

Sime Darby is also working with the Malaysian Nature Society for the Hornbill Conservation Project in the Royal Belum-Temenggor (RBT) Forest. The two-year project is aimed at engaging key government agencies and the surrounding communities to help preserve the 10 hornbill species native to the RBT Forest. Another effort that Sime Darby has recently undertaken is a programme to replant rare and endangered tropical forest trees at all our plantation estates and some selected mangrove and coastal areas. Together with Wild Asia, Sime Darby replanted trees along the river banks at the Tanah Merah Estate in Nilai, Negeri Sembilan. The trees are planted in a special way to revive the river and its biodiversity. Currently, the tree-planting programme has been completed and further studies are being undertaken to monitor the success of the project. This conservation programme is also extended to Sime Darby Property's townships. Sime Darby recognises its responsibility to safeguard the environment in the course of conducting its business operations. Fulfilling our commitment to environmental conservation and enhancing the quality of life of the people who live in our townships, Green Trails or pocket forest parks are being created by planting forest trees in specific areas within our townships. The project began with the Denai Alam township in Selangor and to date, 3,500 trees from 15 species of tropical rainforest plants have been planted there.

In marine conservation, Sime Darby has launched its Sustainable Island Programme. Malaysia's coral reefs are fast degrading due to multiple causes, including global warming, pollution and illegal fishing methods. Collaborating with Wild Asia, the project covers Pulau Perhentian, Pulau Tioman, Pulau Redang and Pulau Aur. Initial surveys were carried out to collect data for analysis and to get a clearer picture on the condition of the coral reefs.

Nurturing the Minds of the Future through Education Efforts

Sime Darby sees education as an important part of making sustainable futures real for everyone. Programmes involving scholarships, adoption of schools, financial assistance and vocational training have been designed to ensure that our younger generation are more knowledgeable and competent. One of Sime Darby's biggest education initiatives is to improve English proficiency using newspapers to teach English in the classroom.

Sime Darby's PINTAR School Adoption Programme began in December 2006, allowing Sime Darby to play its part in nurturing and developing human capital in the country. To date, there are 21 schools adopted from the Northern Corridor Economic Region (NCER) and one school from the Eastern Corridor Economic Region (ECER). The programme concentrates on development of students, teachers, parents and community, as well as school infrastructure and facilities assistance. At the Group level, Sime Darby sponsored the delivery of over RM100,000 worth of The Star newspaper to 20 of our PINTAR schools. The Property Division, in turn, worked with the The News Straits Times to sponsor the distribution of its newspaper to the schools in the Division's townships.



There is also the Sime Darby Employees' Children Education Excellence Awards (ECEEA) to recognise the achievements of children of Sime Darby employees. So far, 270 children have been awarded cash prizes for outstanding performance in the 2007 Ujian Penilaian Sekolah Rendah, Penilaian Menengah Rendah, Sijil Pelajaran Malaysia and Pre-University examinations. There were more recipients this year compared to last year, and it was particularly meaningful to enjoin the children of the former Golden Hope Plantation Berhad, Kumpulan Guthrie Berhad and Kumpulan Sime Darby Berhad employees.

Other projects relating to schools include the adoption of 34 students from schools in Puchong, Selangor for business training and education by the Industrial Division. This project was done via the AMCHAM Young Enterprise Programme. The students learned how to translate economic theories into real business principles and discover entrepreneurship skills in running a business. The staff of Tractors Malaysia contributed their time and expertise and shared their experience as Corporate Advisors in this programme. Children of employees at the Plantation Division's Tun Tan Estate, Sentosa Estate and Sandakan Palm Oil Mill will now enjoy a safer, more reliable commute to the school with the launch of a school boat service. The children will be transported using a new fibre glass boat to the Sekolah Kebangsaan Kuala Suan Lamba in the Kinabatangan area. The Plantation Division's North estates contributed by subsidising the transportation of the school children in their estates, sponsoring school uniforms and paying for repairs to school buildings. Recently, the Energy Division donated RM260,000 to build two temporary school blocks for the SMK Bakun Sg Asap in Bakun, Sarawak. The new school blocks will cater for the additional 210 students who will join the school in January 2009.

The Property Division, in collaboration with the News Straits Times, organised information technology related activities. The students were given easy and creative ready-to-use IT and Multimedia tools through the development of the NiEXUS portal with the NIE - NST. There was also an initiative done together with University Malaya for the Royal Professor Ungku Aziz Chair and Centre for Poverty Eradication. The establishment of the Royal Professor Ungku Aziz Chair is to honour the contributions of Royal Professor Ungku Aziz in the field of education and economic development especially rural development and poverty eradication. Sime Darby contributed RM2.5 million to support this effort.

Continuing to Care for the Community

Sime Darby is consistently involved with the communities it touches. One of the most important initiatives carried out last year was the establishment of patrol units for Subang Jaya, USJ, Putra Heights, Bandar Bukit Raja and Ara Damansara, Selangor. The Property Division wanted to provide a safer environment within its townships and hoped to achieve this through the 'Unit Peronda Sime Darby'.



Corporate Social Responsibility Report

Our Plantation Division, meanwhile, has pledged RM250 million over a five year-period, towards the welfare of employees, their families and the improvement of facilities provided by the Company. The funds allocated will be used to upgrade and refurbish employee quarters, improve school facilities on estates and provide adequate infrastructure for estate communities.

Sadly, the year under review witnessed a number of natural disasters that wreaked havoc on the lives of people - both at home and abroad. Auto Bavaria Malaysia of the Motors Division donated RM17,000 to flood victims in Johor, while the Upstream Plantation team donated to flood victims in Ladang Chenor, Mentakab, Pahang. The Group Head Office donated RM200,000 to the earthquake victims in Sichuan province, China. Separately, the Motors Division – Hong Kong / Macau/ People's Republic of China set up a fund to help the victims of the Sichuan earthquake. The company contributed HK\$2 for every HK\$1 contributed by each member of staff, as well as donating HK\$500 for every vehicle sold up to June 2008. At the end of the drive, a total amount of HK\$1.2 million was collected, exceeding the HK\$1million target set.

Throughout the Divisions, our businesses are involved in community development through donations and cash contributions for the construction of surau, mosques, temples, schools, recreational parks, football fields and other infrastructure facilities within townships and estates. There were also donations to charity homes, in terms of cash and basic items. Dunlopillo (Malaysia) Sdn Bhd, a subsidiary of Sime Darby, donated mattresses to a HOSPICE home in Batu Arang that houses patients suffering from HIV and AIDS. Throughout the financial year, Sime Darby Healthcare held talks and public forums on various topics ranging from cancer to hand-hygiene. The talks and forums were handled by in-house specialists of Subang Jaya Medical Centre, with the objective of creating awareness on medical conditions in the community. There were also free medical screenings done during a carnival in Subang Jaya, Selangor which also provided blood pressure checks, body mass index counts and diet counselling.

Developing Healthy Citizens through Sports Development

Sime Darby has always been an avid supporter of local sports. The Group sponsored the Malaysian Independent Tennis Festival 2007, a tournament that brought in top international players Rafael Nadal, Richard Gasquet, Roger Federer and Pete Sampras. The event was meant to inspire Malaysians to reach international standards in the game. Sime Darby was also a sponsor of the Glenmarie Golf & Country Club Asian Junior Golf Championship 2008, as well as the sponsor of MJB 5th Golf Charity Tournament. Sime Darby also funded the 10th Anniversary of the Negeri Sembilan's Royal Sevens Rugby Tournament and Perak's Royal Golden Jubilee International Rugby 7's Challenge Trophy. Sime Darby Property's indoor lawn bowling stadium and the cricket oval at Bayuemas, Klang were also utilised in our efforts to develop sports. We were the main sponsor for the ACC Trophy Elite 2008, a cricket tournament hosted by the Malaysia Cricket Association, as well as the joint organiser of the 3rd Asia Pacific Singles & Mixed Pairs / Triples Indoor Bowls Championship with the Federation of Lawn Bowls Malaysia.



Our commitment to sustainability also means we are involved in projects that contribute to the environment, the education system and community development. While we always look to the future, it is what we do today that really matters.

REGENERATE

A young girl with a joyful expression, wearing a white short-sleeved shirt with thin vertical stripes, is holding a small, vibrant green seedling with two leaves in her cupped hands. The seedling is planted in a mound of rich, brown soil. The background is a soft-focus green field, suggesting an outdoor setting. The overall mood is positive and hopeful, representing environmental care and the future.

Corporate Diary

17 August 2007

Hyundai-Sime Darby Motors Sdn Bhd launched its new 3S centre, located at the automotive hub of Temasya Industrial Park in Shah Alam, Selangor. It is a one-stop centre for Hyundai and Inokom vehicle owners looking for service, spare parts or new vehicles. In commemoration of the opening of the centre, the company also unveiled the all-new Santa Fe CRDi, a luxurious and highly-acclaimed SUV.



21 September 2007

Sime Darby Motor Division launched its Shenzhen Bow Chuang Nan Shan Branch marking its growing BMW dealership presence in China.



24 October 2007

The Bedding Group hosted the 2nd Dunlopillo Regional Partner Conference in Ho Chi Minh, Vietnam, attended by over 150 key participants from 14 countries. Plans are underway to turn its factory in Vietnam into a major manufacturing hub for Dunlopillo products supplying the region.



27 November 2007

The Synergy Drive merger which involved the consolidation of three plantations giants – Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad and Kumpulan Sime Darby Berhad, and five other subsidiary companies was completed.



28 November 2007

The new merged entity, which took the name Sime Darby Berhad, was officially launched by Prime Minister Datuk Seri Abdullah Ahmad Badawi. Also unveiled was the new logo and the company's new vision - Developing Sustainable Futures.



30 November 2007

Sime Darby Berhad was relisted on Bursa Malaysia Securities Berhad and emerged as the largest listed company in terms of market capitalisation. The shares of par value at RM0.50 each made its debut at RM11.20 and was traded between a low of RM10.70 and a high of RM12.10 a share. It recorded a RM2.10 a share premium over its relisting reference price of RM8.90 a share.



6 December 2007

The Sime Darby Convention Centre was inaugurated by Prime Minister Datuk Seri Abdullah Ahmad Badawi, bringing about a new level of charm and sophistication to the art of meetings, incentives, conventions, exhibitions and banquets. Its strategic location and commitment to exceed clients' expectations, among others, have made this convention centre one of the preferred venues.



1 January 2008

Sime Darby Plantation Sdn Bhd launched a school boat service to ferry children safely across the Sandakan Bay in Sabah to their school in Kinabatangan. More than 50 children living in Sime Darby's Tun Tan Estate, Sentosa Estate, and the Sandakan Bay Palm Oil Mill area will now enjoy a safer, more reliable and comfortable 10-kilometre commute to Sekolah Kebangsaan Kuala Suan Lamba in the Kinabatangan area.



29 January 2008

Sime Darby Plantation Sdn Bhd pledged its commitment to help Sabah conserve the Ulu Segama Forest Reserve, home to more than 5,000 orang utans. A total of RM25 million will be contributed over a period of ten years, making Sime Darby the single largest private contributor in this conservation project.



11 February 2008

Sime Darby Energy Division expanded its operations into transportation and installation (T&I) services in the oil & gas sector through its new company, Sime Darby T&I Sdn Bhd. The company is a joint-venture between Sime Darby Engineering Sdn Bhd and two partners, ROIC Sdn Bhd and MDL Energy Private Limited.



28 February 2008

Peugeot Automobiles Australia, a subsidiary of Sime Darby Motors, was given the honour of being the first in the world to display the new Peugeot 308 Touring, making its global debut at the Melbourne International Motor Show.



6 March 2008

Sime Darby Berhad pledged RM200 million over a period of five years towards CSR activities in its plantations. The pledge was made at the "Program YAB Timbalan Perdana Menteri bersama Pekebun Kecil & Pekerja Ladang Kelapa Sawit" organised by the Malaysian Palm Oil Board and the Ministry of Primary Industries held at Stadium Malawati in Shah Alam, Selangor Darul Ehsan. Its Kempas Estate was one of three recipients of the "Best CSR Estate" awards.



6 March 2008

Sime Darby Plantation Sdn Bhd launched the usage of its self-developed biodiesel, BIO-N, in Carey Island, Selangor. With the objective of making in-roads towards developing sustainable practices, all machines and vehicles on Carey Island will run on BIO-N.



20 March 2008

Sime Darby Property Berhad launched 'Topaz', a 110-unit development of double-storey link homes in Putra Heights, Selangor.



2 April 2008

Sime Darby invested over 34 million euros in its current Unimills facilities in Zwijndrecht, Netherlands and other business locations in Europe to further strengthen its position in the oils and fats downstream business in Europe. This includes various locations for palm oil processing facilities, including setting up a new refinery and bulking facilities which will complement the operations of its existing plant in Zwijndrecht.



13 - 25 April 2008

Sime Darby Plantation Sdn Bhd participated in the International Palm Oil Sustainability Conference as a Platinum Sponsor, showcasing its sustainable practices and initiatives implemented within its estates and mills.



19 - 28 April 2008

The Sime Darby Group participated in the annual Minggu Saham Amanah Malaysia 2008 as a Premier Sponsor, showcasing the Group's core businesses. Held at the Melaka International Trade Centre in Ayer Keroh, Melaka the roadshow was aimed at educating the public on smart investments.



25 April 2008

TSL Power Systems was recognised as Caterpillar Asia Power Systems' top performer for the year 2007, making it a recipient of the award two years running.



28 April 2008

Sime Darby Property Berhad was once again honoured by the Reader's Digest 2008 Trusted Brands Award in the category of property developer in Malaysia. In its 10th year, this initiative by Reader's Digest is aimed at recognising brands that appeal most to affluent Asian consumers.



30 April 2008

Tractors Manufacturing & Assembly Sdn Bhd officially opened a new 10-acre plant which had been upgraded to be a more flexible and adaptable production facility capable of producing a wider variety of industrial equipment. This is in line with the company's objective of positioning itself to be a leading OEM of industrial equipment.



30 April 2008

Sime Darby Property Berhad set new benchmarks in the industry, by mentoring and nurturing seven of its contractors to assist them in obtaining the QMS ISO 9001; 2000 Certification. The certification is acknowledgement that only the highest quality and standards are applied in its development projects worldwide.



3 - 4 May 2008

Regent Motors, which distributes Ford cars in Singapore, organised the Ford-UEFA 4-A-Side Challenge Finals in conjunction with Ford being the sponsor of the UEFA Champions League. 20 teams were shortlisted to compete against each other in a street soccer-style challenge for the top prize of an all-expense paid trip to attend the UEFA Finals in Moscow.



12 May 2008

Sime Darby Berhad signalled its intention to make the Middle East a key growth area for its oil & gas business by opening an office in Qatar. Located at C-Ring Road in Doha, the Sime Darby Middle East Office was chosen as the launching pad into this market due to Qatar's vibrant economy and active oil & gas market.



15 June 2008

Sime Darby Berhad became a member of the World Economic Forum and participated in the East Asian Summit held in Kuala Lumpur.



18 June 2008

Sime Darby Utilities Sdn Bhd, through its operating unit, Weifang Sime Darby Port Co. Ltd. held an official ceremony to mark the commencement of the 10,000 tonne port expansion construction in Weifang, China.





PROACTIVE

Being sustainable also means having to adapt or develop newer technologies that do more, but use less resources. Not only does this help the environment, it also helps reduce costs across the board.

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Statement on Directors' Responsibility

The Directors are required by the Companies Act, 1965 (Act) to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the year and the results of the Group and the Company for the year. As required by the Act and the Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the Malaysian Accounting Standards Board approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Act.

The Directors consider that in preparing the financial statements for the year ended 30 June 2008 set out on pages 107 to 215, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates. The Directors have responsibility for ensuring that the Group and the Company keep 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 11 September 2008.

Directors' Report

Directors' Report

The Directors are pleased to present their Report together with the audited financial statements of the Group and of the Company for the year ended 30 June 2008.

Principal Activities

The Company is principally an investment holding company.

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

Merger Exercise

The Company was set up to facilitate the merger of Golden Hope Plantations Berhad (GHPB), Kumpulan Guthrie Berhad (KGB) and Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad) (KSDB) groups of companies (the Merger).

The Company had on 24 January 2007 entered into separate Sale of Business Agreements (SBA) with GHPB, KGB, KSDB, Sime UEP Properties Berhad, Sime Engineering Services Berhad, Guthrie Ropel Berhad, Highlands & Lowlands Berhad and Mentakab Rubber Company (Malaya) Berhad (collectively known as the Merged Entities). The SBA became unconditional on 1 October 2007, when all relevant conditions were fulfilled. The Merger was completed on 27 November 2007 following the transfer of the entire businesses and undertakings, including all assets and liabilities of the Merged Entities to the Company by virtue of a scheme of reconstruction and amalgamation pursuant to Sections 176 and 178 of the Companies Act, 1965 and the completion of the capital repayment exercise of the respective Merged Entities.

Change Of Name

On 27 November 2007, the Company changed its name from Synergy Drive Bhd to Sime Darby Berhad and thereafter, was admitted to the Main Board of Bursa Malaysia Securities Berhad (Bursa Securities) on 30 November 2007.

Financial Results

The audited results of the Group and of the Company for the year ended 30 June 2008 are as follows:

	Group RM million	Company RM million
Profit after taxation	3,752.5	2,203.5
Minority interests	(240.4)	–
Profit for the year attributable to shareholders	<u>3,512.1</u>	<u>2,203.5</u>

Dividends

The dividends paid and proposed by the Company since 30 June 2007 were as follows:

	RM million
In respect of the year ended 30 June 2008	
Interim gross dividend of 5.0 sen per share less Malaysian income tax at 26 percent, paid on 16 May 2008	<u>222.3</u>

The Directors recommend the payment of a final gross dividend of 34.0 sen per share less Malaysian income tax at 25 percent and special dividends of gross 4.0 sen per share less Malaysian income tax at 25 percent and Malaysian income tax exempt of 6.0 sen per share which, subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, will be paid on 5 December 2008. The entitlement date for the dividend payment is 26 November 2008.

The interim dividend paid on 16 May 2008 and the proposed final and special dividends to be paid on 5 December 2008, if approved at the forthcoming Annual General Meeting of the Company, amount to a total gross distribution of 49.0 sen per share for the financial year.

Reserves And Provisions

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Share Capital And Debentures

During the financial year:

1. the authorised share capital of the Company was increased from RM2,600,000.00 divided into 200,000 ordinary shares of RM0.50 each and 25,000,000 Series B redeemable convertible preference shares (RCPS) of RM0.10 each to RM4,072,500,000.00 by the creation of 7,999,800,000 new ordinary shares of RM0.50 each and 7,000,000,000 Series A RCPS of RM0.01 each.
2. the issued and paid-up share capital of the Company was increased from RM2,500,100.00 comprising 200 ordinary shares of RM0.50 each and 25,000,000 Series B RCPS of RM0.10 each to RM3,004,731,915.50 by the creation of 6,009,463,631 new ordinary shares of RM0.50 each which rank pari passu in all respects with the existing ordinary shares of the Company. The new ordinary shares were issued:
 - (a) following the conversion of 25,000,000 Series B RCPS into 50,000,000 ordinary shares at the ratio of 1 Series B RCPS for 2 new ordinary shares;
 - (b) as part consideration for the acquisition of the entire equity interest in GHPB, KGB and KSDB and acquisition of the remaining equity interest in Sime UEP Properties Berhad, Sime Engineering Services Berhad, Guthrie Ropel Berhad, Highlands & Lowlands Berhad and Mentakab Rubber Company (Malaya) Berhad, pursuant to the Merger; and
 - (c) as consideration for the acquisition of additional interest in Negara Properties (M) Berhad pursuant to a Mandatory General Offer and Compulsory Acquisition.

There was no issuance of debentures during the financial year.

Changes In Group Assets

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

1. On 9 July 2007, Sime Darby Hong Kong Limited acquired the remaining 30 percent equity interest in Westminster Travel Limited (WTL) for HK\$86.9 million pursuant to the exercise of a put option by the minority shareholder of WTL.
2. On 23 July 2007, Kumpulan Guthrie Berhad disposed of its entire equity interest in Guthrie Corridor Expressway Sdn Bhd (GCESB). The disposal price and the amount owing by GCESB were satisfied by cash payment of RM436.0 million and issuance of RM500.0 million nominal value of Redeemable Loan Stocks by GCESB.
3. On 23 October 2007, the Group disposed of its entire equity interest in WTL for HK\$160.0 million.
4. On 14 November 2007, B.M.W. Concessionaires (HK) Limited acquired the entire registered capital in Shantou Bow Yue Vehicle Trading Company Limited for RMB10.0 million. Its principal activities are sales of BMW and Brilliance Automotive branded vehicles and related spare parts, sales of motorcycles and its related spare parts, electric equipment and machinery.
5. On 16 November 2007, Golden Hope International Investments acquired the remaining 40 percent equity interest in Golden Hope Investments (Asia Pacific) for USD2.7 million.
6. On 30 November 2007, Sime Darby Singapore Limited and Orchard Nominees Private Limited disposed of their entire equity interests in Sime Rengo Packaging Singapore Limited for S\$6.5 million.

Changes in Group Assets (continued)

7. On 7 January 2008, The China Engineers Limited acquired the entire equity interest in Elco Power Systems Ltd (Elco) for HK\$43.0 million. Elco is principally involved in the distribution of Perkins engine products.
8. On 18 January 2008, the agreement entered into by Kumpulan Guthrie Berhad on 20 November 2007 for the disposal of its entire equity interest in Guthrie Technologies Sdn Berhad, for an adjusted consideration of RM12.9 million, was completed.
9. On 3 December 2007 and 30 January 2008, the Company completed the Mandatory General Offer and the Compulsory Acquisition of all the remaining shares in Negara Properties (M) Berhad (Negara), not held directly or indirectly by the Group respectively, in conjunction with the voluntary withdrawal of Negara from the Official List of Bursa Securities pursuant to Paragraph 16.04 of the Listing Requirements of Bursa Securities. Details of the acquisition are disclosed in Note 31(d) to the financial statements.

Directors

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

Tun Musa Hitam	(appointed on 29 September 2007)
Tun Dato' Seri Ahmad Sarji Abdul Hamid	(appointed on 29 September 2007)
Dr. Arifin Mohamad Siregar	(appointed on 29 September 2007)
Dato' Henry Sackville Barlow	(appointed on 29 September 2007)
Dato' Dr. Abdul Halim Ismail	(appointed on 29 September 2007)
Datin Paduka Zaitoon Dato' Othman	(appointed on 29 September 2007)
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin	(appointed on 14 September 2007)
Tan Sri Datuk Dr. Ahmad Tajuddin Ali	(appointed on 14 September 2007)
Raja Dato' Seri Arshad Raja Tun Uda	(appointed on 14 September 2007)
Datuk Seri Panglima Sheng Len Tao	(appointed on 14 September 2007)
Dato' Mohamed Sulaiman	(appointed on 14 September 2007)
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	(appointed on 14 September 2007)
Tan Sri Dato' Md. Nor Md. Yusof	(resigned on 29 September 2007)
Dato' Zainal Abidin Putih	(resigned on 29 September 2007)
Wan Razly Abdullah Wan Ali	(resigned on 29 September 2007)

Tun Musa Hitam, Tun Dato' Seri Ahmad Sarji Abdul Hamid, Dr. Arifin Mohamad Siregar and Dato' Mohamed Sulaiman, being over seventy years of age, retire in accordance with Section 129 of the Companies Act, 1965 (Act) and offer themselves for re-appointment in accordance with Section 129(6) of the Act to hold office until the conclusion of the next Annual General Meeting of the Company.

The Directors retiring by rotation are Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin, Tan Sri Datuk Dr. Ahmad Tajuddin Ali and Datuk Seri Panglima Sheng Len Tao who being eligible, offer themselves for re-election.

None of the Directors retiring and offering themselves for re-appointment or re-election has a contract of service with the Company.

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 7 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.

Directors' Report

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 in shares and options of, and participatory interests made available by, subsidiaries of the Company during the year covered by the financial statements were as follows:

Number of ordinary shares of RM0.50 each

<u>Sime Darby Berhad (formerly known as Synergy Drive Bhd)</u>	<u>At date of appointment</u>	<u>Acquired/ Allotted</u>	<u>Disposed</u>	<u>At 30 June 2008</u>
Raja Dato' Seri Arshad Raja Tun Uda (deemed interest)	-	1,939	-	1,939
Dato' Mohamed Sulaiman (deemed interest)	-	3,800	-	3,800
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	-	238,712	-	238,712

Number of ordinary shares of RM0.50 each

<u>Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad)</u>	<u>At date of appointment</u>	<u>Acquired</u>	<u>Disposed/ Cancelled</u>	<u>At 30 June 2008</u>
Datuk Seri Panglima Sheng Len Tao (deemed interest)	14,000	-	(14,000)	-
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	140,000	54,000	(194,000)	-

Options over ordinary shares of RM0.50 each

<u>Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad)</u>	<u>At date of appointment</u>	<u>Granted</u>	<u>Exercised</u>	<u>At 30 June 2008</u>
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	54,000	-	(54,000)	-

Number of ordinary shares of RM0.50 each

<u>Highlands & Lowlands Berhad</u>	<u>At date of appointment</u>	<u>Acquired</u>	<u>Disposed/ Cancelled</u>	<u>At 30 June 2008</u>
Raja Dato' Seri Arshad Raja Tun Uda (deemed interest)	2,000	-	(2,000)	-
Datuk Seri Panglima Sheng Len Tao (deemed interest)	10,000	-	(10,000)	-

Directors' Interests In Shares (continued)

	<u>Number of ordinary shares of RM1.00 each</u>			
	<u>At date of appointment</u>	<u>Acquired</u>	<u>Disposed</u>	<u>At 30 June 2008</u>
<u>Guthrie Ropel Berhad</u>				
Datuk Seri Panglima Sheng Len Tao (deemed interest)	8,000	-	(8,000)	-

Kuala Lumpur Golf & Country Club Berhad

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

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

Statutory Information On The Financial Statements

- (a) Before the Income Statement and Balance Sheet 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, other than debts, 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.

Statutory Information On The Financial Statements (continued)

- (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.

Other Statutory Information

In the opinion of the Directors:

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) 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 Company

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.

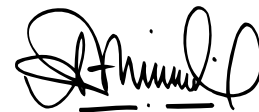
Auditors

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

In accordance with a resolution of the Board of Directors
dated 11 September 2008



Tun Musa Hitam
Chairman



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

Kuala Lumpur
11 September 2008

Financial Statements

INCOME STATEMENTS

For the year ended 30 June 2008

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2008	2007	2008	2007
Revenue	4	34,044.7	28,230.2	4,506.8	1,538.0
Operating expenses	5	(26,954.1)	(24,022.2)	(59.6)	(245.0)
Other operating income	6	767.0	1,322.0	45.9	157.4
Other operating expenses	7	(2,719.3)	(1,939.4)	(1,845.7)	(525.7)
Operating profit		5,138.3	3,590.6	2,647.4	924.7
Share of results of jointly controlled entities		2.1	1.6	-	-
Share of results of associates		107.9	110.7	-	-
Profit before interest and tax		5,248.3	3,702.9	2,647.4	924.7
Finance income	8	225.5	181.7	35.2	74.3
Finance costs	9	(267.4)	(312.4)	(97.9)	(196.5)
Profit before tax		5,206.4	3,572.2	2,584.7	802.5
Tax expense	10	(1,453.9)	(889.1)	(381.2)	(213.3)
Profit for the year		3,752.5	2,683.1	2,203.5	589.2
Attributable to:					
Ordinary equity holders of the Company		3,512.1	2,385.7	2,203.5	589.2
Minority shareholders		240.4	297.4	-	-
Profit for the year		3,752.5	2,683.1	2,203.5	589.2

		Sen	Sen
Earnings per share attributable to ordinary equity holders of the Company:	11		
- Basic		59.63	44.16
- Diluted		59.51	43.88

The notes on pages 114 to 215 form an integral part of these financial statements.

BALANCE SHEETS

As at 30 June 2008

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2008	2007	2008	2007
NON-CURRENT ASSETS					
Property, plant and equipment	13	8,372.1	7,626.7	-	536.7
Investment properties	14	220.1	159.1	-	-
Biological assets	15	2,245.0	2,238.8	-	52.7
Land held for property development	16	624.0	652.1	-	-
Prepaid lease rentals	17	2,459.2	2,539.5	-	2.0
Subsidiaries	18	-	-	11,664.2	8,752.8
Jointly controlled entities	19	2.1	7.7	-	-
Associates	20	1,109.0	1,024.7	134.7	700.7
Investments	21	316.8	389.2	2.0	234.9
Intangible assets	22	81.0	86.5	-	-
Deferred tax assets	23	712.0	634.4	0.3	3.8
Trade and other receivables	24	251.7	99.4	-	-
		16,393.0	15,458.1	11,801.2	10,283.6
CURRENT ASSETS					
Inventories	26	5,065.7	4,519.8	-	10.5
Property development costs	27	1,666.1	1,044.1	-	-
Trade and other receivables	24	5,833.4	4,968.4	1,081.3	143.6
Prepayment		255.8	198.0	-	1.0
Tax recoverable		264.4	148.0	45.5	51.0
Cash held under Housing Development Accounts	28	479.5	425.9	-	-
Bank balances, deposits and cash	29	5,994.2	5,666.0	293.9	575.6
		19,559.1	16,970.2	1,420.7	781.7
Non-current assets held for sale	30	20.6	785.5	-	5.3
TOTAL ASSETS		35,972.7	33,213.8	13,221.9	11,070.6
EQUITY					
Share capital	31	3,004.7	2,755.1	3,004.7	2,755.1
Reserves	32	18,663.9	14,599.2	9,180.5	6,436.4
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		21,668.6	17,354.3	12,185.2	9,191.5
Minority interests		536.3	2,199.8	-	-
TOTAL EQUITY		22,204.9	19,554.1	12,185.2	9,191.5
NON-CURRENT LIABILITIES					
Long-term borrowings	33	3,189.1	3,706.8	1,000.0	1,039.8
Provisions	34	74.7	23.6	-	-
Retirement benefits	35	125.7	91.6	-	-
Deferred income	36	139.0	140.3	-	-
Deferred tax liabilities	23	931.8	921.6	-	2.2
		4,460.3	4,883.9	1,000.0	1,042.0

BALANCE SHEETS

As at 30 June 2008 (continued)

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2008	2007	2008	2007
CURRENT LIABILITIES					
Trade and other payables	37	7,038.7	5,605.4	20.0	164.5
Short-term borrowings	33	1,639.9	2,399.3	16.7	558.8
Tax payable		465.7	330.3	-	15.1
Dividend payable		-	98.7	-	98.7
Provisions	34	163.2	163.4	-	-
		9,307.5	8,597.1	36.7	837.1
Liabilities directly associated with non-current assets held for sale	30	-	178.7	-	-
TOTAL LIABILITIES		13,767.8	13,659.7	1,036.7	1,879.1
TOTAL EQUITY AND LIABILITIES		35,972.7	33,213.8	13,221.9	11,070.6
		RM	RM		
NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	11	3.61	3.15		

The notes on pages 114 to 215 form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 June 2008

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
2008								
At 1 July	2,755.1	14,599.2	17,354.3	2,199.8	19,554.1	2,755.1	6,436.4	9,191.5
Currency translation differences:								
- subsidiaries	-	140.8	140.8	(38.0)	102.8	-	-	-
- associates	-	(1.6)	(1.6)	-	(1.6)	-	-	-
Income and expenses recognised directly in equity	-	139.2	139.2	(38.0)	101.2	-	-	-
Profit for the year	-	3,512.1	3,512.1	240.4	3,752.5	-	2,203.5	2,203.5
Total recognised income and expense for the year	-	3,651.3	3,651.3	202.4	3,853.7	-	2,203.5	2,203.5
Share options granted	-	7.6	7.6	-	7.6	-	7.6	7.6
Share options exercised	2.9	22.3	25.2	-	25.2	2.9	22.3	25.2
Issue of shares in subsidiaries	-	-	-	23.5	23.5	-	-	-
Conversion of Series B redeemable convertible preference shares	22.5	1.0	23.5	-	23.5	22.5	1.0	23.5
Acquisition of the remaining equity interest in the Merged Entities	251.0	1,358.8	1,609.8	(1,669.3)	(59.5)	251.0	1,454.7	1,705.7
Acquisition of additional interest from minority shareholders	5.7	68.2	73.9	(121.7)	(47.8)	5.7	99.5	105.2
Disposal of subsidiaries	-	-	-	(10.8)	(10.8)	-	-	-
Capital adjustment [Note 31(e)]	(32.5)	(309.0)	(341.5)	-	(341.5)	(32.5)	(309.0)	(341.5)
Dividends paid (Note 12)	-	(735.5)	(735.5)	(87.6)	(823.1)	-	(735.5)	(735.5)
At 30 June	3,004.7	18,663.9	21,668.6	536.3	22,204.9	3,004.7	9,180.5	12,185.2

STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2008 (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
2007								
At 1 July	2,667.3	12,731.4	15,398.7	2,206.7	17,605.4	2,667.3	6,394.0	9,061.3
Currency translation differences:								
- subsidiaries	-	116.8	116.8	(12.8)	104.0	-	-	-
- associates	-	(3.9)	(3.9)	-	(3.9)	-	-	-
Share of reserves of associates	-	0.6	0.6	-	0.6	-	-	-
Effect of dilution of interest in associates	-	1.3	1.3	-	1.3	-	-	-
Income and expense recognised directly in equity	-	114.8	114.8	(12.8)	102.0	-	-	-
Profit for the year	-	2,385.7	2,385.7	297.4	2,683.1	-	589.2	589.2
Total recognised income and expense for the year	-	2,500.5	2,500.5	284.6	2,785.1	-	589.2	589.2
Share options granted	-	65.6	65.6	-	65.6	-	65.6	65.6
Share options exercised	85.3	556.8	642.1	-	642.1	85.3	556.8	642.1
Issue of shares in subsidiaries	-	-	-	11.4	11.4	-	-	-
Issue of Series B redeemable convertible preference shares	2.5	0.1	2.6	-	2.6	2.5	0.1	2.6
Acquisition of additional interest from minority shareholders	-	(85.9)	(85.9)	(19.4)	(105.3)	-	-	-
Disposal of subsidiaries	-	-	-	(5.3)	(5.3)	-	-	-
Liquidation of subsidiaries	-	-	-	(12.1)	(12.1)	-	-	-
Dividends paid (Note 12)	-	(1,070.6)	(1,070.6)	(266.1)	(1,336.7)	-	(1,070.6)	(1,070.6)
Dividend payable (Note 12)	-	(98.7)	(98.7)	-	(98.7)	-	(98.7)	(98.7)
At 30 June	2,755.1	14,599.2	17,354.3	2,199.8	19,554.1	2,755.1	6,436.4	9,191.5

An analysis of the movements in each category within reserves is set out in Note 32.

