Percentage (%)
First proxy	
Second proxy	

Date this....., day of, 2010

.....
 Signature/Common seal of member(s)

* 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

1. A Member entitled to attend and vote at the Meeting is entitled to appoint not more than two (2) proxies to attend and vote on his/her behalf. A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a Member of the Company is an Authorised Nominee as defined in the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
3. 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.
4. The Form of Proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the Form of Proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised by the corporation.
5. The Form of Proxy, duly completed and executed, must be deposited at the office of the Share Registrar of the Company, Tricor Investor Services 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 or any adjournment thereof.
6. Only members registered in the Record of Depositors as at 8 November 2010 shall be eligible to attend the AGM or appoint proxies to attend and/or vote on their behalf.

Fold Here

Affix Stamp

THE SHARE REGISTRAR
Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Fold Here

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 Website: www.simedarby.com