The notes on pages 114 to 215 form an integral part of these financial statements.

CASH FLOW STATEMENTS

For the year ended 30 June 2008

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2008	2007	2008	2007
Profit after tax		3,752.5	2,683.1	2,203.5	589.2
Adjustments for:					
Dividends from subsidiaries and associates		-	-	(4,212.5)	(972.9)
(Gain)/loss on disposal of subsidiaries, associates and investments		(74.8)	(509.6)	1,495.6	3.6
Gain on disposal of properties and prepaid lease rentals		(13.7)	(199.0)	(1.4)	-
Share of results of jointly controlled entities and associates		(110.0)	(112.3)	-	-
Investment income		(34.5)	(37.6)	(12.1)	(15.2)
Finance income		(225.5)	(181.7)	(35.2)	(74.3)
Finance costs		267.4	312.4	97.9	196.5
Depreciation and amortisation		727.4	677.4	5.6	14.7
Amortisation of prepaid lease rentals		72.0	70.6	0.9	-
Tax expense		1,453.9	889.1	381.2	213.3
Other non-cash items [note (a)]		191.3	182.3	39.1	126.1
		6,006.0	3,774.7	(37.4)	81.0
(Increase)/decrease in working capital:					
Inventories		(419.9)	(542.2)	10.5	(2.8)
Property development costs		(630.0)	99.2	-	-
Trade and other receivables and prepayment		(960.8)	(1,015.8)	(707.3)	109.9
Cash held under Housing Development Accounts		(53.6)	(62.8)	-	-
Trade and other payables and provisions		1,462.1	1,361.9	(223.9)	45.2
Cash generated from/(used in) operations		5,403.8	3,615.0	(958.1)	233.3
Tax paid		(1,586.1)	(723.3)	(27.1)	(45.7)
Dividends from subsidiaries		-	-	2,784.0	791.9
Dividends from associates		29.5	21.7	5.8	14.1
Net cash inflow from operating activities		3,847.2	2,913.4	1,804.6	993.6
Cash flow from investing activities					
Interest income		234.2	186.0	37.8	73.1
Investment income		40.1	28.7	9.4	15.2
Purchase of the remaining equity interest in the Merged Entities	40	(59.5)	-	(59.5)	-
Purchase of subsidiaries	41(a)	(11.7)	(4.0)	-	(602.0)
Purchase of additional interest in existing subsidiaries	41(b)	(47.8)	(105.3)	(0.2)	-
Purchase of associates		(18.9)	(32.7)	-	-
Purchase of property, plant and equipment		(1,910.7)	(1,391.3)	(4.1)	(30.4)
Costs incurred on biological assets		(208.8)	(95.5)	-	-
Proceeds from sale of property, plant and equipment		262.6	401.3	1.2	1.7
Proceeds from sale of investments		150.6	54.2	-	3.3
Proceeds from sale of subsidiaries	42	468.6	322.3	5.0	115.9
Proceeds from sale of associates		10.4	748.5	-	-
(Increase)/decrease in amounts owing by subsidiaries		-	-	(280.2)	747.4
Others		(94.6)	50.5	2.0	-
Net cash (outflow)/inflow from investing activities		(1,185.5)	162.7	(288.6)	324.2

CASH FLOW STATEMENTS

For the year ended 30 June 2008 (continued)

Amounts in RM million unless otherwise stated

	Note	2008	Group 2007	2008	Company 2007
Cash flow from financing activities					
Proceeds from issuance of shares		-	25.0	-	25.0
Proceeds from shares issued under Merged Entities' share option schemes		25.2	642.1	25.2	642.1
Proceeds from shares issued to minority shareholders of subsidiaries		23.5	11.4	-	-
Capital adjustment	40	(341.5)	-	(341.5)	-
Deposits in designated accounts		(143.5)	(18.8)	-	-
Finance costs		(287.7)	(298.8)	(88.3)	(195.8)
Net borrowings repaid		(920.8)	(286.6)	(558.9)	(595.6)
Dividends paid		(921.8)	(1,380.3)	(834.2)	(1,114.2)
Net cash outflow from financing activities		(2,566.6)	(1,306.0)	(1,797.7)	(1,238.5)
Net increase/(decrease) in cash and cash equivalents		95.1	1,770.1	(281.7)	79.3
Foreign exchange differences		88.9	(48.8)	-	-
Cash and cash equivalents at beginning of the year		5,625.2	3,903.9	575.6	496.3
Cash and cash equivalents at end of the year [note (b)]		5,809.2	5,625.2	293.9	575.6

Notes to the cash flow statements:

		2008	Group 2007	2008	Company 2007
(a) Other non-cash items:					
Writedown of inventories		38.3	69.2	-	-
Allowance for doubtful debts		95.4	44.7	-	26.5
Writeback of allowance for doubtful debts		(16.2)	(27.0)	-	-
Property, plant and equipment written off		27.4	18.4	5.1	-
Impairment of property, plant and equipment		21.7	34.6	-	-
Impairment of subsidiaries		-	-	29.5	53.7
Gain on disposal of machinery, equipment and vehicles		(6.0)	(22.3)	(1.2)	(0.9)
Others		30.7	64.7	5.7	46.8
		191.3	182.3	39.1	126.1
(b) Cash and cash equivalents at end of the year:					
Bank balances, deposits and cash	29	5,994.2	5,666.0	293.9	575.6
Deposits in designated accounts	29	(162.3)	(18.8)	-	-
Bank overdrafts	33	(22.7)	(22.0)	-	-
		5,809.2	5,625.2	293.9	575.6

The notes on pages 114 to 215 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Amounts in RM million unless otherwise stated

1 BASIS OF PREPARATION

(a) General

The financial statements of the Group and Company are prepared in accordance with the provisions of the Companies Act, 1965 and comply with the Financial Reporting Standards (FRS) issued by the Malaysian Accounting Standards Board (MASB). The financial statements have been prepared under the historical cost convention except as disclosed in the summary of principal accounting policies. The Group and Company had adopted new and revised FRS which are mandatory for the financial year beginning on 1 July 2007 as described in (b) below.

On 1 October 2007, under the Merger Exercise described in Note 40, the Company acquired the entire businesses and undertakings, including all assets and liabilities of Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad, Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad), Sime UEP Properties Berhad, Sime Engineering Services Berhad, Guthrie Ropel Berhad, Highlands & Lowlands Berhad and Mentakab Rubber Company (Malaya) Berhad (hereinafter collectively referred to as the Merged Entities). The Merged Entities were under common control before and after the combination and the Group and Company have applied the predecessor method of merger accounting in accounting for the combination.

In applying the predecessor method of merger accounting, the Merged Entities' financial statements are included in both the separate and consolidated financial statements of Sime Darby Berhad (formerly known as Synergy Drive Bhd) as if the combination had occurred from the earliest date presented or from the date when these entities came under the control of the common controlling party (if shorter). Hence, the comparatives are not audited as the combination was not in existence in the previous financial year. However, adjustments have been made to align the accounting policies of the Merged Entities to that of the Group and Company. The comparatives are, therefore prepared on a basis consistent with the current financial year's presentation.

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

(b) Accounting standards and interpretations

(i) Standards and interpretations that are effective

The following new and revised standards and Interpretations Committee (IC) interpretations are effective for the Group's and Company's financial year ended 30 June 2008:

- FRS 6 - Exploration for and Evaluation of Mineral Resources
- FRS 107 - Cash Flow Statements
- FRS 111 - Construction Contracts
- FRS 112 - Income Taxes
- FRS 118 - Revenue
- FRS 120 - Accounting for Government Grants and Disclosure of Government Assistance
- FRS 134 - Interim Financial Reporting
- FRS 137 - Provisions, Contingent Liabilities and Contingent Assets
- IC Interpretation 1 - Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC Interpretation 2 - Members' Shares in Co-operative Entities and Similar Instruments
- IC Interpretation 5 - Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IC Interpretation 6 - Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IC Interpretation 7 - Applying the Restatement Approach under FRS 129 – Financial Reporting in Hyperinflationary Economies
- IC Interpretation 8 - Scope of FRS 2 - Share-based Payment

1 BASIS OF PREPARATION (continued)

(b) Accounting standards and interpretations (continued)

(i) Standards and interpretations that are effective (continued)

FRS 6 and IC Interpretation 2, 5, 6 and 7 are not relevant to the Group and Company. The adoption of the relevant revised FRS and IC Interpretation did not result in substantial changes to the Group's and Company's accounting policies, results and financial position.

(ii) Standard that is not yet effective

FRS 139 - Financial Instruments: Recognition and Measurement (effective for financial period beginning on or after 1 January 2010)

FRS 139 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. The Group will apply this standard when effective. The Group has applied the transitional provision in FRS 139 which exempts entities from disclosing the possible impact arising from the initial application of this standard on the financial statements of the Group and Company.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

These principal accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements, and to all the years presented, unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all its subsidiaries made up to the end of the year and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(i) Subsidiaries

Subsidiaries are those enterprises in which the Group has a long-term equity interest and which are controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

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. On acquisition, identifiable assets, liabilities and contingent liabilities of the subsidiaries are measured at their fair value. The excess of the cost of acquisition over the fair value of the Group's share of the 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 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.

Minority interests are presented on the consolidated balance sheet and the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company. Minority interests in the results of the Group are presented in the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and equity holders of the Company. Where losses applicable to the minority in a subsidiary company exceed the minority interest in the equity of that subsidiary company, 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 company 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 adjusted to equity.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(ii) Business combination under common control

Business combinations under common control are accounted using the predecessor method of merger accounting. Under the predecessor method of merger accounting, the consolidated income statement includes the results of each of the combining entities from the earliest date presented or from the date when these entities came under the control of the common controlling party (if shorter). The assets and liabilities of the combining entities are accounted for based on the carrying amounts from the perspective of the common controlling party, or the combining entities if the common controlling party does not prepare consolidated financial statements.

The Group's enlarged share capital is deemed issued in proportion to the outstanding share capitals of the combining entities based on their respective share exchange ratios at the date of the merger. The difference in cost of acquisition over the aggregate carrying value of the assets and liabilities of the combining entities as of the date of the combination is taken to equity. Transaction cost for the combination is recognised in the consolidated income statement.

Similar treatment applies in the Company's separate financial statements when assets and liabilities representing the underlying businesses under common control are directly acquired by the Company. In accounting for business combination 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.

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 asset 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. The consolidated income statement and consolidated statement of changes in equity include the Group's share of profits less losses of associates 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 associates to ensure consistency of accounting policies with those of the Group. The Group's interest in associates 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 associates.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iv) Associates (continued)

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 asset transferred are recognised in the consolidated income statement.

(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.

(ii) Transactions and balances

Foreign currency transactions and monetary items are accounted for at exchange rates prevailing at the transaction dates and at the balance sheet date, respectively. Exchange differences arising from the translation and settlement of foreign currency monetary items are included in the income statement.

(iii) Translation of foreign currency financial statements

For consolidation purposes, entities' income statements prepared in foreign currencies are translated into Ringgit Malaysia at average exchange rates for the year while their balance sheets, including goodwill and fair value adjustments attributable to those entities on consolidation, are translated into Ringgit Malaysia at exchange rates ruling at the balance sheet date. All resulting translation differences are taken to 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 also taken directly to equity. On disposal of the foreign entity or on settlement of the intercompany loans, the related cumulative translation differences are recognised in the income statement.

(iv) The principal exchange rates used

	Year end rates		Average rates	
	2008	2007	2008	2007
	RM	RM	RM	RM
Australian dollar	3.14	2.92	2.97	2.79
Chinese renminbi	0.48	0.46	0.46	0.46
European Union euro	5.15	4.67	4.86	4.64
Hong Kong dollar	0.42	0.44	0.43	0.46
New Zealand dollar	2.49	2.65	2.56	2.43
Pound sterling	6.51	6.93	6.65	6.87
Qatar riyal	0.90	0.95	0.91	0.98
Singapore dollar	2.40	2.26	2.31	2.30
Thailand baht	0.10	0.11	0.11	0.10
United States dollar	3.26	3.47	3.32	3.56
100 Japanese yen	3.07	2.82	3.00	3.01
1,000 Indonesian rupiah	0.35	0.38	0.36	0.39

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the 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.

In 1978, valuation adjustments on certain Malaysian plantation land and buildings were incorporated into the financial statements. In 1998, the Group applied the transitional provision in MASB Approved Accounting Standard IAS 16 - Property, Plant and Equipment, which allows the Group to continue carrying those land and buildings in the financial statements on the basis of their previous revaluation. Surpluses arising on previous revaluation are credited to revaluation reserve. On the disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained profits. Other than depreciation and impairment adjustments, there has been no subsequent valuation recorded on those land and buildings.

Freehold land is not depreciated as it has infinite life. Assets in the course of construction are shown as capital work in progress. Depreciation on these assets commences when they are ready for use. Other property, plant and equipment are depreciated on a straight-line basis to write down the cost or valuation of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Buildings	2% to 5%
Plant and machinery	4% to 33 1/3%
Vehicles, equipment and fixtures	5% to 33 1/3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, annually.

Finance cost incurred on external borrowings related to an asset under construction is capitalised until the asset is ready for its intended use.

(d) 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.

(e) Biological assets

New planting expenditure incurred on land clearing and upkeep of trees to maturity is capitalised at cost as biological assets and is not amortised. Replanting expenditure is charged to the income statement in the year in which the expenditure is incurred.

However, the capitalised costs will be amortised to the income statement if the land on which the trees are planted is on a lease term. The amortisation is on a straight-line basis over the economic useful lives of the trees, or the remaining period of the lease, whichever is shorter.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(f) 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.

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.

(g) Prepaid lease rentals

Prepaid lease rentals represent payment for rights to use land and buildings over a predetermined period that is accounted for as an operating lease and is stated at cost less amount amortised and accumulated impairment losses. In 1978, 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.

(h) Investments

Investments are stated at cost (adjusted for amortisation of premium or accretion of discounts to maturity, where appropriate) less accumulated impairment losses. Impairment is provided where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments.

Cost directly attributable to an acquisition, is included as part of the cost of investment.

(i) Intangible assets

(i) Goodwill

Goodwill represents the excess of cost of acquisition plus costs directly attributable to the acquisition over the Group's share of the fair value of identifiable assets, liabilities and contingent liabilities of the acquiree at the date of acquisition.

Goodwill on acquisition of subsidiaries is recognised as an intangible asset. Goodwill is allocated to cash generating units for the purpose of impairment testing and is stated at cost less accumulated impairment losses. Impairment testing is performed annually. Goodwill is also tested for impairment whenever indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed.

Goodwill on acquisition of jointly controlled entities and associates is included as part of the cost of investments in jointly controlled entities and associates. Such goodwill is tested for impairment as part of the overall net investment in each jointly controlled entity and associate.

(ii) Research and development costs

Development costs which fulfill certain commercial and technical feasibility criteria are capitalised. Subsequently such capitalised development costs are amortised from the commencement of commercial production of the product to which they relate on the straight-line basis over the period of the expected benefit, not exceeding a period of 5 years. Impairment testing is performed annually on development activities which have not entered commercial production. Development activity is also tested for impairment whenever indication of impairment exists.

Research costs are charged to the income statement in the year in which the expenditure is incurred.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Intangible assets (continued)

(iii) Trademarks and assets usage rights

Trademarks with indefinite useful lives are capitalised at cost. Expenditure on acquired rights and trademarks with a finite useful life are capitalised at cost and amortised using the straight-line basis over their contractual periods or estimated useful lives, whichever is shorter. Impairment testing is performed annually on trademarks with indefinite useful lives. Trademarks and expenditure on acquired rights are also tested for impairment whenever indication of impairment exists. The principal annual amortisation rates are:

Trademarks	5%
Assets usage rights	5%

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes, where relevant, an appropriate proportion of overheads. The inventories are 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.

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 under development, related development costs common to whole projects and direct building costs less amounts recognised as expense in the income statement are carried in the balance sheet as property development costs. Revenue and expense recognised in the income statement is determined by reference to the stage of completion of the development activity in respect of the development units sold. Any expected loss on development projects, is recognised as an expense immediately.

At each balance sheet date, the cumulative revenue recognised and progress billings made for each development unit sold are compared. Where the revenue recognised exceeds the billings to the purchaser, the net amount is shown as accrued billings, under trade and other receivables. Where the billings to the purchaser exceed revenue recognised, the net amount is shown as progress billings, under trade and other payables.

(l) Trade and other receivables

Trade and other receivables are recognised at anticipated realisable values. Specific allowances are made for debts which have been identified as bad or doubtful. In addition, estimates are made for doubtful debts which are not specifically identified, based on a review of all outstanding amounts at balance sheet date.

Advances for plasma plantation projects represent the accumulated plantation development costs, including borrowing costs and indirect overheads, which are either recoverable from plasma farmers or recoverable through the assignment to plasma farmers, the loans obtained for the projects. These advances are recoverable when the plasma plantation is completed and ready to be transferred to the plasma farmers. Allowance for losses on recovery is made when the estimated amount to recover is less than the outstanding advances.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Construction contracts

Construction costs include the costs attributable to a contract for the period from the date of securing the contract to the final completion of the contract.

When the outcome of the contract can be estimated reliably, the percentage of completion method is used to determine the appropriate amount of revenue and costs to be recognised in a given period. The percentage of completion is determined by reference to either the proportion of costs incurred to-date to the total estimated costs or the completion of a physical proportion of contract work to-date. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable. When it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

At each balance sheet date, the cumulative costs incurred, profits or losses recognised and progress billings made for each contract work are compared. Where costs incurred and profits or losses recognised exceed progress billings, the net amount is shown as amount due from customers on construction contracts, under trade and other receivables. Where progress billings exceed costs incurred and profits or losses recognised, the net amount is shown as amount due to customers on construction contracts, under trade and other payables.

(n) Non-current assets held for sale

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through a continuing use, and when all the following criteria are met:

- a decision has been made to sell,
- the assets are available for sale immediately,
- the assets are being actively marketed at a price that is reasonable in relation to its current fair value, and
- a sale has been or is expected to be concluded within the next twelve months from the date of classification.

Before they are classified as held for sale, the measurement of the assets and associated liabilities is brought up to-date in accordance with their respective accounting policies.

Depreciation ceases when an asset is classified as non-current assets held for sale. Non-current assets held for sale are stated at the lower of carrying amount and fair value less disposal costs.

(o) Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication that an asset is impaired and, if any such indicator exists, impairment testing is performed. The Group also tests intangible assets with indefinite useful life, intangible assets not yet available for use and goodwill acquired in a business combination for impairment on an annual basis. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows, i.e. cash generating units.

Impairment is measured by comparing the carrying amounts of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation reserve. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(p) Share capital

Proceeds from ordinary shares issued are accounted for as equity, with the nominal value of the shares being separately disclosed as share capital. Cost directly attributable to the issuance of new equity shares are accounted for as a deduction from equity. 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 declared.

(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.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, where it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

(i) Maintenance and warranty

The Group recognises the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on past history of the level of repairs and replacements.

(ii) Property development

Cost provisions for property development are recognised based on commitments made on enhancements to infrastructure facilities of township developments.

(s) Deferred Income

Deferred income comprises the following:

(i) Net time share income - is deferred and amortised to the income statement on a straight-line basis over the term of the time share agreement.

(ii) 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 benefit plans

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)

(ii) 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.

(iii) Defined contribution plans

The Group has various defined contribution plans in accordance with local conditions and practices in the countries in which it operates. The Group's contributions to defined contribution plans are charged to the income statement in the year in which they relate.

(iv) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of a proposal to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(v) Equity compensation benefits

The fair value of the employee services received in exchange for the grant of the share option is recognised as an expense in the income statement over the vesting periods of the grant with a corresponding increase in equity. When the share option is exercised, the proceeds received net of any transaction costs, are credited to share capital and share premium.

(u) Trade and other payables

Trade and other payables are stated at cost.

(v) Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include cash in hand and deposits held at call with banks, net of bank overdrafts. In the balance sheet, bank overdrafts are included in short term borrowings.

(w) Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the "liability method", on temporary differences 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 deductible temporary differences and unused tax losses 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 that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in reserve, in which case the deferred tax is also recognised directly in reserve.

2 SUMMARY OF PRINCIPAL ACCOUNTING POLICIES (continued)

(x) Revenue recognition

Revenue from sales of goods and performance of services are recognised at the fair value of the consideration received or receivable upon delivery of goods or performance of services, net of discounts, allowances and indirect taxes. Revenue from property development is recognised by reference to the stage of completion of the development activity in respect of development units sold. Revenue from construction contracts is recognised on the percentage of completion method by reference to either the proportion of costs incurred to-date to the total estimated costs or the completion of a physical proportion of contract work to-date. Revenue for the Group is stated after eliminating sales within the Group.

Other revenue earned by the Group are recognised on the following bases:

- (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. In this respect it is the Group's policy to recognise interim dividends from subsidiaries when they are declared and final dividends when they are approved by shareholders in general meetings.

(y) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Rentals on operating leases are charged to the income statement on a straight-line basis over the lease term.

(z) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) 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.

(ii) Financial instruments not recognised on the balance sheet

The Group is a party to financial instruments which comprise forward foreign exchange contracts, interest rate swap contracts and financial guarantee contracts. These instruments 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)

(ii) 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

The primary segment reporting format is determined to be the business segments based on the Group's differing rates of profitability, opportunities for growth, future prospects and risks and rates of return. These are affected predominantly by differences in the products and services provided. The Group's operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The secondary information is reported geographically.

Segment revenue, expense, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group companies within a single segment. Inter-segment pricing is based on similar items as those available to other external parties.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The preparation of financial statements in conformity with FRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of current events and actions, actual results may differ.

To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact to the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Construction contracts and property development projects

The Group recognises contract and property development revenue based on percentage of completion method. The stage of completion is measured by reference to either the costs incurred to-date to the estimated total cost or the completion of a physical proportion of work to-date. Significant judgement is required in determining the stage of completion, the extent of the costs incurred and the estimated total revenue (for contracts other than fixed contracts) and costs. Total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and work of specialists. The carrying amount of the Group's construction contracts and property development projects are shown in Notes 25 and 27, respectively.

(b) 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 2008 is shown in Note 26.

(c) Provision for warranties

Provision has been recognised for warranties on the Group's products that are not covered by manufacturers' warranties. This provision has been estimated based on historical claims experience, as well as recent trends that might suggest that historical claims experience may vary from future claims. Factors that could impact the amount of future claims include the quality of products supplied by manufacturers and the costs of parts and labour. The carrying amount of the Group's provision for warranties at 30 June 2008 is shown in Note 34.

(d) Impairment of property, plant and equipment and investments

The Group assesses whether there is any indication that property, plant and equipment and investments 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.

(e) Estimated 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.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT IN APPLYING ACCOUNTING POLICIES (continued)

(f) Tax

(i) Income taxes

The Group is subject to income tax in numerous jurisdictions. Judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax matters based on estimates of whether additional taxes will be due. If the final outcome of these tax matters result in a difference in the amounts initially recognised, such differences will impact the income tax and/or deferred tax provision in the period in which such determination is made.

(ii) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. This involves judgement regarding the future financial performance of a particular entity in which the deferred tax asset has been recognised.

(g) Contingent Liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts internal and external to the Group, for matters in the ordinary course of business.

4 REVENUE

Revenue for the Group represents sales of goods, performance of services, income from construction contracts and property development earned outside the Group, net of discounts, allowances and indirect taxes.

Revenue for the Company represents sales of goods, performance of services and income from investment in subsidiaries and associates.

	Group		Company	
	2008	2007	2008	2007
Analysis of revenue				
Sales of goods	28,299.9	21,929.6	237.7	402.5
Performance of services	2,079.9	3,047.7	56.6	162.6
Construction contracts	2,472.4	1,799.5	-	-
Property development	1,192.5	1,453.4	-	-
Income from investment in subsidiaries				
- Quoted	-	-	87.1	509.5
- Unquoted	-	-	4,118.0	448.6
Income from investment in associates				
- Unquoted	-	-	7.4	14.8
	34,044.7	28,230.2	4,506.8	1,538.0

5 OPERATING EXPENSES

	Group		Company	
	2008	2007	2008	2007
Changes in inventories of finished goods and work in progress	14.8	(82.1)	-	-
Finished goods and work in progress purchased	13,803.1	12,355.3	-	25.3
Raw materials and consumables used	6,472.2	5,687.3	-	2.9
Employee benefits [note (a)]	2,717.3	2,751.2	51.0	197.2
Depreciation				
- property, plant and equipment [note (b)]	679.8	619.0	5.6	14.7
- investment properties	3.4	2.0	-	-
- biological assets	39.0	44.5	-	-
- concession assets	-	4.7	-	-
Amortisation of prepaid lease rentals	72.0	70.6	0.9	-
Amortisation of intangible assets	5.2	7.2	-	-
Construction contract costs	2,405.1	1,685.0	-	-
Property development costs	597.0	704.5	-	-
Replanting expenditure	86.0	70.0	2.1	4.9
Other costs	59.2	103.0	-	-
	26,954.1	24,022.2	59.6	245.0

	Group		Company	
	2008	2007	2008	2007
(a) Employee benefits				
Employee benefits included in income statement	2,717.3	2,751.2	51.0	197.2
Employee benefits included in construction contracts (Note 25)	81.1	70.5	-	-
	2,798.4	2,821.7	51.0	197.2
Employee benefits include:				
Share options	1.1	66.0	-	29.9
Defined benefit plans (Note 35)	43.4	26.8	-	-
Defined contribution plans	143.2	149.6	2.6	13.5
Termination benefits	2.9	1.6	-	-
(b) Depreciation on property, plant and equipment				
Depreciation included in income statement	679.8	619.0	5.6	14.7
Depreciation included in construction contracts (Note 25)	8.5	7.7	-	-
	688.3	626.7	5.6	14.7

6 OTHER OPERATING INCOME

	Group		Company	
	2008	2007	2008	2007
Other operating income includes:				
Income from investments (gross)				
- quoted in Malaysia	0.1	0.7	0.2	0.2
- quoted outside Malaysia	0.2	0.2	0.1	0.1
- unquoted	34.2	36.7	11.8	14.9
Foreign currencies exchange gain	174.0	162.0	-	89.2
Rental income from land and buildings	38.0	31.2	-	-
Gain on disposal of				
- property, plant and equipment	19.0	155.3	1.2	0.9
- investment properties	2.7	67.1	-	-
- subsidiaries	26.3	101.3	-	-
- associates	0.5	433.3	-	-
- investments	50.5	1.6	-	0.9
- prepaid lease rentals	1.4	3.6	1.4	-
Reversal of impairment of				
- property, plant and equipment	0.7	24.7	-	-
- investments	-	8.3	-	-
Writeback of allowance for doubtful debts	16.2	27.0	-	-

7 OTHER OPERATING EXPENSES

	Group		Company	
	2008	2007	2008	2007
Other operating expenses include:				
Auditors' remuneration:				
Fees for statutory audits				
- PricewaterhouseCoopers Malaysia	5.1	2.8	0.4	0.4
- member firms of PricewaterhouseCoopers International Limited	10.1	6.9	-	-
- others	0.6	3.6	-	0.1
Other non-audit services				
- PricewaterhouseCoopers Malaysia	2.3	6.0	0.2	5.2
- member firms of PricewaterhouseCoopers International Limited	2.0	1.8	-	-
- others	3.8	5.9	1.3	4.7
Directors' remuneration:				
Fees	2.5	1.3	2.4	1.2
Other emoluments	3.6	2.0	0.9	2.0
Hire of plant and machinery [note (a)]	15.9	8.3	-	0.5
Operating lease payments for land and buildings to				
- subsidiaries	-	-	1.9	4.6
- companies external to the Group	142.8	140.2	1.1	4.9
Research expenditure	33.1	16.4	-	15.4
Allowance for shortfall in recovery from plasma plantation projects	0.3	5.0	-	-
Allowance for doubtful debts	95.4	44.7	-	-
Allowance for loan to subsidiaries	-	-	-	26.5
Foreign currencies exchange loss	52.6	24.2	10.5	0.5

7 OTHER OPERATING EXPENSES (continued)

	Group		Company	
	2008	2007	2008	2007
Loss on disposal of				
- property, plant and equipment	3.4	4.7	-	-
- subsidiaries [note (b)]	1.0	26.6	1,495.6	4.5
- associates	1.5	-	-	-
Impairment of				
- property, plant and equipment	21.7	34.6	-	-
- investment properties	2.2	-	-	-
- biological assets	-	4.9	-	-
- prepaid lease rentals	2.1	3.9	-	-
- subsidiaries	-	-	29.5	53.7
- jointly controlled entities	2.8	-	-	-
- associates	-	41.0	-	-
- investments	25.4	0.7	-	0.5
- intangible assets	7.0	3.0	-	-
Write off				
- property, plant and equipment	27.4	18.4	5.1	-
- investment properties	0.4	-	-	-
- biological assets	1.8	5.2	-	-
- prepaid lease rentals	-	0.3	-	-

The estimated monetary value of benefits provided to Directors of the Company during the year by way of usage of the Group's and Company's assets and other benefits amounted to RM0.1 million (2007 : RM0.1 million).

	Group		Company	
	2008	2007	2008	2007
(a) Hire of plant and machinery				
Hire of plant and machinery included in income statement	15.9	8.3	-	0.5
Hire of plant and machinery included in construction contracts (Note 25)	52.1	25.1	-	-
	68.0	33.4	-	0.5

(b) Loss on disposal of subsidiaries by the Company during the financial year

The loss on disposal of subsidiaries by the Company of RM1,495.6 million is in respect of the liquidation of subsidiaries in the United Kingdom, which were dormant.

8 FINANCE INCOME

	Group		Company	
	2008	2007	2008	2007
Finance income from				
- subsidiaries	-	-	14.0	41.4
- banks and other financial institutions	211.4	173.7	17.9	32.4
- deferred payment arrangement [Note 24(a)]	1.9	1.9	-	-
- accretion of discounts [Note 24(c)]	11.2	-	-	-
- others	1.0	6.1	3.3	0.5
	225.5	181.7	35.2	74.3

9 FINANCE COSTS

	Group		Company	
	2008	2007	2008	2007
Finance costs charged by				
- subsidiaries	-	-	33.9	104.8
- banks and other financial institutions	267.5	312.2	63.7	90.5
- Series B redeemable convertible preference shares [Note 33(c)]	0.3	0.7	0.3	0.7
- others	1.0	3.9	-	0.5
	268.8	316.8	97.9	196.5
Interest capitalised in				
- capital work-in-progress	(1.4)	(2.2)	-	-
- biological assets	-	(2.2)	-	-
	267.4	312.4	97.9	196.5

10 TAX EXPENSE

	Group		Company	
	2008	2007	2008	2007
Current tax:				
In respect of current year				
- Malaysian income tax	912.0	450.1	374.3	214.8
- Foreign income tax	632.3	352.9	3.7	0.7
In respect of prior years				
- Malaysian income tax	(23.0)	(53.9)	-	0.2
- Foreign income tax	(6.5)	93.3	-	-
Deferred tax				
- origination and reversal of temporary differences	(54.2)	61.8	3.2	1.4
- under/(over) provision in prior years	9.7	1.9	-	(3.8)
- others	(16.4)	(17.0)	-	-
	1,453.9	889.1	381.2	213.3

10 TAX EXPENSE (continued)

Tax reconciliation

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2008	2007	2008	2007
Profit before tax	5,206.4	3,572.2	2,584.7	802.5
Applicable tax	1,411.8	912.6	672.0	216.7
Withholding tax on foreign income	7.2	7.8	-	0.7
Effect of tax incentives and income not subject to tax				
- surplus on disposal of associates	(0.1)	(77.6)	-	-
- tax exempt dividends from subsidiaries	-	-	(719.0)	(28.9)
- others	(49.7)	(204.2)	(7.4)	(52.9)
Share of results of jointly controlled entities	(0.5)	(0.4)	-	-
Share of results of associates	(29.3)	(29.9)	-	-
Effect of expenses not deductible for tax purposes				
- loss on disposal of subsidiaries	0.2	7.2	388.8	1.2
- others	113.6	114.9	46.8	80.3
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(7.5)	(17.3)	-	-
Under/(over) provision in prior years	(19.8)	41.3	-	(3.6)
Deferred tax assets not recognised in respect of current year's tax losses	41.3	73.3	-	1.6
Changes in tax rates and exemption of Malaysian Real Property Gains Tax	(8.9)	0.3	-	-
Others	(4.4)	61.1	-	(1.8)
Tax expense for the year	1,453.9	889.1	381.2	213.3
Applicable tax rate (%)	27.1	25.5	26.0	27.0
Effective tax rate (%)	27.9	24.9	14.7	26.6

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 25.5% to 27.1% mainly due to the higher proportion of income contributed by the Indonesian subsidiaries. Subsidiaries in Indonesia are subjected to a progressive statutory income tax rate with a maximum tax rate of 30%.

The decrease in the Company's applicable tax rate was due to the reduction in the Malaysian statutory income tax rate from 27% to 26%.

11 EARNINGS AND NET ASSETS PER SHARE

(a) Basic earnings per share

Basic earnings per share is computed as follows:

	Group	
	2008	2007
Earnings	3,512.1	2,385.7
Weighted average number of shares in issue (million)	5,889.7	5,403.0
Basic earnings per share (sen)	59.63	44.16

(b) Diluted earnings per share

Diluted earnings per share is computed as follows:

	Group	
	2008	2007
Earnings	3,512.1	2,385.7
Interest on Series B redeemable convertible preference shares (RCPS)	0.3	0.7
Diluted earnings	3,512.4	2,386.4
Weighted average number of shares in issue (million)	5,889.7	5,403.0
Adjustments for :		
- Series B RCPS [Note 31(a)]	12.5	29.9
- subsidiaries' employees' share options [Note 31(b)]	-	5.1
Adjusted weighted average number of shares (million)	5,902.2	5,438.0
Diluted earnings per share (sen)	59.51	43.88

(c) Net assets per share

The net assets per share is calculated by dividing the Group's net assets attributable to ordinary equity holders of the Company of RM21,668.6 million (2007 : RM17,351.8 million) by the 6,009.5 million (2007 : 5,505.2 million) number of ordinary shares of the Company at year end.

12 DIVIDENDS

	Group / Company	
	2008	2007
Interim dividend for the year ended 30 June 2008 paid on 16 May 2008:		
- 5.0 sen gross per share less Malaysian income tax at 26% (2007: NIL)	222.3	-
Dividends paid prior to Merger Exercise, by subsidiaries acquired under common control	513.2	1,169.3
	735.5	1,169.3

At the forthcoming Annual General Meeting to be held on 12 November 2008, a final gross dividend of 34.0 sen per share less Malaysian income tax at 25% and special dividends of gross 4.0 sen per share less Malaysian income tax at 25% and Malaysian income tax exempt of 6.0 sen per share for the financial year ended 30 June 2008 amounting to a net payout of RM1,532.4 million and RM540.9 million respectively (2007 : NIL) will be proposed for shareholders' approval. The financial statements do not reflect these dividends which will be accrued as a liability in the year ending 30 June 2009 when approved by shareholders.

13 PROPERTY, PLANT AND EQUIPMENT

Group 2008	Freehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Capital work in progress	Total
At 1 July	2,934.8	1,697.0	1,526.0	1,022.9	446.0	7,626.7
Acquisition of subsidiaries	-	-	-	0.1	-	0.1
Additions	1.1	162.3	247.8	740.0	759.5	1,910.7
Disposals	(2.0)	(5.0)	(20.2)	(210.8)	(8.3)	(246.3)
Write offs	(0.1)	(17.4)	(2.0)	(5.0)	(2.9)	(27.4)
Impairment losses	-	(4.9)	(2.0)	(11.0)	(3.8)	(21.7)
Reversal of impairment losses	-	-	0.3	0.4	-	0.7
Transfer to investment properties (Note 14)	-	(72.3)	-	-	-	(72.3)
Transfer to non-current assets held for sale (Note 30)	-	(7.4)	(1.4)	-	-	(8.8)
Reclassification	-	95.4	108.5	34.0	(237.9)	-
Depreciation	-	(125.5)	(242.4)	(320.4)	-	(688.3)
Exchange differences	1.3	(5.0)	(96.1)	41.6	(43.1)	(101.3)
At 30 June	2,935.1	1,717.2	1,518.5	1,291.8	909.5	8,372.1
Cost	2,684.7	2,631.5	3,445.2	2,659.3	915.6	12,336.3
Valuation	253.1	140.1	-	-	-	393.2
Accumulated depreciation	-	(1,032.6)	(1,908.9)	(1,357.3)	-	(4,298.8)
Accumulated impairment losses	(2.7)	(21.8)	(17.8)	(10.2)	(6.1)	(58.6)
Carrying amount at end of year	2,935.1	1,717.2	1,518.5	1,291.8	909.5	8,372.1
2007						
At 1 July	2,961.6	1,685.4	1,546.1	796.6	235.2	7,224.9
Acquisition of subsidiaries	-	-	-	0.2	-	0.2
Disposal of subsidiaries	-	(16.9)	(18.4)	(2.8)	-	(38.1)
Additions	3.7	191.6	295.3	554.4	346.3	1,391.3
Disposals	(6.0)	(2.2)	(13.4)	(218.9)	-	(240.5)
Write offs	-	(12.7)	(2.9)	(2.5)	(0.3)	(18.4)
Impairment losses	-	(12.4)	(16.2)	(2.1)	(3.9)	(34.6)
Reversal of impairment losses	0.3	24.3	0.1	-	-	24.7
Transfer to investment properties (Note 14)	-	-	-	-	(15.2)	(15.2)
Transfer to biological assets (Note 15)	(0.3)	(0.5)	-	-	-	(0.8)
Transfer to land held for property development (Note16)	(35.1)	-	-	-	-	(35.1)
Transfer to prepaid lease rentals (Note 17)	-	-	-	-	(4.3)	(4.3)
Transfer to non-current assets held for sale (Note 30)	-	(37.7)	(53.0)	(3.0)	(3.1)	(96.8)
Reclassification	-	19.4	14.4	79.9	(113.7)	-
Depreciation	-	(150.5)	(262.1)	(214.1)	-	(626.7)
Exchange differences	10.6	9.2	36.1	35.2	5.0	96.1
At 30 June	2,934.8	1,697.0	1,526.0	1,022.9	446.0	7,626.7
Cost	2,684.7	2,551.5	3,585.4	2,001.2	456.6	11,279.4
Valuation	253.1	140.1	-	-	-	393.2
Accumulated depreciation	-	(960.5)	(2,039.7)	(975.8)	-	(3,976.0)
Accumulated impairment losses	(3.0)	(34.1)	(19.7)	(2.5)	(10.6)	(69.9)
Carrying amount at end of year	2,934.8	1,697.0	1,526.0	1,022.9	446.0	7,626.7

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Included in capital work in progress incurred during the year was interest expense amounting to RM1.4 million (2007 : RM2.2 million).

Property, plant and equipment of certain subsidiaries with carrying amount of RM182.0 million (2007 : RM93.6 million) were charged to banks as security for borrowings (Note 33).

The freehold land and buildings stated at valuation were valued in 1978 by professional firms of surveyors and valuers. The valuations were performed on a continuing agricultural use basis. As allowed by the transitional provision of MASB Approved Accounting Standard IAS 16 - Property, Plant and Equipment, the revalued amount is retained as the surrogate cost.

Company 2008	Freehold land	Buildings	Plant and machinery	Vehicles, equipment and fixtures	Total
At 1 July	442.3	53.1	8.9	32.4	536.7
Acquired from Merged Entities	279.4	93.6	0.9	13.7	387.6
Disposed to subsidiaries	(721.7)	(141.5)	(13.7)	(40.8)	(917.7)
Additions	-	-	0.5	3.6	4.1
Write offs	-	(4.5)	-	(0.6)	(5.1)
Reclassification	-	-	4.7	(4.7)	-
Depreciation	-	(0.7)	(1.3)	(3.6)	(5.6)
At 30 June	-	-	-	-	-
Cost	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-
Carrying amount at end of year	-	-	-	-	-
2007					
At 1 July	442.3	39.9	7.8	31.8	521.8
Additions	-	15.4	2.8	12.2	30.4
Disposals	-	-	-	(0.8)	(0.8)
Depreciation	-	(2.2)	(1.7)	(10.8)	(14.7)
At 30 June	442.3	53.1	8.9	32.4	536.7
Cost	442.3	84.1	50.7	104.4	681.5
Accumulated depreciation	-	(31.0)	(41.8)	(72.0)	(144.8)
Carrying amount at end of year	442.3	53.1	8.9	32.4	536.7

14 INVESTMENT PROPERTIES

Group 2008	Freehold land	Buildings	Total
At 1 July	77.7	81.4	159.1
Additions	-	4.7	4.7
Disposals	(1.7)	(7.8)	(9.5)
Write offs	(0.4)	-	(0.4)
Impairment losses	(0.4)	(1.8)	(2.2)
Transfer from property, plant and equipment (Note 13)	-	72.3	72.3
Transfer to non-current assets held for sale (Note 30)	-	(0.4)	(0.4)
Depreciation	-	(3.4)	(3.4)
Exchange differences	(2.1)	2.0	(0.1)
At 30 June	73.1	147.0	220.1
Cost	85.5	202.3	287.8
Accumulated depreciation	-	(39.0)	(39.0)
Accumulated impairment losses	(12.4)	(16.3)	(28.7)
Carrying amount at end of year	73.1	147.0	220.1
2007			
At 1 July	90.8	100.6	191.4
Additions	-	1.2	1.2
Disposals	(11.3)	(28.7)	(40.0)
Transfer from property, plant and equipment (Note 13)	-	15.2	15.2
Transfer to non-current assets held for sale (Note 30)	(2.0)	-	(2.0)
Depreciation	-	(2.0)	(2.0)
Exchange differences	0.2	(4.9)	(4.7)
At 30 June	77.7	81.4	159.1
Cost	90.4	94.7	185.1
Accumulated depreciation	-	(8.5)	(8.5)
Accumulated impairment losses	(12.7)	(4.8)	(17.5)
Carrying amount at end of year	77.7	81.4	159.1

The fair value of investment properties as at 30 June 2008 was RM530.5 million (2007 : RM373.8 million). The fair value was arrived at after taking into consideration the valuation performed by external professional firms of surveyors and valuers. The valuation was performed using comparable and investment basis based on current prices in an active market for all properties.

Investment property of a subsidiary with a carrying amount of RM25.6 million (2007 : NIL) was pledged as security for borrowings (Note 33).

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	2008	2007
Rental income	14.5	24.7
Direct operating expenses incurred on		
- income generating properties	(4.6)	(16.4)
- non-income generating properties	(3.6)	-

15 BIOLOGICAL ASSETS

	Group		Company	
	2008	2007	2008	2007
At 1 July	2,238.8	2,262.2	52.7	52.7
Acquired from Merged Entities	-	-	64.8	-
Disposed to subsidiaries	-	-	(117.5)	-
Additions	208.8	95.5	-	-
Disposals	-	(1.0)	-	-
Write offs	(1.8)	(5.2)	-	-
Impairment losses	-	(4.9)	-	-
Transfer from property, plant and equipment (Note 13)	-	0.8	-	-
Transfer to property development costs (Note 27)	-	(0.5)	-	-
Amortisation	(39.0)	(44.5)	-	-
Exchange differences	(161.8)	(63.6)	-	-
At 30 June	2,245.0	2,238.8	-	52.7

Biological assets represent the plantation development expenditure for oil palm and rubber trees. The harvested fruits and latex which were unsold as at the balance sheet date are shown as produce stocks under inventories. Biological assets with carrying amount of RM182.6 million (2007: RM441.4 million) were pledged as securities to financial institutions for borrowings (Note 33).

16 LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2008	2007
At 1 July	652.1	636.2
Additions	66.3	33.8
Disposal	(44.0)	(13.2)
Write down	(13.3)	(10.3)
Transfer from property, plant and equipment (Note 13)	-	35.1
Transfer from prepaid lease rentals (Note 17)	-	62.7
Transfer to property development costs (Note 27)	(37.1)	(91.7)
Transfer to non-current assets held for sale (Note 30)	-	(0.2)
Exchange differences	-	(0.3)
At 30 June	624.0	652.1

The land held for property development is analysed as follows:

Freehold land at cost	224.7	238.3
Long leasehold land at cost	261.7	254.8
Infrastructure and development cost	137.6	159.0
	624.0	652.1

17 PREPAID LEASE RENTALS

The prepaid lease rentals were payments for rights in respect of the following:

Group 2008	Long leasehold land	Short leasehold land	Total
At 1 July	2,306.0	305.7	2,611.7
Additions	18.5	12.2	30.7
Disposals	-	(0.4)	(0.4)
Impairment losses	-	(2.1)	(2.1)
Transfer to non-current assets held for sale (Note 30)	(4.4)	(1.7)	(6.1)
Reclassification	(38.0)	38.0	-
Amortisation	(58.1)	(13.9)	(72.0)
Exchange differences	(28.1)	(3.1)	(31.2)
At 30 June	2,195.9	334.7	2,530.6

2007

At 1 July	2,498.8	289.4	2,788.2
Additions	3.7	4.8	8.5
Disposals	(0.3)	(0.2)	(0.5)
Write offs	-	(0.3)	(0.3)
Impairment losses	-	(3.9)	(3.9)
Transfer from property, plant and equipment (Note 13)	4.3	-	4.3
Transfer to land held for property development (Note 16)	(62.7)	-	(62.7)
Transfer from property development costs (Note 27)	2.0	-	2.0
Transfer to non-current assets held for sale (Note 30)	-	(0.3)	(0.3)
Reclassification	(36.7)	36.7	-
Amortisation	(57.7)	(12.9)	(70.6)
Exchange differences	(45.4)	(7.6)	(53.0)
At 30 June	2,306.0	305.7	2,611.7

Company	2008	2007
Long leasehold land		
At 1 July	2.0	2.3
Acquired from Merged Entities	161.2	-
Disposed to subsidiaries	(161.2)	-
Disposals	(1.1)	-
Transfer to non-current assets held for sale (Note 30)	-	(0.3)
Amortisation	(0.9)	-
At 30 June	-	2.0

The prepaid lease rentals are subject to the following maturity periods:

	Group		Company	
	2008	2007	2008	2007
Non-Current				
Later than 1 year	2,459.2	2,539.5	-	2.0
Current				
Not later than 1 year, included in prepayment under current assets	71.4	72.2	-	-
	2,530.6	2,611.7	-	2.0

17 PREPAID LEASE RENTALS (continued)

Prepaid lease rentals of certain subsidiaries with carrying amount of RM37.7 million (2007: RM50.7 million) were charged to banks as security for borrowings (Note 33).

Included in the prepaid lease rentals for the long and short leasehold land were revalued rentals of RM42.1 million and RM5.8 million, respectively. The revaluation was carried out in 1978. As allowed by the transitional provision in FRS 117 – Leases, the revalued amount, net of amortisation is retained as the surrogate cost.

18 SUBSIDIARIES

	Company	
	2008	2007
Shares at cost:		
Quoted in Malaysia	-	1,184.4
Unquoted	1,856.5	10,280.3
	1,856.5	11,464.7
Accumulated impairment losses	-	(193.7)
	1,856.5	11,271.0
Amounts owing by subsidiaries	10,182.4	6,300.0
Allowance for doubtful debts	-	(276.3)
Amounts owing to subsidiaries	(374.7)	(8,541.9)
	11,664.2	8,752.8
Market value of quoted shares	-	4,015.9

During the financial year, the Company undertook an internal group reorganisation whereby certain subsidiaries were transferred to immediate holding companies of the Group's business divisions.

The amounts owing by/to subsidiaries are unsecured, interest free and are not expected to be recalled within the next twelve months. Included in the amounts owing by subsidiaries as at 30 June 2007 was RM626.6 million which bore interest at rates ranging from 4.0% to 12.0% per annum. Included in the amounts owing to subsidiaries as at 30 June 2007 was RM495.7 million which bore interest at rates ranging from 4.28% to 5.0% per annum.

The Group's equity interest in the subsidiaries, their respective principal activities and countries of incorporation are shown in Note 48.

19 JOINTLY CONTROLLED ENTITIES

The Group's interest in the assets and liabilities, revenue and expenses of jointly controlled entities is as follows:

	Company	
	2008	2007
Current assets	217.7	181.6
Current liabilities	(215.6)	(173.9)
Net assets	2.1	7.7
Revenue	161.5	185.3
Expenses	(159.4)	(184.1)
Interest income	-	0.4
	2.1	1.6

The Group's interest in the jointly controlled entities, their respective principal activities and countries of incorporation are shown in Note 48.

20 ASSOCIATES

	Group		Company	
	2008	2007	2008	2007
Unquoted shares	712.9	697.8	134.7	700.7
Share of post acquisition reserves	415.4	370.2	-	-
Impairment losses	(19.3)	(43.3)	-	-
	1,109.0	1,024.7	134.7	700.7

During the financial year, the Company undertook an internal group reorganisation whereby certain associates were transferred to immediate holding companies of the Group's business divisions.

	Group	
	2008	2007
Financial information of equity accounted associates:		
Associates' results		
Revenue	6,183.7	7,222.0
Net profit for the year	248.4	285.2
Share of results of associates	107.9	110.7
Effect of dilution of interest in associates	-	(0.5)
Associates' movements in reserves		
Share premium	-	6.2
Capital reserves	-	(1.2)
Share of movements in reserves of associates	-	0.6
Effect of dilution of interest in associates	-	1.8
Currency translation differences	(1.6)	(3.9)
Associates' financial position		
Total assets	6,333.4	7,059.4
Total liabilities	(2,566.7)	(4,140.0)
Net assets	3,766.7	2,919.4
Share of net assets of associates	1,342.1	1,288.6
Unrealised profit on transactions with associates	(214.7)	(221.5)
Goodwill	0.9	0.9
Impairment losses	(19.3)	(43.3)
	1,109.0	1,024.7

The Group's equity interest in the associates, their respective principal activities and countries of incorporation are shown in Note 48.

21 INVESTMENTS

	Group		Company	
	2008	2007	2008	2007
At cost				
Quoted shares				
In Malaysia	63.1	34.5	-	28.0
Outside Malaysia	27.3	0.5	-	0.4
Unquoted shares				
In Malaysia	273.4	353.9	4.0	234.1
Outside Malaysia	12.8	34.7	-	-
	376.6	423.6	4.0	262.5
Accumulated impairment losses				
Quoted shares in Malaysia	(29.8)	(27.4)	-	(22.0)
Unquoted shares in Malaysia	(30.0)	(7.0)	(2.0)	(5.6)
	316.8	389.2	2.0	234.9

The market value of the quoted investments is shown in Note 45(e).

22 INTANGIBLE ASSETS

Group 2008	Acquired			Internally generated		
	Goodwill	Trademarks	Assets usage rights	Total	Development costs	Total
At 1 July	3.9	74.4	2.8	81.1	5.4	86.5
Additions	4.4	-	-	4.4	0.7	5.1
Impairment losses	(4.4)	-	-	(4.4)	(2.6)	(7.0)
Amortisation	-	(3.6)	(0.2)	(3.8)	(1.4)	(5.2)
Exchange differences	1.0	0.8	(0.2)	1.6	-	1.6
At 30 June	4.9	71.6	2.4	78.9	2.1	81.0
Cost	12.3	104.6	3.5	120.4	11.5	131.9
Accumulated amortisation	-	(33.0)	(1.1)	(34.1)	(6.8)	(40.9)
Accumulated impairment	(7.4)	-	-	(7.4)	(2.6)	(10.0)
Carrying amount at end of year	4.9	71.6	2.4	78.9	2.1	81.0
2007						
At 1 July	3.0	80.4	2.6	86.0	2.9	88.9
Additions	3.5	0.3	-	3.8	5.0	8.8
Impairment losses	(3.0)	-	-	(3.0)	-	(3.0)
Amortisation	-	(4.5)	(0.2)	(4.7)	(2.5)	(7.2)
Exchange differences	0.4	(1.8)	0.4	(1.0)	-	(1.0)
At 30 June	3.9	74.4	2.8	81.1	5.4	86.5
Cost	6.9	103.8	3.9	114.6	10.8	125.4
Accumulated amortisation	-	(29.4)	(1.1)	(30.5)	(5.4)	(35.9)
Accumulated impairment	(3.0)	-	-	(3.0)	-	(3.0)
Carrying amount at end of year	3.9	74.4	2.8	81.1	5.4	86.5

22 INTANGIBLE ASSETS (continued)

Trademarks with carrying amount of RM35.3 million (2007 : 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.

Impairment tests for goodwill

The Group undertakes an annual test for impairment of its cash-generating units. Based on the impairment test, an impairment loss of RM4.4 million (2007: RM3.0 million) has been recorded in the consolidated income statement for goodwill arising from acquisition of a subsidiary. No impairment loss was required for the carrying amounts of the remaining goodwill assessed as at 30 June 2008 as their recoverable amounts were in excess of their carrying amounts.

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.

23 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	
	2008	2007	2008	2007
Deferred tax assets	712.0	634.4	0.3	3.8
Deferred tax liabilities	(931.8)	(921.6)	-	(2.2)
	(219.8)	(287.2)	0.3	1.6
Tax losses for which the tax effects have not been recognised in the financial statements	969.0	940.8	-	-

The components and movements of the Group's deferred tax liabilities and assets during the year are as follows:

Group 2008	Property, plant and equipment	Prepaid lease rentals	Property development	Provisions	Tax losses and unabsorbed capital allowances	Others	Total
At 1 July	(328.7)	(361.5)	199.4	128.3	61.8	13.5	(287.2)
Disposal of subsidiaries	-	-	-	(0.1)	2.4	(0.2)	2.1
Credited/(charged) to income statement							
- origination and reversal of temporary differences	3.5	12.8	(8.1)	17.8	24.2	4.0	54.2
- changes in tax rates	19.2	-	-	(0.2)	(4.1)	1.5	16.4
- (under)/over provision in prior years	(11.0)	-	-	(0.4)	(0.3)	2.0	(9.7)
Exchange differences	(18.6)	21.9	-	4.3	(10.6)	7.4	4.4
At 30 June	(335.6)	(326.8)	191.3	149.7	73.4	28.2	(219.8)

23 DEFERRED TAX (continued)

Group 2007	Property, plant and equipment	Prepaid lease rentals	Property development	Provisions	Tax losses and unabsorbed capital allowances	Others	Total
At 1 July	(264.0)	(391.2)	195.5	105.3	34.8	71.9	(247.7)
Disposal of subsidiaries	-	-	-	(3.4)	-	0.1	(3.3)
Credited/(charged) to income statement							
- origination and reversal of temporary differences	(77.3)	15.2	(5.9)	25.1	25.4	(44.3)	(61.8)
- changes in tax rates and exemption of Malaysian Real Property Gains Tax	12.2	-	9.8	(1.6)	(0.3)	(3.1)	17.0
- (under)/over provision in prior years	(5.6)	-	(0.2)	0.5	3.4	-	(1.9)
Transfer to non-current assets held for sale	-	-	-	(0.2)	-	-	(0.2)
Exchange differences	6.0	14.5	0.2	2.6	(1.5)	(11.1)	10.7
At 30 June	(328.7)	(361.5)	199.4	128.3	61.8	13.5	(287.2)

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 RM159.1 million would be payable.

The components and movements of the Company's deferred tax liabilities and assets during the year are as follows:

Company	2008			2007		
	Property, plant and equipment	Others	Total	Property, plant and equipment	Others	Total
At 1 July	(2.2)	3.8	1.6	(3.3)	2.5	(0.8)
Credited to income statement						
- origination and reversal of temporary differences	-	(3.2)	(3.2)	(2.7)	1.3	(1.4)
- overprovision in prior years	-	-	-	3.8	-	3.8
Disposal	2.2	(0.3)	1.9	-	-	-
At 30 June	-	0.3	0.3	(2.2)	3.8	1.6

24 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2008	2007	2008	2007
Non-Current				
Trade receivables [note(a)]	42.5	61.5	-	-
Advances for plasma plantation projects [note (b)]	32.0	37.9	-	-
Redeemable loan stocks [note (c)]	177.2	-	-	-
	251.7	99.4	-	-
Current				
Trade receivables [note (a)]	3,791.2	3,349.1	-	29.7
Accrued billings	267.6	257.6	-	-
Amounts due from customers on construction contracts (Note 25)	1,087.4	543.4	-	-
Amounts due from associates	66.7	84.5	-	19.7
Dividends receivable from subsidiaries	-	-	1,080.7	-
Other receivables	915.6	912.0	0.6	91.9
Deposits	70.0	141.0	-	2.3
	6,198.5	5,287.6	1,081.3	143.6
Less: Allowance for doubtful debts under				
- trade receivables	(318.8)	(282.0)	-	-
- other receivables	(46.3)	(37.2)	-	-
	5,833.4	4,968.4	1,081.3	143.6
	6,085.1	5,067.8	1,081.3	143.6

Trade and other receivables of certain subsidiaries with carrying amount of RM189.3 million (2007 : RM162.2 million) were pledged to banks as security for borrowings (Note 33).

(a) Trade receivables

The trade receivables include outstanding net present value of land sales made under deferred payment terms. The discount rate used was 7.0% per annum. The contracted price and the notional interest are as follows:

	Group	
	2008	2007
Outstanding contracted value	137.3	137.3
Notional interest in suspense		
At 1 July	(8.0)	(9.9)
Recognised during the year (Note 8)	1.9	1.9
At 30 June	(6.1)	(8.0)
	131.2	129.3
Non-current		
Due later than 1 year	42.5	61.5
Current		
Due not later than 1 year	88.7	67.8
	131.2	129.3

The credit terms of other trade receivables ranged from 7 to 180 days (2007 : 7 to 180 days). The Group and Company have no significant concentrations of credit risk.

24 TRADE AND OTHER RECEIVABLES (continued)

(b) Advances for plasma plantation projects

	Group	
	2008	2007
At 1 July	68.4	66.6
Addition	0.8	4.0
Recovered	(7.1)	(0.9)
Exchange differences	(2.9)	(1.3)
	59.2	68.4
Allowance for shortfall in recovery	(27.2)	(30.5)
At 30 June	32.0	37.9

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 requires the Group to serve as a contractor for developing the plantations, train and develop the skills of the plasma farmers, and purchase the fresh fruit bunches harvested by the plasma farmers at prices determined by the Indonesian Government.

The advances made by the Group in the form of plasma plantation development costs are recoverable from the plasma farmers upon the completion of the plasma plantation projects. These advances are recoverable from plasma farmers or through the assignment to plasma farmers, the loans obtained for the projects. Allowances for losses on recovery are made when the estimated amount to recover is less than the outstanding advances.

(c) Redeemable loan stocks (unsecured)

On 23 July 2007, the Group disposed its subsidiary, Guthrie Corridor Expressway Sdn Bhd (GCESB). In accordance with the Sale and Purchase of Shares Agreement, the settlement of the intercompany balance owing by GCESB would be partially by cash payment and the balance through issuance of RM500 million non-transferable zero coupon Redeemable Loan Stocks (RLS) of GCESB.

On inception, the RLS was discounted to take into account the time value of money. The discount rate used was 7.0% per annum. The present value of the RLS is as follows:

	Group	
	2008	2007
Nominal value	500.0	-
Discount		
Discount on inception	(334.0)	-
Accretion during the year (Note 8)	11.2	-
	177.2	-

Unless redeemed early, either wholly or partially, at the fair value to be agreed by the Group and GCESB, the RLS shall be redeemed at 100% of its nominal value in cash as follows:

	Redemption date	Amount
1st tranche	1 July 2022	256.0
2nd tranche	1 July 2023	50.0
3rd tranche	1 July 2024	50.0
4th tranche	1 July 2025	50.0
5th tranche	1 July 2026	50.0
6th tranche	1 July 2027	44.0
		500.0

25 CONSTRUCTION CONTRACTS

	Group	
	2008	2007
Aggregate costs incurred	6,851.1	3,873.2
Recognised profits less losses to-date	407.1	249.7
	7,258.2	4,122.9
Progress billings	(6,204.0)	(3,746.9)
	1,054.2	376.0
Represented by:		
Amounts due from customers (Note 24)	1,087.4	543.4
Amounts due to customers (Note 37)	(33.2)	(167.4)
	1,054.2	376.0
Retention on contracts	9.5	11.8
Included in construction contract costs incurred during the year are:		
Employee benefits	81.1	70.5
Depreciation	8.5	7.7
Hire of plant and machinery	52.1	25.1

26 INVENTORIES

	Group		Company	
	2008	2007	2008	2007
Produce stocks	414.6	140.4	-	0.6
Trading inventories				
- heavy equipment	1,604.2	1,921.2	-	-
- motor vehicles	1,467.2	1,446.2	-	-
- commodities and others	964.4	412.4	-	6.6
Completed development units	168.9	229.1	-	-
Materials and consumable stores	446.4	370.5	-	3.3
	5,065.7	4,519.8	-	10.5

The carrying amount of trading inventories included RM259.0 million (2007 : RM293.6 million) stated at net realisable values.

Inventories of a subsidiary with carrying amount of RM197.4 million (2007 : RM271.2 million) were pledged as security for borrowings (Note 33).

Inventories where the net realisable value are expected to be below the carrying amount are written down. The amount written down during the year was RM38.3 million (2007 : RM69.2 million) for the Group and NIL (2007 : NIL) for the Company.

27 PROPERTY DEVELOPMENT COSTS

	Group	
	2008	2007
Development costs		
At 1 July	4,892.0	4,683.1
Land acquired	-	67.3
Development costs incurred during the year	1,231.0	507.8
Transfer from biological assets (Note 15)	-	0.5
Transfer to prepaid lease rentals (Note 17)	-	(2.0)
Transfer from land held for property development (Note 16)	37.1	91.7
Completed development units transferred to inventories	(54.2)	(86.3)
Completed development units and land sold	(1,000.8)	(367.1)
Exchange differences	8.9	(3.0)
At 30 June	5,114.0	4,892.0
Costs recognised in income statement		
At 1 July	(3,847.9)	(3,512.4)
Recognised during the year	(597.0)	(704.5)
Completed development units and land sold	1,000.8	367.1
Exchange differences	(3.8)	1.9
At 30 June	(3,447.9)	(3,847.9)
	1,666.1	1,044.1

Property development costs are analysed as follows:

Freehold land at cost	534.1	583.9
Development costs	4,579.9	4,308.1
Costs recognised in income statement	(3,447.9)	(3,847.9)
	1,666.1	1,044.1

As at 30 June 2007, a property development project of a subsidiary with carrying amount of RM42.4 million was charged to a bank as security for borrowings (Note 33).

28 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.

29 BANK BALANCES, DEPOSITS AND CASH

	Group		Company	
	2008	2007	2008	2007
Deposits with licensed banks	4,695.2	4,178.9	288.7	388.4
Deposits with finance companies	70.9	499.9	-	163.6
Deposits with other corporations	4.7	94.1	-	-
Cash at bank and in hand	1,223.4	893.1	5.2	23.6
	5,994.2	5,666.0	293.9	575.6

Effective interest rates are as follows:	2008	2007	2008	2007
	%	%	%	%
Deposits with licensed banks	0.50 – 9.00	0.50 – 8.81	3.35 – 3.70	2.90 – 5.28
Deposits with finance companies	3.10 – 3.50	2.65 – 3.70	-	3.25 – 3.55
Deposits with other corporations	2.84 – 3.35	3.30 – 3.49	-	-
Cash at bank	0.00 – 4.05	0.00 – 5.79	-	-

Deposits of the Group and Company have maturity periods ranging from on call basis to 1 year. Cash at bank are deposits held at call with banks.

Included in the balances above is an amount of RM162.3 million (2007 : RM18.8 million) being deposits held in designated accounts, as required by the terms of the Al Murabahah Medium Term Notes programme undertaken by a subsidiary of the Company (Note 33).

30 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE NON-CURRENT ASSETS HELD FOR SALE

	Group		Company	
	2008	2007	2008	2007
Non-current assets held for sale				
Disposal groups				
- investment in associates	-	4.7	-	-
- concession asset	-	582.9	-	-
- other non-current assets	-	23.7	-	-
- current assets	5.3	171.0	-	-
	5.3	782.3	-	-
Other assets				
- property, plant and equipment	8.8	0.7	-	-
- investment properties	0.4	2.0	-	-
- land held for property development	-	0.2	-	-
- prepaid lease rentals	6.1	0.3	-	0.3
- subsidiary	-	-	-	5.0
	20.6	785.5	-	5.3

30 NON-CURRENT ASSETS HELD FOR SALE AND LIABILITIES DIRECTLY ASSOCIATED WITH THE NON-CURRENT ASSETS HELD FOR SALE (continued)

The movements during the year relating to non-current assets held for sale are as follows:

	Group		Company	
	2008	2007	2008	2007
At 1 July	785.5	69.3	5.3	-
Disposals	(785.5)	(143.3)	(5.3)	-
Transfer from concession assets	-	582.9	-	-
Transfer from property, plant and equipment (Note 13)	8.8	96.8	-	-
Transfer from investment properties (Note 14)	0.4	2.0	-	-
Transfer from land held for property development (Note 16)	-	0.2	-	-
Transfer from prepaid lease rentals (Note 17)	6.1	0.3	-	0.3
Transfer from other assets	5.3	176.5	-	5.0
Exchange differences	-	0.8	-	-
At 30 June	20.6	785.5	-	5.3

	Group	
	2008	2007
Liabilities directly associated with non-current assets held for sale		
Disposal groups:		
- non-current liabilities	-	2.7
- current liabilities	-	176.0
	-	178.7

The movements during the year relating to liabilities directly associated with non-current assets held for sale are as follows:

	Group	
	2008	2007
At 1 July	178.7	-
Disposals	(178.7)	-
Transfer from liabilities	-	178.7
At 30 June	-	178.7

The above non-current assets and the associated liabilities are expected to be disposed within the next financial year.

31 SHARE CAPITAL

	Group / Company			
	Number of shares (million)		Nominal value	
	2008	2007	2008	2007
Authorised:				
Ordinary shares of RM0.50 each				
At 1 July/date of incorporation	0.2	0.2	0.1	0.1
Increased during the year	7,999.8	-	3,999.9	-
At 30 June	8,000.0	0.2	4,000.0	0.1
Redeemable convertible preference shares (RCPS)				
Series A RCPS of RM0.01 each				
At 1 July/date of incorporation	-	-	-	-
Increased during the year	7,000.0	-	70.0	-
At 30 June	7,000.0	-	70.0	-
Series B RCPS of RM0.10 each				
At 1 July/date of incorporation	25.0	-	2.5	-
Increased during the year	-	25.0	-	2.5
At 30 June	25.0	25.0	2.5	2.5
			4,072.5	2.6

	Group / Company				Total Share Capital Nominal value
	Legal Share Capital		Merger Share Capital		
	Number of shares (million)	Nominal value	Number of shares (million)	Nominal value	
2008					
Ordinary shares of RM0.50 each					
At 1 July	*	*	5,505.2	2,752.6	2,752.6
Issued during the year:					
- on conversion of Series B RCPS [note (a)]	50.0	25.0	-	-	25.0
- pursuant to the exercise of options under the Merged Entities' Employees' Share Option Schemes [note (b)]	-	-	5.8	2.9	2.9
- as part consideration for the acquisition of the remaining equity interest in the Merged Entities [note (c)]	-	-	502.0	251.0	251.0
- pursuant to a Mandatory General Offer [note (d)]	11.2	5.6	-	-	5.6
- pursuant to a Compulsory Acquisition [note (d)]	0.3	0.1	-	-	0.1
Capital adjustment [note (e)]	-	-	(65.0)	(32.5)	(32.5)
Adjustments arising from the Merger					
Exercise (Note 40)	5,948.0	2,974.0	(5,948.0)	(2,974.0)	-
At 30 June	6,009.5	3,004.7	-	-	3,004.7
Series B RCPS of RM0.10 each					
At 1 July	25.0	2.5	-	-	2.5
Converted to shares during the year	(25.0)	(2.5)	-	-	(2.5)
At 30 June	-	-	-	-	-
Total at 30 June		3,004.7		-	3,004.7

31 SHARE CAPITAL (continued)

	Group / Company				Total Share Capital Nominal value
	Legal Share Capital		Merger Share Capital		
	Number of shares (million)	Nominal value	Number of shares (million)	Nominal value	
2007					
Issued and fully paid:					
Ordinary shares of RM0.50 each					
At date of incorporation/1 July	*	*	5,334.6	2,667.3	2,667.3
Issued pursuant to the exercise of options under the Merged Entities' Employees' Share Option Schemes [note (b)]	-	-	170.6	85.3	85.3
At 30 June	*	*	5,505.2	2,752.6	2,752.6
Series B RCPS of RM0.10 each					
At date of incorporation/1 July	-	-	-	-	-
Issued during the year for cash	25.0	2.5	-	-	2.5
At 30 June	25.0	2.5	-	-	2.5
Total at 30 June		2.5		2,752.6	2,755.1

* represents 200 ordinary shares of RM0.50 each amounting to RM100.

The legal share capital shows the corresponding movements in share capital based on the legal form of the Company since the date of incorporation, whereas the merger share capital shows the corresponding movements in the deemed share capital based on the predecessor method of merger accounting. Hence, the merger share capital as at 1 July 2006 represents the additional share capital that would have been issued if the merger had been effected then. Accordingly, the Group's and Company's enlarged share capitals are deemed issued in proportion to the outstanding share capitals of the Merged Entities based on their respective share exchange ratios at the date of the merger as described in Note 40.

(a) Series B RCPS

The Series B RCPS amounting to 25.0 million shares of RM0.10 each were issued in the previous financial year at RM1.00 per share for cash. On inception, the Series B RCPS were segregated into equity and liability components of RM2.6 million and RM22.4 million respectively. The equity component is shown at RM2.5 million share capital and RM0.1 million share premium, while the liability component is shown under borrowings (Note 33).

During the financial year, all Series B RCPS were converted into ordinary shares in accordance with the conversion ratio of 1 Series B RCPS for 2 new ordinary shares of RM0.50 each in the Company.

(b) Employees' Share Option Schemes

Employees' Share Option Schemes were implemented by Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad and Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad) (hereinafter collectively referred to as Tier 1 companies) prior to the merger. The shares issued following the exercise of the options were calculated based on the share exchange ratios to arrive at the equivalent number of the Company's ordinary shares as if the options were granted by the Company.

As at 30 June 2008, all the Employees' Share Option Schemes have lapsed.

No new option has been granted and no new scheme has been implemented by the Group after the date of the merger.

31 SHARE CAPITAL (continued)**(c) Merged Entities**

As described in Note 40, the Company acquired the entire businesses and undertakings, including all assets and liabilities of the Merged Entities during the financial year. The consideration for the acquisition of Tier 1 companies was satisfied by the payment of RM341.5 million cash and the issuance of 5,446,025,287 new ordinary shares of RM0.50 each at an issue price of RM5.25 each. The consideration for the acquisition of the remaining equity interest not held by Tier 1 companies in Sime UEP Properties Berhad, Sime Engineering Services Berhad, Guthrie Ropel Berhad, Highlands & Lowlands Berhad and Mentakab Rubber Company (Malaya) Berhad was satisfied by payment of RM59.5 million cash and the issuance of 501,962,661 new ordinary shares of RM0.50 each at an issue price of RM5.25 each.

For the purpose of accounting the shares consideration, the fair value of RM8.22 per share at the date of exchange was recorded instead of the issue price of RM5.25 per share.

(d) Mandatory General Offer and Compulsory Acquisition

The acquisition of Golden Hope Plantations Berhad resulted in the Group owning, directly and indirectly, 62.6% equity interest in Negara Properties (M) Berhad (Negara Properties). Pursuant to Section 6 of the Malaysian Code on Take-Overs and Mergers 1998, a notice of take-over offer for the remaining ordinary shares of Negara Properties which were not already held by the Group was served on 1 October 2007. An additional 36.5% equity interest in Negara Properties were secured and the consideration was satisfied by the issuance of 11,221,797 new ordinary shares of RM0.50 each at an issue price of RM5.25 each.

As the Mandatory General Offer recorded more than 90% acceptance, the Group proceeded to invoke the provisions of Section 34 of the Securities Commission Act 1993 to compulsorily acquire the remaining 0.9% equity interest in Negara Properties. The consideration was satisfied by payment of RM0.2 million cash and the issuance of 253,886 new ordinary shares of RM0.50 each at an issue price of RM5.25 each [Note 41(b)].

For the purpose of accounting the shares consideration, the fair value of RM9.17 per share at the date of exchange was recorded instead of the issue price of RM5.25 per share.

(e) Capital adjustment

Shareholders of the Merged Entities who did not opt to convert their shares in the Merged Entities into new ordinary shares of the Company were repaid in cash. The capital adjustment was calculated based on the share exchange ratios to arrive at the equivalent number of the Company's ordinary shares not issued due to the repayment.

31 SHARE CAPITAL (continued)

The eligible share options of Tier 1 companies were adjusted based on the share exchange ratios to arrive at the equivalent numbers as if the options were granted by the Company. The eligible share options were options eligible for conversion into new ordinary shares of the Company upon exercise.

	Exercise price RM/share	Number of share options				At 30 June '000
		At 1 July '000	Granted '000	Exercised '000	Extended/ (Lapsed) '000	
2008						
Granted in financial year ended						
2002	3.98 – 4.13	1,661	-	(474)	(1,187)	-
2003	4.13	612	-	(265)	(347)	-
2004	2.66 – 4.44	1,392	-	(708)	(684)	-
2005	2.39 – 4.29	1,142	-	(432)	(710)	-
2006	2.66 – 4.40	1,841	-	(596)	(1,245)	-
2007	3.25 – 7.49	3,428	-	(2,742)	(686)	-
2008	7.13	-	5,022	(502)	(4,520)	-
		10,076	5,022	(5,719)	(9,379)	-
Weighted average exercise prices (RM)						
		4.17	7.13	4.42	5.60	-
2007						
Granted in financial year ended						
2002	3.98 – 4.13	6,023	-	(4,137)	(225)	1,661
2003	4.13	4,223	-	(3,639)	28	612
2004	2.66 – 4.44	15,995	-	(13,614)	(989)	1,392
2005	2.39 – 4.29	16,208	-	(15,606)	540	1,142
2006	2.66 – 4.40	42,634	-	(42,253)	1,460	1,841
2007	3.25 – 7.49	-	98,000	(91,382)	(3,190)	3,428
		85,083	98,000	(170,631)	(2,376)	10,076
Weighted average exercise prices (RM)						
		4.17	3.46	3.76	4.12	4.17

There were no outstanding options as at 30 June 2008.

32 RESERVES

Group 2008	Share premium	Share option reserves	Revaluation reserves	Capital reserves	Exchange reserves	Retained profits	Total
At 1 July	0.1	5.3	72.2	5,414.5	839.7	8,267.4	14,599.2
Currency translation differences							
- subsidiaries	-	-	-	-	140.8	-	140.8
- associates	-	-	-	-	(1.6)	-	(1.6)
Transfer between reserves	-	(12.9)	-	341.3	-	(328.4)	-
Income and expenses recognised directly in equity	-	(12.9)	-	341.3	139.2	(328.4)	139.2
Profit for the year	-	-	-	-	-	3,512.1	3,512.1
Total recognised income and expense for the year	-	(12.9)	-	341.3	139.2	3,183.7	3,651.3
Share options granted	-	7.6	-	-	-	-	7.6
Share options exercised	-	-	-	22.3	-	-	22.3
Conversion of Series B redeemable convertible preference shares (RCPS)	1.0	-	-	-	-	-	1.0
Acquisition of the remaining equity interest in the Merged Entities	-	-	-	1,358.8	-	-	1,358.8
Acquisition of additional interest from minority shareholders	99.5	-	-	(31.3)	-	-	68.2
Capital adjustment	-	-	-	(309.0)	-	-	(309.0)
Dividends paid	-	-	-	-	-	(735.5)	(735.5)
At 30 June	100.6	-	72.2	6,796.6	978.9	10,715.6	18,663.9
2007							
At 1 July	-	0.4	72.2	4,802.6	726.0	7,130.2	12,731.4
Currency translation differences							
- subsidiaries	-	-	-	-	116.8	-	116.8
- associates	-	-	-	-	(3.9)	-	(3.9)
Transfer between reserves	-	(60.7)	-	53.5	-	7.2	-
Share of reserves of associates	-	-	-	(0.2)	0.8	-	0.6
Effect of dilution of interest in associates	-	-	-	1.8	-	(0.5)	1.3
Income and expenses recognised directly in equity	-	(60.7)	-	55.1	113.7	6.7	114.8
Profit for the year	-	-	-	-	-	2,385.7	2,385.7
Total recognised income and expense for the year	-	(60.7)	-	55.1	113.7	2,392.4	2,500.5
Share options granted	-	65.6	-	-	-	-	65.6
Share options exercised	-	-	-	556.8	-	-	556.8
Issue of Series B RCPS	0.1	-	-	-	-	-	0.1
Acquisition of additional interest from minority shareholders	-	-	-	-	-	(85.9)	(85.9)
Dividends paid	-	-	-	-	-	(1,070.6)	(1,070.6)
Dividend payable	-	-	-	-	-	(98.7)	(98.7)
At 30 June	0.1	5.3	72.2	5,414.5	839.7	8,267.4	14,599.2

32 RESERVES (continued)

Company 2008	Share premium	Share option reserves	Capital reserves	Retained profits	Total
At 1 July	0.1	5.3	5,459.9	971.1	6,436.4
Transfer between reserves	-	(12.9)	(902.8)	915.7	-
Profit for the year	-	-	-	2,203.5	2,203.5
Share options granted	-	7.6	-	-	7.6
Share options exercised	-	-	22.3	-	22.3
Conversion of Series B RCPS	1.0	-	-	-	1.0
Acquisition of the remaining equity interest in the Merged Entities	-	-	1,454.7	-	1,454.7
Acquisition of additional interest from minority shareholders	99.5	-	-	-	99.5
Capital adjustment	-	-	(309.0)	-	(309.0)
Dividends paid	-	-	-	(735.5)	(735.5)
At 30 June	100.6	-	5,725.1	3,354.8	9,180.5
2007					
At 1 July	-	0.4	4,843.3	1,550.3	6,394.0
Transfer between reserves	-	(60.7)	59.8	0.9	-
Profit for the year	-	-	-	589.2	589.2
Share options granted	-	65.6	-	-	65.6
Share options exercised	-	-	556.8	-	556.8
Issue of Series B RCPS	0.1	-	-	-	0.1
Dividends paid	-	-	-	(1,070.6)	(1,070.6)
Dividend payable	-	-	-	(98.7)	(98.7)
At 30 June	0.1	5.3	5,459.9	971.1	6,436.4

The Group's revaluation reserves relate mainly to a revaluation made in 1978 of certain Malaysian plantation land and buildings of the Group.

In accordance with Section 60(4) of the Malaysian Companies Act 1965, the difference between the fair value and nominal value of shares issued as consideration for the acquisition of the Merged Entities was not required to be recorded as share premium, but instead is recognised together with the effects of the merger as capital reserves (Note 40).

33 BORROWINGS

	Group		Company	
	2008	2007	2008	2007
Long-term				
Secured				
Term loans	7.4	129.6	-	-
Unsecured				
Bai' Bithaman Ajil [note(a)]	-	16.7	-	16.7
Term loans [note(b)]	2,044.3	2,100.0	-	-
Series B redeemable convertible preference shares (RCPS) [note(c)]	-	23.1	-	23.1
Cumulative subordinated unconvertible redeemable loan stocks [note(d)]	37.4	37.4	-	-
Al Murabahah Medium Term Notes [note(e)]	1,100.0	1,400.0	1,000.0	1,000.0
	3,189.1	3,706.8	1,000.0	1,039.8
Short-term				
Secured				
Bank overdrafts	2.9	3.0	-	-
Portion of term loans due within one year	23.5	119.3	-	-
Other short term borrowings	453.4	62.4	-	-
Unsecured				
Bank overdrafts	19.8	19.0	-	-
Bai' Bithaman Ajil [note(a)]	16.7	65.2	16.7	65.2
Al Murabahah Medium Term Notes [note(e)]	300.0	-	-	-
Al Murabahah Commercial Papers [note(f)]	-	149.2	-	149.2
Portion of term loans due within one year	178.5	973.9	-	190.0
Other short term borrowings	645.1	1,007.3	-	154.4
	1,639.9	2,399.3	16.7	558.8
	4,829.0	6,106.1	1,016.7	1,598.6

The borrowings are secured by fixed and floating charges over property, plant and equipment, a property development project and other assets of certain subsidiaries.

	Group		Company	
	2008	2007	2008	2007
	%	%	%	%
The average effective interest rates/profit margins are as follows:				
Term loans				
- before interest rate swaps	4.92	6.02	-	4.70
- after interest rate swaps	5.27	6.00	-	-
Series B RCPS	-	4.00	-	4.00
Cumulative subordinated unconvertible redeemable loan stocks	12.00	12.00	-	-
Al Murabahah Medium Term Notes	4.82	4.82	4.34	4.34
Bai' Bithaman Ajil	4.25	4.25	4.25	4.25
Al Murabahah Commercial Papers	-	3.80	-	3.80
Bank overdrafts	6.48	5.34	-	-
Other short term borrowings	5.44	4.71	-	3.90

33 BORROWINGS (continued)

The borrowings are subject to the following maturity periods:

	Group		Company	
	2008	2007	2008	2007
Not later than 1 year	1,639.9	2,399.3	16.7	558.8
Later than 1 year but not later than 2 years	1,321.8	708.9	1,000.0	39.8
Later than 2 years but not later than 5 years	1,122.3	2,151.3	-	1,000.0
Later than 5 years	745.0	846.6	-	-
	4,829.0	6,106.1	1,016.7	1,598.6

Conventional term loans that are subject to contractual interest rates repricing within 1 year amounted to RM2,245.3 million (2007 : RM2,118.2 million).

(a) Bai' Bithaman Ajil

The Bai' Bithaman Ajil facility is based on the Syariah principle of deferred payment sale and is repayable over three (3) years commencing December 2006.

(b) Term loans

The term loans include the following:

- (i) RM1,152.8 million offshore term loan repayable over eight (8) equal semi-annual instalments commencing at the end of the 42nd month from the drawdown date on 28 August 2005. The term loan bears interest at LIBOR plus 0.55% per annum.
- (ii) RM652.0 million long-term loan repayable at the 5th year from the drawdown date 27 December 2007. The term loan bears interest at LIBOR plus 0.26% per annum.

(c) Series B RCPS

As described in Note 31(a), the Series B RCPS were segregated into equity and liability components at inception. The liability component was computed by applying the prevailing market interest rate to the estimated future cash flows up till the date of redemption. During the financial year, all Series B RCPS were converted into ordinary shares of the Company.

The finance costs incurred on the Series B RCPS during the financial year is shown in Note 9.

(d) Cumulative subordinated unconvertible redeemable loan stocks

The repayment of the cumulative subordinated unconvertible redeemable loan stocks is subordinated to all unsecured facilities of the subsidiary. The loan stocks are redeemable at par at any date determined not later than 31 December 2023.

33 BORROWINGS (continued)

(e) AI Murabahah Medium Term Notes

The AI Murabahah Medium Term Notes comprise the following:

- (i) RM500 million 7 years and RM500 million 4 years AI Murabahah Medium Term Notes under the RM1,500 million AI Murabahah Commercial Paper (MCP) and Medium Term Notes (MMTN) Programme (Programme) drawdown on 6 February 2003 and 21 December 2005 at par with a profit rate of 4.38% and 4.30% per annum, respectively.

Salient features of the Programme are as follows:

- Total outstanding nominal value of the MCP and MMTN (collectively known as Notes) shall not exceed RM1,500 million subject to a sub-limit of RM500 million for the MCP.
- The tenure of the Programme is up to seven years from date of the first issuance of any Notes under the Programme.
- MCP has a maturity of 12 months or below and is mandatorily redeemed at nominal value on maturity date. The profit for the MCP is payable on maturity of the MCP.
- MMTN has a maturity of 1 year but not more than 7 years and on condition that the MMTN mature prior to the expiry of the tenure of the Programme. The MMTN are mandatorily redeemed at nominal value on maturity date. The profit for the MMTN is payable either in fixed amounts at the end of each profit period or on maturity of the MMTN.

- (ii) RM300 million 5 years and RM100 million 7 years AI Murabahah Medium Term Notes drawdown in March 2004, at par with a profit rate of 5.98% and 6.20% per annum respectively.

(f) AI Murabahah Commercial Papers

The AI Murabahah Commercial Papers was issued for RM150.0 million nominal value at a discount with maturity period of six (6) months.

34 PROVISIONS

Group 2008	Maintenance and warranty	Property development	Total
At 1 July	179.5	7.5	187.0
Additions	190.3	-	190.3
Unused amounts reversed	(30.2)	-	(30.2)
Charged to income statement	160.1	-	160.1
Utilised	(119.2)	(1.5)	(120.7)
Exchange differences	11.5	-	11.5
At 30 June	231.9	6.0	237.9
2007			
At 1 July	122.6	7.5	130.1
Additions	157.6	-	157.6
Unused amounts reversed	(18.4)	-	(18.4)
Charged to income statement	139.2	-	139.2
Utilised	(84.2)	-	(84.2)
Exchange differences	1.9	-	1.9
At 30 June	179.5	7.5	187.0
		2008	2007
Non-current			
Due later than 1 year			74.7
Current			
Due not later than 1 year			163.2
		237.9	187.0

35 RETIREMENT BENEFITS

	Group	
	2008	2007
At 1 July	91.6	73.6
Charge for the year	43.4	26.8
Contribution paid	(1.5)	(1.5)
Benefits paid – unfunded obligations	(2.2)	(1.6)
Exchange differences	(5.6)	(5.7)
At 30 June	<u>125.7</u>	<u>91.6</u>

The amounts recognised on the balance sheet are determined as follows:

Present value of funded obligations [note (a)]	67.4	67.5
Fair value of plan assets [note (b)]	(67.4)	(68.3)
	–	(0.8)
Present value of unfunded obligations [note (a)]	128.7	94.5
Unrecognised actuarial gains [note (c)]	(3.0)	(2.1)
Net liabilities	<u>125.7</u>	<u>91.6</u>

The amounts recognised in the income statement are as follows:

Current service cost	26.7	26.2
Past service cost	18.1	–
Interest cost	3.1	4.7
Expected return on plan assets	(4.5)	(4.1)
	<u>43.4</u>	<u>26.8</u>
Expected return on plan assets	(4.5)	(4.1)
Actuarial gains on plan assets	0.1	6.4
Actual return on plan assets	<u>(4.4)</u>	<u>2.3</u>

(a) Changes in the present value of defined benefit obligations

Wholly or partly funded obligations	67.4	67.5
Unfunded obligations	128.7	94.5
	<u>196.1</u>	<u>162.0</u>

Movements in the present value of defined benefit obligations are as follows:

At 1 July	162.0	135.7
Current service cost	26.7	26.2
Past service cost	18.1	–
Interest cost	3.1	4.7
Benefits paid – funded obligations	(1.1)	(1.2)
Benefits paid – unfunded obligations	(2.2)	(1.6)
Actuarial losses due to actual experience	1.0	8.5
Exchange difference	(11.5)	(10.3)
At 30 June	<u>196.1</u>	<u>162.0</u>

35 RETIREMENT BENEFITS (continued)

	Group	
	2008	2007
(b) Changes in the fair value of plan assets		
At 1 July	68.3	62.1
Expected return on plan assets	4.5	4.1
Contributions by employers	1.5	1.5
Benefits paid	(1.1)	(1.2)
Actuarial gains on plan assets	0.1	6.4
Exchange difference	(5.9)	(4.6)
At 30 June	67.4	68.3
(c) Unrecognised actuarial gains and losses		
At 1 July	2.1	-
Unrecognised actuarial gains for the year	0.9	2.1
At 30 June	3.0	2.1

Principal actuarial assumptions used at the balance sheet date in respect of the Group's defined benefit plans are as follows:

	%	%
Discount rate	3.6 – 10.0	4.8 – 10.0
Expected return on plan assets	7.0 – 9.0	7.0 – 9.0
Expected rate of salary increases	4.0 – 8.0	4.0 – 8.0

36 DEFERRED INCOME

	Group	
	2008	2007
Net time share income	1.5	1.5
Advance annualised licensed fees	138.8	139.4
	140.3	140.9
Accretion for the year	0.4	1.1
	140.7	142.0
Non-current		
Due later than 1 year	139.0	140.3
Current		
Due not later than 1 year, included in trade and other payables	1.7	1.7
	140.7	142.0

37 TRADE AND OTHER PAYABLES

	Group		Company	
	2008	2007	2008	2007
Trade payables	3,649.2	2,907.8	-	22.9
Accruals	3,289.0	2,509.3	20.0	141.6
Deferred income	1.7	1.7	-	-
Progress billings	0.6	16.9	-	-
Amounts due to customers on construction contracts (Note 25)	33.2	167.4	-	-
Amount due to associates	3.8	0.5	-	-
Amount due to jointly controlled entities	61.2	1.8	-	-
	7,038.7	5,605.4	20.0	164.5

Credit terms of trade payables and amounts due to customers ranged from 7 to 180 days (2007 : 7 to 120 days).

38 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments are as follows:

(a) Guarantees

In the ordinary course of business, the Group may obtain surety bonds and letters of credit, which the Group provides to customers to secure advance payment, performance under contracts or in lieu of retention being withheld on contracts. A liability would only arise in the event the Group fails to fulfill its contractual obligations. As at 30 June 2008, the Group had provided performance guarantees and advance payment guarantees amounting to RM5,483.5 million and RM284.0 million, respectively.

In cases where the Group is required to issue surety bonds or letters of credit for the entire contract despite holding partial interest in a venture, the Group will seek counter-indemnity from the other venture partners. As at 30 June 2008, the Group received counter-indemnities amounting to RM1,661.1 million.

The Company has provided guarantees amounting to RM1,910.5 million (2007 : RM2,486.3 million) to financial institutions in respect of credit facilities granted to certain subsidiary companies.

(b) Claims

As at 30 June 2008, claims against the Group not taken up in the balance sheet amounted to RM47.8 million (2007 : RM22.8 million). These claims include disputed taxes, supply of goods and services and compensation.

(c) Capital expenditure

	Group		Company	
	2008	2007	2008	2007
Authorised capital expenditure not provided for in the financial statements:				
Property, plant and equipment				
- contracted	455.3	603.2	-	3.5
- not contracted	1,182.5	1,691.3	-	18.7
	1,637.8	2,294.5	-	22.2
Rights to use land				
- not contracted	-	285.9	-	-
	1,637.8	2,580.4	-	22.2

38 CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(d) Leases

	Group		Company	
	2008	2007	2008	2007
Commitments under non-cancellable operating leases:				
Expiring not later than 1 year	178.9	131.0	-	0.2
Expiring later than 1 year but not later than 5 years	116.0	153.9	-	0.4
Expiring later than 5 years	115.6	181.1	-	-
	410.5	466.0	-	0.6

(e) Plasma Plantation

The Group has also committed to develop a total of 30,800 hectares of oil palm plantations for plasma farmers in Indonesia. A total of 23,117 hectares have been developed of which about 4,675 hectares have been converted to plasma farmers.

39 MATERIAL LITIGATIONS

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 six (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.

PTAS's claim was dismissed by the District Court of South Jakarta. PTAS appealed to the Court of Appeal of Jakarta and subsequently the Supreme Court (by way of cassation), and was unsuccessful in both appeals. On 21 June 2007, PTAS submitted an application through the District Court of South Jakarta for further review by the Supreme Court of Indonesia of the Supreme Court decision in cassation.

On 4 March 2008, KGB received notification regarding the decision of the further review (Decision on Further Review) which had annulled the decision on the Supreme Court which had rejected the appeal of PTAS in favour of KGB. In summary, the Decision on Further Review partially approved the claim of PTAS against KGB for breach of contract and ordered KGB to pay PTAS the amount of USD25.76 million together with interest at the rate of 6% per year thereon as of the date of registration of PTAS's claim at the District Court until full payment. KGB was also ordered to pay the court charges.

On 19 March 2008, KGB was served with a copy of the Writ of Summons and Statement of Claim dated 11 March 2008 where PTAS commenced legal proceedings in Malaysia against KGB to enforce the Decision on Further Review obtained in Indonesia. On 18 April 2008, PTAS filed an application in court for leave to enter Summary Judgement against KGB. At the hearing which was fixed on 8 July 2008, the Judge directed the Plaintiff to file its written submission by 22 July 2008 and asked KGB, the 1st Defendant, to reply by 28 July 2008. At the oral hearing on 22 August 2008, the Plaintiff applied for adjournment and was allowed by the Judge. The next date for oral hearing has been fixed for 31 October 2008.

Through the Malaysian Embassy in Jakarta and the Indonesia Embassy in Kuala Lumpur, a summons was served on KGB on 31 July 2008 to appear at a hearing (in Chambers) at the District Court of South Jakarta on 7 August 2008.

KGB had, upon the advice of its Indonesia solicitors, delivered a letter to the District Court of South Jakarta in response to the summons by which KGB informed the court that the proceedings in Malaysia are still pending and requested an adjournment of the proceedings in the District Court of South Jakarta until the proceedings in Malaysia have been completed.

39 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 seeks damages amounting to RM54 million (or alternatively RM34 million) on the basis that CPB had failed to deliver a subdivided title in respect of 85 acres of land purchased by BSB.

BSB's claim for damages was dismissed with costs by the High Court on 9 March 2002 and BSB had appealed to the Court of Appeal on 27 March 2002.

The appeal came up for hearing on 7 May 2007 and was adjourned to 8 January 2008. On the said date, the hearing was adjourned by the court to a date to be fixed. To-date, the court has not assigned a hearing date for the appeal.

40 MERGER EXERCISE

On 1 October 2007, the Company acquired the entire businesses and undertakings, including all assets and liabilities of Golden Hope Plantations Berhad, Kumpulan Guthrie Berhad, Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad), Sime UEP Properties Berhad, Sime Engineering Services Berhad, Guthrie Ropel Berhad, Highlands & Lowlands Berhad and Mentakab Rubber Company (Malaya) Berhad (herein collectively referred to as the Merged Entities).

Details of the acquisition are as follows:

Name of Merged Entities	Offer price for each share RM	Share exchange ratio	New ordinary shares issued (million)	Nominal value of shares issued	Premium on shares issued	Cash paid	Total
Acquisition of the Merged Entities							
Golden Hope Plantations Berhad	5.46	1.04	1,558.2	779.1	12,029.1	62.2	12,870.4
Kumpulan Guthrie Berhad	4.27	0.81	831.0	415.5	6,415.8	22.6	6,853.9
Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad)	6.46	1.23	3,056.8	1,528.4	23,598.5	256.7	25,383.6
			5,446.0	2,723.0	42,043.4	341.5	45,107.9
Acquisition of the remaining equity interest in Merged Entities							
Sime UEP Properties Berhad	3.95	0.75	148.3	74.2	1,145.1	1.7	1,221.0
Sime Engineering Services Berhad	1.57	0.30	41.5	20.7	320.3	12.8	353.8
Guthrie Ropel Berhad	4.46	0.85	44.2	22.1	340.9	7.0	370.0
Highlands & Lowlands Berhad	5.09	0.97	259.6	129.8	2,003.9	35.8	2,169.5
Mentakab Rubber Company (Malaya) Berhad	1.96	0.37	8.4	4.2	64.9	2.2	71.3
			502.0	251.0	3,875.1	59.5	4,185.6
			5,948.0	2,974.0	45,918.5	401.0	49,293.5

40 MERGER EXERCISE (continued)

The consideration for the acquisition of the Merged Entities was satisfied by payment of RM401.0 million cash and the issuance of 5,948.0 million new ordinary shares of RM0.50 each at an issue price of RM5.25 each. For the purpose of accounting for the merger, the shares were recorded using the fair value of RM8.22 per share at the date of exchange instead of the issue price of RM5.25 per share.

The purchase consideration to effect the above merger was in the form of new ordinary shares and cash. The issuance of new ordinary shares by the Company during the current financial year to effect the above transactions has been reflected in the Legal Capital as shown in Note 31. As the Merged Entities are under common control before and after the merger, the Group and Company applied the predecessor method of merger accounting. Accordingly, both the separate and consolidated financial statements have accounted for the merger as if the merger had occurred from the date when these entities came under the control of the common controlling party. These deemed changes to the share capital of the Group and Company are reflected in the Merger Share Capital as shown on Note 31.

Cash payments were made to former shareholders of the Merged Entities who did not opt to convert their shares in the Merged Entities into new ordinary shares of the Company. These were calculated based on the share exchange ratios to arrive at the cash equivalent payments.

The reserves arising on acquisition of Merged Entities as at the date of the merger are as follows:

	Group	Company
Acquisition of the Merged Entities		
Premium on shares issued	42,043.4	42,043.4
Cost of acquisition	(45,107.9)	(45,107.9)
Net assets acquired	-	7,334.9
Share capitals of Merged Entities	3,798.7	-
Share premiums of Merged Entities	4,138.2	-
	4,872.4	4,270.4
Acquisition of the remaining equity interest in Merged Entities		
Premium on shares issued	3,875.1	3,875.1
Cost of acquisition of the remaining equity interest	(4,185.6)	(4,185.6)
Carrying amount of existing equity interest	-	(1,922.7)
Net assets acquired	-	3,687.9
Minority interests acquired	1,669.3	-
	1,358.8	1,454.7
At 30 June 2008	6,231.2	5,725.1

In accordance with Section 60(4) of the Malaysian Companies Act 1965, the difference between the fair value and the nominal value of shares issued as consideration for the acquisition of the Merged Entities was not required to be recorded as share premium. The above reserves were included in capital reserves.

40 MERGER EXERCISE (continued)

Adjustments have been made to the comparative figures of the Merged Entities to align inconsistent accounting policies and eliminate unrealised profits between the subsidiaries. The adjustments made to the consolidated balance sheet of the Group as at 30 June 2007 are as follows:

	Before alignment of policies	Goodwill [note (a)]	Revaluation [note (b)]	Biological assets [note (c)]	Leases [note (d)]	Others [note (e)]	After alignment of policies
NON-CURRENT ASSETS							
Property, plant and equipment	9,337.5	-	(778.9)	-	(887.7)	(44.2)	7,626.7
Biological assets	3,788.0	-	(614.7)	145.6	-	(1,080.1)	2,238.8
Prepaid lease rentals	907.7	-	(144.5)	-	727.6	1,048.7	2,539.5
Intangible assets	513.0	(441.2)	-	-	-	14.7	86.5
Other non-current assets	2,956.5	-	-	-	-	10.1	2,966.6
	17,502.7	(441.2)	(1,538.1)	145.6	(160.1)	(50.8)	15,458.1
CURRENT ASSETS	16,946.2	-	-	-	-	24.0	16,970.2
Non-current assets held for sale	785.5	-	-	-	-	-	785.5
TOTAL ASSETS	35,234.4	(441.2)	(1,538.1)	145.6	(160.1)	(26.8)	33,213.8
EQUITY							
Share capital	2,755.1	-	-	-	-	-	2,755.1
Reserves	15,976.8	(441.2)	(899.5)	145.6	(160.1)	(22.4)	14,599.2
ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY							
Minority interests	2,712.5	-	(512.7)	-	-	-	2,199.8
TOTAL EQUITY	21,444.4	(441.2)	(1,412.2)	145.6	(160.1)	(22.4)	19,554.1
NON-CURRENT LIABILITIES							
CURRENT LIABILITIES	4,796.9	-	(125.9)	-	-	212.9	4,883.9
	8,814.4	-	-	-	-	(217.3)	8,597.1
Liabilities directly associated with non-current assets held for sale	178.7	-	-	-	-	-	178.7
TOTAL EQUITY AND LIABILITIES	35,234.4	(441.2)	(1,538.1)	145.6	(160.1)	(26.8)	33,213.8

40 MERGER EXERCISE (continued)

The adjustments made to the balance sheet of the Company as at 30 June 2007 are as follows:

	Before alignment of policies	Revaluation [note (b)]	Leases [note (d)]	After alignment of policies
NON-CURRENT ASSETS				
Property, plant and equipment	548.9	(10.2)	(2.0)	536.7
Prepaid lease rentals	-	-	2.0	2.0
Other non-current assets	9,744.9	-	-	9,744.9
	10,293.8	(10.2)	-	10,283.6
CURRENT ASSETS				
	781.7	-	-	781.7
Non-current assets held for sale	5.6	(0.3)	-	5.3
TOTAL ASSETS	11,081.1	(10.5)	-	11,070.6
EQUITY				
Share capital	2,755.1	-	-	2,755.1
Reserves	6,446.5	(10.1)	-	6,436.4
TOTAL EQUITY	9,201.6	(10.1)	-	9,191.5
NON-CURRENT LIABILITIES				
	1,042.4	(0.4)	-	1,042.0
CURRENT LIABILITIES				
	837.1	-	-	837.1
TOTAL EQUITY AND LIABILITIES	11,081.1	(10.5)	-	11,070.6

(a) Goodwill

In accordance with the Group's policy, goodwill arising from a business combination where the sale and purchase agreement was entered prior to 1 January 2006 (the date stipulated in the transitional provisions in FRS 3 – Business Combinations) is written off to reserves. The Group also adopts the policy of treating the difference between consideration paid and the minority interest acquired as an adjustment to equity. Certain Merged Entities' goodwill was adjusted to reserves to align to the Group's policy.

(b) Revaluation

The Group adopts the historical cost convention in the measurement of property, plant and equipment, biological assets and prepaid lease rentals. Adjustments were made to reverse revaluation adjustments made by certain Merged Entities.

(c) Biological assets

The Group adopts the capital maintenance policy in the measurement of biological assets. Capital maintenance involves the capitalisation of new planting costs and amortisation is only carried out under certain circumstances. Replanting costs are expensed in the period incurred. Adjustments were made to align the policy adopted by certain Merged Entities.

(d) Leases

The Group treats leasehold land as operating leases and amortises the costs on a straight-line basis over the lease period. Reclassification was made to reflect the costs under prepaid lease rentals. Adjustments were also made to amortise leases of extended tenure of certain Merged Entities to bring it in line with the Group's policy.

40 MERGER EXERCISE (continued)

(e) Others

Included in others was reclassification of fair value adjustments of RM1,080.1 million from biological assets to prepaid lease rentals.

41 ACQUISITION AND INCORPORATION OF SUBSIDIARIES

(a) Acquisition of subsidiaries

Subsidiaries acquired by the Group during the year ended 30 June 2008 are as follows:

Name of subsidiaries acquired	Purchase consideration	Group's effective interest %	Effective acquisition date
Eminent Platform Sdn Bhd	RM2	100.0	9 July 2007
Sincere Outlook Sdn Bhd	RM2	100.0	9 July 2007
Sime Darby Foods Marketing Sdn Bhd (formerly known as Modern Corner Sdn Bhd)	RM2	100.0	9 August 2007
Sime Darby T & I Sdn Bhd (formerly known as Formula Ocean Sdn Bhd)	RM2	100.0	28 September 2007
Shantou Bow Yue Vehicle Trading Company Limited	RMB10.0 million	100.0	14 November 2007
Elco Power Systems Ltd	HK\$43.0 million	100.0	7 January 2008
Sime Darby Power Link Sdn Bhd	RM2	100.0	5 February 2008
Sime Darby China Oils & Fats Company Limited	HK\$2	100.0	23 April 2008
Sime Darby Marine (Hong Kong) Private Limited	HK\$2	100.0	28 April 2008

The net loss of the acquired subsidiaries included in the consolidated income statement amounted to RM0.8 million. If the acquisitions were effective on 1 July 2007, the Group's revenue and profit attributable to ordinary equity holder of the Company for the year ended 30 June 2008 would have been RM34,073.4 million and RM3,516.4 million respectively.

Details of the assets, liabilities and net cash outflow arising from the acquisition of subsidiaries are as follows:

	Group	
	Book value	Fair value
Property, plant and equipment	0.1	0.1
Cash and cash equivalents	11.8	11.8
Other net current assets	7.2	7.2
Net assets acquired	19.1	19.1
Adjustment for goodwill (Note 22)		4.4
Purchase consideration including direct costs related to the acquisition		23.5
Less: Cash and cash equivalents of subsidiaries acquired		(11.8)
Net cash outflow on acquisition of subsidiaries		11.7

41 ACQUISITION AND INCORPORATION OF SUBSIDIARIES (continued)

(b) Acquisition of additional interest in existing subsidiaries

The additional interests acquired by the Group are as follows:

Name of subsidiaries	Purchase consideration	Group's additional effective interest %	Effective acquisition date
Westminster Travel Limited	HK\$86.9 million	30.0	9 July 2007
Golden Hope Investments (Asia Pacific)	USD2.7 million	40.0	16 November 2007
Negara Properties (M) Berhad	*	36.5	3 December 2007
Negara Properties (M) Berhad	*	0.9	30 January 2008
Sime Darby Pilipinas, Inc (SDPI)	USD18,400	0.6	#

* consideration satisfied by cash and by issuance of shares [Note 31(d)]

acquired over the quarter ended 30 June 2008 pursuant to the privatisation of SDPI

The minority interests acquired and the net cash outflow arising from the acquisition of additional interest in existing subsidiaries are as follows:

Minority interest acquired	Group
Premium paid	121.7
Costs of acquisition including direct costs related to the acquisition	31.3
Less: Shares issued as consideration [Note 31(d)]	153.0
Net cash outflow on acquisition	(105.2)
	47.8

(c) Incorporation of subsidiaries

The subsidiaries incorporated by the Group during the year ended 30 June 2008 are as follows:

Name of subsidiaries	Group's effective interest %	Incorporation date
Chengdu Bow Yue Vehicle Company Limited	100.0	12 July 2007
Shenzhen Xin Chuang Motor Trading Company Limited	100.0	3 August 2007
Hangzhou Xin Biao Xian Motors Technology & Services Company Limited	100.0	7 March 2008
Jining Sime Darby Port Co. Ltd	70.0	13 March 2008
Shanghai Sime Darby Investments Consulting Company Limited	100.0	7 April 2008

42 DISPOSAL OF SUBSIDIARIES

Subsidiaries disposed by the Group during the year ended 30 June 2008 are as follows:

Name of subsidiaries	Disposal consideration	Group's effective interest disposed %	Effective acquisition date
Guthrie Corridor Expressway Sdn Bhd (GCESB)	*	100.0	23 July 2007
Westminster Travel Limited	HK\$160.0 million	100.0	23 October 2007
Sime Rengo Packaging Singapore Limited	S\$6.5 million	66.6	30 November 2007
Guthrie Technologies Sdn Berhad	RM12.9 million	100.0	18 January 2008

* consideration for the entire interest in GCESB and amount owing by GCESB were satisfied by cash payment of RM436.0 million and issuance of RM500.0 million nominal value of Redeemable Loan Stocks.

Details of the assets, liabilities and net cash inflow arising from the disposal of subsidiaries are as follows:

	Group
Concession assets	582.9
Property, plant and equipment	22.3
Deferred tax	(2.1)
Cash and cash equivalents	65.2
Other net current assets	6.2
Net assets disposed	<u>674.5</u>
Gain on disposal of subsidiaries	25.3
Proceeds from disposal of subsidiaries	<u>699.8</u>
Less : Fair value of RM500.0 million nominal value of Redeemable Loan Stocks	(166.0)
Less : Cash and cash equivalents of subsidiaries disposed	(65.2)
Net cash inflow on disposal of subsidiaries	<u>468.6</u>

43 SEGMENT INFORMATION - GROUP

Business segments comprise:

Segment	Products and services
Plantation	Oil palm and rubber cultivation and palm oil refining and fractionation.
Property	Property development, management and investment, and provision of golf and other recreational services
Industrial	Sales and servicing of heavy equipment
Motors	Assembly and distribution of vehicles and the provision of after-sale services.
Energy and Utilities	Engineering design and fabrication, system integration, power generation, treatment and supply of treated water, and ownership and management of port facilities.
General trading, services and others	Aircraft composites components manufacturing, bedding operations, marketing of industrial products, provision of healthcare services, travel 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.

43 SEGMENT INFORMATION – GROUP (continued)

Primary reporting format - business segments

2008	Plantation	Property	Industrial	Motors	Energy and Utilities	General trading, services and others	Elimination	Group
Revenue								
External revenue	13,162.3	1,420.0	7,222.6	7,926.3	3,164.9	1,148.6	-	34,044.7
Intersegment revenue	3.0	62.5	21.2	7.3	3.6	68.1	(165.7)	-
Total revenue	<u>13,165.3</u>	<u>1,482.5</u>	<u>7,243.8</u>	<u>7,933.6</u>	<u>3,168.5</u>	<u>1,216.7</u>	<u>(165.7)</u>	<u>34,044.7</u>
Results								
Operating segment results	3,874.0	407.0	687.3	203.2	224.6	30.9	-	5,427.0
(Loss)/gain on disposal of								
- subsidiaries, associates and investments	(1.5)	(0.2)	0.5	-	-	76.0	-	74.8
- properties and prepaid lease rentals	9.2	2.7	-	-	-	1.8	-	13.7
Impairment of								
- property, plant and equipment	(2.0)	-	(3.2)	(16.5)	-	-	-	(21.7)
- investments	(2.4)	-	-	-	-	(23.0)	-	(25.4)
Reorganisation expenses	(50.0)	(15.6)	-	(30.3)	-	(4.7)	-	(100.6)
Segment results	<u>3,827.3</u>	<u>393.9</u>	<u>684.6</u>	<u>156.4</u>	<u>224.6</u>	<u>81.0</u>	<u>-</u>	<u>5,367.8</u>
Unallocated corporate expenses and income								(229.5)
Operating profit								5,138.3
Share of results of jointly controlled entities and associates	44.9	36.8	11.4	1.4	4.0	11.5	-	110.0
Profit before interest and tax								5,248.3
Finance income								225.5
Finance costs								(267.4)
Profit before tax								5,206.4
Tax expense								(1,453.9)
Profit for the year								<u>3,752.5</u>

43 SEGMENT INFORMATION – GROUP (continued)

Primary reporting format - business segments (continued)

2008	Plantation	Property	Industrial	Motors	Energy and Utilities	General trading, services and others	Elimination	Group
Balance sheet								
Segment assets	11,638.5	4,424.2	4,530.9	3,475.3	2,484.8	560.3	(39.9)	27,074.1
Jointly controlled entities and associates	488.6	448.5	50.1	21.9	29.4	72.6	-	1,111.1
Non-current assets held for sale	-	0.1	2.1	11.7	-	6.7	-	20.6
Tax assets								976.4
Other assets								6,790.5
Total assets								<u>35,972.7</u>
Segment liabilities	1,625.0	807.3	1,943.9	1,365.7	1,463.7	375.6	(39.9)	7,541.3
Tax liabilities								1,397.5
Other liabilities								4,829.0
Total liabilities								<u>13,767.8</u>
<u>Other information</u>								
Capital expenditure	841.4	73.4	721.0	266.9	194.1	58.8	-	2,155.6
Depreciation and amortisation	295.5	49.2	186.7	98.3	64.0	33.7	-	727.4
Amortisation of prepaid lease rentals	59.5	2.7	0.5	4.2	5.0	0.1	-	72.0
Impairment losses	4.5	-	7.6	26.0	-	23.1	-	61.2
Reversal of impairment losses	0.3	-	-	0.4	-	-	-	0.7
Other non-cash expenses	28.1	29.1	36.7	27.1	46.2	15.7	-	182.9

43 SEGMENT INFORMATION – GROUP (continued)

Primary reporting format - business segments (continued)

2007	Plantation	Property	Industrial	Motors	Energy and Utilities	General trading, services and others	Elimination	Group
Revenue								
External revenue	8,164.7	1,693.6	6,668.9	7,017.1	2,300.5	2,385.4	-	28,230.2
Intersegment revenue	10.4	36.0	10.4	3.2	15.1	122.3	(197.4)	-
Total revenue	<u>8,175.1</u>	<u>1,729.6</u>	<u>6,679.3</u>	<u>7,020.3</u>	<u>2,315.6</u>	<u>2,507.7</u>	<u>(197.4)</u>	<u>28,230.2</u>
Results								
Operating segment results	1,620.6	505.0	644.9	63.1	221.5	30.6	-	3,085.7
Gain on disposal of								
- subsidiaries, associates and investments	2.4	-	0.7	64.4	433.3	8.8	-	509.6
- properties and prepaid lease rentals	107.1	91.2	-	0.7	-	-	-	199.0
Impairment of								
- property, plant and equipment	(13.2)	-	(1.2)	(19.1)	-	(1.1)	-	(34.6)
- associates	(24.0)	-	-	-	-	(17.0)	-	(41.0)
- investments	(0.5)	-	-	-	-	(0.2)	-	(0.7)
Reorganisation expenses	-	-	-	-	-	(2.2)	-	(2.2)
Segment results	<u>1,692.4</u>	<u>596.2</u>	<u>644.4</u>	<u>109.1</u>	<u>654.8</u>	<u>18.9</u>	<u>-</u>	<u>3,715.8</u>
Unallocated corporate expenses and income								(125.2)
Operating profit								<u>3,590.6</u>
Share of results of jointly controlled entities and associates	9.6	45.7	11.9	(0.1)	28.0	17.2	-	112.3
Profit before interest and tax								3,702.9
Finance income								181.7
Finance costs								<u>(312.4)</u>
Profit before tax								3,572.2
Tax expense								<u>(889.1)</u>
Profit for the year								<u>2,683.1</u>

43 SEGMENT INFORMATION – GROUP (continued)

Primary reporting format – business segments (continued)

2007	Plantation	Property	Industrial	Motors	Energy and Utilities	General trading, services and others	Elimination	Group
Balance sheet								
Segment assets	10,737.4	3,848.1	3,760.7	3,287.3	2,052.5	566.6	(120.2)	24,132.4
Jointly controlled entities and associates	450.9	414.5	46.7	41.3	15.5	63.5	-	1,032.4
Non-current assets held for sale	-	2.2	-	-	-	783.3	-	785.5
Tax assets								782.4
Other assets								6,481.1
Total assets								<u>33,213.8</u>
Segment liabilities	1,075.5	805.4	1,422.6	1,347.7	1,161.4	331.9	(120.2)	6,024.3
Liabilities associated with non-current assets held for sale	-	-	-	-	-	178.7	-	178.7
Tax liabilities								1,251.9
Other liabilities								6,204.8
Total liabilities								<u>13,659.7</u>
<u>Other information</u>								
Capital expenditure	585.8	51.6	474.4	171.5	166.9	51.6	-	1,501.8
Depreciation and amortisation	299.2	38.9	140.3	88.3	72.9	37.8	-	677.4
Amortisation of prepaid lease rentals	55.1	1.1	2.0	6.9	4.8	0.7	-	70.6
Impairment losses	35.7	-	7.2	19.1	-	26.1	-	88.1
Reversal of impairment losses	8.2	24.3	0.5	-	-	-	-	33.0
Other non-cash expenses	16.0	34.0	26.8	68.9	9.6	29.1	-	184.4

43 SEGMENT INFORMATION – GROUP (continued)

Secondary reporting format – geographical segments

Revenue is analysed by the country in which the customers were located. Segment assets and capital expenditure are classified on the basis of the location of the assets.

	External revenue		Segment assets		Capital expenditure	
	2008	2007	2008	2007	2008	2007
Malaysia	12,575.3	10,072.7	15,390.8	13,929.6	672.3	595.6
Indonesia	2,304.6	1,377.8	2,702.7	2,837.0	354.6	183.4
Singapore	3,490.3	2,790.8	1,754.3	1,494.1	94.5	74.6
China	3,781.9	3,692.2	1,725.9	1,270.7	166.9	81.0
Australia	4,937.0	4,847.9	2,935.1	2,468.5	546.4	437.0
Europe	1,871.6	1,361.3	862.9	505.4	182.8	14.3
Other countries	5,084.0	4,087.5	1,702.4	1,627.1	138.1	115.9
	34,044.7	28,230.2	27,074.1	24,132.4	2,155.6	1,501.8
Jointly controlled entities and associates			1,111.1	1,032.4		
Non-current assets held for sale			20.6	785.5		
Tax assets			976.4	782.4		
Other assets			6,790.5	6,481.1		
Total assets			35,972.7	33,213.8		

The following is an analysis of the Group's segment results by the country in which the Group's operations were located.

Segment results	2008	2007
Malaysia	3,087.5	1,992.9
Indonesia	1,262.9	362.2
Singapore	225.0	567.7
China	186.7	165.8
Australia	467.2	469.4
Europe	(10.3)	74.2
Other countries	148.8	83.6
	5,367.8	3,715.8
Unallocated corporate expenses and income	(229.5)	(125.2)
Operating profit	5,138.3	3,590.6
Share of results of jointly controlled entities and associates	110.0	112.3
Profit before interest and tax	5,248.3	3,702.9
Finance income	225.5	181.7
Finance costs	(267.4)	(312.4)
Profit before tax	5,206.4	3,572.2
Tax expense	(1,453.9)	(889.1)
Profit for the year	3,752.5	2,683.1

44 DISCLOSURE OF SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions other than those disclosed in Notes 7, 8 and 9 are as follows:

	Group		Company	
	2008	2007	2008	2007
(a) Transactions with subsidiaries				
Commissions and management fees income, and sales of goods	-	-	202.9	390.2
Purchase of goods	-	-	13.2	59.7
(b) Transactions with associates				
Tolling fees and sales to				
Cognis Oleochemicals (M) Sdn Bhd	18.0	10.0	-	-
Provision of marine equipment and services to subsidiaries of Jaya Holdings Limited	-	1.5	-	-
Provision of IT services to Sime Kansai Paints Sdn Bhd	0.1	0.2	-	-
Rental income from				
- FG Wilson Asia Pte Ltd	0.4	0.3	-	-
- KN Sime Logistics Sdn Bhd	-	0.9	-	-
Forwarding services rendered by KN Sime Logistics Sdn Bhd	2.7	3.4	-	-
Insurance services rendered by				
Union Sime Darby (Thailand) Ltd	2.3	1.6	-	-
Progress billings for properties under construction acquired from Artesian Investments Pte Ltd	2.4	1.6	-	-
Purchase of products and services from Chubb Singapore Private Limited	-	0.1	-	-
Rental of land from I&P Seriemas Sdn Bhd	21.1	9.7	-	-
(c) Transactions with subsidiaries' minority shareholders				
Sales of goods and performance of services by Chubb Malaysia Sendirian Berhad to Gunnebo Holdings APS and its related companies	17.7	15.7	-	-
Procurement of motor vehicles and their components, accounting and ancillary services by Ford Malaysia Sdn Bhd from Ford Motor Company and its related companies	47.6	105.3	-	-
Procurement of motor vehicles by Sime Darby Auto Imports Sdn Bhd from Ford Motor Company and its related companies	10.4	-	-	-
Royalty payment and procurement of Completely Knocked-Down (CKD) packs, Completely Built-Up cars and ancillary services by Inokom Corporation Sdn Bhd (ICSB) from Hyundai Motor Company (HMC)	111.3	120.4	-	-
Procurement of CKD motor vehicle components by ICSB from Hyundai Motor India Ltd, subsidiary of HMC	2.7	2.8	-	-
Purchase of agricultural tractors, engines and parts by Sime Kubota Sdn Bhd from Kubota Corporation	23.3	21.3	-	-
Procurement of management and technical advice and purchase of raw materials by Sime Rengo Packaging (M) Sdn Bhd from Rengo Co Ltd	0.4	2.6	-	-
Purchase of goods by Sime Rengo Packaging Singapore Limited from Rengo Co Ltd	0.9	4.8	-	-
Procurement of hotel operation management and technical advice by Syarikat Malacca Straits Inn Sdn Bhd from Hotel Equatorial (M) Sdn Bhd's subsidiary, Hotel Equatorial Management Sdn Bhd	1.6	1.4	-	-

44 DISCLOSURE OF SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

	Group		Company	
	2008	2007	2008	2007
(d) Transactions with companies in which a director of a subsidiary has equity interest				
Purchase of products and services by Otofin Sdn Bhd (OSB) from Otofin Power (Johor) Sdn Bhd (OPJ) and Maresqsue Sdn Bhd (MSB). Mr. Toh Hong Hooi, is a director and minority shareholder of OSB and has equity interest in OPJ and MSB.	-	0.7	-	-
Rental of premises by OSB from Kartika Gemilang Sdn Bhd (KGSB). Mr Tan Hong Hooi is also a shareholder of KGSB	0.5	0.6	-	-
(e) Transactions with a firm in which a close family member of a director of the Company is a partner				
Engineering and consultancy services rendered by Fadlullah and Associates Consulting Engineers, a firm in which a close family member of Dato' Mohamed Sulaiman is a partner	1.4	1.1	-	-
(f) Remuneration of directors and key management personnel				
Salary and other emoluments	24.6	15.2	8.5	14.4
Estimated monetary value of benefits by way of usage of the Group's and Company's assets	0.6	0.7	0.1	0.7

There were no material contracts subsisting as at 30 June 2008 or if not then subsisting, entered into since the end of the previous year by the Company or its subsidiaries which involved the interests of Directors or substantial shareholders.

The outstanding balances with subsidiaries are shown in Note 18 and the significant outstanding balances with other related parties as at 30 June are as follows:

	Group		Company	
	2008	2007	2008	2007
(a) Amount owing by associates				
KN Sime Logistics Sdn Bhd	-	1.6	-	-
Artesian Investments Pte Ltd	9.4	32.6	-	-
I&P Seriemas Sdn Bhd	49.4	49.4	-	-
(b) Amount owing by/(to) subsidiaries' minority shareholders				
Gunnebo Holdings APS and its related companies	3.2	2.9	-	-
Rengo Co Ltd	-	(0.6)	-	-
Kubota Corporation	(4.4)	(2.1)	-	-
Ford Motor Company and its related companies	(0.8)	(4.6)	-	-
(c) Amount owing to a firm in which a close family member of a director of the Company is a partner				
Fadlullah and Associates Consulting Engineers	0.6	0.4	-	-

All outstanding balances are unsecured and repayable within normal credit periods.

45 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, credit risk, and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. Financial risk management is carried out through risk reviews, internal control systems, insurance programs and adherence to Group's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain exposures. The Group does not trade in these derivative financial instruments.

Foreign currency exchange risk

The Group is exposed to currency risk as a result of the foreign currency transactions entered into by subsidiaries in currencies other than their functional currency. These companies enter into forward foreign exchange contracts to limit their exposure on foreign currency receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies.

The Group is also exposed to currency translation risk arising from its net investments in foreign subsidiaries, jointly controlled entities and associates, which is not hedged due to the long-term nature of those investments.

Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure which arises from certain of the Group's borrowings is managed through the use of fixed and floating debt and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

Credit risk

Credit risk arises when derivative instruments are used or sales made on credit terms. The Group seeks to control credit risk by dealing with customers of appropriate credit history. Where appropriate, guarantees or securities are obtained to limit credit risk. Sales to customers are usually suspended when earlier amounts are overdue exceeding 180 days.

The Group seeks to invest cash assets safely and profitably in reputable financial institutions. The Group considers the risk of material loss in the event of non-performance by these financial institutions to be unlikely.

The maximum exposure to credit risk for the Group and Company is represented by the carrying amount of each financial asset and in respect of derivative financial instruments, as disclosed in Note 45(e). At the balance sheet date, there were no significant concentrations of credit risk.

Liquidity and cash flow risk

The Group adopts prudent liquidity risk management by maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities.

(b) Fair value estimation for disclosure purposes

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Short term financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

Investments

The fair values of some investments are estimated based on quoted market prices for those or similar investments. For other investments for which there are no quoted market prices, fair values are estimated based on suitable investment valuation methodology such as price to earnings ratio and discounted cash flows.

Long-term financial instruments

The fair value of the Group's long term financial instruments is estimated by discounting the future contractual cash flows at the current market rate available to the Group for similar instruments.

45 FINANCIAL INSTRUMENTS (continued)

(b) Fair value estimation for disclosure purposes (continued)

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.

The fair value of forward commodities contracts is obtained from the statement provided by the broker.

(c) Currency profile of major financial assets and financial liabilities:

Group 2008	Denominated in other than functional currencies							Denominated in functional currencies	Total
	United States dollar	Australian dollar	European Union euro	Qatar riyal	New Zealand dollar	Singapore dollar	Others		
Investments	-	-	-	-	-	-	-	316.8	316.8
Trade receivables (net)	369.5	8.6	11.5	12.4	10.7	1.3	45.7	3,055.2	3,514.9
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	479.5	479.5
Bank balances, deposits and cash	125.0	223.0	185.3	0.3	73.4	344.0	19.7	5,023.5	5,994.2
Long-term borrowings	(747.9)	-	-	-	-	-	-	(2,441.2)	(3,189.1)
Short-term borrowings	(70.5)	-	-	-	-	-	-	(1,569.4)	(1,639.9)
Trade payables	(309.0)	(6.2)	(114.1)	(0.2)	-	(9.7)	(15.7)	(3,194.3)	(3,649.2)
	(632.9)	225.4	82.7	12.5	84.1	335.6	49.7	1,670.1	1,827.2
2007									
Investments	-	-	-	-	-	-	-	389.2	389.2
Trade receivables (net)	354.2	2.0	12.8	74.8	1.7	49.9	11.1	2,622.1	3,128.6
Cash held under Housing Development Accounts	-	-	-	-	-	-	-	425.9	425.9
Bank balances, deposits and cash	450.5	191.1	17.6	6.1	37.3	40.5	28.8	4,894.1	5,666.0
Long-term borrowings	(177.9)	-	-	-	-	-	-	(3,528.9)	(3,706.8)
Short-term borrowings	(725.3)	-	-	-	-	-	-	(1,674.0)	(2,399.3)
Trade payables	(140.2)	(1.2)	(31.4)	(0.2)	(0.4)	(19.7)	(40.3)	(2,674.4)	(2,907.8)
	(238.7)	191.9	(1.0)	80.7	38.6	70.7	(0.4)	454.0	595.8

The financial assets and financial liabilities of the Company are denominated mainly in Ringgit Malaysia, the functional currency of the Company.

45 FINANCIAL INSTRUMENTS (continued)

(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.

As at balance sheet date, forward foreign exchange contracts have been entered into with the following notional amounts and maturities:

Group 2008	Maturities		Total
	Within 1 year	1 year or more	
Forward contracts used to hedge anticipated sales			
- United States dollar	257.3	642.7	900.0
- European Union euro	72.0	-	72.0
- Qatar riyal	103.6	-	103.6
- Japanese yen	6.2	-	6.2
- Others	1.6	-	1.6
	440.7	642.7	1,083.4
Forward contracts used to hedge receivables			
- United States dollar	285.5	-	285.5
- European Union euro	9.8	-	9.8
- Qatar riyal	12.4	-	12.4
- Japanese yen	1.7	-	1.7
- Pound sterling	6.4	-	6.4
	315.8	-	315.8
Forward contracts used to hedge anticipated purchases			
- United States dollar	568.0	-	568.0
- Australian dollar	12.7	-	12.7
- European Union euro	438.6	-	438.6
- Singapore dollar	25.7	-	25.7
- Japanese yen	81.7	-	81.7
- Pound sterling	51.0	-	51.0
	1,177.7	-	1,177.7
Forward contracts used to hedge payables			
- United States dollar	305.3	-	305.3
- Australian dollar	3.2	-	3.2
- European Union euro	113.2	-	113.2
- Singapore dollar	8.5	-	8.5
- Japanese yen	7.5	-	7.5
- Pound sterling	7.9	-	7.9
- Others	0.5	-	0.5
	446.1	-	446.1
Total	2,380.3	642.7	3,023.0

45 FINANCIAL INSTRUMENTS (continued)

(d) Off balance sheet financial instruments (continued)

(i) Forward foreign exchange contracts (continued)

Group 2007	Maturities		Total
	Within 1 year	1 year or more	
Forward contracts used to hedge anticipated sales			
- United States dollar	607.6	748.3	1,355.9
- Qatar riyal	80.9	-	80.9
- Pound sterling	5.4	-	5.4
	<u>693.9</u>	<u>748.3</u>	<u>1,442.2</u>
Forward contracts used to hedge receivables			
- United States dollar	311.8	-	311.8
- European Union euro	1.7	-	1.7
- Qatar riyal	71.1	-	71.1
- Japanese yen	8.6	-	8.6
- Others	5.3	-	5.3
	<u>398.5</u>	<u>-</u>	<u>398.5</u>
Forward contracts used to hedge anticipated purchases			
- United States dollar	512.1	19.7	531.8
- Australian dollar	23.7	-	23.7
- European Union euro	251.5	0.1	251.6
- Singapore dollar	34.5	-	34.5
- Japanese yen	61.0	-	61.0
- Pound sterling	33.1	-	33.1
- Others	1.4	-	1.4
	<u>917.3</u>	<u>19.8</u>	<u>937.1</u>
Forward contracts used to hedge payables			
- United States dollar	95.9	-	95.9
- European Union euro	1.0	2.9	3.9
- Singapore dollar	10.1	-	10.1
- Japanese yen	18.1	-	18.1
- Pound sterling	7.9	-	7.9
- Others	5.1	-	5.1
	<u>138.1</u>	<u>2.9</u>	<u>141.0</u>
Total	<u>2,147.8</u>	<u>771.0</u>	<u>2,918.8</u>

45 FINANCIAL INSTRUMENTS (continued)

(d) Off balance sheet financial instruments (continued)

(i) Forward foreign exchange contracts (continued)

Company 2008	Maturities		Total
	Within 1 year	1 year or more	
Forward contracts used to hedge anticipated purchases			
- United States dollar	-	-	-
2007			
Forward contracts used to hedge anticipated purchases			
- United States dollar	5.5	-	5.5

(ii) Interest rate swaps

The Group has entered into interest rate swap contracts to convert floating rate liabilities to fixed rate liabilities and vice versa to reduce the Group's exposure from adverse fluctuations in interest rates on underlying debt instruments. The differences between the rates calculated by reference to the agreed notional principal amounts are exchanged at periodic intervals. The interest rate swap contracts as at balance sheet date are as follows:

Interest rate swap	Notional amount	Notional amount in original currency	Effective period	Weighted average rate per annum
CMS spread range accrual swap	684.6	USD210 million	28 February 2008 to 29 February 2012	4.70% - 4.80%
LIBOR range accrual swap	489.0	USD150 million	28 February 2008 to 28 February 2009	5.10% - 5.55%
			28 February 2009 to 29 February 2012	Floating but capped at 6.00%
Plain vanilla	4.6	USD1.4 million	27 July 2006 to 26 July 2010	6.43%
CMS spread range accrual swap	20.4	USD6.2 million	27 July 2007 to 26 July 2010	5.60%
Plain vanilla	20.4	USD6.2 million	27 July 2006 to 26 July 2010	6.43%
Plain vanilla	48.9	USD15 million	30 November 2004 to 28 November 2008	3.57%
Plain vanilla	43.5	THB444.45 million	7 June 2006 to 25 November 2009	6.38%
Plain vanilla	40.0	RM40 million	19 March 2004 to 18 March 2011	6 month KLIBOR + 1.80%
Plain vanilla	652.0	USD200 million	27 June 2009 (yet to commence) to 27 December 2012	4.46%

On 2 July 2007, a subsidiary entered into a 3-year interest rate collar arrangement for its AUD80.0 million term loan with a ceiling rate of 9.5% and a floor rate of 3.5% per annum.

45 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.

(e) Fair value

The carrying amounts and fair values of financial assets and liabilities of the Group and Company at the balance sheet date were as follows:

	Group		Company	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
2008				
Investments (net)				
- Quoted shares	60.6	65.2	-	-
- Unquoted shares	256.2	282.1	2.0	2.4
Trade and other receivables				
- Redeemable loan stocks	177.2	163.6	-	-
2007				
Investments (net)				
- Quoted shares	7.6	16.0	6.4	14.4
- Unquoted shares	381.6	503.2	228.5	228.6
Financial liabilities				
2008				
Borrowings				
- Term loans	2,253.7	2,253.7	-	-
- Bai' Bithaman Ajil	16.7	16.7	16.7	16.7
- Cumulative subordinated unconvertible redeemable loan stocks	37.4	41.0	-	-
- Al Murabahah Medium Term Notes	1,400.0	1,393.2	1,000.0	999.5
2007				
Borrowings				
- Term loans	3,322.8	3,323.4	190.0	190.0
- Bai' Bithaman Ajil	81.9	82.3	81.9	82.3
- Series B Redeemable convertible preference shares	23.1	23.1	23.1	23.1
- Cumulative subordinated unconvertible redeemable loan stocks	37.4	47.6	-	-
- Al Murabahah Medium Term Notes	1,400.0	1,420.0	1,000.0	1,013.5

45 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 and Company as at the end of the year are as follows:

2008	Group		Company	
	Notional amount	Net fair value	Notional amount	Net fair value
Forward foreign exchange contracts	3,023.0	4.0	-	-
Interest rate swaps	1,351.4	(19.3)	-	-
2007				
Forward foreign exchange contracts	2,918.8	48.2	5.5	-
Interest rate swaps	2,112.3	21.6	-	-
Forward commodities contracts [note (i)]	1,501.5	(77.5)	-	-

(i) Forward commodities contracts

The Group entered into commodity future and forward contracts 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. The negative fair value in the previous year relates to contracts entered not for the Group's usage requirements.

46 COMPARATIVE FIGURES

As described in Note 1(a), the Group has applied the predecessor method of merger accounting in the consolidated financial statements by incorporating the results and financial positions of the Merged Entities as if the merger had been effected throughout the current and previous years. The Company has also applied this method of accounting in its separate financial statements by incorporating the results and balances of businesses acquired under common control.

Although the Company was incorporated on 7 November 2006, for comparative purposes and in accordance with the predecessor method of merger accounting, a twelve (12) months period comparative figures are presented.

47 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.

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries					
Agri-Bio Corporation Sdn Bhd	Manufacturing and marketing of rat baits and trading in agricultural equipment	Malaysia	100.0	100.0	1
Austral Edible Oil Sdn Bhd	Palm oil refining	Malaysia	60.0	60.0	1
Austral Enterprises Berhad	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Barat Estates Sendirian Berhad	Grass turfing contractor	Malaysia	100.0	100.0	1
Chartquest Sdn Bhd	Production and processing of palm oil and palm kernel	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
Derawan Sdn Bhd	Oil palm cultivation	Malaysia	100.0	100.0	1
Golden Hope Agrotech Consultancy Sdn Bhd	Provision of agricultural consultancy services	Malaysia	100.0	100.0	1
Golden Hope Food & Beverages Sdn Bhd	Fruit cultivation and processing	Malaysia	100.0	100.0	1
Golden Hope Overseas Plantations Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Golden Hope Overseas Sdn Bhd	Investment holding	Malaysia	100.0	60.0	1
Golden Hope Plantations (Sabah) Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Golden Hope Plantations (Sarawak) Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Golden Jomalina Food Industries Sdn Bhd	Palm oil refining	Malaysia	100.0	100.0	1
Guthrie International Investments (L) Limited	Investment holding	Malaysia	100.0	100.0	1
Guthrie Siam Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Guthrie Tapis Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
HRU Sdn Bhd	Production and sale of oil palm seeds, seedlings and rat baits	Malaysia	100.0	54.5	1
Kempas Edible Oil Sendirian Berhad	Palm oil refining and fractionation; and manufacturing and marketing of specialty and end user fats	Malaysia	100.0	100.0	1
Kumpulan Jelei Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Kumpulan Jerai Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Kumpulan Kamuning Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries (continued)					
Kumpulan Ladang- Ladang Rajawali Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Kumpulan Linggi Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	100.0	1
Kumpulan Sua Betong Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	54.5	1
Kumpulan Tebong Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	54.5	1
Kumpulan Temiang Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	100.0	57.9	1
Mostyn Palm Oil Processing Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Perkhidmatan Komputer Perladangan Sdn Bhd	Computer consultancy services	Malaysia	100.0	100.0	1
Sahua Enterprise Sdn Bhd	Production and processing of of palm oil and palm kernel	Malaysia	100.0	100.0	1
Sime Aerogreen Technology Sdn Bhd	Production and marketing of aeroponic vegetables	Malaysia	100.0	100.0	1
Sime Consulting Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Biodiesel Sdn Bhd (formerly known as Golden Hope Biodiesel Sdn Bhd)	Production of biodiesel	Malaysia	100.0	100.0	1
Sime Darby Bioganic Sdn Bhd (formerly known as Golden Hope Bioganic Sdn Bhd)	Manufacturing of Palm Tocotrienol Vitamin E	Malaysia	100.0	100.0	1
Sime Darby Biotech Laboratories Sdn Bhd (formerly known as Guthrie Biotech Laboratory Sdn Bhd)	Research and cloning of oil palm	Malaysia	100.0	100.0	1
Sime Darby Foods Marketing Sdn Bhd (formerly known as Modern Corner Sdn Bhd)	Marketing of food and agri-business products	Malaysia	100.0	-	1
Sime Darby Futures Trading Sdn Bhd	Commodity trading	Malaysia	100.0	100.0	1
Sime Darby Latex Sdn Bhd (formerly known as Golden Hope Latex Sdn Bhd)	Manufacture of latex concentrate	Malaysia	100.0	100.0	1
Sime Darby Livestock Sdn Bhd (formerly known as PNB Enterprise Sdn Bhd)	Cattle rearing	Malaysia	75.0	75.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries (continued)					
Sime Darby Plantation Sdn Bhd (formerly known as Sime Plantations Sdn Bhd)	Oil palm cultivation and palm oil and palm kernel production	Malaysia	100.0	100.0	1
Sime Darby Plantations (Peninsular) Sdn Bhd (formerly known as Golden Hope Plantations (Peninsular) Sdn Bhd)	Production and processing of palm oil, palm kernel, rubber and copra	Malaysia	100.0	100.0	1
Sime Darby Research Sdn Bhd (formerly known as Golden Hope Research Sdn Bhd)	Research services	Malaysia	100.0	100.0	1
Sime Darby Seeds & Agricultural Services Sdn Bhd (formerly known as Guthrie Plantation & Agricultural Services Sdn Bhd)	Plantation consultancy services and production and sale of oil palm seeds, seedlings and rat baits	Malaysia	100.0	100.0	1
Sime Darby Technology Centre Sdn Bhd	Research and development	Malaysia	100.0	100.0	1
Sime Farms Sdn Bhd	Agriculture related business	Malaysia	100.0	100.0	1
Tegas Setia Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
The China Engineers (Malaysia) Sdn Bhd	General trading	Malaysia	100.0	100.0	1
The Glengowrie Rubber Company Sdn Bhd	Production of oil palm and rubber and land development	Malaysia	89.7	89.7	1
Wangsa Mujur Sdn Bhd	Production and processing of palm oil and palm kernel	Malaysia	72.5	72.5	1
PT Aneka Intipersada	Production 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	Production and processing of palm oil and palm kernel	Indonesia	99.0	99.0	2
PT Bersama Sejahtera Sakti	Production and processing of palm oil and palm kernel	Indonesia	91.1	91.1	2
PT Bhumireksa Nusasejati	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Bina Sains Cemerlang	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Budidaya Agro Lestari	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Guthrie Pecconina Indonesia	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries (continued)					
PT Indotruba Tengah	Production 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	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Ladangrumpun Suburabadi	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Laguna Mandiri	Production and processing of palm oil and palm kernel	Indonesia	88.6	88.6	2
PT Lahan Tani Sakti	Oil palm and rubber cultivation	Indonesia	100.0	100.0	2
PT Langgeng Muaramakmur	Production 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	Production 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	Production and processing of palm oil and palm kernel	Indonesia	75.5	75.5	2
PT Paripurna Swakarsa	Production and processing of palm oil and palm kernel	Indonesia	93.5	93.5	2
PT Perkasa Subur Sakti	Processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala	Production and processing of palm oil and palm kernel	Indonesia	75.5	75.5	2
PT Sajang Heulang	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Sandika Natapalma	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Sime Indo Agro	Oil palm cultivation	Indonesia	100.0	100.0	2
PT Sritijaya Abaditama	Investment holding	Indonesia	60.0	60.0	2
PT Swadaya Andika	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Tamaco Graha Krida	Production and processing of palm oil and palm kernel	Indonesia	90.0	90.0	2
PT Teguh Sempurna	Production and processing of palm oil and palm kernel	Indonesia	100.0	100.0	2
PT Tunggal Mitra Plantations	Production and processing of palm oil and palm kernel	Indonesia	60.0	60.0	2
Edible Products Limited	Investment holding	Singapore	100.0	100.0	2
Kwang Joo Seng (Malaysia) Private Limited	Royalty and rental income	Singapore	100.0	100.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries (continued)					
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
Golden Hope International Investments	Investment holding	Cayman Islands	100.0	100.0	5
Golden Hope Investments	Investment holding	Cayman Islands	100.0	100.0	5
Golden Hope Investments (Asia Pacific)	Investment holding	Cayman Islands	100.0	60.0	5
Golden Hope Plantations (Deutschland) GmbH	Investment holding	Germany	100.0	100.0	3
Paul Tiefenbacher GmbH	Trading and marketing	Germany	100.0	100.0	2
Golden Hope Investments (Europe) S.à.r.l	Investment holding	Luxembourg	100.0	100.0	3
Golden Hope Overseas Capital	Investment holding	Mauritius	100.0	100.0	3
Clean Energy BV	Production and sale of biodiesel	Netherlands	100.0	100.0	2
Golden Hope Netherlands BV	Investment holding	Netherlands	100.0	100.0	2
Mulligan International BV	Investment holding	Netherlands	100.0	100.0	2
Unimills BV	Edible oils refining	Netherlands	100.0	100.0	2
Hudson & Knight (Proprietary) Limited	Bakery fats and edible oils refining	South Africa	100.0	100.0	2
Morakot Industries Public Company Limited	Manufacture and marketing of cooking oil	Thailand	99.9	99.9	3
Sime-Morakot Holdings (Thailand) Limited	Investment holding	Thailand	100.0	100.0	3
The China Engineers (Thailand) Limited	Investment holding	Thailand	99.9	99.9	3
Golden Hope-Nhabe Edible Oils Co Ltd	Edible oils refining	Vietnam	51.0	30.6	3
Aspen Timur Sdn Bhd	Dormant	Malaysia	60.0	60.0	1
Avidat Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Binuang Palm Oil Refinery Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Chemara Laboratories Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Eminent Platform Sdn Bhd	Dormant	Malaysia	100.0	-	1
Epic Products Berhad	Dormant	Malaysia	100.0	100.0	1
Glengowrie Properties Sdn Bhd	Dormant	Malaysia	89.7	89.7	1
Golden Hope Fruit Industries Sdn Bhd	Dormant	Malaysia	100.0	100.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries (continued)					
Guthrie Export Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Industries Malaysia Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Pekan Plantations Sdn Bhd	Dormant	Malaysia	100.0	54.5	1
Prolific Image Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sanguine (Malaysia) Sdn Bhd	Dormant	Malaysia	100.0	54.5	1
Selatan Estates Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Sharikat Hadapan Berhad	Dormant	Malaysia	100.0	100.0	1
Sime Aerogreen Research Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Biofuels Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Plantation Academy Sdn Bhd (formerly known as Golden Hope Academy Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Sincere Outlook Sdn Bhd	Dormant	Malaysia	100.0	-	1
Surfactants (Malaysia) Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Tengah Estates Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Tohunsug Plantations Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
PT Golden Hope Nusantara	Dormant	Indonesia	100.0	100.0	2
PT Guthrie Abdinusa Industri	Dormant	Indonesia	70.0	70.0	2
Sime Darby China Oils & Fats Company Limited	Dormant	Hong Kong SAR	100.0	-	2
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

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Subsidiaries (continued)					
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 Estate Plc	Dormant	United Kingdom	100.0	100.0	3
Sime Health Limited	Dormant	United States of America	100.0	100.0	2
Sepang Nilai Estate Sdn Bhd	Liquidated	Malaysia	-	54.5	5
Tennamaram Biomass Sdn Bhd	In voluntary liquidation	Malaysia	-	70.0	5
PLANTATION - Associates					
Boustead Bulking Sdn Bhd	Bulking and marketing facilities to edible oil producers and millers	Malaysia	32.0	21.1	3
Cognis Oleochemicals (M) Sdn Bhd	Investment holding, production and sales of methylesters, fatty alcohols, specialty chemicals and refined glycerine; and the import and distribution of chemicals for the cosmetics, toiletries, detergent, plastic, paint and textile industries	Malaysia	50.0	50.0	3
Cognis Rika (M) Sdn Bhd	Production and sales of fatty alcohols	Malaysia	27.5	27.5	3
Tenom Crumb Sdn Bhd	Processing of latex, rubber and scrap	Malaysia	49.0	49.0	3
Nescaya Maluri Sdn Bhd	Investment holding and licensing	Malaysia	40.0	40.0	3
Leverian Holdings Pte Limited	Investment holding	Singapore	40.0	40.0	3
Cognis Oleochemicals Trading (Shanghai) Co Limited	Trading in oleochemical	China	50.0	50.0	3
Cognis Oleochemicals HK Limited	Investment holding and trading in oleochemical	Hong Kong SAR	50.0	50.0	3

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PLANTATION - Associates (continued)					
Bangladesh Edible Oil Limited	Operation of edible oil refineries	Bangladesh	40.0	40.0	3
Intertrade (Bangladesh) Pte Limited	Rental of oil tanks and trading in edible oils	Bangladesh	40.0	40.0	3
Cognis Importacao eComercio Oleoquimica Ltda	Trading in oleochemical	Brazil	50.0	50.0	3
Cognis Oleochemicals GmbH	Production and trading in oleochemical	Germany	50.0	50.0	3
Cognis Oleochemicals Japan Ltd	Trading in oleochemical	Japan	50.0	50.0	3
Muang Mai Guthrie Public Co Ltd	Processing and distribution of rubber	Thailand	49.0	49.0	3
Savola Morocco S.A.	Production and sales of edible oils	Morocco	-	25.0	3
Cognis Oleochemicals UK Limited	Investment holding and trading in oleochemicals products	United Kingdom	50.0	50.0	3
Asian Furs Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Cognis Kimianika (M) Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Cognis Oleochemical Marketing (M) Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Gruhom (M) Sdn Bhd	Dormant	Malaysia	50.0	50.0	3
Guangzhou Keylink Chemicals Co Ltd	Dormant	China	36.0	36.0	3
Cognis Oleochemicals Canada Ltd	Dormant	Canada	50.0	50.0	3
Cognis Oleochemicals LLC	Dormant	United States of America	50.0	50.0	3
PROPERTY - Subsidiaries					
Accord Shipping & Forwarding Sdn Bhd	Property development	Malaysia	100.0	79.0	1
Alor Setia Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Augsburg (M) Sdn Bhd	Property development	Malaysia	100.0	79.0	1
Caring Skyline Sdn Bhd	Property development and management	Malaysia	100.0	100.0	1
Constant Skyline Sdn Bhd	Property development and management	Malaysia	100.0	100.0	1
CPB Properties Sdn Bhd	Property management and related activities	Malaysia	100.0	100.0	1
Ecopuri Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Genting View Resort Management Sdn Bhd	Resort management	Malaysia	50.7	50.7	1
Golden Hope Builders Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Subsidiaries (continued)					
Golden Hope Properties (Sabah) Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Golden Hope Properties (Selangor) Sdn Bhd	Property development and investment holding	Malaysia	100.0	100.0	1
Golfhome Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Golftek Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Guthrie Landscaping Sdn Bhd	Horticultural supplies, landscape and design consultants and civil works	Malaysia	100.0	100.0	1
Guthrie Lukut Development Sdn Bhd	Property development	Malaysia	100.0	79.0	1
Guthrie Property Management Sdn Bhd	Real estate and property management	Malaysia	100.0	79.0	1
Guthrie Ropel Development Sdn Bhd	Property development and cultivation of oil palm	Malaysia	100.0	57.9	1
Harvard Golf Resort (Jerai) Berhad	Operation of golf club	Malaysia	99.0	99.0	1
Harvard Hotel (Jerai) Sdn Bhd	Hotel operation	Malaysia	100.0	100.0	1
Harvard Jerai Development Sdn Bhd	Property development	Malaysia	100.0	100.0	1
Impian Golf Resort Berhad	Golfing, sporting and other recreational activities and services as well as property development	Malaysia	100.0	100.0	1
Ironwood Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Kuala Lumpur Golf & Country Club Berhad	Golfing, sporting and other recreational activities and services as well as property development	Malaysia	100.0	100.0	1
Lengkap Teratai Sdn Bhd	Property investment and development	Malaysia	100.0	51.2	1
Malaysia Land Development Company Berhad	Property investment	Malaysia	50.7	50.7	1
Melawati Development Sdn Bhd	Property development and investment holding	Malaysia	99.7	62.3	1
Negara Properties (M) Berhad	Property development and investment holding	Malaysia	99.7	62.3	1
Negara Properties Builders Sdn Bhd	Property development and investment holding	Malaysia	99.7	62.3	1
Negara Properties Landscaping Sdn Bhd	Property development and investment holding	Malaysia	99.7	62.3	1
Negara Properties Realty Sdn Bhd	Property development and investment holding	Malaysia	99.7	62.3	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Subsidiaries (continued)					
Negara Properties Services Sdn Bhd	Property development and investment holding	Malaysia	99.7	62.3	1
NP Development Sdn Bhd	Property development and investment holding	Malaysia	69.8	43.6	1
Paralimni Sdn Bhd	Property development	Malaysia	100.0	79.0	1
Prominent Acres Sdn Bhd	Property investment, development and plantation	Malaysia	100.0	75.6	1
Sime Darby Brunfield Damansara Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Darby Hills Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Holding Sdn Bhd	Property development and investment holding	Malaysia	60.0	60.0	1
Sime Darby Brunfield Kenny Hills Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Motorworld Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Project Management Sdn Bhd	Project management services	Malaysia	60.0	60.0	1
Sime Darby Brunfield Properties Holding Sdn Bhd	Investment holding	Malaysia	60.0	60.0	1
Sime Darby Brunfield Property Management Sdn Bhd	Project management services	Malaysia	60.0	60.0	1
Sime Darby Brunfield Resort Sdn Bhd	Property investment and development	Malaysia	60.0	60.0	1
Sime Darby Brunfield Resources Sdn Bhd	Property development and investment holding	Malaysia	60.0	60.0	1
Sime Darby Brunfield Taipan City Sdn Bhd	Property development	Malaysia	60.0	60.0	1
Sime Darby Industrial Properties Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Darby Land Sdn Bhd	Property development and management, project management, property investment and plantations business	Malaysia	100.0	100.0	1
Sime Darby Malaysia Bhd	Investment holding and holding of trademarks	Malaysia	100.0	100.0	1
Sime Darby Property (Langkawi) Sdn Bhd (formerly known as North Road Properties Sendirian Berhad)	Property investment	Malaysia	100.0	100.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Subsidiaries (continued)					
Sime Darby Property Berhad (formerly known as Guthrie Property Development Holding Bhd)	Investment holding, property development, general construction and provision of management and advisory services	Malaysia	100.0	79.4	1
Sime Darby Property Development Sdn Berhad	Property investment	Malaysia	100.0	100.0	1
Sime Darby Urus Harta Berhad	Property services and management	Malaysia	100.0	100.0	1
Sime Footwear (Melaka) Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sime Pilmoor Development Sdn Bhd	Property investment and development	Malaysia	100.0	100.0	1
Sime Property Holdings Sendirian Berhad	Property investment	Malaysia	100.0	100.0	1
Sime UEP (Johor) Sdn Bhd	Property investment and development	Malaysia	100.0	51.2	1
Sime UEP Building Management Services Sdn Bhd	Property management	Malaysia	100.0	51.2	1
Sime UEP Brunfield Properties Sdn Bhd	Property investment and development	Malaysia	70.0	50.5	1
Sime UEP Centre Sdn Bhd	Property investment and development	Malaysia	100.0	75.6	1
Sime UEP Development Sdn Bhd	Property investment, construction and development	Malaysia	100.0	51.2	1
Sime UEP Executive Suites Sdn Bhd	Property investment and management	Malaysia	100.0	65.8	1
Sime UEP Heights Sdn Bhd	Property investment and development	Malaysia	100.0	51.2	1
Sime UEP Homes Sdn Bhd	Property investment and development	Malaysia	100.0	51.2	1
Sime UEP Industrial Park Sdn Bhd	Property investment and development	Malaysia	100.0	51.2	1
Sime Way Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Wood Industries Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Stableford Development Sdn Bhd	Property investment	Malaysia	100.0	100.0	1
Sungai Kantan Development Sdn Bhd	Property development and investment holding	Malaysia	99.7	62.3	1
Sungei Way Development Berhad	Property investment	Malaysia	100.0	51.2	1
Syarikat Jeleta Bumi Sdn Bhd	Property development and production and processing of palm oil and palm kernel	Malaysia	100.0	54.5	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Subsidiaries (continued)					
Syarikat Malacca Straits Inn Sdn Bhd	Hotel ownership	Malaysia	55.0	55.0	1
Syarikat Pembangunan Hartanah Guthrie Sdn Bhd	Property development and investment holding	Malaysia	100.0	79.0	1
Syarikat Perumahan Guthrie Sdn Bhd	Property development and investment holding	Malaysia	100.0	79.0	1
The Eden Bungalow Association Sdn Bhd	Operation of holidays bungalows	Malaysia	100.0	100.0	1
The Whittington Hill Bungalow Association Sdn Bhd	Operation of holidays bungalows	Malaysia	100.0	100.0	1
UEP Construction Sdn Bhd	Property investment	Malaysia	100.0	51.2	1
Vicworld (M) Sdn Bhd	Property development and cultivation of oil palm	Malaysia	100.0	54.5	1
Wisma Sime Darby Sdn Berhad	Property management and related services	Malaysia	100.0	100.0	1
Alexandra Properties Limited	Property management and investment	Singapore	100.0	100.0	2
Amston Properties Private Limited	Investment holding and property investment	Singapore	100.0	100.0	2
Aquila Development Private Limited	Property investment and development	Singapore	100.0	100.0	2
Citrus Grove Properties Private Limited	Property investment and management of service residences	Singapore	100.0	100.0	2
Dunearn Properties Limited	Property management and investment	Singapore	100.0	100.0	2
Sime Darby Properties Singapore Limited (formerly known as Sime Allied Properties Limited)	Investment holding	Singapore	100.0	100.0	2
Sime Properties (Vietnam) Private Limited	Investment holding and management of service residences	Singapore	100.0	100.0	2
Sime Properties International Private Limited	Property investment and management of service apartments	Singapore	100.0	75.6	2
Singapore Properties Limited	Property investment and development	Singapore	100.0	100.0	2
Sime Darby Properties Holdings (HK) Limited (formerly known as SD Properties Holdings (HK) Limited)	Investment holding	Hong Kong SAR	100.0	100.0	2
OCI Management Pty Ltd	Security and landcare services	Australia	42.0	42.0	2
Oyster Cove International Pty Ltd	Property development	Australia	42.0	42.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Subsidiaries (continued)					
Oyster Cove Properties Pty Ltd	Property investment	Australia	42.0	42.0	2
Sime Darby Australia Limited	Investment holding, service apartment operations and management	Australia	100.0	100.0	2
Sime Darby Hotels Pty Ltd	Operations of service apartments	Australia	100.0	100.0	2
Sime Darby Resorts Pty Ltd	Management of a resort	Australia	100.0	100.0	2
Sime Darby Brunsfield Australia Pte Ltd	Property development	British Virgin Islands	60.0	60.0	2
Green East Prime Ventures, Inc	Property realty and land ownership	Philippines	63.6	63.2	3
Silvertown Property Development Corporation	Leasing of properties	Philippines	99.3	98.7	3
Sime Darby Realty Development Corporation	Property development	Philippines	99.3	98.7	3
Sime Darby London Limited	Investment holding	United Kingdom	100.0	100.0	2
Sime Management Services Limited	Property management services	United Kingdom	100.0	100.0	2
Rangdong Orange Court Limited	Property investment and management of service residences	Vietnam	65.0	65.0	2
Genting View Resort Development Sdn Bhd	Dormant	Malaysia	30.4	30.4	1
Golden Hope Heritage Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Golden Hope Properties (Melaka) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Golden Hope Properties (Perak) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Golden Hope Staff Bungalows Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Bina Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Chemara Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Dimensional Stones Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Harta (Damansara) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Wood Products Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
GVR Construction Sdn Bhd	Dormant	Malaysia	30.4	30.4	1
Malaysian Ice Berhad	Dormant	Malaysia	100.0	100.0	1
Melawati Resort Berhad	Dormant	Malaysia	99.7	62.3	1
Negara Properties Harta Sdn Bhd	Dormant	Malaysia	99.7	62.3	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Subsidiaries (continued)					
Negara Properties Leisure Management Sdn Bhd	Dormant	Malaysia	99.7	62.3	1
Negara Properties Smarthome Sdn Bhd	Dormant	Malaysia	99.7	62.3	1
Pinar Baiduri Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Puchong Quarry Sdn Bhd	Dormant	Malaysia	100.0	85.4	1
Pulau Carey Properties Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Puri Bahagia Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
R&W Management Sdn Bhd	Dormant	Malaysia	100.0	51.2	1
Sime Darby Catering Services Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby General Trading Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Land (Johor) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Resort Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Hartanah Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Healthcare Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Latex Products Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime UEP Lembah Acob Sdn Bhd	Dormant	Malaysia	100.0	51.2	1
Solarvest Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Xinjiang Sime Darby Property Co Ltd	Dormant	China	100.0	100.0	4
Bacini Cycles Pty Ltd	Dormant	Australia	100.0	100.0	2
Mortlock Distributors Pty Ltd	Dormant	Australia	100.0	100.0	2
Sime Cycle Australia Pty Ltd	Dormant	Australia	100.0	100.0	2
Sime Grove Apartments Pte Ltd	In voluntary liquidation	Singapore	-	100.0	5
PROPERTY - Jointly controlled entities					
Sime Darby Brunfield Properties Australia Pty Ltd	Investment holding	Australia	50.0	-	3
Sime Darby Brunfield International Limited (formerly known as Homme Properties Limited)	Investment holding	British Virgin Islands	50.0	-	5

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
PROPERTY - Associates					
Bitaria Sdn Bhd	Property development	Malaysia	24.0	14.9	3
Brunsfeld Embassyview Sdn Bhd	Property management and related services	Malaysia	30.0	30.0	3
I&P Morib Sdn Bhd	Property development	Malaysia	28.0	28.0	3
I&P Seriemas Sdn Bhd	Property development and investment holding	Malaysia	40.0	40.0	3
Shaw Brothers (M) Sdn Bhd	Property and investment holding	Malaysia	36.0	18.4	1
PT Bhumyamca Sekawan	Light industrial and commercial property investment and management	Indonesia	49.0	49.0	3
Artesian Investments Pte Ltd	Property investment and development	Singapore	49.0	49.0	2
Bluefields Investments Pte Ltd	Property investment and development	Singapore	49.0	49.0	2
China Property Development (Holdings) Limited	Investment holding	Cayman Islands	30.4	30.4	3
Siltown Realty Philippines, Inc	Investment holding	Philippines	39.7	39.5	3
Mostyn Development Sdn Bhd	Dormant	Malaysia	30.0	30.0	3
INDUSTRIAL - Subsidiaries					
Columbia Chrome (Malaysia) Sdn Bhd	Manufacturing, re-manufacturing, repair and servicing of engine products, electroplating and chroming activities	Malaysia	100.0	100.0	1
Kiong Yu Realty Sdn Bhd	Property holding	Malaysia	100.0	100.0	1
Otofin Industries Sdn Bhd	Manufacturing and assembly of generators, agricultural and industrial machinery	Malaysia	75.0	75.0	1
Otofin Sdn Bhd	Sale and marketing of generators, agricultural and industrial machinery	Malaysia	75.0	75.0	1
Sime Darby Industrial Sdn Bhd (formerly known as Tractors Malaysia (1982) Sdn Bhd)	Sale of equipment, spare parts and service support for Caterpillar business, other material handling equipment and industrial cleaners, and supply and installation of Kawasaki co-generation systems	Malaysia	100.0	100.0	1
Sime Kubota Sdn Bhd	Assembly and distribution of Kubota range of agricultural machinery and other machinery and equipment	Malaysia	90.0	90.0	1
TMA-Joy Industries Asia Pacific Sdn Bhd	Designing and manufacturing of heat exchangers, radiators, process equipment modules, filters and separators	Malaysia	55.0	55.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
INDUSTRIAL - Subsidiaries (continued)					
Tractors Academy Sdn Bhd (formerly known as Tractors Malaysia Training and Development Centre Sdn Bhd)	Training services	Malaysia	100.0	100.0	1
Tractors Malaysia Enterprise Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Tractors Malaysia Motor Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Tractors Malaysia Power Systems Sdn Bhd	Packaging of Caterpillar generator sets	Malaysia	100.0	100.0	1
Tractors Malaysia Rebuild Sdn Bhd	Reconditioning of used equipment and machinery	Malaysia	100.0	100.0	1
Tractors Manufacturing & Assembly Sdn Bhd	Manufacturing and assembly of tractor implements and parts, and other products	Malaysia	100.0	100.0	1
Tractors Material Handling Sdn Bhd	Sale and distribution of lift trucks and spare parts, and the rental and servicing of other material handling equipment	Malaysia	100.0	100.0	1
Tractors Petroleum Services Sdn Bhd	Supply, repair and maintenance of Caterpillar engines and other equipment for the oil and gas industry	Malaysia	100.0	100.0	1
Tractors Machinery International Pte Ltd	Sales & service of new and used earth moving construction and related heavy equipment and spare parts	Singapore	100.0	100.0	2
Tractors Singapore Holdings Pte Ltd	Investment holding	Singapore	100.0	100.0	2
Tractors Singapore Limited	Sale, rental, service & assembly of earthmoving and construction equipment and related heavy equipment and spare parts	Singapore	100.0	100.0	2
Foshan Shunde CEL Machinery Company Limited	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	100.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
INDUSTRIAL - Subsidiaries (continued)					
Xiamen CEL Heavy Equipment Company Limited	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	100.0	2
Xiamen Sime Darby CEL Machinery Co Ltd	Selling of Caterpillar heavy construction equipment, electricity generator sets, engines and spare parts; provision of maintenance service; equipment rental; project co-ordination and engineering for installation of mechanical and electrical equipment	China	100.0	100.0	2
Elco Power Systems Ltd	Distribution of Perkins engine products	Hong Kong SAR	100.0	-	2
Austchrome Pty Ltd	Chroming and hydraulic repairs	Australia	100.0	100.0	2
Hastings Deering (Australia) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Australia	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 Malaysia (Hong Kong) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Macau CEL Machinery Company Limited	Sales of engineering machinery, electricity generating sets, engines and related services of the said products, and provision of installation services for electrical and mechanical equipment	Macau SAR	100.0	100.0	5
Tractors (B) Sdn Bhd	Assembly, marketing and distribution of agricultural and industrial equipment	Brunei	70.0	70.0	3
CICA Limited	Distribution, sales and maintenance of trucks, drilling equipment and compressors	Channel Islands	70.0	70.0	5

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
INDUSTRIAL - Subsidiaries (continued)					
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
Sime Darby Industries, Inc	General trading	Philippines	99.3	98.7	3
Sime Darby Pilipinas, Inc	Distribution and servicing of Ford New Holland and Fiat agricultural machinery, Kamol agricultural equipment, and general trading and leasing	Philippines	99.3	98.7	3
Hastings Deering (Solomon Islands) Limited	Sales of equipment and spare parts and service support for Caterpillar business	Solomon Islands	100.0	100.0	2
CICA Vietnam Limited	Provision of consultancy and services in connection with installation, operation, repair and maintenance of industrial machines, equipment and engines	Vietnam	70.0	70.0	2
Associated Tractors Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Scandinavian Truck & Bus Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Tractors All Parts Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Tractors Auto Components Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Tractors Malaysia Engineering Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Yaala Pembangunan Sendirian Berhad	Dormant	Malaysia	100.0	100.0	1
Xinjiang Sime Darby Heavy Equipment Co Ltd	Dormant	China	100.0	100.0	5
Xiamen Xiangyu Sime Darby CEL Machinery Trading Co Ltd	Dormant	China	100.0	100.0	2
ATSB (B) Sendirian Berhad	Dormant	Brunei	100.0	100.0	2
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	Joint venture vehicle incorporated to tender for sales of equipment and spare parts and service support for Caterpillar business to BHP Billiton at Olympic Dam Expansion	Australia	50.0	-	3

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
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
FG Wilson Asia Pte Ltd	Sale and servicing of diesel generator sets	Singapore	50.0	50.0	2
Energy Power Systems Australia Pty Ltd	Sale of Caterpillar engines	Australia	20.0	20.0	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
Hyumal Motor Sdn Bhd	Investment holding, importation and distribution of certain Hyundai vehicles and related spare parts and provision of after sales service	Malaysia	51.0	51.0	1
Hyumal Trading Sdn Bhd	Sales of certain Hyundai and Inokom vehicles and provision of after sales service	Malaysia	51.0	51.0	1
Hyundai-Sime Darby Berhad	Investment holding	Malaysia	100.0	100.0	1
Hyundai-Sime Darby Motors Sdn Bhd	Sales and distribution of passenger and light commercial vehicles, provision of after sales service and selling and distribution of spare parts	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 (formerly known as Sime Darby Automobiles Malaysia 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 Imports Sdn Bhd	Importer of BMW, MINI and Ford vehicles	Malaysia	100.0	100.0	1
Sime Darby Auto Italia Sdn Bhd	Distribution of Alfa Romeo vehicles and spare parts and provision of after sales services	Malaysia	100.0	100.0	1
Sime Darby Motor Division Sdn Bhd	Provision of management services and retail of BMW and MINI vehicles	Malaysia	100.0	100.0	1
Sime Darby Motors Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Rent-A-Car Sdn Bhd	Vehicle rental	Malaysia	100.0	100.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
MOTORS - Subsidiaries (continued)					
Performance Motors Limited	Motor dealership	Singapore	100.0	100.0	2
Performance Premium Selection Limited	Retailer, wholesaler and exporter of used cars	Singapore	60.0	60.0	2
Sime Darby Motor Holdings Limited	Investment holding	Singapore	100.0	100.0	2
Sime Darby Services Private Limited	Vehicle rental	Singapore	100.0	100.0	2
Sime Singapore Limited	Investment holding and provision of management and ancillary services	Singapore	100.0	100.0	2
Vantage Automotive Limited	Motor dealership	Singapore	100.0	100.0	2
Chengdu Bow Yue Vehicle Company Limited	Provision of after-sales service for BMW automobiles including repair, maintenance and inspection; retail of spare parts of BMW automobiles and provision of consultancy services	China	100.0	-	3
Guangdong Deda Bow Ma Motor Service Co Ltd	Provision of after-sales service for BMW automobiles including repair, maintenance and inspection; retail of spare parts of BMW automobiles and provision of consultancy services	China	65.0	65.0	2
Hainan Bao Yue Automobiles Trading Co Ltd	Retail of BMW automobiles and related spare parts, and provision of management consultancy services	China	100.0	100.0	3
Hainan Dejie Motors Limited	Provision of after-sales service for BMW automobiles including repair, maintenance and inspection; retail of spare parts of BMW automobiles and provision of consultancy services	China	100.0	100.0	3
Hangzhou Xin Biao Xian Motors Technology & Services Company Limited	Display of motor vehicles, after sales consultancy and management services	China	100.0	-	4
Shanghai Sime Darby Investments Consulting Company Limited	Investment holding and provision of consultancy services	China	100.0	-	4
Shanghai Xin Biao Xian Motor Commerce Company Limited	Retail of Rolls-Royce automobiles and related spare parts, and provision of management consultancy services	China	100.0	100.0	2
Shantou Bow Yue Vehicle Trading Company Limited	Retail of BMW automobiles and related spare parts and provision of management consultancy services	China	100.0	-	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
MOTORS - Subsidiaries (continued)					
Shantou Dehong Bow Ma Motors Company Limited	Provision of after-sales services for BMW automobiles including repair, maintenance and inspection; retail of spare parts of BMW automobiles and provision of consultancy services	China	60.0	60.0	2
Shenzhen Bow Chuang Vehicle Trading Company Limited	Retail of BMW automobiles and related spare parts and provision of management consultancy services	China	100.0	100.0	2
Shenzhen Sime Darby Motor Enterprises Co Ltd	Motor vehicles maintenance and repair; inspection and testing of motor vehicles; and provision of consultancy services	China	70.0	70.0	2
Shenzhen Xin Chuang Motor Trading Company Limited	Provision of after-sales services for motor vehicles	China	100.0	-	3
Yunnan Bow Yue Vehicle Trading Company Limited	Retail of BMW automobiles and related spare parts, and provision of management consultancy services	China	65.0	100.0	3
Yunnan Dekai Bow Ma Motors Technology & Service Co Ltd	Provision of after-sales services for BMW automobiles including repair, maintenance and inspection; retail of spare parts of BMW automobiles and provision of consultancy services	China	65.0	65.0	3
Auto Technology Engineering Company Limited	Distribution of Denso Diesel injection pump and provision of after sales service	Hong Kong SAR	100.0	100.0	2
AutoFrance Hong Kong Limited	Distributor and dealer of Peugeot motor vehicles	Hong Kong SAR	100.0	100.0	2
BMW Concessionaires (HK) Limited	Distributor and dealer of BMW motor vehicles, provision of after-sales maintenance services and investment holding	Hong Kong SAR	100.0	100.0	2
Bow Ma Motors (South China) Ltd	Investment holding	Hong Kong SAR	100.0	100.0	2
Goodwood Motors Limited	Distributor and dealer of Rolls-Royce motor vehicles	Hong Kong SAR	100.0	100.0	2
Island Motors Limited	Distributor and dealer of Suzuki motor vehicles	Hong Kong SAR	100.0	100.0	2
Parts Link Trading Company Limited	Wholesaler of motor vehicles parts and accessories	Hong Kong SAR	100.0	100.0	2
Sime Darby Management Services Limited	Provision of intra-group 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

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
MOTORS - Subsidiaries (continued)					
Sime Darby Motor Services Limited	Distribution of Ford motor vehicles, Huanghai bus and provision of after sales services for motor vehicles	Hong Kong SAR	100.0	100.0	2
Sime Darby Motors (Nissan China) Holdings Limited	Investment holding	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	Distributor and dealer of Mitsubishi motor vehicles	Hong Kong SAR	100.0	100.0	2
Universal Cars Limited	Distributor and dealer 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	Distributor and dealer of Land Rover motor vehicles	Hong Kong SAR	100.0	100.0	2
BMW Concessionaires (Macau) Limited	Agent for sales, service and parts for BMW motor vehicles	Macau SAR	100.0	100.0	2
Harper Engineering (Macau) Limited	Motor vehicles sales and aftersales services	Macau SAR	100.0	100.0	2
Sime Darby Automobiles Pty Ltd	Peugeot vehicles distributor	Australia	100.0	100.0	2
South Perth Investments Pty Ltd	Vehicle rental and related mechanical services	Australia	100.0	100.0	2
Continental Car Services Limited	Motor dealership	New Zealand	100.0	100.0	2
Hino Distributors NZ Limited	Sale of new Hino heavy trucks and used heavy trucks of all makes and models	New Zealand	100.0	100.0	2
Infinity Automotive Limited	Retailing of new and used passenger cars and light commercial vehicles, spare parts and accessories and the provision of related services	New Zealand	100.0	100.0	2
Motor Truck Distributors (NZ) Limited	Sale of new Mack and Renault heavy trucks and used heavy trucks of all makes and models	New Zealand	100.0	100.0	2
North Shore Motor Holdings Limited	Motor vehicles dealer	New Zealand	100.0	100.0	2
Perry's Automotive Group (North Shore) Limited	Wholesaling and retailing 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
Sime Darby Automobiles NZ Limited	Motor vehicles distribution	New Zealand	100.0	100.0	2
Sime Darby Motor Group (NZ) Limited	Investment holding	New Zealand	100.0	100.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
MOTORS - Subsidiaries (continued)					
Truck Investments Limited	Investment holding and financing of vehicles	New Zealand	100.0	100.0	2
Truck Stops (NZ) Limited	Provision of spare parts and services for medium and heavy trucks and repair and servicing of truck trailers	New Zealand	100.0	100.0	2
UD Truck Distributors (NZ) Limited	Nissan diesel truck distributor and retailer	New Zealand	100.0	100.0	2
SDHK Group Company Limited	Investment holding	Bermuda	100.0	100.0	5
Performance Motors (Thailand) Limited	Motor dealership	Thailand	100.0	100.0	3
Sime Darby (Thailand) Limited	Investment holding	Thailand	100.0	100.0	3
Sime Darby Mazda (Thailand) Limited	Motor dealership	Thailand	100.0	100.0	3
Sime Darby Mitsu (Thailand) Limited	Leasing of properties	Thailand	100.0	100.0	3
Sime Darby Regent Motors Limited	Motor dealership	Thailand	100.0	100.0	3
Viking Motors Limited	Dealer of Volvo motor vehicles	Thailand	100.0	100.0	3
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	100.0	100.0	1
Special Brand Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Darby Motor Group (Singapore) Limited	Dormant	Singapore	100.0	100.0	2
Beijing Sime Darby Consulting Services Company Limited	Dormant	China	100.0	100.0	2
Hainan Sime Darby Motors Service Enterprises Company Limited	Dormant	China	100.0	100.0	3
Shanghai SimeWinner Automobile Trading Company Limited	Dormant	China	60.0	60.0	3
Tianjin Dong Hui Technical Services Company Limited	Dormant	China	60.0	60.0	2
Tianjin Sime Winner Motors Trading Co Ltd	Dormant	China	60.0	60.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
MOTORS - Subsidiaries (continued)					
AutoFrance China 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
Universal Cars China Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Universal Cars Holdings Limited	Dormant	Hong Kong SAR	45.0	45.0	2
Vermont International Limited	Dormant	Hong Kong SAR	60.0	60.0	2
Sime Darby Motor Group (Australia) Pty Limited	Dormant	Australia	100.0	100.0	2
Continental Cars Limited	Dormant	New Zealand	100.0	100.0	2
ERF Man and Western Star (NZ) Limited	Dormant	New Zealand	100.0	100.0	2
Neville Motors Limited	Dormant	New Zealand	100.0	100.0	2
Palmerston North Motors Wholesale Limited	Dormant	New Zealand	100.0	100.0	2
Bluewater Marine Limited	Dormant	British Virgin Islands	100.0	100.0	5
MOTORS - Associates					
BMW Malaysia Sdn Bhd	Sale and distribution of motor vehicles and motorcycles and leasing of tooling equipment related thereto	Malaysia	49.0*	49.0*	3
Oriental-Hyundai Sdn Bhd	Distributor of motor vehicles	Malaysia	20.4*	20.4*	3
BMW Financial Services Hong Kong Limited (formerly known as CEC Finance Limited)	Hire purchase and lease financing	Hong Kong SAR	49.0	49.0	3
ENERGY AND UTILITIES - Subsidiaries					
Chubb Malaysia Sendirian Berhad	Manufacturing, marketing, installation and servicing of security products	Malaysia	70.0	49.0	1
JanaUrus PDP Sdn Bhd	Provision of operating and maintenance services to an independent power producer	Malaysia	100.0	100.0	1
Malaysian Oriental Holdings Berhad	Investment holding	Malaysia	100.0	70.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
ENERGY AND UTILITIES - Subsidiaries (continued)					
Mecomb Malaysia Sdn Berhad	Sales and services of industrial, mechanical, electrical and instrumentation products, computer products and systems and design and consultancy of air-conditioning systems	Malaysia	100.0	70.0	1
Port Dickson Power Berhad	Independent power producer	Malaysia	75.0	75.0	1
Sime Darby Energy Sdn Bhd (formerly known as Sime Darby Oil & Gas Sdn Bhd)	Investment holding	Malaysia	100.0	70.0	1
Sime Darby Engineering Sdn Bhd	Engineering, fabrication and construction relating to the oil and gas industry	Malaysia	100.0	79.0	1
Sime Darby Offshore Engineering Sdn Bhd	Sales and services, products and systems integration	Malaysia	100.0	70.0	1
Sime Darby Petroleum Sdn Bhd	Oil and gas exploration	Malaysia	100.0	100.0	1
Sime Darby T&I Sdn Bhd (formerly known as Formula Ocean Sdn Bhd)	Provision of offshore transportation and installation services	Malaysia	51.0	-	1
Sime Darby Utilities Sdn Bhd (formerly known as Sime Overseas Sdn Bhd)	Investment holding	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	70.0	1
Sime Surveillance Sdn Bhd	Provision of security services	Malaysia	100.0	100.0	1
Sime-SIRIM Technologies Sdn Bhd	Provision of calibration, measurement and related services	Malaysia	50.0	35.0	1
Sime Technologies Holdings Pte Ltd	Investment holding	Malaysia	100.0	70.0	5
PT Sime Darby Offshore Engineering	Importation and distribution of engineering products	Indonesia	100.0	70.0	2
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	70.0	2
Sime Power Pte Ltd	Investment holding	Singapore	100.0	100.0	2
Jining Sime Darby Port Co Ltd	Ownership and management of port facilities and services	China	70.0	-	3
Weifang Sime Darby Port Co Ltd	Ownership and management of port facilities and services	China	99.0	99.0	3

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
ENERGY AND UTILITIES - Subsidiaries (continued)					
Weifang Sime Darby Water Co Ltd	Treatment and supply of treated water mainly to industrial customers	China	100.0	100.0	3
Zibo Sime Darby Chemicals Co Ltd	Production and sale of polyaluminium chloride	China	51.0	51.0	3
Sime Darby Marine (Hong Kong) Private Limited	Investment holding	Hong Kong SAR	100.0	-	2
Sime Darby Overseas (HK) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Laem Chabang Power Co Limited	Independent power producer	Thailand	100.0	100.0	3
Mecomb (Thailand) Limited	Sale of industrial, mechanical, electrical and electronic products	Thailand	100.0	100.0	2
Sime LCP Power Company Limited	Operation of a power plant in Thailand	Thailand	100.0	100.0	3
Sime O&M (Thailand) Co Ltd	Provision of operation and maintenance services to power plants	Thailand	100.0	100.0	3
Balui Hydro Sdn Bhd	Dormant	Malaysia	100.0	70.0	1
Malaysia-China Hydro Sdn Bhd	Dormant	Malaysia	100.0	70.0	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	100.0	1
Sime Darby Marine Sdn Bhd	Dormant	Malaysia	100.0	70.0	1
Sime Darby Nautical Sdn Bhd	Dormant	Malaysia	51.0	100.0	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 Systems Sdn Bhd	Dormant	Malaysia	100.0	70.0	1
Sime Darby Utilities Management Sdn Bhd (formerly known as Sime Darby Energy & Utilities Sdn Bhd)	Dormant	Malaysia	100.0	100.0	1
Weifang Sime Darby Investment and Management Co Ltd	Dormant	China	51.0	51.0	3
ENERGY AND UTILITIES - Jointly controlled entities					
Malaysia - China Hydro Joint Venture	Engineering, procurement and construction work	Malaysia	35.7	25.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
ENERGY AND UTILITIES - Jointly controlled entities (continued)					
Sime - Lum Chang Joint Venture	Engineering, procurement and construction work	Malaysia	50.0	35.0	1
Sime Engineering Sdn Bhd - Edwards & Sons Joint Venture	Procurement and construction work	Malaysia	51.0	35.7	1
Sime Engineering - Semcorp Malaysia Joint Venture	Dormant	Malaysia	51.0	35.7	1
IWS Management Sdn Bhd	Dormant	Malaysia	50.0	-	1
ENERGY AND UTILITIES - Associates					
Guardfire (Malaysia) Sdn Bhd	Dormant	Malaysia	30.0	30.0	1
Sime Darby Water Resources (Perak) Sdn Bhd (formerly known as Independent Water Supplier Sdn Bhd)	To source, treat, supply and distribute water in its raw or treated form	Malaysia	48.0	48.0	1
Chubb Singapore Private Limited	Marketing of security and fire protection products and services	Singapore	30.0	30.0	2
Chubb-Special Fire Hazards Protection Pte Ltd	Provision of fire protection and alarm systems and services	Singapore	30.0	30.0	2
GENERAL TRADING - Subsidiaries					
Dunlopillo (Malaysia) Sdn Bhd	Manufacturing and 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
Guthrie Corridor Expressway Sdn Bhd	Road concession operation	Malaysia	-	100.0	1
Guthrie Technologies Sdn Bhd	Computer services	Malaysia	-	100.0	3
Harvik Rubber Industries Sdn Bhd	Manufacture and export of rubber and PVC footwear	Malaysia	100.0	100.0	1
Kapar Coconut Industries Sdn Bhd	Manufacture of coconut-based food products	Malaysia	51.0	51.0	1
Megah Medical Specialists Group Sdn Bhd	Provision of medical, health care and other related ancillary services	Malaysia	100.0	100.0	1
Sime Darby Financial Services Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Darby Holdings Berhad (formerly known as SD Holdings Berhad)	Investment holding, marketing of and agent for commodities and provision of management services to related companies	Malaysia	100.0	100.0	1

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
GENERAL TRADING - Subsidiaries (continued)					
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 Nominees Sendirian Berhad	Holding investments as a nominee	Malaysia	100.0	100.0	1
Sime Darby Travel Sdn Bhd	Travel agency	Malaysia	100.0	100.0	1
Sime Healthcare Staff Agency Sdn Bhd	Employment agency	Malaysia	100.0	100.0	1
Sime Link Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
Sime Malaysia Region Berhad	Investment holding	Malaysia	100.0	100.0	1
Sime NET Technologies Sdn Bhd	Provider of information technology services, human resources and other support services	Malaysia	100.0	100.0	1
Sime Rengo Packaging (M) Sdn Bhd	Manufacture and sale of corrugated fibre board cartons and boxes	Malaysia	70.0	70.0	1
Sime Solution Centre Sdn Bhd	Provision of information technology and information systems, accounting, human resources, and other support services to related companies	Malaysia	100.0	100.0	1
Sime Technology Ventures Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
SimeWest Holdings Sdn Bhd	Investment holding	Malaysia	100.0	100.0	1
SJMC Training & Educational Services Sdn Bhd	Organising educational programmes and provision of education	Malaysia	100.0	100.0	1
Subang Jaya Medical Centre Sdn Bhd	Management of a hospital and provision of related healthcare facilities	Malaysia	100.0	100.0	1
Tahan Enterprise Sdn Berhad	Investment holding	Malaysia	100.0	100.0	1
Tractors Malaysia Holdings Berhad	Investment holding and provision of management and ancillary services	Malaysia	100.0	100.0	1
PT Sime Dunlopillo Indonesia	Distribution of mattresses and related bedding products	Indonesia	70.0	70.0	2
Dunlopillo (Singapore) Pte Ltd	Distribution of tyres, mattresses, related bedding products and that of accessories and investment holding	Singapore	100.0	100.0	2
Orchard Nominees Private Limited	Holding investments as a nominee	Singapore	100.0	100.0	2
Sime Darby Eastern Investments Private Limited	Investment holding	Singapore	100.0	100.0	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
GENERAL TRADING - Subsidiaries (continued)					
Sime Darby Eastern Limited	Investment holding	Singapore	100.0	100.0	2
Sime Darby Management Services (Singapore) Private Limited	Provision of human resources, information technology, legal, corporate secretarial and accounting services to related companies and investment holding	Singapore	100.0	100.0	2
Sime Darby Singapore Limited	Investment holding	Singapore	100.0	100.0	2
Sime Insurance Brokers (Singapore) Pte Ltd	Insurance brokers and consultants	Singapore	100.0	100.0	2
Sime Rengo Packaging Singapore Limited	Manufacture and marketing of corrugated paper boxes and other paper products	Singapore	-	66.6	2
Sime Singapore Investments Limited	Investment holding	Singapore	100.0	100.0	2
Sime Travel (Singapore) Private Limited	Travel agency	Singapore	-	70.0	2
Dunlopillo (Shenzhen) Limited	Manufacturing and distribution of mattresses, related bedding products and accessories	China	100.0	100.0	2
Sime Technology (Beijing) Company Limited	Investment holding	China	100.0	100.0	2
Dunlopillo (Hong Kong) Limited	Distribution of mattresses, related bedding products and accessories	Hong Kong SAR	100.0	100.0	2
Jecking Tours & Travel Limited	Travel and tour agency	Hong Kong SAR	-	70.0	2
Marksworth Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
SD Far East (1991) Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Hong Kong Limited	Investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Hong Kong Finance Limited	Provision of intra-group financial and management services and investment holding	Hong Kong SAR	100.0	100.0	2
Sime Darby Hongkong Nominees Limited	Holding investments as a nominee	Hong Kong SAR	100.0	100.0	2
Sime Insurance Brokers (HK) Limited	Insurance brokers and consultants	Hong Kong SAR	100.0	100.0	2
Sime Managing Agency Limited	Insurance agent	Hong Kong SAR	100.0	100.0	2
Westminster Travel Limited	Travel agency	Hong Kong SAR	-	70.0	2
Wincastle Travel (HK) Limited	Travel agency	Hong Kong SAR	-	52.5	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
GENERAL TRADING - Subsidiaries (continued)					
Sime Darby Investments Pty Limited	Investment holding	Australia	100.0	100.0	2
The China Engineers (BVI) Limited	Investment holding	British Virgin Islands	100.0	100.0	5
Sime Investments (Mauritius) Limited	Provision of financing	Mauritius	100.0	100.0	3
Westminster Travel Limited (Taiwan)	Travel agency	Taiwan	-	70.0	2
Dunlopillo (Middle East) FZE	Distribution of mattresses, related bedding products and accessories	United Arab Emirates	100.0	100.0	5
Guthrie Overseas Limited	Investment holding	United Kingdom	100.0	100.0	3
Symington Investments (USA) Inc	Investment holding	United States of America	100.0	100.0	3
Dunlopillo (Vietnam) Limited	Manufacturing and distribution of mattresses, related bedding products and accessories	Vietnam	100.0	100.0	2
Entrée Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Golden Hope Plantations Berhad	Dormant	Malaysia	100.0	100.0	1
Guthrie Furniture Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Guthrie Ropel Berhad	Dormant	Malaysia	100.0	57.9	1
Guthrie Rubber Processing Sdn Bhd	Dormant	Malaysia	100.0	86.0	1
Haron Estate Development Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Highlands & Lowlands Berhad	Dormant	Malaysia	100.0	54.5	1
Kumpulan Guthrie Berhad	Dormant	Malaysia	100.0	100.0	1
Kumpulan Sime Darby Berhad (formerly known as Sime Darby Berhad)	Dormant	Malaysia	100.0	100.0	1
Mentakab Rubber Company (Malaya) Berhad	Dormant	Malaysia	100.0	60.7	1
Sime Coatings Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime Engineering Services Berhad	Dormant	Malaysia	100.0	70.0	1
Sime Holidays Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
Sime UEP Properties Berhad	Dormant	Malaysia	100.0	51.2	1
Steelform Industries (Malaysia) Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
TMB Niaga Sdn Bhd	Dormant	Malaysia	100.0	100.0	1
PB Packaging Systems Singapore Pte Ltd	Dormant	Singapore	66.7	66.7	2

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
GENERAL TRADING - Subsidiaries (continued)					
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
Sime Darby Services Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Travel Holdings Limited	Dormant	Hong Kong SAR	100.0	100.0	2
Sime Insurance Services Sdn Bhd	Dormant	Brunei	100.0	100.0	3
Sime Darby Yangon Limited	Dormant	Myanmar	100.0	100.0	3
East West Insurance Company Limited	Dormant	United Kingdom	81.0	81.0	2
Guthrie Furniture Products Limited	Dormant	United Kingdom	100.0	100.0	3
Guthrie Symington Limited	Dormant	United Kingdom	100.0	100.0	3
Robt Bradford & Co Ltd	Dormant	United Kingdom	100.0	100.0	2
Robt Bradford Hobbs Savill Ltd	Dormant	United Kingdom	98.6	98.6	2
Sime Darby Pension Scheme Trustees Ltd	Dormant	United Kingdom	100.0	100.0	2
Sime Darby Americas Limited	Dormant	United States of America	100.0	100.0	2
Sime Darby Corporation (Africa) Sdn Bhd	In voluntary liquidation	Malaysia	-	100.0	5
Wuxi PAR Resources Coatings & Chemicals Company Limited	In voluntary liquidation	China	-	100.0	5
Laverton Holdings Pte Limited	In voluntary liquidation	Mauritius	-	100.0	5
Sime Darby Nominees Limited	In voluntary liquidation	United Kingdom	-	100.0	5
GENERAL TRADING - Associates					
Asian Composites Manufacturing Sdn Bhd	Manufacture of composite parts of aircraft	Malaysia	33.3	33.3	1
Donghwa Chemical (M) Sdn Bhd	Manufacturing and selling resin products and paper treaters	Malaysia	30.0	30.0	3
Donghwa Fibreboard Sdn Bhd	Manufacturing and selling medium density fibreboards	Malaysia	30.0	30.0	3
Donghwa GH International Sdn Bhd	Investment holding	Malaysia	30.0	30.0	3

48 LIST OF SUBSIDIARIES, JOINTLY CONTROLLED ENTITIES AND ASSOCIATES (continued)

Name of company	Principal activities	Country of incorporation	Group's effective interest (%)		Auditors
			2008	2007	
GENERAL TRADING - Associates (continued)					
Donghwa MDF (M) Sdn Bhd	Manufacturing and selling medium density fibreboards	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
Sime Kansai Paints Sdn Bhd	Manufacturing, selling and marketing of paints	Malaysia	40.0	40.0	3
Tesco Stores (Malaysia) Sdn Bhd	Operation of retail outlets	Malaysia	30.0	30.0	3
Celliose Par Coatings (Wuxi) Company Limited	Manufacturing and trading of paints and chemical products	China	-	40.0	3
Celliose Par Coatings Company Limited	Investment holding, manufacturing and trading of paints and chemical products	Hong Kong SAR	-	40.0	3
Hogg Robinson Westminster Hong Kong Limited	Provision of corporate travel	Hong Kong SAR	-	34.3	2
The China Water Company (Shenyang) Limited	Investment holding	British Virgin Islands	33.0	33.0	3
Marsman-Wesminster Travel, Inc	Tour and travel agency	Philippines	-	35.0	3
Union Sime Darby (Thailand) Ltd	Insurance and reinsurance brokers and consultants	Thailand	49.0	49.0	3
Dongwha Parquet Sdn Bhd	Dormant	Malaysia	30.0	30.0	3

Notes:

- 1 - Subsidiaries and associates which are audited by PricewaterhouseCoopers, Malaysia
- 2 - Subsidiaries and associates which are audited by member firms of PricewaterhouseCoopers International Limited, which is a separate and independent legal entity from PricewaterhouseCoopers, Malaysia
- 3 - Subsidiaries and associates which are audited by firms other than member firms of PricewaterhouseCoopers International Limited
- 4 - Auditors not appointed yet
- 5 - No legal requirement to appoint auditors
- * - Notwithstanding the Group holds more than 20% equity interest, the costs of investment in BMW Malaysia Sdn Bhd and Oriental-Hyundai Sdn Bhd have been classified as investments (and not associates) due to lack of board representation

49 APPROVAL OF FINANCIAL STATEMENTS


The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 11 September 2008.

Statement by Directors & Statutory Declaration

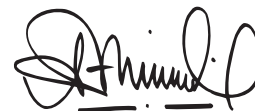
Statement by Directors

We, Tun Musa Hitam and Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid, two of the Directors of Sime Darby Berhad (formerly known as Synergy Drive Bhd), do hereby state that, in the opinion of the Directors, the financial statements set out on pages 107 to 215 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 2008 and of the results of the Group and of the Company and the cash flows of the Group and of the Company for the year ended on that date, in accordance with the Malaysian Accounting Standards Board approved accounting standards in Malaysia for Entities Other than Private Entities and the provisions of the Companies Act, 1965.

In accordance with a resolution of the Board of Directors dated 11 September 2008



Tun Musa Hitam
Chairman



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

Kuala Lumpur
11 September 2008

Statutory Declaration

I, Tong Poh Keow, the officer primarily responsible for the financial management of Sime Darby Berhad (formerly known as Synergy Drive Bhd), do solemnly and sincerely declare that the financial statements set out on pages 107 to 215 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

SUBSCRIBED AND SOLEMNLY DECLARED by the abovenamed Tong Poh Keow, at Kuala Lumpur, Malaysia on 11 September 2008.



K. Mariasoosay
Commissioner for Oaths (No. W344)
Kuala Lumpur

TINGKAT 3, WISMA YAKIN
JALAN MASJID INDIA
50100 KUALA LUMPUR



Tong Poh Keow
(MIA 4625)
Group Chief Financial Officer

Auditors' Report



PricewaterhouseCoopers
(AF 1146)
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIME DARBY BERHAD
(Formerly known as Synergy Drive Bhd)
(Incorporated in Malaysia)
(Company No.: 752404-U)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sime Darby Berhad (formerly known as Synergy Drive Bhd), which comprise the balance sheets as at 30 June 2008 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 215.

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 Company'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 Company'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 2008 and their performance and cash flow for the year then ended.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SIME DARBY BERHAD
(Formerly known as Synergy Drive Bhd) (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 subsidiaries of which we have not acted as auditors which are indicated in Note 48 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

The corresponding financial statements of the Group for the financial year ended 30 June 2007 were not audited as explained in Note 1 to the financial statements.

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 'PricewaterhouseCoopers'.

PRICEWATERHOUSECOOPERS

(No. AF: 1146)
Chartered Accountants

Kuala Lumpur
11 September 2008

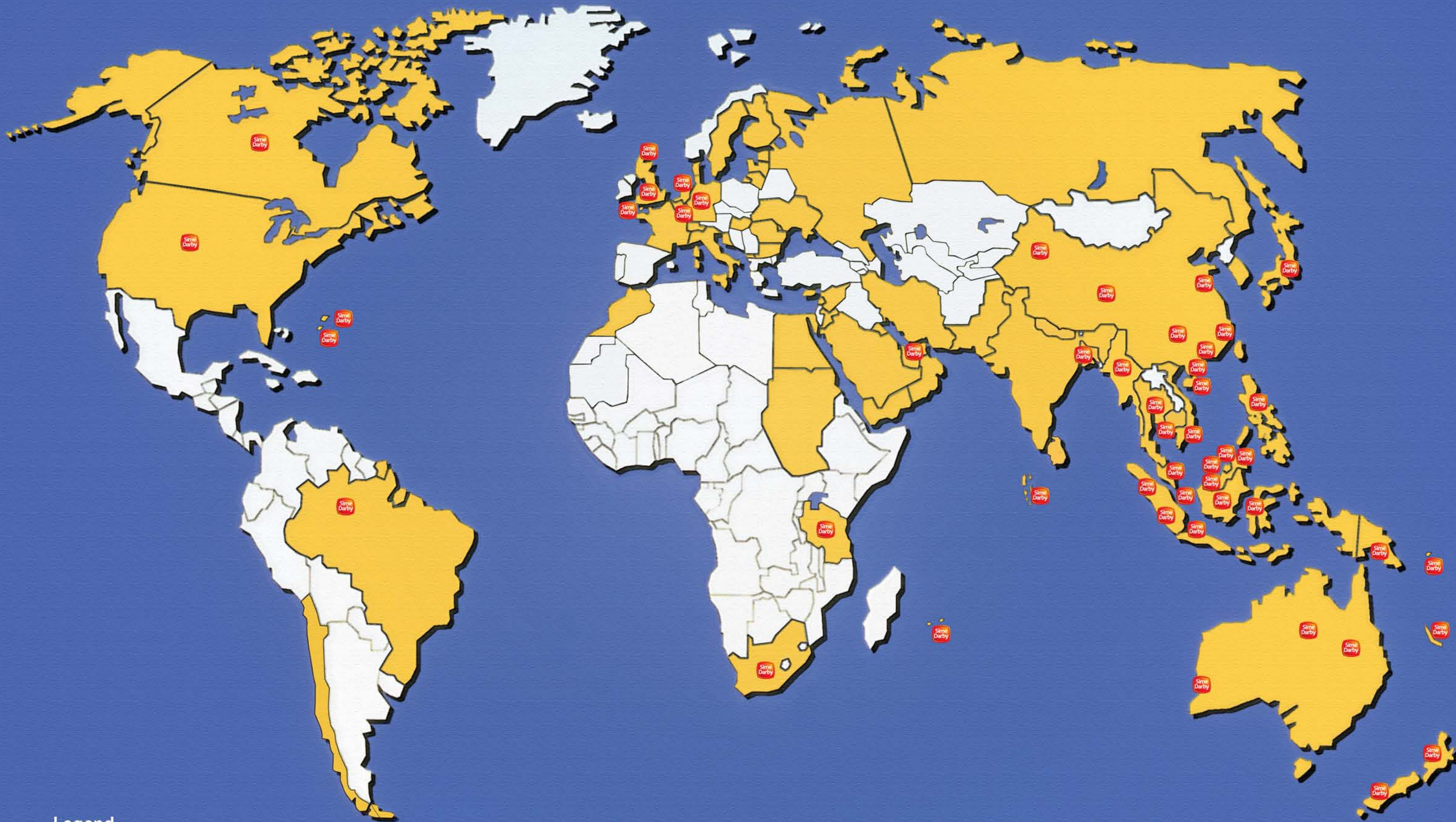
A handwritten signature in black ink, appearing to read 'Johan'.

DATO' AHMAD JOHAN BIN
MOHAMMAD RASLAN
(No. 1867/09/10 (J))
Chartered Accountant



Just as all growing, living things rely on water, our business units rely on economic, environmental and social sustainability. With careful attention and care, this translates into meaningful, long-term growth.



Developing Sustainable Futures...
... in over 20 countries globally



Legend

-  Countries with Sime Darby operations
-  Countries with business presence

Analysis of Shareholdings

As at 12 September 2008

Class of Shares : Ordinary shares of RM0.50 each
Voting Rights : One vote per ordinary share

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	1,279	3.04	48,023	0.00
100 to 1,000	11,347	26.99	8,420,212	0.14
1,001 to 10,000	21,872	52.03	78,320,740	1.30
10,001 to 100,000	6,095	14.50	173,382,592	2.89
100,001 to less than 5% of issued capital	1,445	3.44	2,040,356,713	33.95
5% and above of issued capital	3	0.00	3,708,935,551	61.72
Total	42,041	100.00	6,009,463,831	100.00

Classification of Shareholders	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Individuals	31,580	75.12	219,099,509	3.64
Banks/Finance Companies	121	0.29	1,072,801,381	17.85
Investment Trusts / Foundation / Charities	6	0.01	426,219	0.01
Other Types of Companies	1,041	2.48	118,119,603	1.97
Government Agencies / Institutions	12	0.03	871,636,972	14.50
Nominee Companies	9,281	22.07	3,727,380,147	62.03
Total	42,041	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			
<u>Ordinary shares of RM0.50 each</u>			
Dato' Seri Ahmad Zubair @ Ahmad Zubir Haji Murshid	298,712	-	*
Raja Dato' Seri Arshad Raja Tun Uda	-	1,939	*
Dato' Mohamed Sulaiman	-	3,800	*
Kuala Lumpur Golf & Country Club Berhad			
<u>Participatory interest</u>		<u>Type of membership</u>	
Tun Musa Hitam		Honorary	
Tun Dato' Seri Ahmad Sarji Abdul Hamid		Honorary	
Dr. Arifin Mohamad Siregar		Honorary	
Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin		Honorary	
Tan Sri Datuk Dr. Ahmad Tajuddin Ali		Honorary	
Datuk Seri Panglima Sheng Len Tao		Honorary	
Dato' Henry Sackville Barlow		Honorary	
Datin Paduka Zaitoon Dato' Othman		Honorary	

* less than 0.01%

Save as disclosed above, none of the other Directors of the Company has any interest, direct or indirect, in shares in the Company or shares in, debentures of or participatory interest made available by, a related corporation.

30 Largest Shareholders as per the Register of Members and the Record of Depositors

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
1	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Skim Amanah Saham Bumiputera	2,054,552,889	34.19
2	Permodalan Nasional Berhad	885,492,709	14.73
3	Employees Provident Fund Board	768,889,953	12.79
4	Valuecap Sdn Bhd	104,707,208	1.74
5	Cartaban Nominees (Asing) Sdn Bhd Qualifier : SSBT Fund GB01 for Harbor International Fund	83,789,047	1.39
6	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Amanah Saham Malaysia	58,471,699	0.97
7	Lembaga Kemajuan Tanah Persekutuan (FELDA)	57,589,426	0.96
8	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Amanah Saham Wawasan 2020	53,408,163	0.89
9	Kumpulan Wang Persaraan (DIPERBADANKAN)	52,519,161	0.87
10	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Amanah Saham Didik	48,008,394	0.80
11	Malaysia Nominees (Tempatan) Sendirian Berhad Qualifier : Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	45,224,500	0.75
12	Citigroup Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for Mellon Bank (MELLON)	36,052,984	0.60
13	CIMB Group Nominees (Tempatan) Sdn Bhd Qualifier : Pledged Securities Account for Anglo-Oriental (Annuities Sdn Bhd (201 JTRK)	32,789,729	0.55
14	CIMSEC Nominees (Tempatan) Sdn Bhd Qualifier : CIMB Private Equity Sdn Bhd	32,056,800	0.53
15	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier : Exempt AN for Prudential Fund Management Berhad	31,077,835	0.52
16	HSBC Nominees (Tempatan) Sdn Bhd Qualifier : Nomura Asset Management Malaysia for Employees Provident Fund	29,759,902	0.50
17	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for J.P. Morgan Bank Luxembourg S.A.	29,464,100	0.49
18	HSBC Nominees (Asing) Sdn Bhd Qualifier : TNTC Saudi Arabian Monetary Agency	27,805,891	0.46
19	Cartaban Nominees (Asing) Sdn Bhd Qualifier : Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	26,621,101	0.44
20	Citigroup Nominees (Tempatan) Sdn Bhd Qualifier : Exempt AN for American International Assurance Berhad	21,598,400	0.36
21	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for JPMorgan Chase Bank, National Association (U.A.E)	21,000,674	0.35
22	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	18,777,102	0.31

Analysis of Shareholdings

No.	Name of Shareholder	No. of Shares Held	% of Issued Capital
23	HSBC Nominees (Asing) Sdn Bhd Qualifier : Exempt AN for JPMorgan Chase Bank, National Association (U.K.)	18,114,736	0.30
24	Lembaga Tabung Angkatan Tentera	17,777,593	0.30
25	AllianceGroup Nominees (Tempatan) Sdn Bhd Qualifier : PHEIM Asset Management Sdn Bhd for Employees Provident Fund	17,150,406	0.29
26	HSBC Nominees (Asing) Sdn Bhd Qualifier : BBH and Co Boston for Vanguard Emerging Markets Stock Index fund	16,110,413	0.27
27	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Qualifier : Exempt AN for Deutsche Trustees Malaysia Berhad (MYETF-DJIM25)	15,368,600	0.26
28	Cartaban Nominees (Asing) Sdn Bhd Qualifier : Investors Bank and Trust Company for Ishares, Inc.	15,067,525	0.25
29	SBB Nominees (Tempatan) Sdn Bhd Qualifier : Employees Provident Fund Board	14,556,900	0.24
30	Amanah Raya Nominees (Tempatan) Sdn Bhd Qualifier : Sekim Amanah Saham Nasional	14,505,156	0.24
	Total	4,648,308,996	77.35

Substantial Shareholder as per the Register of Substantial Shareholders

	Name of Substantial Shareholder	No. of Shares Held		% of Issued Capital
		Direct Interest	Deemed Interest	
1	Amanah Raya Nominees (Tempatan) Sdn Bhd Skim Amanah Saham Bumiputera	2,057,989,389	-	34.25
2	Employees Provident Fund Board	863,307,342	-	14.37
3	Permodalan Nasional Berhad	886,492,709	-	14.75
4	Yayasan Pelaburan Bumiputera	-	886,492,709*	14.75

* 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

Results

Second quarter	-	announcement date	27 February 2008
Third quarter	-	announcement date	28 May 2008
Fourth quarter	-	announcement date	26 August 2008

Dividends

Interim	-	record date	25 April 2008
	-	paid	16 May 2008
Final & Special (proposed)	-	record date	26 November 2008
	-	payable	5 December 2008

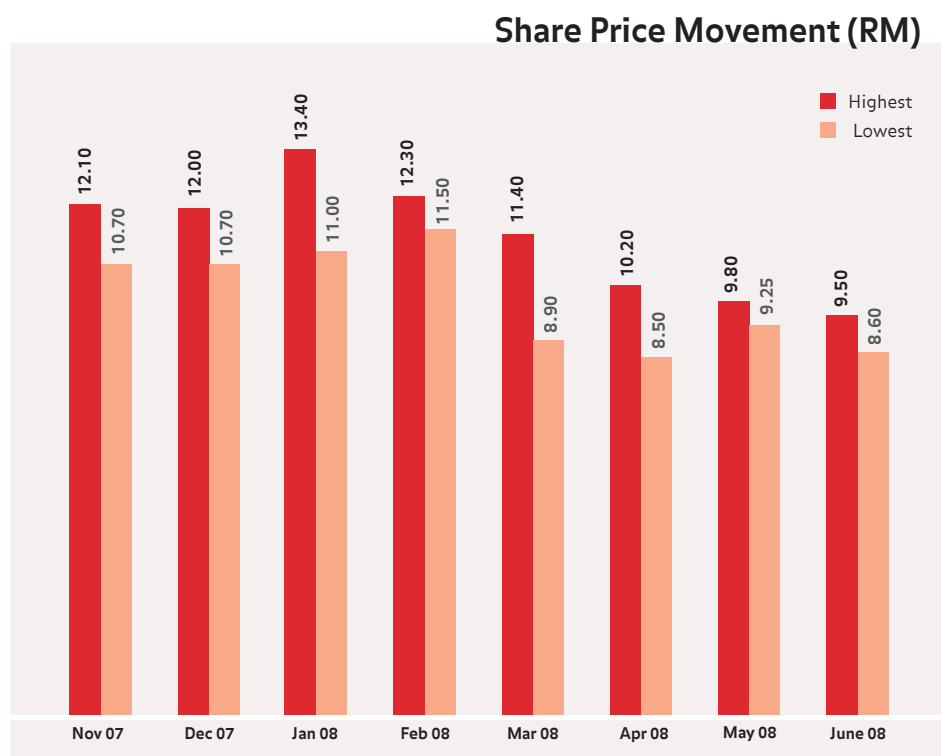
Annual General Meeting 12 November 2008

Stock Exchange Listing

Bursa Malaysia Securities Berhad
Trading Name : SIME
Stock Code : 4197

Share Price Movement

Share prices for the eight months from the date of listing on the Main Board of Bursa Malaysia Securities Berhad i.e. 30 November 2007, to 30 June 2008.



Particulars of Properties

List of Major Properties as at 30 June 2008

Location	Tenure	Area in hectares (unless specified otherwise)	Age of building	Description	Year of expiry	Net book value RM million
Plantation Properties - Malaysia						
Kedah						
Badenoch, Jentayu, Kuala Ketil, Anak Kulim, Bukit Selarong, Jerai, Padang Buluh, Sungai Dingin, Bukit Hijau and Somme	Freehold	17,570	-	Rubber estate, oil palm estate and palm oil mill	-	202.8
Pulau Pinang						
Byram	Freehold	378	-	Oil palm estate	-	2.6
Perak						
Bagan Datoh, Melentang, Bikam, Chersonese, Cluny, Trolak, Bedford, Elphill, Flemington, Gough Garden, Holyrood, Jin Seng, Kinta Kellas, Changkat Salak, Kalumpang, Kamiri, Kamuning, Nova Scotia (Seri Intan), Sabrang, Selaba, Sogomana, Sungei Bruas, Cashwood, Sungei Krian, Sungei Samak, Sungei Wangi and Tali Ayer	Freehold	47,478	-	Oil palm estate and palm oil mill	-	594.7
Chersonese, Cluny, Trolak, Bedford, Kinta Kellas, Yew Lian, Sogomana, Sungei Bruas, Cashwood and Sungei Samak	Leasehold	406	-	Oil palm estate	2035 - 2907	15.8
Pahang						
Chenor, Jabor, Sungai Tekal, Mentakab, Edensor, Lanchang and Sungai Mai	Freehold	10,764	-	Oil palm estate and palm oil mill	-	226.9
Chenor, Bukit Puteri, Bertang, Jentar, Kerbau and Sungai Mai	Leasehold	9,307	-	Oil palm estate	2057 - 2086	179.7
Selangor						
Bukit Cloh, Dusun Durian, Ampar Tenang, Bukit Cheraka, Bukit Kerayong, Bukit Lagong, Bukit Talang, Bukit Tinggi, Elmina, Sabak Bernam, Subang, Sungai Kapar, Sungai Rawang, Raja Musa, Selangor River, Sepang, Sg. Sedu, Sungei Buloh, Tennamaram and East Carey Island	Freehold	33,675	-	Oil palm estate and palm oil mill	-	492.0
West Carey Island	Leasehold	5,834	-	Oil palm estate	2057	138.0

List of Major Properties as at 30 June 2008 (continued)

Location	Tenure	Area in hectares (unless specified otherwise)	Age of building	Description	Year of expiry	Net book value RM million
Plantation Properties - Malaysia (continued)						
Negeri Sembilan						
Atherton, Bradwall, Kirby, Kok Foh, Bukit Pelandok, Labu-Labu, P.D Lukut, Sengkang, Siliau, Sua Betong, Tampin Linggi, Tanah Merah, Linsum, New Labu, Pertang, Bukit Pilah, New Rompin, Kelpin, St. Helier, Sialang, Juasseh and Sungei Sabaling	Freehold	45,742	-	Rubber estate, oil palm estate and palm oil mill	-	341.0
Melaka						
Devon (Kempas), Diamond Jubilee, Jasin, Pagoh, Bukit Asahan, Kemuning, Serkam, Merlimau, Selatan Bahru and Sungei Bahru	Freehold	20,338	-	Rubber estate and oil palm estate	-	238.2
Diamond Jubilee	Leasehold	29	-	Oil palm estate	2025	8.7
Johor						
Bukit Paloh, Bukit Benut, Benut, Tambuku, Bukit Paloh Scheme, CEP Niyor, CEP Rengam, Chan Wing, Craigielea, Ellar, Gunung Mas, Hadapan, Kali Malaya, Kelan, Kempas Klebang, Kulai, Bukit Badak, Lambak, Elaeis, Pengkalan Bukit, Sembrong, Simpang Rengam, Sungai Gemas, Sungai Labis, Temiang Renchong, Tun Dr. Ismail, Ulu Remis, Yong Peng, Layang, Midlands (Seri Pulai), Muar River, Nordanal, Lanadron, North Labis, Sungei Senarut, Tangkah, Kundong and Welch	Freehold	53,739	-	Rubber estate, oil palm estate and palm oil mill	-	761.3
CEP Niyor, Cenas, Cha'ah, Pekan, Sembrong, Sungai Tawing, Ulu Remis, Muar River, Nordanal, Lanadron and Sungei Senarut	Leasehold	12,867	-	Rubber estate, oil palm estate and palm oil mill	2009 - 2908	121.5
Sabah						
Andrassy, Binuang, Giram, Kochin, Sipit, Imam, Jeleta Bumi, Tingkayu, Melalap, Mengaris, Merotai, Mostyn, Tohunsug, Sapong, Segaliud, Sungang, Table, Tiger, Madai, Tun Tan Siew Sin, Sentosa, Tunku and Tigowis	Leasehold	53,986	-	Oil palm estate and palm oil mill	2055 - 2936	823.6

List of Major Properties as at 30 June 2008 (continued)

Location	Tenure	Area in hectares (unless specified otherwise)	Age of building	Description	Year of expiry	Net book value RM million
Plantation Properties - Malaysia (continued)						
Sarawak						
Lavang, Bayu, Damai, Saha, Belian, Charquest, Dulang, Paroh, Pekaka, Ruai, Derawan, Takau, Kelida, Rajawali, Saujan, Semarak, Rasan and Samudera	Leasehold	48,250	-	Oil palm estate	2045 - 2082	842.7
Total - Malaysia		360,363				4,989.5
Plantation Properties - Indonesia						
Kalimantan - West						
Awatan, Lembiru, Pelanjau - Marau	Leasehold	9,409	-	Oil palm estate and palm oil mill	2030	115.2
Kecamatan Parindu Sanggau	Leasehold	10,715	-		2030	47.7
PT Mas I and PT Mas II - Sanggau	Leasehold	8,741	-	Oil palm estate and palm oil mill	2030	88.8
Kalimantan - Central						
Hantantiring, Baras Danum, Kawan Batu, Kuala Kuayan, Pemantang, Sapiri, Sukunyer, Seruyan and Sukamandang	Leasehold	39,117	-	Oil palm estate and palm oil mill	2032 - 2034	294.8
Kalimantan - South						
Angsana, Bakau, Bebunga, Betung, Binturung, Gunung Aru, Gunung Kemas, Gunung Sari, Lanting, Laut Timur and Matalok	Leasehold	39,808	-	Oil palm estate and palm oil mill	2022 - 2034	337.3
Sulawesi - Central						
Ungkaya	Leasehold	4,597	-	Oil palm estate and palm oil mill	2024	36.5
Sumatera - South						
Bukit Pinang and Sungai Pinang	Leasehold	21,098	-	Oil palm estate and palm oil mill	2033 - 2034	186.6
Sumatera - East Aceh						
Batang Ara, Blang Simpo and Tamiang	Leasehold	8,820	-	Oil palm estate and palm oil mill	2022 - 2037	50.4
Sumatera - Jambi						
Air Merah, Mustika, Pantai Bonati, Pantai Timur, Pondok Labu, Rampa, Randi, Rantau, Sangkoh, Sekayu, Selabak, Sesulung and Sungai Cengal	Leasehold	51,699	-	Oil palm estate and palm oil mill	2022 - 2038	474.3

List of Major Properties as at 30 June 2008 (continued)

Location	Tenure	Area in hectares (unless specified otherwise)	Age of building	Description	Year of expiry	Net book value RM million
Plantation Properties - Indonesia (continued)						
Sumatera - Riau						
Alur Dumai, Aneka Perkasa, Menggala 1 - 3, Mandah, Nusa Lestari, Nusa Perkasa, Pinang Sebatang, Rotan Semelur, Teluk Bakau and Teluk Siak	Leasehold	54,879	-	Rubber estate, oil palm estate and palm oil mill	2031 - 2036	414.9
Total - Indonesia		248,883				2,046.5
Total		609,246				7,036.0
Land Held For Property Development - Malaysia						
Nilai Impian and Nilai Utama Enterprise Park, Nilai, Negeri Sembilan	Freehold	162	-	Mixed development	-	29.0
Bukit Kiara, Kuala Lumpur	Leasehold	269	-	Land held for development	2087	77.3
Bukit Rajah Estate, Klang, Selangor	Freehold	2,089	-	Land held for development	-	71.2
Bukit Jelutong, Shah Alam, Selangor	Freehold	121	-	Mixed development	-	65.9
General Properties - Malaysia						
Kedah						
PT 439 and 440 Mukim Padang Meha, Kulim	Freehold	809,370 sq metres	12	Industrial land and building	-	59.8
Kuala Lumpur						
Bukit Kiara	Leasehold	227	16	Golf course and club house	2051	101.6
Bukit Kiara	Leasehold	39	3	Convention centre	2087	57.7
Selangor						
Jalan Tandang, Petaling Jaya	Leasehold	14	45	Land and building	2065	63.7
Kompleks Kejuruteraan, Puchong	Freehold	136,461 sq metres	10	Office, workshop and warehouse	-	80.5
Saujana Impian, Kajang	Freehold	11	-	Commercial, residential and resort development	-	48.7
SJMC, Subang Jaya	Freehold	75,439 sq metres	-	SJMC North and South Tower	-	81.8
Wisma Consplant 1 & 2, Subang Jaya	Freehold	14,568 sq metres	15 - 22	Twin Tower office and commercial complex	-	89.2

List of Major Properties as at 30 June 2008 (continued)

Location	Tenure	Area in hectares (unless specified otherwise)	Age of building	Description	Year of expiry	Net book value RM million
General Properties - Malaysia (continued)						
Melaka						
Lot 159 and 160, Jalan Parameswara	Leasehold	10,155 sq metres	10	Commercial land and building	2080	91.0
Johor						
Pasir Gudang Industrial Estate	Leasehold	5,500 sq metres	-	Land and building	2022	68.0
General Properties - Singapore						
305 Alexandra Road	Leasehold	6,931 sq metres	-	Motor workshop, showroom, office and storage	2057	95.7
315 Alexandra Road	Leasehold	7,720 sq metres	15	5 storey factory building	2056	57.5
Darby Park Executive Suites	Leasehold	3,373 sq metres	15	Service apartment building	2092	68.7
Sime Darby Centre, Dunearn Road	Freehold	13,089 sq metres	25	Commercial, warehouse and industrial building	-	137.7
General Properties - Australia						
Cnr Connors Road and Commercial Avenue, Paget, Mackay, Queensland	Perpetual lease	3	23	Industrial building and workshop	-	87.7
Kerry Road, Archerfield, Queensland	Freehold	13	63	Industrial building	-	40.8
General Properties - China						
3/F & 4/F Topsail Plaza, 11 on Sum Street, Shatin, NT, Hong Kong	Leasehold	6,866 sq metres	14	Industrial building for motor service centre	2047	52.5
Yangzi Town, Hanting District	Leasehold	14,528 sq metres	-	Port, warehouse, hostel, office and factory buildings	2055	72.4
General Properties - Netherlands						
Lindtsedijk, Zwijndrecht	Freehold	15	23	Industrial land with factory building	-	69.5
General Properties -Thailand						
Samutprakam Province	Freehold	39,140 sq metres	4	Land and building	-	40.3

Form of Proxy

I/We..... (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** and/or as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Second Annual General Meeting of the Company to be held at Mahkota II & III, Lower Lobby, Hotel Istana, 73, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Wednesday, 12 November 2008 and at any adjournment thereof.

Resolution		For	Against
No. 1	To receive the Audited Financial Statements for the year ended 30 June 2008 together with the Reports of the Directors and Auditors		
No. 2	To declare final and special dividends for the year ended 30 June 2008		
No. 3	To approve the annual remuneration for Non-Executive Directors		
No. 4	To re-appoint Tun Musa Hitam as Director pursuant to Section 129(6) of the Companies Act, 1965 (the Act)		
No. 5	To re-appoint Tun Dato' Seri Ahmad Sarji Abdul Hamid as Director pursuant to Section 129(6) of the Act		
No. 6	To re-appoint Dr Arifin Mohamad Siregar as Director pursuant to Section 129(6) of the Act		
No. 7	To re-appoint Dato' Mohamed Sulaiman as Director pursuant to Section 129(6) of the Act		
No. 8	To re-elect Tan Sri Dato' Dr. Wan Mohd. Zahid Mohd. Noordin who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
No. 9	To re-elect Tan Sri Datuk Dr. Ahmad Tajuddin Ali who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
No. 10	To re-elect Datuk Seri Panglima Sheng Len Tao who retires by rotation in accordance with Article 99 of the Company's Articles of Association		
No. 11	To re-appoint PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration		
No. 12	Proposed Amendment to the Articles of Association of the Company		
No. 13	Authorisation to Allot and Issue Shares Pursuant to Section 132D of the Act		
No. 14	Proposed Share Buy-Back		
No. 15	Proposed Shareholders' Ratification and Proposed Shareholders' Mandate for Recurrent Related Party Transactions		

The proportion of my/our holdings to be represented by my/our proxies are as follows:-

	Number of shares
First proxy	
Second proxy	
Total	

Date.....2008 Signature.....

- * If you do not wish to appoint the Chairman of the Meeting as your proxy/one of your proxies, please strike out the words "the Chairman of the Meeting" and insert the name(s) of the proxy/proxies you wish to appoint in the blank space provided.
 ** Please delete as applicable.

Notes

- This proxy form, duly signed, must be deposited at the office of the Share Registrar of the Company listed on the reverse side of this form not less than 48 hours before the time fixed for the meeting.
- A corporation must complete this proxy form under its common seal or under the hand of a duly authorised officer or attorney. A proxy need not be a member of the Company. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- The signature of any joint holder is sufficient.
- Unless voting instructions are indicated in the spaces provided above, the proxy may vote as he thinks fit.

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THE SHARE REGISTRAR

Epsilon Registration Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

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